



Agenda

Meeting: **Cabinet**
Date: **4 November 2015**
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. The meeting will be open to the press and public.

- 1. Apologies for absence**
- 2. Declarations of interest**

Members of the Council should declare any interests which fall under the following categories. Please see the end of the agenda for definitions*:

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

- 3. Minutes (Pages 1 - 4)**

To consider and approve as a correct record the minutes of the meeting held on 16 September 2015.

- 4. Hythe swimming pool and Princes Parade site (Pages 5 - 26)**

Report C/15/38 responds to two cabinet resolutions, the most recent decision requires an assessment of various site options for delivering a new recreation centre in Hythe.

The earlier resolution relates to a proposal to develop a new recreation

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centre, primary school and up to 36 town houses at Princes Parade, Hythe.

The assessment of the potential of various options for developing a new swimming pool in Hythe, includes consideration of planning matters, legal constraints, physical constraints and broad financial assumptions which together test viability and deliverability.

The conclusions are that the best option for a new recreation centre would be to develop land at The Green, Hythe. This site is however, potentially constrained by a restrictive covenant and is also in the ownership of Hythe Town Council. It is not yet known if the Town Council will wish to make the land available for the proposed centre. If The Green is not available then Princes Parade is considered to be the preferred site option.

The development of a new school is not considered viable based on original assumptions and would require Kent County Council to invest a significant capital sum in addition to the originally identified land sales if the proposal is to proceed.

The remaining part of the Princes Parade project is considered viable but because of the unknown cost of mitigating heritage impacts it is recommended to explore the comprehensive redevelopment of the site which could add value and provide wider community benefits.

5. Events Management policy (Pages 27 - 108)

Report C/15/28 The Events Management Policy sets out how the council manages the process of granting permission to event organisers to hold events on council land, as well as the council's commitments regarding events held on private land. It is necessary to update the council's policy to reflect changes in legislation; address issues that have arisen; improve the council's processes; clarify responsibilities; and ensure that the council's broader policy objectives are delivered more effectively. Cabinet is asked to approve the updated Events Management Policy.

6. Filming policy and charging schedule (Pages 109 - 140)

Report C/15/29 When Cabinet considered the Fees and Charges for 2015/16 (Report C/14/42) it was agreed to receive a follow up report regarding the feasibility of introducing a charging schedule for commercial filming on council land. This report presents a summary of the findings from a review conducted by the Community Development Team. Following the review, a draft Filming and Photography Policy and a proposed Charging Schedule have been developed. Both are presented to Cabinet for approval.

7. Housing Revenue Account Revenue and Capital budget monitoring 2015/16 - 2nd Quarter (Pages 141 - 150)

Report C/15/41 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 2015.

8. 2015/16 Quarter 2 Budget monitoring (Pages 151 - 172)

Report C/15/42 sets out a projected year end financial position on the General Fund for 2015/16, based on actuals to 31 August 2015. This report covers General Fund revenue alone. Capital expenditure and Housing Revenue Account expenditure are covered under separate reports on this Agenda.

9. General Fund Capital Budget Monitoring - 2nd Quarter 2015/16 (Pages 173 - 180)

Report C/15/43 provides a projection of the latest financial position for the General Fund capital programme, based on expenditure to 31 August 2015. The report identifies projected variances on the planned capital expenditure programme for the General Fund in 2015/16.

10. Treasury management and prudential indicators monitoring report (Pages 181 - 196)

Report C/15/44 provides an update on the council's treasury management activities that have taken place during 2015/16 against the agreed strategy for the year. The report also provides an update on the prudential indicators for capital expenditure, borrowing and treasury approved by Council earlier this year.

11. Medium Term Financial Strategy 2016/17 to 2020/21 (Pages 197 - 218)

Report C/15/30 The Medium Term Financial Strategy (MTFS) is the Council's key financial planning document. It puts the financial perspective on the council's Corporate Plan priorities, expressing the aims and objectives of various plans and strategies in financial terms over the five year period ending 31st March 2021. It covers both revenue and capital for the General Fund and the Housing Revenue Account. Also included are the Council's reserves policies. The MTFS is a key element of sound corporate governance and financial management.

12. Town and Parish Funding 2016/17 - Council Tax Reduction Scheme (Pages 219 - 224)

Report C/15/32 recommends options for a scheme for providing grants to town and parish councils in 2016/17 to 2018/19 towards the cost of council tax reduction scheme that falls on their council tax base.

13. Budget Strategy 2016/17 (Pages 225 - 246)

Report C/15/33 This Budget Strategy sets out the guidelines for preparing the 2016/17 Budget. The Strategy supports the Corporate Plan and aligns with the direction and objectives of the Medium Term Financial Strategy (MTFS).

The Budget Strategy takes account of current and future financial issues; sets out assumptions and initial proposals; and provides a timetable for delivering a balanced budget in 2016/17.

14. Corporate Risk update (Pages 247 - 260)

The Council is committed to report on its changes to the Corporate Risk Register and Report C/15/36 outlines updates since April 2015.

15. Right to buy Social Mobility Fund (Cash Incentive Scheme) (Pages 261 - 264)

Report C/15/37 sets out details of the council's successful bid for £200,000 match funding through the Government's Right to Buy Social Mobility Fund Cash Incentive Scheme (RTBSMF CIS). The report also sets out how, subject to Cabinet approval, the initiative will be implemented in Shephway.

16. Exclusion of public

To exclude the public from the following items of business, on the grounds that it is likely to disclose exempt information, as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)". "Financial or business affairs" includes contemplated as well as current activities.

17. HRA Home Purchase Opportunity (Pages 265 - 270)

Report C/15/40 The Council is discussing with Jenner (Contractors) Ltd (JCL) the purchase of 35 homes on land formerly owned by KCC at Military Road, Folkestone (as shown in Appendix 1) using the Housing Revenue Account (HRA). This paper updates progress since the last update in April and sets out the proposed next steps.

*Explanations as to different levels of interest

(a) A member with a disclosable pecuniary interest (DPI) must declare the nature as well as the existence of any such interest and the agenda item(s) to which it relates must be stated. A member who declares a DPI in relation to any item must leave the meeting for that item (unless a relevant dispensation has been granted).

(b) A member with an other significant interest (OSI) under the local code of conduct relating to items on this agenda must declare the nature as well as the existence of any such interest and the agenda item(s) to which it relates must be stated. A member who declares an OSI in relation to any item will need to remove him/herself to the public gallery before the debate and not vote on that item (unless a relevant dispensation has been granted). However, prior to leaving, the member may address the meeting in the same way that a member of the public may do so.

(c) Members may make voluntary announcements of other interests which are not required to be disclosed under (a) and (b). These are announcements made for transparency reasons alone, such as:

- membership of outside bodies that have made representations on agenda items, or
- 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.

Voluntary announcements do not prevent the member from participating or voting on the relevant item

Folkestone

Hythe & Romney Marsh
Shepway District Council



Minutes

Cabinet

Held at:	Council Chamber - Civic Centre Folkestone
Date	Wednesday, 16 September 2015
Present	Councillors Miss Susan Carey, John Collier, Malcolm Dearden, Mrs Jennifer Hollingsbee, Rory Love, Philip Martin, David Monk and Stuart Peall
Apologies for Absence	Councillors Alan Ewart-James and David Godfrey
Officers Present:	Jeremy Chambers (Corporate Director - Resources), Katharine Harvey (Head of Economic Development), Sue Lewis (Committee Services Officer), Tim Madden (Corporate Director - Organisational Change), Joanna Miller (Head of Finance (S151 Officer)), Susan Priest (Corporate Director - Operations), Dave Shore (Planning Policy Manager) and David Whittington (Planning policy Team Leader) (minute 19)

Others Present:

NOTE: All decisions are subject to call-in arrangements. The deadline for call-in is 25 September at 5pm. Decisions not called in may be implemented on 28 September 2015.

17. Declarations of interest

There were no declarations of interest.

18. Minutes

The minutes of the meeting held on 22 July 2015 were submitted, approved and signed by the Chairman.

19. Shepway Places and Policies Local Plan

Report C/15/19 provides an update on the progress of the Shepway Places and Policies Local Plan (including feedback from the recent Issues and Options consultation) and seeks Cabinet approval for taking forward

strategic 'duty to co-operate' issues and for the Leader of the Council to agree the proposed Strategic Housing Land Availability Assessment (SHLAA) site assessment matrix following the completion of consultation with key stakeholders. The report also seeks Cabinet approval for the timetable for the completion of this and other documents (including the initial review of the Core Strategy).

Proposed by Councillor Malcolm Dearden
Seconded by Councillor Mrs Jenny Hollingsbee and

Resolved:

1. **To receive and note report C/15/19.**
2. **To note progress, content and structure of the Local Plan and further programme of engagement.**
3. **That, after the current consultation closes, the Leader of the Council considers any proposed changes to the SHLAA assessment matrix (as set out in Appendix 2).**
4. **To note and agree the strategic duty to co-operate issues as the basis for discussion with partners.**
5. **To agree the revised Local Development Scheme as set out in Appendix 3.**
6. **That consideration is given to bringing long-term unused employment sites into housing use.**

(Voting: For 8; Against 0; Abstentions 0)

Reason for Decision: Cabinet was asked to agree the recommendations set out in order to allow future progress to be made on the development and delivery of the Shepway Places and Policies Local Plan.

20. Treasury Management and Actual Prudential Indicators Annual Report 2014/15

Report C/15/21 reviews the council's treasury management activities for 2014/15 and also summarises the actual prudential indicators for 2014/15. 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 Ms Susan Carey
Seconded by Councillor Rory Love and

Resolved:

1. **To receive and note Report C/15/21.**

(Voting: For 8; Against 0; Abstentions 0)

Reason for Decision:

Cabinet was asked to agree the recommendations set out 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.
- b) CIPFA's Prudential Code for Capital Finance requires the actual prudential indicators for the financial year to be reported.

21. **Bringing empty homes back into use**

Report C/15/22 updates on the council's progress in bringing long-term empty homes back into use in the district and proposes new initiatives for accelerating this further.

Proposed by Councillor David Monk

Seconded by Councillor Mrs Jenny Hollingsbee and

Resolved:

1. **To receive and note Report C/15/22.**
2. **To agree to the recommendation to allocate £400,000 of the £1.2 million available for empty homes initiatives to a new Shepway No Use Empty Plus scheme.**
3. **To agree to the recommendation to allocate £800,000 of the £1.2 million available for empty homes initiatives to a new Acquisition and Refurbishment programme.**
4. **To Authorise the Corporate Director, Operations to approve investments made in the new Acquisition and Refurbishment Programme, in consultation with the Cabinet Member for Housing.**
5. **To Authorise the Corporate Director, Operations to review and amend the allocation of resource between the new Shepway No Use Empty Plus and Acquisition and Refurbishment based on effectiveness and value for money of the schemes, in consultation with the Section 151 Officer.**

(Voting: For 8; Against 0; Abstentions 0)

Reason for Decision:

Cabinet was asked to agree the recommendations set out because:

- a) £1.2 million is available within the current capital investment programme to deliver proposed new empty homes initiatives in 2015/16 and 2016/17 for Shepway District and £50,000 revenue funding (Council report A/14/32; minute number 92 and 94, 19 February 2015)
- b) Empty homes continue to be a significant issue and wasted housing resource in the district.
- c) Bringing long-term empty homes back into use brings significant community benefits, as well as potential financial benefits for the council.

22. Exclusion of the public

Proposed by Councillor David Monk
Seconded by Councillor Malcolm Dearden and

Resolved: To exclude the public from the following items of business, on the grounds that it is likely to disclose exempt information, as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972: “Information relating to the financial or business affairs of any particular person (including the authority holding that information)”. “Financial or business affairs” includes contemplated as well as current activities.

(Voting: For 8; Against 0; Abstentions 0)

23. Oportunitas - Request for additional funds

The Board of Oportunitas has resolved to seek permission from Cabinet to drawdown £500k of funding from the Council’s Medium Term Capital Programme to enable the company to continue to deliver against the objectives set out in its business plan running July 2014 to end March 2016.

In addition, comments from Shepway District Council’s Legal and Finance departments are included under section 4 of this report.

Proposed by Councillor Ms Susan Carey
Seconded by Councillor Mrs Jenny Hollingsbee and

Resolved:

- 1. To receive and note report C/15/23.**
- 2. For Cabinet to approve the request by the Board of Oportunitas to allow for the release of £500k from the £2.5m capital provision for Oportunitas in the Medium Term Capital Programme to deliver the objectives set out in its approved business plan.**

(Voting: For 8; Against 0; Abstentions 0)

This Report will be made public on 27 October 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/15/38**

To: Cabinet
Date: 4th November 2015
Status: Key Decision
Head of service: Andy Jarrett – Head of Strategic Development Projects
Cabinet Member: Councillor David Monk – Leader of the Council

SUBJECT: Hythe Swimming Pool and Princes Parade Site

SUMMARY:

This report responds to two cabinet resolutions, the most recent decision requires an assessment of various site options for delivering a new recreation centre in Hythe.

The earlier resolution relates to a proposal to develop a new recreation centre, primary school and up to 36 town houses at Princes Parade, Hythe.

The assessment of the potential of various options for developing a new swimming pool in Hythe, includes consideration of planning matters, legal constraints, physical constraints and broad financial assumptions which together test viability and deliverability.

The conclusions are that the best option for a new recreation centre would be to develop land at The Green, Hythe. This site is however, potentially constrained by a restrictive covenant and is also in the ownership of Hythe Town Council. It is not yet known if the Town Council will wish to make the land available for the proposed centre. If The Green is not available then Princes Parade is considered to be the preferred site option.

The development of a new school is not considered viable based on original assumptions and would require Kent County Council to invest a significant capital sum in addition to the originally identified land sales if the proposal is to proceed.

The remaining part of the Princes Parade project is considered viable but because of the unknown cost of mitigating heritage impacts it is recommended to explore the comprehensive redevelopment of the site which could add value and provide wider community benefits.

REASONS FOR RECOMMENDATION:

Recent inspection work of Hythe Pool revealed that the pool continues to require extensive maintenance and repairs in order to ensure ongoing compliance with health and safety standards and to ensure that the pool is able to stay open in the short to medium term. In terms of securing the medium term future of the current pool it has been estimated that it will be necessary for the Council to invest up to £1 million over a 2 to 5 year period. It is accepted that it is no longer efficient to maintain the Pool.

An enhanced recreation centre is considered desirable to improve facilities for residents and visitors. The fitness centre will reduce ongoing revenue costs.

The Green, Hythe site option is preferred because it is located centrally within Hythe and in close proximity to the existing facility. It is considered acceptable in planning terms. Subject to the commitment of Hythe Town Council to make the land available the proposal is deliverable in a reasonable timescale.

If the Green option is not acceptable to Hythe Town Council then Princes Parade becomes the preferred option. It is, subject to planning, within the control of the Council and deliverable within an acceptable timescale. The main matter to address, will the impact of any scheme on the Royal Military Canal and its setting as raised by Heritage England.

RECOMMENDATIONS:

- 1. To receive and note report C/15/38.**
- 2. To invite Hythe Town Council to formally resolve, by the 31st January 2016, to make land available at the Green, Hythe for the purpose of constructing a public Recreation Centre. The land to be made available for £1 on a freehold or alternatively, a leasehold basis for a minimum of 125 years.**
- 3. Subject to Hythe Town Council's agreement to 2. Above, to prepare a planning application for a new recreation centre on Hythe Town Council owned land at the Green. Hythe.**
 - 1) To invite Kent County Council to formally resolve, by the 31st January 2016, to construct a new primary school on Shepway District Council owned land at Princes Parade, Hythe. Shepway Council to make land available at Princes Parade, Hythe on a long lease. All construction and land remediation costs of the school site to be met by Kent County Council.**
 - 2) Taking account of the decisions of Hythe Town Council and Kent County Council the District Council to prepare a planning application for the comprehensive mixed use redevelopment of land at Princes Parade, Hythe. The uses and extent of the uses to be determined at a future meeting of Cabinet.**

1. Background and Context

- 1.1. At its meeting of 22nd July 2015 the Cabinet asked for a further report to be prepared for Autumn to provide a full and up to date assessment of the preferred option for delivering the community facilities for the district in Hythe.
- 1.2. The Report is concerned with the future of two important Council owned sites and also in providing a new swimming pool and associated facilities to replace the existing pool which is increasingly expensive to repair and maintain
- 1.3. Previously, Cabinet 28th May 2014, agreed the following:

To subject to the capital receipts from a number of linked development sites being allocated towards meeting the development costs of the project, the Council confirms, in its capacity as landowner, the following:

- a) *The ARC enhanced model (detailed in the report from Strategic Leisure) is adopted as the Council's preferred model;*
- b) *That a maximum of 36 town homes will be included in the scheme;*
- c) *That the proposed new school and pool sites are adjoined in order to minimise infrastructure costs;*

2. Assessment of Site Options for a new Recreation Centre to replace Hythe Swimming Pool

- 2.1. The Council has accepted the need to replace Hythe swimming pool and also agreed a specification for the new facility. This is described as an “enhanced Affordable Recreation Centre”, which will include:

- 25m 6 lane swimming pool
- Teaching water
- Wet change
- Cafe / vending / seating area
- Fitness Suite and changing
- Studio
- 4 court sports hall
- Administration

A layout of an “enhanced Affordable Recreation Centre” is included as Appendix 1.

- 2.2. The assessment of site options include the currently preferred site Princes Parade, two sites raised by developers earlier this year, the existing pool site and South Road Recreation Ground. In addition the Green, Hythe is considered as it was identified as a possibility at a meeting with Hythe Town Council and Nickolls Quarry has been revisited for completeness. During the course of the assessment two other site options were considered briefly but

rejected because of their significant locational, physical and environmental constraints. These sites were the Hythe Cricket and Squash Club, The Grove, Hythe and land on the Hythe Imperial Hotel Golf Course, Princes Parade

- 2.3. In order to assist with the assessment process Lee Evans Partnership LLP, Architects and Town Planners were appointed to prepare masterplans for each site and to assess the options from a planning perspective. Their appraisal, "Options Appraisal and Site Analysis, for the provision of a Leisure Centre for Hythe, October 2015", informs this report.
- 2.4. The masterplans provide a good basis for assessing and comparing the planning impacts at the respective sites and are included as Appendix 2.
- 2.5. The assessment is reached having full regard to the Development Plan in conjunction with the NPPF and other material considerations that may apply.
- 2.6. The conclusions of the Assessment are set out using a simple traffic light system highlighting the constraints and opportunities of each site.

Figure 1: Summary of the Site Options Assessment

	Martello Lakes (Nickolls Quarry)	The Green	South Road Recreation Ground	Swimming Pool Site	Princes Parade
Location and Access	Good public transport access Remote from Hythe and existing pool site	Close to existing pool and centrally located Increased traffic on residential roads	Close to existing pool and centrally located Increased traffic on residential roads	Physically constrained site. Requires use of South Road Recreation Ground for car parking	Good public transport, pedestrian and cycle links. Close to existing pool.
Brownfield/ Greenfield					
Impact upon Residential Amenities	Future occupants will be aware of scheme	Surrounding residential properties affected by intensification but distant from facility	Harmful impact as result of built form and intensification of site	Scale and mass of building leading and intensification of the Recreation ground	Distant from Seabrook Road residents - separated by Canal.
Impact upon Historic Environment	N/A	Adjacent to CA. No impact upon character/ setting of LB's	Impact on CA. LB's to edge of site. RMC in relative close proximity	Adj to CA but parking to be provided in CA	Identified 'less than substantial harm' to setting of RMC
Ability for benefits/ mitigation	Neutral Part of re-development works	Potential Improvement to sports/ recreation facilities	Unlikely Harmful impact upon CA. Loss of informal/formal open space	Neutral Existing Brown Field site	Significant potential to improve RMC setting (in part). Remediation of contamination
Deliverability	Significant delays in bringing site forward	Site ownership and potential legal issues may present deliverability issues	Site ownership and potential legal issues may present deliverability issues	Financial consequences and consequential timings may present deliverability issues	Manageable constraints assuming no 'call-in'



2.7. On the basis of the options appraisal it is considered that:

The Nickolls Quarry Site is rejected because it is remote from central Hythe

and from the existing pool site, there are timing concerns and timing not within Shepway District Council control.

The South Road Recreation Ground Site is a good central location, and has no known abnormal costs. However, it is rejected because of the harmful impact on the Conservation Area and on the amenity of residents.

