



Agenda

Meeting: **Cabinet**
Date: **20 October 2022**
Time: **5.00 pm**
Place: **Council Chamber - Civic Centre Folkestone**

To: **All members of the Cabinet**

All Councillors for information

The cabinet will consider the matters listed below on the date and at the time and place shown above.

This meeting will be webcast live to the council's website at <https://folkestone-hythe.public-i.tv/core/portal/home>.

Please note there will be 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 5 - 6)**

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

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

3. **Minutes (Pages 7 - 12)**

To consider and approve, as a correct record, the minutes of the meeting

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Email: committee@folkestone-hythe.gov.uk or download from our
website
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held on 21 September 2022.

4. **Oportunitas progress report 2022/23 (Pages 13 - 24)**

This report provides an update from the Board of Oportunitas Ltd (“the company”) on activities undertaken so far during the 2022/23 financial year, including a projected outturn for the profit and loss account for the period to 31 March 2023 compared to the original forecast. This report is in-line with the requirement contained in the Shareholder’s Agreement between the company and the Council. The chairman of Oportunitas will be available at the meeting of Cabinet to present the report and to address any questions.

5. **Creating Tomorrow Together - Corporate Action Plan (2021-24) Progress update on actions (Pages 25 - 74)**

This report provides a progress update on work undertaken so far to deliver the high-level actions documented within the Council’s Corporate Action plan that covers the three-year period (2021-24).

6. **Quarter 1 Performance report 2022-23 (Pages 75 - 104)**

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.

7. **Treasury Management Monitoring Report 2022/23 (Pages 105 - 120)**

This report provides an update on the Council’s treasury management activities that have taken place during 2022/23 against the agreed strategy for the year. The report also provides an update on the treasury management indicators approved by Cabinet earlier this year.

8. **General Fund Capital Programme Budget Monitoring 2022/23 (Pages 121 - 134)**

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.

9. **General Fund Revenue Budget Monitoring - 2nd Quarter 2022/23 (Pages 135 - 142)**

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.

10. **HRA Budget Monitoring Quarter 2 (Pages 143 - 152)**

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.

11. **Changing Places Grant (Round 2) - Grant Application (Pages 153 - 158)**

The report provides details on a recent grant application for the Changing Places Grant (Round 2). If successful this will provide funding for three Changing Places Toilet Facilities within the District at the Coastal Park, Coast Drive Destination Project and FOLCA.

12. **Green and Blue Infrastructure Strategy (Pages 159 - 208)**

This report introduces the draft Green and Blue Infrastructure Strategy Priorities and Opportunities Summary document. This is an evidence base document for the local plan and other future planning documents as well as being a material consideration for planning applications. This report also requests that a public consultation exercise is undertaken in relation to the Priorities and Opportunities Summary document.

13. **Membership of the UK100 Network (Pages 209 - 216)**

This report outlines the support that the UK100 network of local authorities can provide to assist Folkestone & Hythe District Council to meet its climate change objectives. The report seeks approval for Folkestone & Hythe District Council to join the UK100 network.

14. **Otterpool Park Stewardship (Pages 217 - 236)**

This report presents the approach by which it is proposed to deliver the stewardship element the Otterpool Park new garden town development. The report sets out the strategic principles which will underpin the approach to stewardship. The report outlines key considerations for the Council and seeks agreement to establish a dedicated stewardship vehicle in line with the Otterpool Park Charter.

15. **Otterpool Park - Proposed Collaboration Agreement with Homes England (Pages 237 - 242)**

The report seeks approval in principle to entering into a collaboration agreement with Homes England relating to the delivery of the Otterpool Park project.

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Declarations of Interest

Disclosable Pecuniary Interest (DPI)

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

Other Significant Interest (OSI)

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

Voluntary Announcement of Other Interests (VAOI)

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

Note to the Code:

Situations in which a Member may wish to make a VAOI include membership of outside bodies that have made representations on agenda items; where a Member knows a person involved, but does not have a close association with that person; or where an item would affect the well-being of a Member, relative, close associate, employer, etc. but not his/her financial position. It should be emphasised that an effect on the financial position of a Member, relative, close associate, employer, etc OR an application made by a Member, relative, close associate, employer, etc would both probably constitute either an OSI or in some cases a DPI.

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Minutes

Cabinet

Held at:	Council Chamber - Civic Centre Folkestone
Date	Wednesday, 21 September 2022
Present	Councillors John Collier, Ray Field, David Godfrey, Mrs Jennifer Hollingsbee (Vice-Chair), David Monk (Chairman), Stuart Peall, Tim Prater and David Wimble
Apologies for Absence	Councillors Lesley Whybrow
Officers Present:	Rebecca Chittock (Planning Policy Specialist), Ewan Green (Director of Place), Amandeep Khroud (Assistant Director), Susan Priest (Chief Executive), Charlotte Spendley (Director of Corporate Services), Adrian Tofts (Strategy, Policy & Performance Lead Specialist), Lee Walker (Capital and Treasury Senior Specialist) and David Whittington (Strategy & Policy Senior Specialist)

NOTE: All decisions are subject to call-in arrangements. The deadline for call-in is Friday 30 September at 5pm. Decisions not called in may be implemented on Monday 3 October 2022.

21. **Declarations of Interest**

There were no declarations of interest at this point in the meeting. However, during the debate on the item relating to Lyminge Neighbourhood Area (Minute No 27), Councillor Mrs Hollingsbee made a voluntary declaration in that Lyminge fell within her ward.

22. **Minutes**

The minutes of the meeting held on 20 July 2022 were submitted, approved and signed by the Leader.

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

The report updated the General Fund Medium Term Capital Programme for changes which have occurred since the Council approved the budget on 10 February 2022. Changes to the Capital Programme, including updated Capital

Prudential Indicators, are required to be submitted to full Council for consideration and approval.

Proposed by Councillor Monk,
Seconded by Councillor Collier; and

RESOLVED:

1. **That report C/22/35 be received and noted.**
2. **That full Council approval be sought to update the General Fund Medium Term Capital Programme for the changes outlined in section 2 of the report.**
3. **That full Council approval be sought to update the Capital Prudential Indicators outlined in section 3 of the report.**

(Voting figures: *7 for, 0 against, 0 abstentions).

**Councillor Peall was not present at the meeting for the vote on this item.*

REASONS FOR DECISION:

Cabinet was asked to agree the recommendations because:

- a) It needs to be kept informed of the General Fund Capital Programme position and take appropriate action to deal with any variance from the approved budget.
- b) Proposed changes to the General Fund Capital Programme need to be considered before being submitted to full Council for approval.

24. Treasury Management Annual Report 2021/22

The report reviewed the Council's treasury management activities for 2021/22, including the actual treasury management indicators. The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003.

Proposed by Councillor Monk,
Seconded by Councillor Collier; and

RESOLVED:

1. **That report C/22/36 be received and noted.**

(Voting figures: 8 for, 0 against, 0 abstentions).

REASONS FOR DECISION:

Cabinet was asked to agree the recommendations because:-

- a) Both CIPFA's Code of Practice on Treasury Management in the Public Services and their Prudential Code for Capital Finance in Local Authorities, together with the Council's Financial Procedure Rules,

require that an annual report on treasury management is received by the Council after the close of the financial year.

25. **Regulation of Investigatory Powers Act 2000 - Policy**

The report set out the Council's policy on the use of directed surveillance and covert human intelligence sources under the Regulation of Investigatory Powers Act 2000.

Proposed by Councillor Field,
Seconded by Councillor Wimble; and

RESOLVED:

1. **That report C/22/37 be received and noted.**
2. **That the RIPA policy and procedure in appendix 1 to this report be endorsed.**

(Voting figures: 8 for, 0 against, 0 abstentions).

REASON FOR DECISION:

The Cabinet was asked to agree the recommendations to endorse the policy.

26. **Draft Statement of Community Involvement (SCI) Update**

The purpose of the report is to inform Cabinet of the work being carried out to update the current Statement of Community Involvement (2015) and to ask for Cabinet approval to consult on the attached draft document.

Proposed by Councillor Monk,
Seconded by Councillor Mrs Hollingsbee;

RESOLVED:

1. **That report C/22/33 be received and noted.**
2. **That Cabinet supports work carried out to update the SCI, including a public consultation.**
3. **That the draft SCI (Appendix 1) be approved for consultation, subject to any amendments that Cabinet considers necessary.**
4. **That delegated authority be given to the Interim Assistant Director of Corporate Services, in consultation with the Leader of the Council, to make any amendments identified by Cabinet under Recommendation 3 of the report.**

(Voting figure: 8 for, 0 against, 0 abstentions).

REASONS FOR DECISION:

Cabinet approval is required in order for the council to consult on the draft SCI presented in Appendix 1, or as amended by Cabinet, to set out the council's commitment to engaging with the community on planning decisions affecting them.

27. Lyminge Neighbourhood Area

Lyminge Parish Council has submitted a 'neighbourhood area' application, the first stage in producing a neighbourhood development plan. As the proposed area is the same as the parish boundary, the District Council must now designate it.

During the debate on this item, Councillor Mrs Hollingbee made a voluntary declaration in that Lyminge fell within her ward.

Proposed by Councillor Monk,
Seconded by Councillor Mrs Hollingsbee; and

RESOLVED:

- 1. That report C/22/34 be received and noted.**
- 2. That the Lyminge Neighbourhood Area be designated.**

(Voting figures: 8 for, 0 against, 0 abstentions).

REASONS FOR DECISION:

Regulation 5A of the Neighbourhood Planning (General) Regulations 2012 (as amended) indicates that if the local planning authority receives an area application from a parish council that consists of the whole of the parish council's area, then it must exercise its powers under section 61G of the Town and Country Planning Act 1990 (as amended) to designate the specified area as a neighbourhood area.

28. Ship Street Development - Next steps

Prior to the debate on this item, the meeting was adjourned for a short period.

The report updated Members on the work that has been undertaken since the acquisition of the former gas works site at Ship Street, East Folkestone, and seeks authority to proceed with the next steps to deliver a mixed tenure housing led development.

Proposed by Councillor Godfrey,
Seconded by Councillor Collier; and

RESOLVED:

- 1. That report C/22/38 be received and noted.**
- 2. That the works carried out to date be noted.**

3. That the funding agreed with Homes England, Market, Partners and Places (MPP) Resource Funding to assist with the master planning of the scheme be noted.
4. That it be noted that officers have applied for grant funding from One Public Estate (Brown Field Land Remediation Fund) and may seek further funding from Homes England's Infrastructure Delivery Fund and the Affordable Homes Fund.
5. That delegated authority be provided to the Director, Housing & Operations in consultation with the Leader of the Council, the Cabinet Member for Housing & Special Projects and the Cabinet Member for Property Management and Grounds Maintenance to negotiate and agree to receive Homes England's Affordable Homes grants, Infrastructure Delivery Grant and One Public Estates Brownfield Land Remediation Fund to support the remediation of the land.
6. That it be noted that officers will procure and evaluate tenders from the Homes England Multi-Disciplinary framework for a Design led team to develop the design of the scheme to RIBA stage 3 (and submit a planning application).
7. That delegated authority be provided to the Director, Housing & Operations in consultation with the Leader of the Council, the Cabinet Member for Housing & Special Projects and the Cabinet Member for Property Management and Grounds Maintenance to award the contract to the winning tenderer for the scheme design and planning submission.
8. That Officers submit a report to Full Council requesting an additional £350K to supplement the existing capital budget of £230k to be met from capital receipts, together with the £60K received from Homes England, to pay the professional fees associated with the scheme design and planning application and submission.
9. That a further report on the proposed development of the site be brought back to Cabinet after planning permission has been granted.

(Voting figures: 8 for, 0 against, 0 abstentions).

REASONS FOR DECISION:

Cabinet formally approved the purchase of the Ship Street site in October 2019 (report no. C/19/30). The purchase was concluded in March 2021. Since then, a number of activities have taken place to further understand the site and the views of the local community and stakeholders. The report set out details of the evolving brief and next steps to bring forward the Housing led regeneration of the site and sought Cabinet authority to proceed.

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Report Number **C/22/49**

To: Cabinet
Date: 20 October 2022
Status: Non-Key Decision
Director: Andy Blaszkwicz, Corporate Director – Housing & Operations
Oportunitas Chairman: Councillor Patricia Rolfe

SUBJECT: OPORTUNITAS PROGRESS REPORT 2022-23

SUMMARY: This report provides an update from the Board of Oportunitas Ltd (“the company”) on activities undertaken so far during the 2022/23 financial year, including a projected outturn for the profit and loss account for the period to 31 March 2023 compared to the original forecast. This report is in-line with the requirement contained in the Shareholder’s Agreement between the company and the Council. The chairman of Oportunitas will be available at the meeting of Cabinet to present the report and to address any questions.

REASON FOR RECOMMENDATIONS:

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

- a. Oportunitas Ltd (“the company”) is required to provide regular updates to Cabinet as set out in the Shareholder’s Agreement between the company and the Council.

RECOMMENDATIONS:

1. To receive and note report C/22/49.

1. BACKGROUND

- 1.1 The report sets out the company's current progress for the 2022-23 financial year in relation to its property holdings and trading activity and is a requirement of the Shareholder's Agreement between the company and the Council.
- 1.2 The report provides a financial update for the current year including an initial projected outturn for the company's profit and loss account for the financial year ending 31 March 2023 compared to the original forecast for the year, included as part of the current Business Plan approved by Cabinet on 23 March 2022 (minute 91 refers). The financial update also provides the latest position regarding the company's expenditure and funding for the acquisition of residential properties at the Royal Victoria Hospital (RVH) site in Folkestone.

2 INVESTMENT PORTFOLIO UPDATE

2.1 Property Portfolio

- 2.1.1 The company's current property portfolio remains at 56 residential units and 1 commercial unit, summarised in the table below:

Address	Units	Type
Walter Tull Way, Folkestone	5	2 x 1 bed units 2 x 2 bed units 1 x 3 bed unit
2 Grove Terrace, Dover Road, Folkestone	1	1 x 4 bed unit
15 Grace Hill, Folkestone	5	5 x 1 bed units
15 Grace Hill, Folkestone	1	1 x commercial unit
82 - 84 Leyburne Road, Dover	8	8 x 2 bed units
19 Castle Hill Avenue, Folkestone	10	9 x 1 bed units 1 x 2 bed unit
84 Sidney Street, Folkestone	4	3 x 1 bed units 1 x 2 bed unit
1 Claremont Road, Folkestone	5	5 x 1 bed units
10 Radnor Park Avenue, Folkestone (RVH Phase 1)	18	15 x 2 bed units 3 x 1 bed units
Total	57	

- 2.12 All residential properties are currently tenanted with the exception of one unit at Leyburne Road in Dover that is currently being remarketed for let following previous repair works. Where vacancies have occurred the company's agents have worked hard to minimise void periods. The company uses Smith Woolley as its main managing agent for the property portfolio. However, two properties at Walter Tull Way remain being managed by Reeds Rains as it would not be advantageous to Oportunitas to alter this agreement at this time. Management of all the assets within the company continue to be kept under regular review. The commercial unit at 15 Grace Hill, Folkestone is currently vacant and unable to be let due substantial damage following a leak from the flat above. The company is currently pursuing an insurance claim for the repairs, however the insurer

has initially repudiated this on the grounds the commercial unit was vacant. This decision is currently challenged with the insurer.

- 2.13 The company continues to maintain a property safety register to document key areas of safety compliance across its property portfolio including, but not limited to, gas, fire, electrical and legionella. The register is continually reviewed with both managing agents and then shared with members of the board on a monthly basis. The August 2022 position of the register identifies no compliance issues within the portfolio.

2.2 Rental Arrears

- 2.2.1 At 31 July 2022 the property portfolio has tenant rental arrears of £16,063 for its property portfolio, a reduction of £7,342 from the value at 31 March 2022 of £23,405. The main reason for the reduction is the company successfully recovered the arrears of a former tenant through the rent guarantor. The arrears were recovered in-line with the company's Debt Management Policy.

- 2.2.2 There are eight tenants with rental arrears of one month or more as at 31 July 2022 and the managing agent is working closely with those tenants to actively reduce this. Almost half of the £16k arrears relates to one tenancy. In this case, the managing agent is in regular contact with the tenant who is currently paying their basic monthly rent and making occasional additional payments towards their arrears. The position continues to be closely monitored for all the arrears and action may be taken by the company, using the Council's Legal Services team in conjunction with the managing agents, in-line with the Debt Management Policy.

2.3 Royal Victoria Hospital

- 2.3.1 Work on Phase 2 of the RVH Development that will bring forward a further 19 units in a new four storey block of flats adjacent to the former RVH building, Phase 2, has continued to make progress during the first half of the current financial year. However, the developer, RVH Folkestone Limited, recently informed the company the scheme is unlikely to be completed until September 2023 at the earliest, a delay of 9 months compared to existing assumptions. The developer has cited materials inflation and shortages and some labour shortages as reasons for the delay. Cabinet is reminded that the company is acquiring the building for a fixed price which was agreed before the pandemic and Russia's invasion of Ukraine. This has given the developer issues with securing materials to help keep costs down and, along with labour shortages, has contributed to the delay to the scheme.

- 2.3.2 The Board will consider the financial implications of the delay to the completion of Phase 2 at its next meeting. However, in broad terms the net annual benefit to the company of Phase 2 is projected to be £90k -£100k pa, so the delay of nine months could cost the company in the region of £70k - £75k.

- 2.3.3 The Phase 2 development is now approximately half way to being completed and this is reflected in the payments made for the scheme shown in section three, below. The site has been subject to quarterly

inspections from an appropriately qualified member of the Council's estates team to document the project's development progress to provide technical assurance and to ensure the company is satisfied with the works before contractual tranche payments are released against an agreed schedule. Progress updates and photos from site inspections have also been presented to board members on a quarterly basis.

2.3.4 The latest inspection of Phase 2 was conducted in September 2022 and highlights the following progress:

- Concrete framed substructure and superstructure 100% completed
- Steel frame 100% completed
- Blockwork to lift shaft and concrete stairs 100% completed
- Timber frame to third floor / roof / dormer windows 100% completed
- Single ply roof covering 95% completed
- Brickwork and blockwork to ground floor 100% completed
- Brickwork and blockwork to first floor 60% completed
- Fence to rear boundary / car park 100% completed

2.3.5 Board members were invited to attend a site visit last month (September) hosted by the developer to inspect the progress on works to deliver Phase 2 of scheme. Naturally, there was disappointment over the news of the delay to the scheme. However, the site visit showed that tangible progress is being made to deliver the much needed high quality residential accommodation in the area. It was also pleasing to note how the company's investment in this location is being complimented by that being made by the Council in its Housing Revenue Account social housing stock, with two brand new blocks of flats nearing completion next to the Phase 2 development.

2.4 84 Leyburne Road – Disposal of Land

2.4.1 Following Cabinet agreement in June 2021 to the company's proposal to sell the garage site at 84 Leyburne Road, Dover (Report ref: C/21/12), the agreed sale of the site continues to be progressed by the legal team. Engrossments of the transfer and scaffolding and works licence have been sent to the Chairman's for signature and return. The buyer's solicitors are holding the executed copies of these documents and are now ready to complete on the sale.

3. FINANCIAL UPDATE FOR 2022/23

- 3.1 The financial impact to the company of the delay to phase 2 of the RVH scheme will be considered by the Board at its next meeting and reported to Cabinet as part of the next update report.
- 3.2 The company's initial projected outturn for its profit and loss account compared to the original forecast for the current financial year to 31 March 2023, based on income and expenditure to 31 July 2022, and an update on its investment in the RVH scheme was reported to the Board on 5 September 2022 and is shown in appendix 1 to this report. This excludes the impact of the delay to phase of the RVH scheme.
- 3.3 In summary, the company's profit and loss account is projected to make a small operating profit of approximately £13k for the year, an improvement of £17k compared to the original forecast operating loss of £4k. The main reason for the improvement is a saving in interest from the company not having to utilise the loan element of the Council's funding for the RVH scheme as early as original anticipated. Almost all of the company's income is generated for its property lettings, with just £7.5k projected to come from the residual grounds maintenance work it undertakes.
- 3.4 The stock condition survey (£20k) is expected to be undertaken during the autumn/winter of 2022/23. To date, it has not been possible to progress the major external repairs work (£64.5k) to the company's property portfolio in the current financial year and it may be necessary to reprofile some of this work to next year.
- 3.5 The company's accumulated operating loss is forecast to reduce to £455k at 31 March 2023. Cabinet is reminded that the company is expected to make an annual operating profit once both phases of the RVH development are completed, and that over a 5-7 year period this will offset the accumulated loss. It should also be noted the profit and loss account excludes any change in unrealised property values. The company's property portfolio will be revalued as at 31 March 2023 ahead of finalising the accounts for the financial year.
- 3.6 The emerging cost of living crisis affecting the UK economy is expected to have an impact to the company going forward from both increased energy costs for communal areas within its blocks of flats and the likelihood of tenants experiencing difficulties meeting their rent payments. However, this is more likely to impact the next financial year rather than the current one.
- 3.7 The table below summarises the latest position for capital expenditure incurred on the RVH development:

	Phase 1	Phase 2	Contract Total	SDLT	Total
	£m	£m	£m	£m	£m
Agreed Sale Price	3.150	3.300	6.450	0.250	6.700
Paid to date	3.150	1.682	4.832	0.112	4.944
Balance	-	1.618	1.618	0.138	1.756

3.8 The funding of the capital expenditure incurred to date has been met from the proceeds of the Council's additional equity investment of £4.43m in the company and £0.5m of the agreed loan facility of £2.47m. The loan facility will be used to complete the purchase of phase 2 of the scheme. Interest will accrue on this loan and becomes payable once the scheme is completed.

3.9 The latest projected net financial benefit to the Council from the company in 2022/23 compared to the original estimate is shown in the table below:

	Estimate 2022/23 £'000	Projection 2022/23 £'000
Loan interest	286	258
Loan repayments	38	29
Staff costs - reimbursement	28	28
Members Allowances - reimbursement	12	10
Grounds Maintenance recharge	12	6
Total Benefit	376	331
Less, FHDC capital financing cost	(119)	(110)
Net Financial Benefit	257	221

3.10 The reduction in the benefit to the Council is mainly due to the loan to the company for the RVH scheme not being required as early as originally anticipated. The net financial benefit to the Council has been included in the latest General Fund budget monitoring report for 2022/23.

4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

4.1 **Legal (NM)** – The power for councils to trade their services for cost recovery only has been in force for many years. The power for councils to establish companies to trade for profit is set out in the Localism Act 2011. The company model provides a mechanism for local councils to operate more commercially and generate profit.

Officers have taken specialist legal advice from Bevan Brittan and will continue to work with these external legal advisers as and when the need arises.

- 4.2 **Finance (LW)** – This report has been prepared in conjunction with Financial Services and there are no further comments to add.
- 4.3 **Equalities (GE)** – There are no diversity or equalities implications arising from this report.
- 4.4 **Communications (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.
- 4.5 **Climate Change (OF)** - There are no climate change implications arising from this report.

5. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Lee Walker, Capital & Treasury Senior Specialist
Telephone: 01303 85 3593
Email: lee.walker@folkestone-hythe.gov.uk

Gavin Edwards, Performance & Improvement Specialist
Telephone: 01303 853436
Email: gavin.edwards@folkestone-hythe.gov.uk

Appendices:

Appendix 1: Oportunitas Ltd Financial Update for 2022/23

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Oportunitas Board Meeting 5 September 2022**Oportunitas Limited – Financial Update for 2022/23****Prepared by Lee Walker**

Summary: This paper provides an initial update of the company's financial position for the financial year ending 31 March 2023, based on income and expenditure to 31 July 2022, including the latest projected outturn for its trading activities. It also summarises the capital expenditure incurred to date on the Royal Victoria Hospital scheme and the funding used towards this.

Recommendations:

The Board note the latest financial position for 2022/23 outlined in this paper.

1. Introduction and Background

1.1 This paper provides an initial update to the Board of the company's financial position for the financial year ending 31 March 2023, based on income and expenditure to 31 July 2022. It provides the latest projected outturn for the company's trading activities compared to the approved business plan for the year and explains the key variances. The paper also summarises the capital expenditure incurred to date on the Royal Victoria Hospital scheme and the funding used towards this. Further updates on the company's projected outturn for the current financial year are planned to be made to future Board meeting over this period.

2. Profit and Loss Account Projected Outturn 2022/23

2.1 The table below provides an initial projection of the outturn position of the company's trading activities for the financial year to 31 March 2023, compared to the approved business plan.

Profit and Loss Account	2022/23	2022/23	2022/23
	Budget	Projected	Variance
	£	£	£
Property Rental			
Rental Income	542,370	537,926	(4,443)
Other Income	60,000	60,000	0
Rental Expenses	<u>(257,025)</u>	<u>(266,519)</u>	<u>(9,493)</u>
Net	345,344	331,407	(13,937)
Grounds Maintenance			
Income	15,300	7,500	(7,800)
Expenses	<u>(12,240)</u>	<u>(6,000)</u>	<u>6,240</u>
Net	3,060	1,500	(1,560)
Overheads			
Directors Remuneration	(11,645)	(10,023)	1,622
FHDC Officer Support	(28,000)	(28,000)	0
Operating Expenses	<u>(26,182)</u>	<u>(23,550)</u>	<u>2,632</u>
Total Overheads	(65,827)	(61,573)	4,254
Loan Interest	(286,296)	(257,926)	28,370
P & L Operating Surplus / (Deficit) for period	<u>(3,719)</u>	<u>13,408</u>	<u>17,127</u>
P & L Operating Loss b/f	(468,772)	(468,294)	478
P & L Operating Loss c/f	<u>(472,491)</u>	<u>(454,886)</u>	<u>17,605</u>

2.2 The projected outturn shows a small operating profit of £13k for the year, an improvement over £17k compared to the loss of almost £4k in the business plan. The main reasons for this variance are outlined below:

Variances 2022/23 Business Plan to Projected Outturn		£'000
i)	Rental Income – Mainly due a loss of rent from the vacant office at 15 Grace Hill	(4)
ii)	Housing Rental Expenses – Net increase in repairs and maintenance due to unforeseen works required at 15 Grace Hill (£15k) less a reduction in rental bad debts provision and other minor changes (£6k)	(9)
iii)	Grounds Maintenance – capacity to provide this service is now largely limited to tree maintenance work	(2)
iv)	Overheads Directors Remuneration – saving compared to budget	2
v)	Overheads Operating Expenses – saving on budgeted contingency and other minor expenses	2
vi)	Loan Interest saving – the utilisation of the loan element of the Council’s funding to support the acquisition of the RVH scheme has not been required as early as originally anticipated although the scheme remains on target to be completed by the end of 2022	28
Total reduction in operating loss compared to business plan		17

2.3 The approved business plan and projected outturn for the year currently include the special items for;-

i)	Stock condition survey	£20k
ii)	Major external repairs	£64.3k
iii)	Sale of surplus land at Leyburne Road, Dover (income)	£60k

A verbal update will be made to the Board regarding the current position with these items. If it is necessary to reprofile these items between 2022/23 and 2023/24 this will be reflected in the next financial update to the Board.

2.4 **15 Grace Hill** – An internal leak at the building earlier this year has resulted in significant damage to the vacant office on the ground floor. The estimated cost of the repairs is approximately £25k. The company reported the incident to its insurance company. Unfortunately, the insurance company has initially repudiated the claim on the grounds it is not covered under the policy because the unit had been vacant for a substantial period of time prior to the leak. This decision is being challenged with the insurer and a verbal update on the current position will be made to the Board. However, provision has been made to

include the cost of the repairs to 15 Grace Hill within the projected outturn for the year, with £10k of this being met from the existing repairs and maintenance budget of £72k and the remaining £15k shown as an additional cost.

- 2.5 The company's accumulated operating loss is forecast to reduce by £17k to £455k at 31 March 2023. The Board is reminded that this loss excludes unrealised valuation gains on the company's property portfolio which provisionally stands at £1,207k after tax at 31 March 2022. A further revaluation of the company's property portfolio will be undertaken at 31 March 2023.
- 2.6 **Cost of Living Crisis** – The emerging cost of living crisis currently sweeping the UK economy is expected to have a two-fold impact on the company going forward. Firstly, the company's operating costs for its property portfolio will increase for the communal heating and lighting of the blocks of flats it owns. It will also have to absorb any increase in costs charged by contractors for property repairs and maintenance. Secondly, there will be an increased likelihood of its residential tenants having difficulty meeting their rent payments, raising the prospect of an increase in bad debts over time.
- 2.7 However, at this stage the financial impact to the company of these issues is expected to impact from 2023/24 rather than the current financial year. A detailed review of the company's planned budget for 2023/24, including the estimated impact of inflationary and other economic pressures, will be submitted to the Board over the winter as part of the annual business planning process required by the Council.

3 Capital Expenditure – Royal Victoria Hospital (RVH) Development

- 3.1 The table below summarises the latest position for capital expenditure incurred on the RVH development:

	Phase 1	Phase 2	Contract Total	SDLT	Total
	£m	£m	£m	£m	£m
Agreed Sale Price	3.150	3.300	6.450	0.250	6.700
Paid to date	3.150	1.682	4.832	0.112	4.944
Balance	-	1.618	1.618	0.138	1.756

- 3.2 The funding of the capital expenditure incurred to date has been met from the proceeds of the Council's additional equity investment of £4.43m in the company and £0.5m of the agreed loan facility of £2.47m. The loan facility will be used to complete the purchase of phase 2 of the scheme over the remainder of the current financial year. Interest will accrue on this loan and becomes payable once the scheme is completed.

This Report will be made public on 12 October 2022



Report Number **C/22/52**

To: Cabinet
Date: 20 October 2022
Status: Non key Decision
Responsible Officer: Charlotte Spendley – Director of Corporate Services
Cabinet Member: Cllr David Monk – Leader of the Council

**SUBJECT: Creating Tomorrow Together – Corporate Action Plan (2021-24)
Progress Update on Actions**

SUMMARY: This report provides a progress update on work undertaken so far to deliver the high-level actions documented within the Council's Corporate Action plan that covers the three-year period (2021-24).

REASONS FOR RECOMMENDATIONS:

- The Council has a key role to play in making the district an even better place to live, work and visit. The action plan is designed to set out how the Council intends to deliver against the three year priorities defined within the corporate plan to ensure the primary needs of the district and residents are met
- It is essential that the Council has an action plan in place so that it can inform operational plans, financial plans, strategies and policies over the medium term.
- This report provides members with an update on our progress towards the three year (2021-2024) actions agreed.

RECOMMENDATIONS:

1. To receive and note report C/22/52.
2. To note the Corporate Action Plan progress updates set out in Appendix 1.

1. Background

- 1.1 The Council's current corporate plan 'Creating Tomorrow Together' 2021-30 was adopted by Full Council on 24th February 2021 (Report ref: A/20/10). The plan provides a strategic direction to the Council for the nine years from its adoption in 2021 to the end date of 2030 and places a strong emphasis on a series of service priority actions to be delivered within the initial three-year period to 2024 that will support the district's recovery in the aftermath of the pandemic. The plan was developed with input from a cross party working group of members and further shaped through public consultation in order to refine the priorities and aspirations for the district over the plan period.
- 1.2 The Corporate Plan is built on four key service ambitions and six guiding principles that underpin the Council's long-term ambitions to ensure resilience and prosperity through the next decade. The service ambitions and their supporting 2030 visions are set out below:

Service Ambition	2030 Vision
Positive Community Leadership	<p>Local leadership in community services will be recognised for the vital contribution in creating a sense of place, health and wellbeing. This will be a shared ambition with partners across our communities.</p> <p>Local leadership will address many of the inequalities that exist between our communities and we will have improved access to services in our most deprived neighbourhoods. A strong and distinctive sense of place will prevail.</p>
A Thriving Environment	<p>We will be recognised as an outstanding place and known as a green exemplar council. Across the district, we will ensure excellent accessible open spaces for all. We will have invested in green infrastructure to enhance our superb natural environment and the council itself will generate net zero carbon emissions.</p>
A Vibrant Economy	<p>Folkestone & Hythe will have a thriving, distinctive and dynamic economy. It will have capitalised on major investment, will have responded positively to the structural challenges facing high streets, and will enjoy a diverse range of economic opportunities in its towns and rural areas. Building on its excellent connectivity it will attract more, higher value employment, driving aspiration and demand for skills.</p>
Quality Homes and Infrastructure	<p>Residents in Folkestone & Hythe will have better access to a wider choice of homes. New development will embrace high standards of sustainability and the district will be delivering planned, high-quality housing with the necessary infrastructure to meet identified need, anchored by an ambitious new Garden Town at Otterpool Park</p>

- 1.3 The Plan also adopted six Guiding Principles, which would apply to the approach taken by the Council in undertaking its duties and these are:

- 1. Sustainable Recovery:** We will do all we can to ensure a strong recovery for the district from the effects of COVID.

2. **Locally Distinctive:** We will protect the special distinctive and diverse nature of our district - working with our key partners to enhance it.
3. **Greener Folkestone & Hythe:** We will encourage and create a more sustainable district consuming fewer natural resources.
4. **Transparent, Stable, Accountable & Accessible:** We will be financially sustainable and communicate effectively with our communities in an accessible way.
5. **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.
6. **Continuous Improvement:** We will embed a culture of continuous improvement, seeking feedback and being innovative and creative to find new ways to deliver services.

1.4 To ensure the Council begins delivery on its long-term strategic direction each of the four service ambitions set out within the plan have a number of priority areas identified within them and these priorities will be the focus of Council activity over the remainder of the three-year period to 2024. A summary of these priorities is set out below:

Creating Tomorrow Together: Corporate Plan 2021-30



1.5 In order to support the delivery of the service ambitions and the three-year priorities, as set out above, a supporting Corporate Action Plan document was developed and formally adopted by Cabinet in October 2021 (report ref: C/21/40). This set out a series of high-level actions that the Council will work towards achieving under service priorities identified for three-year period to 2024. The high-level actions in the plan have identified associated milestones, timescales, owners and external stakeholders. The stakeholders are not an exhaustive list and as projects evolve and develop officers will continue to assess appropriate stakeholder engagement.

1.6 The development of the corporate action plan also provided an opportunity to refresh the approach to key performance indicators (KPIs) and identified a number of relevant KPIs for monitoring. These were adopted by members and formed the foundation of quarterly corporate performance reports provided to members of both the Finance & Performance Sub Committee

and Cabinet to enable scrutiny of council performance against strategic deliverables in accordance with the action plan.

- 1.7 The Corporate Action Plan is not only designed to demonstrate the key work the council will undertake to deliver against its identified priorities but provides a wider corporate focus for departmental service plans, key performance indicators and individuals' objectives annually, creating the essential 'golden thread' throughout the organisation as defined by the Council's Performance Management Framework.
- 1.8 The Corporate Action Plan will continue to be worked upon by officers for the remainder of its term to 2024.

2. Corporate Action Plan – Progress Update

- 2.1 This report sets out the first 'work in progress' update against the high-level actions documented within the action plan since its adoption in October 2021. It should be noted that a number of new factors have emerged outside the remit of the action plan since it was adopted, including the ongoing cost of living crisis, decarbonisation requirements and a reduction in staffing resources that have posed an ongoing challenge to the delivery of the council's agreed priorities.
- 2.2 Action owners documented within the action plan were contacted in late August to provide their progress updates against the high-level actions assigned to them. The information provided by action owners set out in appendix 1 represent a series of work in progress updates and not a completed status report as the work of the action plan continues over the remainder of the three-year period to 2024, where it will be comprehensively reviewed alongside the Corporate Plan priorities. All progress documented within appendix 1 should be read in conjunction with quarterly corporate performance reports in order to provide the complete picture of overall performance.
- 2.3 Some of the update highlights of each theme within the action plan are as follows.
- 2.4 The first theme encompasses actions associated with **Positive Community Leadership** as follows:
 - i. **Secure a new health centre at FOLCA site:** Heads of Terms with the end user for new health facility were approved at Cabinet in September 2021 and design work for the new facility is going through process of sign off with the Clinical Commissioning Group (CCG).
 - ii. **Build & open a new, modern leisure centre at Princes Parade:** Detailed design and construction procurement for the new leisure centre has now been completed. The signing of the contact for the main leisure centre is expected before the end of 2022. A separate contract and operating agreement for the new leisure centre have been agreed in draft form with its execution linked to the signing of main construction contract for the leisure centre. The build completion is now forecast for 2024.

- iii. **Implement the Play Area Strategy:** Work has been continuing to transfer strategic and non-strategic play areas to Town and Parish councils. Major improvements have been made to Cheriton Road Recreation Ground, Morehall Recreation Ground and a full refurbishment of Oak Drive Play area in St Mary's Bay have been undertaken through funding secured from the Contain Outbreak Management Fund (COMF).

As part of wider work under the strategy, a public consultation was undertaken between July and August 2022 on the proposal to develop a new Priority Play Area and associated services at East Cliff/ The Warren in Folkestone.

- iv. **Deliver new Coastal Destination Project at Coast Drive in Littlestone:** The project to bring forwards 108 new beach chalets, kiosk, toilets, water sports concession and improved parking is currently at the pre-planning and design stage. Consultants have now been employed to carry out environmental surveys, undertake detailed design and structural engineering. A planning submission for the project is due to be submitted towards the end of 2022 with works now intended to commence in Spring 2023.
- v. **Ensure our staff are appropriately trained:** All council staff are now required to complete mandatory safeguarding courses, both child and adult, as well as Prevent. Bespoke face to face training sessions were delivered to all grounds maintenance staff for the very first time earlier on in the year and key staff are further trained on specific courses, including Domestic Abuse, Modern Day Slavery and suicide awareness.

The council's policy on safeguarding was renewed in Autumn 2021 and approved by Overview and Scrutiny Committee and Full Council. A safeguarding advice sheet for contractors has been updated, and work has commenced on creating a new safeguarding website for external use. The staff intranet has also been comprehensively updated with supporting guidance and documentation.

