

**Folkestone & Hythe
District Council**

**LGA Corporate Peer Challenge
Corporate Statement**

2018

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1. Welcome

On behalf of the Cabinet and staff at Folkestone & Hythe District Council we welcome the peer challenge team to our district.

Our vision for the district is to **Invest for the next Generation** whilst **Delivering More of What Matters**. Through this peer review we aim to demonstrate that we are an ambitious Council rising to the challenges facing local government, and showing that we are making the best of our opportunities for this generation and the next whilst recognising that even more is yet to be done.

In 2017 we reviewed and agreed our new Corporate Plan; this builds on previous objectives and reinforces our ambitions for the district. Our Corporate Plan demonstrates our commitment to sustainability, while embracing growth and building on the strengths of our geographic location.

The common issues we face with many other local authorities across the country are:

- Challenging financial environment;
- Ageing population with associated demands on local services;
- Increasing demand for housing outstripping supply;
- Rising house costs, particularly in the private rental market;
- High demand for affordable housing and increasing levels of homelessness;
- Providing the necessary social infrastructure to keep pace with the scale of growth ambition; and
- Mitigating the concerns over growth with the positive impact they can have.

We recognise we have both a great opportunity and responsibility as place makers. We are creating new communities, such as Otterpool Park, that will bring thousands of new families to Folkestone & Hythe over the next 30-40 years and our decisions today are part of the legacy we will pass to future generations who will live, work and visit our beautiful district. Successful placemaking will critically depend on our ability to ensure the necessary infrastructure and services keep pace with this growth. We will continue to work with our communities (current and future) to enable them to access services efficiently, to deepen and extend the reach of our engagement and we will continue to leverage the input from other partner organisations and bodies to help us deliver our objectives. While retaining a relentless focus on delivering excellent customer services, we recognise the need to shape our organisation and prepare our staff for the challenges ahead. Our ambition for the district is clear, as is the importance of ensuring the Council is internally sustainable and fit to deliver now and in the future.

To raise the profile of the district and its assets, the Council agreed (in January 2018) to change its name from Shepway District Council to **Folkestone & Hythe District Council**, aptly



named after the two principal towns where nearly two thirds of our population live and mirroring that of the parliamentary constituency. This gives a stronger geographical identity to support the district's ambitious regeneration plans whilst also reflecting Folkestone's growing international arts-based reputation.

This Statement sets out some of our recent achievements and also gives an honest assessment of areas that challenge us.

We welcome the Peer Review as a way of learning from the valued insights of Members and Officers from other like-minded authorities, and to share some of our good practice of innovation, for example, to contribute to the continual demonstration of improvement in local government.

[insert Signatures on approval]

Leader of the Council
Cllr David Monk

Head of Paid Service
Dr Susan Priest



2. Understanding our District & Priority Setting

Folkestone & Hythe District Council has set an ambitious agenda to serve our communities. At the Council meeting on the 26 April 2017, Members approved the refreshed Corporate Plan and the following vision for 2017-2020:

**Investing for the next generation ~
delivering more of what matters**

Our vision builds on previous iterations of the corporate plan and reinforces the importance to the Council, and district, of making sure we have a place fit for our communities now and in the future. This vision is directly reflected in the ambition we have set out for [Otterpool Park](#) and other key development projects that will transform our district. In addition, delivering more of what matters is just that; focusing our limited resources on the important services and valued functions for our residents, businesses and visitors.

Our external focus is reflected in 4 (of the 6) strategic objectives:

- **More Homes** - Provide and enable the right amount, type and range of housing;
- **More Jobs** - Work with businesses to provide jobs in a vibrant local economy;
- **Appearance Matters** - Provide an attractive and clean environment; and
- **Health Matters** - Keep our communities healthy and safe.

In addition, we have two strategic objectives that focus on the Council as an organisation, which reflects the issues facing local government as a whole, as outlined in Section 1. These are:

- **Achieving Stability** - Achieve financial stability through a commercial and collaborative approach; and
- **Delivering Excellence** - Deliver excellent customer service through commitment of staff and members.

The objectives were identified by Cabinet at its Awayday in October 2017 and capture what is important to them to deliver as ambassadors for the communities they serve. These drew heavily on evidence and data from the State of the District information and the Ward Profiles produced by the Council (see case study later in this section) to ensure that our objectives and priorities were grounded in a sound evidence base.

Members also considered key aspects of the Service Plans produced by each operational team (around 30), which are produced annually by individual team managers. These plans are based on our knowledge of customer needs, statistical analysis of services and contextual information. They are developed in collaboration with the relevant Cabinet Portfolio Holder, the Head of Service and members of staff. They are also collectively

reviewed by Heads of Service and CMT to ensure that any cross-cutting priorities are reflected in the associated resourcing plans.