The existing Pool Site is too small and not considered viable as the project relies on releasing redevelopment value from the site which would not be possible. It is therefore rejected.

2.8. Two sites are preferred:

The Green is potentially the most appropriate site for the siting of a new leisure facility. The assessment has not involved a new school facility. There are constraints but they could be overcome with careful planning of access and by a development which meets the highest quality in terms of its design, for, layout and external appearance. Further work is in hand to test utility costs but this appears manageable.

However, deliverability is a concern. The site is owned by Hythe Town Council and restrictive legal covenants exist which seek to prevent the development of any part of The Green. If these matters can be satisfactorily addressed then this is considered the preferred option for the Leisure Centre.

The Princes Parade site is also considered a good option. It is close to the existing site, within the District Council's control and offers scope for comprehensive redevelopment including remediation of contaminated land and re-use of a brownfield site. There is considerable potential for providing additional community benefits including provision of high quality public open space along the canal side and beachfront.

2.9. The main constraint to development of this site is the impact on the Royal Military Canal. Heritage England has raised concerns and these matters are being given thorough consideration.

2.10. In conclusion it is recommended that the Green site is considered the preferred option provided that by the 31st January 2016, Hythe Town Council resolve to make land available at the Green, Hythe for the purpose of constructing a public Recreation Centre. The land should be made available for £1 on a freehold or alternatively, a leasehold basis for a minimum of 120 years. Hythe Town Council would not be expected to contribute towards the wider development costs of the project and the District Council would anticipate meeting the Town Council's reasonable conveyance costs.

2.11. The Green proposal would be funded by Shepway District Council including the use of a receipt from the sale of the existing swimming pool site, part of the Princes Parade site use of section 106 planning agreement monies available from the Nickolls Quarry development.

2.12. If it is not possible to deliver the Green option then Princes Parade is the preferred choice recognizing that much needs to be done to mitigate the heritage concerns associated with redevelopment.

3. Princes Parade – Proposal for a linked development including recreation centre, primary school and housing.

3.1. Previously, Cabinet agreed the following:

To subject to the capital receipts from a number of linked development sites being allocated towards meeting the development costs of the project, the Council confirms, in its capacity as landowner, the following:

- a) The ARC enhanced model (detailed in the report from Strategic Leisure) is adopted as the Council's preferred model;*
- b) That a maximum of 36 town homes will be included in the scheme;*
- c) That the proposed new school and pool sites are adjoined in order to minimise infrastructure costs;*

3.2. As the decision implies the potential of this project is constrained by its financial viability. Further work has been undertaken, with the collaboration of Kent County Council, to assess the costs and potential capital resources available to enable the project to proceed. This included a working group of officers from both authorities which led to the commissioning of the following two reports:

- Geo-Environmental Assessment, Princes Parade, Hythe, Kent. Idom Merebrook, July 2015.
- Land Value Assessments Report on the basis of Planning Consent for Redevelopment – “Princes Parade Valuation Work” – Savills. August 2015.

3.3. Geo-Environmental Assessment

The purpose of the Geo-Environmental Assessment is to identify any contaminative or geotechnical matters associated with the Princes Parade site bearing in mind its previous use as a landfill refuse site.

This was achieved by undertaking a Phase 1 (Non-intrusive Investigation) and also a Phase 2a (Preliminary Exploratory Investigation)

The investigations demonstrate that the former uses of the site, particularly the landfilling, have resulted in widespread contamination comprising metals, Polycyclic Aromatic Hydrocarbons (PAH) and asbestos. These materials are considered for their potential to act as sources for a number of pollutant linkages

The potential impacts of contamination sources have been considered with respect to the following receptors, the general public and present site users, residents of future development, groundwater, surface water, construction workers, adjacent land, and infrastructure.

3.4. A preliminary remediation strategy is proposed. The identified risks at the site can be mitigated by removal of either; the source, pathway or receptor. A remediation strategy, based on source or pathway removal, has been designed. In summary it includes:

- In areas of soft landscaping clean cover of 450mm of clean imported soil;
- Introduce ground gas and vapour protection measures;
- Adopt appropriate Health and Safety procedures for construction workers;
- Materials, including waste soils which are not to be retained on site, should be removed and disposed of in accordance with all relevant statutes;

3.5. Discussions with the consultants have indicated a likely remediation cost of circa. £1.6m to remediate the site. They have also indicated that an order of additional costs related to the ground conditions would be £1.06m.

3.6. These estimates are based on remediation of the whole site to deliver the scheme based on the earlier Cabinet resolution, referred to above. The general proposition was that Shepway District Council would sell the existing swimming pool site and use section 106 planning agreement funds from the Nickolls Quarry development to invest in the new Recreation Centre. Kent County Council would sell its land holding at Eversley Road and if possible use receipts from the existing Seabrook Primary School site and invest these receipts to construct an improved and enlarged primary school in Seabrook. Shepway District Council would, make available to Kent County Council land at Princes Parade to help enable the development of the school.

3.7. Land Value Assessments

Officers have worked with officers from Kent County Council to assess the scope for constructing a replacement primary school. Savills were commissioned to undertake valuations work, with current market conditions and development assumptions to be taken into account, as well as meeting the requirements of Kent County Council. This was modelled to include a range of planning assumptions, including a Development Plan policy compliant scheme, one that excludes affordable homes requirement and at Eversley Road a further valuation that includes compliance with planning policies *LR12 and LR9*.

3.8. Kent County Council has provided broad estimates of the cost of building a new school. Assuming a 1 x form primary school it estimates the cost of between £4m and £6m. The higher figure reflects good quality design reflecting the proximity of the scheduled monument and also exposure to the sea.

The appraisal of the school is summarised below:

	(£m)	
	Estimated receipts to re-invest	Estimated Costs
Sale of Eversley Road Playing Fields Savills valuation – higher figure represents no affordable homes contribution	2.4 to 2.9	
Sale of Seabrook School Savills valuation – insufficient value to generate redevelopment interest. Also note that the school is owned by a third party and it cannot be assumed that any receipt can be invested in the project.	0.15	
Total funds available	2.40 to 3.05	
Cost to construct school Will be higher than standard provision in order to meet quality demanded by Heritage England and taking account of exposure due to seaside location		4 to 6
Remediation of contaminated land and related construction abnormals (school site only) SDC estimate based on 20% of Merebrooks site estimate site		0.54
Total estimated cost of school		4.54 to 6.54
Estimated Viability Gap	minus 1.49 to minus 4.14	

On a similar basis an appraisal of the viability of developing an enhanced Affordable Recreation Centre is summarised:

	(£m)	
	Estimated receipts to re-invest	Estimated Costs
Sale of Pool Site Savills valuation	4.5 to 5	
Sec 106	3.2	
Part sale of Princes Parade Savills Valuation		
High Density	2 to 3.46	
Low density	4.47	
Total funds available	9.7 to 12.67	
Total estimated cost of Recreation Centre		8.65
Remediation of contaminated land and related construction abnormals		2.15
SDC estimate based on 80% of Merebrooks estimate of site		
Total estimated cost of recreation Centre		10.80
Estimated Viability Gap	Minus 1.1 to plus 1.87	

3.9. The estimates above indicate a funding gap requirement for the construction of the school and a negative to positive position for the funding of a recreation centre dependent on assumptions made regarding site valuations.

3.10. However, in addition to the estimates above it is important to recognise there are likely to be significant costs required to mitigate the impact of the proposal on the Royal Military Canal. Further work and a renewed dialogue with Heritage England is required to properly evaluate this position. The broad estimates suggest that it should be possible to construct a new Recreation Centre for Hythe at the Princes Parade Site although the worst case scenario is marginal. It is clear however, that the site can accommodate more than 36 dwellings and if this was accepted it would provide a significant margin of security for the project.

4. Other Matters relevant to the Princes Parade Site and Hythe Pool Site

4.1. Asset Management planning – maximising value of a public asset

The District Council has commenced a comprehensive review of its Asset Management Plan (AMP) in order to ensure that it is delivering effective strategic asset management.

- 4.2. **It** is Government policy that local authorities should dispose of surplus land wherever possible. In this context the Council's strategic asset management activity seeks to align its asset base with the organisation's corporate goals and objectives. It ensures that the land and buildings of the organisation is optimally structured in the best corporate interest of the organisation. The process will therefore seek to ensure that the Council uses its assets in a way that optimises the delivery of the Shepway Corporate Plan 2013-18 and achieves best value in terms of the use of those assets.
- 4.3. The Princes Parade site is potentially the Council's most significant asset and it will therefore be necessary to undertake a comprehensive review of both the current use and the potential future uses of that site as part of the process of developing the AMP. Similarly the AMP will also need to undertake a similar assessment for the existing Hythe Swimming Pool site in South Road, Hythe.

4.4. Local Plan

The development of the Places and Policies Preferred Options Document, the next stage in the development of the plan, provides the Council with an opportunity to develop a detailed, site specific policy for the Princes Parade site that will help to facilitate the delivery of proposals that meet the identified needs of both Hythe and Shepway. The information gathered through the series of tasks outlined in this report will be a valuable addition to the evidence base used to inform the development of such a policy.

- 4.5. The Strategic Housing Land Availability Assessment identifies the site as being capable of accommodating 150 dwellings. The value associated with this level of housing would enable the comprehensive redevelopment of the site and provide scope to radically add community benefit to the proposal. The impact on the Royal Military Canal is likely to be the main planning issue but the value of this scale of project may well enable significant enhancements to mitigate any negative impacts. This could include the creation of high quality public open spaces and enhancement of the environment of the Canal and also the beachfront.

4.6. **Next Steps**

If the Green site is the preferred option and it is made available by Hythe Town Council then preparation of a planning application for a recreation centre could begin early in 2016. Simultaneously a planning application would be prepared for redevelopment of the existing swimming pool site to assist in its sale. A further planning application would be prepared for the redevelopment of part of the Princes Parade site. This planning application may or may not include the provision of a primary school dependent on Kent County Council's position. It is anticipated that work on site could begin in 2017. Cabinet to be kept advised of progress during the design and planning process.

Alternatively, if Princes Parade becomes the preferred option for the recreation centre then, the preparation of a masterplan would begin immediately with a view to agreeing a proposal for the comprehensive redevelopment of the site. This may or may not include the provision of a primary school dependent on Kent County Council's position. This

masterplan would be considered early in 2016 by Cabinet and if approved, provide the basis for a planning application in the early summer that year.

It is anticipated that work could begin on site in 2017. Cabinet to be kept advised of progress during the design and planning process.

5. RISK MANAGEMENT ISSUES

5.1. A summary of the perceived risks is as follows:

Perceived risk	Seriousness	Likelihood	Preventative action
The Green site not made available by Hythe Town Council	Low	medium	Support Hythe Town Council by providing information as required and assist with conveyance expenditure. Ensure alternative site is available.
Cost of Project increases	High	Low	Complete due diligence and monitor cost changes.
Land values decline	High	Low	Monitor market changes and progress project as swiftly as possible
Planning permission refused.	High	Low	Need to work closely with third parties to mitigate risk.

5.2. Legal Officer's Comments (NE)

There are no legal implications arising directly from this report.

5.3. Finance Officer's Comments (MF)

The broad financial implications are outlined in the main body of the report. Further work on the financial viability of the projects would need to be undertaken, depending on the outcome of decisions.

5.4. Diversities and Equalities Implications (DS)

There are no implications arising from this report.

6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Strategic Leisure	New Swimming Pool Feasibility Study Stage 1 - Strategic Leisure Final Report	August 2010
Lee Evans LLP	Heritage Impact Assessment	August 2014
Savills	Land Value Assessments on the basis of Planning Consent for Redevelopment	August 2015
Lloyd Bore	Lloyd Bore Environmental Report 2015	Sept 2015
IDOM Merebrooks	Geo-Environmental Assessment	October 2015
IDOM Merebrooks	Estimate of remediation costs	October 2015

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

Andy Jarrett – Head of Strategic Development Projects
Telephone: 07713081278
Email: andy.jarrett@folkestone-hythe.gov.uk

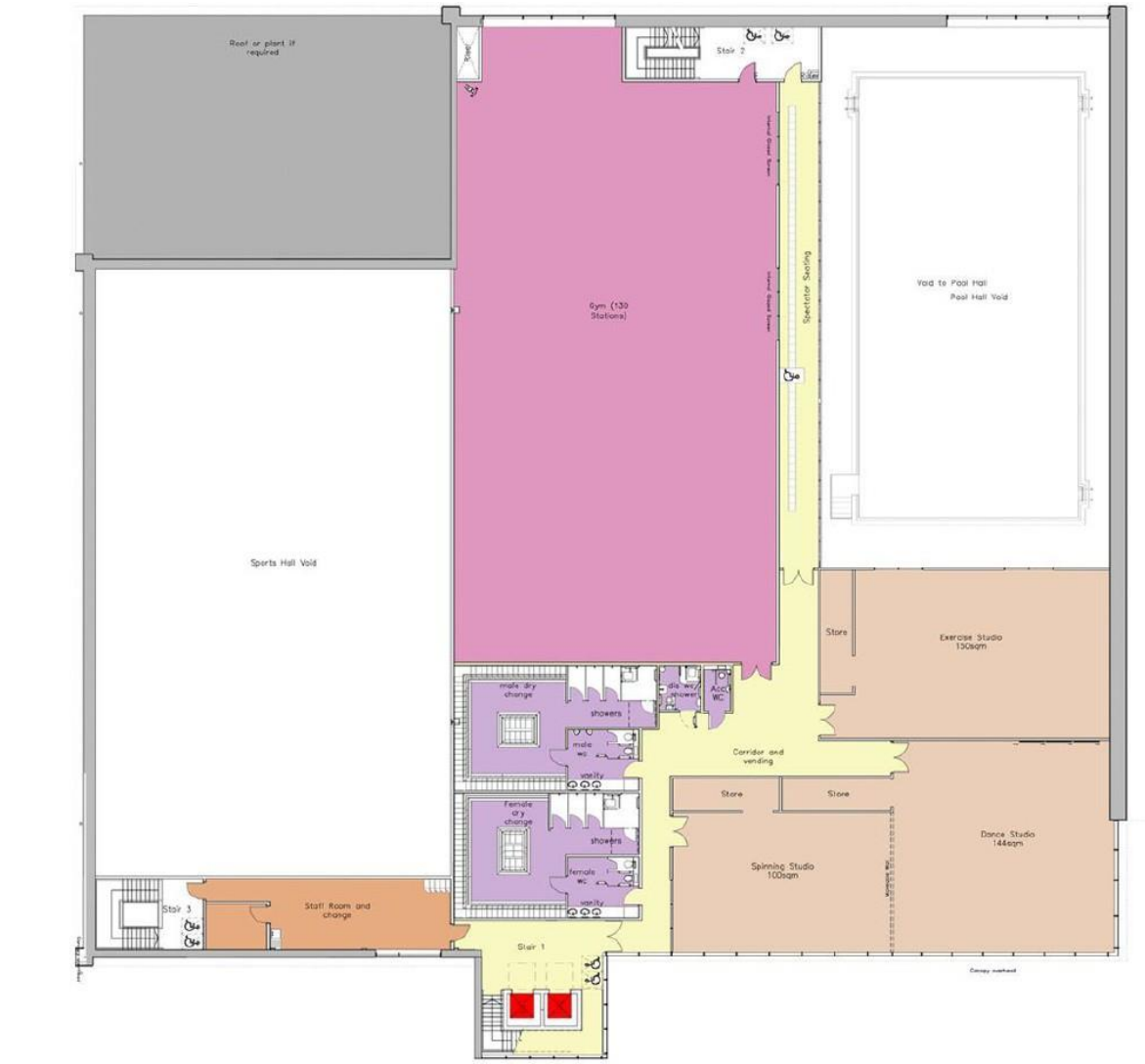
APPENDICES

Appendix 1 Indicative layout of Enhanced Recreation Centre

Ground Floor

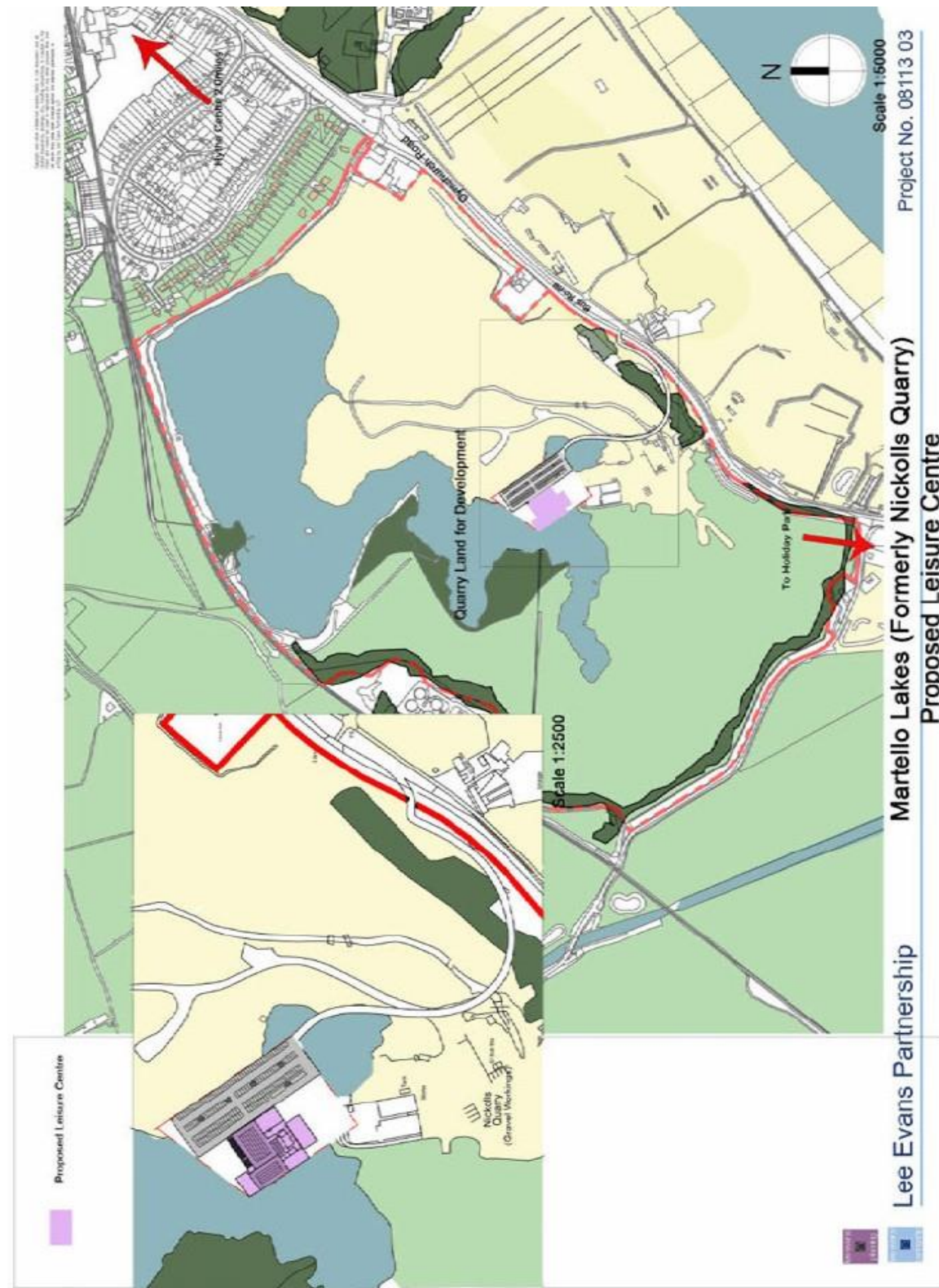


1st Floor

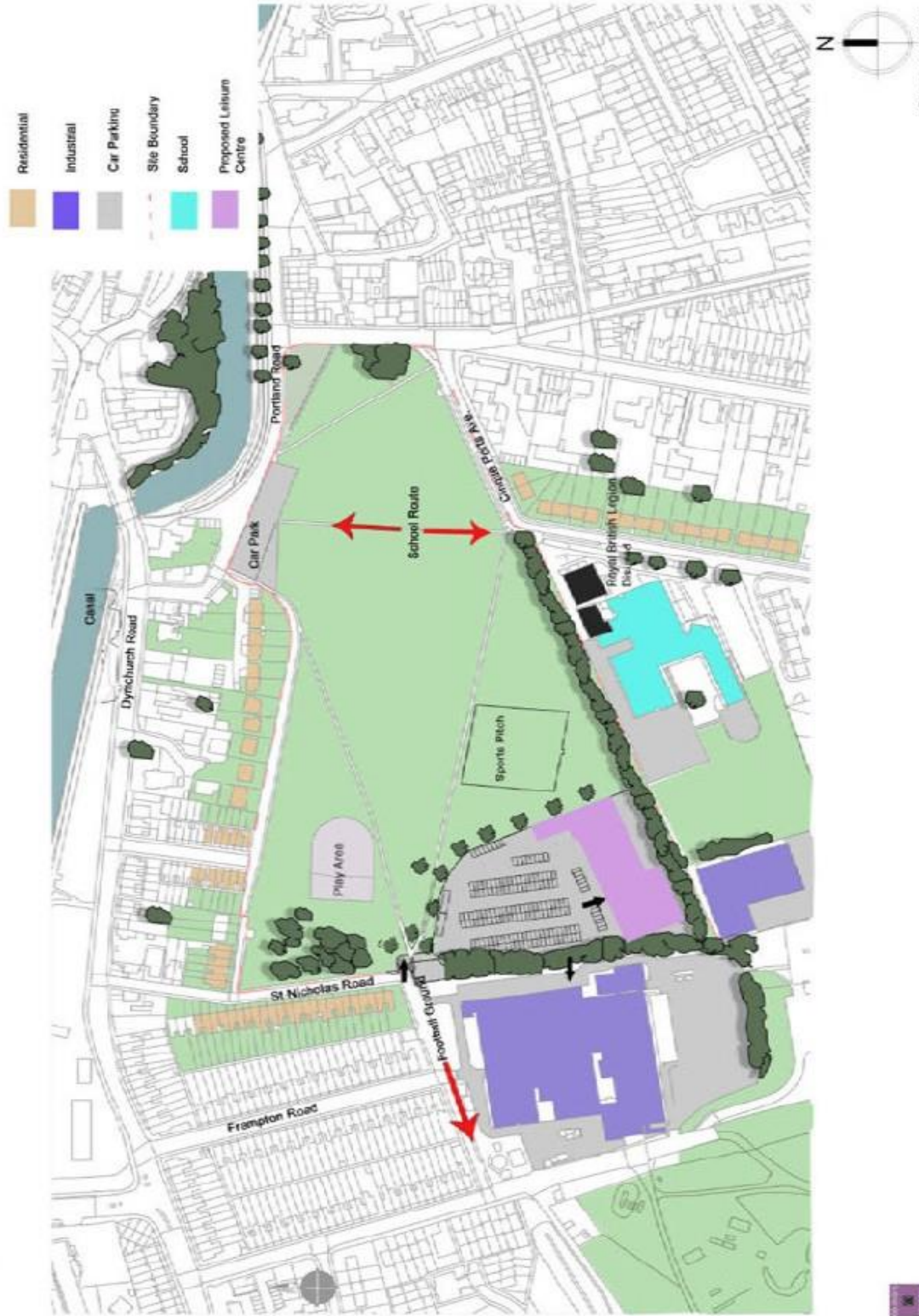


Appendix 2 – Site Options – Masterplans

Martello Lakes (Nickolls Quarry)