- vi. **Retaining the Customer Service Excellence (CSE) accreditation including compliance pluses for our work with vulnerable customers:** The accreditation was retained after the successful second surveillance visit was completed on 6 September 2021. All 15 compliance pluses (awarded in 2020 and 2021) were also retained, an additional 2 were awarded at the visit, bringing the total to 17, the highest number to date. Work is now underway for reapplication of the accreditation and the first surveillance visit is to take place in October 2022.
- vii. **Support vulnerable customers through wider welfare and outreach projects utilising intelligence, appropriate analytics and data to support a wider group of residents with targeted support:** The use of council data by the Welfare Team has enabled:
- 129 households to be identified since April 2022 for increased support which resulted in additional awards of council tax reduction to the value of £30,349.

- Financial Support Payments: Between April and July 2022 the Council have supported 179 households by providing payments to the value of £91,000 for their Council Tax charges (not Council Tax Reduction).
 - Discretionary Housing Payments: Between April and July 2022 the Council have supported 168 households to the value of £98,360 in support for additional rental related payments (not Housing Benefit).
- viii. **Develop a sustainable future for the community hub model of service delivery:** The Hubs are continuing to work across the district to support vulnerable people with ongoing welfare needs including signposting to services, loneliness/isolation befriending calls and dealing with emergency needs, for example food and fuel. The hubs are continuing to step up when new demands arise including: Ukraine support, Operation Brock, food poverty/cost of living interventions (UK Shared Prosperity Fund role) and District Food Network involvement. The council will continue to support the hubs in accessing funding opportunities to support their work as and when opportunities become available.

2.5 The second theme encompasses actions associated with **A Thriving Environment** as follows:

- i. **Develop a district wide Climate Strategy:** A project proposal for the District-wide Carbon Plan was agreed by Cabinet in March 2022. Since its agreement a Carbon Innovation Lab (CI-Lab) has been established with interested groups from the district to guide the work. A number of meetings of the CI-Lab have been held and they are beginning to draft up an outline of the plan with the timetable and format of the plan to be determined by the CI-Lab.
- ii. **Increase the number of green flag awards for recreational spaces:** A total of three green flags were retained for the Coastal Park, Royal Military Canal and Radnor Park. Building on this success, a fourth Green Flag for recreational space in the district was awarded to Kingsnorth Gardens in Folkestone during the 2021/22 year.
- iii. **Work with Kent County Council to progress the two schemes awarded funding under the Active Travel Part 2 scheme through to implementation:** Construction of the section of the Cinque Ports link at Dymchurch that was awarded funding under tranche two of the scheme is to begin mid-September 2022. Stakeholder consultation is also to be held towards the end of September 2022 to take forward design work on the Cheriton to Folkestone Central scheme (the second scheme awarded as part of the funding).
- iv. **Introduce EV charging points to district car parks:** The roll out of new EV charging points by the contractor Connected Kerb commenced in February 2022. A total of 59 EV charging points in 16 car parks have been completed so far. A further ten sites are to be commissioned by end of the year.

- v. **Minimise waste & usage for our estate:** The Carbon Action Plan agreed by Cabinet in February 2021 sets out a number of actions that the council will undertake (immediately, in the short-term and in the medium to long-term) to tackle emissions from the council's estate and operations. The following progress has been made on reducing the use of plastics and other office consumables:
- Use of plastic cups for water coolers have been stopped with plastic cups no longer being purchased once old stock has been phased out.
 - Cleaning solutions are now being bought in 5 litre bottles, including dish soap and hand soap.
 - The desk sanitisers are also being bought in a 5 litre bottles so that staff are able to dilute into refillable 750ml spray bottles.
- vi. **Roll out Street lighting LED upgrade project:** Work on upgrading the adoptable assets (321) is nearly complete. The adoptable assets are scheduled to be transferred to KCC in October 2022. Work on non-adoptable assets (723) is to commence in September 2022. 31% of the overall project is now complete with full completion scheduled for March 2023.

2.6 The third theme encompasses **A Vibrant Economy** as follows:

- i. **Folkestone Town Centre Place Plan:** The plan setting out the long-term vision for the town centre was completed and approved by Cabinet in September 2021. A supporting action plan to take forward the projects identified within the Place Plan is ongoing and a Levelling Up Fund (LUF) application was submitted by the council under the banner 'Folkestone – A Brighter Future project' in the summer. A decision from government on this application is expected by end October 2022.
- ii. **Improve incubation support for new businesses:** The new Romney Marsh Business Centre (RMBH) was opened in December 2021. A total of 2 offices have been occupied to date, with both occupants having applied to the RMBH grant scheme and been successful. The sum of £17,107 has been awarded from the scheme to date.
- iii. **Develop 5,802sqm new employment space at Bigginswood:** Officers have been successful in obtaining £1.15M from the Brownfield Release Fund under One Public Estate. The remediation contract for the site has been awarded and is expected to be completed in June 2023. At this point the site will be handed over to both the residential and commercial developers. The legal work on the sale contracts has commenced, with exchange of contracts expected this Autumn.
- iv. **FHDC local contracting policy:** Work has started on objectives set out within the council's procurement plan that outlines measures to increase local businesses participation and maximise climate and social value considerations in our tender process including: the publication of tenders on Kent Business Portal to encourage local businesses participation; a 5% weighting applied to net zero; and social value evaluation criteria as well as

collaboration with the council's legal team to incorporate low carbon emission clauses into the council's standard template agreements.

2.7 The fourth theme encompasses **Quality Homes and Infrastructure** as follows:

- i. **Identify new funding opportunities for the continuation of support services for vulnerable homeless people:** The Council continues to work with local partner agencies to assist people who are rough sleeping in the district, helping them to access accommodation and support services to enable them to move toward a more settled way of life. The local partnership includes Dover District Council, The Rainbow Centre, Porchlight and Serveco. The partnership has successfully secured ongoing funding from the Government to deliver a range of outreach and support services across the Folkestone & Hythe and Dover Districts.
- ii. **Deliver our Next Steps Accommodation Programme:** A total of four units with intensive support have been delivered to date. Work is ongoing to identify other potential suitable accommodation.
- iii. **Increase the supply of affordable homes for rent and low-cost home ownership:** In 2021/22, a total of 44 affordable homes were delivered by the Council and its partners. The number was under target due to impacts of the Covid pandemic which impacted on available labour and associated materials shortages. In Quarter 1 of this year, 33 additional affordable homes were provided in the district. This includes 17 homes for shared ownership purchase. Approximately 120 additional affordable homes are due to complete in the district during the 2022/23 year.
- iv. **Improve the condition of private sector housing across the district:** In 2021-22 a total of 287 private sector homes were improved in the district as a result of intervention by the Council. A further 77 private sector homes have been improved during Quarter 1 2022/23. Under the housing enforcement policy three civil penalty notices have been issued this year for non-compliance with improvement notices.
- v. **Develop the Housing Asset Management Strategy:** The new strategy covering the period 2022-27 was approved by Cabinet in January 2022 and sets out the vision for the HRA estate, new builds, and our response to carbon reductions along with supporting actions.
- vi. **Undertake full stock survey to ascertain current baseline position:** Phase 1 stock condition surveys were completed December 2021 and Phase 2 surveys were completed in March 2022 to establish a baseline position for the HRA housing stock. A draft 30 Year HRA Business Plan is currently under review and yet to be approved. The findings of the stock condition surveys undertaken will be incorporated into this business plan.
- vii. **HRA New build to include new technology that will reduce its carbon footprint and improve management of compliance:** Work is underway to deliver 30 additional council homes for rent and shared ownership purchase on the Highview site in Folkestone. The properties will benefit

from a range of technologies which will help to minimise the carbon footprint of the homes. The specification of these properties is to reflect carbon net zero in use properties with a Standard Assessment Procedure (SAP) rating of 100.

- viii. **Adopt the Core Strategy Review:** The council's Core Strategy Review was found 'sound' by the planning Inspectors examining the plan in February 2022, and it was then adopted by full Council on 30 March 2022.
- ix. **Otterpool Park: Agree framework for the Strategic Land Agreement and Funding Agreements between Council and Delivery vehicle:** The Service Level Agreement (SLA) is completed. Funding agreement is in the process of being finalised. The next step is the completion of a Phase Delivery Strategy, and this work is underway. Funding agreements are being progressed and are in the final stage of completion.
- x. **Otterpool Park: Consider the proposed Planning Application:** Following submission of updated information, the planning application is undergoing the statutory public consultation process.

3. RISK MANAGEMENT ISSUES

3.1 A summary of the perceived risks associated with the report are as follows:

Perceived risk	Seriousness	Likelihood	Preventative action
The Council's High level actions set out within the action plan are not met.	High	Low	The actions have been developed by the departments and in turn should inform their service and individual team plans. Monitor progress of the action plan and key performance indicators and take remedial action for those areas where targets and actions are unlikely to be achieved.

4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

4.1 Legal Officer's Comments (EC)

There are no legal implications arising directly from this report.

4.2 Finance Officer's Comments (LK)

There are no financial implications arising directly from this report.

4.3 Human Resource Officer comments (RB)

There are no direct Human Resources implications emanating from this report. The council's People Strategy has been created in order to support the achievement of the Corporate Action Plan and associated KPIs.

4.4 Diversities and Equalities Implications (GE)

There are no equality and diversity implications directly arising from this report. The report is designed to provide an update on how the council is delivering against three-year priorities documented in the Corporate Action Plan.

4.5 Climate Change Implications (AT)

No direct implications arising from this report. The report provides an update on the Council's performance against the actions set out in the Corporate Action Plan (October 2021). 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 paragraph 2.4, 'A Thriving Environment', and in Appendix 1, Service Ambition 2, 'A Thriving Environment'.

5. 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 & Improvement Specialist
Telephone: 01303 85 3436
Email: gavin.edwards@folkestone-hythe.gov.uk

Appendices:

Appendix 1: Creating Tomorrow Together – Corporate Action Plan (2021-24) Progress Update on Actions (DRAFT)

CREATING TOMORROW TOGETHER

CORPORATE ACTION PLAN

2021-2024

PROGRESS UPDATE ON
ACTIONS



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SERVICE AMBITION 1

POSITIVE COMMUNITY LEADERSHIP



Service Ambition 1 Positive Community Leadership

Priority: Improve Physical and Mental Health & Wellbeing

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Work closely with partners to identify sites for new health facilities	Secure a new health centre at FOLCA site	Heads of Terms agreed with end user.	September 2021	Director of Place	CCG, GP Practices	Cabinet agreed a Heads of Terms in September 2021. Status: In Progress, Ongoing
	Work with the CCG and GP practices to develop a new health & wellbeing/medical facility at FOLCA.	Planning secured	September 2022	Director of Place		Detailed floor plan designs have been completed which set out the allocation of space in the proposed new facility. This now subject to a sign off process with the Integrated Care Board (ICB). This is expected in September 2022. Thereafter the design of building elevations, community engagement and the planning application process will begin. This will be led by the GP practices. Status: Ongoing
		Construction completed and facility opened	December 2024	Director of Place		This milestone is subject to planning consent being secured. Status: Not completed
		Identify appropriate health provision for Otterpool Park	Detailed scope for new facility completed and agreed by partners	January 2023	Health, Wellbeing & Partnerships Senior Specialist	Otterpool Park LLP, CCG, GP Practices, Residents, Town & Parish Councils
Ensure an appropriate health facility is included within the master plan for Otterpool Park. Identify healthcare partners & users of facility	Build & open a new, modern leisure centre at Princes Parade:	Detailed design and associated construction procurement for build of leisure centre	December 2021 (Cabinet approval for contract)	Chief Officer -Development		The pre-contract service agreement has been let and implemented. Detailed design and construction procurement is completed. The signing of main leisure centre contract expected before the end of 2022. Status: In Progress
	Complete construction project for new Leisure Centre	Phase 1 (site levels, utilities & Leisure centre) construction completed	September 2023	Chief Officer -Development	BAM	The completion of the new Leisure Centre will run into 2024 due to delays in letting main building contract. Status: Ongoing

Service Ambition 1 Positive Community Leadership

Priority: Improve Physical and Mental Health & Wellbeing

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Invest in Leisure Facilities (Continued)	Build & open a new, modern leisure centre at Princes Parade (continued) Secure new operator & operating structure for Leisure Centre	Complete procurement for new operator	April 2022 (Cabinet approval for appointment)	Chief Officer -Development	Hythe Aqua, Seapoint Canoe Centre, Leisure Industry, Residents	The contracts and operating agreement have been agreed in draft form. The execution of contract is linked to signing of main construction contract for the Leisure centre as referenced above. Status: In Progress
	Residential and Commercial land sales secured for remaining site and South Road site	Decommission existing pool. Market, evaluate, agree Heads of Terms & negotiate sales contracts	August 2024	Director of Transition & Transformation		Heads of Terms for the sale have now been agreed. Contract progress is linked to the letting of the building contract for the new Leisure Centre. Status: Ongoing
	Develop New Leisure Strategy for the district including provision for Otterpool Park.	Cabinet decision	December 2022	Director of Place	Sport England, Town and Parish Councils, Residents	The scope for new leisure strategy for the district is to be developed. Status: In Progress
	Implement Play Area Strategy Continue to work with Town and Parish Councils over the transfer of strategic and non-strategic play areas.	Agreement of heads of terms, leases and service agreements of the play areas with the Town and Parish Councils	2021 ongoing	Estates and Assets Lead Specialist	Town and Parish Councils	Eight play areas have been transferred to Folkestone Town Council: Coniston, Downs Road, Firs Lane, George Gurr Crescent, Naseby Ave, Pine Way, Roman Way, Southern Way Enbrook Valley has been transferred to Sandgate Parish Council. Densole Way transferred to Swingfield Parish Council; and three play areas at Peregrine Close, St George's Place and Reachfields were leased to Hythe Town Council. Four play areas are due to transfer to Hawkinge Town Council imminently. These are Harvest Way, Heron Forstal, Stombers Lane and Widgeon Walk. Status: In Progress
	District Council to continue to develop priority play areas	Development of 1 priority play area per year	2022 & ongoing	Estates and Assets Lead Specialist		Through the Contain Outbreak Management Fund (COMF) the council have successfully delivered major improvements to Cheriton Road Recreation Ground, Morehall Recreation Ground and a full refurbishment of Oak Drive Play area in St Mary's Bay. Status: Completed
	Work with developer to develop a strategic play area at North Road, Shorncliffe	New strategic play area secured	December 2022	Engineering & Buildings Senior Specialist	Developer	The Le Quesne destination play area encountered a number of delays prior to commencement, but the works are now progressing and the council can expect to adopt the new play area towards the end of the 2022/23 financial year. Status: In Progress

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Invest in Leisure Facilities (Continued)	Implement Play Area Strategy (Continued) Explore the feasibility of developing a new Priority Play Area and associated services at East Cliff/ The Warren	Undertake Community consultation	December 2021	Director Housing & Ops and Lead Specialist Operations	Residents, Natural England, WCCP, Historic England, Canterbury Archaeological Trust (CAT), RDHCT, FTC	A public consultation has been undertaken between 5th July and 31st August 2022. A high number of responses has been received through the online portal and written responses. This information is being collated to be formally presented and the results of consultation will be considered by the FPPG Trustees. Status: In Progress.
		Draft Masterplan developed and considered by FPPG Trustees	Spring 2022	Director Housing & Ops and Lead Specialist Operations		To be progressed following consideration of the public consultation document. Status: In Progress
	Enable through partnership working the provision of a new athletics track Provide land at Three Hills sports complex through new lease agreement	Lease with Cheriton Road Sports Ground Trust agreed	December 2021	Estates and Assets Lead Specialist	Roger De Hann – charitable trust and Cheriton Road Sports Ground Trust	A new lease with Cheriton Road Sports Ground Trust has been agreed. Status: Completed
	Secure new changing facilities at Shorncliffe Pavilion Adoption of Football Association quality sports changing facilities	Agreement of building transfer from Developer	December 2021	Estates and Assets Lead Specialist	Taylor Wimpey	The transfer of the Shorncliffe Pavilion and football grounds are due to be transferred imminently from the developer. Status: In Progress
	Deliver new Coastal Destination Project at Coast Drive in Littlestone Project comprising of 108 new beach chalets, Café/ kiosk, toilets including Changing Places facility, watersports concession, formalised parking and lighting, board walks to protect SSSI and provide inclusive access to chalets and new educational signage.	Project completion	September 2022	Operations Lead Specialist	New Romney Town Council, Natural England, Magnox / NDA, Shepway Sports Trust, Roger De Haan Charitable Trust, White Cliffs Countryside Partnership, Romney Marsh Partnership	The project is currently at the pre-planning and design stage. Consultants have been employed to carry out environmental surveys, undertake detailed design and structural engineering. Planning submission to be submitted towards the end of 2022. Works are then intended to commence in Spring 2023. Status: In Progress
		Tenancies completed for all chalets	November 2022	Operations Lead Specialist		Tenancies for chalets are to be agreed by the end of July 2023. Status: Progress.
		New watersports concession in operation	November 2022	Operations Lead Specialist		Two containers have been installed on site as a temporary facility and will be expanded as part of project in spring 2023. Status: In Progress

Service Ambition 1 Positive Community Leadership

Priority: Improve Physical and Mental Health & Wellbeing

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
<p>Invest in Leisure Facilities (Continued)</p> <p>Improve our support and signposting for vulnerable people and enhancing our work to address poverty & financial exclusion</p> <p>Page 41</p>	<p>Deliver new Coastal Destination Project at Coast Drive in Littlestone (Continued)</p>	<p>Café/Kiosk occupied by new business and operational</p>	<p>November 2022</p>	<p>Operations Lead Specialist</p>		<p>To be added to business portal, tenancy agreed prior to summer holidays.</p> <p>Status: In Progress</p>
	<p>Prepare and Establish a Customer Access Point at FOLCA to enable those who are digitally excluded to continue to access Council services.</p> <p>Continue to work with DWP to explore options to provide services from the CAP.</p>	<p>CAP at FOLCA open</p>	<p>May 2022</p>	<p>Director of Place</p>	<p>DWP</p>	<p>This is subject to ongoing feasibility work in relation to future development options for the Folca building and options for the relocation of the Civic Centre.</p> <p>Status: In Progress</p>
	<p>Ensure our staff are appropriately trained</p> <p>Train customer facing staff (including key contractors) to identify & act on safeguarding and domestic abuse issues/concerns.</p>	<p>All customer facing staff trained</p>	<p>February 2022</p>	<p>Safeguarding Lead</p>	<p>Key contractors</p>	<p>All staff are required to complete mandatory safeguarding courses, both child and adult, as well as Prevent. Adult e-Learning was a new requirement following approval by management. Earlier this year, for the first time, very bespoke face to face training sessions were delivered to all grounds maintenance staff to augment the basic information they hold in paper form (as these staff are unable to access eLearning). Key staff are further trained on specific courses, including Domestic Abuse, Modern Day Slavery, suicide awareness, etc. Designated Officers for safeguarding (DOs) are also trained for their function in handling concerns that any vulnerable person may present with (this year the pool of DOs was increased to enable a more effective rota system to be in place, and to increase safeguarding knowledge across the council).</p> <p>A Contractors Advice Sheet was updated, and work has commenced on creating a new safeguarding website for external use. The intranet has been comprehensively updated with guidance, documentation, etc. The safeguarding policy was renewed in Autumn 2021 and approved by Overview and Scrutiny Committee and Full Council.</p> <p>Status: Completed (website development ongoing)</p>
	<p>Retain CSE accreditation including compliance pluses for our work with vulnerable customers.</p>	<p>CSE accreditation maintained</p>	<p>October 2021</p>	<p>Customer Services Lead</p>	<p>-</p>	<p>The Customer Service Excellence Accreditation retained after the successful second surveillance visit completed on 6 September 2021. All 15 compliance pluses (awarded in 2020 and 2021) were also retained, an additional 2 were awarded at the visit, bringing the total to 17, the highest number to date.</p> <p>Status: Completed</p>

Priority: Improve Physical and Mental Health & Wellbeing

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
<p>Improve our support and signposting for vulnerable people and enhancing our work to address poverty & financial exclusion (continued)</p>	<p>Work with other partners to increase opportunities to support vulnerable residents</p>	<p>Identify and map key partners to signpost to</p>	<p>July 2022</p>	<p>Health, Wellbeing & Partnerships Senior Specialist</p>	<p>Community Hubs, Voluntary sector, Charitable sector, education providers, Town & Parish Councils</p>	<p>Partners are engaged with in order to develop a wide range of initiatives to support many vulnerable residents;</p> <p>Examples include:</p> <ul style="list-style-type: none"> Continued development of the community hub model to establish post COVID support required for communities. Ukrainian Community Support Network established alongside the Council's operational response to support resettlement. Armed Forces – drop in sessions (monthly) and other AF covenant work. Support to Districts Voluntary and Community Sector Organisations group led by Kent County Council (KCC) Contribution to key partnerships including Kent Resilience Forum Vulnerable People and Communities Cell and Local Children's Partnership Group. Working with partners to improve the social prescribing system and other initiatives e.g. Listening events with seldom heard communities. Managing and supporting Reconnect funding to address recovery from the pandemic and work with leisure providers. Development of the District Food Network and associated projects as part of the East Kent Wellbeing Health and Improvement Partnership to work on food poverty and cost of living issues. Support to mental health and suicide prevention by working across networks and partners to enable improvements in services. Ongoing support to Napier Barracks, Unaccompanied Asylum Seeker Children hotels and Afghan refugees. Community grants provided from the Contain Outbreak Management Fund. <p>Status: Ongoing</p>

Service Ambition 1 Positive Community Leadership

Priority: Improve Physical and Mental Health & Wellbeing

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
<p>Improve our support and signposting for vulnerable people and enhancing our work to address poverty & financial exclusion (continued)</p>	<p>Support vulnerable customers through wider welfare and outreach projects utilising intelligence, appropriate analytics and data to support a wider group of residents with targeted support on benefits and financial inclusion.</p>	<p>Number of vulnerable customers supported by Welfare Officers</p>	<p>June 2022</p>	<p>Revenues & Benefits Lead</p>		<p>Using data for targeted support work to maximise benefits and reductions available to residents, thus increasing their income.</p> <p>Using Council data 129 households have been identified since April 2022 for increased support which resulted in additional awards of council tax reduction to the value of £30,349.</p> <p>Using Council held information to offer support through additional funds such as Household Support Fund (on behalf of KCC), Financial Support Payments and Discretionary Housing Payments.</p> <p>Financial Support Payments: Between April and July 2022 the Council have supported 179 households to the value of £91,000 off of their Council Tax charges (not Council Tax Reduction).</p> <p>Discretionary Housing Payments: Between April and July 2022 the Council have supported 168 households to the value of £98,360 in support for additional rental related payments (not Housing Benefit).</p> <p>Status: Ongoing</p>
	<p>Ensure tenants can sustain their council tenancies</p> <p>Pilot pre-tenancy training for potential tenants</p>	<p>Pilot concluded & evaluated</p>	<p>June 2022</p>	<p>Housing Operations Lead</p>	<p>Tenants & Leaseholder Board</p>	<p>Online training package has been identified. The process for engaging potential tenants has been developed. Next phase is to trial with tenant volunteers.</p> <p>Status: In Progress</p>
	<p>Review tenancy agreements and the tenure we offer to ensure they are fit for purpose</p>	<p>Review undertaken and results considered by Portfolio Holder for Housing</p>	<p>September 2022</p>	<p>Housing Operations Lead</p>	<p>Tenants & Leaseholders Board</p>	<p>Cabinet approved the recommendation to cease offering Fixed Term Tenancies on 23 March 2023.</p> <p>There is now a separate piece of work to review the current tenancy agreement clauses to ensure they are relevant and appropriate.</p> <p>Status: In Progress</p>

Service Ambition 1 Positive Community Leadership

Priority: Safer Communities

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Develop proactive and responsive services to address crime and anti-social behaviour	Continue to develop the effective partnership approach of the CSU/ CSP					
	Identify priorities in the new Community Safety Partnership Plan which has a longer term focus	Three year Community Safety Partnership Plan approved by Full Council	November 2021	Community Safety Specialist	Community Safety Partnership, Kent Police, Social Housing Providers, Voluntary Sector, Town & Parish Councils	The three-year Community Safety Partnership plan approved by full council in Autumn 2021. Status: Completed
	Prepare Community Safety Action Plan as part of CSP Plan	Annual review by Overview & Scrutiny Committee	September 2021	Director of Place		Annual review by the Overview and Scrutiny Committee completed in Autumn 2021, with Partner attendance. Action plan is contained within Community Safety Partnership plan and reviewed on a yearly basis. Status: Completed
	Develop partnership working linked to actions and objectives in the CSP Plan	Funding secure from Police & Crime Commissioner to deliver projects KPI: Number of community safety events held and projects delivered	October 2021			Funding from Police and Crime Commissioner for the current financial year was secured and projects are currently underway. A new plan for 1 st April 2022 – 31 st March 2023. Total amount secured = £27,744, plus £4,000 from 2021-2022 year for Year 9 Safeguarding Conference. This funding is dispersed across the district to support many community safety priorities, including domestic abuse, street safety, safe hubs, violent crime, and youth engagement. The multi-agency Community Safety Unit and Community Safety Partnership continue to meet statutory obligations and work in partnership to effectively address community safety issues across the district, and this includes a wide variety of community safety events and projects. A monthly newsletter summarising this activity is produced by the community safety team and circulated to over 200 partners. Status: Completed (projects are ongoing)
	Develop a new Licensing Policy	New policy adopted	December 2021	Environmental Health and Licensing Senior Specialist	Community Safety Partnership, Kent Police, Night time industries, Town & Parish Councils, Residents and Businesses	The new Licensing Policy was adopted by Full Council on 25 November 2021 and is due for renewal in 5 years' time by November 2026. Status: Completed
	Develop and consult on draft policy					
	Present the new policy to full council for adoption					

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
<p>Work with partners and communities to ensure greater resilience across the district's varied communities</p>	<p>Develop a sustainable future for the community hub model of service delivery</p> <p>Work with partners to support them in taking responsibility for community leadership</p>	<p>Hubs remaining active in supporting all areas of the district</p>	<p>December 2021</p>	<p>Health, Wellbeing & Partnerships Senior Specialist</p>	<p>Kent County Council, Age UK, Hythe, Romney Marsh, Community Hub, Age UK, South Kent Coast</p>	<p>The Community Hubs have continued to work across the district to support vulnerable people with ongoing welfare needs (signposting to services, loneliness/isolation befriending calls, dealing with emergency needs such as food/fuel, etc). Where funding has become available, and the hubs provide a natural place for dispersing the funding to help vulnerable clients, the council ensures the hubs are enabled to do this.</p> <p>The hubs continue to step up when new demands on the organisation arise e.g. Ukraine support, Op Brock, food poverty/ cost of living interventions (UK Shared Prosperity Fund role), District Food Network involvement etc. Management report compiled on future of hub work (August 2022).</p> <p>Status: Ongoing</p>
	<p>Support hubs to access funding to deliver community activities</p>	<p>Level of external funding secured</p>	<p>Ongoing</p>	<p>Health, Wellbeing & Partnerships Senior Specialist</p>		<p>Contain Outbreak Management Fund (COMF) Money – extended to Helping Hands for Folkestone and Hythe</p> <p>Helping Hands – Folkestone hub £10,000 Hythe hub £12,000 Romney Marsh hub £4,000</p> <p>COMF – £20,000 for each hub, plus £5,000 additional for Hythe to top up Helping Hands money. Additionally, Folkestone hub received £10,000 COMF funding for specific project to help older people reconnect.</p> <p>Status: Ongoing</p>
	<p>Develop our website to aid better signposting and referrals</p>		<p>December 2022</p>	<p>Health, Wellbeing & Partnerships Senior Specialist</p> <p>Communications Lead</p>		<p>Information on the community hub webpages is currently being updated. The previous information was based on Covid response and used generic covid email addresses, it was out of date and the communications team have been involved in discussions about what needs to go on the revised webpage.</p> <p>The hubs have now agreed their respective new generic email addresses that will enable them to receive calls and referrals and enable them to sign post and support as appropriate. There is a need to update the webpages with wider community support including cost of living interventions and cross link with other web pages (that are also in need of updating) as the communications team roll out their programme of updates.</p> <p>Status: In Progress</p>

Service Ambition 1 Positive Community Leadership

Priority: Supporting & empowering our communities

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Work with partners and communities to ensure greater resilience across the district's varied communities (continued)	<p>Work with Otterpool Park LLP to support the Community Engagement Strategy and Community Development Strategy which will shape both the new towns relationship with existing residents and businesses and the development of the new community itself</p>	<p>LLPs adoption of Community Engagement and Community Development Strategies</p> <p>Communities actively engaged in the Otterpool Park project.</p>	December 2022	Director of Place	Otterpool Park LLP	<p>A range of community engagement events have been undertaken over the past year and this will continue over the next period. Proposals for Otterpool Park stewardship are being developed and this will include community development as a key principle.</p> <p>Status: Ongoing</p>

SERVICE AMBITION 2 A THRIVING ENVIRONMENT



Service Ambition 2: A Thriving Environment

Priority: Ensure an excellent environment for everyone

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Ensure a clean, attractive and safe environment for residents, visitors and businesses	Increase the number of green flag awards for recreational spaces Retain Green Flags for three parks – coastal park, Royal Military, Radnor Park	Three Green Flag Parks	Summer 2021	Estates and Assets Lead Specialist	Green Flag Awards	Three Green Flags for the Coastal Park, Royal Military Canal and Radnor Park have been successfully retained. Status: Completed
	Secure additional Green Flag for Kingsnorth Gardens	Four Green Flag Parks	Summer 2022	Estates and Assets Lead Specialist	Green Flag Awards	Building on the success of retaining three Green Flags for recreational spaces within the district, a fourth Green Flag was awarded for Kingsnorth Gardens in Folkestone. Status: Completed
	Secure further two Green Flag Awards at two further sites within the District (East Cliff & Otterpool Park)	Six Green Flag Parks	Summer 2024	Estates and Assets Lead Specialist	Green Flag Awards	The securing of additional Green Flags will be subject to future parks development. Work on proposals for the East Cliff are in progress with public consultation being undertaken. Status: Ongoing
	Undertake proactive enforcement within our district					
	Undertake Public Space Protection Order (PSPO) renewal	Cabinet adoption of PSPO	June 2022	Environmental Protection Senior Specialist	Kent Police, Town & Parish Councils	The Public Space Protection Order was renewed and presented to Cabinet for adoption in June 2022. Status: Completed
	Maintaining a visible enforcement presence across the district. Working effectively in partnership with the police.	Fixed Penalty Notices issued Number of enforcement notices served (e.g. Abatement Notices, Community Protection Notices) Percentage of Successful Prosecutions	Ongoing	Environmental Protection Senior Specialist	-	Officers continue to show a presence within the District through carrying out patrols, attending events and providing education to those who work, live and visit the district. In 2021/22 Environmental Enforcement Officers issued: <ul style="list-style-type: none">409 Fixed Penalty Notices65 Enforcement Notices (e.g. Abatement Notices, Community Protection Notices)Successfully secured 100% of prosecutions against 14 cases taken to court for fly tipping, littering, breaches of Community Protection Notices (CPNs) and allowing putrescible waste to accumulate on private land. Status: Ongoing

Service Ambition 2: A Thriving Environment

Priority: Ensure an excellent environment for everyone

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Ensure a clean, attractive and safe environment for residents, visitors and businesses (Continued)	Improve the district's visual amenity Improve our Street Scene responsiveness through our new street cleansing contract	Percentage of street surveyed clear of litter within in the district Number of days to remove fly tipped waste on public land once reported	April 2022	Chief Officer Place & Regulatory Services Director of Place	Veolia	For 2021/22, 94.28% of streets surveyed by council officers were judged clear of litter. This is an ongoing activity, seeking progressive improvement. On average it takes 9 working hours, from report, to clear a fly-tip. Status: Ongoing
	Utilise Area Officers to facilitate enhanced visual amenity of district including volunteering events	Number of community environmental volunteer events supported Number of recorded SOD It interventions completed Average time for graffiti to be removed from the time of being reported	Ongoing	Environmental Protection Senior Specialist Area Officers	Local businesses, community groups, schools	Officers have carried out the litter picks, business and work volunteers days, worked with schools and youth offenders within the community, to improve or enhance the visual aspect of the district. In 2021/22, the Local Area Officers: <ul style="list-style-type: none"> Supported 76 Community environmental volunteer events including, stream cleans, area clean ups and litter picks with 950 attendees helping to collect over 1,500 bags of litter to help keep the district clean and tidy. Completed 10,118 'See it, Own it, Do it interventions around the district. Ensured graffiti was cleared on average within 30 hours of being reported. Status: Ongoing
	Work with White Cliffs Countryside Project to further enhance green spaces across the district		Ongoing	Estates and Assets Lead Specialist	White Cliffs Countryside Project	Regular communication has been maintained with the White Cliffs Countryside Project (WWCP) along with attendance at the partnership board meetings. The council is working closely with the project, notably on improvements ongoing at The Warren in Folkestone. Status: Ongoing
	Enhance the safe parking offer available within the district Maintain 12 car parks in district that have already been awarded safe status	12 designated Safer Parking Awards car parks	December 2021	Transportation Manager	Park Mark	12 car parks within district maintained their safe status under the Safe Parking Awards. Status: Completed

Service Ambition 2: A Thriving Environment

Priority: Ensure an excellent environment for everyone

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
<p>Ensure a clean, attractive and safe environment for residents, visitors and businesses (Continued)</p>	<p>Enhance the safe parking offer available within the district (continued)</p> <p>Aim for another 3 over the next 24 months</p>	<p>15 designated Safer Parking Awards car parks</p>	<p>December 2023</p>	<p>Transportation Manager</p>	<p>Park Mark</p>	<p>A further 16 car parks within the district are now recognised with safer parking status.</p> <p>Status: Completed</p>
	<p>Develop a district wide Climate Strategy</p> <p>Work with Kent County Council to support the implementation of the Kent & Medway Energy & Low Emissions Strategy across the district</p>	<p>Adoption of district wide strategy</p> <p>Progress against relevant implementation plan actions</p>	<p>January 2022</p>	<p>Director of Corporate Services Strategy, Policy & Performance Lead, Low Carbon & Sustainability Specialist</p>	<p>Residents, Businesses within District, KCC, Town and Parish Councils</p>	<p>A project proposal for the District-wide Carbon Plan was agreed by Cabinet in March 2022. Since then we have set up a Carbon Innovation Lab (CI-Lab) with interested groups from the district to guide the work. We have held a number of meetings of the CI-Lab and are beginning to draft up an outline of the plan, but the timetable and format of the plan will be determined by the CI-Lab itself.</p> <p>Status: In Progress</p>
<p>Improving cycling and walking routes</p>	<p>Work with Kent County Council to progress the two schemes awarded funding under the Active Travel Part 2 scheme through to implementation</p> <p>Seek further opportunities for funding to deliver the objectives of the Local Cycling and Walking Infrastructure Plan.</p>	<p>New schemes open</p> <p>Funding opportunities identified</p>	<p>March 2023</p> <p>Ongoing</p>	<p>Strategy & Policy Senior Specialist</p> <p>Strategy & Policy Senior Specialist</p>	<p>Kent County Council, Town & Parish Councils</p>	<p>Construction of the section of the Cinque Ports link at Dymchurch that was awarded funding under tranche 2 is to begin mid-September 2022.</p> <p>Stakeholder consultation to take forward design work on the Cheriton to Folkestone Central scheme (the second scheme awarded funding) is to be held towards the end of September 2022.</p> <p>Status: Ongoing</p>
	<p>Ensure the Folkestone Town Centre Place Plan maximises opportunities for improved connectivity through walking and cycling routes</p> <p>Secure opportunities to improve walking and cycling in/ around Folkestone Town Centre into a funding submission to the Levelling Up Fund</p>	<p>Levelling Up Fund bid submitted that seeks to improve routes for walking & cycling</p>	<p>March 2022</p>	<p>Director of Place / Strategy & Policy Senior Specialist</p>	<p>Kent County Council</p>	<p>The Levelling Up Fund bid was submitted on the 5th August 2022. A central tenet of the bid is to provide improved, sustainable transport connections between the Folkestone Central station and bus station, and more widely across the town centre. The bid includes a range of improvements for cycling and walking and links with existing Active Travel projects.</p> <p>Status: Ongoing</p>

Service Ambition 2: A Thriving Environment

Priority: Ensure an excellent environment for everyone

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Improving cycling and walking routes (Continued)	Work alongside relevant consultees and delivery partners to identify scheme(s) that will provide new and/ or strengthened connections for walking and cycling, both internal and external, at the proposed Garden Settlement (Otterpool Park)	Relevant schemes adopted within sustainable transport strategies	March 2023	Strategy & Policy Senior Specialist	Homes England, Otterpool Park LLP	A revised planning application for the Otterpool Park garden town was submitted on 31 March 2022. The application sets out proposals to support low car ownership and offer sustainable transport choices for residents of the new garden town, promoting walking, cycling and active travel as the best options for short journeys. Status: In Progress
Take positive measures to encourage biodiversity	Undertake pilot to explore options to phase out the use of pesticides on Council land	Evaluation of pilot, to include cost, labour investment, impact on management of land	October 2022 (conclusion of pilot)	Estates and Assets Lead Specialist		A report to Cabinet in April 2022 provided an update on the work undertaken to reduce the council's use of pesticide and proposed use of budgeted funds to reduce the carbon footprint of the Grounds Maintenance (GM) operational activities. £35k of budgeted funds was approved for pesticide trials to invest in machinery that reduces the carbon footprint from GM activities. Status: Completed
	Work with partners in the district to conserve & protect the natural beauty of the district Develop a Management Plan for relevant sites, targeted at protecting habitats, education of visitors and effective signage & communications	Management Plan adopted	January 2023	Low Carbon & Sustainability Specialist Estates and Assets Lead Specialist Communications Lead	Kent Wildlife Trust, Hythe Environmental Community Group, Bumblebee Conservation Trust, Plant Life, RSPB, local landowners, Network Rail	The Council is working closely with WCCP to further enhance SSSI sites within the district. The Dungeness Sustainable Access and Recreational Management Strategy (SARMS) actions have been included in the recent Community Infrastructure Levy (CIL) update, so these could have possible funding in the future for further collaborative working with other organisations. The emerging Green and Blue Infrastructure Strategy sets out several priorities and opportunities, many of which are outside the remit of the council. This would, therefore, include working with our partners to implement the actions identified, including further management plans'. Status: In Progress
	Work with Otterpool Park LLP to secure the aspiration of 20% net biodiversity gain across the lifetime of the development	Plan for biodiversity gain adopted by LLP.	Ongoing	Strategy, Policy & Performance Lead, Low Carbon & Sustainability Specialist	Otterpool Park LLP	A revised planning application for the Otterpool Park garden town was submitted on 31 March 2022. The application sets out proposals that could achieve a net gain in biodiversity of 20 per cent, by ensuring that development avoids the most valuable areas, providing buffers around key features, creating new habitats, maximising the ecological value of the new development and providing approximately 50 per cent green infrastructure within the town. Next steps will be dependent on the decision on the planning application. Status: In Progress