Recognising the important role of all Councillors, an early draft of the Corporate Plan was shared at Overview and Scrutiny Committee and their comments incorporated into the final document. As the democratically elected members of the Council, it was important to have the input from all members being best placed to know their communities and to represent their views.



The [Corporate Plan](#) is available on our website and partners and neighbouring authorities, as well as our 24 town and parish councils were sent copies. Also, in terms of our staff, direct links through to our Performance Management Framework ensures that every member of staff is aware of their personal and team contribution to delivering our Strategic Objectives.

Continuous Improvement - Our Transformation Programme

We are at an early stage in our transformation programme, which has three core drivers for change:

- **Improving service delivery;**
- **Improving resilience; and**
- **Improving efficiencies by, for example, adopting new technology and modern ways of working.**

Potential savings are expected and will be welcomed as a key outcome, however, this in itself is not the key driver.

Case Study 1 ~ Delivering Excellent Customer Service

Last year, we retained the nationally acclaimed Customer Service Excellence Standard. We are proud that 7 areas were identified as scoring 'compliance plus'. These were for:

- Making particular efforts to identify hard to reach and disadvantaged groups and individuals and have developed our services in response to their specific needs;
- Having a corporate commitment to putting the customer at the heart of service delivery and leaders in our organisation actively support this and advocate for customers;
- Using customer insight to inform policy and strategy and to prioritise service improvement activity;
- Empowering and encouraging all employees to actively promote and participate in the customer-focused culture of our organisation;
- Making arrangements with other providers and partners to offer and supply co-ordinated services, and these arrangements have demonstrable benefits for our customers; and
- Having developed co-ordinated working arrangements with our partners that ensure customers have clear lines of accountability for quality of service.

The Council provides services to all, whilst others are tailored to individual need. We will continue to invest in improvements in the technologies we need to meet the diversity of customer demand in accessing services, as well as meeting the greater expectation to be accessible 24/7. This will be through using a variety of channels, just as customers would expect from other service providers such as their utilities and banks. Accessible, easy to use online services and processes that are designed from a customer perspective, will make the Council more effective by:

- Delivering consistent high quality customer services every time;
- Supporting easy access services using methods customers prefer at a convenient time;
- Solving most of customers' requests there and then, at first point of contact, and being able to track enquiries through to delivery;
- Tailoring services to customers' needs, knowing what drives their satisfaction and being able to resolve the causes of failures and complaints; and
- Ensuring a robust ICT infrastructure and digital principles are in place.

In February 2018, Cabinet supported the move to a new operating model and this will see potential investment of up to £5.9 million in the organisation.

Case Study 2 ~ Ward Profiles

13 ward profiles have been carefully prepared that cover a wide variety of information on demographics, housing, health, the local economy, services and community amenities. Their purpose is to:

- create a shared understanding across the council and the community about each ward;
- help council officers understand the communities when planning service delivery, community engagement or consultations;
- support elected members in their role as civic leaders and community champions; and
- provide a resource that can be used by the public and voluntary & community groups (e.g. to support funding bids).

We have made the ward profiles available on the [internet](#) (in pdf form) for other partners to use as they tailor their services and interventions to support our communities. In addition, we have other quantitative and qualitative data available to us as a council including: quarterly performance reporting, equality reports, state of the district fact sheets and partnership data including community safety and housing. Information is published in line with the Local Government Transparency Code. More remains to do be done as we collect and publish data to make it available in open data format.

The Important Role of Councillors

Councillors are clearly positioned and take very seriously their role as community ambassadors. As the democratically elected members of the council, they are very well placed to know their communities and to represent their views through decision-making.

3. Leadership of Place

In 2004 the Council was rated as “weak” under the Audit Commission’s Comprehensive Performance Assessment (CPA), scoring 30, one above the score that would have seen it categorised as “poor.” The Council had sought to address budgetary pressures by raising council tax by 39% for 2004/05 and it was prevented from so doing by a cap imposed by the government at 29%. Since this low ebb, the Council has gone from strength to strength and in 2008 the council was judged to be “good” under the reassessment of CPA.

Since then the Council has continued to improve its financial position; continuing to look for ways to improve services. This has been achieved through effective councillor and staff partnerships, attention to detail, strong financial discipline and investment in our staff.