The Green



Scale 1:2000
Project No. 08113.06

Hythe Green - Proposed Leisure Centre

Lee Evans Partnership



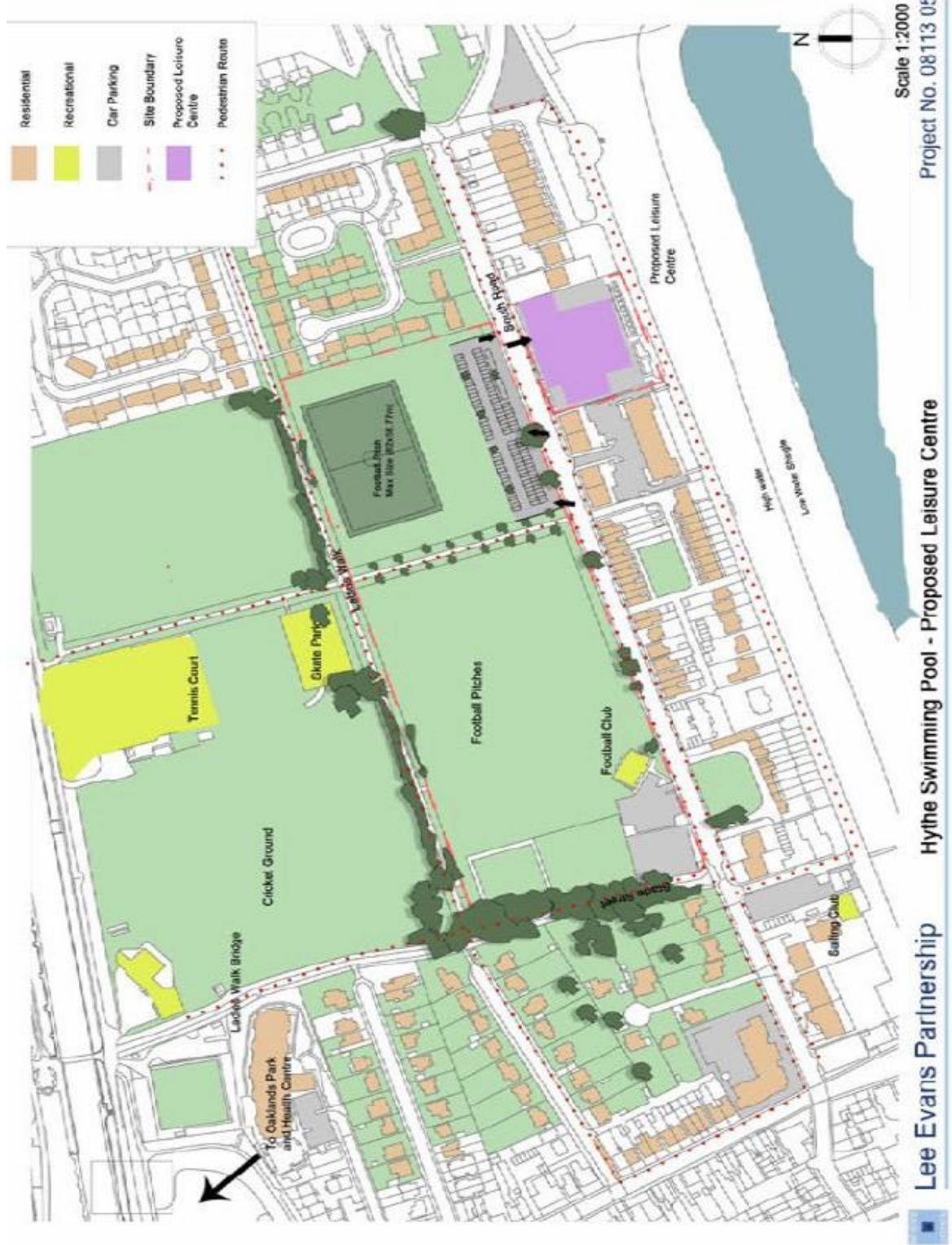
South Road Recreation Ground



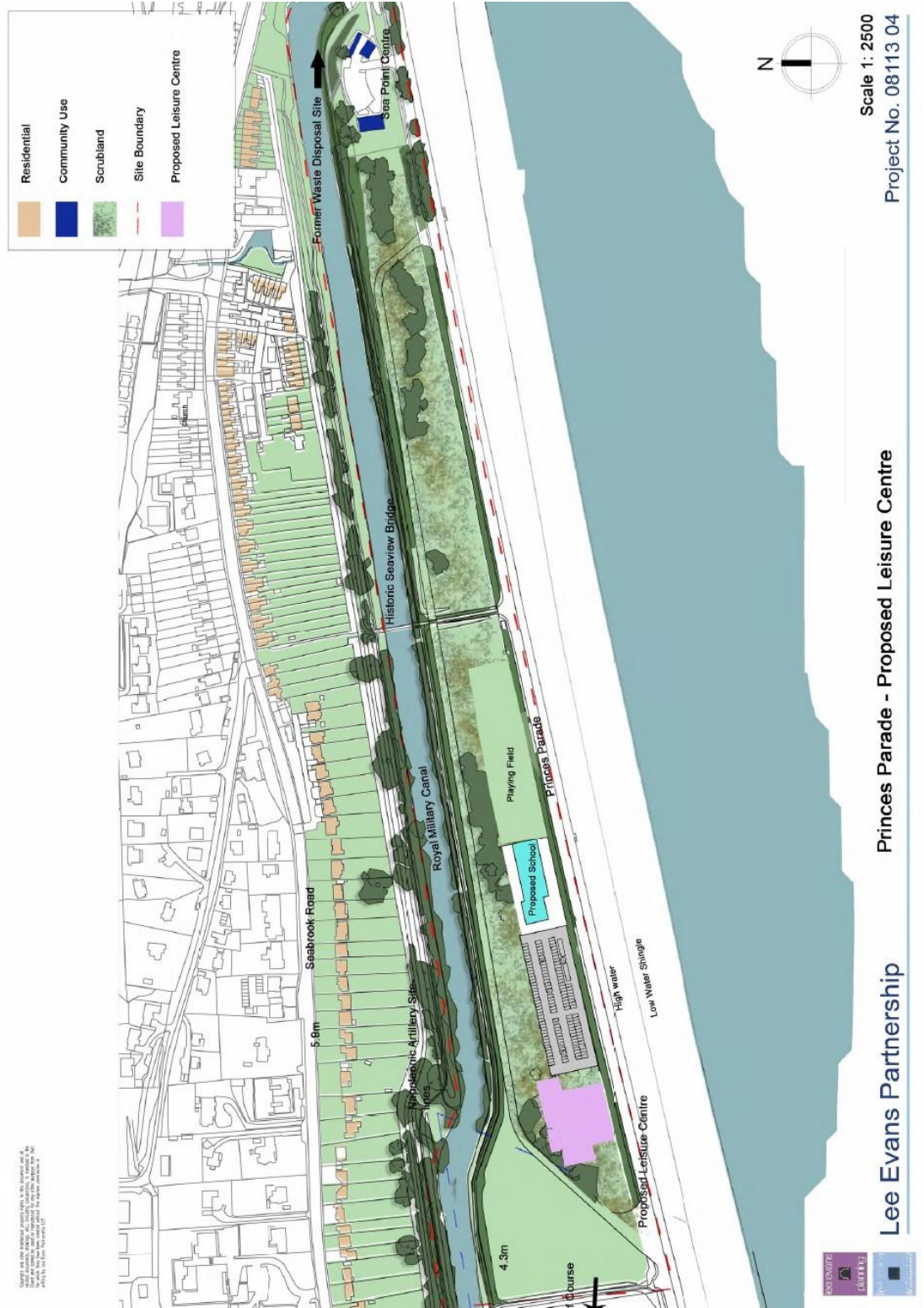
Scale 1:2000
Project No. 08113 01

Lee Evans Partnership South Road Leisure Centre- Proposed Concept Scheme

Swimming Pool Site



Princes Parade – Pool to the West



Princes Parade Pool to the East



Lee Evans Partnership

Princes Parade - Proposed Leisure Centre

This Report will be made public on 27 October 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/15/28**

To: Cabinet
Date: 4 November 2015
Status: Non-Key Decision
Head of service: Jyotsna Leney, Interim Head of Communities
Cabinet Member: Councillor Jenny Hollingsbee, Communities

SUBJECT: EVENT MANAGEMENT POLICY

SUMMARY: The Events Management Policy sets out how the council manages the process of granting permission to event organisers to hold events on council land, as well as the council's commitments regarding events held on private land. It is necessary to update the council's policy to reflect changes in legislation; address issues that have arisen; improve the council's processes; clarify responsibilities; and ensure that the council's broader policy objectives are delivered more effectively. Cabinet is asked to approve the updated Events Management Policy.

REASONS FOR RECOMMENDATIONS:

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

- a) There are matters of council policy, which need the approval of Cabinet before they can be adopted.

RECOMMENDATIONS:

1. To receive and note report C/15/28.
2. To approve the Events Management Policy and the Events Management Procedures.
3. To approve the policy changes, as set out in section 3 of this report.
4. To approve that the policy comes into effect from the date it is approved.

1. OVERVIEW

- 1.1** The council's Events Management Policy sets out how the council grants permission to event organisers wishing to hold an event on council land. It is a public document which states how the council determines the allocation of council land for the purpose of holding an event, as well as the parameters for determining any restrictions which may be placed on event organisers in order to ensure public safety and to mitigate any negative impacts an event may have on the wider community.
- 1.2** The council also has a broader responsibility to advise on public safety matters relating to events held on both council and private land. This is done through the Shepway Safety Advisory Group (SAG). The Events Management Policy sets out the council's role and commitments with regards to events held on private land.
- 1.3** It has been necessary to update the council's Events Management Policy to reflect changes in legislation; address issues that have arisen; improve the council's processes; clarify responsibilities; and ensure that the council's broader policy objectives are delivered more effectively.
- 1.4** The Community Development Team managed in excess of 160 event applications in 2014, with a further 156 for 2015 to date.

2. THE COUNCIL'S POLICY OBJECTIVES

- 2.1** The council's primary consideration when it comes to events management is public safety. The council has legal duties and enforcement powers under the Health and Safety at Work Act 1974 and the associated statutory provisions. Therefore, the Events Management Policy exists to ensure, as far as is reasonably practicable, that all events held in the Shepway district are safe and well organised.
- 2.2** More broadly the Events Management Policy supports the council's strategic objective to create an attractive and vibrant place to live. In order to do this, certain elements of the council's policy has had to be strengthened in order to address persistent problems. This is captured in the Event Management Policy objective to minimise any detrimental effects that the hosting of events in the Shepway district may have.
- 2.3** The council also aims to ensure good value for money in all services that it provides to the community. The Events Management Policy has been updated with the aim of improving the customer experience and efficiency of its events administration process. New application forms are set to be implemented alongside this policy, developed in conjunction with the Kent Safety Advisory Group Chairs.

3. POLICY DECISIONS FOR CABINET

3.1 There are a number of policy decisions contained within the Events Management Policy which require the approval of Cabinet before they can be adopted. Cabinet is asked to approve the following:

3.2 Application timescales – The policy has been updated to allow event organisers to submit an application to host an event on council land up to eighteen months in advance for ‘established events’, as defined in the policy, and twelve months in advance for new events. Priority is therefore given to established events within the district. Giving event organisers an early opportunity to submit their event application also improves the efficacy of the event administration process. Cabinet is asked to approve these timescales. This section of the policy is available to view from page 9.

3.3 Minimum notice periods – Processing event applications for complex events is a time consuming process involving many stakeholders, especially where matters of public safety need to be considered and planned for. The Events Management Policy includes minimum notice periods for different types of events in order for the council to process an event application in time for an event. Minimum timescales are also applied by Kent County Council with regard to applications for road closures.

The Council reserves the right to reject an event application where these timescales are not adhered to, or where there is significant information missing from the application. Cabinet is asked to approve these timescales. This section of the policy is available to view from page 9.

3.4 Fees and Charges – A recent internal audit review recommended that the council clarifies which fees and charges apply with regard to events and improves the information available for event organisers on its website. The wording of the policy has been updated to set out more clearly the council’s fees and charges with regards to events. The provision in the previous policy to allow a half-day to set up and clear away an event free of charge has been removed, for simplicity. This applies to a small number of commercial events that run for several days. There has been no other change in policy in terms of what the council charges for but Cabinet is asked nevertheless to approve the fees and charges, as set out in the Event Management Policy. These can be viewed at Section 8 on Page 8.

3.5 Refusing permission for an event on council land – The Events Management Policy has been redrafted to provide greater clarity for event organisers and council officers in determining when the council can refuse permission for an event application. This has been done to strengthen the council’s ability to deter unwanted event-related activities (such as fly-posting), take into account the past behaviour of event organisers (e.g. if any fees are outstanding) and ensure the council is able to take action, as a result of substantiated complaints from elected members and local communities. Cabinet is asked to approve the indicative list of factors that the council will consider when deciding whether or not grant permission for an event on council land. These are available at Section 10 on Page 11.

3.6 Prohibited activities – The Events Management Policy prohibits certain activities on council land in the interests of public safety and protecting the environment. Cabinet is asked to approve this updated list. These can be viewed at Section 10.3 on Page 12.

3.7 Enforcement – The Event Management Policy now includes a section on enforcement to ensure that the council can take action with regards to event organisers who do not adhere to the terms and conditions set for them. This can be viewed at Section 17 on Page 15.

4. CONSULTATION

4.1 This policy has been developed in conjunction with:

- Relevant council services
- Members of the Safety Advisory Group
- Event organisers, via workshops and seminars

The issues raised by these groups have been addressed as far as possible in developing this policy.

4.2 The final policy, once approved by Cabinet, will be shared with event organisers, Town and Parish Councils, and members of the Safety Advisory Group, including the Kent SAG Chairs Group, via email bulletin.

4.3 Trustees of the charities land will be consulted in advance of any application being granted approval to hold an event on Folkestone Parks & Pleasure Ground land.

5. RISK MANAGEMENT ISSUES

5.1 The risk management issues are summarised below:

Perceived risk	Seriousness	Likelihood	Preventative action
The council does not ensure the safety of the public	High	Low	<ul style="list-style-type: none"> • The SAG exists to ensure all partners can comment on an event. • The council stipulates terms and conditions on event organisers in line with its Events Policy. • The council can refuse permission when an event organiser cannot guarantee the safety of the public.
There is a reputational risk to the council if it does not manage the process well	Medium	Low	<ul style="list-style-type: none"> • Events Policy provides greater clarity for event organisers and improves the process for the organisation.
Lack of staff resource to process event applications	High	Medium	<ul style="list-style-type: none"> • Ensure sufficient resource in Community Development Team.

6. CONCLUSION

- 6.1** The Events Management Policy and Procedures seek to provide a clear framework for the council's involvement in events in the district, both on council and private land. The revisions proposed address those deficiencies in the current policy, identified both by council officers and in consultation with event organisers and the Safety Advisory Group.

7. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

7.1 Legal Officer's Comments (AK)

The council has a legal duty to advise on public safety matters relating to events held on both council and private land and this is addressed in the updated Events Management Policy. The Council has a duty to monitor the event to make sure that the visiting public are not exposed to any health and safety risks

7.2 Finance Officer's Comments (MF)

If the proposals in this report are agreed the fees and charges schedules will be amended accordingly.

7.3 Diversities and Equalities Implications (ST)

In line with the council's approach to discharging its statutory equalities duties, officers have prepared an Equality Impact Assessment (EIA) as this is a significant change to an existing policy. It is recommended good practice that Members consider the equality issues identified in the EIA before they approve this policy.

The EIA is included in the Event Management Policy at Appendix 2 on Page 23.

7.4 Communications (ML)

Event organisers have been involved in the development of this policy. The council will contact Town and Parish Councils, community groups and existing event organisers to inform them when the policy has been approved by Cabinet. Updated information will be made available on the council website.

8. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Tamasin Jarrett: Community Development Manager
Telephone: 01303 853 277
Email: tamasin.jarrett@folkestone-hythe.gov.uk

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

Appendices:

Appendix 1: Events Management Policy
Appendix 2: Events Management Procedures

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Folkestone

Hythe & Romney Marsh

Shepway District Council



Events Management Policy

September 2015

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This Policy should be read in conjunction with the Events Management Procedures

1. Purpose and Scope of the Policy

1.1. This policy applies to:

- 1.1.1. All events being held on council land
- 1.1.2. Events in the Shepway district on private land requiring input from the Safety Advisory Group
- 1.1.3. All events involving road closures in Shepway

1.2. This policy will:

- 1.2.1. Inform the allocation of council land for the purposes of events and the nature of any charges to be levied.
- 1.2.2. Set out what is expected of event organisers.
- 1.2.3. Set out the council's function in administering event applications and permissions, where applicable.

2. Policy Objectives

2.1. Shepway District Council's Events Management Policy is designed to further the following objectives:

- 2.1.1. Ensure, as far as is reasonably practicable, that all events held in the Shepway district are safe and well organised.
- 2.1.2. Support and encourage the hosting of events across the Shepway district that may further the council's five strategic objectives:
- 2.1.3. Minimise any detrimental effects that the hosting of events in the Shepway district may have.
- 2.1.4. Endeavour to improve the customer experience and efficiency of its events administration process.

3. Background

3.1. Events are an important element of life in Shepway, bringing communities together, encouraging participation, promoting the district, raising funds for charity and supporting local businesses.