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Improve the council's energy and resource efficiency	Introduce EV charging points to district car parks Roll out planned programme for EV charging available across district	2 EV charging points per car park in district	January 2022	Transportation Manager		<p>The rollout of new EV charging points did not complete by January 2022 due to delays associated with the procurement of contract, however the roll out of new EV charging points by the contractor Connected Kerb commenced in February 2022. A total of 59 EV charging points in 16 car parks have been completed so far. A further 10 sites are to be commissioned by end of the year.</p> <p>Status: In Progress</p>
	Explore options for EV fleet for council vehicles (non- contracted services) and improving fuel efficiency in line with agreed Carbon Action Plan	Carbon Action Plan actions completed	February 2023	Strategy, Policy & Performance Lead, Low Carbon & Sustainability Specialist		<p>The Carbon Action Plan was agreed by Cabinet in February 2021. This sets out a number of actions that the council will undertake (immediately, in the short-term and in the medium to long-term) to tackle emissions from the council's estate and operations. The phased upgrade of the council's fleet to hybrid or electric vehicles is set out as a medium to long-term action.</p> <p>The council is commissioning an update to the 2021 Carbon Action Plan to quantify the progress made so far to determine if the remaining actions will deliver sufficient carbon reductions or if additional actions are needed.</p> <p>Status: In Progress</p>
	Minimise waste & usage for our estate End single-use plastic on own estate; review office consumables and recycling to minimise waste; explore water and energy efficiency measures in line with agreed Carbon Action Plan	Carbon Action Plan actions completed	February 2023	Strategy, Policy & Performance Lead, Low Carbon & Sustainability Specialist		<p>The Carbon Action Plan was agreed by Cabinet in February 2021. This sets out a number of actions that the council will undertake (immediately, in the short-term and in the medium to long-term) to tackle emissions from the council's estate and operations. There has been progress on reducing the use of plastics and other office consumables:</p> <ul style="list-style-type: none"> • Use of plastic cups for water coolers have been stopped with plastic cups no longer being purchased once old stock has been phased out. • Cleaning solutions are being bought in 5L bottles, including dish soap and hand soap. • The desk sanitiser is also being bought in a 5L bottle that staff are to dilute into refillable 750ml spray bottles <p>The council is commissioning an update to the 2021 Carbon Action Plan to quantify the progress made so far to determine if the remaining actions will deliver sufficient carbon reductions or if additional actions are needed.</p> <p>Status: In Progress</p>

Service Ambition 2: A Thriving Environment

Priority: Increase our resilience to climate change

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Improve the council's energy and resource efficiency (Continued)	Roll out Street lighting LED upgrade project	Street lights converted to LED, relevant transfers made to KCC	March 2023	Estates and Assets Lead Specialist		Work on upgrading the adoptable assets (321) is nearly complete. The adoptable assets are scheduled to be transferred to KCC in October 2022. Work on non-adoptable assets (723) is to commence in September 2022. 31% of the overall project is now complete and full completion is scheduled for March 2023. Status: In Progress
	Undertake Feasibility Study for new Civic Suite at Otterpool Park in line with appropriate BREEAM standards	Feasibility Study considered by Cabinet	March 2022			Stage 1 (Preparation & Briefing) of the Royal Institute British Architects (RIBA) Plan of Work has been completed. Work is currently taking place on RIBA Stage 2 (Concept design). Client engagement workshops are ongoing. Staff consultations are ongoing and a member briefing is to be programmed in for October 2022. Status: In Progress

Service Ambition 2: A Thriving Environment

Priority: Grow the circular economy & reduce waste

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Drive up recycling rates and work with partners to highlight the benefits from reducing, rethinking, recycling and reusing materials.	Improve recycling rates across the district New waste management contract (new targets identified) Fully embed Echo system within waste collection service to ensure better data on rates of participation	Collection targets met Number of missed collections per 100,000 – Quarterly Target 50 Percentage of household waste recycled – Quarterly Target 50%	Ongoing	Chief Officer Place & Regulatory Services / Waste Services Manager		Missed Collections – Following the start of the route optimisation project in May 2021 and related service problems the number of missed bins exceeded the target for most of Q1 and Q2 21/22. However, the collection service steadily improved during Q3 and by December 2021 missed collections were within the contract target, at 48.1 for the month. Further improvement and consistency during Q4 2021/22, resulted in a figure of 45.8 for the quarter. Recycling % - There are seasonal variations in recycling, so it is likely that not every quarter will meet / exceed 50%. However, for the year 2020/21 the DEFRA validated recycling rate is likely to be around 45.3% (This being a small decrease on 2019/20, largely attributable to the reduction in garden waste recycled during the garden waste service suspension period of summer 2021.) Status: Ongoing

Service Ambition 2: A Thriving Environment

Priority: Grow the circular economy & reduce waste

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
<p>Drive up recycling rates and work with partners to highlight the benefits from reducing, rethinking, recycling and reusing materials. (Continued)</p> <p>Page 54</p>	<p>Improve recycling rates across the district (continued)</p> <p>Respond to expected statutory changes resulting from the UK Resources and Waste Strategy 2018 and the Waste Prevention Programme proposals</p>		January 2022	Chief Officer Place & Regulatory Services / Waste Services Manager		<p>Government consultations and preparation work are still ongoing (and partially delayed), however, officers from the council are actively contributing to the developing discussions.</p> <p>Status: Ongoing</p>
	<p>Reducing, Rethinking, Reusing & Recycling</p> <p>District wide carbon action plan to be developed, to include programme to undertake Promotion / Education for residents and visitors including schools</p>	<p>District wide promotion campaign undertaken / Number of people reached through the campaigns</p>	July 2022	Strategy, Policy & Performance Lead, Low Carbon & Sustainability Specialist		<p>A project proposal for the District-wide Carbon Plan was agreed by Cabinet in March 2022. Since then we have set up a Carbon Innovation Lab (CI-Lab) with interested groups from the district to guide the work. We have held a number of meetings of the CI-Lab and are beginning to draft up an outline of the plan, but the timetable and format of the plan will be determined by the CI-Lab itself.</p> <p>In addition, the Low Carbon Senior Specialist has attended a 'Civic day' hosted by the New Folkestone Society in June to promote the district wide carbon plan and progress made on tackling climate change. A further opportunity to promote this work will take place at the Hythe Eco Fest in September to promote the CI-Lab and work being undertaken to reduce carbon emissions.</p> <p>Status: In Progress</p>
	<p>Promote sustainable design and construction (BREEAM) for projects across the district.</p>	<p>Number people reached through campaigns</p>	September 2022	Chief Planning Officer		<p><i>All planning applications meeting the policy threshold are required to meet Council BREEAM standards.</i></p> <p>Status: Ongoing</p>

SERVICE AMBITION 3

A VIBRANT ECONOMY



Priority: Reinvigorate our high streets

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update	
Seek to promote sustainable growth and regeneration of Folkestone Town Centre through transformational projects, diversification and investment.	Folkestone Town Centre Place Plan Conclude public consultation and complete Place Plan	Cabinet Agreement	September 2021	Director of Place	Kent County Council, Folkestone & Hythe Business Advisory Board, Folkestone Town Council, Creative Folkestone.	A report was presented to Cabinet in September 2021 setting out the final public consultation results and seeking approval of the Folkestone Town Centre Place Plan document. Plan approved. Status: Completed	
	Develop associated Action Plan	Cabinet Agreement	September 2021	Director of Place		An action plan to take forward the projects identified in the Place Plan is ongoing and will be influenced by the Levelling Up Fund (LUF) application decision. Status: Ongoing	
	Levelling Up Fund Application submitted	Bid Submitted	June 2022	Director of Place		A Levelling Up Fund application was submitted by FHDC for the Folkestone – A Brighter Future project. A decision from government on this is expected by end October 2022 The three priority projects as set out in the bid were as follows: 1. Station Arrival and Town Centre Connections 2. Improved Gateway to the Town Centre and Bouverie Square 3. Folca, Sandgate Road and Town Centre Public Realm Status: Completed	
	Redevelopment of FOLCA Secure a new health, wellbeing and medical facility in the FOLCA building	Heads of Terms agreed with end user.		September 2021	Director of Place		Heads of Terms (HoTs) agreed following Cabinet approval.
		Planning secured		September 2022	Director of Place	CCG, GP Practices	Detailed floor plan designs have been completed which set out the allocation of space in the proposed new facility. This now subject to a sign off process with the Integrated Care Board (ICB). This is expected in October 2022. Thereafter the design of building elevations, community engagement and the planning application process will begin. This will be led by the GP practices. Status: Ongoing
	Develop housing led mixed use scheme	Construction completed and facility opened		December 2024	Director of Place		Feasibility work to determine the best mix of uses for the Folca 2 building is underway. Market analysis has been completed and this points to a refurbishment of the building based on a mix of leisure, retail and employment uses (nota housing led redevelopment). A report on the options for redevelopment will be brought forward in early 2023.
		Confirm vision for the development and scope of mixed-use requirements. Attract private sector delivery partner		September 2023	Director of Place / Director of Housing & Operations		Technical building appraisals will be completed by December 2022 and this will inform early works to the building which form part of the Council's Levelling Up Fund bid. Status: Ongoing

Service Ambition 3: A Vibrant Economy

Priority: Reinvigorate our high streets

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Seek to promote sustainable growth and regeneration of Folkestone Town Centre through transformational projects, diversification and investment. (continued)	Ship Street Regeneration Deliver housing led regeneration scheme	Attract private sector delivery partner Scheme agreed and planning secured	March 2022 December 2022	Director of Place / Director of Housing & Operations	Creative Folkestone	A presentation was given to the Overview & Scrutiny Committee on 6 th September 2022. The report has now been submitted to cabinet for approval of design brief, funding applications and architect appointment/planning submission. Status: In Progress
	Encourage increased footfall, local spend, new businesses and diversification Utilise High Street Fund monies to encourage visitors and residents into the town centre	Funds fully allocated	March 2022	Director of Place	Town centre traders and businesses, Kent County Council,	A total of 9 high streets fund applications approved YTD. 6 in Folkestone, 1 each for Sandgate, Hythe & Dymchurch. 5 of the approvals were for refurbishments to occupy commercial premises that has been empty. This will help drive increased footfall in the respective areas. Status: Ongoing
	Market Improvement Programme	Outcomes assessed	March 2023	Director of Place		In line with the Place Plan options for further development of the market offer in the town centre are being developed. Status: Ongoing
	Deliver programme of Shop Local Initiatives	2 campaigns annually Measure footfall	Ongoing	Director of Place	Folkestone Town Council	As part of the Welcome Back Fund project a digital high street and events app has been developed for use district wide. Actions are currently underway to formally launch following positive feedback from local business and business forums. Early business adopters have been identified. Status: Ongoing
	Improve public facilities to support the regeneration of Folkestone Town Centre Complete the renovation of Pleydell Garden Public toilets.	Toilets renovated and Reopened	June 2022	Estates and Assets Lead Specialist		Refurbishment works of the Pleydell Gardens facilities commenced on Monday 5 September 2022; the refurbishment will take approximately 6 weeks to complete. Status: In Progress
	Promote high quality public realm and built environment Folkestone and Hythe Place Panel actively involved in projects of scale or strategic significance.	3 engagements per year	Annual	Director of Place	Folkestone and Hythe Place Panel, Kent County Council	A total of 12 panels have been undertaken within this calendar year of which 9 panels were in this financial year (2022/23). Status: Ongoing
	Design based Supplementary Planning Guidance developed	New SPG approved	June 2022	Chief Planning Officer		The need for Supplementary Planning Guidance (SPG) has been raised with the Corporate Policy and Strategy team. This is under review, given current vacancies in the strategy team and emerging Government proposals for mandatory district-wide design codes'. Status: Not completed

Service Ambition 3: A Vibrant Economy

Priority: Reinvigorate our high streets

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Seek to promote sustainable growth and regeneration of Folkestone Town Centre through transformational projects, diversification and investment. (continued)	<p>Explore options for more residential dwellings in and around town centres to increase diversification and to concentrate the retail area</p> <p>Explore mixed development opportunities including accommodation over the shops and Work/Live units</p>	<p>Number of additional units created.</p> <p>Number of new tenants, leaseholders contributing to the vibrancy of the town centre.</p>	2023 onwards	Director of Housing & Operations / Assistant Director of Housing		<p>The Folkestone Town Centre Place Plan provides a basis for redevelopment opportunities in the town centre area, including potential housing. This is viewed largely as private sector led development. There are 3 approved schemes which are progressing in the core town centre area:</p> <ul style="list-style-type: none"> • Conversion of former Bonmarche store– 24 apartments • Development of empty site on guildhall street – 15 Apartments • Conversion and re-development of Leas Pavilion – 91 Apartments <p>Status: Ongoing</p>

Service Ambition 3: A Vibrant Economy

Priority: Support a vibrant and diverse business community

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Develop a targeted approach to supporting businesses through Folkestone Works, business support programmes and working with partners to encourage investment in the district.	Improve incubation support for new businesses Deliver Romney Marsh Business Hub (RMBH)	Construction complete and facility open	December 2021	Director of Place	East Kent Spatial Development Company, Magnox, Romney Marsh Partnership	<p>The Romney Marsh Business Hub was opened in December 2021.</p> <p>Status: Completed</p>
	Develop a new tenant grant support scheme to support the take-up of the RMBH	Full allocation of Grant support scheme	March 2023	Director of Place		<p>A new business grant scheme was approved by Cabinet in July 2021 and was launched in September 2021.</p> <p>Status: Completed</p>
	Complete the development of the link road at Mountfield Road to facilitate serviced sites for future business growth	RMBH 100% occupied	March 2023	March 2023	Director of Place	<p>2 offices have been occupied to date, with both having applied to the grant scheme and been successful. The sum of £17,107 has been awarded to date. Current Occupancy rates align to RMBH business plan projections.</p> <p>Status: Ongoing</p>
		Completion of Road	January 2022		Breheeny Engineering, SELEP	<p>The link road is now complete, however due to external factors the utilities are still progressing and works for this will be substantially completed by end October 2022.</p> <p>Status: In Progress</p>

Priority: Support a vibrant and diverse business community

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
<p>Develop a targeted approach to supporting businesses through Folkestone Works, business support programmes and working with partners to encourage investment in the district. (Continued)</p> <p>Page 59</p>	<p>Develop 5,802sqm new employment space at Bigginwood</p>	<p>Secure 100% of the funding required</p>	<p>October 2022</p>	<p>Director of Housing and Operations</p>	<p>Contractor</p>	<p>Officers were successful in obtaining £1.15M from the Brownfield Release Fund under One Public Estate.</p> <p>Status: Completed</p>
		<p>Construction completed and sites / new business space open.</p>	<p>April 2023</p>	<p>Director of Housing and Operations</p>		<p>The remediation contract has been awarded and expected to be completed in June 2023. At this point the site will be handed over to both the residential and commercial developers. The legal work on the sale contracts has commenced with exchange of contracts expected this Autumn.</p> <p>Status: In Progress</p>
		<p>Amount of business space created (Sqm)</p>	<p>April 2024</p>			<p>See latest update above.</p>
	<p>Increased support to the self-employed</p> <p>Establish a programme of support to encourage new self employment</p>	<p>No of new self-employed businesses established</p>	<p>March 2022</p>	<p>Chief Officer – Place & Growth</p>		<p>Business support programmes delivered through the Kent & Medway Growth Hub and other providers are promoted to business. The CLLD programme targets support at self employment in Folkestone.</p> <p>The COVID period impacted on the provision of Council led support. This is now being reviewed to assess the type of supports businesses require.</p> <p>Status: Not completed</p>
	<p>Supporting existing businesses in the district</p> <p>Identify and meet gaps in business support provision offered at the regional level for businesses in the district</p>	<p>New business support programme to meet gaps in provision established</p>	<p>April 2021</p>	<p>Chief Officer – Place & Growth</p>		<p>The COVID period impacted on the provision of Council led support. This is now being reviewed to assess the type of supports businesses require.</p> <p>The Green Business Grants programme has been launched.</p> <p>Status: Not completed</p>
<p>To signpost and promote existing public sector business support programmes to Folkestone and Hythe businesses looking to grow</p>	<p>At least 10 Folkestone & Hythe businesses accessing business support and grants from public sector programmes</p>	<p>March 2022</p>	<p>Chief Officer – Place & Growth</p>		<p>During Quarter 1 2022/23, 19 applications were received from our internal leg grant schemes. This comprises of the following:</p> <ul style="list-style-type: none"> • 6 High Streets Fund applications • 2 Romney Marsh Business Hub grant scheme applications • 3 Green Business Grant Scheme applications, • 8 Folkestone Community Works grant schemes <p>Status: Ongoing</p>	

Service Ambition 3: A Vibrant Economy

Priority: Support a vibrant and diverse business community

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
<p>Develop a targeted approach to supporting businesses through Folkestone Works, business support programmes and working with partners to encourage investment in the district. (Continued)</p> <p>Page 60</p>	<p>Supporting existing businesses in the district (continued)</p> <p>Continue to proactively engage with key businesses across the district to understand their business needs.</p>	<p>At least 50 businesses or potential entrepreneurs/ new start-ups signposted to support programmes and events to facilitate growth</p> <p>At least 12 key businesses are met with and supported</p>	<p>March 2022</p> <p>March 2022</p>	<p>Chief Officer – Place & Growth</p> <p>Chief Officer – Place & Growth</p>		<p>65 businesses, which comprised of communication with Folkestone & Hythe District 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, and premises enquiries.</p> <p>Status: Ongoing</p> <p>In 2021/22 – A total of 15 businesses in the district were met, although the pandemic resulted in many of these meetings taking place online, rather than in person. The key businesses engaged with in the year included Saga, Church & Dwight, Magnox, EDF, London Ashford Airport and Plamil Foods, amongst others. These meetings included looking at opportunities for the council to support the growth of the business, as well as signposting to funding opportunities and potential sites to support expansion plans.</p> <p>During Quarter 1 2022/23, 17 businesses were directly engaged with to support growth and the retention of local people. These include: Alcaline 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.</p> <p>Status: Ongoing</p>
	<p>Promote inward investment</p> <p>Work with ‘Locate in Kent’ to attract inward investment into the district</p>	<p>Number of funding opportunities pursued to deliver new investment schemes in the district – Annual Target: 2</p>	<p>March 2023</p>	<p>Chief Officer – Place & Growth</p>		<p>Opportunities for inward investment are promoted in partnership with Locate in Kent. This includes employment sites , Folkestone Town Centre and Otterpool Park.</p> <p>Status: Ongoing</p>

Priority: Support a vibrant and diverse business community

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
<p>Develop a targeted approach to supporting businesses through Folkestone Works, business support programmes and working with partners to encourage investment in the district. (Continued)</p>	<p>FHDC local contracting policy</p> <p>Develop and adopt a policy to encourage local businesses to contract with the council and maximise Social Value and Green opportunities through contracts</p>	<p>Establish and adopt a new policy</p> <p>At least 3 local business contracting with the council</p>	<p>March 2023 onwards</p>	<p>Corporate Contracts Lead Specialist</p> <p>Procurement Senior Specialist</p>		<ul style="list-style-type: none"> • 'Procurement Plan' to be implemented, which outlines measures to increase local businesses participation and maximises climate and social value considerations in our tender process • Continuous efforts to simplify the tender documents and make them accessible to local businesses. • Publication of tenders on Kent Business Portal to encourage local businesses participation. • To encourage climate and social value considerations, carbon action questions have been included with our standard tender documents • 5% weighting applied to net zero and social value evaluation criteria, respectively. • Collaborating with Legal team to incorporate low carbon emission clauses into the council's standard template agreements. - presently concentrating on carbon emission scope 1 and 2. • Procurement to ensure that the requirement for net zero and social value are clearly set within our tender documents, providing local businesses the opportunity to integrate these requirements within their tender responses. • Modern Slavery– questions included within tender selection questionnaire and appropriate clauses already included within our standard contract agreements <p>Status: Ongoing</p>
	<p>Exploit new economic growth Opportunities in the district</p> <p>Support and promote growth in key growth sectors, including Green & Nuclear, Creative Industries and Tourism</p>	<p>Economic Strategy and Action Plan in place</p>	<p>December 2022</p>	<p>Chief Officer – Place & Growth</p>	<p>Romney Marsh Partnership, Otterpool Park LLP, Kent and Medway Economic Partnership, Folkestone & Hythe Business Board</p>	<p>The council commissioned an economic evidence base to assess the latest data aimed at identifying any key gaps missing from the Corporate Action Plan in light of the pandemic and wider economic conditions. This will be used to develop a new Economic Strategy for the district which will include action plans for Otterpool Park and the Romney Marsh.</p> <p>The Council, in partnership with KCC, have set up to research, lobby and promote the opportunity of a new nuclear facility at Dungeness, whether this be through SMR (Small Modular Reactors) or Hydrogen Fuelling opportunities.</p> <p>The Romney Marsh partnership has created a Tourism subgroup to look at opportunities for developing the tourism offer across the district.</p> <p>Status: Ongoing</p>

Service Ambition 3: A Vibrant Economy

Priority: Support a vibrant and diverse business community

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Develop a targeted approach to supporting businesses through Folkestone Works, business support programmes and working with partners to encourage investment in the district. (Continued)	Exploit new economic growth Opportunities in the district (continued) Through the Romney Marsh Partnership attract new funding and take forward initiatives to diversify the Romney Marsh economy from its reliance on the nuclear sector	No of funding applications	December 2023	Chief Officer – Place & Growth		One project application for funding has been submitted to the Nuclear Development Agency Magnox Socio Economic Fund and FHDC for a Coastal Destination Project. The projects estimated value is £1m and £350,000 has been asked for to the NDA funding committee. This application has been accepted in principle, subject to planning consent from Natural England. Application submitted and approved in April 2022. Status: Ongoing
	Support and promote employment growth at Otterpool Park	Works with Otterpool LLP to develop an employment strategy and action plan for key employment sites at Otterpool Park	December 2023	Chief Officer – Place & Growth		An action plan for key employment sites has been drafted with the LLP. This will form part of the new Economic Strategy for the district. Status: In Progress

Service Ambition 3: A Vibrant Economy

Priority: Help people access jobs & opportunity and grow skills we need for the future

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Work to ensure the impacts of unemployment, both as an employer ourselves and in supporting and signposting businesses and individuals to training, education & other programmes that could benefit them.	Successfully deliver the Folkestone Community Works programme Work with potential delivery partners and match funders to develop projects that help the long term unemployed residents within the east, harbour and central areas of Folkestone	100% of the available ERDF and ESF funding is allocated	By end of March 2023	Chief Officer – Place & Growth		63% of the European Social Fund (ESF) & European Regional Development Fund (ERDF) funding is currently allocated. ERDF funding £1,349,094 /allocated £851,307 Following the decommitment of unallocated ESF funds by the Department for Work Pensions (DWP). The ESF is now 100% spent - £132,355 59% of the ERDF funding is allocated and a further 18% is currently in the decision process. ERDF funding £1,216,739/ allocated £718,952 Status: Ongoing
	Ensure the delivery of an employability-type hub in Folkestone using the ERDF funding available	100% of the ERDF funding for an employability-type hub is allocated	By end of March 2023	Chief Officer – Place & Growth	Skills providers, local businesses	Applications for 50% of the funding are under development. The programme is responding to the change in service delivery by addressing digital exclusion as well as trying to create flexible space that service providers will be able to utilise. ERDF funds £250,000 / allocated £0. Status: Ongoing

Service Ambition 3: A Vibrant Economy

Priority: Help people access jobs & opportunity and grow skills we need for the future

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
<p>Work to ensure the impacts of unemployment, both as an employer ourselves and in supporting and signposting businesses and individuals to training, education & other programmes that could benefit them. (Continued)</p> <p>Page 63</p>	<p>Improve skills provision for all residents to access employment and meets the needs of local businesses</p> <p>Work closely with East Kent College and DWP to ensure that skills training provision meets the needs of local employers</p> <p>Undertake an annual employers survey to identify skills needs</p>	<p>At least 20% response to Annual survey/improved response by employers to ensure that local provision meets their needs</p>	Annual	Economic Development	<p>East Kent Colleges, DWP, Folkestone & Hythe Business Board, Kent and Medway Growth Hub, SELEP, Kent County Council, local businesses</p>	<p>A successful skills event was held at Marsh Academy in July 2022 aimed at linking local employers and other training provider including East Kent College (EKC) with students and future careers. The event was attended by over 400 students. EKC has also been in working with the FHDC to trail an adult skill learning programme which is currently being developed, they are also looking at funding options to ensure delivery.</p> <p>As part of the UK Shared Prosperity Fund (UKSPF) programme there is a People and Skills objective which FHDC aim to implement in 2024-25. FHDC are linking up with Folkestone & Hythe Business Advisory Board and EKC to develop a skills needs assessment/survey which will identify the types of skills programmes required.</p> <p>Status: Ongoing</p>
	<p>Work with partners and employers to create more job opportunities for local people</p> <p>Undertake business engagement with key employers and potential inward investors to ensure all opportunities for business growth are exploited</p>	<p>At least 12 businesses engaged with annually/ Support is provided to key employers to aid growth/retention</p>	Annual	Economic Development	<p>Locate in Kent, Folkestone & Hythe Business Board, Kent and Medway Growth Hub, SELEP, Kent County Council, local businesses</p>	<p>Combination of in person meetings and telephone calls. 17 business engaged: These include: Alcaline 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.</p> <p>Status: Ongoing</p>

SERVICE AMBITION 4 QUALITY HOMES AND INFRASTRUCTURE



Priority: Improve outcomes & support for homeless people

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
<p>Invest in additional support for those who are homeless or vulnerable to homelessness</p>	<p>Focus on homelessness prevention</p> <p>Enhance work with local partners and services to prevent homelessness amongst vulnerable households.</p>	<p>Improve the successful preventions.</p> <p>KPI: 5% reduction annually using 2020 as a datum.</p> <p>KPI: Total number of homelessness approaches</p> <p>KPI: Percentage of homelessness approaches closed as 'homelessness prevented' (target 4%)</p> <p>KPI: Average number of households in B&B accommodation</p> <p>KPI: Average number of households in temporary accommodation</p>	<p>Annual</p>	<p>Housing Lead Specialist - Strategic Housing</p>	<p>Local voluntary and statutory sector partners.</p>	<p>The Councils Housing Options Team continues to work to prevent homelessness wherever possible, assisting households to remain in the current home or to move to alternative suitable accommodations. This focus ensures that the Council is able to minimise the number of households in B & B and other forms of temporary accommodation. As at the end of June, 27 households were accommodated in temporary accommodation.</p> <p>The number of households approaching the Council as homeless reduced from 144 households in April of this year, to 127 households approaching in June 2022.</p> <p>9.7% of all approaches to the Council were closed as homelessness preventions during quarter 1.</p> <p>Status: Ongoing</p>
	<p>Work to end rough sleeping in the district</p> <p>Work with partner agencies to increase the range of housing solutions and support to people who are rough sleeping or risk of rough sleeping in the district.</p>	<p>Monitor numbers identified through the annual rough sleeper count.</p> <p>KPI: Average number of rough sleepers in the period</p>	<p>Annual</p>	<p>Housing Lead Specialist - Strategic Housing</p>	<p>Local voluntary sector agencies</p>	<p>The Council continues to work with local partner agencies to assist people who are rough sleeping in the district, or who have a history of rough sleeping helping them to access accommodation and support service to enable them to move toward a more settled way of life.</p> <p>During quarter one, the average number of people sleeping rough in the district was 11. The Council and its partners monitor the number of people rough sleeping on an ongoing basis.</p> <p>Status: Ongoing</p>
	<p>Identify new funding opportunities for the continuation of support services for vulnerable homeless people</p> <p>Work with our local partners to develop local service and access the funding to deliver them.</p>	<p>Resources obtained</p>	<p>Ongoing</p>	<p>Housing Lead Specialist - Strategic Housing</p>	<p>Local voluntary sector agencies</p>	<p>The Council continues to work with local partner agencies to assist people who are rough sleeping in the district, helping them to access accommodation and support service to enable them to move toward a more settled way of life. The local partnership includes Dover District Council, The Rainbow Centre, Porchlight and Serveco. The partnership has successfully secured ongoing funding from the Government to deliver a range of outreach and support services across the Folkestone and Hythe and Dover Districts.</p> <p>Status: Ongoing</p>

Service Ambition 4: Quality Homes & Infrastructure

Priority: Improve outcomes & support for homeless people

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Invest in additional support for those who are homeless or vulnerable to homelessness (continued)	Deliver our Next Steps Accommodation Programme Provide 6 units of supported accommodation with intensive support for the most vulnerable rough sleepers.	Units delivered and available for occupation KPI: Number of units delivered under the Next Steps Accommodation Programme	October 2021	Housing Lead Specialist - Strategic Housing	Local voluntary sector agencies	A total of four units with intensive support have been delivered to date. Work to identify other potential suitable accommodation is ongoing. Status: Ongoing
End rough sleeping by ensuring that we provide early intervention and support	Implement Homelessness Strategy To maintain long term the FHDC Rough Sleeper Outreach Service, now being delivered by the FHDC Prevention Plus Team					
	Develop early an intervention support service for those with no accommodation to go to, such as care leavers, people leaving prison and hospitals to reduce the number of new rough sleepers	Reduction in the number of people being discharged from care, health and detention services with “no fixed abode” (NFA) to go to. A drop in the number of individuals identified as new to rough sleeping	2025	Housing Lead Specialist - Strategic Housing	Statutory and Voluntary Partners and Local Community	This work is ongoing. The Council continues to work with local partner agencies to assist people who are rough sleeping in the district, helping them to access accommodation and support service to enable them to move toward a more settled way of life. Status: Ongoing
	Continue to work with partners and local agencies to develop a holistic approach to supporting rough sleepers in relation to mental health, social services care and substance misuse	FHDC Homelessness Forum to meet quarterly FHDC Rough Sleeper Forum to meet regularly Rough sleepers’ feedback Improved access and sustained engagement with treatment services, particularly mental health services, by rough sleepers.	2025	Housing Lead Specialist - Strategic Housing	Statutory and Voluntary Partners and Local Community	The local partnership includes Dover District Council, The Rainbow Centre, Porchlight and Serveco. The partnership has successfully secured ongoing funding from the Government to deliver a range of outreach and support services across the Folkestone and Hythe and Dover Districts. The services also work to prevent people in secure accommodation from becoming rough sleepers. The Council also provides a dedicated Housing Options Service, to assist people leaving prison and returning to this district to access private rented accommodation and prevent them from becoming rough sleepers. Status: Ongoing

Service Ambition 4: Quality Homes & Infrastructure

Priority: Improve outcomes & support for homeless people

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
<p>End rough sleeping by ensuring that we provide early intervention and support (Continued)</p>	<p>Work with partners and agencies to increase the range of housing solutions and support available to rough sleepers, including development of a Housing First Project</p> <p>Continue to support the Folkestone Churches Winter Shelter. Assist the partnership to review the service delivered</p> <p>Develop the first units in the district of Housing First accommodation in partnership with local agencies.</p>	<p>Complete the set-up of at least 2 units of Housing First accommodation by 2025.</p>	<p>2025</p>	<p>Housing Lead Specialist - Strategic Housing</p>	<p>Folkestone Churches, Statutory and Voluntary Partners and Local Community</p>	<p>This work is ongoing. A total four units of accommodation with support delivered so far through the Rough Sleeping Initiative, to assist people with a long-term history of rough sleeping.</p> <p>Ongoing partnership working with the Rainbow Centre to provide the Folkestone Churches Winter Shelter each year, with the Council providing of grant assistance to support the project.</p> <p>Status: Ongoing</p>
<p>Maximise access to affordable and stable accommodation</p>	<p>Bring long-term empty homes back into use</p> <p>Continue local partnerships to bring-long term empty homes back into use</p>	<p>At least 70 long-term empty homes returned to use each year</p> <p>KPI: Number of Long-term empty homes brought back into use (target 70)</p>	<p>Annually</p>	<p>Housing Lead Specialist - Strategic Housing Adrian Hammond</p>		<p>The Council continues to work with Kent County Council and private developers to bring long-term empty homes back into use in the district. The Council is on target to bring 70 long-term empty homes back into use during 2022/23. Nine properties were returned to use in Quarter 1.</p> <p>Status: Ongoing</p>
	<p>Increase the supply of affordable homes for rent and low-cost home ownership</p> <p>Deliver the Council's new build and acquisition programme.</p> <p>Work with affordable housing providers to maximise the number of affordable homes delivered in the district each year.</p>	<p>At least 80 additional affordable homes delivered each year.</p> <p>KPI: Affordable homes delivered by the Council and its partners (target 80)</p> <p>KPI: Affordable homes for low cost home ownership delivered by the Council and its partners (target 32)</p>	<p>Annually</p>	<p>Housing Lead Specialist - Strategic Housing Adrian Hammond</p>	<p>Housing associations and other local affordable housing delivery partners.</p>	<p>In 2021/22, a total of 44 affordable homes were delivered by the Council and its partners. The number was under target due to impacts of the Covid pandemic which impacted on available labour and associated materials shortages.</p> <p>In Quarter 1 2022/23, 33 additional affordable homes were provided in the district. This includes 17 homes for shared ownership purchase. Approximately 120 additional affordable homes are due to complete in the district during 2022/23.</p> <p>Status: Ongoing</p>

Service Ambition 4: Quality Homes & Infrastructure

Priority: Improve outcomes & support for homeless people

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Maximise access to affordable and suitable accommodation (Continued)	<p>Improve the condition of private sector housing across the district</p> <p>Implement the Council's housing enforcement policy.</p> <p>Continue the Council's HMO licensing programme</p>	<p>At least 200 private sector homes improved</p> <p>KPI: Private sector homes improved as a result of intervention by the Council (target 200)</p>	Annually	Housing Lead Specialist - Strategic Housing	Private owners, Home Improvement Agency	<p>In 2021-22 a total of 287 private sector homes were improved in the district. A further 77 private sector homes has been improved in the district through intervention by the Council during Quarter 1 2022/23.</p> <p>Status: Ongoing</p> <p>Under the housing enforcement policy, three civil penalty notices have been issue this year for non-compliance with improvement notices. One is paid (£1,500) and the other two are pending payment (£7,500 each).</p> <p>We currently have 73 licensed HMOs. 10 of those have been issued in the last year (albeit 1 or 2 of those are renewals).</p>

Service Ambition 4: Quality Homes & Infrastructure

Priority: Deliver sustainable, affordable housing

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Deliver a range of high quality and new affordable housing	<p>Develop Housing Asset Management Strategy</p> <p>Retrofitting - Working towards investigating carbon neutrality targets & reducing fuel poverty</p> <p>A strategy that that sets out the practical vision for the HRA estate, new build, response to carbon reduction</p> <p>Explore options for use of Modern Methods of Construction within the HRA</p>	<p>Adoption of Strategy by Cabinet</p> <p>Strategy and action plan is delivered to time and budget as monitored via KPI's & audit.</p>	<p>December 21</p> <p>November 21</p>	<p>Assistant Director of Housing</p> <p>Assistant Director of Housing</p>	<p>Tenants Board, market, Otterpool Park LLP, housing providers</p> <p>Tenants Board, market, Otterpool, housing providers</p>	<p>The Housing Management Strategy (HAMS) was approved at Cabinet 26th January 2022</p> <p>Status: Completed</p> <p>FHDC Housing Asset Management Delivery Plan 2022-2027 approved. This plan sets out the vision for the HRA estate, new builds, and our response to carbon reductions to make the Housing Asset Management Strategy (HAMS) a success. Actions now monitored via Housing Service Plan.</p> <p>Status: Completed</p>

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
<p>Deliver a range of high quality and new affordable housing (Continued)</p>	<p>New build and acquisition programme Work with partners to develop new build pipeline</p>	<p>Establish network of partners to review any future development opportunities</p>	<p>2021-2023</p>	<p>Assets & Development Lead / Lead Specialist Strategic Housing</p>	<p>Otterpool Park LLP, housing providers</p>	<p>30 new Council homes for rent and shared ownership are due to commence on site during 2022/23 at Highview.</p> <p>A further 29 affordable homes, due to be acquired by the Council in 2022/23 and in 2023/24 are currently under construction in the district.</p> <p>Negotiations have commenced for the Kitewell Lane site in Lydd for potential affordable housing.</p> <p>Status: Ongoing</p>
	<p>Working towards carbon neutrality</p>	<p>Draft Carbon Strategy created to cover retrofitting of existing stock but also new build standards</p>	<p>November 2021</p>	<p>Assets & Development Lead</p>		<p>Carbon Strategy now replaced by Housing Carbon Reduction Plan with first draft under review. This will include retrofitting of existing stock but also new build. To be presented to and approved by CLT.</p> <p>Status: Ongoing</p>
		<p>KPI: Council home new builds and acquisitions started on site (target 20 pa)</p>	<p>October 2021</p>	<p>Assets & Development Lead / Lead Specialist Strategic Housing</p>		<p>Tenders' have been returned and are under review for the 30 new low carbon units planned for the Highview site.</p> <p>Status: Ongoing</p>
	<p>Explore Community Led Housing options including self-build Actively promote information available on website</p>	<p>Information available on the Council's Website put into affordable housing</p>	<p>December 21</p>	<p>Lead Specialist Strategic Housing</p>	<p>Otterpool Park LLP, housing providers</p>	<p>Funding programme in place. Details actively promoted through the Council's website and through direct contact with community groups in the district.</p> <p>Status: Ongoing</p>
	<p>Promote shared ownership housing opportunities in the district Establish a register for interest in shared ownership</p>	<p>Register established</p> <p>Self-build delivering new homes.</p>	<p>December 21</p> <p>December 23</p>	<p>Lead Specialist Strategic Housing / Lead Specialist Assets & Development Lead</p>	<p>Otterpool Park LLP, housing providers</p>	<p>The Council is working in partnership with the Help to Buy Zone agent for the South East. The service is the single point of access for all low cost home ownership opportunities in the area and provides and up to date register of interest for shared ownership opportunities in the district.</p> <p>Status: Ongoing</p> <p>The self-build register is now web-based on Salesforce which means actions such as emails can be sent through this system and logged accordingly. It also allows for reports to be run automatically on the data held which reduces the amount of manual labour and time taken to maintain the self-build register.</p> <p>The self-build webpage on the council's website has been updated to include monitoring information which is collected annually. The website is also regularly updated to ensure information is current and up to date.</p> <p>Status: Ongoing</p>