Partnership working is strong in the district, an early example that is still going 15 years later is BOSCO (Boulogne and Shepway Co-Operation), a cross-channel association between us and Boulogne, with a focus to improve economic development and regeneration. Other partnerships, such as the Channel Corridor Partnership and the East Kent Local Strategic Partnership covering 4 East Kent districts, built on our willingness to work collaboratively in tackling common challenges such as deprivation, social and health issues as well as transport and economic development. Alongside this, we are part-owners of the East Kent Spatial Development Company (EKSDC), which was established to support and strengthen the economic growth of the sub-region. We continue to embrace shared services with neighbouring district and county authorities on the following:

- East Kent Housing
- East Kent Audit Partnership
- East Kent Waste Partnership
- Social Lettings Agency with Ashford Borough Council
- East Kent Growth Board

We have now more finely-honed our approach to exploring commercial opportunities by extending our Lifeline service to cover Dover District’s residents (at their request); renting out vacant office space within the Civic Centre in Folkestone and New Romney; disposing of surplus assets (such as Shornccliffe Road); establishing *Oportunitas*, the council’s regeneration and housing company; and purchasing strategic development sites. These actions are reducing our overhead costs and providing a steady income to the Council and, with senior-level commercial skills recently recruited into the council, much more will be done as we more fully explore commercial opportunities. We have, and will continue to, invest heavily to ensure the district continues to be a sought-after place to live, work and visit.

The last 3-5 years have seen the Council continue to challenge itself and adopt new ways of working. We have sought to be a commissioner and enabler rather than a direct deliverer of services where it made sense. In addition, we have looked to merge with other neighbouring districts and, although this may not have materialised, it has given us a greater understanding of ourselves as well as considering other potential approaches, whether on our own or in partnership with others.

Working with Others

We are proud to work closely with a wide range of agencies, organisations, local councils, businesses and the community, and voluntary sector to deliver what is needed for our district. Partnerships such as our Landlord Forum, help us with housing matters; Shepway Business Advisory Board helps us address critical business issues; Shepway Tourism Board gives us a detailed understanding of how we can support this key sector; and our work with the community safety partnership, including activities such as our Green Gyms, encourage healthier lifestyles and improve the appearance of the district.

As an enabler, we work closely with other partners across the district to maximise economic development and regeneration opportunities across the district, through support, funding or in-kind resources. This has included, for example, working to bring forward development at Folkestone Seafont and Harbour Arm, the international arts-based Triennial, and working with the Creative Foundation on the regeneration of the Old High Street etc.

We work closely with Town & Parish Councils and have an agreed Parish Charter that clearly articulates what can be expected of us as a council, and what we expect in return to help us deliver to our residents. We also recognise that the district (and ward) boundaries are purely administrative and that some of the more remote parts of our district looks to Ashford, whilst others look towards Canterbury as their main economic centres.

Community Leadership

Our Councillors as well as staff take their role as community champions very seriously. They work hard within their areas and across wards to help deliver the very best for citizens as well as local businesses and visitors.

Examples of our community leadership include:

- **Bringing Beach Huts back to life**

The Council has recently brought these assets back into Council control. They offer future development opportunities for more intensive community use and enjoyment of our beautiful coastline. Over time we intend for them to provide greater animation and attraction to our coast and towns. A great deal of preparatory work was involved in bringing these back into our commercial portfolio and the huts will be developed over time as resources allow.

- **New Leisure Facility for the District**

The deterioration of the existing facility based in Hythe led the Council to undertake extensive feasibility work for a new facility that will be based on a council-owned seafont site. The project will include new open landscaped parkland as well as 150 new homes. There have been differences of opinion to the development. However, the Council has shown clear resolve and strong leadership, while listening carefully to local views and balancing those with the broader views and future needs of residents.

- **Radnor Park**

This flagship project saw the regeneration of a key part of the district with a renovated lodge providing tea rooms in partnership with East Kent College; a community-led modernised play area; and an integrated landscaping project to bring the lodge, renovated fountain, outdoor seating, walkways, planting and play areas in to one cohesive user experience.

- **Community-led Local Development – Folkestone Community Works**

Folkestone Community Works – this is a £5 million a Community Led Local Development ERDF/ESF funded programme up to 2022 for the central, east and harbour areas of Folkestone. The programme will provide support to help residents into work, for local businesses to grow, including the provision of business space, and improve access to services for businesses and residents

Partnership Working

The Council works with a number of partners at a regional level, through for example, the South East England Councils, as well as the nuclear industry through Nuclear Legacy Local Authority Forum (NuLeAF) and New Nuclear Local Authority Group (NNLAG). We also work closely with the South East LEP through the Kent and Medway Economic Partnership, which has resulted in us securing European Social Fund (ESF) and European Regional Development Funding (ERDF) for our Folkestone Community Works Programme, and Local Growth Funds for the Folkestone Seafront development.

A few district examples include:

- **Shepway Welfare and Employment Board** includes officers from relevant teams of the Council, along with Job Centre Plus, Kent County Council, South Kent Coast Clinical Commissioning group, East Kent College and East Kent Housing. Its purpose is to ensure effective collaborative working between partners relating to welfare and employment to deliver better outcomes for client groups.
- The Council is a key partner of the **Community Safety Partnership** working closely with other organisations to deal with issues of crime and anti-social behaviour to help develop aspired and cohesive neighbourhoods, supporting the wider health and wellbeing agenda in the district.
- In 2017, the Council adopted a **Parish Charter** with the support of the Joint Parishes Committee. A number of town and parishes have adopted this and the charter outlines our expectations of each other to deliver the best for our communities.