3.2. Events vary from small gatherings such as poetry readings or picnics, to large, multi-day events such as funfairs and festivals. The council

supports the holding of events across the district, and allows the use of council land for this purpose.

- 3.3. People wishing to organise an event on council land are able to seek permission from the council for a stated purpose and time period. This policy and accompanying procedural documentation sets out how this is done.

4. Legislative and Regulatory Framework

- 4.1. The council has legal duties and enforcement powers under the Health and Safety At Work etc Act 1974 and the associated statutory provisions.
- 4.2. The council coordinates, and consults with, the local Safety Advisory Group to assist in the discharge of these statutory duties. Please see Appendix 1 for further information on the Safety Advisory Group.
- 4.3. How the council manages its land is subject to rules, as set out in council policies, legislation, legally binding agreements with third parties, and covenants relating to land use.

5. Interpretation

For the purposes of this policy, and the associated Events Management Procedures document, the following interpretations will apply:

5.1. Council Land

'Council land' means land either owned by or leased to the council. Land owned by the council and leased to a third party is excluded. Land owned by Folkestone Parks and Pleasure Grounds is covered in a separate guidance document, at Appendix 5 of the Events Management Procedures document.

5.2. Private Land

Any reference to 'private land' refers to land which is neither owned by nor leased to the council, and includes highways, which are the responsibility of Kent County Council Highways Agency (KCC Highways Agency). Land owned by the council and leased to a third party will be treated as private land for the purposes of this policy.

5.3. Event

For the purposes of this policy, an 'event' can either be cultural, leisure, sporting, community or organisational activity and shall be defined as any event or gathering that a member of the public is invited to attend or participate in via promotional material.

5.4. Established Events

'Established events' are those events that have occurred at least once in the past 3 years and there is likely to be a community expectation that it will occur again in future.

5.5. Major Events

'Major events' are designated by the council and usually comprise some or all of the following elements:

- 5.5.1. High risk activities, installations or event sites
- 5.5.2. Large crowds which may require significant marshalling or security and/or detailed crowd management and/or evacuation plans
- 5.5.3. Large site or multi-site events, which may require additional fencing and security, and/or traffic control measures
- 5.5.4. Events spanning several days

5.6. Public Setting

A 'public setting' is a place to which the public would ordinarily have access. This excludes secure private event venues.

5.7. Community Event

A 'community event' is an event run for the benefit of a specific community, or the wider community, and not primarily for the purposes of a business. The Event Organiser should have a connection to the community in question. Any charges made to the public for any element of the event must be reasonable, and a significant proportion of the income raised must be used to support the hosting of the event.

5.8. Charitable Event

A 'charitable event' is an event run for the purposes of raising money for, and/or awareness of, a recognised charity, and not primarily for the purposes of a business.

5.9. Small Non-Commercial Event

A 'small non-commercial event' is a non-commercial event which is not primarily for the benefit of the community or a recognised charity. This would typically be a private event such as a wedding.

5.10. Commercial Event

A 'commercial event' is an event held by a business, partnership or sole trader, whether incorporated or otherwise, with the intention of promoting, generating income for profit or gain, or otherwise benefitting that enterprise.

6. Council Commitment on Events

The council will:

- 6.1 Enable events to be held on council land, including granting permission to use council land, subject to application procedures.
- 6.2 Make available maps showing the approximate extent of council land suitable for events. These will be available on the website, in paper format or via email on request.
- 6.3 Make available on the website (or by email or paper format on request) application forms, template documents and guidance to enable the organiser to notify the council of an event, apply to use council land, apply for a road closure and plan a safe event.
- 6.4 Process applications for events being held in the district, and will formalise relevant permissions, where appropriate.
- 6.5 Offer advice to event organisers in respect of their responsibilities to ensure the health and safety of staff, participants and the public attending their event.
- 6.6 Circulate completed event application documentation to members of the Safety Advisory Group for comment, where the council deems this to be necessary. The council may convene meetings of the Safety Advisory Group, when required. The council will feedback any advice or concerns raised by the Safety Advisory Group to the event organiser, where appropriate.
- 6.7 Aim to provide further learning opportunities for event organisers, in the form of seminars or training, and develop a mailing list in order to disseminate relevant information.
- 6.8 Aim to publicise events to be held in the district that have been administered via the events application process, through the use of social and traditional forms of media, with the permission of the event organiser.

7 Role of Event Organisers

The Event Organiser should, where applicable:

- 7.1.1 Provide complete and accurate documentation within the required timeframes (see associated Events Management Procedures document) and respond promptly to any queries raised by the council or member of the Safety Advisory Group.

- 7.2 Provide the council with evidence of public liability insurance of not less than £5million covering the event. Event organisers must ensure that any additional participants also have appropriate insurance to the same extent.
- 7.3 Provide copies of appropriate current safety certification and risk assessments for events, including mechanical and animal rides, inflatables and firework displays, the absence of which would invalidate any insurance policies.
- 7.4 Provide evidence of food registration with the relevant local authority and food hygiene ratings for all temporary catering outlets.
- 7.5 Ensure that they comply with all the legislative requirements for their event, including Health and Safety and Licencing requirements.
- 7.6 Provide evidence of separate public liability insurance of £5million for mechanical and animal rides, inflatables and firework displays, where appropriate. Other high-risk events as determined by the council's Insurance Officer might also require separate public liability cover.
- 7.7 Provide public liability insurance that complies with KCC Highways Agency's requirements, where a road closure is required.
- 7.8 Consider the environmental impact of their event, and ways to improve sustainability.
- 7.9 Ensure that any information given on behalf of the organisation they represent is accurate, and that they have the legal authority to enter agreements on behalf of that organisation.
- 7.9.1 Ensure that any permissions documentation issued by the council for the use of council land is authorised by a member of the organisation with the required authority, in accordance with the organisation's constitutional arrangements.
- 7.10 Ensure the event is run according to the submitted plans.
- 7.11 Ensure that council land, property and the surrounding environment is not adversely affected by the event, including the clearing of rubbish and the making good of any damage, to the council's satisfaction.

8. Charges for use of Council Land for Events

- 8.1 Charges for the use of council land shall be payable in accordance with the Council's fees and charges in force at the time.

- 8.2 It is council policy to charge for land hire for the purpose of an event, based on the nature of the event being held. Definitions for these types of events are given above in Section 5.

Event Type	Fee Payable (per day)
Community or Charitable Event	None
Commercial	£1030
Small Non-Commercial	£65
Bootfairs	£207

- 8.2.1 A refundable deposit may be charged in accordance with the council's fees and charges in force at the time.

- 8.3 The council reserves the right to recover any costs from the event organiser which the council incurs in the following circumstances. This may be over and above any deposit sum, where one has been taken:

- 8.3.1 Making good physical damage caused to its property by the event.

- 8.3.2 Removing fly-posting within the district carried out by or on behalf of the organiser.

- 8.3.3 Removing excessive rubbish left at or in the vicinity of an event held on council land.

- 8.3.4 Events on Council land generating increased use of public conveniences (whether within the event perimeter or in the vicinity thereof), resulting in additional cleansing and restocking costs to the council, may be charged in accordance with the Council's fees and charges in force at the time. This may also apply where the organiser has requested that the council keep public conveniences open outside of their usual hours.

- 8.4 For Major Events on council land, the Licence to Occupy is drafted by Legal Services, for which a charge is made in accordance with the Council's Fees and Charges Schedule in force at the time. For all other events, no charge is made to draft the permissions documentation.

- 8.5 A charge will apply if a Temporary Events Notice is required, for example where the event includes the sale of alcohol. Please contact the Business Support (Licensing) team for further information.

- 8.6 KCC Highways Agency may apply a charge for road closures in certain instances. Please see the Events Management Procedures document for further details or discuss with KCC Highways Agency directly.

- 8.7 In the case of any conflict between this policy and the council's Fees and Charges Strategy, the latter takes precedence over this policy.

9. Applications

9.1 Please refer to section 5 for definitions of the event types.

Event type	Maximum Notice
Established	Eighteen months prior to event date
New	Twelve months prior to event date

9.2 Please note that applications for events on land owned by Folkestone Parks and Pleasure Grounds Charity is not covered by this Policy. Please see Appendix 5 of the associated Events Management Procedures document for details.

9.3 An Event Notification Form may be submitted up to 18 months in advance for established events, or 12 months in advance for all other events to reserve the land, subject to the full documentation being received in line with the timescales set out below. Priority is therefore given to established events within the district.

Event Type	Minimum Notice (including documentation submitted)
Major Event (regardless of whether on council or private land)	4 months
Other Council Land Events	3 months
Any Road/Right of Way Closure requests	3 months
Other Private Land Events	2 months

9.4 The council reserves the right to reject an event application where these timescales are not adhered to, or where there is significant information missing from the application.

9.5 Any changes, alterations or additions to the event format by the event organiser may not be considered less than 28 days before the event date, unless it is of a sufficiently minor nature that can be accommodated within the timescales available. This is to allow any required consultation with the Safety Advisory Group.

9.6 Should the event organiser not comply with timescales resulting in the event not going ahead, the council will not be liable for any costs incurred by the organiser in preparing for the event.

9.7 Road Closures/Council Land

Where a proposed event requires a road closure or is taking place, partially or fully, on council land, full and complete documentation must be submitted not less than 3 months prior to the proposed event date, unless the event is designated a Major Event.

9.8 Private Land:

To enable the Safety Advisory Group to comment on the public safety issues associated with an event on private land, the event organiser is required to submit the relevant documentation no later than two months prior to the proposed event date, unless the event is designated a Major Event.

9.9 Major Events:

Applications for Major Events, whether on council or private land, require significant Safety Advisory Group and council input and should be submitted in full at least four months in advance of the proposed event date.

10. Decision Making Process for Events on Council Land

10.1 In most circumstances, the council will operate a first come, first serve policy when it comes to reserving and granting permission for events on council land. However, where restrictions apply to council land, or there are multiple requests for an event location on the same date, then council officers will determine a fair and balanced allocation of events between different applicants in line with the aims and objectives of this policy, with particular regard to the factors set out in 10.2, below.

10.2 In deciding whether to grant or refuse permission to use council land for an event, the following factors will be considered. Please note that this is an indicative, but not exhaustive, list:

10.2.1 The suitability of the land for the event that is being planned

10.2.2 The availability of the land for booking

10.2.3 The receipt of sufficient documentation, including insurance, from the organiser within the required timeframe

10.2.4 Feedback from the Safety Advisory Group with regard to the safety of the event

10.2.5 Whether any invoice for a deposit and/or fee for the use of the land has been promptly paid

10.2.6 Whether any covenants, planning restrictions or licencing limitations may be affected by a proposed event

10.2.7 The permission of the landowner for the event, where the land concerned is managed, but not owned, by the council

10.2.8 Whether the proposed event complies with equality and discrimination legislation

- 10.2.9 Whether the organiser has failed in the past to comply with the terms and conditions contained within the event application form or permissions documentation, where an application for the use of council land has previously been granted.
- 10.1.10 Whether the event or the event organiser has attracted genuine complaints to the council in the past, or the council holds a reasonable belief that such complaints may occur in respect of a proposed event. The types of complaints, whether actual or potential, that may be considered include, but are not restricted to, the following:
- Flyposting carried out by the event organiser, or on their behalf
 - Litter left after an event, or other negative impacts on the environment resulting from an event, including damage to council land or property
 - Noise complaints
 - Failure to comply with restrictions applied to a previous event
 - Safety concerns raised by the public, council Officer, or a member of the Safety Advisory Group.
 - Anti-social behaviour or concerns in respect of community safety
- 10.1.11 The following activities are not permitted on council land, and will not be supported by the council on private land in the district:
- Lantern releases
 - Balloon releases, except where the materials used are fully biodegradable
 - The use of live animals as prizes as part of an event
 - Circuses or events which include live animal acts, except where sufficient evidence can be provided that animals are respected and cared for to an acceptable standard at all times.
 - Bonfires, unless prior permission is sought and granted.
- 10.2 Weddings and private parties will be considered on a case by case basis. Private events may not be permitted on council land if they disrupt the enjoyment of the open space by the general public.

- 10.3 Showman's Guild rules in respect of established rights will not apply to any area of council land.

11 Refusing Permission for the Use of Council Land

- 11.1 Where the council is unable to give permission for the use of council land, an alternative date or location may be offered, where appropriate, to enable the event to take place.
- 11.2 Where the council is unable to give permission for the use of council land, and there are no suitable alternatives, the event organiser will be informed as soon as is reasonably practicable. In these circumstances, the council is not responsible for any costs that the event organiser may already have incurred in preparing for the event.

12 Cancellations and Refunds

- 12.1 The council reserves the right, at its sole discretion, to cancel any event booked on council land due to poor weather, unsuitable ground conditions or exceptional unforeseen circumstances. In these circumstances, the council is not responsible for any costs that the organiser may already have incurred in preparing for the event.
- 12.2 Where an event is cancelled, the council may offer a refund of any deposit and/or hire fees, at its sole discretion.

13 Events on Private Land

- 13.1 The council's primary concern with events held on private land is public safety.
- 13.2 The council makes no charge for offering advice and liaising with the Safety Advisory Group in respect of events on private land.
- 13.3 It is the responsibility of the event organiser to ensure they have the permission of the landowner for all events on private land.

14 Events requiring Road Closures

- 14.1 Some events may take place, partially or fully, on the highway, or pedestrians may use the highway to access or spectate at an event. In these circumstances, it may be necessary to close part or all of a road.

- 14.2 Closing roads can have a significant impact on local people, and should therefore only be considered where absolutely necessary for an event to go ahead safely.
- 14.3 An application for a road closure can be submitted to the council as part of an event application. The council will pass road closure requests to KCC Highways Agency for their authorisation.
- 14.4 It is the responsibility of the event organiser to ensure they have the permission of KCC Highways Agency, and appropriate closure documentation where applicable, for any events on the highway.
- 14.5 Closing a public road, footway, footpath or verge without a lawful closure order is illegal.

15 Temporary Events Notices

- 15.1 Some events may require a Temporary Events Notices (TENs), regardless of whether they are held on council or private land. These are required where the event involves a licensable activity for which the premises concerned do not have an existing licence.
- 15.2 Licensable activities include the following:
- The sale by retail of alcohol
 - The supply of alcohol by or on behalf of a club to, or to the order of, a member of the club
 - The provision of regulated entertainment (including live music, recorded music, dancing, performance of plays, indoor sporting events)
 - The provision of late night refreshment (hot food after 2300 hours)
- 15.3 A charge is payable for a Temporary Events Notice.
- 15.4 The application process for a Temporary Events Notice is dealt with by the Business Support (Licensing) Team. Please contact Business Support (Licensing) for further information.

16 Communication and Consultation

- 16.1 This policy has been developed in conjunction with:
- Relevant council services
 - Members of the Safety Advisory Group
 - Event Organisers

The issues raised by these groups have been addressed as far as possible in developing this policy.

- 16.2 This policy will be shared with event organisers, Town and Parish Councils, and members of the Safety Advisory Group, including the Kent SAG Chairs Group.
- 16.3 This policy, associated documents and guidance will be made available on the council's website at <https://www.folkestone-hythe.gov.uk/organising-event>.

17 Enforcement

- 17.1 The council reserves the right to check that an event organiser is managing an event in accordance with the event plans submitted and the terms and conditions of land use, where the event is held on council land.
- 17.2 Any breach of the terms contained within the permissions documentation based on a council inspection or a substantiated complaint from a third party will provide grounds for the council to be able to refuse permission for an event organiser to hold the same event in subsequent years or other events on council land.
- 17.3 Where there is a breach of the terms and conditions contained within the permissions documentation, the council may choose to take legal action to enforce these contractual rights.
- 17.4 The council has statutory powers that can enable it to immediately stop any events on its land where there is an imminent or substantial risk to public safety.
- 17.5 In line with the Local Government (Review of Decisions) Act 2015, the following review procedure applies where a decision is made by the council to either prevent an event from taking place, or restrictions or conditions are imposed on the event, on the grounds of health and safety.
- 17.5.1 In these circumstances, the council will provide written notification of the decision to the organiser within 1 working day of the decision being taken.
- 17.5.2 On receipt of the notification, the organiser may ask the council to review the decision. The council will review the decision and respond to the organiser within 15 days.
- 17.5.3 Following the review, the council may confirm, withdraw, replace or vary the decision made in respect of that event.

18 Complaints

- 18.1 Complaints regarding the council's administration of events will be dealt with in line with the council's corporate complaints procedures. Details are available at www.folkestone-hythe.gov.uk
- 18.2 Any complaints should be addressed in the first instance to the council's Community Development Manager, Tamasin Jarrett on 01303 853277 or via email tamasin.jarrett@shepway.gov.uk, who will consider the matter and reply within 20 working days.
- 18.3 If you are not satisfied with the response to your initial complaint, you can submit a Stage 2 complaint to the council's corporate complaints team. Please visit www.folkestone-hythe.gov.uk for further details.

19 Review

- 19.1 This policy, and the associated Events Management Procedures document, will be reviewed on an annual basis. Minor alterations to the policy can be approved by Corporate Director-Resources with responsibility for events in consultation with the Cabinet Member responsible for the service. Any substantive alterations to the content of the policy will be approved by Cabinet.
- 19.2 An Equality Impact Assessment will be completed if there is a major revision to this policy, which requires it to go to Cabinet in line with the council's statutory duties as set out in the Equality Act 2010.

Appendix 1: Safety Advisory Group Terms of Reference

Terms of Reference document for the Safety Advisory Group

Shepway DC Policy for the Safety Advisory Group

It is the policy of Shepway DC to uphold high standards of public safety at all sports grounds and events in the district and to encourage the well being of the public at those sports grounds and events. To aid this Shepway DC maintains a Safety Advisory Group and has partnerships with other selected agencies who offer specialist advice to the local authority.

Shepway DC is an “enforcing authority” as defined by the Health and Safety (Enforcing Authority) Regulations 1998 for work activities where the major activity includes cultural, entertainment and sporting activities. Events fall within this definition although certain activities will always be the enforcement responsibility of the Health and Safety Executive.

Shepway DC also has responsibility for the enforcement of the Licensing Act 2003, Food Safety legislation, Environmental Protection legislation and some aspects of Highways legislation. Shepway are also a category 1 responder under the Civil Contingencies Act 2004.

The role of the Safety Advisory Group

- To assist Shepway DC to ensure high standards of public safety
- To assist Shepway DC in its role as a land owner
- To challenge, scrutinise and audit the safety plans prepared by event organisers
- It is not the role of the Safety Advisory Group to give “consent” for an event to go ahead
- To convene sub groups with inter agency expertise where necessary to advise and guide event organisers on public safety at their event
- To ensure high standards of public safety at Sports Stadia and to recommend to the local authority on the issue of any required licences

Terms of reference for the Safety Advisory Group

- To advise the local authority as the enforcing authority as defined in the Health and Safety (Enforcing Authority) Regulations 1998 for enforcement of the relevant statutory provisions.
- To advise the local authority in the exercise of its powers under the Safety of Sports Grounds Act 1975 and the Fire Safety and Places of Sport Act 1987 in respect of safety certification.
- To advise the local authority in the exercise of its powers under the Licensing Act 2003.

- To provide a forum within which the local authority and other agencies may develop a co-ordinated approach to public safety.
- To consider the advice published in all available guidance documents including HSG 195 “Health and Safety at Music and other Events” and HSG 154 “Managing Crowds Safely.”
- To promote high standards of public health and safety.
- To promote good practice in safety and welfare planning.
- To promote a co-ordinated multi agency approach to event planning.
- To promote the formulation of appropriate contingency and emergency arrangements.
- To minimise any adverse impact from the event.

Composition of the Safety Advisory Group

Safety Advisory Groups comprise of a core group of members plus invited representatives.

The **Core** members of the Shepway Safety Advisory Group are:

- The Chair (from the local authority)
- Kent Police
- Kent Fire and Rescue
- Highways (Shepway and Kent County Council)
- NHS
- SECAmb (Ambulance Service)
- Administration (Shepway District Council)

The **Invited** members are:

- Emergency Planning
- Insurance
- Licensing
- Building Control
- Environmental protection
- Any others as appropriate

Roles of the members of the Safety Advisory Group

The Chair

The Chair will be a Principal Officer from Environmental Health who will attend all the meetings of the SAG.