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
<p>Deliver a range of high quality and new affordable housing (Continued)</p>	<p>Self-build register Enhance & promote information available on website</p>	<p>Online portal available for use</p>	<p>December 21</p>	<p>Strategy, Policy & Performance Lead Specialist</p>		<p>The creation of a separate online portal did not align with the council’s MyAccount service, so it did not progress any further. Instead, individuals now use their council MyAccount Login to join the self-build register.</p> <p>Status: Not completed</p> <p>The self-build register is now web-based on Salesforce which means actions such as emails can be sent through this system and logged accordingly. It also allows for reports to be run automatically on the data held which reduces the amount of manual labour and time taken to maintain the self-build register.</p> <p>The self-build webpage on the council’s website has been updated to include monitoring information which is collected annually. The website is also regularly updated to ensure information is current and up to date.</p> <p>Status: Ongoing</p> <p>Training on self-build was arranged for Members and officers, provided by the Government’s Right to Build Task Force. The training was delivered on 15 September 2022 and covered the legislative background and Government policy regarding self-build and custom-build homes, an overview of the country’s housing market, examples of good practice from across the country and in other countries, definitions of self-build and custom-build housing and sources of guidance and advice.’</p> <p>Status: Completed</p>
<p>Reinvest in our existing stock</p>	<p>Undertake full stock survey to ascertain current baseline position Develop the findings from the stock survey into the HRA business plan and a deliverable maintenance programmes including procurement that supports the district economy</p>	<p>Surveys undertaken</p> <p>Development of HRA Business Plan & Cabinet agreement</p> <p>KPI: Percentage of properties that meet the decent homes standard</p>	<p>September 2021</p> <p>January 2022</p>	<p>Assets & Development Lead Assistant Director of Housing</p>	<p>Tenants & Leaseholders Contractors</p>	<p>Phase 1 stock condition surveys were completed December 2021 and Phase 2 surveys were completed in March 2022 in order to establish a baseline position.</p> <p>Status: Completed</p> <p>A draft 30 Year HRA Business Plan is under review and yet to be approved. The findings of the stock condition surveys will be incorporated into the plan.</p> <p>The percentage of properties that meet the decent homes standard is monitored monthly and reported quarterly.</p> <p>Status: Ongoing</p>

Service Ambition 4: Quality Homes & Infrastructure

Priority: Deliver sustainable, affordable housing

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Reinvest in our existing stock (Continued)	Re-procurement of repairs and voids contract Housing Responsive Repairs Contract Working Group created to appraise options	Option Appraisal completed and approved by council	Options appraisal Completed September 2021 Contracts in place September 2022 for commencement April 2023	Assets & Development Lead Assets & Development Lead	Procurement Tenants & Leaseholders	Extension proposal for the Housing Responsive Repairs and Void Contract 2023-2025 ongoing and discussions taking place regarding agreement on the annual consumer prices index (CPI) uplift over this two-year period. Status: In Progress
	Modernise the sheltered housing schemes Completion of sheltered housing scheme options appraisal. Prioritisation of all schemes for refurbishment Initial 5 year programme for refurbishment, modernisation, rebuild in place.	Options appraisal completed Tenant engagement undertaken Programme agreed by Cabinet	Consultation to start 2022	Housing Operations Lead	Tenants, tenants families Local member, Support agencies working in the schemes, Design completion with local companies	A service review has been undertaken with the outcome of a defined service offer and staffing restructure. Status: Completed An asset review has been undertaken with the outcome of recommendations to improve and modernise most of the Independent Living sites and with more in-depth schematics for four sites. Status: In Progress

Service Ambition 4: Quality Homes & Infrastructure

Priority: Digital inclusion & connectivity

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Drive the deployment of high speed digital connectivity by working closely with partners and government.	Identify the district wide infrastructure and connectivity challenges Understand the current baseline of connectivity across the district Engage with KCC and Government to seek to improve connectivity and digital inclusion	Connectivity mapped for district	December 2022	Strategy, Policy and Performance Lead Specialist	Kent County Council, Central Government	The council is working with Kent County Council's Digital Inclusion team on a community wi-fi project for the district and different options are currently being explored. Status: In progress

Service Ambition 4: Quality Homes & Infrastructure

Priority: Digital inclusion & connectivity

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
<p>Drive the deployment of high speed digital connectivity by working closely with partners and government. (Continued)</p> <p>Page 72</p>	<p>Encourage the use of available subsidies to extend the rollout of fibre broadband into commercially less attractive rural and harder to reach areas of the district</p> <p>Promote opportunities to residents and businesses</p>	<p>Promotion campaign undertaken</p>	<p>December 2022</p>	<p>Strategy, Policy and Performance Lead Specialist</p>	<p>Kent County Council, Central Government</p>	<p>The council is working with Kent County Council's Digital Inclusion team on a community wi-fi project for the district and different options are currently being explored.</p> <p>Status: In progress</p>
	<p>HRA New build to include new technology that will reduce carbon footprint improve management of compliance e.g. remote monitoring, self-reporting equipment</p> <p>Specify the extent of new technology and build in capacity for future unknown technologies to all homes build and purchased by the HRA</p>	<p>Measured by peer review of new build schemes</p>	<p>December 2021 onwards</p>	<p>Lead Officer Assets & Development</p>		<p>Work is underway to deliver 30 additional council homes for rent and shared ownership purchase on the Highview site in Folkestone. The properties will benefit from a range of technologies which will help to minimise the carbon footprint of the homes.</p> <p>The Highview specification is to reflect carbon net zero in use properties Standard Assessment Procedure (SAP) rating of 100.</p> <p>Status: Ongoing</p>

Service Ambition 4: Quality Homes & Infrastructure

Priority: Deliver a sustainable new development at Otterpool Park

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
<p>Ensure the Garden Town is developed in a sustainable way in line with the agreed Otterpool Park Charter</p>	<p>Adopt the Core Strategy</p> <p>Ensure that the Core Strategy Review is successfully adopted identifying the site allocation for Otterpool Park within it.</p>	<p>Full Council adopt Core Strategy</p>	<p>December 21</p>	<p>Strategy, Policy and Performance Lead Specialist</p>	<p>Residents, Planning Inspectorate, Government agencies, Kent County Council</p>	<p>The Core Strategy Review was found 'sound' by the planning Inspectors examining the plan in February 2022, and it was then adopted by full Council on 30 March 2022.</p> <p>Status: Complete</p>
	<p>Agree framework for the Strategic Land Agreement and Funding Agreements between Council and Delivery vehicle</p>	<p>Agreements formally adopted by delegated decision makers</p>	<p>November 2021</p>	<p>Director of Place, Director of Corporate Services, Monitoring Officer</p>	<p>Otterpool Park LLP</p>	<p>The Strategic Land Agreement (SLA) is completed.</p> <p>The next step is completion of a Phase Delivery Strategy, and this work is underway. Funding agreements are being progressed and are in the final stage of completion</p> <p>Status: In Progress</p>

Service Ambition 4: Quality Homes & Infrastructure

Priority: Deliver a sustainable new development at Otterpool Park

Over the next three years we will...	High Level Action	How do we measure this? (Milestones / KPIs etc)	Timescale	Owner	External Stakeholders	Progress Update
Ensure the Garden Town is developed in a sustainable way in line with the agreed Otterpool Park Charter (Continued)	Consider and Agree the updated Business Plan	Cabinet decision	February 2022	Director of Place	Otterpool Park LLP	The Otterpool Park LLP Business Plan was agreed by Cabinet in January 2022. Status: Completed
	Consider and Agree proposed Business Cases for Phases as they are proposed by the Delivery Vehicle.	Cabinet decision	2022 & Ongoing	Director of Place & Statutory Officers		The business cases are being developed as the Phase Delivery Strategy which will cover all land aspects required of Otterpool Park Phase 1. This work is well underway and is expected to complete by December 2022. Status: In Progress
	Consider the proposed Planning Application	Determination on application	2022	Chief Planning Officer	Government Agencies, statutory bodies, Town & Parish Councils, Kent County Council	Following submission of updated information, the planning application is undergoing the statutory public consultation process. Status: In Progress

CREATING TOMORROW TOGETHER

CORPORATE ACTION PLAN

2021-2024

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Folkestone & Hythe District Council, Civic Centre, Castle Hill Avenue,
Folkestone, Kent, CT20 2QY

folkestone-hythe.gov.uk



This Report will be made public on 12 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:

- 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

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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

<p>Service ambition 1: Positive community leadership Priorities in the next three years</p> <ul style="list-style-type: none">  Improve physical and mental health & wellbeing  Safer communities  Supporting & empowering our communities 	<p>Service ambition 2: A thriving environment Priorities in the next three years</p> <ul style="list-style-type: none">  Ensure an excellent environment for everyone  Grow the circular economy & reduce waste  Increase our resilience to climate change 	<p>Service ambition 3: A vibrant economy Priorities in the next three years</p> <ul style="list-style-type: none">  Reinvigorate the high streets  Support a vibrant & diverse business community  Help people access jobs & opportunity  Grow the skills we need for the future 	<p>Service ambition 4: Quality homes and infrastructure Priorities in the next three years</p> <ul style="list-style-type: none">  Improve outcomes & support for homeless people  Deliver sustainable, affordable housing  Deliver a safe, accountable housing service  Digital inclusion & connectivity  Deliver a sustainable new development at Otterpool Park 		
<p>In everything we do we will follow these guiding principles:</p>					
<p>Sustainable recovery We will do all we can to ensure a strong recovery for the district from the effects of COVID.</p>	<p>Locally distinctive We will protect the special distinctive and diverse nature of our district - working with our key partners to enhance it.</p>	<p>Greener Folkestone & Hythe We will encourage and create a more sustainable district consuming fewer natural resources.</p>	<p>Transparent, stable, accountable and accessible We will be financially sustainable and communicate effectively with our communities in an accessible way.</p>	<p>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.</p>	<p>Continuous improvement We will embed a culture of continuous improvement, seeking feedback and being innovative and creative to find new ways to deliver services.</p>

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><i>In Quarter 1, a total of three community safety events or projects were delivered by the Community Safety Unit:</i></p> <ul style="list-style-type: none"> • Walk and Talks (DA and VAWG): <i>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.</i> • Mapping events for the year (CSP event): <i>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.</i> • Folkestone Platinum Jubilee Celebrations: <i>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.</i> 						

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 93	<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 94	<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 95	<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 98	<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 99	<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
	<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>						
Domestic properties with a valid (in date) EICR	-	92.14%				100% (Monthly)	X
	<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>						
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 101 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 102	<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>						

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This Report will be made
public on 12 October
2022

Report Number **C/22/53**

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: TREASURY MANAGEMENT MONITORING REPORT
2022/23

SUMMARY: This report provides an update on the Council's treasury management activities that have taken place during 2022/23 against the agreed strategy for the year. The report also provides an update on the treasury management indicators approved by Cabinet earlier this year.

REASONS FOR RECOMMENDATIONS:

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

- a) Both the CIPFA Code of Practice on Treasury Management and the Council's Financial Procedure Rules require Members to receive a report on the Council's treasury management activities during the year.

RECOMMENDATIONS:

1. To receive and note report C/22/53.

1. BACKGROUND

- 1.1 Cabinet approved the Treasury Management Strategy Statement for 2022/23, including treasury management indicators, on 26 January 2022 (minute 68 refers). Full Council approved the Capital Strategy for 2022/23 covering capital expenditure and financing, treasury management and non-treasury investments on 23 February 2022 (minute 69 refers).
- 1.2 CIPFA published its revised Treasury Management Code of Practice (the TM Code) and Prudential Code for Capital Finance in December 2021. The key changes in the two codes are around permitted reasons to borrow, knowledge and skills, and the management of non-treasury investments. The principles within the two Codes took immediate effect although local authorities could defer introducing the revised reporting requirements within the revised Codes until the 2023/24 financial year if they wish, which the Council has elected to do.
- 1.3 The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk. The TM Code now also requires additional reporting for service and commercial investments and this is included in the report.

2. ECONOMIC UPDATE AND INTEREST RATE OUTLOOK

- 2.1 The UK's economic background over the first half of 2022/23 has seen a worsening position as the cost of living crisis deepens with significantly higher inflation, weakening growth and the prospect of a recession looming. In summary, the key issues currently affecting the domestic economy are:
 - i) **Inflation** – At August 2022 the annual headline rate of UK Consumer Price Inflation (CPI) stood at a near 40 year high of 9.9%, marginally down on its peak of 10.1% in July. The rise in energy and commodity prices in response to Russia's war in Ukraine coupled with global recovery in production following the pandemic were key factors for the level of inflation. However, the core CPI rate, which removes energy, fuel and food, was 5.6% at August which means other factors, including wage inflation, are part of the reason for the rise in overall inflation. The Bank of England's (BoE) target for inflation remains at 2%. The Government recently announced a £150 billion support package to limit energy bills to households and businesses through to 2024 and this may help to prevent inflation rising significantly higher.
 - ii) **Growth** – Gross Domestic Product (GDP) for the quarter ending June 2022 increased by 0.2%. The BoE's Monetary Policy Committee (MPC) forecast at September 2022 is for a small contraction in GDP of 0.1% for Q3 2022 and for the economy then to be in recession until later in 2023 as inflation continues to depresses consumer spending and confidence.

- iii) **Wages and Employment** – Labour market data showed that the UK employment level for the three months to July 2022 had fallen marginally by 0.2% to 75.4%, still below the pre-pandemic level. The unemployment rate for the same period also reduced by 0.2% to 3.6%, the lowest rate since July 1974. Labour demand remained strong, evidenced by recruitment difficulties. Annual wage growth excluding bonuses was 5.2% for the quarter to July 2022, however this is a negative value of 2.8% when adjusted for inflation. This is one of the factors leading to the contraction in the UK economy.
- iv) **Global Economy** – US inflation rate rose to 9.1% in June 2022 before easing to 8.3% in August 2022. The Federal Reserve continued its fight against inflation by raising its policy rates to a range of 3% - 3.25% over the period. The Eurozone inflation rate rose to 9.1% in August 2022, heavily impacted by the energy crisis following the situation in Ukraine. The European Central Bank's (ECB) response to inflation has been more guarded than the US amid concerns about the impact to some of the Eurozone's highly indebted members. However, the ECB's base deposit rate has risen from -0.5% to 0.75% over the 6 months to September 2022.
- v) **UK Interest Rates** – The BoE Bank Rate has increased from 0.75% in March to 2.25% over the period to September 2022. Notably, in September the MPC voted 5-4 for a 0.5% increase, three for a 0.75% increase and one for a 0.25% increase. The Committee noted that domestic inflationary pressures are expected to remain strong, suggesting further interest rate rises should be expected.

2.2 Financial Markets

2.2.1 Gilt yields (UK Government bonds), which the Public Works Loan Board borrowing rates are linked to, have risen steadily in response to higher inflation and rising interest rates, but with periods of volatility, from April until the Chancellor's 'mini-budget' on 23 September 2022. However, market reaction to the mini-budget saw gilt yields rise sharply until the BoE intervened to buy long-dated gilts for a two week period until mid-October amid concerns over the impact to some pension funds. This helped to calm market concerns and saw gilt yields reduce nearer to their pre-mini-budget level. The movement in selected gilt yields from April to September 2022 is shown in the table below:

	01/04/2022	30/09/2022	Increase
5-year gilt	1.41%	4.40%	2.99%
10-year gilt	1.61%	4.15%	2.54%
20-year gilt	1.82%	4.13%	2.31%

2.2.2 The Sterling Overnight Rate (SONIA), used as a barometer for short term investments averaged 1.22% over the 6 month period to the end of September and increased broadly in line with the bank base rate.

2.3 **Credit Review** – Arlingclose completed a full review of its credit advice on unsecured deposits at UK and Non-UK banks earlier this year and recommended extending the maximum duration for five UK banks, four Canadian banks and four German banks to six months, from 100 days. The maximum duration for unsecured deposits to other UK and non-UK banks on their lending list remained at 100 days. There were no major changes to credit ratings affecting the Council’s approved lending list in the period to the end of September 2022.

2.4 **Interest Rate Outlook**

2.4.1 Given the prospects for inflation and the worsening economic outlook, the Council’s treasury advisor, Arlingclose, are forecasting the central case for the UK Bank Base Rate to rise to 5% by the end of 2022/23 and to remain at that level throughout 2023/24 and into 2024/25. The MPC is particularly concerned about the demand implications of fiscal loosening, the tight labour market, sterling weakness and the willingness of firms to raise prices and wages.

2.4.2 Arlingclose’s central case for gilt yields is for them to remain broadly unchanged from their current levels for the remainder of 2022/23. Typically, a 10-year gilt will be around 4%-4.5% meaning a 10-year PWLB loan will be in the region of 4.8%-5.3% over the remainder of this year. However gilt yields will continue to be subject to periods of short-term volatility due to geo-political events.

3. **LOCAL CONTEXT**

3.1 On 31 March 2022, the authority had investments of £31.1m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in table 1 below.

Table 1: Balance Sheet Summary

	31.3.22 Actual £m
General Fund CFR	85.8
HRA CFR	47.4
Total CFR	133.2
Less: external borrowing	97.7
Balance: internal borrowing	35.5
Less: Usable reserves	(53.9)
Less: Working capital	(12.7)
Net borrowing (investments)	(31.1)

- 3.2 The authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, to reduce risk and keep interest costs low. The treasury management position as at 30 September 2022 and the change since the 31 March 2022 is show in table 2 below.

Table 2: Treasury Management Summary

	31.3.22 Balance £m	Net Movement £m	30.9.22 Balance £m	30.9.22 Rate %
Long-term borrowing	57.2	-	57.2	3.04%
Short-term borrowing	40.5	(5.0)	35.5	1.15%
Total borrowing	97.7	(5.0)	92.7	2.32%
Long-term investments	(16.0)	1.0	(15.0)	3.79%
Cash and cash equivalents	(15.1)	5.9	(9.2)	2.05%
Total investments	(31.1)	6.9	(24.2)	3.19%
Net borrowing	66.6	1.9	68.5	

- 3.3 The overall increase of £1.9m in net borrowing is not unexpected and broadly reflects the impact of the council's capital expenditure incurred over the period. So far it has been possible to continue with the strategy of using internal borrowing from available cash balances rather than taking out new loans, demonstrated by the reduction in investment balances.

4. **BORROWING STRATEGY AND ACTIVITY 2022/23**

- 4.1 As outlined in the treasury strategy, the Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 4.2 Despite the increase in rates, during the half year the Council considered it to be more cost effective in the near term to use internal resources instead of taking up new borrowing. As previously highlighted in section 2.4, above, Arlingclose's view is PWLB interest rates are now likely to remain broadly unchanged over the remainder of 2022/23
- 4.3 At 30 September 2022, the Council held £92.7m of loans, a reduction of £5m compared to 31 March 2022, as part of its strategy for funding previous and current years' capital programmes. Following the introduction of the Housing Revenue Account (HRA) Self-Financing regime in 2012 the authority operates a two-pool debt approach allocating its loans between the General Fund and HRA. The borrowing position at 30 September 2022 compared to 31 March 2022 is shown in table 3 below. A list of the individual loans borrowed at 30 September 2022 is shown in appendix 1 to this report.

Table 3: Borrowing Position – Two-Pool Debt Approach

	31.3.22 Balance £m	Net Movement £m	30.9.22 Balance £m	30.9.22 Rate %
<u>General Fund</u>				
Public Works Loan Board	7.2	-	7.2	4.69%
Local Authorities (short-term)	42.5	(5.0)	37.5	0.76%
Total General Fund borrowing	49.7	(5.0)	44.7	1.40%
<u>Housing Revenue Account</u>				
Public Works Loan Board	45.0	-	45.0	3.23%
Local Authorities	3.0		3.0	0.95%
Total HRA borrowing	48.0	-	48.0	3.16%
Total borrowing	97.7	(5.0)	92.7	2.32%

- 4.4 The weighted average maturity of the overall loans portfolio at 30 September 2022 was 6.2 years.
- 4.5 **Borrowing to 31 March 2023** – The Council’s projected borrowing requirement over the remainder of the current financial year is summarised in table 4, below:

Table 4: Borrowing Requirement in 2022/23

	£m
1. Loans maturing in year	40.5
2. Borrowing for approved capital expenditure	15.0
3. Reduction in internal borrowing	15.0
Total borrowing requirement	70.5

- 4.6 The duration and source of borrowing will be determined by Officers in consultation with Arlingclose. However, the Council is exposed to the higher interest rates already outlined in this report. A substantial part of the borrowing is expected to be taken up during the last quarter of the financial year so the impact to the 2022/23 budget position is anticipated to be quite limited and has largely been factored into the existing projected outturn for the General Fund and HRA. However, higher interest rates on borrowing is a significant issue going forward and is being factored into work currently taking place for the Council’s Medium Term Financial Strategy which will be reported to Cabinet later this autumn.

5. TREASURY INVESTMENTS

- 5.1 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the period to 30 September 2022, the authority's investment balance has ranged between £21m and £38m due to timing differences between income and expenditure. The average investment balance for the period was £28m. The investment position during the period to 30 September 2022 is shown in table 5 below. A list of the individual investments held at 30 September 2022 is shown in appendix 2 to this report.

Table 5: Investment Position

	31.3.22 Balance £m	Net Movement £m	30.9.22 Balance £m	Average Return
Government (incl. local authorities)	5.0	(5.0)	-	0.55%
Money Market Funds	10.1	(0.9)	9.2	1.24%
Commercial Property Pooled Fund	6.2	0.2	6.4	3.67%
Multi-Asset Income Pooled Funds	9.8	(1.2)	8.6	3.80%
Total investments	31.1	(6.9)	24.2	2.57%

- 5.2 The weighted average maturity of the investment portfolio at 30 September 2022 was 26 days.
- 5.3 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 5.4 The Council is meeting its investment objectives and strategy for 2022/23. Firstly, the amount of short-term liquid cash for investments has been reduced by using it for internal borrowing to support capital expenditure, as outlined previously in sections 3 and 4 of this report. This has reduced the authority's exposure to credit risk. Secondly, the strategic investments in externally managed pooled funds, representing the authority's forecast minimum level of cash reserves and balances over the medium term, have been maintained.
- 5.5 **Pooled Funds** - Previously, the income returns on these funds, in the region of 4%, comfortably exceeded inflation. However, the returns from these funds are currently significantly lower than inflation, albeit still around 4%. The Multi-Asset Income Funds which invest in a mixture of equities, bonds, property and alternative investments have seen their (unrealised) capital values reduce by about £1.2m over the period to 30 September 2022,

reflecting the economic pressure on both equity and bond markets. Over time, these funds are expected to recover their capital value, as happened following the pandemic. Although the short-term outlook for inflation is for it to remain high, the MPC remain committed to their 2% target over the medium term. By continuing to hold the pooled fund investments, the Council should see their capital values increase, avoiding crystallising a loss if the funds were to be redeemed now, and for the income returns, over the medium term, to get to a point where they again exceed inflation.

5.6 The increase in interest rates has been reflected in the returns from the Council’s short-term cash investments in Money Market Funds in particular, where returns have risen from 0.6% in April to around 2% by the end of September. Rates for short-term cash investments are expected to rise in line with interest rate forecasts over the remainder of the current financial year.

5.7 Investment Benchmarking

5.7.1 The progression of risk and return metrics are shown in the extracts from Arlingclose’s quarterly investment benchmarking for internally managed cash investments in table 6 below.

Table 6: Investment Benchmarking

	Credit Score	Credit Rating	Bail-in Exposure	WAM* (days)	Income Return
<u>FHDC</u>					
31.03.2022	3.99	AA-	68%	7	0.52%
30.06.2022	4.84	AA-	100%	1	1.10%
Similar LAs	4.44	AA-	64%	45	0.89%
All LAs	4.46	AA-	64%	16	0.92%

* Weighted Average Maturity period

5.7.2 The investment benchmarking, which is a snapshot at the end of each quarter, shows the Council’s risk profile had increased slightly and was just above both its peer group and the wider local authority population at 30 June 2022 (measured against other Arlingclose clients only). The Council’s internally managed cash investments at this point was entirely held in Money Market Funds which reflects the slightly higher credit score, income return and the higher ‘bail-in’ exposure. Money Market Funds are viewed as highly secure and liquid investment product and the Council follows investment counterparty advice regarding these from Arlingclose. At the time of writing this report the investment benchmarking outcomes for the quarter to 30 September 2022 were outstanding.

6. FINANCIAL SUMMARY

- 6.1 The projected outturn for the net cost of treasury management to the General Fund in 2022/23 is summarised in table 7 below:

Table 7: Financial Summary

	2022/23 Original Estimate	2022/23 Projection	Variance
	£'000	£'000	£'000
Interest on all Borrowing	2,243	2,703	460
Less Capitalised Interest	-	(589)	(589)
Related HRA Charge	(1,580)	(1,555)	25
General Fund Borrowing Cost	663	559	(104)
Investment Income	(605)	(821)	(216)
HRA Element	5	164	159
General Fund Investment Income	(600)	(657)	(57)
Net General Fund Borrowing Cost	63	(98)	(161)

- 6.2 The total cost of borrowing is projected to rise by £460k, mainly due to higher interest rates for maturing loans being replaced and new borrowing for capital expenditure. However, the impact to the General Fund has been mitigated through the Council's accounting policy of capitalising interest on qualifying schemes. In 2022/23 capitalised interest is being charged to the Otterpool Park and Princes Parade developments. Furthermore, the General Fund is projected to benefit from additional investment income mainly due to having higher than anticipated cash reserves and balances in 2022/23 which have benefitted from the rise in interest rates. After adjusting for changes in interest to the HRA, reflecting it having higher cash reserves, the projected net cost of borrowing to the General Fund is £161k lower than budgeted for the year.

7. Non-Treasury Investments

- 7.1 Although not classed as treasury management activities, the 2017 CIPFA Code and the MHCLG Investment Guidance requires the authority to report on investments for policy reasons outside of normal treasury management. This includes service investments for operational and/or regeneration as well as commercial investments which are made mainly for financial reasons. This includes the authority's investment in its wholly owned subsidiary organisations, Oportunitas Limited and Otterpool Park LLP. These are summarised in table 8 below:

Table 8: Non-Treasury Investments

Investment Type	Value 31/03/22	Equated Value 2022/23	Net Income 2022/23	Equated Rate of Return
	£m	£m	£'000	%
Investment Property				
Otterpool Property	69.5	70.5	217	(0.31)
Offices	16.8	16.8	(486)	2.89
Commercial Land	1.8	1.8	-	-
Commercial Units	1.9	2.0	(132)	6.61
Assets Under Construction	-	-	-	-
Total Investment Property	90.0	91.1	(401)	(0.44)
Subsidiary Companies				
Oportunitas loan	4.3	4.3	(208)	4.88
Oportunitas equity	2.3	2.3	60	(3.37)
Oportunitas - Total	6.6	6.6	(148)	2.41
Otterpool Park LLP equity	1.2	1.8	52	(3.00)
Otterpool Park LLP loan	1.3	4.2	(148)	3.50
Otterpool Park LLP - Total	2.5	6.0	(96)	1.60
Total Subsidiaries	9.1	12.6	(244)	1.92
Total	99.1	103.7	(645)	0.62

- 7.2 The net income and rate of return excludes the impact of any unrealised property valuation gains or losses. Ordinarily the rate of return on non-treasury investment assets would be expected to be higher than that earned on treasury investments reflecting the additional risks to the Council of holding such investments. This is demonstrated with the return on the commercial units and the loans being made to the Council's subsidiary organisations. However, the projected return on the investment property portfolio for 2022/23 is significantly distorted because of the land acquisitions taking place for the Otterpool Park project in particular. The Council is receiving rental streams from some of the Otterpool property in the short to medium term.

8. COMPLIANCE REPORT

- 8.1 The Director of Corporate Services is pleased to report that all treasury management activities undertaken to 30 September 2022 complied fully with the CIPFA Code of Practice and the authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 9 below.

Table 9: Investment Limits

	Maximum to 30.9.22	Actual 30.9.22	2022/23 Limit	Complied
Any single organisation, except UK Government	£5m	£5m	£5m each	✓
UK Central Government	£10m	-	Unlimited	✓
Any group of funds under the same management	nil	nil	£5m per group	✓
Negotiable instruments held in a broker's nominee account	nil	nil	£10m per broker	✓
Foreign countries	nil	nil	£5m per country	✓
Registered Providers	nil	nil	£15m in total	✓
Unsecured investments with Building Societies	nil	nil	£6m in total	✓
Loans to unrated corporates	nil	nil	£9m in total	✓
Money Market Funds	£18.3m	£9.2m	Unlimited	✓
Strategic Pooled Funds	£16.0m	£15.0m	£25m	✓
Any group of pooled funds under the same management	£7.49m	£8.24m	£10m per manager	✓
Real estate investment trusts	nil	nil	£15m in total	✓

8.2 Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 10 below.

Table 10: Debt Limits

	Maximum to 30.9.22 £m	Actual 30.9.22 £m	2022/23 Operational Boundary £m	2022/23 Authorised Limit £m	Complied
Borrowing	97.7	92.7	162.6	207.7	✓
PFI & finance leases	-	-	-	-	✓
Total debt	97.7	92.7	162.6	207.7	✓

8.3 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

9. TREASURY MANAGEMENT INDICATORS

9.1 The authority measures and manages its exposures to treasury management risks using the indicators shown below. The values for the interest rates exposures currently exceed the approved indicators and this is explained below.

9.2 **Security:** The authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	Actual 30.9.22	2022/23 Target	Complied
Portfolio average credit rating	AA-	A	✓

9.3 **Liquidity:** The authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	Actual 30.9.22	2022/23 Target	Complied
Total cash available within 3 months	£9.2m	£5m	✓

9.4 **Interest Rate Exposures:** This indicator is set to control the authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest was:

	Actual 30.9.22	2022/23 Limit	Complied
Upper limit on one-year revenue impact of a 1% rise in interest rates	£446,000	£187,000	x
Upper limit on one-year revenue impact of a 1% fall in interest rates	(£467,000)	(£245,000)	x

9.4.1 The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at current rates. This is an advisory indicator designed to reduce the authority's exposure to interest rate changes on variable debt and investments. The actual upper limit on the one-year revenue impact of a 1% rise and fall in rates exceeds the limits set for the year. The original approved limits did not fully reflect the maximum amount of new or replacement borrowing the Council could be liable to take

up over the next 12 months. The actual limit reflects the prudential borrowing need for the latest approved capital programme. Although this suggests a potential increased interest charge to revenue for a rise in rates, Members are reminded that the Council capitalises its interest cost directly related to borrowing for qualifying capital schemes and approximately £75k of the additional charge would be charged to these rather than revenue. This means for every 1% increase in interest rates, approximately £371k would be an additional charge to revenue, or an extra £187k when compared to the approved limit.

9.5 **Maturity Structure of Borrowing:** This indicator is set to control the authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

	Actual 30.9.22	Upper Limit	Lower Limit	Complied
Under 12 months	17.1%%	30%	0%	✓
12 months and within 24 months	6.7%	40%	0%	✓
24 months and within 5 years	5.8%	50%	0%	✓
5 years and within 10 years	7.1%	80%	0%	✓
10 years and above	7.3%	100%	0%	✓

9.5.1 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

9.6 **Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2022/23	2023/24	2024/25
Actual principal invested beyond year end	-	-	-
Limit on principal invested beyond year end	£25m	£25m	£25m
Complied	✓	✓	✓

Note – Although the council's investments in pooled funds of £15.0m are accounted for as non-current (long term) assets, based on the intention to continue to hold them for longer than 12 months, they do not have a fixed maturity date and can be redeemed within a short notice period if required so do not feature in this indicator.

10. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

10.1 Legal Officer's Comments (NE)

There are no legal implications arising directly out of this report. Part 1 of the Local Government Act 2003 gives the Council the power to borrow and to invest for any purpose relevant to its functions or for the purposes of the prudent management of its financial affairs. It also requires the Council to act prudently when carrying out these activities, including an obligation to determine and keep under review how much money it can borrow. In addition, the Council is required by the Local Government Finance Act 1992 to produce a balanced budget. The Council must bear in mind its fiduciary duties to local taxpayers and its continuing obligation to ensure it has funding to perform the statutory undertakings it has to comply with.

10.2 Finance Officer's Comments (LW)

Prepared by Financial Services, no further comments.

10.3 Diversities and Equalities Implications

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

10.4 Communications (KA)

10.5 Climate Change Implications (OF)

There are no climate change implications arising directly from this report. It updates Cabinet on the treasury management activities undertaken so far during the 2022-23 financial year and confirms all borrowing and investment decision were made in accordance with the approved strategy for the year.

11. 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, Capital and Treasury Senior Specialist
Telephone: 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 – Borrowing, Loans held at 30 September 2022

Appendix 2 – Investment held at 30 September 2022

APPENDIX 1 – BORROWING, LOANS HELD AT 30 SEPTEMBER 2022

Lender	Loan No	Loan Type	Start Date	Maturity Date	Principal Outstanding 30/09/2022	Interest Rate
					£	%
Public Works Loan Board	430141	Annuity	09/11/1973	01/11/2033	3,638.76	11.38
Public Works Loan Board	480111	Fixed	14/10/1997	31/03/2023	1,000,000.00	6.63
Public Works Loan Board	488942	Fixed	12/08/2004	07/08/2034	2,000,000.00	4.80
Public Works Loan Board	492233	Fixed	28/09/2006	15/03/2054	2,000,000.00	4.05
Public Works Loan Board	493698	Fixed	10/08/2007	07/08/2055	2,500,000.00	4.55
Public Works Loan Board	493914	Fixed	10/09/2007	07/02/2053	2,500,000.00	4.55
Public Works Loan Board	494027	Fixed	31/10/2007	15/03/2044	2,000,000.00	4.65
Public Works Loan Board	494028	Fixed	31/10/2007	15/03/2045	2,000,000.00	4.65
Public Works Loan Board	494029	Fixed	31/10/2007	15/03/2046	2,141,190.00	4.65
Public Works Loan Board	500536	Fixed	28/03/2012	28/03/2023	4,000,000.00	2.56
Public Works Loan Board	500537	Fixed	28/03/2012	28/03/2031	4,010,000.00	3.26
Public Works Loan Board	500538	Fixed	28/03/2012	28/03/2028	4,000,000.00	3.08
Public Works Loan Board	500540	Fixed	28/03/2012	28/03/2025	4,000,000.00	2.82
Public Works Loan Board	500541	Fixed	28/03/2012	28/03/2029	4,000,000.00	3.15
Public Works Loan Board	500542	Fixed	28/03/2012	28/03/2030	4,000,000.00	3.21
Public Works Loan Board	500543	Fixed	28/03/2012	28/03/2027	4,000,000.00	3.01
Public Works Loan Board	500546	Fixed	28/03/2012	28/03/2024	4,000,000.00	2.70
Public Works Loan Board	500548	Fixed	28/03/2012	28/03/2026	4,000,000.00	2.92
Total - Public Works Loan Board					52,154,828.76	
Leicester City Council	n/a	Fixed	31/01/2022	31/01/2024	5,000,000.00	0.40
London Borough of Wandsworth	n/a	Fixed	29/01/2021	31/01/2023	10,000,000.00	0.60
Durham County Council	n/a	Fixed	01/02/2021	03/10/2022	5,000,000.00	0.55
Leicester City Council	n/a	Fixed	01/03/2021	01/03/2023	5,000,000.00	0.65
North Somerset Council	n/a	Fixed	09/03/2022	09/03/2023	3,000,000.00	0.95
Lichfield District Council	n/a	Fixed	09/03/2022	09/03/2023	2,000,000.00	0.95
East Sussex County Council	n/a	Fixed	22/03/2022	21/03/2023	5,000,000.00	1.25
Leicester City Council	n/a	Fixed	22/03/2022	22/03/2024	5,000,000.00	1.25
Folkestone Town Council	n/a	Variable - 2 day call notice	Various May 2018	02/10/2022	500,000.00	2.00
Total - Non-PWLB Borrowing					40,500,000.00	
Total - Borrowing at 30/09/2022					92,654,828.76	

APPENDIX 2 – INVESTMENTS HELD AT 30 SEPTEMBER 2022

Category and Counterparty	Amount or Value £	Terms	Indicative Interest Rate or Yield %
Money Market Funds			
Aberdeen Standard MMF	4,205,000	No notice instant access	2.10
Federated MMF	5,000,000	No notice instant access	2.09
Other Pooled Funds			
Commercial Property Funds			
CCLA Property Fund	6,374,263	No specified maturity date	3.67
Multi-Asset Income Funds			
CCLA Diversified Income Fund	1,861,694	No specified maturity date	1.91
UBS Multi-Asset Income Fund	751,479	No specified maturity date	4.80
Aegon Asset Management Diversified Monthly Income Fund	2,940,790	No specified maturity date	5.27
Ninety-One Diversified Income Fund	3,060,581	No specified maturity date	4.38
Total Investments	24,193,807		3.19%

Agenda Item 8

Folkestone
& Hythe



District Council

This Report will be made public on 12 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

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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 Blaszkwicz - 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)	

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This Report will be made
public on 12 October
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:

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.

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.

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

Councilors 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.

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This Report will be made
public on 12 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	Projection	Variance
	£'000	£'000	£'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	(1,405)

- 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	

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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.