Case Study 3 ~ [Otterpool Park](#)

Long term growth through a new garden town

The Government has supported the proposal for a new garden town in the District, between Ashford and Folkestone, perfectly located next to Jct 11 of the M20 and Westenhanger Station. The plan is to provide long term growth for homes and jobs in the district in a high quality, landscape-led environment. We, as the council, own a significant area of land within the site (144 hectares) and are working in partnership with another major landowner in the area, Cozumel Estates to prepare a masterplan and planning application for Otterpool Park.

The partners have acquired further land under options and most of the area is now in the control of ourselves and partners. The council has resolved to use its CPO powers, if necessary, to assemble any further land should it be necessary.

Homes England has recently purchased land within the area and will become an active partner in the project once it has become a signatory to the Collaboration Agreement between the existing partners. Cabinet has supported pursuing a corporate joint venture as a preferred delivery option, and work on the business plan is underway.

Otterpool Park will deliver: around 10,000 homes and 8000 jobs, income to the council over the long term from capital receipts and revenue; and major infrastructure including schools, station improvements, open spaces, highway improvements; community and health facilities.

4. Organisational Leadership & Governance

Our Political Leadership

The political leadership of the Council is through the [Executive](#) which consists of the Leader, Deputy Leader and a further eight Portfolio Holders. The managerial leadership is made up of the Corporate Management Team (CMT: Head of Paid Service and two Corporate Directors). CMT is supported by 8 Heads of Service managing a staff complement of some 320 full-time equivalent (headcount of 371 staff). There is strong and stable political leadership, with Portfolios acting as clear champions and ambassadors in their relevant areas.

In 2014 the Electoral Commission undertook a boundary review. The decision was made to change some of the ward boundaries in the district. This went from 22 to 13 wards and from 46 to 30 Councillors in order to provide a balance between the number of Councillors and the electors. As a result, the political make-up of the Council today is:

- 23 Conservative group members;
- 4 UKIP group members; and
- 3 Independent members.

Governance Arrangements

Member / officer relations are underpinned by a protocol; which form part of the Council's constitution. This protocol has formed the basis of the relationship since the constitution was adopted in 2002 and is well understood. The relationship is enhanced by regular briefings between senior officers and portfolio holders to ensure that cabinet members are up to date with developments, discuss future reports and can give officers political direction. Informal discussions with cabinet also take place on a regular basis. Agendas are discussed with chairmen of non - executive committees. Members are also involved in outside meetings of particular importance e.g. the Collaboration Board for Otterpool Park. The Council is clearly member-led allowing officers to focus on operational aspects.

Our biggest challenge: Managing expectations and prioritising the wealth of opportunities

A key challenge is, as a relatively small authority, being able to prioritise when and where resources (staff and funding) are focused.

Non-executive members sit on groups that consider key Council business. For example, members of the Overview & Scrutiny Committee (OSC) are regularly consulted on reports before they are presented to Cabinet. The views of that committee are reported formally to Cabinet as part of their deliberation on the item in question. They also have an important and defined role in the budget making process and contribute to its formulation prior to consideration by Cabinet. OSC put forward to each annual meeting of the Council their draft programme for the forthcoming municipal year. The programme is created having consulted the public, parish/town councils and Members. In this way, members determine in advance the matters they want to scrutinise, in addition to items that arise during the year.

The opposition group has the opportunity to raise issues for consideration by Council under the standing agenda item "Opposition business," provided it has given notice of the matter to be discussed.

The Council has a dedicated Audit and Governance Committee which considers the annual governance statement, the local code of corporate governance and the constitution. The annual governance statement has an action plan attached to it which sets out proposals for the forthcoming year. The Monitoring Officer reports to committee each year if they consider that the constitution needs updating.

Our [Performance Management Framework](#) is focused on improving and driving performance, and not just monitoring data. Quarterly performance reports are prepared and taken to CMT, O&S and Cabinet for discussion. Key Performance Indicators (KPIs) are reviewed annually to ensure we are focused on key priorities and those aspects that need to be monitored more closely, e.g. for improvement purposes. Members can request exception reports on any KPIs and officers attend if there are particular areas of concern for discussion at committee meetings.

The Council has a Strategic Risk Management Policy that is due to be reviewed. We consider both strategic and operational risks and this also forms part of our Project Plans. These are presented to CMT and relevant Committees and discussed by Heads of Service.

Our biggest challenge: Promoting excellence of the council

2

We are very good at communicating our achievements within the district, however, more can be done to raise our profile regionally and nationally.

The benefits of this are two-fold:

- 1) In raising staff morale and seeing recognition, e.g. through the receipt of awards such as the recent Gold award for Revenues & Benefits; and
- 2) Our contribution to promoting excellence in the local government sector.