The role of the local authority Chair is:

- To ensure high standards of public health and safety at events in Shepway.
- To ensure that the conditions of any safety certificate/license issued by the local authority to sports grounds are properly monitored, enforced, reviewed and where necessary amended on a regular basis.
- To ensure that the Safety Advisory Group properly discharges the responsibilities delegated to it by the local authority
- To ensure that the decisions/recommendations made by the Safety Advisory Group accord with the overall strategic objectives of the local authority.
- To ensure that due account is taken of the views of all members of the Safety Advisory Group, including those attending by invitation.
- Will act in a coordinating role to the SAG on all matters relating to Event Safety and liaise with Group members in the production of any items or reports to be placed on the agenda for meetings.
- Will provide technical advice and appraisal of published documents relating to events safety and inform on any implications arising.
- Will conduct or arrange such in progress inspections as may be necessary during the event to monitor compliance with safety legislation, guidance and any imposed conditions.
- Will contribute any local information that may have a bearing on public safety.

Kent Police

The role of Kent Police within the Shepway DC Safety Advisory Group is to:

- Provide advice and where appropriate, take action relating to the prevention and detection of crime.
- Provide advice and where appropriate, take action relating to the prevention of/or stopping of breaches of the peace.
- Provide advice and offer guidance regarding the development and implementation of on and off site Traffic Management plans.
- Provide advice regarding the development, activation and implementation of contingency plans for foreseeable incidents. Where appropriate, coordinate emergency service activities.

Police resources will not routinely deploy to tasks which, the event organisers risk assessment suggests are necessary but for which there are no legal responsibilities or legal powers to do so.

The police role at any event is to carry out their duties and policing objectives contained within their Operational Order under the direction of the Police Commander and will include :-

- To prioritise requests for police attendance to incidents that may occur at the event
- To respond to incidents that come under their core responsibilities as detailed above
- To liaise with event organisers and other agencies as and when required, and co-ordinate the activation of a contingency plan

In any circumstance where the Police decide that they are duty bound to take overall control of all safety or public order aspects at the event by virtue of their duty to preserve life and protect property, they shall notify the event organiser of that decision. During this period of Police primacy, the employees and agents of the event will work in conjunction with and under the direction of the Police Commander.

Should officers be deployed to a pre-planned event, Kent Police reserve the right to recover all or part of the police costs for the use of resources in accordance with Force policy. A written estimate of policing costs will be supplied to the event organiser at an early stage of the planning process and an invoice prepared to facilitate the payment. Once resources have been agreed charges and costs will be negotiated in accordance with force policy and legal guidelines.

Further information can be found by visiting the Kent Police website at http://www.kent.police.uk/news/events/managing_events/managing_events.html

Kent Fire and Rescue

Scope and Legislation applicable to KFRS Attendance:-

Kent Fire and Rescue Service will provide representatives to attend Safety Advisory Groups as a requirement of the Category 1 Emergency responder statutory duties and as a regulator for Fire and Public Safety.

The scope and extent of their role is provided through the following legislation

- Fire and Rescue Services Act 2004
- Regulatory Reform (Fire Safety) Order 2005
- Civil Contingencies Act 2004

And via delegated duties as afforded through local arrangements as an enforcing authority for:

- The Safety at Sports Grounds Act 1975
- The Fire Safety and Safety of Places of Sport Act 1987

KFRS Responsibilities

- Site Issues
- Location and layout
- Crowd density factors
- Emergency evacuation requirements
- Emergency response access

Planning Issues

- Emergency water supplies for fire fighting
- Fire service emergency response
- Validation of Site emergency plan
- Development of CBRNE emergency plan – where necessary
- Emergency evacuation procedures
- Validation of Fire risk Assessments

Fire Safety Regulatory Enforcement

- General Fire Precautions
- Fire prevention
- Means of escape
- First aid fire fighting
- Fire detection and alarms
- Arrangements for instruction and training
- Mitigating the effects of fire
- Permanent structures
- Tents or moveable structures

Kent County Council (Highways)

It is the responsibility of the authority under the Traffic Management Act 2004 to effectively manage Kent's road network. KCC highways may not support an event application if it appears that the road network might be adversely disrupted or affected. It is the responsibility of the event organisers to prepare and present traffic plans and signage schedules for their event, this would include the mitigation measures such as, event signage or implementing road diversions which will need to be acceptable to KCC Highways

KCC Highways will offer advice and guidance on the following,

- The maintenance of clear and safe routes for emergency vehicles and traffic of all categories including pedestrians;
- The event organiser to arrange road closures or other temporary traffic management measures. Usually a road closure will be processed by SDC with KCC Highways approval, Temporary Traffic Orders are processed by KCC Highways and require at least 12 weeks notice.
- Liaise with the statutory undertakers to avoid conflict with or minimise the affect of roadworks on an event. Event applications should be made

at the earliest opportunity to avoid conflict with planned works. 12 weeks should be regarded as the minimum notice period to secure road space.

- KCC Highways will give directions where any activity is deemed to be working on the highway (placing traffic management measures etc.) or in any circumstances where it is considered there are any perceived or actual safety issues on the highway.

Other Services attending the Safety Advisory Group

Each service will be represented by a person of appropriate experience/competency who has the authority of the relevant Service to give advice and guidance and make recommendations on safety issues and advise on:

- All technical/legal aspects of legislation within the remit of the Service as they relate to public events.
- Public Safety, Transport Management, Crowd Management, Fire Safety, Licensing, Medical Provision, Water Safety, Insurance and all the matters referred to in the Events safety Guide (HSG 195), Managing Crowds Safely (HSG 154) and all relevant documents.
- To contribute any local information that may have a bearing on public safety.

Community Projects Officers/Support Officers

The role of the above Officers is to:-

- To provide administrative support to the SAG
- To arrange meetings and venues
- To circulate agendas, minutes and documentation
- To invite Services/Organisations with specialist skills to contribute to the meetings

Safety Advisory Group meetings will be prearranged to an agenda published in advance of the meeting with minutes recorded including actions. The minutes will be circulated to all group members and the event organisers.

Appendix 2: Equality Impact Assessment

Stage 1 and 2 Equality Impact Assessment

Directorate: Resources

Service: Community Development

Accountable Officer: Tamasin Jarrett

Telephone & e-mail: 01303 853277
Tamasin.jarrett@folkestone-hythe.gov.uk

Date of assessment: 5th February 2015

Names & job titles of people carrying out the assessment:

Tamasin Jarrett, Community Development Manager

Emma Manwaring, Community Projects Officer

Name of service/function/policy etc: Events Management Policy

Is this new or existing? Existing, amended
--

Stage 1: Screening Stage

1. Briefly describe its aims & objectives

This policy will:

- | |
|---|
| <ol style="list-style-type: none">1. Inform the allocation of Council land for the purposes of events and the nature of any charges to be levied.2. Set out what is expected of event organisers in respect of events on both Council and private land, and where road closures are requested.3. Set out the Council's function in administering event applications and permissions, where applicable |
|---|

2. Are there external considerations? (legislation/government directive etc.)

The Council has some legislative powers in respect of event safety.

3. Who are the stakeholders and what are their interests?

Event Organisers Safety Advisory Group (SAG) Kent SAG Chairs
--

4. What outcomes do we want to achieve and for whom?

Ensure a fair allocation of Council land for the purposes of events, and that events held across the district, whether on Council land or otherwise, are safe as far as is reasonably practicable.

5. Has any consultation/research been carried out?

Yes

If **yes** please provide details and outcomes, if **no** please outline any planned activities:

Proposed amendments were discussed with a group of Event Organisers that attended a consultation seminar

6. Are there any concerns at this stage which indicate the possibility of inequalities/negative impacts? (Consider and identify any evidence you have - equality data relating to usage and satisfaction levels, complaints, comments, research, outcomes of review, feedback and issues raised at previous consultations, known inequalities) If so please provide details.

None known

7. Could a particular protected characteristic be affected differently in either a negative or positive way? (Positive – it could benefit, Negative – it could disadvantage, Neutral – neither positive nor negative impact or Not sure?)

	Type of impact, reason & any evidence
Disability	Neutral
Race (including Gypsy & Traveller)	Neutral
Age	Neutral
Gender	Neutral
Transgender	Neutral

Sexual Orientation	Neutral
Religion/Belief	Neutral
Pregnancy & Maternity	Neutral
Marriage/ Civil Partnership Status	Neutral

8. Could other socio-economic groups be affected e.g. carers, ex-offenders, low incomes?

N/A		

9. Are there any human rights implications?

No

10. Is there an opportunity to promote equality and/or good community relations?

Yes. Event Organisers will be encouraged to consider disability access arrangements, sanitary provision and licensing requirements relating to noise etc.

11. If you have indicated a negative impact for any group is that impact legal? (not discriminatory under anti-discrimination legislation)

N/A

12. Is any part of this policy/service to be carried out wholly or partly by contractors?

Yes
If yes have you done any work to include equality & human rights considerations into the contract already?

The Terms and Conditions for the hire of Council land for events includes a term which prevents the organiser from discriminating against people wishing to attend or take part in their event.

Please note that normally you should proceed to a Stage 2: Full Equality Impact Assessment Report if you have identified actual, or the potential to cause, adverse impact or discrimination against different groups in the community. (Refer to Quick Guidance Notes at front of template document)

13. Is a Stage 2: Full Equality Impact Assessment Report required?

No

If no please give reasons for your decision & outline how the implementation of this policy/service will be monitored.

No discrimination identified. Complaints related to events will be collated and any evidence of discrimination addressed.

14. Date by which Stage 2 is to be completed and actions

N/A

Please complete

We are satisfied that an initial screening has been carried out and a full impact assessment **is not required*** (please delete as appropriate).

Completed by:

Date:

Role:

Countersigned by Group Manager:

Date:

Please keep the signed hard copy with your team for auditing purposes and forward an electronic copy to Suzy Tigwell, Leadership Manager so that it can be published.

Stage 2: Full Equality Impact Assessment Report

15. Summarise the likely negative impacts for relevant groups identified in the screening process (Refer to Stage 1, Questions 7-8, start to think about possible alternatives)

16. What consultation/involvement activities have taken place or will need to take place with groups/individuals from each relevant protected characteristic or equality group? (refer back to Stage 1, Question 5)

17. What other research has been or will need to be carried out to help you with the assessment?

18. Results of research/consultation (what does it tell you about the negative impacts?)

19. Conclusions & Action Planning

You should explain what and how negative impacts have been reduced or removed and how positive impacts are to be improved or included.

Your final decisions or recommendations may include making immediate changes, stopping or proceeding with a new policy, justifying a decision or adding objectives/targets to the service development plan/equality scheme (long term changes).

You could use the template below to record your conclusions/actions. You should also make reference to any additional monitoring or research that is still required, or was not retrievable at the point of assessment, but will be required in subsequent reviews or in order to complete actions.

Impact/Issue	Action/Objective/Target or Justification	Will this remove negative impact?	Resources	Lead Officer & Timescale

--	--	--	--	--

20. How will you monitor, evaluate and check the policy in the future?

21. When will a review take place?

Please complete

We are satisfied that a full impact assessment has been carried out.

Completed by:

Date:

Role:

Countersigned by Group Manager:

Date:

Please keep the signed hard copy with your team for auditing purposes and forward an electronic copy to Suzy Tigwell, Leadership Manager so that it can be published.

Folkestone

Hythe & Romney Marsh

Shepway District Council



Events Management Procedures

September 2015

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Please note this document is to be read in conjunction with the Events Management Policy

1. Introduction

This procedural guide is designed to be read in conjunction with the Events Management Policy, to detail the process of applying to hold an event in the Shepway district.

2. Key Roles

Elected members and officers across a range of teams have input into the events process. Their roles and responsibilities are outlined below.

2.1 Elected Members:

2.1.1 The Cabinet Member for Communities shall be the Cabinet Member for events. The Cabinet Member shall be consulted on contentious applications and prior to refusing permission for an event on Council land.

2.2 Corporate Director- Resources:

2.2.1 The Corporate Director- Resources is the senior officer responsible for Events and delegates the day to day events process to the Community Development team.

2.2.2 The Corporate Director- Resources is authorised to approve a major event requested on council land, in consultation with the Safety Advisory Group and the Cabinet Member, where necessary.

2.2.3 The Corporate Director- Resources is authorised to refuse permission to use council land for an event, in consultation with the Chief Executive and Cabinet Member, as appropriate.

2.3 Community Development Manager:

2.3.1 The Community Development Manager will oversee the administration of the events process.

2.4 Community Projects/Support Officers:

2.4.1 Community Projects Officers will administer the events process on behalf of the council, and liaise with the Safety Advisory Group and event organisers, as appropriate.

2.4.2 Community Projects Officers will seek authorisation from relevant council officers in respect of insurance, health and safety and land ownership and management before issuing permissions documentation for an event on council land.

- 2.4.3 Community Projects Officers will prepare and issue the Licence to Occupy, to formalise permission for the use of council land for events, other than Major Events.
- 2.4.4 Community Projects Officers will liaise with KCC Highways, as appropriate, and issue the Town Police Clauses Act notices, where applicable.

- 2.5 Land and Property Team
 - 2.5.1 The designated officer(s) within the Land and Property team is responsible for providing feedback on event applications in respect of the extent, availability and suitability of council land for a proposed event.
 - 2.5.2 Authorisation from the designated officer(s) within the Land and Property team is required for all events on council land.

- 2.6 Parking Services
 - 2.6.1 The designated officer(s) within Parking Services is responsible for providing feedback on event applications concerning council owned or managed car parks and parking bays, and for granting the required permissions for the use of these areas, subject to their own policies and procedures.

- 2.7 Legal Services
 - 2.7.1 For Major Events, the designated officer(s) within Legal Services is responsible for the preparation and issue of the Licence to Occupy, to formalise permission for the use of council land.
 - 2.7.2 The designated officer(s) within Legal Services is responsible for authorising notices produced under the Town Police Clauses Act.

- 2.8 Environmental Health
 - 2.8.1 The designated officer(s) within the Environmental Health team is responsible for providing feedback on event applications in respect of health and safety for a proposed event, in line with the council's statutory duties.
 - 2.8.2 Authorisation from a designated officer(s) within this team is required for all events on council land.

- 2.9 Parks and Grounds Maintenance
 - 2.9.1 The designated officer(s) may inspect council land prior to and following an event, to determine whether any remedial works are required, for which a charge may be levied.
 - 2.9.2 The designated officer(s) will liaise with the event organiser to ensure access is given to council land for an event, where necessary.

- 2.10 Business Support (Licencing)
 - 2.10.1 Designated officers within the Business Support team shall advise on and process applications for Temporary Events Notices and Street Collection

Licences, in accordance with their own policies and procedures, where applicable.

2.11 Insurance Officer

2.11.1 The council's Insurance Officer shall be responsible for providing feedback on event applications in respect of insurance provision.

2.11.2 Authorisation from the Insurance Officer is required for all events on council land.

2.12 Safety Advisory Group (SAG):

2.12.1 The Safety Advisory Group comprises representatives from Kent Police, Kent Fire and Rescue Service, NHS, KCC Highways Agency, South East Coast Ambulance and the Coastguard, as well as relevant local authority officers.

2.12.2 The Safety Advisory Group reviews event documentation and offers advice to the event organiser and the council on the safety of the proposed event, whether or not it is held on council land.

2.12.3 Representatives for an organisation attending the SAG are responsible for dealing directly with event organisers concerning matters within the remit of their organisation which do not affect event safety, especially where that organisation exercises statutory powers.

2.12.4 Representatives of the SAG are responsible for ensuring decisions are formally taken by their respective organisations, where necessary, in respect of the exercise of their statutory powers, where applicable, as the SAG has an advisory function only. The representatives are responsible for disseminating information in their respective organisations.

3 Applications for Events in Shepway District

3.1 An event application to the council may be required if the event meets any one or more of the following criteria. Please note that this is an indicative but non-exhaustive list.

3.1.1 Event is to be held on council land.

3.1.2 Event involves use of the Highway or a Public Right of Way, whether or not a road closure is requested.

3.1.3 Event requires a Temporary Events Notice and the event is in a public setting.

3.1.4 Event includes the provision of catering outlets and/or trade stands and is in a public setting.

3.1.5 The event organiser would like advice from the Safety Advisory Group.

3.1.6 The event is expected to be attended by approximately 150 or more people.

3.1.7 The event is of an unusual nature, or comprises elements or locations which could be deemed high risk to participants or the public.

3.1.8 The event is to take place over a number of days

- 3.2 An event application to the council comprises an Event Notification Form (Appendix 3), an Event Management Plan (Appendix 4), and a Risk Assessment for which templates are provided by the council. Event Organisers are not required to use the council's templates for their Event Management Plans and Risk Assessments, provided that their own documentation contains all the required information in a clear and accessible format.
- 3.2.1 In addition, the following documents may be required, dependant on the nature of the event and its location
 - 3.2.2 Evidence of Public Liability Insurance
 - 3.2.3 Traffic Management Plan
 - 3.2.4 Signage Schedule
 - 3.2.5 Crowd Management Plan
 - 3.2.6 Medical Plan
 - 3.2.7 Evacuation Plan
 - 3.2.8 Site Map
 - 3.2.9 Lost Child Policy
 - 3.2.10 Evidence of food registration and hygiene certification
 - 3.2.11 Safety certification for mechanical rides and inflatables
- 3.3 For clarification, an event organiser must submit an Event Notification Form, Event Management Plan, Risk Assessment and evidence of appropriate insurance cover to apply to use council land. For private land, information is provided in these forms in order for the council and Safety Advisory Group to advise on any risks to public safety.
- 3.4 The council may, at its discretion or at the request of the Safety Advisory Group, request further information or documentation not covered by any of the above documents.
- 3.5 Templates and guidance for producing event documentation will be made available on the website, or in paper format or via email on request.

4 Application Timescales

Please refer to section 5 of the Events Management Policy for definitions of the event types.

Event type	Maximum Notice
Established	Eighteen months prior to event date
New	Twelve months prior to event date

- 4.1 An Event Notification Form may be submitted up to 18 months in advance for established events, or 12 months in advance for all other events to reserve the land, subject to the full documentation being received in line with the

timescales set out below. Priority is therefore given to established events within the district.

Event Type	Minimum Notice (including documentation submitted)
Major Event (regardless of whether on council or private land)	4 months
Other Council Land Events	3 months
Any Road/Right of Way Closure requests	3 months
Other Private Land Events	2 months

4.2 The council reserves the right to reject an event application where these timescales are not adhered to, or where there is significant information missing from the application.

4.3 Any changes, alterations or additions to the event format by the event organiser may not be considered less than 28 days before the event date, unless it is of a sufficiently minor nature that can be accommodated within the timescales available. This is to allow any required consultation with the Safety Advisory Group.

4.4 Should the event organiser not comply with timescales resulting in the event not going ahead, the council will not be liable for any costs paid out by the organiser in preparing for the event.

4.5 Road Closures/Council Land

4.5.1 Where a proposed event requires a road closure or is taking place, partially or fully, on council land, full and complete documentation must be submitted not less than 3 months prior to the proposed event date, unless the event is designated a Major Event.

4.6 Private Land

4.6.1 To enable the Safety Advisory Group to comment on the public safety issues associated with an event on private land, the event organiser is required to submit the relevant documentation no later than two months prior to the proposed event date, unless the event is designated a Major Event.

4.7 Major Events

4.7.1 Applications for Major Events, whether on council or private land, require significant Safety Advisory Group and council input and should be submitted in full at least four months in advance of the proposed event date.

5 Granting Permission for the Use of Council Land

- 5.1 Formal permission for the use of council land for Major Events is given in the form of a bespoke Licence to Occupy drafted by Legal Services. Use of council land is subject to the clauses contained within it. A fee for the drafting of the bespoke Licence to Occupy by Legal Services will be made in accordance with the council's Fees and Charges Schedule.
- 5.2 Formal permission for the use of council land for all other events is given in the form of a Licence to Occupy, drafted by the Community Development Team, for which no charge is made. Use of council land is subject to the Terms and Conditions contained within it.
- 5.3 The Licence to Occupy requires a signature from a designated council officer and the event organiser in order to be valid. Permission is therefore not granted until all required signatures are in place.
- 5.4 The Event Organiser must ensure that the person or persons signing on behalf of the organisation has the legal entitlement to do so.

6 Events on Private Land

- 6.1 The council will accept application documentation for events on private land, and will circulate the information to the Safety Advisory Group for feedback. The application would comprise, as a minimum, the Event Notification Form, an Event Management Plan and a Risk Assessment.
- 6.2 The council will coordinate feedback on the application to the event organiser, following consultation with the Safety Advisory Group.
- 6.3 Where the Safety Advisory Group is not satisfied that the appropriate safety measures are in place, the council will advise the organiser of this, and if appropriate, their insurer and the public. Individual agencies within the Safety Advisory Group may take action under their relevant enforcement powers in these circumstances.