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This Report will be made public 12 October 2022



Report Number **C/22/50**

To: Cabinet
Date: 20 October 2022
Status: Non key
Responsible Officer: Andy Blaszkowicz
Director - Housing and Operations
Cabinet Member: Councillor Collier, Cabinet Member for Property Management and Grounds Maintenance

SUBJECT: Changing Places Grant (Round 2) – Grant Application

SUMMARY:

The report provides details on a recent grant application for the Changing Places Grant (Round 2). If successful this will provide funding for three Changing Places Toilet Facilities within the District at the Coastal Park, Coast Drive Destination Project and FOLCA.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations set out below because approval is required to apply for, and accept, any Grant offered to the Council. The report also updates Members on the Grant applied for including ongoing revenue implications associated with installation of any funded Changing Places toilet facilities.

RECOMMENDATIONS:

- 1. To receive and note Report C/22/50.**
- 2. To note and approve the Expression of Interest submission to The Department for Levelling Up, Housing and Communities (DLUHC) for a £205,000 grant for capital funding towards the installation of up to 3 Changing Places toilet facilities.**
- 3. To agree to delegate authority to the Director of Housing and Operations to accept grant awarded towards the installation of up to 3 Changing Places toilet facilities, with appropriate update reports given in due course.**
- 4. To approve the ongoing revenue implications for cleaning.**

1. BACKGROUND

- 1.1 Changing Places Toilets enable some disabled people the freedom to go out in public without the worry of finding adequate public conveniences to meet their personal care needs. In 2020, it became compulsory to provide Changing Places toilets in certain new publicly accessible buildings to increase the provision of facilities across the Country.
- 1.2 Following this change in legislation, in 2021 the Department of Levelling Up, Housing and Communities (DLUHC) made available £30 million in grant funding to local authorities for the installation of new Changing Places toilet facilities within existing suitable buildings, to further increase the provision. In Round 1, £23.5 million of this money was allocated to 191 local authorities. Round 2 aims to allocate the remaining £6.5 million to a select invited list of local authorities who have zero provision or have the highest user needs. Folkestone and Hythe District Council is on the select list to be able to apply for grant funding under Round 2. The application process allows for each local authority to apply for funding for up to 3 Changing Places toilet facilities within their area.
- 1.3 Changing Places toilets have been designed to meet the needs of disabled children and adults with complex care needs who rely on carer support, appropriate equipment, and more space. This is because standard disabled toilets were only designed to meet the needs of disabled people who can use a toilet independently. The new Changing Places toilets include a ceiling hoist, changing table and specialist toilet to support users with multiple disabilities and needs. The DLUHC has partnered up with Muscular Dystrophy UK, to provide expertise and support to Local Authorities when carrying out works to design and install these new facilities. This advice and support will be available to the Council to assist with delivery of any new facilities if successful in being awarded grant funding.
- 1.4 Phase 2 of the Grants aims to increase the geographical spread of Changing Places toilet facilities, in particular in areas currently with zero provision, and increasing the provision in areas of greatest need. All venues and location types are in scope for this round of grant funding, including new modular units in areas where existing buildings or no building provision is available.

2.0 CONSULTATION

- 2.1 Research has been carried out by the Research Institute for Disabled Consumers outlining priority areas where disabled people would like to have more Changing Places facilities made available. The top two locations on the priority list are beaches/seaside and parks/gardens. Changing Places facilities in these recreational areas will enable disabled people with additional care needs to have a day out and undertake social and recreational activities with dignity and confidence.
- 2.2 The need for a provision of Changing Places in Folkestone was raised during the public engagement as part of the development of the Folkestone Town Centre Place Plan, which was approved by Cabinet in September 2021.

2. PROPOSED CHANGING PLACES FACILITIES

2.1 The Council was unsuccessful in being awarded funding in Round 1 due to the requirements of the grant at that time being mainly focused on provision in existing buildings without the loss of existing disabled facilities. An application for Round 2 has been submitted for 3 changing places toilets in the District.

These are in the following locations, and for the following sums:

- Lower Leas Coastal Park (modular unit including groundworks and connection to services) - £85,000
- Coast Drive development (fit out of new building only) - £35,000
- FOLCA2 (standalone installation into the existing building, but with an external entrance to the Changing Places facility) - £85,000

2.2 Local Authorities are not guaranteed an award of a grant, and each facility will be assessed on an individual basis. Local authorities may be awarded full or part grants for up to 3 Changing Places toilet facilities. If successful, grant funding will be available for the financial year 2023/24 and Local Authorities must commit that the Changing Places toilet facilities will be delivered and registered by the end of this financial year (by 31 March 2024).

2.3 The Council must also commit to co-funding the project and details of co-funding are included within the application for the Grant. Co-funding includes:

- First 3 years maintenance and cleaning costs - £4520/toilet/year,
- Staff time for project management, surveying and technical support,
- Any capital or in-kind contributions.

2.4 Exit Strategy:

- Local Authorities are not obliged to accept any grant funding that may be offered.
- If an amount of grant funding is accepted and the project proves to be unfeasible at a later stage, the Council would need to agree any changes with the DLUHC, through their Project Change Request process.

3.0 ONGOING COMMITMENTS

3.1 The Council will be required to commit to the ongoing cleaning and maintenance, estimated at £4,520 per facility per year. This is based on £4000 cleaning cost, for 3 visits per day including weekends. Servicing and maintenance of mechanical equipment £300 per year and an annual EICR at £220. Reactive maintenance will be included within the existing revenue budget.

If a third party organisation is appointed by the Council to manage the facility, the Council remains responsible to ensure the third party commits to maintain it.

4. RISK MANAGEMENT ISSUES

4.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Project becomes unfeasible with awarded grant funding.	High	Medium	Project procured in timely manner from date grant awarded. Discussions with DLUHC if project costs change from initial estimates through their project change request process.
Project delivery not able to be met in financial year 2023/24	Medium	Low	Sufficient staff resources for delivery to be determined prior to acceptance of any grant award.
Full grant for each Changing Places Facility is not awarded.	Medium	Medium	Once award notified, a decision can be taken if additional budget is required to deliver each Changing Places facility and award offer can be rejected if required.

5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 Legal Officer's Comments (NM)

There are no legal implications arising directly from this report. However, consideration will need to be given in relation to the grant agreement should the Council be successful and Legal Services can support with that at the appropriate time.

5.2 Finance Officer's Comments (CI)

The ongoing revenue maintenance cost will be £4,520 per facility per year, a total of £13,560 per year if all three facilities are approved. This cost is not within the existing revenue budget. The Changing Places toilet facilities must be delivered by the end of the 2023/24 financial year. A growth bid will need to be submitted for the revenue budget cost during the 2024/25 budget setting round.

5.3 Diversities and Equalities Implications (GE)

There are no negative equality and diversity implications directly arising from this report. Subject to the council's grant application being successful, the funding will deliver Changing Places Toilet Facilities within the District to support the needs of disabled children and adults with complex care needs who rely on carer support.

5.4 Climate Change Implications (AT)

No direct climate change implications arising from this report. The report asks for Cabinet approval to submit an expression of interest to DLUHC for a grant to fund toilet facilities. If successful with the expression of interest, emissions from the development of the resulting toilet facilities (construction, energy use, waste, water consumption, etc) would be determined by the specification of the facilities (modular, new build or retrofit) and would need separate permissions.

6.0 CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Andy Blaszkowicz

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Email: Andy.Blaszkowicz@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report: None

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This Report will be made public on 12 September 2022



Report Number **C/22/47**

To: Cabinet
Date: 20 October 2022
Status: Key decision
Responsible Officer: David Whittington Strategy & Policy Senior Specialist
Cabinet Member: Cllr Whybrow, Cabinet Member for the Environment

SUBJECT: GREEN & BLUE INFRASTRUCTURE STRATEGY

SUMMARY:

This report introduces the draft Green and Blue Infrastructure Strategy Priorities and Opportunities Summary document. This is an evidence base document for the local plan and other future planning documents as well as being a material consideration for planning applications. This report also requests that a public consultation exercise is undertaken in relation to the Priorities and Opportunities Summary document.

REASONS FOR RECOMMENDATIONS:

So that the council can consult on the draft Priorities and Opportunities Summary document presented in Appendix 1 to provide an opportunity for the public to comment and make suggestions, to identify joint working opportunities and to prioritise actions.

RECOMMENDATIONS:

1. To receive and note report C/22/47.
2. That Cabinet approves the draft Priorities and Opportunities Summary document (Appendix 1) for consultation, subject to any amendments that Cabinet considers necessary.
3. That Cabinet delegates authority to the Interim Assistant Chief Director of Corporate Services, in consultation with the Leader of the Council and Cabinet Member for the Environment, to make any amendments identified following consultation.

1. BACKGROUND

1.1 Many environmental features make up green infrastructure, such as parks, gardens and allotments. This also includes water environments (termed 'blue infrastructure'). An important feature of green and blue infrastructure is that networks are strategically planned and that spaces and places are connected. Some green and blue infrastructure is publicly accessible, but it does not need to be accessible to be valuable.

1.2 The importance of green and blue infrastructure in planning is set out in Government policy and guidance. This has been reflected in the Council's own planning policy documents such as the Core Strategy Review and the Places and Policies Local Plan as well as other council documents such as the Corporate Plan and Carbon Action Plan. These are summarised below.

Government Policy

1.3 Positive planning for green infrastructure is a requirement of the National Planning Policy Framework (NPPF). Paragraph 20 of the NPPF sets out that strategic planning policies should:

“set out an overall strategy for the pattern, scale and design quality of places, and make sufficient provision for ... d) conservation and enhancement of the natural, built and historic environment, including landscapes and green infrastructure, and planning measures to address climate change mitigation and adaptation.”

1.4 The development of Green Infrastructure Standards was a core commitment of the Government's 25 Year Environment Plan. Natural England are developing a National Framework of Green Infrastructure Standards with the aim to roll these out in autumn 2022. Mandatory biodiversity net gain, as set out in the 2021 Environment Act, will be applied in England through amending the Town and Country Planning Act (TCPA). This part of the 2021 Act is planned to become a mandatory requirement in 2023.

Development Plan Policies

1.5 A range of green and blue infrastructure priorities have been identified in the Council's Development Plan documents, the Core Strategy Review and the Places and Policies Local Plan (PPLP). The principal policies in the Core Strategy Review are CSD4 Green Infrastructure of Natural Networks, Open Spaces and Recreation and Policy CSD5 - Water and Coastal Environmental Management.

1.6 Green infrastructure is also fundamental to the proposed new garden town settlement which is recognised by the Core Strategy Review in policies SS7 New Garden Settlement – Place Shaping Principles and Policy SS8 New Garden Settlement – Sustainability and Healthy New Town Principles.

1.7 In the Places and Policies Local Plan the relevant policies are Policy NE1 - Enhancing and Managing Access to the Natural Environment; Policy NE2 -

Biodiversity; and Policy NE3 - Protecting the District's Landscapes and Countryside.

Corporate Plan & Carbon Action Plan

- 1.8 Green and blue infrastructure are important to service ambitions of the Corporate Plan 2021-30: Creating Tomorrow Together, particularly 'A thriving environment' as well as the Corporate Plan's guiding principles of a 'Greener Folkestone and Hythe', 'Locally distinctive' and 'Working effectively with partners'.
- 1.9 The Corporate Action Plan 2021-24 includes 'Ensure a clean, attractive and safe environment for residents, visitors and businesses', 'Improving cycling and walking routes', 'Take positive measures to encourage biodiversity' and 'Ensure the Garden Town is developed in a sustainable way in line with the agreed Otterpool Park Charter'.
- 1.10 Action 33 in the Carbon Action Plan is to complete this Green & Blue Infrastructure Strategy. The Priorities and Opportunities that have been identified in the Green & Blue Infrastructure Strategy also provide natural solutions to meeting the challenges of climate change.

Summary of the Green & Blue Infrastructure Strategy

- 1.11 Consultants were commissioned to work on an update of the 2011 Green Infrastructure Plan. They have carried out a comprehensive evidence gathering exercise which was followed by an analysis that included mapped datasets and the review of documents and strategies, from both Folkestone and Hythe and other organisations.
- 1.12 The Strategy sets out the district's strategic network of green and blue infrastructure and provides an assessment of the needs and opportunities, strategic priorities and future actions. It provides evidence to support spatial planning in the district. The summary is backed up by a more detailed Main Report.
- 1.13 Five evidence areas are described and assessed in the Strategy. Each area includes a section on "Drivers of Change, Pressures and Threats" followed by a section on "Needs, Opportunities and Priorities". The latter section sets out the projects and opportunities which would apply across the whole district and which are not confined to a particular geographic area. The evidence areas are:
 - Biodiversity, trees and woodlands;
 - Access, recreation and active travel;
 - Health and wellbeing;
 - Blue infrastructure and the coast; and
 - Landscape character and heritage.
- 1.14 The Strategy also considers the areas of the district and in this section the priorities and actions are examined in more detail. The areas reflect the Character Areas in the Core Strategy:
 - Folkestone & Hythe Town;

- Romney Marsh; and
- The North Downs.

Key findings of the Green & Blue Infrastructure Strategy

1.15 The key findings of the Strategy are:

- Due to the variety and extent of important habitats the district supports many specialised and rare species, such as Turtle Doves and Chalk Grassland Orchids;
- Green infrastructure is important in supporting a landscape-scale or 'nature network' approach, through securing biodiversity value in a planned way. Green infrastructure also helps to bring nature into urban centres, which also connects people with wildlife.
- Overall, Folkestone and Hythe's tree canopy is around 8% of its area, less than half of the Kent average of 17%. There is a distinct north-south divide in the district. Romney Marsh ward was reported as having the lowest level of canopy, at 1.1%. However, given the history and character of the area this is to be expected.
- Climate Change vulnerability mapping by Natural England indicates that the fragmented, wetland and low-lying habitats around Romney Marsh are highly vulnerable.
- Development has been identified as the greatest pressure on Kent habitats, through loss of land and increased population. This pressure can be mitigated through obligations on developers to deliver biodiversity net gain;
- The location of new development, especially larger developments, will increase recreational use in new areas of the district;
- The transport corridor of the M20/A20, rail line and Channel Tunnel Rail Link is a significant barrier to access for Folkestone and other settlements to the south;
- Safety is an important consideration for users. Overgrown areas, poor sight lines, vandalism and litter can increase perceptions of lack of safety;
- Evidence shows that spending time in nature is also good for mental wellbeing.

1.16 The Strategy sets out fifteen 'strategic priorities'. These are:

- Protect, enhance and improve the core biodiversity sites and take action for priority species;
- Create an ecologically resilient network to join habitats, allow species to move and to help nature adapt to climate change;
- Link people and nature;
- Adapt and mitigate for climate change impacts;
- Ensure development is sustainable;
- Ensure that greenspace provision keeps pace with population growth and provides for Folkestone and Hythe's future residents;
- Support increased active travel, to relieve congestion and air pollution and encourage healthy living through a strategic cycle network and walking routes;
- Maximise the benefits of recreation and access to Folkestone and Hythe's unique landscapes and green spaces, whilst ensuring that this does not have a negative impact on them or their biodiversity;

- Provide access to green infrastructure close to home and which is inclusive for all;
- Support people in taking healthy exercise and engaging in nature for both their physical and mental health;
- Initiate local evidence-informed research to understand the impact that accessible greenspace has on local health outcomes, especially for disadvantaged groups;
- Incorporate Sustainable Drainage Systems (SuDS) into new development and retrofit into existing green infrastructure where such an approach is appropriate to help address flooding issues;
- Protect water resources and protect and enhance the biodiversity value of water and wetland habitats;
- Strengthen and reinforce landscape character and ensure green and blue infrastructure enhances and fits with local landscape character; and
- Ensure heritage is recognised in green infrastructure planning, interpretation, and tourism.

1.17 Priorities and opportunities are then identified for each of the strategic priorities. These are set out after each of the subject section in a table. As these are wide ranging, there are a number that are not within the control of the district council and will need to be delivered in partnership or by other organisations.

Next Stages

- 1.18 The next stage in the process is to publish the Priorities and Opportunities Summary document for public consultation to seek the views of residents, groups and organisations. The purpose of this consultation is to identify which actions should be prioritised, to identify joint working opportunities with other organisations and to foster public ownership of the document so that individuals may be inspired to undertake their own actions.
- 1.19 Although this is not a statutory document, it is proposed to hold the consultation for the standard six-week period. (If this period runs over the Christmas holiday period, then the consultation will be extended to eight weeks.)
- 1.20 Following the consultation, the strategy will be finalised. It will be used to identify projects to support the development strategy identified in the Development Plan. It will also be an evidence document which developers can draw upon when they are considering new proposals (therefore it will be a material consideration).
- 1.21 It may also be used to allocate funding from the Community Infrastructure Levy (CIL) for local, parish council-led schemes, as well as district-wide schemes, using relevant district or parish council CIL funding streams. (The emerging Green and Blue Infrastructure Strategy is referenced in the draft CIL Infrastructure Schedule recently consulted on as part of the review of the council's Community Infrastructure Levy Revised Draft Charging Schedule (2022).)

1.22 In the longer term it is proposed to use this for a new Supplementary Planning Document to provide detailed guidance. It will also be the initial evidence base for the development of new policies in the next local plan. It can also be used as an evidence base document for other council strategies such as the developing District-wide Carbon Action Plan.

2. CONSULTATION

2.1 At the start of the study, questionnaires were sent to parish councils and organisations (including statutory bodies). This was followed by virtual workshops and meetings to explore green and blue infrastructure priorities with stakeholders, parish & town councils and district councillors. The findings from the workshops and the consultation responses were used to shape the draft Strategy.

2.2 The draft Strategy was then subject to a focused consultation with parish & town councils and other organisations in June this year. The summary document was produced as a response to representations during that consultation.

2.3 As described in paragraph 1.18 above, a general public consultation is now proposed to seek the views of the wider public.

3. OPTIONS

3.1 The Strategy is an evidence base document for the Council's development plan and other future guidance documents. It is also a document that could help the evidence for other Council documents and strategies, such as the developing District-wide Carbon Action Plan. The options to consider are:

- i. Do not consult on the Strategy; or
- ii. To carry out a public consultation.

3.2 The Strategy has been subject to consultation with Council Members, parish and town councils and specific groups and organisations, including statutory bodies. There is no legislative requirement for the district council to hold a further public consultation on this Strategy.

3.3 However, as some of the recommendations go beyond the Council's remit, or would require further partnership working for their implementation, it is important to understand how and if the actions identified could be implemented. This would also be an opportunity for any other actions to be identified and for the general public to shape the Strategy and help foster a sense of ownership of the document. Engagement with the community on evidence base documents is also highlighted in the emerging Statement of Community Involvement, which is currently out for consultation.

3.4 For these reasons it is recommended that the council undertake public consultation, the second option.

4. RISK MANAGEMENT ISSUES

4.1 A summary of the perceived risks is as follows:

Perceived risk	Seriousness	Likelihood	Preventative action
That the strategy has limited impact on the green and blue infrastructure in the district	high	medium	<p>Consultation would help foster ownership with the public.</p> <p>Identifying and working with partners would ensure successful implementation.</p> <p>Using the strategy for general evidence for planning applications and for basis of a future SPD.</p>

5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 Legal Officer's Comments (NM)

There are no legal implications arising directly from this report.

5.2 Finance Officer's Comments (RH)

There are no financial implications at present but any future costs relating to professional and public consultations will need to be covered by an appropriate budget.

5.3 Diversities and Equalities Implications (GE)

There are no equality and diversity implications directly arising from this report. The Green and Blue Infrastructure Action Plan will be subjected to a public consultation, if agreed by Cabinet to encourage a wider range of views on the 'priorities and opportunities' documented within strategy. The council should ensure suitable awareness is raised of the public consultation through its communication channels at the appropriate time.

5.4 Climate Change Implications (DW)

The issue of climate change is considered throughout the Green & Blue Infrastructure Action Plan both in terms of as a driver of change and potential solutions. It helps to identify natural solutions to the various impact of climate change and as such contributes both to the aims of the reducing the Council's and District's carbon emissions to net zero by 2030.

6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

David Whittington Strategy & Policy Senior Specialist
Telephone: 01303 853375
Email: david.whittington@folekstone-hythe.gov.uk

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

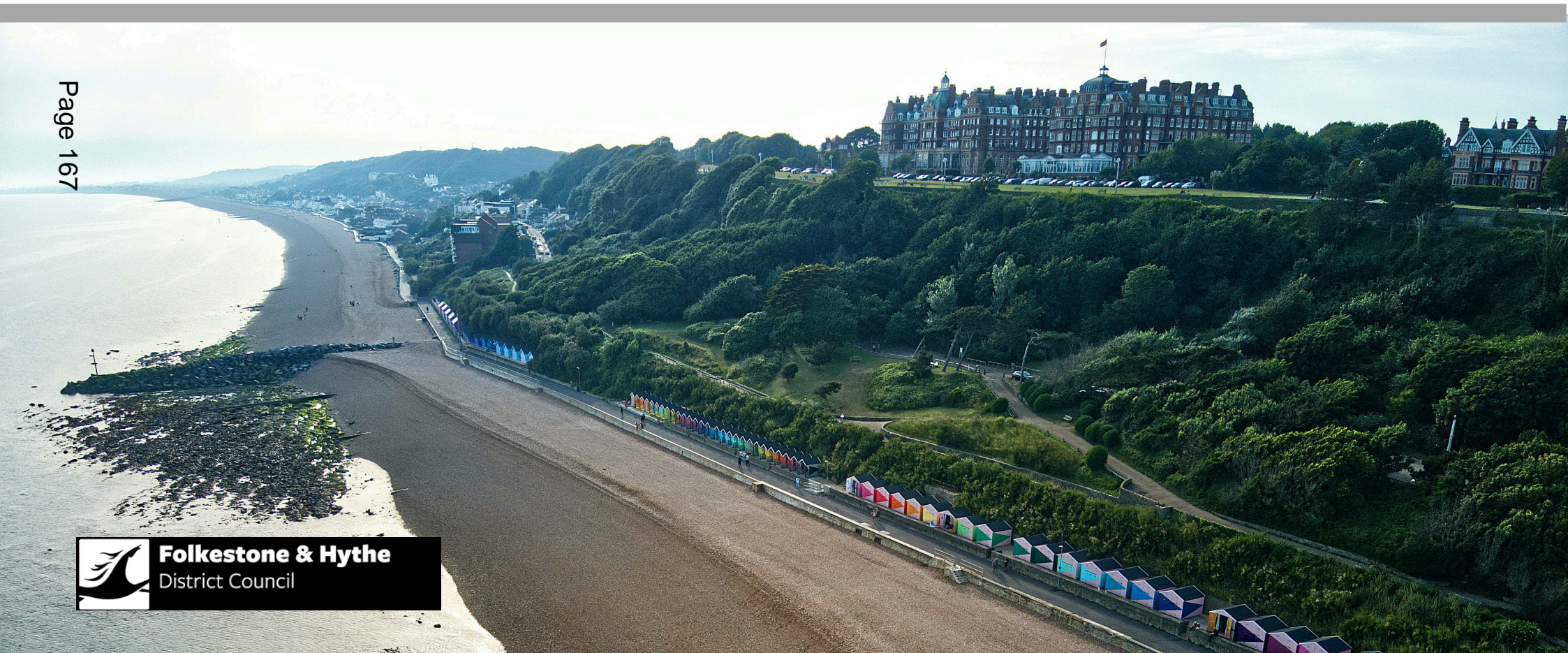
Appendices:

Appendix 1: Green and Blue Infrastructure Strategy Priorities and Opportunities Summary document

Folkestone and Hythe District Green and Blue Infrastructure Strategy Priorities and Opportunities Summary

September 2022

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Front cover - Folkestone



Dungeness

Introduction

About this Strategy

This is the summary document of the main report and has been created for the council's consultation on the identified priorities and opportunities. It summarises the main report, which sets out the district's strategic network of green and blue infrastructure and provides an assessment of the needs and opportunities, strategic priorities and future actions. The strategy provides evidence to support spatial planning in the district.

The strategy is ambitious and not all actions can be delivered by Folkestone and Hythe District Council. Although this is a document produced by Folkestone and Hythe District Council, improving green and blue infrastructure will require action by many different organisations, groups, communities and individuals. The priorities and actions set out a broad ambition to improve green and blue infrastructure in Folkestone and Hythe district. Some of these can be delivered by Folkestone and Hythe District Council. However, many will need to be delivered in partnership or by other organisations, and many will require additional funding.

Five evidence areas are described and assessed - biodiversity, trees and woodlands; access, recreation and active travel; health and wellbeing; blue infrastructure and the coast and landscape

character and heritage. Strategic priorities (see next page) are set out for each of these themes. There are also priorities set out for three spatial areas – Folkestone town, Hythe and Saltwood, Romney Marsh and the North Downs.

What is Green and Blue Infrastructure?

Many environmental features make up green infrastructure including water environments (termed 'blue infrastructure'). An important feature of green infrastructure is that networks are strategically planned and that spaces and places are connected. Some green infrastructure is publicly accessible, but it does not need to be accessible to be valuable.

Each component part of green infrastructure has the potential to deliver wider benefits, including recreation, biodiversity, health, climate change mitigation and adaptation and water quality. When planned, designed and managed as a network, these benefits are maximised. Although this report is set out in themes, an important aspect of green infrastructure planning is to take a multidisciplinary approach and to seek opportunities which address issues across many areas.

Green and blue infrastructure networks cross local authority boundaries and this strategy considers biodiversity, strategic access routes, watercourses and other green and blue infrastructure across neighbouring authority boundaries.

Strategic Priorities for Green and Blue Infrastructure in Folkestone and Hythe District

Protect, enhance and improve the core biodiversity sites and take action for priority species.

(ref. BTW 1)

Create an ecologically resilient network to join habitats, allow species to move and to help nature adapt to climate change.

(ref. BTW 2)

Link people and nature.

(ref. BTW 2)

Adapt and mitigate for climate change impacts.

(ref. BTW 4)

Ensure development is sustainable.

(ref. BTW 5)

Ensure that greenspace provision keeps pace with population growth and provides for Folkestone and Hythe's future residents.

(ref. AR 1)

Support increased active travel, to relieve congestion and air pollution and encourage healthy living through a strategic cycle network and walking routes.

(ref. AR 2)

Maximise the benefits of recreation and access to Folkestone and Hythe's unique landscapes and greenspaces, whilst ensuring that this does not have a negative impact on them, their special character or their biodiversity. (ref. AR 3)

Support people in taking healthy exercise and engaging in nature for both their physical and mental health.

(ref. HW 1)

Provide access to green infrastructure close to home and which is inclusive for all.

(ref. HW 2)

Initiate local evidence-informed research to understand the impact that accessible greenspace has on local health outcomes, especially for disadvantaged groups.

(ref. HW 3)

Protect water resources and protect and enhance the biodiversity value of water and wetland habitats.

(ref. BIC 1)

Incorporate SuDs schemes into new development and retrofit into existing green infrastructure where such an approach is appropriate to help address flooding issues.

(ref. BIC 2)

Strengthen and reinforce landscape character and ensure green and blue infrastructure enhances and fits with local landscape character.

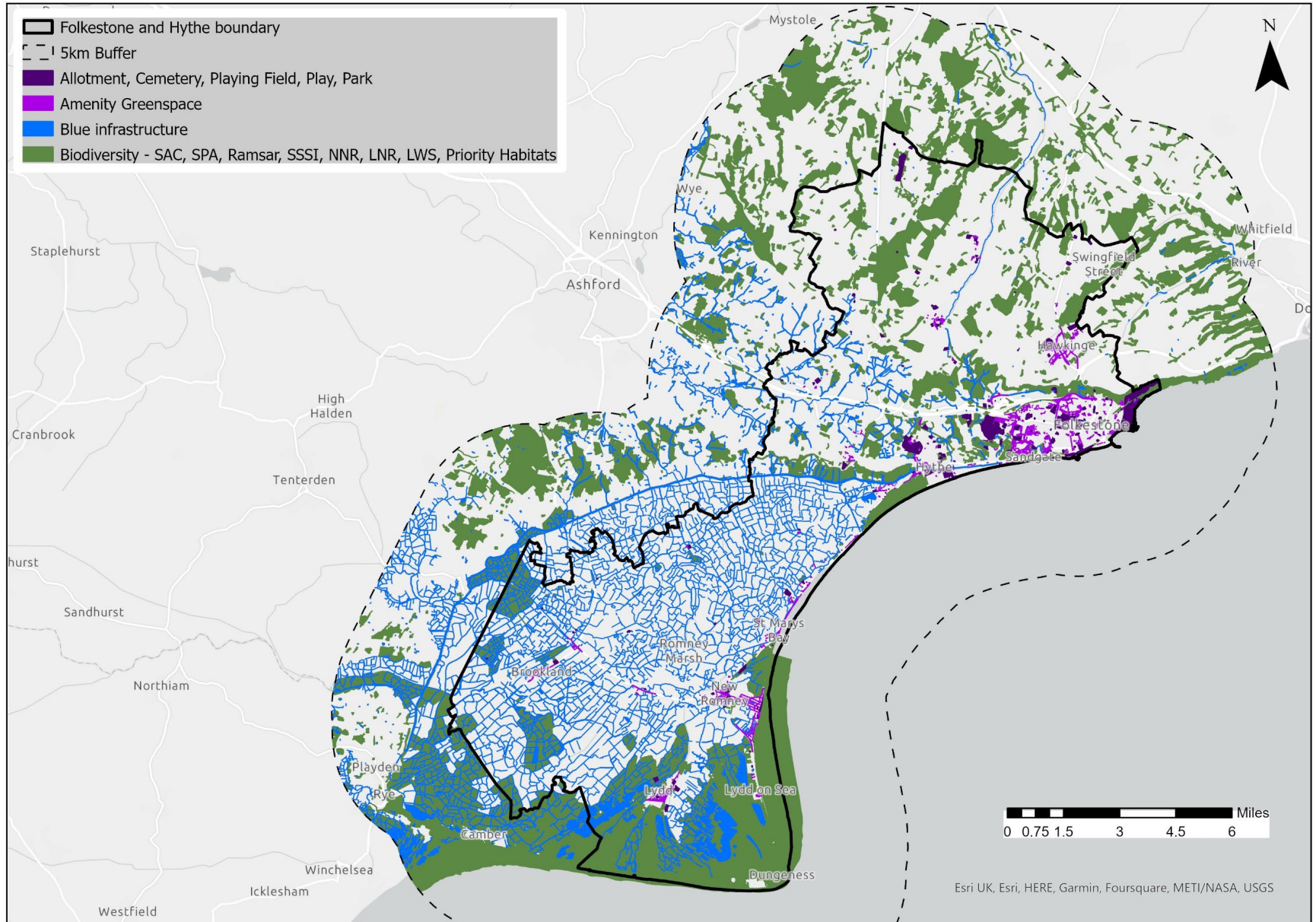
(ref. LH 1)

Ensure heritage is recognised in green infrastructure planning, interpretation, and tourism.

(Ref. LH 2)

Overview of Folkestone and Hythe District's Green and Blue Infrastructure Network¹

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The Challenges of Climate Change

Climate change is one of the biggest challenges being faced by society. The impacts of climate change are already evident and will become more severe and widespread as temperatures rise.

Kent's geographical location, long coastline and its population density means that it is likely to suffer from some of the severest impacts of climate change in the United Kingdom.² Predictions suggest that in Kent there will be hotter and drier summers with more heatwaves and drought, and warmer and wetter winters with heavier rainfall and more flooding. There will also be a rise in sea-level changing coastal dynamics.

Climate change will also place pressures on biodiversity. Many species and habitats are strongly influenced by temperature and rainfall and the interactions between these. Evidence from Natural England shows that the fragmented, wetland and low-lying habitats of the Romney Marsh are vulnerable, as well as the Elham Valley chalk stream and the Royal Military Canal. Smaller, disconnected, habitats are also more vulnerable.

Green and blue infrastructure can help to tackle climate change both through adaptation and mitigation. It is an essential tool and often provides solutions which are more cost effective than engineered approaches. Green and blue infrastructure also provides additional benefits, such as spaces for recreation. The graphic on the right shows ways that green and blue infrastructure can help to tackle climate change.



Managing surface water – help to manage surface water and sewer flooding by reducing the rate and volume of runoff, intercepting water, helping it to infiltrate into the ground and providing storage areas.



Managing high temperatures – particularly in urban areas. Evaporative cooling and shading can ensure that towns and cities are comfortable places.



Carbon storage and sequestration – storing carbon in soils and vegetation.



Material substitution – replacing materials such as concrete and steel (which need fossil fuels consumption in their production) with sustainably managed wood and other natural materials.



Providing low carbon fuels – replacing fossil fuels with lower carbon alternatives, including bio-energy, wind and hydro.



Reducing the need to travel by car – providing local recreation areas and green travel routes to encourage walking and cycling.



Helping species to adapt – providing a more vegetated and permeable landscape through which species can move northwards to new 'climate spaces'.



Reducing soil erosion – using vegetation to stabilise soils that many be vulnerable to increasing erosion



Managing water resources – provide places to store water, allow water to infiltrate into the ground sustaining aquifers and river flows, catch sediment and remove pollutants ensuring maintaining water quantity and quality.



Food production – providing environmentally sustainable food production that delivers food security.

Folkestone and Hythe District's Green and Blue Infrastructure

Biodiversity, Trees and Woodlands

Folkestone and Hythe district has outstanding biodiversity. Within the district are examples of many of Kent's important habitats – including chalk grassland, ancient woodland, marsh and coastal cliffs and shingle. These expansive areas of nature conservation habitats in turn support a host of rare and important species.

A unique and diverse coastline

One of the district's most renowned areas, which is both nationally and internationally important, is the vegetated shingle at Dungeness. This, the largest cusped foreland in Britain, is the most diverse and extensive area of stable vegetated shingle in Europe. There is a stark wild beauty and distinctive character unique to Dungeness.

Dungeness supports unique flora and fauna. The area is highly protected by international and national nature conservation designations for habitats, birds and other species. In the centre is a RSPB reserve, itself home to 600 plant species, as well as birds. The flooded gravel pits and saline lagoons provide habitats for migratory and coastal birds and unique invertebrates such as the lagoon cockle.

Dunes are also an important coastal feature. At Greatstone-on-Sea there are a range of dune habitats, including mobile dunes, fixed

dunes and scrub. At Romney Warren there is a stable dune system which has developed over ancient shingle ridges.

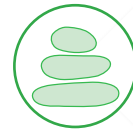
To the north of the district the coast has a different aspect. The Warren, both a Site of Special Scientific Interest and a Local Nature Reserve, is formed by slumped chalk cliffs, creating an undulating undercliff which is important for wildlife. Chalk grassland wildflowers grow alongside woodland plants and coastal specialists and around 150 species of birds can be found here. It is also an exceptional site for its geology and holds a wealth of fossils.

Glorious grasslands

Much of Folkestone and Hythe is grassland. Although most of this is improved for pasture, there are also some very special grasslands.

On flat land of the low-lying Romney Marsh lies coastal and floodplain grazing marsh. Much of this land has been reclaimed from wetter land and is criss-crossed with a network of ditches which control water levels. The ditches and drainage channels, and the sheep which graze the Marsh, are historic and iconic features. The marshes support many rare species, including water voles, wetland birds and birds of prey, such as the marsh harrier.

Chalk grassland is a scarce habitat for which the district is also important. Chalk grasslands support a large range of flora, as well as many insects, including rare and beautiful butterflies. There is chalk grassland along the Kent Downs. Much of this is protected including the internationally important Folkestone to Etchinghill Escarpment Special Conservation Area (SAC) and the smaller Parkgate Down (SAC).



94% of Kent's coastal vegetated shingle is found in Folkestone and Hythe district, at Dungeness and nearby coastline.



16.5% of Kent's coastal sand dunes are also in the district, second only to Dover.



The district has 15.7% of Kent's coastal and floodplain grazing marsh.



Folkestone and Hythe district has 20.3% of Kent's lowland calcareous grassland, second only to Dover district. It also contains 98.5% of the area of internationally important chalk grassland in the county.



Overall, Folkestone and Hythe's tree canopy is around 8% of its area, less than half of the Kent average of 17%. Romney Marsh ward was reported as having the lowest level of canopy, at 1.1%.



57% of Folkestone and Hythe's woodland is ancient.

Special species

The variety of habitats in turn support special and rare species. It is not possible to list them all, but on the following page are some of species for which the district is important.

Dungeness Complex Sustainable Access and Recreation Management Strategy (2017) (SARMS)⁴

This strategy covers an extensive stretch of coast between Rye Harbour in East Sussex and Littlestone in Folkestone and Hythe district. The entire area is protected by several overlapping nature conservation designations and is particularly important for coastal vegetated shingle and over-wintering birds. It is also a popular holiday and recreation area, with tourism important to the local economy.

The SARMS is a joint strategy with Rother District Council, required to support their respective Local Plans. The strategy addresses recreational pressure and provides a strategic, cross-boundary approach to issues relating to disturbance to ensure that any increase in recreational use resulting from the planning policies of either council does not adversely impact the integrity of these internationally important wildlife sites.

The strategy sets out measures which are needed as mitigation for planning policies, including monitoring visitors and birds, signs, voluntary codes of conduct and an oversight group to deliver the strategy. It also recommends several other actions which would support the necessary mitigation measures.



Land -yachting at Greatstone

Special Species

Sussex Emerald Moth (*Thalera fimbrialis*)

This very rare moth is only found in coastal vegetated shingle with Dungeness a stronghold.

Short-haired Bumblebee (*Bombus subterraneus*)

This bumblebee was once widespread but it declined severely and declared extinct in 2000. A Bumblebee Conservation Trust project⁵ has helped landowners to provide flower-rich meadows around Romney Marsh and Dungeness, following reintroduction in 2009, and the species is making a comeback.

Turtle Doves (*Streptopelia turtur*)

The Turtle Dove is the UK's fastest declining bird species and is threatened with global extinction. The RSPB's 'Turtle Dove Friendly Zones' are areas where efforts are concentrated to help this species to survive, and there are two within Folkestone and Hythe district. The Romney Marsh is also important for other farmland birds.