5. Our Financial Plans

We have been successful in managing to chart the difficult course of financial austerity while continuing to make significant investments in, for example, Otterpool Park to deliver our ambitious agenda and improvements in our local communities.

The Council has consistently planned its finances on a medium to long term basis and, in doing so, has ensured its reserves are maintained at a level which supports financial sustainability while protecting services from reductions. The current Medium Term Financial Strategy (MTFS) pushes the planning horizon to March 2022. The MTFS was reported to Council on the 15th November 2017 and significantly shaped the annual budget setting cycle.

Financial planning for both revenue and capital expenditure is integrated with Treasury Management as part of the annual budget setting process. The Council has adopted a strategic and integrated approach to asset management with an Asset Management Board, which includes the Cabinet Member for Property Management & Environmental Health, a Corporate Director and the Council's Corporate Property Officer amongst other key players overseeing the delivery of our Asset Management Strategy.

Financial Headlines

2018/19 Net Revenue Budget - £14.364 million
 5 year capital expenditure - £23.583 million
 District Council average Band D Council Tax - £258.39
 Forecast level of reserves as at 31 March 2019 - £13.435 million

Approach to Investment

The Council has an agreed Treasury Management Strategy that outlines our investment approach from a 'cash' investment perspective and is regularly monitored to maximise the opportunities arising from the available cash balances of the Council. This includes managing short term cash flow as well as longer term and higher risk investments such as the Churches and Charities and Local Authorities (CCLA) Property Fund in order to maximise yield in a low interest environment whilst maintaining security and liquidity.

The Council also takes a robust view of capital investments and this is included as part of a medium term capital programme and is refreshed annually during the budget process. For the current programme agreed in February 2018, there is capital investment planned totalling £23.583 million. This sits alongside the planned revenue budget and use of reserves which are considered by the Council throughout its budget process to ensure a sustainable approach to its finances.

Approach to Monitoring

The Council manages its spending within its resources. Financial monitoring is reported effectively through three tiers. All budget managers submit their projections to budget in the Collaborative Planning Module. This information is reviewed by Accountancy and three different reports are generated to ensure all levels of the organisations (Managers through to Members) have an understanding of the financial position in the year. The information is shared on a quarterly basis with Corporate Management Team (CMT) and onto Overview & Scrutiny Committee (OSC) and then Cabinet for approval.

There is regular Member involvement in managing the finances of the Council both at a formal level and informally through Portfolio holder briefings and briefings of the key Cabinet Members. All budget proposals are discussed fully with the respective Portfolio holder prior to being presented and there is widespread consultation over other financial matters such as any fees and charges proposals. All proposals are linked to the corporate priorities of the Council.

Budget Challenges

As with most Councils, the current budget environment presents significant financial challenges. The MTFS articulates the scale of that challenge. The Council is looking to adopt a multi strand approach to dealing with those.

Specifically, this includes the Transformation Programme which is estimated to save up to £1.8 million per annum from 2020/21, through service delivery improvements, efficiency measures such as adopting new technologies, appropriate increases in fees and charges, and through a growing approach to commercialisation of existing and new services and development. The challenge will be converting this strategy and aspirations into realistic and timely delivery given the changing context of local authority finance and the environment.

Our biggest challenge: Timescales for financial returns

3

Delivering commercialisation in a timely way to maximise its impact in meeting the medium-term funding gap facing the Council.

Case Study 4 ~ Relentless focus on delivery

A relentless focus on delivery is something we are very proud of. From a standing start in December 2015, we are set to bring forward a new garden town with development in 2020. By splitting the council into three distinct perspectives in delivering Otterpool Park (a corporate view; a Local Planning Authority view; and a landowner / promoter view) we ensure that all aspects are resourced with appropriately experienced officers to ensure delivery of this flagship investment which will transform the district.

6. Our Capacity to Deliver

The Council continues to embrace continual improvement. Maintaining the status quo is not an option and it has never stood still in its search for efficiency and better public service, but it is clear that significant challenges remain. The Council has been explicit in its desire to protect frontline services from further cuts in order to minimise any impact on our communities. It will strive to maintain and improve existing services through innovation, efficiencies and maximising commercial opportunities.

Transformation Programme

A new model of operational delivery will enable us to be more resilient and efficient through streamlined processes and better use of ICT which will be implemented over the coming two years.

Enabling Delivery – ICT Strategy

We are heavily investing in service delivery through digital transformation. This will improve access to services in a more efficient, effective and convenient way for our customers.

Enabling Delivery – Supporting Staff

Over the past few years we have invested heavily in our staff development and talent management. Our offer has included ILM (Institute of Leadership Management), Diplomas, and professional certificates where we seek to grow our own e.g. in planning, as well as bitesize training sessions and team building facilitation. Much of this is provided by our in-house organisational development team and we are currently reviewing our People Development Strategy with the goal of ‘Enabling people to give their best performance and develop a great career here.’