7. Road Closures

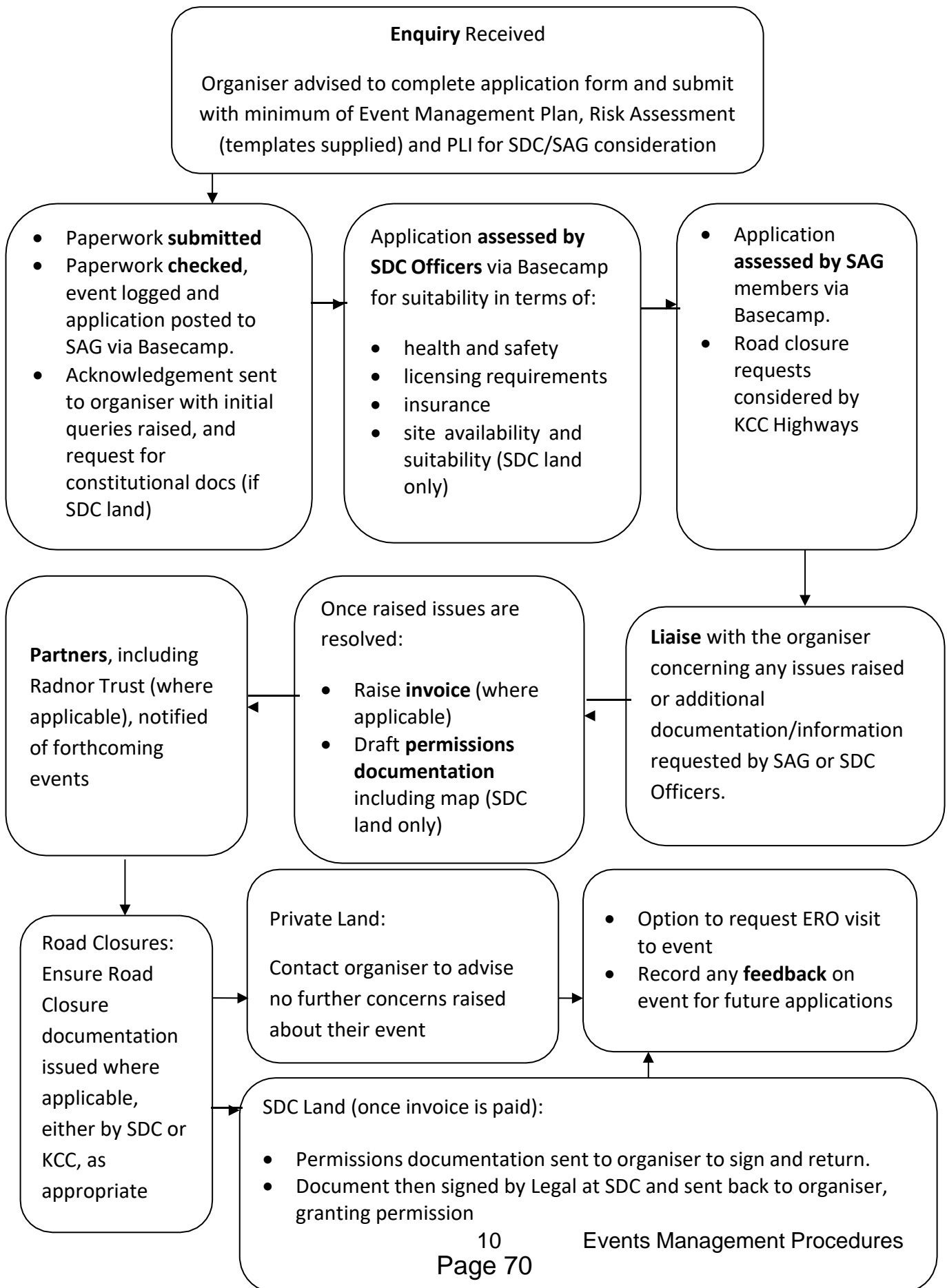
- 7.1 Road closure notices can be administered either by the council, or by KCC Highways Agency, depending on the nature of the closure. The council can issue closures under the Town Police Clauses Act. Closures implemented using any other legislation will need to be administered by KCC Highways Agency.
- 7.2 If you are requesting a road closure and the reason for the closure fits with one of the criteria listed below, a road closure notice can be issued by the Council under Section 21 of the Town Police Clauses Act 1847 (a 'TPC'):
 - 7.2.1 Procession

- 7.2.2 Illumination
- 7.2.3 Rejoicing
- 7.2.4 Road throughed or liable to be obstructed

7.3 There is no charge for a TPC issued by the council.

7.4 For other events, particularly sporting events, road closures cannot be completed under the TPC legislation. For these events an order would be produced by KCC Highways Agency, who may charge for this service.

Appendix 1: Events Administration Process - Recommended Process



Appendix 2: Event Notification Form



Kent Resilience Forum



PREPARING FOR EMERGENCIES IN KENT AND MEDWAY

Event Notification Form

What happens to my information?

Your documentation will be sent to the Safety Advisory Group for review. The Safety Advisory Group consists of representatives from various departments at your local authority as well as Kent Fire and Rescue, KCC Highways Agency, NHS, South East Coast Ambulance Service, Coastguard and Kent Police. Where applicable, local public transport companies will be made aware of your plans. Your information will not be passed on to any other party without your prior consent.

1. Contact Information

Name		
Organisation		
Registered charity	<input type="checkbox"/> Yes <input type="checkbox"/> No	If yes please provide number:
Street Address		
Postcode		
Telephone Number		
Mobile Number		
E-Mail Address		

2. Your Proposed Event

Event Name				
Date(s) of event (including set up And clearing away)	Start		End	
Proposed times of event	Start		End	

Location of event		
Who owns the land?	<input type="checkbox"/> Shepway District Council <input type="checkbox"/> Parish Council <input type="checkbox"/> KCC <input type="checkbox"/> Privately Owned <input type="checkbox"/> Other	
Has the event taken place before?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, please state when:
Description of Event		
What is the anticipated maximum number of people attending the event at any one time (include all staff and performers)?		

3. Road Closures

Are you requesting any road closures?	<input type="checkbox"/> Yes <input type="checkbox"/> No (go to section 4)
If yes, please tell us why you feel that your event requires a road closure	
Please select as appropriate the reason for the road closure. This helps us to determine which piece of legislation the road can be closed under. In most cases, the road can be closed under the Town Police Clauses Act, which means the notice will be issued by Shepway District Council.	<input type="checkbox"/> Procession <input type="checkbox"/> Rejoicing <input type="checkbox"/> Illumination <input type="checkbox"/> Street thronged or liable to be obstructed <input type="checkbox"/> Other (please explain below)
Please list <u>ALL</u> roads that you wish to close for your event:	
<p>Before a road closure can be approved the following documents MUST be submitted to your local authority and approved by KCC Highways Agency. Please note that KCC require a minimum of 3 months notice.</p> <ul style="list-style-type: none"> • A copy of valid Public Liability Insurance • Health and Safety Risk Assessments • Signage Schedule 	

- Plan of diversion route (if applicable)

4. What activities might there be at Your Proposed Event? Please check boxes as appropriate.

Animals	<input type="checkbox"/>	Aircraft parachutists	/	<input type="checkbox"/>	Balloon launch	<input type="checkbox"/>	Boot Fair	<input type="checkbox"/>
BBQs	<input type="checkbox"/>	Fairground rides		<input type="checkbox"/>	Hot air balloons	<input type="checkbox"/>	Street Party	<input type="checkbox"/>
Fireworks	<input type="checkbox"/>	Dance performance		<input type="checkbox"/>	Plays / Films	<input type="checkbox"/>	Carnival procession	<input type="checkbox"/>
Bonfires	<input type="checkbox"/>	Lasers/strobes		<input type="checkbox"/>	Pyrotechnics/special effects	<input type="checkbox"/>	Coconut shy or other stalls	<input type="checkbox"/>
Inflatable's/bouncy castles	<input type="checkbox"/>	Motor vehicles (including motorbikes & scooters)		<input type="checkbox"/>	Free admission to event	<input type="checkbox"/>	Indoor sporting events	<input type="checkbox"/>
Re-enacting groups	<input type="checkbox"/>	Market/Charity stalls		<input type="checkbox"/>	Archery/shooting	<input type="checkbox"/>	Sporting Events	<input type="checkbox"/>
Train rides	<input type="checkbox"/>	Electricity		<input type="checkbox"/>	Gas	<input type="checkbox"/>	Foreshore / berthing	<input type="checkbox"/>
Street collections/charity collections*	<input type="checkbox"/>	Temporary Structures (i.e. Marquees, staging, gazebos)		<input type="checkbox"/>	Live entertainment* (e.g. amplified music)	<input type="checkbox"/>	Sale of food or drink between 23:00 – 05:00*	<input type="checkbox"/>
Gambling*	<input type="checkbox"/>	Lotteries/raffles* (including ticket sales)		<input type="checkbox"/>	Sale of alcohol*	<input type="checkbox"/>	Food/drink concessions*	<input type="checkbox"/>

Other – please specify

Temporary Event Notice

All activities marked with an (*) indicate licensable activities that may require a temporary event notice, which you will need to apply for separately. A temporary event notice is a notification to the

licensing authority that an individual intends to carry on licensable activities for a period not exceeding 168 hours.

Licensable activities include: Sale and Supply of Alcohol

The provision of late night refreshments to the public

Regulated entertainment

A temporary event notice application must be sent to the licensing authority and the police at least 10 working days in advance of a planned event. Please ensure that you have the necessary licenses in place.

Please contact your local licensing department for more information.

What happens next?

Once we have received your Event Notification Form, we will be in touch to notify you if the land you have requested is available for hire (if event is being held on Council land) on the date(s) provided. We will then book the land for you on a provisional basis. Once the land is booked, you will need to submit an Event Management Plan, available to download from our website at <https://www.folkestone-hythe.gov.uk/organising-event> This must be submitted a minimum of 3 months prior to the event date for Council land or road closures, or 2 months for events on private land to enable consultation with the Safety Advisory Group.

This should be submitted along with a copy of your public liability insurance (minimum £5million cover) and payment, where applicable. Additional documentation may be requested. Only once all paperwork has been received and agreed by the Safety Advisory Group and relevant Council Officers will a definite booking be made and permission to occupy the land granted.

I hereby acknowledge that I have provided information to the best of my knowledge and confirm that:

The event **is** for a public or charitable organisation

The event **is not** for a public or charitable organisation

Date and Signature

Name (printed)	
Signature	
Date	

If you have any queries regarding completing this form please contact the Events Team at Shepway District Council at events@folkestone-hythe.gov.uk or 01303 853264

Please keep a copy of this form for your own records.

Appendix 3: Event Management Plan



Event Management Plan

As an Event Organiser you are responsible for:

- Informing your local authority of your event
- Seeking permission of the relevant land owner
- Submitting the relevant documentation to your local authority in a timely manner
- Ensuring the overall safety at your event as far as reasonably practicable
- Ensuring that health and safety arrangements are in place to control risks
- Ensuring the competence of staff at your event to undertake their roles safely
- Checking all insurance documents, risk assessments and methods of work for contractors, stall holders, caterers etc (these documents may also be requested by Shepway District Council)
- The Health, Safety and Welfare of all members of staff, contractors and members of the public attending your event
- Informing the Performing Rights Society if you have live music at your event

Disclaimer: This template is a guide only. It does not necessarily include all the information that may be relevant to your event. The local authority is not responsible for the lack of any information that may not be submitted with this application.

Privacy Statement

Your personal information is required for administration purposes. Your local authority is committed to protecting your privacy and fulfilling its obligations under UK data protection laws. The Local Authority may use this data in order to inform you of its activities and/or improve its services in relation to the subject matter only, but will not sell, rent, distribute or otherwise make your data commercially available to any third party, unless it is required to by a court order or to comply with other legal requirements.

What happens to my event information?

Your documentation will be sent to the Safety Advisory Group for review. The Safety Advisory Group consists of representatives from various departments at your local authority, Kent Fire and Rescue, KCC Highways Agency, Kent Police and other emergency services. Local public transport providers may also be informed of your plans. Your information will not be passed on to any other party without your prior consent.

Contents

1. **Event Overview**
2. **Site Management**
3. **Incident Management**
4. **Traffic Management Plan**

- *Please type your answers into the white boxes.*
- *Please complete as much of the form as you can.*
- *Larger/higher risk events will need to provide more information than smaller, routine events.*
- *If a section does not apply to your event, simply mark it as 'N/A'*
- *An application with insufficient information may be rejected.*
- *If you have your own Event Management Plan that addresses the issues highlighted in this document, you may submit it in place of this document.*

Event Organiser Details

Organisation	
Name of Event	
Location of Event	
Date of Event	

1. **Event Overview**

1.1 Event Overview

Please provide a description of your event

Please provide a description of your event

1.2 Timings

Please provide the following information about your event

Please provide the following information about your event	
Set up start date and time	
Event start date and time	
Event finish date and time	
Clear away finish date and time	

1.3 Programme of Events

Please provide a list of your activities for the day, including any performances

Please provide a list of your activities for the day, including any performances
Activity

1.4 Event Management

Roles and Responsibilities on Event Day(s)

Please provide a brief description of the roles of event staff and their main responsibilities.

There may be other roles that are not listed here that are applicable to your event.

Please note: the role of stewards is covered in a separate section so there is no need to complete the role of stewards here

Role	Responsibilities
Event Organiser	
Event Manager	
Site Manager	
Health & Safety Officer	
Arena/stage Manager	
Steward Coordinator	
Press and PR coordinator	
Other	

1.5 Crowd Management

Please provide details on how you will manage the crowd at your event. If you do not complete this section, you may need to address crowd management in your risk assessment.

Is your event ticketed? If yes, what arrangements are in place for this?

--

How will you manage capacity?

--

How will you manage access and egress of the crowd?

--

1.6 Publicity

May we use the details supplied here for publicity purposes or to give to interested parties?

a) Yes No

b) If yes, which name and contact details can we release?

2. Site Management

2.1 Contractor Management

Please provide details of any contractors that will be involved with your event

Please ensure that you check any safety documentation of contractors that you hire

Company	What are they providing/doing?

2.2 Traders

Please provide details of any traders/commercial traders and charity stalls that will be at your event

Please ensure that you check any safety documentation of traders

Name of Organisation	Concession Type

--	--

Sale of Alcohol

If you are selling alcohol at your event, please contact the licensing department at Shepway District Council as you may require a temporary events notice.

--

Catering Requirements (Food, drink, water)

For each catering supplier/food stall that you have attending your event, please provide the following information:

- Name of Business
- Address of Business
- Contact telephone number
- Name of local authority that they are registered with
- National food hygiene rating (if available)

--

2.3 Fencing and/or barriers

Please tell us if you plan to use any fencing and or barriers at your event including the type and their location

Please ensure that you check any safety documentation of contractors that you hire.

2.4 Electricity, Water, Gas Supply and Generators

Please tell us if you plan to use electricity, water and or gas supply at your event. If so, please tell us where these will be sourced and the processes in place to manage these.

Please tell us if you plan to use any generators at your event. If so, please tell us where these will be sourced and the processes in place to manage these, including the storage and management of fuel and other flammable liquids.

Please ensure that you check any safety documentation of contractors that you hire.

2.5 Temporary Structures

Please list any temporary structures that you will have at your event e.g. gazebos, marquees, staging

Please ensure that you check any safety documentation of contractors that you hire.

2.6 Fire Safety

Please ensure that you have considered aspects related to fire safety at your event and provide detail here

Please ensure that you check any safety documentation of contractors that you hire.

2.7 Temporary Events Notice

IMPORTANT NOTE:

Licensable activities at your event such as the sale and supply of alcohol, the provision of late night refreshments to the public and regulated entertainment may require a temporary event notice (TEN). A temporary event notice is a notification to the licensing authority that an individual intends to carry on licensable activities for a period not exceeding 168 hours.

A temporary event notice application must be sent to the licensing authority and the police at least 10 working days in advance of a planned event. Please ensure that you have the necessary licences in place.

Please contact your local licensing department for more information.

2.8 Musical Entertainment

Please tell us what entertainment you have arranged for your event i.e. Live music with amplification and how you manage noise disturbance and potential complaints.

Important notes:

- If you have live music you may require a Temporary Events Notice.
- It is your responsibility to inform the Performing Rights Society (www.prsformusic.com) if you are having live music at your event.
- Please ensure that you check any safety documentation of contractors that you hire.

--

2.9 Attractions

Please provide details of any attractions that will be at your event e.g. inflatable's, funfair/children's rides, fireworks

For these attractions make sure that you see a copy of the provider's public liability insurance, risk assessment and method statement. For rides we will also need the name of each ride and their corresponding ADIPS number (Amusement Device Inspection Protection Scheme)

Please ensure that you check any safety documentation of contractors that you hire.

Name, address and telephone number of organisation	Attraction and ADIPS number if applicable

2.10 Medical and First Aid Cover

<p>Please provide details of the medical provider and resources that you have arranged to be at your event including their location (i.e. number of first aiders, doctors, ambulances etc.)</p>

2.11 Public Health and Welfare

Please provide details of the arrangements you have made for the following:

Toilet

Facilities

Please provide details of sanitary arrangements, including: number, ratio of male to female and disabled, location, maintenance.

If you intend to rely on public conveniences outside of normal opening hours, please request an extension here. Please note that significant use of public facilities may incur an additional restocking fee.

Waste Disposal

Please provide details of the arrangements made for waste disposal, rubbish bins and litter collection at your event. As you the event organiser you are responsible for arranging the disposal of waste. Any trade waste must be removed by a registered trade waste contractor.

Noise Management

Please provide details of the arrangements made for minimising noise disruption at your event, particularly if you are having live, amplified music.

A noise checklist for event organisers and information on noise consultants can be found on your local authority website.

2.12 Accessibility

Please tell us how you have made your event accessible and provide details here. e.g. Accessible toilets provided, Accessible parking, Ramped access

2.13 Steward and Marshal Management

Please provide details of the arrangements you have made for stewards at your event

What are the roles and responsibilities of your stewards?

Approximately where will they be positioned?

Who are your stewards? How will they be identified?

We do not require names, just where you have recruited them from.

Will you be using Security Industry Authority (SIA) qualified security staff? If so, what will their role be?

How will the event team and the stewards (including traffic stewards) communicate with each other on the day of the event?

3. Incident Management

IMPORTANT NOTE: Do not assume that the emergency services will attend your event other than in an emergency. Your event must be managed without the support of the emergency services, even if they have agreed to attend as they may be called away to an emergency elsewhere. Do not refer to Kent Police throughout this document. They cannot provide support to any element of your event other than in an emergency and even in this instance their first port of call would be your contingency plans.
--

3.1 Welfare of Children

Please provide details of how you would deal with a lost or found child or vulnerable person at your event, including: Procedure/Designated person/Rendezvous point/Making announcements

3.2 Incident Reporting and Investigation

Please provide details of the system you have in place for reporting and recording accidents and incidents at your event

3.3 Communication with the Public

Please provide details of how you will communicate with members of the public on the day of the event in the case of an emergency?

It is advisable to have emergency messages scripted before the event for use on the day

3.4 Emergency Plans

IMPORTANT NOTE:

It is not the responsibility of the Event Manager/Organiser to run an emergency procedure. If an emergency is to be declared then operational command will fall to Kent Police. However, procedures need to be in place so that emergencies can be dealt with responsibly until the emergency services arrive.

It is important that you set out your procedures carefully and brief all event staff, contractors and volunteers so that they are clear and widely understood.

In this situation we would advise that the decision is clearly recorded, including who took it, what time it was taken, and why it was taken.

Please provide details of your emergency plan for the event

It is your responsibility under Health and Safety, and the practice of a Risk Assessment, to consider the 'what if's' at your event (i.e. contingency planning).

What are your contingency plans for situations, such as:

Need for evacuation, fire, power failure, collapse of a temporary structure, road traffic collision, medical emergency, adverse weather conditions?

This is not an exhaustive list and the specific nature of your event will suggest others.

At your event, who will be responsible for determining that an incident is now a major incident or emergency and will take responsibility for decisions until the emergency services arrive and take control?

Who will report this to the emergency services?

What systems do you have in place to contact the local emergency services?

Who will liaise with the emergency services when they get to the site?