Medicinal Leeches (*Hirudo medicinalis*)

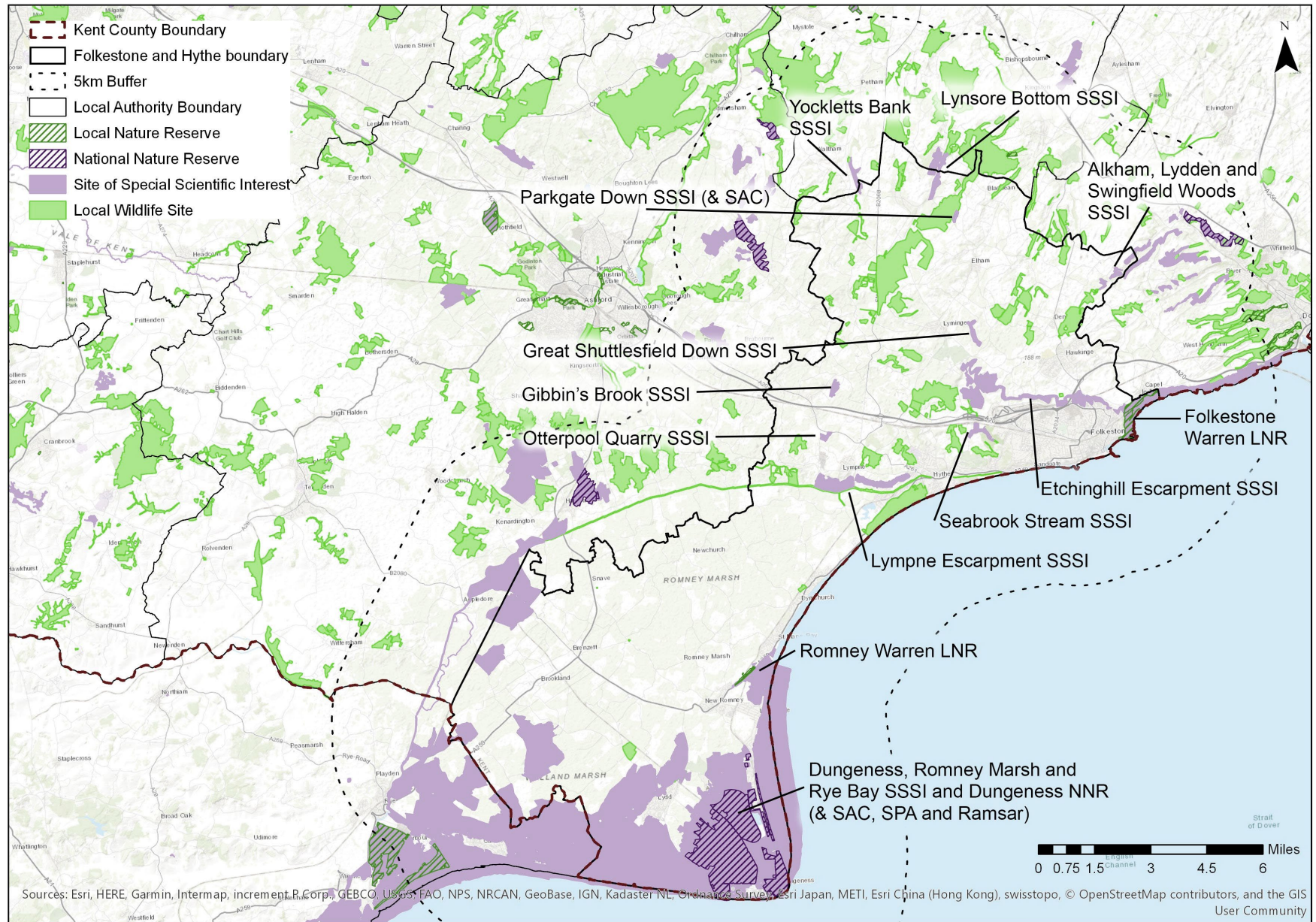
The medicinal leech is the only British leech capable of sucking blood from humans. Millions of leeches were harvested for phlebotomy (bloodletting) and by the beginning of the 20th century it was declared extinct in the British Isles. However scattered populations have been found including in the Romney Marsh.

Chalk Grassland Orchids

The chalk grasslands are home to several rare orchids, including monkey orchid (*Orchis simia*), late and early spider orchids (*Ophrys fuciflora* and *Ophrys sphegodes*), musk orchid (*Herminium monorchis*), lady orchid (*Orchis purpurea*) and burnt tip orchid (*Orchis ustulata*).

Plan 1:
Folkestone and Hythe District's
Designated
Nature
Conservation
Sites - National
and Local
Importance

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Trees and woodlands

Street trees, woodland trees and trees in parks or private gardens together form the tree canopy. Overall, Folkestone and Hythe has less than half the tree canopy cover of the average across Kent. Romney Marsh ward has the lowest level of canopy and Hythe the highest.⁶

Woodland is also not evenly spread across Folkestone and Hythe district and there is a wide variation in woodland cover. Almost all woodland is concentrated in the north eastern area of the district.

Just over half of the woodland in the district (57%) is ancient.⁷ This is woodland which has been in existence since at least 1600 AD.

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These woodlands can be especially important for wildlife with a rich array of species associated with them. Ancient woodland is classed as 'irreplaceable' under the National Planning Policy Framework.

Opportunities to increase woodland and trees across the district should be sought.

One of the more publicised diseases which is seriously affecting trees in Folkestone and Hythe district and across east Kent is ash dieback. This is a fungal infection of native, and some non-native, ash trees. Due to the way the disease spreads, through dead leaves on the ground, it can seriously affect ash in woodland settings.

Restoring ecological networks

To restore nature and functioning ecological networks, nature needs to be supported at a large scale across the landscape.⁸ Green infrastructure is important in supporting a landscape-scale or 'nature network' approach, through securing biodiversity value in a planned way.

What is needed to restore functioning ecological networks is:

- Improving the quality of current sites by better habitat management;
- Increasing the size of current wildlife sites;
- Enhancing connections between, or join up, sites, either through physical corridors or through 'stepping stones';
- Creating new sites; and
- Reducing the pressures on wildlife by improving the wider environment, including through buffering⁹ wildlife sites.

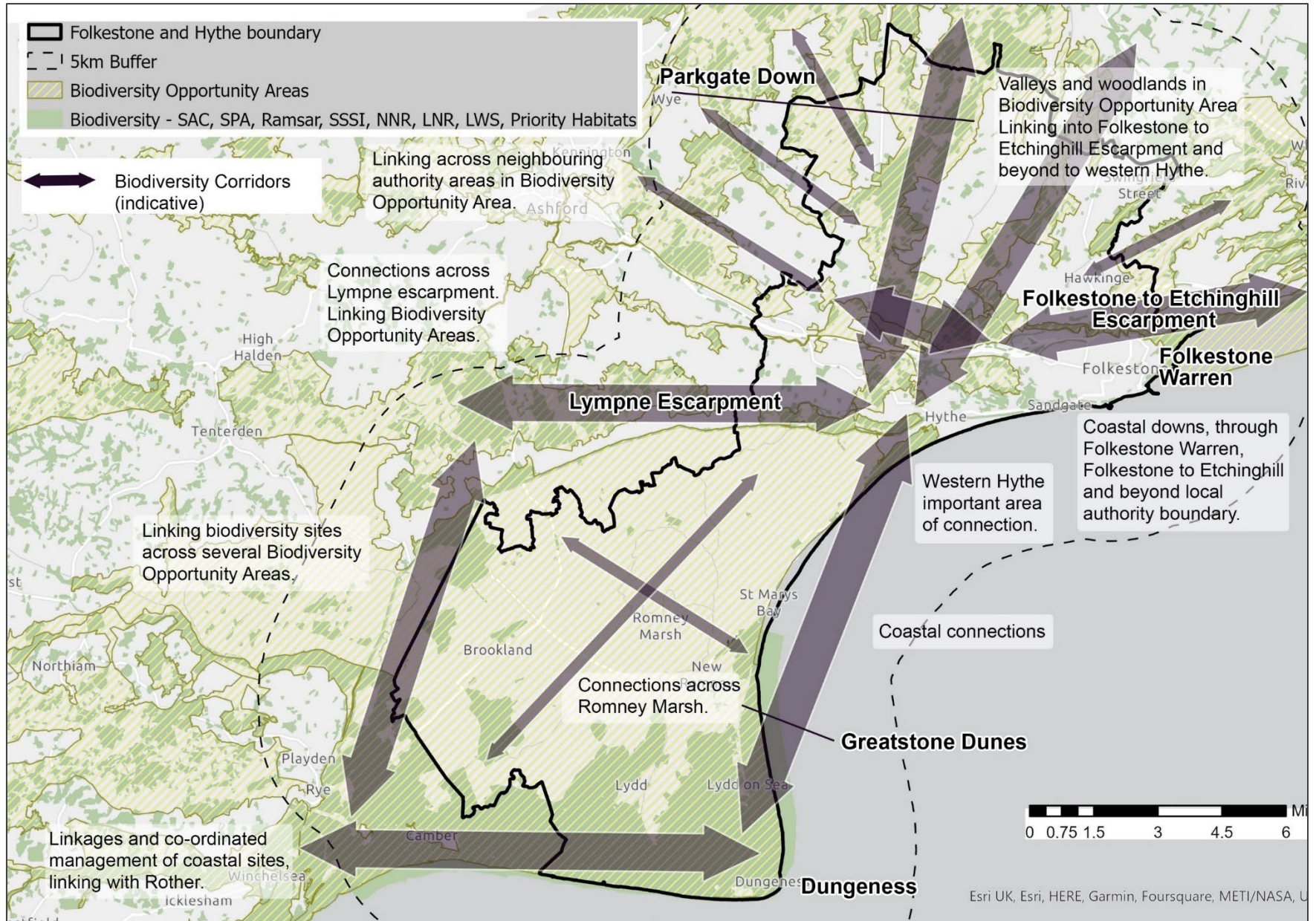
Summarised as: 'More, bigger, better and joined.'

Biodiversity Opportunity Areas reflect areas where there are already nature conservation sites which could benefit nature through being improved and joined up. Kent Nature Partnership is also working on the Kent Local Nature Recovery Strategy, which will also reveal priority areas for conservation action in the district. Other organisations have also highlighted important areas, for example Buglife,¹⁰ which show insect 'pathways' through town and countryside.

Plan 2 shows some of the important biodiversity linkages.

Plan 2:
Connections
for Nature

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Needs, Opportunities and Priorities – Biodiversity, Trees and Woodlands

A
Actions within the control of Folkestone and Hythe District Council.

B
Priorities within the scope of influence of F&HDC. Potential to be delivered by other organisations or in partnership with F&HDC.

C
Priorities of importance in the district but not in control of F&HDC. Delivered by other organisations.

	Priority and Opportunities	Delivery
BTW 1	STRATEGIC PRIORITY: Protect, enhance and improve the core biodiversity sites and take action for priority species	
BTW 1.1	Protect and enhance the sites which form the core of the biodiversity network – those sites designated for nature conservation and those with known biodiversity value.	B
BTW 1.2	Ensure that Folkestone and Hythe-owned sites with nature conservation value are protected and their value enhanced, bringing declining sites into good condition and reducing sources of harm.	A
BTW 1.3	Protect, enhance and seek to expand areas of Kent Biodiversity Strategy priority habitats which are notable within Folkestone and Hythe - chalk grassland, traditional orchards, coastal and floodplain grazing marsh.	B
BTW 1.4	Protect and seek to increase populations of Kent Biodiversity Strategy priority species which are notable within the district.	B
BTW 1.5	Work with Rother District Council and other partners to deliver measures set out in the 'SARMS' to ensure sustainable recreation across the Dungeness Complex.	B
BTW 2	STRATEGIC PRIORITY: Create an ecologically resilient network to join habitats, allow species to move and to help nature adapt to climate change	
BTW 2.1	Reduce sources of harm to biodiversity sites.	B
BTW 2.2	Develop ecologically resilient and varied landscapes through conserving and enhancing local variation within sites and habitats and making space for the natural development of rivers and coasts.	B
BTW 2.3	Establish ecological networks through habitat protection, restoration and creation.	B
BTW 2.4	Integrate climate change adaptation and mitigation into conservation management, planning and practice.	B
BTW 2.5	Work with partners to deliver a resilient network and with neighbouring authorities to develop connections over local authority boundaries.	B
BTW 2.6	Seek to create mosaics and overall abundance of wildlife alongside the protection of specific habitats and species.	B
BTW 2.7	Work with the Kent Nature Partnership to develop and deliver a Local Nature Recovery Strategy as part of the National Nature Recovery Network.	A
BTW 2.8	Sustain a healthy tree stock of council-owned trees and seeking an increase in trees and canopy cover overall on council-owned land.	A
BTW 2.9	Increase the number of wildflower verges.	B

Priority and Opportunities		Delivery
BTW 3	STRATEGIC PRIORITY: Link people and nature	
BTW 3.1	Celebrate and raise awareness of Folkestone and Hythe's iconic species and habitats and the need to conserve them.	B
BTW 3.2	Get people involved in conservation activities and tree planting.	B
BTW 3.3	Support local people, parish and town councils and community organisations in taking community action for nature.	B
BTW 3.4	Promote the action of residents to improve wildlife through gardening for wildlife, for example through creating hedgehog highways and install swift boxes.	B
BTW 3.5	Incorporate nature into Folkestone and Hythe-owned parks and amenity spaces so that people can experience nature close to where they live and create stepping stones for wildlife, for example through permanent wildlife areas such as wildflower meadows, or through initiatives such as 'No Mow May'.	A
BTW 3.6	Designate more Local Nature Reserves to increase the hectare provision per 1,000 people with a more even distribution across the district.	A
BTW 3.7	Improve school grounds, including tree planting, growing spaces and wildflower gardens.	B
BTW 3.8	Link green and blue infrastructure with the vibrant arts and cultural community in the district.	C
BTW 4	STRATEGIC PRIORITY: Adapt and mitigate for climate change impacts	
BTW 4.1	Bring forward nature-based solutions as cost-effective, climate adapted and biodiversity-supporting alternatives to 'grey' engineering solutions.	B
BTW 4.2	Increase tree and woodland cover and increase the canopy cover of the district, ensuring that this follows the principles of 'right tree, right place'. Trees should be planted where this fits with the landscape character and should not be planted on sites with other biodiversity interest which would be lost through tree planting. Urban trees should be fitting for the size and location of space.	B
BTW 4.3	Develop a tree and woodland strategy to ensure tree planting follows principle of 'right tree right place', to promote sustainable woodland management, to plan for the effects of ash dieback and to increase the overall canopy of Folkestone and Hythe.	A
BTW 4.4	Identify habitat areas within Folkestone and Hythe for protection as carbon sinks and wildlife habitats.	A
BTW 5	STRATEGIC PRIORITY: Ensure development is sustainable	
BTW 5.1	Deliver biodiversity net gain and investigate the viability of an uplift from the statutory 10%, subject to viability and soundness testing.	A
BTW 5.2	Incorporate biodiversity into housing developments, including hedgehog highways, swift boxes and biodiversity-friendly planting in streets and gardens.	A

Access, Recreation and Active Travel

Access to greenspaces supports health, wellbeing and quality of life

Access to greenspace, the countryside and the natural environment is important for health and both physical and mental wellbeing. Active travel, through cycling and walking, also supports health, as well as reducing congestion and pollution. Access to nature can also help people to connect to nature and become more involved and engaged in caring for it.

There are a wide range of accessible greenspaces in Folkestone and Hythe. Some of these are owned and managed by Folkestone and Hythe District Council, but some valuable spaces are managed by other organisations. These include parks, semi-natural green spaces, amenity greenspace areas, play and sport areas. Green corridors are a key component of the open space network in Folkestone and Hythe, for example the Royal Military Canal.

Folkestone and Hythe's Open Space Strategy assesses the quantity, accessibility, quality and value of open spaces in the district. The report recommends a quantity standard of 2.89 hectares per 1,000 people. The assessment showed that there are high quality green spaces in the district, including three which have the prestigious Green Flag Award. It recommends that larger open spaces should be enhanced and that local scale open spaces are provided and improved, particularly in areas with high levels of deprivation and where communities do not have access to gardens or open spaces.

The area below the Leas at Folkestone was created in 1784 when a landslip produced a new strip of land between the beach and the new cliff line. The Upper Leas gardens on the cliff-top and the Lower Leas gardens along the foot were created in the late 19th century to attract Victorian holiday makers. There is a fun zone in the park and the largest free play area in the South East.

Lower
Leas
Coastal
Park

The Warren was formed from landslips which took place over the last 200 years. In 1924 the land was gifted to the people of Folkestone. Scrub has developed over what was once bare land, but there remain areas of flower-rich grassland. Chalk grassland wildflowers grow alongside woodland plants, while the sea air promotes rock sea lavender and rock samphire. It is of national importance for wildlife and geology and is a Site of Special Scientific Interest and Local Nature Reserve.

East Cliff
and The
Warren

Brockhill Country Park sits on the former Brockhill Park Estate, historically linked to Saltwood Castle. The estate was bought by Kent County Council in 1947 and opened to the public in 1986. Once part of the estate of a Norman manor, Brockhill Park has a central lake, open grassland and meadows, a picnic area, a new play area and refreshments at Brockhill Café. The park is rich in wildlife and is a Site of Nature Conservation Interest.

Brockhill
Country
Park

Active travel

Active travel means walking or cycling as a means of transport rather than for leisure. Active travel allows people to be physically active as part of their daily lives, bringing health and wellbeing benefits as well as saving money. It helps both the environment and health through reducing air pollution and climate change gases. It can not only help to reduce congestion; in urban areas it may also provide a quicker journey than by motor vehicle. Investment in active travel also makes economic sense, with a high benefit to cost ratio for many schemes.



Sustrans National Cycle Route Way Post at Hythe

A well-designed, accessible environment can encourage people to walk or cycle. People cycle more when there is cycle infrastructure and separation from traffic. Conversely, a lack of routes, poor information, concerns over safety and the speed and convenience of motorised transport all create barriers to people choosing active travel. The desire to cycle and walk is influenced not only by distance, but also by the quality of the experience.

Folkestone and Hythe District Council has developed a Local Cycling and Walking Infrastructure Plan (LCWIP). Urban Folkestone and Hythe are the focus of the LCWIP as the main centres of population and the need for travel to work, school and other destinations. The LCWIPs sets out plans for a network plan for walking and cycling and infrastructure improvements to support this.

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Public rights of way

The public rights of way network is also an important component of access to the countryside and green spaces.

There are in the district cover 578 km or 359 km of public rights of way in the district. There are more footpaths (for walking only) than other types of public rights of way.

There are many promoted routes which use public rights of way within the district, including the England Coastal Path, the Elham Valley Way, the North Downs Way, the Royal Military Canal, and the Saxon Shore Way.



Public footpath in Elham

Needs, Opportunities and Priorities – Access, Recreation and Active Travel

A
Actions within the control of Folkestone and Hythe District Council.

B
Priorities within the scope of influence of F&HDC. Potential to be delivered by other organisations or in partnership with F&HDC.

C
Priorities of importance in the district but not in control of F&HDC. Delivered by other organisations.

	Priority and Opportunities	Delivery
AR 1	STRATEGIC PRIORITY: Ensure that greenspace provision keeps pace with population growth and provides for Folkestone and Hythe's future residents.	
AR 1.1	Ensure that greenspace provision meets the standards set out in Folkestone and Hythe's Local Plan and that development delivers greenspace provision to meet the needs of new residents (no net loss).	A
AR 1.2	Manage greenspaces to ensure that they can accommodate high levels of visits, and the increased level of visits post-Covid 19 pandemic, providing infrastructure and maintenance to meet high demand.	B
AR 1.3	Seek new greenspace in areas where there is a deficit.	B
AR 1.4	Where development is taking place, ensure that public rights of way are improved and, where possible, provide multi-user and traffic-free routes and new connections.	A
AR 1.5	Invest in public rights of way, particularly those linking town and countryside, to ensure they are accessible to a wide range of people.	B
AR 1.6	Plan strategically to ensure accessible greenspace, cycle routes, walkable spaces and public rights of way are connected, especially in areas of development, so that opportunities are not lost and gains are delivered.	B
AR 2	STRATEGIC PRIORITY: Support increased active travel, to relieve congestion and air pollution and encourage healthy living through a strategic cycle network and walking routes.	
AR 2.1	Make civic spaces and public realm more accessible, attractive and welcoming to encourage people to walk and cycle.	B
AR 2.2	The LCWIP will identify new routes for walking and cycling for active travel and where possible these might be dovetailed with opportunities for leisure routes and access to greenspace.	B
AR 2.3	Ensure urban public rights of way are more fully utilised, keeping them clear from fly tipping, signing them and upgrading for cycling use where possible.	B
AR 2.4	Develop urban promoted walking trails.	B
AR 3	STRATEGIC PRIORITY: Maximise the benefits of recreation and access to Folkestone and Hythe's unique landscapes and greenspaces, whilst ensuring that this does not have a negative impact on them, their special character or their biodiversity.	
AR 3.1	Use the district's outstanding landscape, heritage and biodiversity to promote tourism in a sustainable way, whilst avoiding damage and negative impacts on the environment, landscape and biodiversity sites (see also priority 1.5 – biodiversity, trees and woodlands re. implementation of the SARMS).	B
AR 3.2	Ensure that promotional materials and tourism promotion includes information for visitors on how to minimise the impact of their visit.	B
AR 3.3	Use access to green spaces as a catalyst for more community engagement in their care and knowledge of their uniqueness.	B

Health and Wellbeing

The benefits
of being
physically
active
outdoors

Being physically active is strongly linked to better health and wellbeing. It is well established that there is a link between physically inactive and many chronic health conditions, including coronary heart disease, stroke, cancer, type 2 diabetes and mental health problems. Physical activity in the natural environment also has a greater impact on mental health than exercising indoors, improving self-esteem, positive mood and anxiety levels.

Walking is one of the easiest, most accessible and cost effective ways for most people to increase their physical activity but gaining the physical and mental benefits of access to green space can take many forms. This can include gardening, creating art, feeding the birds, picnicking or enjoying the beach. The whole range of green and blue infrastructure is important and can support physical and mental health. Even just being able to view nature can be beneficial.



Folkestone Half Marathon Passes the Metropole Building, Upper Leas

Health in Folkestone and Hythe

The health of people in Folkestone and Hythe is varied. Life expectancy for both men and women is similar to the England average, but in the most deprived areas life expectancy is 6.9 years lower for men and 5.4 years lower for women than in the least deprived areas.

Levels of access to open space vary considerably across Folkestone and Hythe. There are several areas of poor health where there is also low greenspace. Whilst many are clustered in urban areas, there are some areas of poor health in rural areas where there is low access to greenspace. Here, public rights of way are important. However, it is also clear that some communities with poor health outcomes have very good access to greenspace, such as some urban areas of Folkestone.

Provision for people living with disability

Disability will affect many people during their lifetime. Only 17% of disabled people were born with their impairment and most disabled people acquire their disability later in life.

People living with disabilities also have specific access needs. This can be physical improvements or more information on how accessible places are. It is important that open spaces and public rights of way are made as accessible as possible to that people can benefit from the health and wellbeing gains from being outdoors, throughout their lives and no matter what form of disability they may be living with.

Covid-19 pandemic

The Covid-19 pandemic underlined the importance of outdoor space for physical exercise and mental health. Many people benefitted from accessing greenspace during the pandemic and its social restrictions.

However, it also highlighted differences in levels of visiting greenspace in different socio-economic groups carried on through the pandemic. Those groups less likely to visit greenspaces (lower income groups), or those who lived further away, visited these spaces less than more advantaged groups.



Race for Life for Cancer research, Folkestone

Needs, Opportunities and Priorities – Health and Wellbeing

A
Actions within the control of Folkestone and Hythe District Council.

B
Priorities within the scope of influence of F&HDC. Potential to be delivered by other organisations or in partnership with F&HDC.

C
Priorities of importance in the district but not in control of F&HDC. Delivered by other organisations.

	Priorities and Opportunities	Delivery
HW 1	STRATEGIC PRIORITY: Support people in taking healthy exercise and engaging in nature for both their physical and mental health.	
HW 1.1	Update and revise promoted routes using public rights of way in both urban and rural areas, providing more information on accessibility.	B
HW 1.2	Improve the accessibility, facilities and quality of Folkestone and Hythe owned parks and greenspaces and the public realm for those with mobility impairments and other disabilities.	A
HW 1.3	Through green social prescribing, encourage local NHS partnerships to develop healthy walking groups, as well as outdoor activities for those suffering from other conditions for example social isolation and anxiety.	B
HW 1.4	Provide information on accessibility to greenspaces so that those with mobility impairments or other disabilities feel confident to access more spaces, routes and parks.	A
HW 1.5	Use the interest and increased visitation generated through the Covid-19 pandemic to provide more information to people on where they can visit and how to visit responsibly.	B
HW 1.6	Create more spaces to support community growing – allotment facilities, gardens, edible trails and green walls and educate and support residents in utilising these.	B
HW 1.7	Create new promoted routes and circular routes near areas with new development to access the countryside and natural environment so that new populations can actively enjoy the outdoors.	B
HW 1.8	Improve the urban/rural interface and routes to the countryside improving accessibility of urban edge routes, e.g. removing stiles, installing handrails, improve surface.	B
HW 1.9	Ensure new development includes good quality and well-managed greenspaces, sports and play facilities to cater for the increase in population.	A
HW 2	STRATEGIC PRIORITY: Provide access to green infrastructure close to home and which is inclusive for all.	
HW 2.1	Plan for a reduced car Folkestone and Hythe – planning strategically to link public rights of way, cycle routes and greenspaces.	B

Priorities and Opportunities		Delivery
HW 2.2	Ensure that high quality greenspace and green infrastructure is provided through new development so that everyone has access to greenspace close to home.	A
HW 2.3	Use green infrastructure in civic spaces and urban streets to make these places more attractive for walking and cycling, improving health and reducing car travel.	B
HW 2.4	Make routes and spaces as accessible as possible so they are available to a wide range of people with different abilities.	B
HW 3	STRATEGIC PRIORITY: Initiate local evidence-informed research to understand the impact that accessible greenspace has on local health outcomes, especially for disadvantaged groups.	
HW 3.1	Support meaningful engagement to understand why some communities do not use greenspace, even when it is relatively close, to reveal the complex and diverse ways greenspace is thought about and used.	B
HW 3.2	Monitor and evaluate local changes in access to greenspace, in conjunction with health data over time, to understanding of what works, for whom and how.	B

Blue Infrastructure and the Coast

A blue district

Blue infrastructure in its many forms is an important feature of Folkestone and Hythe district. There are a range of blue infrastructure features including the extensive ditches and wetlands of the Romney Marsh, the Nailbourne chalk stream, and saline lagoons and larger pools around Dungeness and Lydd.

The Royal Military Canal stretches 28 miles from Seabrook near Hythe, through the Romney Marsh to Cliff End in East Sussex. After Hadrian's Wall and Offa's Dyke, it is the third-longest defensive structure in the UK. It was constructed between 1804 to 1809 and part of the canal is a Scheduled Monument for its heritage value. The Royal Military Canal is also an important recreational feature. A path runs alongside the canal and it is possible to walk the entire length and to cycle along some sections.

Royal Military Canal

Through Elham and Wingmore is the Nailbourne. For much of the year this 'watercourse' is dry. It is a chalk 'bourne' – a stream which only appears after successive seasons of high rainfall and when ground water levels are high enough. For centuries the belief that the nailbournes rose once every seven years and that their appearance would bring bad luck and disaster, give them the name 'woe waters'.

'Woe waters'

Boardwalk to protect shingle vegetation, Lade beach

Much of the Romney Marsh lies below the high tide level, requiring a complex network of drainage structures to prevent the area from flooding. A network of streams, ditches, drains, cuts, dykes and main sewers cross the Marsh and empty into the sea or the Royal Military Canal. The history of land drainage on the Marsh stretches back to at least the 13th Century. The ditches and sewers also provide rich habitat for a wide range of wildlife, including declining species such as water voles.

Romney Marsh

The rich and varied coastline of Folkestone and Hythe is one of the district's greatest assets. The coastline from Hythe to Dungeness is also lined with beaches which are popular with residents and visitors alike and are an important part of the economy of the district.

Areas in Folkestone and Hythe are at risk of flooding from a number of sources, including tidal and surface water flooding, as well as flooding from groundwater, streams, ditches and the coast. Storm events and surges can also affect the district. However, many areas benefit from the protection provided by a diverse range of flood defence infrastructure.

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Around Dungeness, Lydd and Lade are a series of lakes. These pits and hollows are either flooded former gravel workings, saline lagoons or natural freshwater lagoons. These areas are important for newts and water voles as well as birds. There are saline lagoons across the area, including in the RSPB Reserve – a very rare habitat. Some of the lakes are used for watersports.

Pools rich in wildlife

Most of the coastline is protected by sea defences in the form of seawalls and shingle beaches. These areas need to continue to be defended to protect settlements, some of which are low lying. The shoreline along the eastern side of Dungeness Point and to the north is accreting with shingle which helps to naturally form a defence. Ongoing sea level rise will result in a significant narrowing of intertidal areas ('coastal squeeze'), which has the potential to have an impact upon the nature conservation areas as well as the tourism economy.

The Seabrook Stream to the west of Hythe is a SSSI. The stream flows through a valley rich in wildlife and a range of fen and wet woodland habitats and supports a nationally important range of craneflies. Brockhill Country Park lies in a similar valley, with wetland habitats modified in Victorian times to create a pleasure garden. This site also supports a wide range of craneflies and other invertebrates.

Seabrook Stream SSSI

Surface and groundwater water quality is vitally important for water supply, general amenity, recreation, fisheries and nature conservation and supports domestic, industrial and agricultural uses. Folkestone and Hythe is an area of serious water stress as identified by the Environment Agency.¹¹ South East Water and Affinity are the statutory water suppliers in Folkestone and Hythe district. There is a shared interest in the protection of groundwater supplies and water quality.

Climate change will inevitably result in an increased risk of flooding from all sources due to an increased frequency of intense rainfall events due to climate change, combined with a drainage network that quickly reaches capacity. The reliance on coastal flood defence infrastructure will increase over the next century. It is therefore necessary to ensure that new development is designed so that these residual risks are mitigated.¹²

Sustainable Drainage Schemes (SuDS) are a useful way to help to manage surface water flood risk. Natural features like swales, ponds, tree pits and rain gardens allow water to soak into the ground or be evaporated, reducing the need for traditional piped drainage. SuDS can also provide amenity value, reduce the impacts of climate change and create spaces for nature. Green infrastructure assets are important areas in which to implement or retrofit SuDS.



Folkestone beach

Needs, Opportunities and Priorities – Blue Infrastructure and the Coast

A
Actions within the control of Folkestone and Hythe District Council.

B
Priorities within the scope of influence of F&HDC. Potential to be delivered by other organisations or in partnership with F&HDC.

C
Priorities of importance in the district but not in control of F&HDC. Delivered by other organisations.

Priorities and Opportunities		Delivery
BIC 1	STRATEGIC PRIORITY: Protect water resources and protect and enhance the biodiversity value of water and wetland habitats.	
BIC 1.1	Raise awareness of the outstanding water, wetland, coastal and marine habitats of the district, both to residents and organisations, and promote ways in which everyone can help to conserve and protect them.	B
BIC 1.2	Support actions to reduce water consumption.	C
BIC 1.3	Achieve good status for watercourses. This includes a range of actions - improve fish passage, naturalise hard engineered riverbanks, reduce silt and enrichment from agriculture, improve highway runoff.	C
BIC 1.4	Ensure measures are taken to mitigate, where possible, against the impact of climate change on habitats, including coastal squeeze.	B
BIC 1.5	Encourage the installation of low water input planting in open spaces and parks and in new development (in both shared greenspaces).	B
BIC 1.6	Ensure water-based recreation and wildlife interests are in balance – ensure biodiversity interests are properly taken into account and protected.	B
BIC 2	STRATEGIC PRIORITY: Incorporate SuDS schemes into new development and retrofit into existing green infrastructure where such an approach is appropriate to help address flooding issues.	
BIC 2.1	Integrate SuDS into the design of new green infrastructure rather than a separate feature e.g. tree pits with water storage capacity and consider and include future maintenance of the system in the early stages of SuDS design. SuDS should be designed to support biodiversity and amenity uses.	A
BIC 2.2	Support efforts to tackle diffuse pollution from urban centres and industrial areas e.g. through the implementation of sustainable drainage systems (SuDS).	B
BIC 2.3	Incorporate SuDS into new development where appropriate and ensure maintenance.	A
BIC 2.4	Utilise existing greenspace to incorporate SuDS scheme where these can address a need to control flooding.	B

Landscape Character and Heritage

A landscape
of contrasts

The district has a remarkably rich and diverse landscape and heritage. This landscape character underpins Folkestone and Hythe's green and blue infrastructure assets, providing a unique 'sense of place'. There are three main character areas in the district.

The Kent Downs Area of Outstanding Natural Beauty designation is testament to the scenic qualities and natural beauty of this character area (see Elham Valley, photo to left).¹³

Agriculture is important in forming the landscape, with mixed farming of arable, livestock and horticulture have co-existed for centuries. The woodlands, many of which are ancient, are a prominent feature of the landscape and chalk grassland is particularly notable.

North
Downs
Character
Area

Remote coombes in the scarp slope at Etchinghill overlook Asholt Wood, one of the best examples of ash coppice in Kent, although now significantly affected by ash dieback. At the base of the scarp springs emerge between the chalk and gault clay and feed streams which flow towards the coast.

The network of public rights of way includes ancient trackways along the ridge.



The Romney Marshes is an open landscape of reclaimed, low-lying marshland. This unique area has a character all of its own and contains a wealth of wildlife and geomorphological features.

Dungeness is of international importance for its geomorphology, plants, invertebrates and birds. Home to some of the UK's rarest species, it is protected by nature conservation designations. Dungeness and Rye Harbour comprise the largest cusped shingle foreland in Europe, one of the few such large examples in the world.

Romney Marsh Character Area

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The Romney Marsh is one of the most fertile areas of Kent, with a particularly long growing season.¹⁴ Farming on Romney Marsh has changed greatly with a change from sheep pasture to arable land and intensification. As farming changes, traditional features are lost from the landscape, for example lookers' huts and hedgerows.

Scattered settlements are linked by long, straight, open roads and have a distinctive architectural character, including weatherboarding and hung tiles. Many have medieval churches at their core.

Pressures of sea level rise and climate change will create coastal change. Much of the area is below the high tide level and at risk of flooding.



Romney Marsh

This character area runs parallel to the North Downs, between the downland and the Romney Marsh. The major transport corridor of the Channel Tunnel rail link passes through this area. Part of the Kent Downs AONB extends into this area around west Hythe.

Wealden
Greensand
Character
Area

A rich and
diverse
heritage

Folkestone and Hythe district has a remarkably rich and diverse heritage that is important in shaping the district's historic sense of place and distinct character. There is also a wealth of heritage highlighting the importance of the district for defence, tourism and trade.

The Hythe scarp is highly visible from the flat marsh, forming a long hillside of rough grassland, dotted with scrub with arable fields on the lower slopes towards Aldington. Several large deciduous woodlands break up the sweep of the landform. Between these woodlands there are spectacular views across Romney Marsh and the English Channel. The Royal Military Canal, running along the base of the scarp, acts as the 'backbone' of the area.

There are some notable green and blue spaces which are important green and blue infrastructure assets and heritage features, for example the Royal Military Canal. There are opportunities to bring heritage and open space management together to benefit communities and visitors.



Royal Military Canal
at Hythe

Two Cinque Ports, Hythe and New Romney, lie within the district. Folkestone also has valuable heritage assets as a cross-channel port and a rich fishing heritage. The harbour itself has played essential roles during important historical events that include wartime, the arrival of the railway and the commencement of tourism.

By the end of the 19th century Folkestone, along with neighbouring Sandgate, had developed into a fashionable seaside resort, with luxurious hotels and seaside amenities. Dymchurch, St Mary's Bay and Romney Sands also became popular destinations.

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The district's proximity to the continent has continually placed it on the front line against foreign invasion. An outstanding legacy of defence is evident in the remains of fortifications along the coast and inland, representing the nation's responses to foreign threats and its defence strategies. The Napoleonic period defences are of outstanding importance. At various points Folkestone, Hythe and Lydd have become major garrison towns. The district contains a wide collection of Second World War heritage assets, including sites associated with air defence, coastal defence, troop support and supply, anti-invasion works, and civil defence.

The district also has several historic parks and gardens. Whilst reduced in size, the heritage of these parks, their buildings and gardens are distinctive. The archaeology of blue infrastructure – rivers, river valleys and the marine and coastal environment – is also an important feature of Folkestone and Hythe district. A religious heritage is evident in religious buildings and ruins.



St Thomas à Becket, Fairfield, Romney Marsh

Needs, Opportunities and Priorities – Landscape Character and Heritage

A
Actions within the control of Folkestone and Hythe District Council.

B
Priorities within the scope of influence of F&HDC. Potential to be delivered by other organisations or in partnership with F&HDC.

C
Priorities of importance in the district but not in control of F&HDC. Delivered by other organisations.

Priorities and Opportunities		Delivery
LH 1	STRATEGIC PRIORITY: Strengthen and reinforce landscape character and ensure green and blue infrastructure enhances and fits with local landscape character.	
LH 1.1	Manage woodland, aiming for a linked network of woodland, shaws and hedgerows, and replace dead ash with alternative species as appropriate. Restore characteristic landscape features such as hedgerows and woodlands. Ensure new tree establishment associated with climate mitigation respects and enhances landscape character and qualities.	C
LH 1.2	Protect and enhance the landscape and views in the Kent Downs AONB and its setting, support the co-ordinated management of the landscape and habitats, promote wildlife value, enable and manage access for recreation, with reference to the Kent Downs AONB management plan and landscape character assessment.	B
LH 1.3	Strengthen and reinforce natural features like watercourses as accessible green corridors linking built up areas with the wider countryside.	B
LH 1.4	Develop strategies for partnership working to enhance the landscape, for example for woodland and farmland management.	C
LH 1.5	Strengthen and reinforce landscape structure in the urban–rural fringe areas. Ensure that the edges of new and existing urban and rural settlements blend comfortably with the surrounding countryside.	B
LH 1.6	Protect water resources, wetland habits, fen and reedbed, chalk grassland, traditional orchards and other heritage landscape features.	B
LH 1.7	Ensure that new development recognises landscape character in proposals and seeks to conserve and enhance landscape features and, where development is within or impacts on the Kent Downs AONB, have particular regard to the natural beauty of protected landscape.	A
LH 1.8	Protect the naturalness and landscape character of the districts unique and varied coastal landscapes.	B
LH 2	STRATEGIC PRIORITY: Ensure heritage is recognised in green and blue infrastructure planning, interpretation, and tourism.	
LH 2.1	Promote and enhance heritage assets.	B
LH 2.2	Improve accessibility of heritage sites through sustainable transport links and enhanced interpretation (where appropriate) and community engagement.	B
LH 2.3	Identify heritage and local distinctiveness which can be used to guide future development.	A
LH 2.4	Identify and protect important viewpoints of heritage assets and ensure that the historic natural environment is respected and interpreted through new development.	A
LH 2.5	Protect archaeological sites and promote public awareness, and access where possible.	B

Spatial Areas

Folkestone Town, Hythe and Saltwood

Parts of Folkestone are densely populated urban areas but there are also some larger areas of green and blue space, for example Radnor Park. Following the coast are the urban areas of Seabrook, Hythe and Saltwood.