Core Values and Behaviours

As part of our continual improvement, our competencies have been refreshed and embrace the core values of:

- One Team
- Customer First
- Thinking Ahead
- Performance Counts

As we move towards rewarding staff based on their performance, demonstrable evidence of behaviours against these core values will be considered as an integral element of our performance reviews, staff training and development opportunities.

Our Challenge ~ Not losing sight of the day job

As a council, we must make sure the ‘day job’ is done to a very high standard in light of the ambitious plans and programmes the council is delivering.

4

Enabling Delivery – Supporting Members

We offer an annual training programme to Members that involves training for specific committees, e.g. planning, licensing, as well as other training and development opportunities, such as that required as Board Directors of Oportunitas, General Data Protection Regulations (GDPR) etc.

Engaging Staff

Staff sickness is at an all time low, in part, this is helped by our approach to flexible working however, the Council has worked hard to bring this down and ensure that staff are looked after.

HR undertake an Annual Staff Engagement Survey, of which the results are presented and discussed with CMT and acted upon. In addition, the HR team meet with individual managers to discuss the results and consider any specific challenges within their teams and how these can be addressed.

Internal communications has been highlighted through the staff survey as the key challenge and we are reviewing our communications strategy to ensure the methods we use are effective and engaging. We have regular Have You Heard email alerts, highlighting key information, our intranet is under review to enable it to provide greater collaboration opportunities, and we hold regular staff briefings. In addition, Heads of Service (HoS) have regular team meetings and also meet as a collective as Operational Management Team. HoS join with CMT monthly as the Senior Management Team to form a broader leadership team across the organisation.

Our Challenge ~ Staff Recruitment & Retention

5

The biggest challenge to delivery is recruiting and retaining key skills in some areas of our work, e.g. planning and property development, recognising the fierce competition from neighbouring authorities and London.

Case Study 5 ~ Council teams clinched Gold in national awards scheme

Our Revenue and Benefits, Customer Service and Business Support Teams took the Gold award for Transforming Through Technology in the Public Sector Transformation Awards ceremony, organised by iESE, which works with public sector organisations to help them answer the biggest challenge facing Britain's public services today - delivering better outcomes, at a lower cost to the public.

Up against two other finalists in the Transforming Through Technology category, our submission, demonstrated how we have reinvented the way our Revenues and Benefits service operates. By developing online services and integrating customer-facing and back-office systems we now offer a more efficient, resilient service for customers whilst significantly reducing annual service costs. Using a combination of technologies, not previously combined, has enabled customers to access services 24/7 while allowing us greater capacity to support those customers who need it.

This most recent award underpins the national recognition we consistently achieve through our Customer Service Excellence accreditation.

7. Our Focus on Commercialisation

Our Corporate Plan outlines the clear commitment and intentions of the Council to become more commercially minded through the strategic objective:

- **Achieving Stability** – To achieve financial stability through a commercial and collaborative approach.

Over the past few years our activities have been both opportunistic as well as planned. Examples such as Oportunitas, as the Council's regeneration and housing company, our investment in strategic land for the development of Otterpool Park Garden Town and other sites for housing and commercial development such as Biggins Wood, provide the foundations. To date we have taken a modest approach and recent decisions by Cabinet and Council to make additional investment funds available provide a huge opportunity to make a step change in our approach. A far more aggressive and explicit set of commercial activities will be followed to address the challenges we face.

The Corporate Plan sets out the ambitions of the Council towards commercialisation. The initial rationale for this grew from the financial pressures and the need to bridge the gap in funding in the short to medium term. However, over the last year or so, our approach has sharpened, with a greater understanding of the longer term opportunities and greater capital receipts that can come from patience and considered strategic investment in Otterpool Park and other projects such as, the Transformation Programme, our Asset Management Strategy and further investment in Oportunitas. It is clear that in the short term we can bridge the existing funding gap through becoming more effective and efficient.

To deliver this objective, we have stated that we will:

- Ensure strong financial discipline
- Explore alternative income streams including commercial opportunities
- Develop an investment strategy for the longer-term benefit of the district
- Explore opportunities including working collaboratively to achieve efficiencies, reduce costs and improve resilience
- Optimise the financial benefit from major developments in the shorter and medium term
- Identify 'Invest to Save' opportunities

Our biggest challenge: Appetite for risk

6

To be clear in the appetite to embrace the commercialisation agenda and reassess the priorities, the timelines and rationale. Also, to reconsider skills and capacity to deliver (either in-house, in collaboration or outsourced).

What are we currently working on?