What entrance/access point should the emergency services use that is safe and can be kept clear of crowds for them to get to the incident?
Who will be responsible for crowd control during an incident?
If required, how would you evacuate your event? What steps would you take?
How will you communicate this instruction to your audience?
Please provide details of any emergency signage that will be used at your event (i.e. emergency exit signs)

4. Traffic Management

4.1 Traffic Management

IMPORTANT NOTE:

Before a road closure can be considered the following documents **MUST** be submitted to your local authority along with this plan and approved by KCC Highways Agency:

- A copy of valid Public Liability Insurance (£5 million minimum)
- Health and Safety Risk Assessments
- Signage Schedule (Map and indication of where signs will go)
- Plan of diversion route (if applicable)

For all events:

What is the best route for traffic to take in order to get to your event? How will this be communicated?

What is the best and safest route for traffic to exit your event? How will this be communicated?

In the interest of pedestrian safety, how will pedestrians interact with vehicle movement? Please include information about how they will cross open roads safely.

What have you done to liaise with and inform local residents and businesses about the impact to local roads?

Can people enter your event without causing an obstruction on the road?

How have you considered the impact that your event will have on public transport? Have you informed your local bus/rail/taxi company?

Are you applying for a road closure as part of your event:

Yes No (if No, please disregard the remainder of this section)

Is your event taking place on or off the Highway?

On the Highway Off the Highway

Please list ALL roads that you wish to close for your event below:

What is the duration of the closure?
Is it necessary to have a diversion route? If yes, please provide details of the route here. A diversion plan will need to be submitted to your local authority.
<p>Who is providing your signage for the road closure?</p> <p>If you are using a signage contractor, please provide their details here.</p> <p>Please ensure you check their public liability insurance. A copy of the signage schedule produced by the contractor must be provided to the local authority.</p> <p>If you are providing signage yourself, please provide a signage schedule and a Health and Safety risk assessment for working on the highway.</p>

4.2 Parking

Are you requesting any parking suspensions as part of your event?

If yes, please include the following information:

- **Location (street name/car park)**
- **Number of spaces**
- **Intended use for these spaces**
- **Start and end time of suspension**

If you do not include ALL of this information, your request cannot be considered.

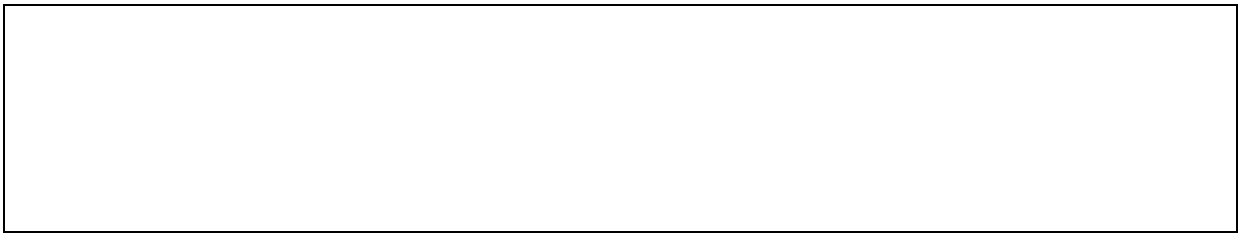
If the answer to this is none, please explain why you think there will be no impact on parking, access or traffic flow. As the organiser you are responsible for ensuring there is no/minimal impact to traffic.

If you are providing off-road parking, please provide the following information:

- **Location**
- **Number of spaces**
- **How will the area be managed?**

Please note: any parking areas must be stewarded at all times. You may be asked to provide a parking plan.

If the answer to this is none, please explain why you think there will be no impact on parking, access or traffic flow. As the organiser you are responsible for ensuring there is none/minimal impact to traffic.



4.2 Road Traffic Closure Notices

If your road closure request is granted under the Town Police Clause Act, Shepway District Council will produce the road closure order once it has been approved by KCC Highways Agency.

If made under the provisions of the Road Traffic Regulation Act 1984, the road closure notices will be produced by KCC Highways Agency. This may involve a charge.

Appendices

i. Site Map

Please provide a site map of your event site

ii. Risk Assessment

Please complete an event specific risk assessment including a fire risk assessment

iii. Public Liability Insurance

Please provide a copy of your public liability insurance certificate (for a minimum of £5 million)

iv. Road Closure Documents (if applicable)

- A copy of valid Public Liability Insurance (£5 million minimum)
- Health and Safety Risk Assessments including reference to risks on the Highway
- Signage Schedule (Map and indication of where signs will go)
- Plan of diversion route (if applicable)

Appendix 4: Licence to Occupy

DATED _____ **DAY OF** _____ **2015**

LICENCE TO OCCUPY

of the area known as.....

between

THE DISTRICT COUNCIL OF SHEPWAY

and

Licensee

Shepway District Council

Civic Centre

Castle Hill Avenue

Folkestone

Kent

CT20 2QY

THIS LICENCE is made the day of **20**

BETWEEN

(1) **Shepway District Council** of of Civic Centre, Castle Hill Avenue, Folkestone, Kent CT20 2QY (“the Owner”) and

(2) **[LICENSEE]** of **[ADDRESS]** (“the Licensee”).

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 The following definitions and rules of interpretation apply in this licence.

Competent Authority: any statutory undertaker or any statutory public local or other authority or regulatory body or any court of law or government department or any of them or any of their duly authorised officers.

Property: The area of land as shown on the attached Plan shaded.....

Plan: the plan attached to this licence marked "Plan"

Licence Period: The period from and including [Date of Licence]

Permitted Use: [SPECIFY NATURE OF INTENDED USE]

Designated Hours and Date: means [date] between the hours of [start time] and [end time] inclusive during which the event shall be open to the public

Licence Fee: the amount of £[AMOUNT] to be paid by the Licensee to the Owner (if demanded)

Necessary Consents: all planning permissions and all other consents, licences, permissions, certificates, authorisations and approvals whether of a public or private nature which shall be required by any Competent Authority for the Permitted Use.
1.2 Clause, annex, schedule and paragraph headings shall not affect the interpretation of this licence.

1.3 References to clauses, annexes and schedules without further designation is to be construed as a reference to the clauses, annex and schedules of this licence.

1.4 A reference to laws in general is a reference to all local, national and directly applicable supra-national laws as amended, extended or re-enacted from time to time and shall include all subordinate laws made from time to time under them and all orders, notices, codes of practice and guidance made under them.

1.5 Any obligation on a party not to do something includes an obligation not to allow that thing to be done and an obligation to use its best endeavours to prevent that thing being done by another person.

2. LICENCE TO OCCUPY

2.1 Subject to clause 3 and clause 4, the Licensor permits the Licensee to occupy the Property for the Permitted Use for the Licence Period and the Designated Hours and Date in common with the Licensor and all others authorised by the Licensor (so far as is not inconsistent with the rights given to the Licensee to use the Property for the Permitted Use

2.2 The Licensee acknowledges that:

- (a) the Licensee shall occupy the Property as a licensee and that no relationship of landlord and tenant is created between the Licensor and the Licensee by this licence;
- (b) the Licensor retains control, possession and management of the Property and the Licensee has no right to exclude the Licensor from the Property;
- (c) the licence to occupy granted by this licence is personal to the Licensee and is not assignable and the rights given in clause 2 may only be exercised by the Licensee and its employees;
- (d) the Licensor shall not accept liability for any loss sustained by the Licensee;
- (e) the Licensor retains the right to terminate the licence with immediate effect should the trust not adhere to the obligations as set out in clause 3.

3. OBLIGATIONS OF THE LICENSEE

The Licensee agrees and undertakes:

- (a) to pay to the Licensor the Licence Fee (if demanded);
- (b) to keep the Property clean, tidy and clear of rubbish;
- (c) not to use the Property other than for the Permitted Use;
- (d) not to make any alteration or addition whatsoever to the Property;
- (e) not to display any advertisement, signboards, nameplate, inscription, flag, banner, placard, poster, signs or notices at the Property without the prior written consent of the Licensor such consent not to be unreasonably withheld or delayed;
- (f) not to do or permit to be done on the Property anything which is illegal or which may be or become a nuisance (whether actionable or not), annoyance, inconvenience or disturbance to the Licensor or any owner or occupier of neighbouring property;
- (g) not to cause or permit to be caused any damage to:
 - (i) the Property, or any neighbouring property; or
 - (ii) any property of the owners or occupiers of the Property, or any neighbouring property;
- (h) not to do anything that will or might constitute a breach of any Necessary Consents affecting the Property or which will or might vitiate in whole or in part any insurance effected by the Licensor in respect of the Property from time to time;
- (i) to observe any reasonable rules and regulations the Licensor makes and notifies to the Licensee from time to time governing the Licensee's use of the Property;
- (j) to leave the Property in a clean and tidy condition and to remove the Licensee's furniture equipment and goods from the Property at the end of the Licence Period;
- (k) to ensure that all liquid waste generated by the event is disposed of in compliance with waste disposal laws, regulations or provisions and where necessary with the approval of Southern Water;
- (l) to obtain and maintain throughout the term of this licence at least five million pounds (£5,000,000) public liability insurance to be produced to the Licensor in advance of commencement of the licence;
- (m) to indemnify the Licensor and keep the Licensor indemnified against all losses, claims, demands, actions, proceedings, damages, costs, expenses or other liability in any way arising from:
 - (i) this licence
 - (ii) any breach of the Licensee's undertakings contained in clause 3 and/or
 - (iii) the exercise of any rights given in clause 2;
- (n) not to do anything on or in relation to the Property that would or might cause the Licensor to be in breach of the tenant's covenants and the conditions contained in the Lease 4

- (o) to waive any established rights under the rules of the Showman's Guild which [he/she/it] has or which [he/she/it] may accrue as a result of this Licence and/or any other past or future event within the district of Shepway;
- (p) not to permit or allow cars or other vehicles to be driven over or parked on the Property other than those previously agreed with the Owner;
- (q) to pay to the Licensor interest on the Licence Fee or other payments at the rate of four percent per annum above the base rate of Natwest bank plc calculated on a daily basis from the due date until payment if the Licensee shall fail to pay the Licence Fee or any other payments due under this licence within 14 days' of the due date (whether formally demanded or not).
- (r) I/WE, confirm that I/WE AM/ARE authorised to enter into this Licence for and on behalf of FULL NAME OF ORGANISATION, PARTNERSHIP OR COMPANY

4. TERMINATION

- 4.1 The rights granted in clause 2 are to be determined without prejudice to the Owner's rights in respect of any breach of the undertakings contained in clause 3, immediately by the Owner's written or oral instruction at any time following any breach by the Licensee of its undertakings contained in clause 3.
- 4.2 The Owner shall be entitled to cancel this Licence and to recover from the Licensee the amount of any loss resulting from such cancellation should the Licensee:
 - (a) fail to comply with all applicable laws, statutes and regulations relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 and any amendments thereto; or
 - (b) have given any fee or reward the receipt of which is an offence under sub-section (2) of Section 117 of the Local Government Act 1972.

5. NOTICES

- 5.1 All notices given by either party pursuant to the provisions of this agreement must be in writing and are to be sufficiently served if delivered by hand or sent by registered post or recorded delivery provided that a confirmatory copy is delivered by hand or sent by registered post or recorded delivery on the same day to the other party at its last known address. 5

6. NO WARRANTIES FOR USE OR CONDITION

- 6.1 The Licensor gives no warranty that the Property possesses the Necessary Consents for the Permitted Use.
- 6.2 The Licensor gives no warranty that the Property is physically fit for the purposes specified in clause 2.
- 6.3 The Licensee acknowledges that it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently) that may have been made by or on behalf of the Licensor before the date of this licence as to any of the matters mentioned in clause 6.1 or clause 6.2.
- 6.4 Nothing in this clause shall limit or exclude any liability for fraud.

7. LIMITATION OF LIABILITY OF LICENSOR

- 7.1 Subject to clause 7.2, the Licensor is not liable for:
 - (a) the death of, or injury to the Licensee, its employees, customers or invitees to the Property; or
 - (b) damage to any property of the Licensee or that of the Licensee's employees, customers or other invitees to the Property; or
 - (c) any losses, claims, demands, actions, proceedings, damages, costs or expenses or other liability incurred by the Licensee or the Licensee's employees, customers or other

invitees to the Property in the exercise or purported exercise of the rights granted by clause 2.

7.2 Nothing in clause 7.1 shall limit or exclude the Licensor's liability for:

(a) death or personal injury or damage to property caused by negligence on the part of the Licensor or its employees or agents; or

(b) any matter in respect of which it would be unlawful for the Licensor to exclude or restrict liability.

This agreement has been entered into on the date stated at the beginning of this agreement. 6

SIGNED AS A DEED and delivered
On behalf of
THE DISTRICT COUNCIL OF SHEPWAY

in the presence of

Witness Signature: _____

Witness Name: _____

Witness Address:

SIGNED AS A DEED and delivered by and on behalf of
[Enter Licencees name /company/organisation]

Signature

Name

in the presence of

Witness Signature: _____

Witness Name: _____

Witness Address:

**Appendix 5: Guidance on the use of Folkestone Parks and Pleasure Ground
Charity's sites for events**

Folkestone

Hythe & Romney Marsh

Shepway District Council



Shepway District Council Guidance on Folkestone Parks and Pleasure Grounds Charity's Event Sites

October 2015

1. Land owned by the Folkestone Parks and Pleasure Grounds Charity (hereinafter referred to as 'the charity') can be made available for event organisers to hire for the purposes of holding an event.
2. Shepway District Council (hereinafter referred to as 'the council') will process applications from event organisers for land owned by the charity, in consultation with the charity as required.
3. Charity land made available for events includes popular sites such as Radnor Park, Morehall Recreation Ground and Canterbury Road Recreation Ground.

4. Radnor Park:

4.1 Use of Radnor Park for the purposes of events is restricted to 28 days per calendar year, due to planning legislation.

4.2 Due to the popularity of Radnor Park, and the limited number of dates available, the following application process will be followed. Event Notification Forms can be submitted up to 12 months in advance of a proposed event, and must be received by 15th February of the calendar year in which the proposed event is to be held. If, by 15th February, requests for the park exceed the number of available dates, applications will be considered in accordance with the factors listed in the council's Events Management Policy. In addition, consideration will be given to whether an organiser has been allocated a date for Radnor Park in the previous three years.

4.3 Applicants will be informed by 1st March of the calendar year in which the proposed event is to be held whether their application for Radnor Park has been successful, and the date that they have been allocated. Allocations are subject to the receipt of full payment of a deposit or hire fee (where applicable) and full documentation including, as a minimum, the Event Management Plan, Risk Assessment and Public Liability Insurance.

4.4 Events can only be held on Radnor Park between 1st June and 30th September in each calendar year.

4.5 The use of Radnor Park for commercial events is limited to 20 days per year.

4.6 Bookings for events on Radnor Park are restricted to a maximum of 7 days.

4.7 Due to planning constraints, the Council shall limit the number of boot fairs held on Radnor Park to a maximum of six days per calendar year. One single organisation may not initially apply for more than one boot fair although they can express interest in any vacant slots.

4.8 The operating times detailed in the boot fair guidelines are to be strictly adhered to, namely: -

4.8.1 The boot fair shall not be open to the public except between 07:30 and 15:00.

4.8.2 The stallholders should vacate the site no later than 16:00 or within one hour of an earlier advertised closing time, whichever time is earlier.

4.9 In respect of Events other than bootfairs, the event is to be open to the public no earlier than midday and to close no later than 22:30.

5. Other charity land:

5.1 Applications for events on other parcels of charity land will be processed in line with applications for events on council land, as set out in the Events Management Policy and Events Management Procedures documentation. This is subject to consultation with the charity, as appropriate.

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This Report will be made public on 27 October 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/15/29**

To: Cabinet
Date: 4 November 2015
Status: Key Decision
Corporate Director: Jeremy Chambers, Resources
Cabinet Member: Councillor Jenny Hollingsbee, Communities

SUBJECT: **FILMING POLICY AND CHARGING SCHEDULE**

SUMMARY: When Cabinet considered the Fees and Charges for 2015/16 (Report C/14/42) it was agreed to receive a follow up report regarding the feasibility of introducing a charging schedule for commercial filming on council land. This report presents a summary of the findings from a review conducted by the Community Development Team. Following the review, a draft Filming and Photography Policy and a proposed Charging Schedule have been developed. Both are presented to Cabinet for approval.

REASONS FOR RECOMMENDATIONS:

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

- a) Report C/14/42 stated that a supplementary report (i.e. this report) would be brought back to Cabinet setting out the findings of a review into charging for commercial filming on council land.
- b) The proposed Filming and Photography Policy will provide a better framework for managing requests to film on council land than the current ad hoc arrangements.

RECOMMENDATIONS:

1. To receive and note report C/15/29.
2. To adopt the Filming and Photography Policy
3. To adopt the proposed charging schedule
4. To approve the proposed Partnership Agreement with Kent Film Office

1. BACKGROUND

- 1.1 This report has been prepared further to recommendation 4 of report C/14/42 concerning the Fees and Charges 2015/16:

“To acknowledge the new charges under consideration (as per paragraph 2.4) and to note that a further report will be submitted to Cabinet on 17 December 2014 with the findings of this review”

- 1.2 The council often receives requests from companies to film on Shepway land across the district for commercial purposes. At the moment, SDC does not charge either an administration fee for processing the request (e.g. checking insurance documents, confirming ownership of the land, checking any covenants, advising on any health and safety issues etc) nor does it charge an hourly or daily rate for filming which is common in the industry and which some councils do as a matter of course. It is proposed that a charging schedule for filming and photography can be introduced, however, it would not seek to charge educational, community or voluntary groups to film in the district.
- 1.3 This report summarises the findings of a review into council charges for granting permissions to film. It also sets out the draft Filming and Photography Policy and proposes a charging schedule for approval by Cabinet.
- 1.4 The Council has an opportunity to develop a close working relationship with the Kent Film Office (KFO) to attract more filming and photography activities to the District. A draft Partnership Agreement is therefore attached for consideration.

2. FILMING AND PHOTOGRAPHY POLICY

- 2.1 The purpose of this policy is to set out the framework for filming in Shepway and the charges that apply for filming on land owned by Shepway District Council. The description of “filming” as set out in this policy refers to every type of commercial filming and filming of a comparable scale to a commercial shoot. In particular feature films, television productions commercials, music promotion videos, corporate filming, student/short films and stills photography.
- 2.2 The policy provides a framework for Shepway District Council to work closely with the Kent Film Office (operated by KCC) to determine whether or not an application to film or take photographs on council land should be approved or rejected. Moreover, it specifies what fees should be applied in different circumstances.
- 2.3 The policy also provides information to film makers and photographers to allow them to submit an application to the Kent Film Office to film on council land. It also clearly states the responsibilities of individuals and companies to:

- provide sufficient notification to local agencies of the intention to film;
- submit the required documentation in order for local agencies to be able to issue the appropriate permits to film; and
- adhere to the required code of conduct for filming

3. REVIEW OF CHARGES FOR COMMERCIAL FILMING

3.1 The council's Community Development Team has reviewed the charging schedules adopted by other comparable local authority areas.

3.2 Below is a table presenting a summary of information that has been collected:

Council	Charging Information
Adur and Worthing Councils	A standard administrative fee of £250.00 will be charged for all filming and photography shoots that take place within Adur & Worthing Councils land and properties. The exact filming fee will vary depending on the length and scope of the filming. Charges for filming will be applied to all applications although the Council reserves the right to reduce or waive these charges for student film-makers and charitable organisations. No fee will be charged for news reports and interviews. In addition to the filming fee, the company should agree to include the location in the credits for the film. In the event of the filming or shoot being cancelled or postponed, a £50 administration charge will apply.
Brighton & Hove City Council	Commercial Promotions (all sites): £1,000 per day (weekdays) £1,250 per day (weekends)
Chichester District Council	A standard charge will apply for any filming taking place on our land or property. The charges are currently: £500 per day; and, £250 per half day. There will also be an administrative fee of £150.
Crawley Borough Council	The following charges apply when filming in Crawley: ½ day filming (6 hours) - £400 +VAT 1 day filming (12 hours) - £750 +VAT
Dover District Council	No charge for enquiries. Charges are flexible and dependent on the type of shoot. Charges of £520 plus VAT per day or £88.00 plus VAT per hour may apply. Extra charges may apply (e.g. parking, road closures).
Eastbourne Borough Council	Rates are negotiable depending on type of filming activity. Have an hourly charge of £150 for the first hour then a variable rate depending on the type of filming (ranging from £20-£300). Have a daily charging schedule based on a 12 hour filming day with 8 hours shooting and 4 hours set up

	strike. Fees range from £100-£3,000 per day depending on the type of filming activity. Exemptions (no charge) for news / children's television / schools / tourism / religion / reality programmes or documentaries and Shorts festival.
Guildford Borough Council	For Council owned properties, parks and council-owned open spaces: Daily Rates (negotiable) Features - £750 - £1,000 TV - £500 - £1,000 Documentaries/low budget - £250 - £500 Still Photograph - £100 - £500 Exemptions for news, educational, schools, tourism, religion, reality, shorts/festival. The council reserves the right to reduce or waive these charges for student film-makers and charitable organisations.
Luton Borough Council	LBC property and locations: up to 1 hour - £150 between 1 and 4 hours – £350 4-6 hours (half day) – £600 7 hours or more – £1,000 All prices are inclusive of VAT
Rother District Council	Charges vary depending on location. Can charge up to £2,000 per day for a feature film and a half day photo shoot (fashion) is charged at £271+VAT up to £650+VAT for a day. Other locations charge a lower fee – typically £150-£500 for shoots.
Sedgemoor District Council	The standard charge for filming is £500 per day or £250 per half day. The council negotiates concessionary rates for student filmmakers.
Thanet District Council	An administration charge (per hour) applies for complex enquiries. Have requested that charging information is kept confidential, as each request is dealt with on an individual basis.