The coastal beaches and parks are important for tourism and recreation. To the east is East Cliff and Warren Country Park and to the south of Folkestone is The Leas and Lower Leas Coastal Park. There is access along the coastal promenade and the beachfront. At Seabrook, near Princes Parade, the Royal Military Canal begins, with a cycling and walking route alongside.

There are several corridors of linked green infrastructure assets in Folkestone town. These corridors highlight opportunities to improve linkages across the town, perhaps through sympathetic management, but improvements elsewhere in the urban area are not excluded. The whole of the town is also covered by a 'B-Line' highlighting potential importance for pollinator species, highlighting the potential to improve area for pollinator species throughout urban Folkestone and Hythe.

Access out of Folkestone to the north is restricted by transport infrastructure. There are some access routes but these are limited.

There is, however, a 'green chain' around Folkestone and Hythe which could be improved and promoted.

In the 2021 Folkestone Town Centre 'Place Plan' there are several green and blue infrastructure actions and recommendations which should be prioritised as part of any regeneration of the town centre.

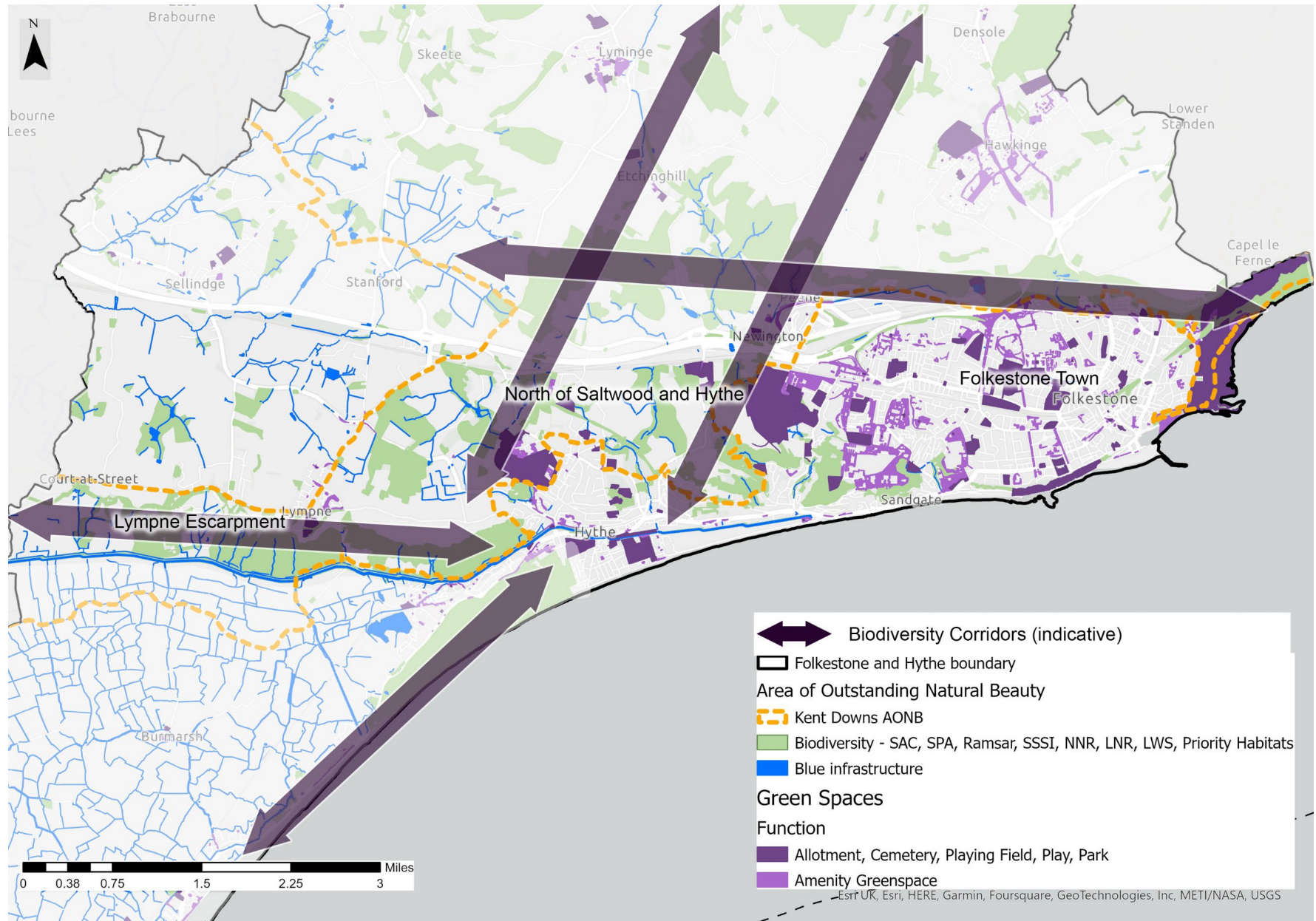
On the western side of Folkestone the urban area gives way to an urban edge landscape with many areas of green infrastructure. This leads to an area to the north of Saltwood and Hythe, bounded by urban areas to the east and south, with Otterpool planned along the western edge. Most of this area is within the Kent Downs AONB.

The landscape is intimate and enclosed with historic elements which create a strong sense of place. Saltwood Castle stands in a tiny area of ornamental parkland on the edge of an unspoilt valley. It is also an important area for biodiversity corridors and most is within the Mid Kent Greensand and Gault Biodiversity Opportunity Area, with links to other Opportunity Areas to the north and south.

This is an important area for recreation for current and future residents, particularly as there are only two access points across the transport corridor in the north. A large, and growing, local population could put pressure on recreation facilities within the landscape. Providing high quality, well managed multifunctional paths to recreational spaces such as Brockhill Country Park that can accommodate high levels of use will help to protect more fragile elements of the landscape.

Plan 3:
Folkestone
Town, Hythe
and Saltwood
Area

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Needs, Opportunities and Priorities – Folkestone Town, Hythe and Saltwood Area

A
Actions within the control of Folkestone and Hythe District Council.

B
Priorities within the scope of influence of F&HDC. Potential to be delivered by other organisations or in partnership with F&HDC.

C
Priorities of importance in the district but not in control of F&HDC. Delivered by other organisations.

Priorities and Opportunities		Delivery
FHS 1	Focus Area north of Saltwood and Hythe	
	A range of access improvements:	
FHS 1.1	<ul style="list-style-type: none"> – Good quality connections and investment in public rights of way, especially existing promoted routes and routes to Brockhill Country Park; – Increase accessibility of routes (remove stiles, improve surfaces); – Link to existing promoted routes (Royal Military Canal, Saxon Shore Way, Elham Valley Way); – Produce map to show network of public rights of way, cycling routes and quiet lanes to help users and minimise wandering off of public rights of way. Ensure good waymarking on public rights of way; – There are dead end routes truncated at railway – rationalise these. Seek east-west routes where these are lacking. 	B
FHS 1.2	Assess likely impact of ash dieback on woodlands and hedgerows and mitigate for this (linked to previous action on need for district-wide tree and woodland strategy).	A
FHS 1.3	Improve biodiversity connections across this area through hedgerows, pollinator corridors and other measures appropriate to the landscape character.	B
FHS 1.4	Ensure core biodiversity sites in good condition – Seabrook Stream SSSI, Lympne Escarpment SSSI, Saltwood Valley LWS, Paraker Wood and Seabrook Stream LWS and Folkswood LWS. Woodland as part of Shorncliffe.	B
FHS 1.5	Take a holistic view and develop a plan for biodiversity, landscape, blue infrastructure and access in the Saltwood and Hythe area. To include interface with urban fringe and to accommodate new Otterpool development.	A
FHS 2	Whole area – Folkestone Town, Hythe and Saltwood	
FHS 2.1	Develop a 'Bees Please for Folkestone' project – improvements across the town and beyond to create an urban pollinator haven. Projects to increase wildflowers and pollinators would also help other wildlife. Use the project to engage residents and raise awareness. Potential to link with arts. More wildflowers could be incorporated into the many close mown areas in Folkestone, including parks, sports areas, amenity grassland, The Leas, road verges and the communal gardens of apartments. Use as a visitor economy unique selling point.	A
FHS 2.2	Folkestone town centre regeneration through the Place Plan should incorporate the recommended green and blue infrastructure elements to improve the public realm and make spaces more attractive.	A
FHS 2.3	Improve access across the barrier of the transport corridor north of Folkestone through ensuring safe and well-maintained routes and promotion.	B

Priorities and Opportunities		Delivery
FHS 2.4	Protect, enhance and expand the street trees of Folkestone – which are an important feature in some areas of the town – and increase the urban canopy to adapt to climate change impacts.	B
FHS 2.5	Incorporate biodiversity features in all parks in the urban area, including playing pitch areas, managed by Folkestone and Hythe District Council.	A
FHS 2.6	Encourage increases in biodiversity in the significant green infrastructure assets which are privately owned, or which are schools ground, playing fields or cemeteries – for example through tree planting, wildflower areas, linkages for wildlife movement, pollinator areas and other measures. Foster collaborative improvements between landowners in areas which are identified as green corridors.	B
FHS 2.7	Enthuse and engage residents to incorporate wildlife features into gardens, to install swift boxes and create hedgehog highways, and to appreciate value of wildflower and unmown areas within the urban fabric.	B
FHS 2.8	Ensure that the woodland at Shorncliffe development is entered into sustainable management for recreation and wildlife and consider designating as a Local Nature Reserve.	A
FHS 2.9	Cheriton area has poor access out of urban area to countryside areas beyond and low provision of green space, although it does have large areas of amenity grassland. Invest in access and biodiversity at Cheriton Recreation Area as a significant area of greenspace. Improve quality of amenity green spaces in the area for wildlife and recreation.	A
FHS 2.10	Promote a 'green chain' of access routes around Folkestone and promote access to these sites. Invest in public rights of way linking town and countryside to ensure they are accessible to a wide range of people. Ensure recreation is sustainable and does not damage sensitive biodiversity features, through monitoring and management measures as necessary, e.g. through installing interpretation and including information in promotional materials.	B
FHS 2.11	Ensure urban public rights of way are more fully utilised, keeping them clear from fly tipping, signing them and upgrading for cycling use where possible.	C
FHS 2.12	Develop urban walking routes to link open spaces and the coastal sites.	B
FHS 2.13	Connect with Folkestone's arts community to bring alive the unique and special wildlife, habitats and heritage of the area, e.g. through artwork, events, installations, festivals.	C
FHS 2.14	Produce and implement management plan for Folkestone Warren Local Nature Reserve to implement biodiversity management and sustainable recreation.	A
FHS 2.15	Investigate existing open space suitable to help alleviate surface water flooding in areas where it is a problem.	B
FHS 2.16	Engage with active community and environmental groups in this area to take forward projects and generate local ideas and increase environmental volunteering.	B
FHS 2.17	Develop a green schools programme to increase wildlife, plant trees to increase shade, wildflower meadows, bird and bat boxes, bug houses and growing food, to increase awareness and engagement in the natural world and special wildlife of the area.	C

Romney Marsh

This unique area has a character all its own, and a unique historic landscape that has evolved over thousands of years. Its long and complex natural history is primarily one of land reclamation.

Dungeness is undoubtedly the jewel in the crown for biodiversity in this area. A continual balance needs to be struck in an area that is internationally important for geomorphology and wildlife but where local communities strive to make a living and enjoy the natural assets on their doorstep. Pressures from visitors on these areas are addressed through the delivery of the Sustainable Access and Recreation Management Strategy (SARMS).

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Farming on Romney Marsh has changed over past decades, both in terms of the type of farming (conversion of sheep pasture to arable land) but also its increased intensification. Nevertheless, the network of ditches and wetlands make this area important for wildlife.

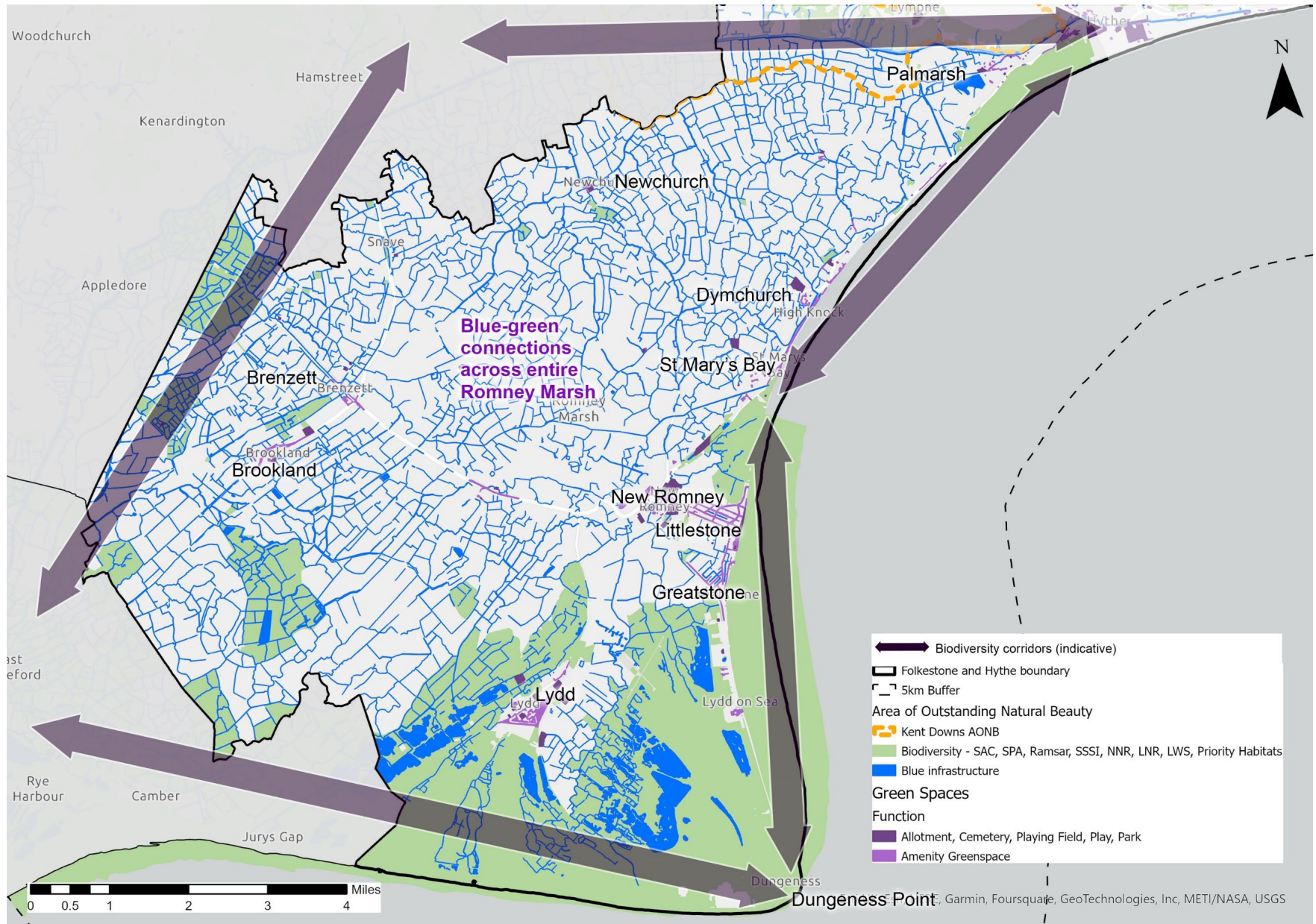
The Open Spaces Strategy shows that some areas in the Romney Marsh area, including New Romney, are currently below the quantity standard. The Open Space Strategy recommends existing green links and corridors should be strengthened including the extensive beaches, cliff-tops and the Royal Military Canal.

There are also pockets of poor health in the Romney Marsh area, in New Romney, St Mary's Bay and Dymchurch.



Plan 4:
Romney Marsh
Area

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Garmin, Foursquare, GeoTechnologies, Inc, METI/NASA, USGS

Needs, Opportunities and Priorities – Romney Marsh Area

A
Actions within the control of Folkestone and Hythe District Council.

B
Priorities within the scope of influence of F&HDC. Potential to be delivered by other organisations or in partnership with F&HDC.

C
Priorities of importance in the district but not in control of F&HDC. Delivered by other organisations.

Opportunities and Priorities		Delivery
RM 1	Consider new cycle path from Lydd to New Romney to take traffic off the road and create a family-friendly route. Employees of the Dungeness Power Station would also benefit if a cycle path was installed along Dungeness Road.	B
RM 2	Provide a range of promotional materials for walking and cycling to promote sustainable tourism. Highlight the area's outstanding heritage and biodiversity assets.	B
RM 3	In many areas public rights of way are the main areas for recreation. Invest in these and promote them for tourism, recreation and health benefits. Improve accessibility of public rights of way to support health and wellbeing.	C
RM 4	Encourage healthy walking groups for the Marsh communities.	B
RM 5	Plan strategically to ensure destination green spaces such as Dungeness RSPB, Dungeness Point, the Royal Military Canal, Romney Hythe and Dymchurch Railway and the coast are connected through promotional routes.	B
RM 6	Seek ways to continue legacy projects from the Fifth Continent scheme: <ul style="list-style-type: none"> Restoring vegetated shingle habitat across Dungeness foreland; 'Blue lanes' - creating optimal ditch conditions for wildlife through physical works and education; Green lanes for bumblebees through improved highway cutting regimes and engaging with the community and landowners. 	C
RM 7	Implement <i>The Cinque Ports Cycle Route</i> - to link Folkestone seafront to Lydd in line with LCWIP strategy.	A
RM 8	Support access and recreation to the coast to benefit communities, the economy and health and wellbeing, while also taking full account of the recommendations in the SARMS.	B
RM 9	Engage with local communities to take action for pollinators in the villages of the Marsh – on verges, gardens, churchyards and open spaces.	B
RM 10	Engage with local communities to continue to raise awareness of the unique and special nature of the area.	B
RM 11	Produce integrated management plan for Greatstone Dunes addressing issues and ensuring sustainable management.	A
RM 12	Work with golf courses to improve wildlife and pollinator habitats.	C
RM 13	Provide more information in tourism material on the biodiversity value of the area and raise awareness with tourism businesses.	B
RM 14	Work with Ministry of Defence to increase access biodiversity and potentially access, where these do not on land holdings.	C
RM 15	Work with neighbouring authorities and partners to extend the Royal Military Canal cycle route to benefit the overall visitor offer for the area, taking into account recommendations in the SARMS.	B

The North Downs

To the north of Folkestone is the North Downs area. Most of this area is within the Kent Downs AONB.

The landscape is a patchwork of arable, livestock and horticulture farming which have co-existed for centuries. Churches, villages, parkland and heritage features are important, telling the story about the area's development and identity.

Woodlands, many of which are ancient, are a prominent in the landscape and chalk grassland is particularly notable. There are also large publicly accessible woodlands managed by the Forestry

Commission. Some of the chalk grasslands are designated for their international importance and support rare wildlife.

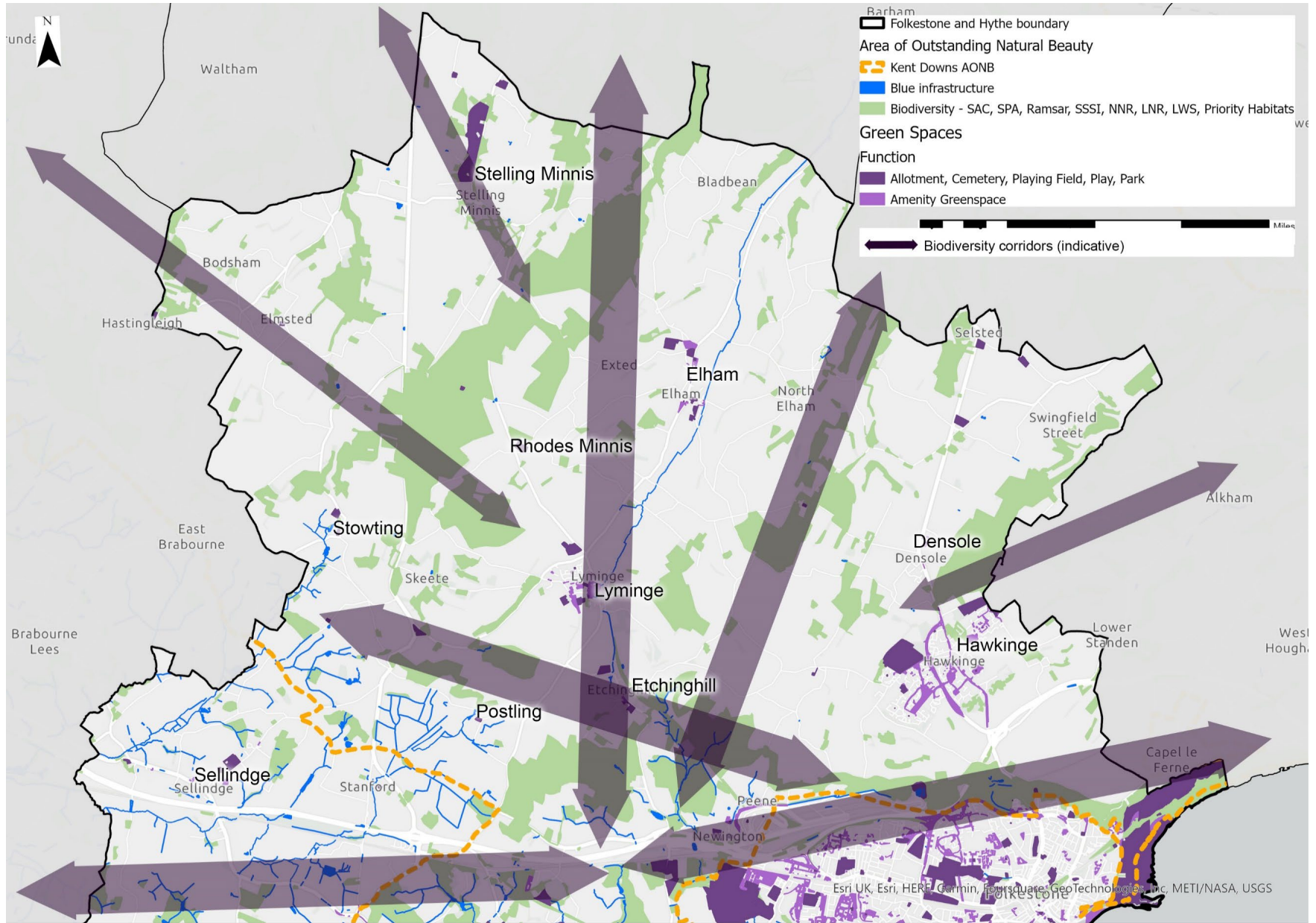
Public rights of way criss-cross the area, including ancient trackways. Promoted routes include the North Downs Way, Saxon Shore Way and the Elham Valley Way. Networks of narrow, winding lanes have hollowed-out the hillsides where they descend and climb the scarp during centuries of use.^{xv}

Between Lyminge, through Elham and Wingmore is the course of the Nailbourne, a chalk 'bourne' which only flows at some times of the year.



Plan 5: North Downs Area

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Needs, Opportunities and Priorities – North Downs Area

A
Actions within the control of Folkestone and Hythe District Council.

B
Priorities within the scope of influence of F&HDC. Potential to be delivered by other organisations or in partnership with F&HDC.

C
Priorities of importance in the district but not in control of F&HDC. Delivered by other organisations.

Opportunities and Priorities		Delivery
ND 1	Protect the tranquillity of the landscape and sensitively manage, promote and celebrate the area's rich cultural and natural heritage, famous landmarks and views for future generations. Working in partnership with Kent Downs Areas of Outstanding Natural Beauty to identify management opportunities in accordance with their management plans	B
ND 2	Join up woodlands and hedgerows across the landscape, strengthening landscape character and biodiversity networks.	C
ND 3	Seek opportunities to create biodiversity linkages within the Biodiversity Opportunity Areas, supporting local communities to take the lead to identify, plan and take forward improvements.	C
ND 4	Explore potential opportunities to work with the Forestry Commission and Ministry of Defence to improve public access and public recreation within woodland areas.	C
ND 5	Seek to increase awareness and maximising the potential of the area's outstanding historic, natural and cultural assets, improving access to and interpretation of sites and features, as a platform for enhanced education and to enthuse local communities.	B
ND 6	Conserve and appropriately manage ancient trackways such as the North Downs Way and the Pilgrims' Way and strengthen the network through high quality interconnecting routes, increasing the benefits of these routes for biodiversity, health and local businesses.	C
ND 7	Support villages and parishes to develop ideas and plans for village-wide wildlife improvements – wildflower verges, hedgehog highways, swift boxes and other projects across the whole village or parish to connect wildlife habitats.	B
ND 8	Recognise and manage the impact of increased visitor numbers on sensitive sites.	B
ND 10	In many areas public rights of way are the main areas for recreation. Invest in these and promote them for tourism, recreation and health benefits. Improve accessibility of public rights of way to support health and wellbeing.	C
ND 11	Encourage healthy walking groups in the North Downs communities.	C
ND 13	Develop measures to address the lack of biodiversity and flooding problems associated with the Nailbourne.	A
ND 14	Investigate natural solutions to flood management.	C
ND 15	Assess the impact of ash dieback on the landscape and nature conservation interests and, working with local communities, take steps to mitigate impacts.	B

Endnotes

¹ SSSI – Site of Special Scientific Interest; NNR – National Nature Reserve; LNR – Local Nature Reserve; SAC – Special Area of Conservation; SPA – Special Protection Area; LWS – Local Wildlife Site; Ramsar – wetland designated under the Ramsar Convention on Wetlands of International Importance; Priority habitats – habitats identified as rare under the Natural Environment and Rural Communities Act 2006 section 41.

² <https://www.kent.gov.uk/about-the-council/strategies-and-policies/environment-waste-and-planning-policies/environmental-policies/climate-change/kents-changing-climate>

³ Figures on habitat in this section from Kent Habitat Survey (2012).

⁴ Shepway District Council and Rother District Council. (2017). Dungeness Complex Sustainable Access and Recreation Management Strategy (SARMS).

⁵ <https://www.bumblebeeconservation.org/short-haired-bumblebee-reintroduction-project/>

⁶ Kent County Council. (2020). Canopy Cover Assessment - Kent Districts and Folkestone and Hythe. Kent Environment Strategy).

⁷ From National Forest Inventory and Natural England data. Total woodland calculated at approximately 2,210 hectares with ancient woodland approximately 1,320 hectares.

⁸ Lawton, J.H., *et al* (2010) Making Space for Nature: a review of England's Wildlife Sites and Ecological Network. Report to Defra. Natural England provides more detail on developing 'Nature Networks'. Natural England. (2020). *Nature Networks: Evidence Handbook*. NERR081; *Nature Networks: A Summary for Practitioners*. NERR082.

⁹ Sensitive management around sites to help protect them and increase biodiversity.

¹⁰ <https://www.buglife.org.uk/our-work/b-lines/>

¹¹ Environment Agency. (2021). Water Stressed Areas – Final Classification 2021.

¹² Folkestone and Hythe District Council. (2015). Folkestone and Hythe Strategic Flood Risk Assessment.

¹³ Natural England. (2013). National Character Area Profile 119 The North Downs.

¹⁴ Natural England. (2013). National Character Area Profile 123 The Romney Marshes.

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This Report will be made public on 12 October 2022



Report Number **C/22/51**

To: Cabinet
Date: 20 October 2022
Status: Non key
Responsible Officer: Adrian Tofts, Strategy, Policy & Performance Lead Specialist
Cabinet Member: Cllr Lesley Whybrow, Cabinet Member for the Environment

SUBJECT: MEMBERSHIP OF UK100 NETWORK

SUMMARY: This report outlines the support that the UK100 network of local authorities can provide to assist Folkestone & Hythe District Council to meet its climate change objectives. The report seeks approval for Folkestone & Hythe District Council to join the UK100 network.

REASONS FOR RECOMMENDATIONS:

To support Folkestone & Hythe District Council in achieving its climate change objectives.

RECOMMENDATIONS:

1. To receive and note report C/22/51.
2. That Cabinet approves the district council becoming a member of the UK100 network of local authorities.

1. BACKGROUND

- 1.1 The UK 100 group of local authorities was set up in 2015 to support action on climate change, in advance of the 21st United Nations Conference of the Parties (COP21) in Paris in December 2015.
- 1.2 UK100 is described on its website as “a network of highly ambitious local government leaders, which seeks to devise and implement plans for the transition to clean energy that are ambitious, cost effective and take the public and business with them”.¹
- 1.3 At the time of writing, UK100 lists 102 authorities as members.² Members include large metropolitan authorities, London Boroughs, county councils, combined authorities and lower tier authorities. Within Kent, Canterbury City Council and Swale Borough Council are members.
- 1.4 UK100 undertakes research and publishes findings on a number of topics including: transport; homes and buildings; energy; waste reduction and the circular economy; collaboration; green finance; and clean air. It works with Government ministers and civil servants to influence policy on issues including clean air, financing local energy, green finance and green jobs.

2. COMMITMENTS AND BENEFITS OF MEMBERSHIP

- 2.1 UK100 is financed through several funds and foundations and there is no subscription for local authorities to join.
- 2.2 Membership of the UK100 offers a number of benefits. The network provides learning opportunities for elected Members and officers on topics including: decarbonising homes and buildings; decarbonising transport; financing the transition to net zero; nature and climate adaptation; and clean energy.
- 2.3 The network offers a ‘Knowledge Hub’ to allow authorities to share their practical experience and learning. Recent examples of best practice from member authorities include:
 - The creation of a bio-gas bus fleet (Reading Borough Council).
 - The introduction of a Community Municipal Investment (CMI) bond (West Berkshire Council).
 - The installation of water-source heat pumps in listed buildings (Stroud District Council).
 - An initiative to improve all council homes to Energy Performance Certificate (EPC) level B within ten years (Wiltshire Council).

¹ See: <https://www.uk100.org/about>

² See: <https://www.uk100.org/membership>

- The provision of infrastructure to support Electric Vehicles (West Midlands Combined Authority).
 - Electrification of the council's fleet of vehicles (Lancaster City Council).
- 2.4 UK100 also offers membership of a Countryside Climate Network of rural authorities, which has 41 members. The network aims to address particular issues facing rural areas such as: the provision of reliable public transport; broadband connectivity; heating communities currently reliant on fuel oil; and promoting sustainable farming practices.
- 2.5 On joining the council would be required to sign the pledge attached at Appendix 1.
- 2.6 The membership pledge asks local authorities to use their influence to reduce greenhouse gas emissions within their organisations and to work with residents and businesses to move towards net zero emissions within their administrative areas. To guide work on reducing emissions from our own estate and operations, the council produced a Carbon Action Plan, which was adopted by Cabinet on 24 February 2021 (ref: C/20/76). Many of the actions in the plan have been completed and the plan is currently being reviewed.
- 2.7 Regarding residents and businesses, the council has set up a 'Carbon Innovation Lab' to bring together stakeholders from the local community, neighbourhood groups and businesses to draft a district-wide plan for carbon reduction. (This was endorsed by Cabinet on 23 March 2022; ref: C/21/94.) A number of meetings of the Lab have been held and an update report will be taken back to Cabinet in due course.
- 2.8 The pledge asks that local authorities monitor their progress to achieve net zero within their organisations. The council measured the carbon emissions from its own estate and operations at the base year 2018/19, through the consultancy Laser Energy, and reported these emissions in the 2021 Carbon Action Plan. Officers are updating the emissions data for the intervening monitoring years.

3. CONCLUSIONS

- 3.1 It is considered that membership of the UK100 network could offer Folkestone & Hythe District Council many benefits and it would present few risks. Recommendation 2 of this report is therefore that Cabinet recommends that the council joins the network.
- 3.2 Membership would provide access to support and learning that could help the council achieve many of the service ambitions set out in the Corporate Plan, Creating Tomorrow Together, including:
- Ensure an excellent environment for everyone.
 - Grow the circular economy and reduce waste.

- Increase our resilience to climate change.
- Grow the skills we need for the future.

3.3 It would also align with the Corporate Plan’s guiding principles:

- Sustainable recovery.
- Greener Folkestone & Hythe.
- Working effectively with partners.
- Continuous improvement.

4. OPTIONS

4.1 The options are:

- To join the UK100 network of local authorities.
- Not to join the UK100 network of local authorities.

4.2 For the reasons set out in sections 2 and 3 above, the recommendation is: option (i), that the council joins the UK100 network.

5. RISK MANAGEMENT ISSUES

5.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
That the UK100 network draws disproportionate resources of officer and/or Member time	Low	Low	That commitments to the UK100 network be reviewed periodically, such as through annual update reports to the Climate Change & Ecological Emergency Working Group

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

6.1. Legal Officer’s Comments (NM)

There are no legal implications arising directly from this report.

6.2. Finance Officer’s Comments (LW)

The report outlines that there is no direct cost for membership of this organisation and there are no direct financial implications arising from it

6.3. Diversities and Equalities Implications (GE)

There are no equality and diversity implications directly arising from this report. The proposal for the council to join the UK100 network will support the council in achieving its climate objectives set.

6.4. Climate Change Implications (AT)

There are no climate change implications arising directly from this report, in terms of emissions from travel, construction, waste, water, pollution, conservation and wildlife, etc. Membership of the UK100 network would provide access to training, best practice examples and partnership opportunities that could, in influencing the council's policies and practices, have a positive impact on reducing carbon emissions, both for the council's estate and operations and the wider district.

7. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Adrian Tofts, Strategy, Policy & Performance Lead Specialist
Telephone: 01303 853438
Email: adrian.tofts@folkestone-hythe.gov.uk

Appendices:

Appendix 1: UK100 Membership Pledge

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Membership Pledge

As local leaders across the UK, we recognise our responsibility to tackle the climate emergency and take bold action towards Net Zero.

We will continue to lead the UK’s response to climate change, acting sooner than the government’s goal by making substantial progress within the next decade to deliver Net Zero. We will use our experience and achievements to advocate to the UK government in order to accelerate the delivery of ambitious local climate action. **With greater powers and funding, we would go further.**

We commit to do everything within our power and influence to rapidly reduce our greenhouse gas emissions and work with our residents and businesses to bring our wider communities’ emissions in line with Net Zero as soon as possible.

We pledge to understand our impact on climate change, prioritise where action needs to be taken and monitor progress towards our goals. We will reduce our emissions at source and limit the use of carbon offsets as part of the global effort to avoid the worst impacts of climate change.

We are closer to the people who live and work in our communities, so we have a better understanding of their needs. This means we can collaborate with them to build consensus for the solutions we need to transition to a Net Zero society that delivers multiple benefits and is fair, just and works for everyone.

.....

Leader of

Date:

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This Report will be made public on 12 October 2022



Report Number **C/22/46**

To: Cabinet
Date: 20 October 2022
Status: Key Decision
Responsible Officer: Ewan Green, Director of Place
Cabinet Member: Cllr David Monk, Leader of the Council

SUBJECT: OTTERPOOL PARK STEWARDSHIP

SUMMARY: This report presents the approach by which it is proposed to deliver the stewardship element the Otterpool Park new garden town development. The report sets out the strategic principles which will underpin the approach to stewardship. The report outlines key considerations for the Council and seeks agreement to establish a dedicated stewardship vehicle in line with the Otterpool Park Charter.

REASONS FOR RECOMMENDATIONS: Cabinet agreement is required to determine and agree the overall approach to delivery of stewardship and the establishment of a new stewardship vehicle as a subsidiary of the Otterpool Park LLP. The decision is required in advance of the Otterpool Park outline planning application being determined by the Local Planning Authority to confirm that the requirements of the policies related to Otterpool Park stewardship within the Core Strategy have been met.

RECOMMENDATIONS:

1. To receive and note report C/22/46.
2. To agree the overall approach to delivering stewardship as set out in the report.
3. To agree to the establishment of a stewardship vehicle as a Limited Liability Partnership and as a subsidiary of Otterpool Park LLP.
4. To note that a further report will return to Cabinet with more detail on the assets proposed to be transferred to the vehicle, the treatment of assets, and funding model supported in a detailed business plan.

1. BACKGROUND

- 1.1 Governance and stewardship are key garden town principles and underpin how decisions are made and by whom and how the quality of a place can be sustained over the long-term. Having appropriate governance arrangements in place at the outset of a development is regarded as essential to its ultimate success as a 'place'. It allows an appropriate legal structure to be put in place in a timely way that provides a vehicle for the involvement of the local community; that secures long-term resident involvement; that allows land (or other assets) to be held securely for the benefit of that community; and for financial contributions to be guaranteed for long term management purposes.
- 1.2 The principle of long-term stewardship of public space and community assets is a founding objective of Otterpool Park within its guiding principles and vision. A core element for the vision for the site is that there will be a long-term mechanism in place to ensure that the landscape, open spaces and new facilities are maintained to a high standard and that both current and future residents are involved in their planning and management as the new town grows and develops.
- 1.3 The approved Otterpool Park Charter includes a section on establishing a suitable legal entity for long term management. Please refer to:
https://www.folkestone-hythe.gov.uk/media/1338/A-Charter-for-Otterpool-Park/pdf/A_Charter_for_Otterpool_Park.pdf?m=637098561986330000
- 1.4 Cabinet previously agreed to the high-level principles of long-term stewardship at its meeting of 18 October 2017 (see Minute 47 of the meeting of that meeting). Please refer to:
<https://www.folkestone-hythe.gov.uk/moderngov/documents/s24999/Draft%20Cabinet%20Report%20Otterpool%20Park%20Long%20Term%20Stewardship%2018%20Oct%202017%20FINAL%202.pdf>
- 1.5 Otterpool Park Limited Liability Partnership (LLP) Business Plan sets out a high-level overview of the way in which a stewardship may be brought forward. Please refer to:
<https://www.folkestone-hythe.gov.uk/moderngov/documents/s39494/Appendix%20Otterpool%20Park%20Business%20Plan%202022%20low%20res%20version.pdf>
- 1.6 The adopted Core Strategy sets out the policy requirements in relation to Otterpool Park stewardship in Policy SS9. This states that:
- 'A strategy for the long-term stewardship of the settlement shall be developed. This shall include the creation of a Community Trust or new elected body. The infrastructure that will need to be managed and maintained by the Trust or elected body may include: (i) Strategic and local open spaces; (ii) Sports pitches; Leisure facilities; (iii).