The following give some examples of how we are addressing our commercial agenda:

Princes Parade Development - The Council has long-held ambitions to replace the popular, but old and failing swimming pool in Hythe. Since 2002 the Council has been working to secure a suitable site and financial commitment to build a new pool and recreation area. Feasibility studies were undertaken on the current pool site and two further sites - Princes

Parade and Nickolls Quarry. Following on from this, the Council has held firm its belief that Princes Parade is the preferred development location. In April 2016 Cabinet decided the basis of a planning application would be for a new pool, recreation centre, up to 150 new homes and new public open space. There have been differences of opinion on this proposal, which the Council has considered to help shape the final plans. However, the Council and its leadership has stood firm on the importance of seeking this much needed community asset for the district.

Lifeline – We are currently undertaking feasibility review of the Lifeline service to consider whether there is a market opportunity to expand the service.

Biggins Wood – The Council purchased a former brickworks site that has been vacant for over 20 years. Due to remediation costs, this site has not proved attractive to the private sector. Planning permission has been secured to build 77 homes with employment space. With a close proximity to Jct 13 (M20) this is an example of how we are bringing a redundant site back into use to provide much needed new homes and flexible modern commercial space with easy access to main transport routes.

Mountfield Road Industrial Estate, New Romney - The Council has taken forward proposals to develop out the remaining plots of land owned by the Council on the Mountfield Road Industrial Estate. The Economic Development team was successful in securing a bid to the Magnox Socio-economic fund in 2016 for a funding contribution towards feasibility studies and a site masterplan, including an assessment of infrastructure needs, design costs for a business incubator and skills centre. Stage 1 of this work, which is nearly completed, identifies options for taking for the site, including cost estimates and income generation potential. The next stage will involve undertaking detailed design work for the preferred option while seeking planning permission for the proposed development. All options will involve investment and potential income generation for the Council.

Folkestone Market - The Council is considering how to develop the street market in Folkestone town centre, in order to help improve the vitality of the town and attract more visitors, as well as generating greater income for the Council as the market operator.

Business Engagement Programme - There is a programme of regular dialogue with key businesses in the area which has resulted in opportunities where the Council could potentially provide new business accommodation to meet the needs of our existing key businesses to retain them in the district. These are potential income generating opportunities and there has been specific dialogue with one employer regarding our Biggins Wood development. The provision of bespoke business space could also provide a long term income stream for the Council.

With a new Corporate Director in post (April 2018), and the changes to the management team, the Peer Review is an ideal time to take stock of our commercialisation plans, the priorities we have and the wider objectives that can be met if the appetite to continue is there. We acknowledge that, as a relatively small district council, our agenda is extremely ambitious and now is the time to assess, review and consider the priorities in the short, medium and long term.

Nurturing Relationships

It is important to work closely with existing employers in the district as well as to do all we can to promote and encourage new businesses to invest and set up in the area. To do this we have a programme of strategic meetings with employers to review their needs and see how we, as a council, can help them thrive. In addition we are working to develop a focused programme of external communications to highlight the benefits of investing in the district to complement our dedicated Folkestone works website which is business facing.

Case Study 6 ~ Opportunities with Oportunitas

As part of the Council's strategic objective to Achieve Stability, in 2014 the council established a Regeneration and Housing Company called Oportunitas, Latin for Opportunity. This vehicle is wholly owned by the council and, in 2017/18, gave the Council a revenue income stream in the order of some £220,000 through the acquisition and letting of property related assets and from charging for private works relating to grounds maintenance activities. Following a modest start, in February 2018, the Council made a further investment into Oportunitas, which now has a total of some £12 million available for investment with an expectation of providing at least £360,000 revenue income per annum, whilst also addressing some of our other strategic objectives, such as More Homes and More Jobs.



8. Conclusion

Our aim has been to give an honest and balanced assessment of Folkestone & Hythe District Council, our achievements, our challenges, and our ambitions. In view of the challenges we face and changing environment with Brexit, and the ongoing considerations of dealing effectively with Operation Stack when there is disruption across borders, we remain proud of our achievements, however, we are not complacent and seek to continually challenge how we are performing and how we are responding in a rapidly changing environment for local government.

We seek stability for our district and believe we have plans in place through our development and commercialisation approach to achieve this. We also realise we have an ambitious agenda and are very clear of the potential challenges as well as the vast benefits this will give us. We know we have much to do and in focusing on a longer-term vision, we have a clear focus of where we want to be. We are looking forward to your input to help us get the best from this, and will seek to work on areas that require improvement.

We have commissioned this peer challenge to help us achieve our ambitions and also share our learning and successes with others. We are looking forward to demonstrating our ambition and passion when the Peer Team visit.

We welcome your findings and recommendations as to how we can ensure further success for our area while playing an active role in the local government family.

Appendix 1: About Folkestone & Hythe District

The Council has a comprehensive understanding of the district, made up of quantitative data such as statistics on everything from population to business numbers, housing to environmental data. This, coupled with qualitative information of our district, through Ward Profiles, our partnership working and working closely in communities and with our customer has ensured we have a clear understanding of our area. In addition, our Councillors, as community champions continuously provide a wealth of knowledge and input to the services we deliver.

