

This Report will be made public on 18 September 2023



Report Number: **OS/23/03**

To: Overview and Scrutiny Committee
Date: 26 September 2023
Status: Non-Key decision
Responsible Officer: Ewan Green, Director of Place

SUBJECT: OTTERPOOL PARK: STRATEGIC DIRECTION, FUNDING AND DELIVERY.

SUMMARY:

This report and presentation cover the outcome of a review of key issues that the Council requires to consider in relation to the strategic direction, funding and delivery of Otterpool Park. The presentation includes detail on delivery and financial risks for the Council and emerging recommendations for Cabinet.

REASONS FOR RECOMMENDATIONS:

The report and presentation provide Committee with an opportunity to feedback ahead of Cabinet considering the matter.

RECOMMENDATIONS:

1. To receive and note report OS/23/03.
2. To consider the presentation and provide feedback in order to inform a report to Cabinet.

1. BACKGROUND

1.1 Otterpool Park, a new garden town, will be central to shaping a sustainable future for the district. It is recognised as a priority within the Council's Corporate Plan 2021-30 'Creating Tomorrow Together' and will make a significant contribution to achieving positive outcomes for:

- Service Ambition 1: Positive community leadership
- Service Ambition 2: A thriving environment
- Service Ambition 3: A vibrant economy
- Service Ambition 4: Quality homes and infrastructure.

1.2 Otterpool Park LLP (the LLP) was established in May 2020 with the principal objective of acting as master developer for the delivery of the project. The Members' Agreement establishing Otterpool Park LLP sets out the process for the approval of the LLP's business plan. This requires that every 5 years the LLP submits its strategic business plan to the council for approval. Within the 5-year period annual updates are also prepared and placed before the council for approval.

<https://folkestone-hythe.moderngov.co.uk/ieListDocuments.aspx?CId=142&MId=4766&Ver=4>

1.3 The second annual update of the Business Plan was submitted by the LLP in February 2023 and subject of a report to Cabinet in April 2023. The scale of the funding requested by the LLP through the Business Plan was a significantly increased scale than the current level of funding approved by the Council.

1.4 Cabinet agreed that Officers undertake due diligence and a financial assessment of the updated Business Plan (with input from external specialist advisors) including a risk analysis and consideration of alternative funding options which may be available to the Council and / or LLP.

The outcome of this work will be a robust assessment which will support Members' decision making on this matter. It is intended that a report will be considered by the Overview and Scrutiny Committee, Cabinet and Council as soon as practicable.

<https://folkestone-hythe.moderngov.co.uk/ieListDocuments.aspx?CId=142&MId=5140&Ver=4>

2. OTTERPOOL PARK STRATEGIC DIRECTION, FUNDING AND DELIVERY.

2.1 The due diligence and financial assessment undertaken has focussed on the overall strategic direction, funding and delivery of Otterpool Park. This has included support from specialist advisors:

- Local Partnerships were commissioned to conduct an in-depth Governance Review in order to understand where there are opportunities for improvement in governance, and what lessons can be learned from elsewhere.
- A robust financial assessment and due diligence with the support of KPMG and other advisors to the Council.

2.2 The attached presentation and Appendix cover the outcomes to date from the reviews, provide detail on delivery and financial risks for the Council and emerging recommendations for Cabinet. Committee is asked to provide feedback ahead of Cabinet considering the matter.

3. RISK MANAGEMENT ISSUES

3.1 There are no direct risk management implications to note.

4. LEGAL/FINANCIAL AND OTHER POLICY MATTERS

4.1 Legal Officer's Comments (NM)

There are no direct legal implications to note.

4.2 Finance Officer's Comments ()

There are no direct finance implications to note.

4.3 Diversities and Equalities Implications (EG)

There are no direct diversity and equality implications to note.

4.4 Climate Change Implications (EG)

There are no direct climate change implications to note.

5. 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
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The following background documents have been relied upon in the preparation of this report: None

Appendix - Local Partnerships Governance Review