Community buildings; (iv). Public squares and spaces including public art and street furniture; (v). Sustainable drainage systems (SuDS); (vi). Allotments, community orchards and woodlands; and (vii). Heritage facility, such as a museum or archive storage’.

- Requirements to ensure the quality of all open space and physical assets on handover to the Trust or elected body will be set out in a Section 106 legal agreement.

1.7 As part of the outline planning application Otterpool Park LLP, as the applicant, has set out a strategy to meet the policy requirements for stewardship. Prior to determination of the outline application, and to meet the Core Strategy requirements, the Local Planning Authority (LPA) needs to be assured that the applicant for planning permission has agreed a strategy and identified the type of stewardship vehicle that will be established to meet these objectives.

1.8 The applicant is Otterpool Park Limited Liability Partnership (LLP), which is owned by the Council in part directly and in part through Otterpool Park Development Company Ltd. Under the Members’ Agreement governing the LLP the Council needs to approve any proposal by the LLP to establish another vehicle. Hence in order to satisfy the LPA the LLP needs to obtain the approval of the Council to the proposed stewardship vehicle. In addition the detail of funding arrangements for the stewardship vehicle to ensure a financially sustainable model in the long-term will also be required as part of the finalisation of the s106 agreement aligned to the outline planning application. Again the LLP will need the approval of the Council to this aspect.

Please refer to: <https://www.folkestone-hythe.gov.uk/otterpoolpark/planningapplication/updated/2022>

1.9 In addition, it has become clear through the planning process that the need for a long-term stewardship model is also central to the delivery of other wide-ranging objectives set out in the LLP’s business plan. There are a range of options to be explored further through the detailed stages but examples include: the long term management of open spaces and habitats required to deliver 20% Biodiversity Net Gain in perpetuity; the careful management of heritage assets within their settings ensuring they are celebrated and enhanced in the long-term; and, the delivery and management of mobility hubs to meet modal shift targets and encourage sustainable modes of transport.

1.10 The LLP, through the actions agreed in its business plan is gearing up for delivery of infrastructure and new homes. This includes market testing and selection of housebuilders for phase one of Otterpool Park. Confirmation of the approach to stewardship is needed as part of the process to complete agreements with housebuilders who will be involved in delivering Otterpool Park.

- 1.11 At this stage it is therefore a requirement to confirm the Council's intentions as owner of Otterpool Park LLP in relation to stewardship and the delivery mechanism by which these will be achieved. This report therefore presents an overall strategic approach for the delivery of stewardship for Cabinet approval, with a more detailed separate paper on the finances prepared for cabinet in the coming months.

2. OTTERPOOL PARK STEWARDSHIP - STRATEGIC PRINCIPLES

- 2.1 With reference to section 1.4, the Council has previously agreed the following five strategic principles from which stewardship will be delivered at Otterpool Park:

- The long-term stewardship of open space, public realm (other than highways) and non-commercial community buildings will be the responsibility of a new body, i.e., not FHDC.
- The responsible body will form part of an approach to land value capture for Otterpool Park. Its income is likely to come from a range of sources including income generating assets, endowment and potentially service charges. However, income sources being reinvested in the new community will need to be balanced against income generation to FHDC for investment in facilities and services for residents across the whole district.
- While a trust or similar structure is likely to be the most suitable vehicle initially, potential future transition to a Town Council should be allowed for. FHDC should retain representation on the body.
- The body will be community-led (as distinct from a privately run management company). It should also allow for future residents and businesses to shape the objectives and governance of the organisation, and to influence the design of new community facilities and spaces.
- High quality management and maintenance over the long term is of fundamental importance when setting out the objectives of the stewardship body.

- 2.2 The approach to delivery of stewardship as outlined in this report is therefore based on the principles set out above. Whilst governance and stewardship arrangements are vital in maintaining the quality and attractiveness of a development, they are also fundamental in enabling and nurturing new communities. The need for community development activity is not explicit in the above principles but is set out in the Charter. Community development will therefore form a key part of the delivery of stewardship.

- 2.3 In developing the proposed stewardship model for Otterpool Park a review of other garden community developments has been undertaken. The learning and best practice from this has been used to define the Otterpool

Park stewardship proposals (refer to the Appendix). This looked at a range of issues including scale of development, governance and funding.

3. STEWARDSHIP DELIVERY OBJECTIVES

3.1 Stewardship will evolve as an integral part of the overall development of Otterpool Park on a long-term basis. The delivery of stewardship (and actions required to deliver) will be based on 4 objectives:

- Establishment of an appropriate stewardship vehicle.
- Identification and transfer of assets to be managed by the Stewardship vehicle.
- Development of a viable funding model based on a hybrid of sources.
- Development of a sustainable business plan to deliver long-term stewardship, including community development activity.

3.2 In considering these objectives a range of key issues for the Council to address are outlined below and this includes feedback from the Overview and Scrutiny Committee meetings of 31 May 2022 and 6 September 2022:

- The role of, and control mechanisms for, the Council in a delivery vehicle, particularly in the formative years of the overall development.
- Short, medium and long term financial and governance implications for the Council.
- The expertise and specialist knowledge of both the LLP and Council officers needs to be fully involved and utilised during the initial set-up and running of stewardship.
- The vehicle should ultimately be community led.
- The delivery vehicle must not preclude the potential to transition to a Town Council over the longer term.
- Consider protection of assets for the long term (e.g., use of covenants).
- Specialist finance and tax advice should be sought, particularly in relation to asset transfer.
- Agreement to the assets which would be transferred into stewardship vehicle.
- Potential for a stewardship vehicle to support charitable activities in the future.
- Financial planning must fully assess long term liabilities for assets (e.g. community facilities).
- Development of a business plan based on a sustainable funding model, including a range of funding sources.
- Reviewing models which are in place elsewhere to inform the approach to be taken for Otterpool Park.
- Community involvement from the outset is important.
- Ensure that the recommended approach fully considers learning from other garden towns and large scale developments.

3.3 The key issues raised by OSC are a mix of high level strategic and detailed operational matters. It is therefore considered that the most appropriate

way to deliver the stewardship objectives is in two stages via reports to Cabinet:

- Stage 1 through this report seek Cabinet agreement to establish a stewardship vehicle (including the type of vehicle).
- Stage 2 a further report to Cabinet to provide more details of the operational matters relating to that stewardship vehicle, the treatment of assets and a detailed business plan.

4. ESTABLISHMENT OF A STEWARDSHIP VEHICLE

- 4.1 It is necessary that community assets, if they are to be maintained over the long term, should be owned by an organisation that has perpetual succession, so some form of corporate body is required. The Council's previous decision refers to "a trust or similar structure". The Otterpool Park LLP business plan refers to a "a subsidiary of the LLP and be formed as a company limited by guarantee". This report considers in more detail the form of the body as there are several possibilities which can deliver the principles set out by the Council.

External support has been provided to assess the most appropriate form of stewardship vehicle (SV).

- 4.2 The following structure options were identified by Officers following initial legal advice and the review of other stewardship approaches as the most appropriate possibilities for the SV:
- a limited liability partnership (LLP);
 - a community interest company (CIC);
 - a company limited by guarantee (CLG); and
 - a charity -either be a Charitable Incorporate Organisation (CIO) or a Charitable Company Limited by Guarantee (CCLG).
- 4.3 A review of the above options has been undertaken by officers alongside specialist advice obtained from Browne Jacobson (solicitors) and Kreston Reeves (finance and tax advisors). The basis of the review was to assess the options to determine which SV model would best meet the requirements to achieve the strategic principles as outlined in Section 2.1.

The factors assessed to support this were:

1. Governance relationship between FHDC and SV
2. Regulatory Framework
3. Taxation
4. Alignment between the Stewardship Strategic Principles and Otterpool Park Charter
5. Future transition to a potential town council
6. Community and charitable activities

Review Summary

4.4 A summary of the review is outlined in the table below with further analysis provided in paragraphs 4.3 to 4.21:

Criteria	Limited liability partnership (LLP)	Community interest company (CIC)	Company limited by guarantee (CLG)	Charity
Governance relationship with FHDC and SV	✓	✓	✓	✓
Regulatory Framework	✓	✗	✓	✗
Taxation	✓	✗	✗	!
Alignment to Stewardship Strategic Principles and Charter	✓	✓	✓	✓
Future option to transition to a town council	✓	✓	✓	✗
Community and Charitable activities	✓	✓	✓	✓

Key:

✓	Fully meets requirements
✗	Does not meet requirements
!	Partly meets requirements

4.5 This initial review points to the most advantageous type of SV as being either an LLP or CLG structure although it recognises that the Charity or CIC option could work in terms of governance and strategic alignment (although the Charity option precludes transition to a town Council).

A: Governance Relationship

4.6 One of the key considerations regarding the SV is its relationship with the Council and Otterpool Park LLP. It is considered important that the Council maintains a strategic control of the SV, particularly in the formative stages of the delivery of Otterpool Park (i.e., at least an initial 5 - 10-year period) in order to maintain high quality standards and to directly influence delivery decisions.

4.7 It is proposed that the SV should be established as a subsidiary of Otterpool Park LLP. Ensuring Otterpool Park is a true community is just as important to the Otterpool Park LLP as master developer as its role in, for example, ensuring the waste water treatment works are built or that the residential development is of a good design. To make Otterpool Park a success it is not possible to have the physical infrastructure without the community infrastructure and vice versa. It is essential therefore that there is a strong link between Otterpool Park LLP and the SV. On a more practical level, day to day expertise on the development of the town is concentrated in Otterpool Park LLP with staff who have the knowledge, skills and, as importantly, the time to devote to the project. Staff at Otterpool Park LLP are invested in making the project a success and will

therefore be readily placed to be closely involved with the success of the SV. A subsidiary of the LLP is therefore considered desirable.

- 4.8 Establishing a subsidiary of Otterpool Park LLP would also retain a direct link to the ownership controls of the Council, providing safeguards in relation to control in decision making particularly important in the early days of the development and SV.

The proposed composition of the board of the SV is described in paragraph 5.4 and will consist of nominees of the Council, the Otterpool Park Development Company Ltd, the LLP and a representative of the community. This would ensure that governance and decision making is aligned to the Council's ambitions for stewardship and ensure sole focus on delivering the Otterpool Charter stated requirements.

- 4.9 A subsidiary, rather than a standalone SV, therefore allows for relationships to be simplified and ensure that the aspiration for the new town environment and 'place' is embedded as the SV is established and matures through the critical first stages of delivery. This subsidiary route would also ensure that the necessary skills and experience of the Otterpool Park LLP, and the Council, are readily available to the SV to guide and to nurture in line with council wishes.
- 4.10 If it is to be a subsidiary of the Otterpool Park LLP then it is unlikely that the SV could be a charity. This is because it would not have the necessary independence for the Charity Commission to be satisfied that it could be registered as a charity. Further, if structured as an LLP it could not be a charity as an LLP must be established as a business.

B: Regulatory Framework

- 4.11 The regulatory framework also differs between the various forms. Charities are highly regulated and subject to scrutiny by the Charity Commission at the point of registration and subsequently. A CIC is registered with the CIC Regulator. There is greater flexibility in the operation of a CIC compared to a charity and regulation by the CIC Regulator is lighter touch than by the Charity Commission.
- 4.12 A CLG and a limited liability partnership are the least regulated of the possible structures although, of course, CLGs and limited liability partnerships have to comply with the normal legislative requirements in the same way as any other company or limited liability partnership.
- 4.13 Any assets transferred into a CIC or charity will then be subject to an asset lock meaning that those assets can only be transferred to another asset-locked body. This would be unsuitable if the Council wishes to retain strategic control of the stewardship body or would wish in the future for a potential town council to have such control.
- 4.14 Looking at the various options it is considered that a CLG or an LLP are the two options that are the most advantageous. A Charity or CIC are, as stated above regulated, a Charity more so than a CIC, however, there

appears to be no advantages at this stage for the SV to be a regulated body to such extent.

- 4.15 Against this it should be noted that if it were the desire in the future to move to a CLG, and potentially also a Charity, this would be possible if the SV were initially a limited liability partnership. The same is not true in reverse, although a CLG could become a charity it could not convert itself into a limited liability partnership.

C: Taxation

- 4.16 A key consideration of the stewardship model is that assets is will initially be gifted to the SV and that it will build a necessary sinking fund to cover the long-term maintenance and replenishment of SV assets. In order to build a sinking fund the SV will have to make an operational surplus and this will be taxable. This points to either a CLG or LLP structure being most suitable.

The key financial advantages of a CLG or a limited liability partnership revolve around consideration of which structure would be most tax efficient. It has been concluded that there are substantial savings in both Stamp Duty Land Tax and Corporation Tax in having the SV as another limited liability partnership. Taxation advice from Kreston Reeves LLP suggests that a subsidiary LLP structure is more tax efficient in the long term.

To mitigate Stamp Duty (SDLT) and Corporation Tax, Kreston Reeves recommend structuring the SV as an LLP. Since FHDC and OPLLP are within the same group of companies, land transfers to the SV would be an intergroup transfer. In addition, the Council as one of the partners, does not pay corporation tax. In contrast, these tax advantages are not available to a CLG because it is a stand-alone company.

- 4.17 Against this it should be noted that if it were the desire in the future to move to a CLG, and potentially also a Charity, this would be possible if the SV were initially a limited liability partnership. The same is not true in reverse, although a CLG could become a charity it could not convert itself into a limited liability partnership.

Potential for a Town Council

- 4.18 It should be noted that under either structure a future town council for Otterpool Park could participate in the SV either, in the case of a limited liability partnership, by becoming one of the owners or, in the case of a CLG, by becoming a member. In due course the Town Council could also become the outright owner of the SV assets.
- 4.19 The district council can form a new town council through a community governance review. Community governance reviews are undertaken pursuant to the Local Government and Public Involvement in Health Act 2007. In addition, the district council has to have regard to the statutory guidance issued by the Secretary of State and the Local Government Boundary Commission for England. In basic terms the district council

would determine the terms of a community governance review and publish them. The district council would, from the publication of the terms of reference, be required to complete the community governance review within twelve months. Extensive consultation of the potentially affected existing community would be required which is not possible in the initial years of development of Otterpool Park as it is a new town.

- 4.20 It would be difficult at this stage to justify starting a community governance review to establish a new town council at Otterpool Park because there simply is not an existing community in the area that it could defend as being reflective of. Looking at the provisional timetable for development, the time to start the community governance review process would appear to be at least some five to ten years hence when the essence of a new community is starting to coalesce.
- 4.21 Should a town council be created it would be a separate local authority. It will have to formally decide whether it would wish to be involved in long term stewardship of the communal assets whether directly or indirectly. This decision would be entirely down to the town council once formed and would be a significant decision given that it would be a new body itself (and a key consideration would need to be ensuring that the capacity required to effectively discharge stewardship at the scale proposed for Otterpool Park existed).

Alternative Options

- 4.22 Two alternative options for the delivery of stewardship were considered; (i) a third-party company; and (ii) Council retention of the assets. These were discounted on the basis that they did not align well with the strategic principles for Otterpool Park Stewardship.
- 4.23 It should be noted that the role of third-party organisations, such as the Land Trust, was included as a potential option in previous Cabinet reports. The Land Trust was set up to manage large sites previously owned by government and it has a good deal of experience of managing a range of landscape assets within new communities including SuDS (Sustainable Drainage System). Their model involves ownership of the green assets being transferred to the Trust in perpetuity as the governance body, along with an endowment, a commitment to services charging or a combination of both. However, the one major downside is handing over land ownership to a third party. This does not align with the stated objectives for Otterpool Park, and consequently this option has not been pursued further.
- 4.24 It would be possible for the Council to retain the stewardship assets. The principles agreed by the Council however seek to set up a new body rather than the Council retain community space and assets in the new town. This principle is also enshrined in the Charter for Otterpool Park. The reason for this is that the Council was not accepting on going liability for new green spaces and other assets for sound financial reasons, as historically management and maintenance has been inadequately funded through commuted sums resulting from the planning process. As Otterpool Park includes 50% open space (which is a significant management liability), the

Council does not currently have the resources to manage large new additional spaces to the high standards expected for Otterpool Park. Furthermore, there has been strong support for a community-led approach that allowed those living and working in the town to be directly involved in local decision making (expressed potentially through a parish or town council in the future).

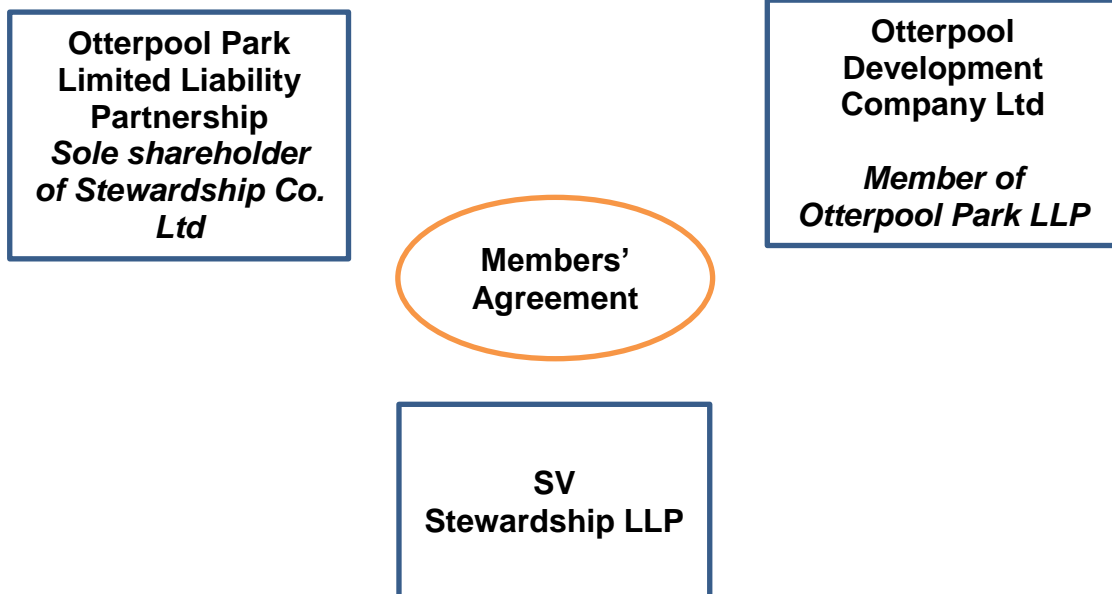
5. Recommended Stewardship Vehicle

- 5.1 Following the review of the options it is considered that the following are key factors when recommending the most appropriate option: (a) the governance relationship between the Council, Otterpool Park LLP and the new SV; (b) the regulatory framework; and (c) taxation.

Having further assessed these options it is recommended that a limited liability partnership (Stewardship LLP) be established as the stewardship vehicle and that this would be formed as a subsidiary of Otterpool Park LLP. The basis for this recommendation is that it will:

- Ensure a simplified relationship with the Council and Otterpool Park LLP (corporate group structure and governance arrangements are already in place between the Council and Otterpool Park LLP and Stewardship LLP would align with that).
- Provide strong Council control and influence, particularly in the initial years.
- Create a direct link with Otterpool Park LLP, ensuring coherence and alignment with the Otterpool Park vision and place making ambition.
- Facilitate transition to greater community involvement over time including the potential for a town council to take a role.
- Maximise the benefits of skills and experience of the Otterpool Park LLP team both at planning and delivery stages.
- Will achieve significant Stamp Duty Land Tax and Corporation Tax benefits.

- 5.2 A limited liability partnership needs to have at least two owners and it is proposed that these will be Otterpool Park LLP and Otterpool Park Development Company Ltd as the Nominee Company). The Nominee Company's primary function is to be the second member of the SV. It would not play an active role in its activities. A diagram showing the corporate structure is set out on the next page.



- 5.3 It is considered that initially that the board of the Stewardship LLP should initially be small and focussed on formulating the business plan and gearing up to deliver the related actions necessary during start up and establishment phase. This initial focus would be more on management rather than representation, with wider representation evolving as part of the wider community engagement undertaken for Otterpool Park as the new town evolves. There would however be community representation on the board from the outset. It is proposed that Stewardship LLP be required to review the extent and nature community involvement annually.
- 5.4 It is proposed that an initial Board is established of 6 consisting of:
- 2 nominated by the Council
 - 2 nominated by Otterpool Park LLP
 - 1 nominated by the Nominee Company (Otterpool Development Co Ltd)
 - 1 nominated from the community
- 5.5 The present strategic programme for delivery of Otterpool Park shows the first housebuilders on site in March / April 2024 and this provides an indication of when to form the SV.
- 5.6 Subject to Cabinet's approval it is the intention of Otterpool Park LLP to establish the SV in a dormant form as soon as possible. The intention then is to have the draft business plan of the SV ready for the board's approval in November 2022 so that it can be presented Cabinet, together with the LLP's business plan on 25 January 2023.
- 5.7 The board of the SV would then be appointed in June 2023 so that they could endorse the business plan and consider a work programme.

6. STEWARDSHIP ASSETS, FUNDING AND BUSINESS PLANNING.

- 6.1 Following agreement on the form of the SV a further report will be brought to Cabinet seeking approval for the treatment of assets, and proposed funding model in a business plan for the SV.
- 6.2 A detailed business plan will be developed based on a 30 year financial model demonstrating that the SV will be sustainable. Funding for the SV is likely to come from a range of sources including income generating assets, endowments, and potentially estate service charges. This blended funding model will provide a financially sustainable way of ensuring the long - term maintenance of the stewardship assets.

7. RISK MANAGEMENT ISSUES

7.1 Risk at this stage is outlined in the table below:

Perceived Risk	Likelihood	Seriousness	Preventative Action
Council does not agree an approach to stewardship.	Low	High	Proposed approach aligns with Council agreed strategic position. Research and due diligence carried out on stewardship vehicles provides robust and comprehensive basis for Council decision.

8. LEGAL/FINANCIAL AND OTHER POLICY MATTERS

8.1 Legal Officer’s Comments (NM)

There are no legal implications arising directly from this report. The Council has sought external legal advice from Browne Jacobson who will continue to provide support as and when required.

8.2 Finance Officer’s Comments (LW)

The report outlines the broad financial issues to be considered for the establishment of the proposed stewardship vehicle. The detailed financial implications of establishing, funding and operating the proposed stewardship vehicle will be subject to a separate report to Cabinet in the near future which will include the development of a 30 year business plan. As such, there are no financial implications arising directly from this report.

8.3 Diversities and Equalities Implications

There are no equality and diversity implications directly arising from this report

8.4 Climate Change Implications

There will be positive climate impact arising from this report such as positive social and economic impacts from establishing a limited liability partnership (Stewardship LLP).

9. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Ewan Green, Director of Place
Telephone: 07783659864
Email: ewan.green@folkestone-hythe.gov.uk

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

None.

Appendix 1 Case Studies of Stewardship Vehicles

Chilmington Green Community Management Organisation Ashford	
Scale and stage	Around 6000 homes Community Management Organisation – formally registered at Companies House in 2019
What it covers	Open space, community buildings, commercial premises, community hub facility (including GP surgery), and drainage. The functions of the CMO are described as: <ol style="list-style-type: none"> 1. Commissioning (grounds maintenance etc) 2. Financial investments and management 3. Asset management (sports facilities, play areas, eco projects, hire of facilities etc) 4. Community development
How funded	<ol style="list-style-type: none"> 1. Service charges to residents 2. Developers are required to contribute to the CMO: <ul style="list-style-type: none"> - A deficit grant of £3,350,000 over 10 staged payments - Endowment of up to three sets of commercial premises totalling 50,000 sq ft, though two of the premises can be commuted to a cash contribution of £2,190,750 each instead. - Contributions to the set-up costs of the CMO and two sets of operating premises for it. The third premises is in the community hub and is the final ‘home’ of the CMO office
Commercial vehicle	Independently financially sustainable without reliance on council tax through financial investment and commercial rental income.
Decisions on assets	Decisions sit with CMO Trustees. Representatives weighed toward developers initially but with increasing resident representation over time – local decision making is important. Trustees also include representatives from Ashford BC, KCC, voluntary sector, the PC and housing association.
What structure/ governance	Charitable company. Includes clause for governance review to allow for potential parishing in future.
Lessons	<ul style="list-style-type: none"> • Community development is an important function of the CMO. • Work needed with existing parishes to balance their views with those of future residents and raise issue of new parish in future (including boundary issues). • Consider using an SLA with the local council in the early days to build expertise in the new entity. • It’s too early to assess its sustainability or success.

North West Bicester Local Management Organisation	
Scale and stage	Up to 6000 homes Phase 1 started on site in 2014; approx. 500 homes completed.
What it covers	open space community buildings energy centre
How funded	Study on funding has been jointly commissioned by developer and Cherwell DC.
Commercial vehicle	Not yet finalised
Decisions on assets	To be locally led. Local Management Organisation (LMO) – a locally focussed, democratically accountable organisation with potential for representation from the three local authority tiers. This will shift over time to include more local residents, to the point where the developer no longer has an interest.
What structure/ governance	Staged approach means that the process began with establishing a Strategic Delivery Board (stage 0) - see below for further details of the stages. Initially management will be controlled by Cherwell DC, A2Dominion (developer) and other interested local representatives.
Lessons	<p>Staged approach is a useful model for the long timescales involved in development:</p> <ul style="list-style-type: none"> • Stage 0 – Strategic Board established (prior to planning permission granted) to agree initial objectives, commission preliminary studies and engage with existing community and stakeholders. • Stage 1 – organising initial management of open space and gauging community interest/training new residents to build capacity (led by Cherwell DC and A2Dominion). • Stage 2 – Interim Partnership Board set up as precursor to the LMO, including some new residents. • Stage 3 – establishing the LMO, including preparation of a business plan, legal structure, voting rights etc • Stage 4 – establish permanent LMO Board and grow the LMO team, once a critical mass of residents has moved in (possibly around 5 years on). • Stage 5 – development completed; assets and responsibilities handed over in full to the LMO. <p>Use the process to engage existing community stakeholders to ensure greater community cohesion between existing and new residents. Early dialogue with Town Council has been essential.</p>

Milton Keynes Parks Trust	
Scale and stage	Covers whole of Milton Keynes (around 230,000 population), established in 1992. The trust employs a large professional team of people and has a turnover of around £9m per year.
What it covers	Includes around 5000 acres of green space; local centres; commercial premises; car parks; and community centres and a café. Excludes verges and street trees, and local landscaping within housing and commercial areas.
How funded	Received significant endowment from English Partnerships on set up. Endowment from new assets paid up front. Other income includes: <ul style="list-style-type: none"> • Car parking charges • Profit share with farmers grazing livestock • Grants • Licences for events.
Commercial vehicle	Holds over £100m in reserves. Endowment managed to near 3.5% on top of inflation (though commercial property trust and equity investment). Holds 10% for operational costs.
Decisions on assets	Trustees are nominated by partner organisations or are self-nominated. All tend to be local.
What structure/governance	Charity and company limited by guarantee.
Lessons	<ul style="list-style-type: none"> • Trust works hard to work with the Council over future strategic growth and planning future provision of green space. • Get a sound financial footing from the start to enable financial independence. • Be prepared to take hard decisions in line with charity objectives.

Camborne Town Council, Cambridgeshire	
Scale and stage	<p>Around 3,300 homes originally approved (in 2011, a further 950 homes were given the go ahead). Current total approximately 4,300 homes. The first residents moved into Cambourne in 1999. A Parish Council was established in 2004. The Parish Council (PC) voted to become a Town Council (TC) in March 2019. The reasons provided for this decision include: strengthening Cambourne's identity, no cost implications to residents, more positive perceptions/taken more seriously, greater credibility in terms of partnership building and business links creating more opportunities for the town, greater gravitas in marketing as a town rather than as a village.</p> <p>An expansion at Cambourne West has recently been permitted (comprising a further 2,350 homes).</p>
What it covers	<p>250 ha of green space, sports centre, verges, community hub and other community spaces. Also runs community events, manages waste collection and energy efficiency fund for the community.</p> <p>Community-building was an important part of the early role to avoid isolation of residents and encourage young people to become motivated and involved.</p>
How funded	<ol style="list-style-type: none"> 1. S106 contributions (endowment with new facilities) 2. Parish precept (£450,000 pa) 3. Contract with Cambs County council for verge maintenance 4. Rental income from sports centre 5. (TC plans to acquire commercial premises for business rental and a community shop)
Commercial vehicle	<p>As a TC the council must balance its books annually and therefore has very little in reserves. Annual budget is set in business plan, based on known income from precept.</p> <p>Other sources of funding include Landfill Tax and South Cambs DC for specific projects.</p>
Decisions on assets	<p>Locally led through Parish Councillors</p>
What structure/governance	<p>Number of councillors set to increase from 13 to 19 with growth of Camborne. The PC is very commercial in the way it is run, and role of parish clerk has been critical – they are effectively the chief executive of the organisation.</p> <p>A PC was always planned for Cambourne but initially an interim PC was set up to manage assets until the PC was in place.</p>
Lessons	<ul style="list-style-type: none"> • TC is well regarded locally. It was intentionally set up to be a dynamic and proactive organisation. • Success has relied on strong leadership from parish clerk and the right commercial skills. Wide range of skills

	<p>across councillors has also been important, including finance, development and architecture.</p> <ul style="list-style-type: none"> • Interim PC (made up of representatives from existing parishes and district council) was not a success and had to work hard to reach agreement on decisions. • Creating the parish rooms and using them for a wide variety of groups and classes gave momentum and encouraged residents to meet one another. • Camborne originally had some private management companies set up by developers; PC has now taken on some of these areas.
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Caterham Barracks Community Trust	
Scale and stage	Around 400 homes, all completed. Caterham Barracks Community Trust in place since 2000 (initially with Linden Homes). The Trust was borne out of seven working groups of local volunteers formed during the planning stage of the project.
What it covers	Buildings but not open space – all were existing buildings within the barracks site, including a church and officers mess. Some buildings now leased to occupiers including Arts and Recreation Centre, small business space and a nursery. Others used for community activities eg skateboard park in the church.
How funded	<ul style="list-style-type: none"> • Initial endowment • Interest free loan from developer in early years • Rental income from building occupiers (charged at full commercial rates) <p>Trust has not proved financially sustainable until the last few years as had to borrow to restore buildings and struggled to pay back the mortgages. Arts and Recreation Centre went into receivership before current management took it on. It was originally to be endowed the commercial space now occupied by Linden Homes, which has reduced its anticipated annual income.</p>
Commercial vehicle	Retains ownership and rental income of buildings.
Decisions on assets	Trust's Board takes decisions. Includes representatives from organisations operating on the site eg sports clubs.
What structure/ governance	Charitable Trust (in the Trust's view this has pros and cons- its objects can be restrictive).
Lessons	<ul style="list-style-type: none"> • Trust was endowed with too many costly assets at the start that required investment, and business plan didn't allow for recession when income was hard to generate.

	<p>S106 should have allowed for review to the arrangements.</p> <ul style="list-style-type: none">• Community development has been an important part of the Trust's brief, with facilities intended for the use of the wider Caterham population to meet existing deficits. It has been successful in this. Has community allotments rather than individual ones.• Trust would recommend providing and retaining ownership of ducts for utilities and communications as these can attract income from utilities.• Allow for the fact that some community facilities may not work out or be financially viable, so should allow flexibility.• Didn't appear to have a constructive relationship with either the Council or the developer.• Think about creating jobs not just employment space.
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This Report will be made public on 12 October 2022



Report Number **C/22/40**

To: Cabinet
Date: 19 October 2022
Status: Key Decision
Responsible Officers: Ewan Green, Director - Place, Charlotte Spendley,
Director – Corporate Services
Cabinet Member: David Monk, Leader of the Council

SUBJECT: OTTERPOOL PARK – PROPOSED
COLLABORATION AGREEMENT WITH HOMES
ENGLAND

SUMMARY: The report seeks approval in principle to entering into a collaboration agreement with Homes England relating to the delivery of the Otterpool Park project.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations in order that the Council and Otterpool Park LLP can proceed with detailed discussions on the collaboration agreement.

RECOMMENDATIONS:

1. To receive and note report C/22/40.
2. To agree the principle of entering into a collaboration agreement with Homes England as outlined in this report.
3. To receive a report on the details of the proposed collaboration agreement before making any final decision on the matter.

1. Introduction

- 1.1 Discussions have recently taken place with Homes England (the government's housing accelerator) with a view to securing investment from that body in Otterpool Park. This report sets out the basics of the principles of the agreement and seeks the cabinet's approval to the principle of OPLLP entering into a collaboration agreement with Homes England.
- 1.2 The board of Otterpool Park LLP (OPLLP) has considered the matter and passed the following resolutions: -
 1. *To recommend to the Council the principle of entering into a collaboration agreement as outlined in report No 29.*
 2. *To receive a further report on the details of the arrangements prior to making any recommendation to the Council on whether the agreement should be entered into.*
- 1.3 It should be noted that for OPLLP to enter into any such collaboration agreement it needs, under the Members' Agreement setting up OPLLP, the consent of the Council.

2. Draft Collaboration Agreement

- 2.1 Heads of terms are being discussed. They are very much in the formative stage and there are several major issues still to be decided. Nevertheless, the outline of the proposed arrangements can be described.
- 2.2 The Heads of Terms envisage Homes England acquiring land in the area of the Otterpool Park Garden Town. It has the resources and intention to do so. Once the land has been acquired, the costs and returns of the development will be shared in the proportion of land holding. This proportion could change if, for example Homes England buys further land. Historic costs already incurred by the OPLLP and the Council will be reimbursed by Homes England.
- 2.3 The costs and returns will be equalised across the site so, for example, no one area will bear the total costs of one piece of strategic infrastructure situated on its land.
- 2.4 Governance is an area that still needs to be finalised but it is envisaged that there will be a Project Executive Group made up of representatives of OPLLP and Homes England to oversee the development. What the exact role of this group will be and how it fits in with the existing governance arrangements, including the role of the Council in the collaboration agreement, still needs to be finalised. It is accepted that voting will be proportionate to the stake each party has in the project subject to the identification of key issues over which equal voting rights would be required. These matters have still to be decided and discussions are at an early stage.

3. Should the proposed collaboration agreement be pursued?

- 3.1 It is recommended that, in principle, the proposal is one the Council should pursue. A further report will be submitted on the details in due course. The matter will also be considered by the board of OPLLP as well. No final decision will be made prior to decision on the details.
- 3.2 The advantages to the council in delivering the project are several. First is that it brings in a body with experience and expertise in bringing forward large scale strategic sites and new settlements such as Northstowe, Burgess Hill and Ifield in the south east. Second there is a financial incentive and benefit of doing so. The acquisition of optioned land will relieve the Council and the LLP of the burden of acquiring certain areas of land, in addition there will be a multi-million-pound contribution towards early delivery of infrastructure. The offset to this is that OPLLP will have to share an estimated £245m of revenue. In summary, this reduces OPLLP's forecast profits by £56m, but the important thing is that sharing the profits share the financial risk and most importantly, it reduces peak debt to a level that falls within the approved budget. Third it will enable OPLLP to accelerate delivery of the project by enabling key infrastructure to be advanced sooner than would otherwise be possible.
- 3.3 It does mean, of course, that the returns to the Council will be reduced, but it is considered that the external investment, the sharing of financial risk, the expertise being brought in, and the ability to bring forward the development at a quicker rate outweigh reduction in forecast returns. Also, whilst the net land sales receipts will be shared the involvement of Homes England increases the overall gross revenue by virtue of acceleration of delivery and in turn lower levels of scheme costs through, for example, lower levels of interest payments. In other words, whilst the Council will be giving away a percentage of the pot the overall pot is increased through the involvement of Homes England.
- 3.4 Consequently the recommendations are that the principle of a collaboration with should be agreed with a further report on the details will be submitted early in the New Year.

4. RISK MANAGEMENT ISSUES

- 4.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Public sector body will not pursue their interest	High	High	Agree principles

5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

- 5.1 **Legal Officer's Comments (AK)**

There are no legal comments arising directly from this report. Legal advice/support should be sought at each stage of this project.

5.2 Finance Officer's Comments (CS)

Whilst there are no direct financial implications of this report itself, there are of course significant financial implications to be worked through in the coming months on the detail of the collaboration. However, the principle of a collaboration with such a partner would significantly reduce the financial exposure of the Council with regards to this project. It would enable the LLP to accelerate delivery of the scheme and would add significant value to the project more broadly. The costs of the scheme could be managed with a lower level of borrowing by the Council (& LLP) than could be achieved without the collaboration, which given the current volatility in the markets and rising interest & gilt rates would be welcome and provide further stability to the project. The Council has to manage its overall financial envelope and work within the Prudential Code when borrowing, the collaboration agreement presents a good opportunity to reduce the financial risks of this project, whilst still retaining a very significant return overall.

5.3 Diversities and Equalities Implications (GE)

There are no direct implications arising from this report.

5.4 Climate Change Implications (AT)

There are no direct implications arising from this report. Emissions from the development of Otterpool Park (construction, energy use, waste, water consumption, etc) will be determined by the specification of the buildings and facilities, as set out in the outline planning application currently being assessed by the council and subsequent detailed planning applications and legal agreements for individual phases.

6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

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

None

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