Our District

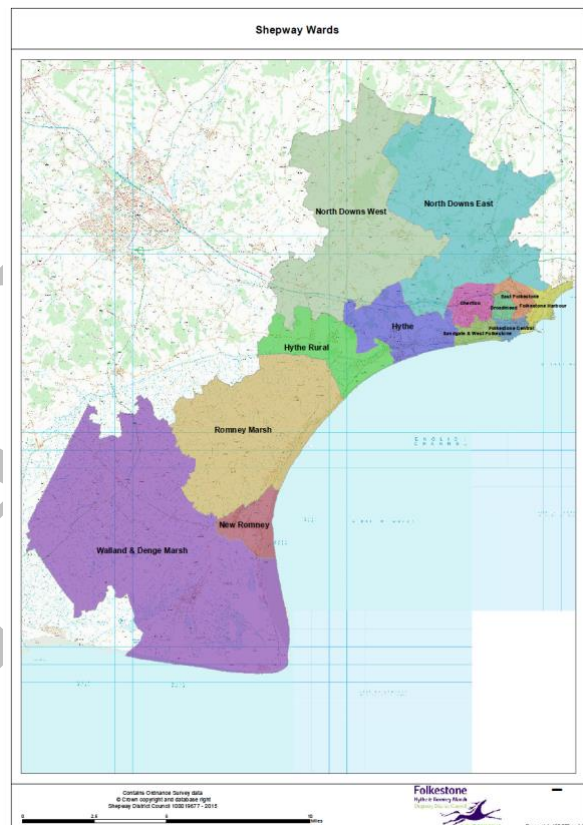
Folkestone & Hythe District is a coastal district in south eastern England and home to a diverse collection of towns, villages and environments. Chiefly rural in nature, the district is large and covers approximately 363 sq. km (140 sq. miles). The district stretches from the East Sussex border (near Rye) in the south west, across the low-lying Romney Marsh and through to Folkestone and the escarpment and the hills of the Kent Downs in the north. The settlements and districts of Ashford, Dover and Canterbury adjoin Folkestone & Hythe in eastern Kent.

The district has distinctive contrasting rural landscapes and urban environments. The many parts of the district have a varied and often strong individual character.

Our People

The majority of the districts 111,200¹ residents live in urban areas (60.6%), with the remaining 39.4% to be found living in rural areas. Approximately 1 in 10 people in the district live in isolated dwellings, hamlets or small villages (below 1,000 people). Romney Marsh ward is the largest and the most sparsely populated area in the District.

Compared to other English authorities, our district has a high proportion of people with limiting long term illness. A high percentage of the population claim disability related benefits, with the District ranked amongst the top 20% of authorities in England for this indicator. At 83.4 years, life expectancy from birth in females is 3.7 years higher than males in the district (at 79.7 years) in line with the UK figures, although below that of Kent and the South East. (District Equality and Diversity Profile (2016)).



¹ 2016 Mid-Year Population Estimates - ONS

Deprivation Levels

The district as a whole suffers from considerable deprivation relative to the national average and there is also significant inequality within the District with deprivation concentrated in the urbanised coastal areas and the rural south. Rural areas have poorer access to services and facilities. The district suffers from high levels of disability / long term illness, reflecting, in part, the relatively high proportion of older people living in the District. Population growth, household growth and demographic change will place additional and changing demands on key services and facilities such as housing, health, education and social care. There are some areas of Shepway where crime is likely to have a significant effect on the health and well-being of individuals and communities, as well as the potential for economic growth and diversification.

Our Economy and Infrastructure

The district has a number of economic strengths, including its good transport links (M20 motorway, High Speed rail links to London, and proximity to the Channel Tunnel), relatively low wage levels and affordable land/building costs relative to the wider South East region, a large working age population and a high quality natural environment. Economic weaknesses include its relative remoteness, relatively low rates of entrepreneurship and few residents with higher skills². There is a need to increase the take up rate of further education courses and diversify the skills base of the local labour market, to ensure local business sectors are able to improve the long-term prosperity of residents.

Our Environmental Issues

There is a long history of flooding within the district including over 101 flooding events in the last decade. Over half of homes in the District are at risk of flooding from either coastal or fluvial sources. There are 11 watercourses that have been categorised as main rivers in the District and have been sources of flooding in the past. Additionally, 55% of the District at or below sea level and the majority of Districts 41km coastline lies below the mean high water mark. Virtually all of the Romney Marsh area is within flood zone 3 due to its topography. However, the degree of risk varies significantly within the area, being dependent on factors such as topography, hydrological features and position in relation to flood defences. Much of the coastline is protected by a number of sea defences ranging from 'hard' structures to naturally forming shingle barrier beaches that are continually managed, so flooding from the sea will generally result from either the current sea defences breaching or being overtopped by wave action.



² Shepway Economic Development Strategy 2015-2020