- 3.3 Having conducted the review, it is apparent that charging for commercial filming is common practice although how this is done does seem to vary between authorities.
- 3.4 In Kent, the Kent Film Office (KCC) largely coordinates filming applications and activities and levers the relevant fees as set out by the District Council's through agreement. A percentage administrative fee is then taken by the Kent Filming Office from the amount charged.
- 3.5 In considering whether or not to charge for commercial filming on SDC land there are a few options to consider:

Option 1: An hourly rate

Some authorities charge by the hour. This can be a standard rate which applies to different locations and different types of filming or they can apply different hourly rates depending on the nature of the filming activity.

Option 2: Half day and daily rates

The standard fees seem to be around £250 + VAT for a half day and £500 + VAT for a full days commercial filming. Again fees can vary depending on location or the type of filming being undertaken.

Option 3: Variable rates for different types of filming

Some councils apply different charges according to the type of activity with larger scale productions being charged more. Different charges could be applied to the following, for example:

- Advertising productions, commercials, filming for Internet advertising
- Feature films
- Low budget feature films
- Television dramas
- Educational, corporate, light entertainment, music promotions
- Interviews, sound recordings
- Photo shoots - national publications
- Photo shoots - low budget publications

Option 4: Concessionary rates

All councils seem to operate some form of concessionary rate scheme for non commercial organisations. This can take the form of no charge or a discount on the normal rates that apply for commercial organisations.

Option 5: Administration fees

Some councils charge a standard administration fee to process applications to film and some charge a separate administration fee for postponed or cancelled filming shoots. The majority do not seem to charge an administration fee.

- 3.6 Most council's seem to prefer to retain some degree of flexibility in their charging to allow them to negotiate the fees depending on the nature of the enquiries they receive. There is, therefore, some discretionary authority given to the Kent Film Office applying the fees, to negotiate the level of charges, especially for the bigger commercial filming applications.

4. PROPOSED SDC CHARGING SCHEDULE

- 4.1 Section twelve of the draft SDC Filming and Photography Policy sets out a proposed charging schedule to be adopted as part of the council's Fees and Charges 2015/16:

Type of Request	Charge
Student / Charities / News Crews	Free
Commercial Filming – Small Crew (Upto ten people & small tripod)	Upto £500 per day or £85 per hour
Commercial Filming – Medium Crew (Upto 40 people, kit & trucks)	Upto £2,000 per day or £340 per hour

Commercial Filming – Large Crew (More than 40 people, kit & trucks)	Upto £3,000 per day or £510 per hour
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4.2 In determining the proposed level of charges, council officers in consultation with the Portfolio Holder have been mindful of delivering the stated objectives of the policy, which are to:

- Maximise inward investment in the Shepway economy from film and television production;
- Promote the district in the best possible manner to encourage visitors and boost tourism;
- Ensure all filming and photography is conducted in a safe manner and the public’s health and safety is protected at all times; and
- Minimise any disruptive effect filming and photography may have on others.

4.3 As a result, the proposed charges have been set at a moderate level when compared to the cohort of councils that have been considered as part of the review.

4.4 Charges do not apply for the following individuals and organisations:

- Students creating films as part of their academic studies;
- Registered charities or community groups;
- Broadcasters generating news reports.

This is common practice across all the local authorities that were examined as part of the review not to charge these groups for permission to film. Moreover, not charging is consistent with SDC’s current approach to charging for permission to hold events on council land.

5. PARTNERSHIP AGREEMENT

It is recommended that Shepway District Council works closely with the Kent Film Office as, with their knowledge and expertise, they are able to negotiate on behalf of the council to agree the best terms within the parameters set out within the policy. A draft Partnership Agreement between SDC and the KFO is attached at Appendix E.

6. RISK MANAGEMENT ISSUES

6.1 The following risks have been identified:

Perceived risk	Seriousness	Likelihood	Preventative action
The council is held responsible for incidents which occur when filming	High	Low	The Policy makes clear that Liability for any filming undertaken on council land is the sole responsibility of the

takes place on council land			<p>production company and its employees or the individual who has sought permission to film. The council, through the KFO, checks it has an indemnity before granting permission to film.</p> <p>The Policy provides a framework to manage all filming on council land including a code of conduct.</p> <p>The Kent Film Office checks Public Liability Insurance and risk assessments are in place.</p>
The council is unable to manage requests to film on council land effectively	Medium	Low	The Policy provides a much clearer framework for managing requests and makes more information available to applicants seeking permission to film.
The charging schedule is prohibitively high and deters commercial filming in the district	Medium	Low	Council officers have undertaken a benchmarking exercise to match the proposed charges to comparable authorities. The SDC charges are in line with what other LAs charge.

7. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

7.1 Legal Officer's Comments (DK)

The Council has capacity to enter into the draft Partnership Agreement with Kent Film Office and the Location Release Form. Legal Services has not had opportunity to advise on the text of either contract and we recommend that approval of the entering into of each contractual relationship be conditional upon receipt of legal advice that there are no serious adverse implications in doing so.

In addition Cabinet must be aware that neither contract can result in the Council 'trading' i.e. making a net profit as a result of granting permission to third parties to film, doing so requiring a number of conditions precedent needing to be complied with in advance, including a full business case being prepared (and approved) and an independent company being set up through which trading can take place.

7.2 Finance Officer's Comments (DB)

Comments incorporated in body of report.

7.3 Diversities and Equalities Implications (MM)

There are no major equality issues arising from the adoption of a Filming Policy by the council. However, as it is a new policy, the council has completed a stage one Equal Treatment Assessment (ETA) to be found at Appendix D of the policy.

8. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Tamasin Jarrett - Community Development Manager

Telephone: 01303 853277

Email: tamasin.jarrett@folkestone-hythe.gov.uk

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

(Note: only documents that have not been published are to be listed here)

Appendices:

Appendix 1: Filming and Photography Policy

Folkestone

Hythe & Romney Marsh

Shepway District Council



Filming & Photography Policy

September 2015

Contents

Section 1:	Purpose of the Filming and Photography Policy
Section 2:	Background
Section 3:	Legislative Framework
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Appendix A:	The Film Request Process
Appendix B:	Shepway District Council Location Release Form
Appendix C:	Summary of the Kent A-Z filming guidelines
Appendix D:	Equality Impact Assessment
Appendix E:	Partnership Agreement between SDC & the Kent Film Office

Section 1: Purpose of the SDC Filming & Photography Policy

- 1.1 The purpose of this policy is to set out the framework for filming in Shepway and the charges that apply for filming on land owned by Shepway District Council.
- 1.2 This policy provides a framework for Shepway District Council staff to determine whether or not an application to film or take photographs on council land should be approved or rejected. Moreover, it specifies what fees should be applied in different circumstances.
- 1.3 The policy provides information to film makers and photographers to allow them to submit an application to film on council land. It also clearly states the responsibilities of individuals and companies to:
 - provide sufficient notification to local agencies of the intention to film;
 - submit the required documentation in order for local agencies to be able to issue the appropriate permits to film; and
 - adhere to the required code of conduct for filming in the district.

Section 2: Background

- 2.1 Shepway District Council recognises the positive contribution that film production and photography can make to the local area with particular regard to the direct economic benefits they can bring and the enhanced tourism interest in the district. As a consequence, the Council endorses film friendly policies supporting the work of production companies that act in a responsible and professional manner.

Section 3: Legislative Framework

- 3.1 The legal frameworks governing filming, as well as the relevant pieces of legislation are set out in the [Kent A-Z Filming Guidelines](#).

Section 4: Types of Filming and Photography

- 4.1 The Filming & Photography Policy seeks to apply to filming and photography that is intended to be commercial or comparable to the scale of a commercial shoot.
- 4.2 The description of 'Filming' as set out in this policy could include feature films, television productions, commercials, music promotion videos, corporate filming, student/short films and commercial stills photography.

Section 5: Policy Objectives

- 5.1 Shepway District Council's Filming and Photography Policy is intended to further the following policy objectives:
 - Maximise inward investment in the Shepway economy from film and television production;

- Promote the district in the best possible manner to encourage visitors and boost tourism;
- Ensure all filming and photography is conducted in a safe manner and the public's health and safety is protected at all times; and
- Minimise any disruptive effect filming and photography may have on others.

5.2 Shepway District Council is committed to working closely with the Kent Film Office to:

- Support the Kent Film Office to become the first point of call for all productions wishing to film in Shepway, allowing them to co-ordinate the process of obtaining permissions from local agencies.
- Use one uniform filming form that has been developed in conjunction with all the district and borough councils to ease the amount of administration a production company is expected to complete when engaging in cross border filming in Kent and thus encourage an increase in filming opportunities for the county.
- Promote and recommend suitable locations for filming in Shepway; and
- Share data with the Kent Film Office regarding the number of days filmed in an area, the income generated, and the nature of the filming. This information will be collated by the Kent Film office and used to demonstrate the economic benefits of filming in Kent.

Section 6: Land Ownership in Shepway

- 6.1 Shepway District Council can only give consent for filming on property that it owns. It is film-makers' responsibility to liaise with private landowners.
- 6.2 The Kent Film Office holds an online database of filming locations in Shepway. www.kentfilloffice.co.uk
- 6.3 Dungeness Estate – At the Dungeness Estate, filming is managed and supervised by the Romney Marsh Countryside Partnership for the Dungeness Estate and charges are made for photo shoots, film shoots and student shoots. The funds raised from the charges are allocated towards the future management of the land.

Romney Marsh Countryside Partnership

<http://www.rmcp.co.uk/>

Tel: 01797 367934.

Email: info@rmcp.co.uk

- 6.4 Sites of Special Scientific Interest (SSSI) – Most of the SSSIs in Shepway are privately owned, Shepway District Council cannot therefore grant permission to film on them or offer to manage the film shoots. Applicants must contact the private landowner and Natural England with the assistance of the Kent Film Office.

Shepway District Council owns SSSI land in the following areas:

- Dungeness
- Greatstone Dunes
- Romney Warren Country Park
- Folkestone Warren

Where requests are made to film in these areas, it is a requirement that filming or photography is supervised by a member of the local authority or the White Cliffs Countryside Project on their behalf. Prior notification must therefore be given to the Kent Film Office for the necessary arrangements to be made.

Section 7: Application Process and Notifications

- 7.1 The Kent Film Office is the central hub for all filming requests for Kent. Due to its understanding of the requirements of the filming industry and knowledge of film locations across the district, all enquiries should be processed through the Kent Film Office. See Film Request Process at Appendix A.
- 7.2 All applications to film on Shepway District Council land should be directed to www.kentfilmoffice.co.uk. Any enquiries made directly to Shepway District Council via the customer contact centre, website or the Communications Team will be referred to the Kent Film Office.
- 7.3 Kent Film Office issues filming permits through a quick, [online application process](#). The applicant is requested to provide the following summary information:
- Name
 - Position
 - Email address
 - Phone Number
 - Project Name
 - Start Date
 - End Date
 - Crew Size
 - Film type (from a menu of options)
- 7.4 Applicants are also required to attach a copy of their Public Liability Insurance Certificate (if applicable) with their application form.

- 7.5 There is a separate application process for students. They are required to fill in the [Student Filming Application](#) form. Students are required to provide the following information:
- Name
 - Email address
 - Phone Number
 - College/University
 - Course
 - Name of Project
 - Number of crew/cast
 - Start Date
 - End Date
- 7.6 Community groups and charities are required to follow the [Student Filming Application](#) process.
- 7.7 Additional information may be requested at any point by either the Kent Film Office or Shepway District Council during the application process and following permission being granted. This may include:
- A brief outline of the filming/photography to be undertaken, including a statement about the intended purpose of and end use of the imagery.
 - Details of the location(s) where filming/photography is to take place.
 - A list of equipment that will be used, including any electrical equipment that is to be plugged into a supply within a council-owned property. All equipment must be PAT tested and certified as safe to use.
 - A list of crew (including full names); and
 - Details of any vehicles involved in the shoot, including registration details.
 - Whether filming involves any of the following (as additional permits may need to be issued):
 - Animals
 - Child Performers
 - Cranes/camera cranes and aerial platforms
 - Highways / Traffic Management
 - Filming from a vehicle
 - Lighting, Scaffolding and Generators
 - Night Filming
 - Actors in Police / Emergency Services uniforms or vehicles
 - Stunts / visual effects
 - Changing of road markings and signs
 - Changing of street signs / street furniture / street lighting
 - Any weapons (real or replica) and / or staging of a crime
- 7.8 It is the responsibility of the applicant to supply a complete application form and provide both the Kent Film Office and Shepway District Council with all the documentation required. **Page 122**

- 7.9 Wherever possible, Notice of Intent to film should be given after initial location reconnaissance and at least one week before filming commences.
- 7.10 The Kent Film Office requires at least two weeks notice of any filming on the highway or filming requiring special permits from the date it receives the applicants' documentation.

Section 8: Decision Making Process

- 8.1 As the main point of contact, the Kent Film Office is responsible for agreeing the charge with the customer, checking availability of the site and securing the relevant permissions from the landowner, checking appropriate levels of Public Liability Insurance and relevant risk assessments are in place, and finally for granting a filming permit by way of permission.

Shepway District Council – Approval to use Council land

- 8.2 In determining whether or not the Council will grant permission to film on council land, the following checks will need to be made:
- 8.3 Land Ownership – Property services will need to carry out a property search to confirm that the land is owned by Shepway District Council. If it is not, then the applicant will be referred to the relevant land owner where this can be determined or back to the Kent Film Office where it cannot.

Applicants are able to make their own enquiries via the Land Registry but there is a small fee (£6 at the time of writing) to determine who owns a piece of land. <http://www.landregistry.gov.uk/public/property-ownership>

- 8.4 Any filming request for Folkestone Parks & Pleasure Ground Charity land would require permission from the charity trustees which would be managed internally by SDC. This includes the following sites:
- Radnor Park
 - East Cliff & The Warren
 - The Durlocks
 - Morehall Recreation Ground
 - Canterbury Road Recreation Ground
 - Coastal Park
- 8.5 Legal Covenants – In some instances there are restrictions on what activity can be carried out on a particular piece of land, which may restrict or prevent filming from taking place. In conducting their searches, Property Services will determine whether or not any covenants apply.
- 8.6 Insurance – The council's Insurance Officer will check the applicant's Public Liability Insurance and ensure that the council is granted indemnity when filming is taking place on council land.
- 8.7 Health and Safety – Details of the application to film including the appropriate risk assessments will be passed to the council's Corporate Health and Safety Officer. This person will be asked to reassure himself/herself that filming presents no significant health and safety risk to the public.

- 8.8 Reputation Management – The council’s Communication Team will be asked to confirm that filming presents no reputational risk to either the council or the district.
- 8.9 The process of seeking the relevant approvals from different council services will be co-ordinated by the council’s Community Development Team. The decision to grant permission to film on Council land will be taken by the council’s Community Development Manager or Head of Service.

Shepway District Council – Other decisions

- 8.10 Further to the decisions which are needed in order to grant permission to film on council land, applicants will separately need to contact the following council services for other permissions relating to filming in the district. The applicant should deal directly with the service in question.
- 8.11 Parking Services – detailed parking plans need to be agreed with the council’s Parking Manager; in particular for on-street parking for technical vehicles, equipment and bays to be reserved for continuity. Prior agreement must be secured from the Film Contact to block a footway for filming.
- 8.12 Planning Services – Planning permission may be required for some temporary structures. Queries should be directed to the council’s Planning Department.
- 8.13 Environmental Health – Any filming which is likely to create a lot of noise or require filming at night should be referred to the council’s Environmental Health Team – Pollution and Housing so that they can determine whether such filming is appropriate and what restrictions may be required.

Decisions taken by other agencies

- 8.14 Applicants seeking to film in the district may require additional permissions or filming permits, which are the responsibility of other landowners or local agencies. These are summarised in Appendix C: Summary of the Kent A-Z filming guidelines.
- 8.15 This policy makes clear it is the responsibility of the applicant to seek these permissions and not Shepway District Council. The applicant is expected to deal directly with the relevant agency and not via the council.
- 8.16 Shepway District Council will consent to sharing information on its Basecamp system to help disseminate relevant documents to appropriate local agencies to help expedite the process but it takes no responsibility for chasing up information or guaranteeing a response.

Section 9: Granting Permission to Film or Take Photographs

- 9.1 Providing permission to film is granted by email by the Kent Film Office once the land owner has approved the filming request.
- 9.2 Shepway District Council will issue a signed Location Release Form for medium and large filming requests (see Appendix B) once it has conducted the necessary checks

and is satisfied that filming can take place on council land. This form will be signed by the Community Development Manager or Head of Communities.

- 9.3 Liability for any filming undertaken on council land is the sole responsibility of the production company and its employees or the individual who has sought permission to film.
- 9.4 The film maker or photographer will need to seek permission from other agencies for other permits that may be required to enable filming to take place. This can be supported by the Kent Film Office. Shepway District Council assumes no responsibility to secure the relevant permissions from other parties including Kent Police, Kent Emergency Services and Kent Highways Authority.
- 9.5 No filming activity should take place until permissions have been granted by all the relevant parties. The production company must ensure that all those affected by filming have been consulted and informed of arrangements.
- 9.6 In granting permission to a film maker or photographer to film on council land, the Kent Film Office asks the company or individual to abide with both the [KFP Code of Practice](#) and the [Kent A-Z Filming Guidelines](#).
- 9.7 Although the Code of Practice itself is voluntary, it incorporates references to statutory obligations to which all those engaged in filming must adhere. The Kent A-Z Filming Guidelines also provides an overview of statutory obligations.

Section 10: Refusing permission to film or take photographs

- 10.1 Shepway District Council aims to accommodate suitable filming requests that do not disrupt or inhibit public use of an area; conflict or be likely to conflict with other uses of the land/property; or endanger the public.
- 10.2 However, Shepway District Council reserves the right to refuse an application to film or take photographs on council land or property if one or more of the following conditions apply:
- 10.3 Public Liability Insurance – The applicant cannot provide evidence to substantiate that they have a minimum Public Liability Insurance of £5 million.
- 10.4 Health and Safety concerns – One or more members of the district’s Safety Advisory Group (SAG) express concerns that there is a risk to public safety, which has not been addressed by the applicant in their risk management plan.
- 10.5 Terms and conditions – The applicant is unable to fulfil the terms and conditions as set out in the Location Release Form.
- 10.6 Code of conduct – The council is not reassured that the applicant will be able to meet the conditions set out in either the Kent Code of Practice or the Kent A-Z Filming Guidelines.

- 10.7 Reputation – The council has concerns that the nature of the filming or photography on its land or property will negatively impact upon the reputation of the council or the district.
- 10.8 Failure to pay – The applicant is unable to pay the agreed fee in advance to film or take photographs on council land or in council property.
- 10.9 The decision to refuse an application will be taken by the council’s Community Development Manager or Head of Service in consultation with the relevant Cabinet Member.

Section 11: Notifications

- 11.1 All parties who intend to film in Shepway must ensure that all those affected by filming have been consulted and informed of arrangements.
- 11.2 Kent Film Office and the relevant partner agencies (including police and local authority departments) must be consulted on all filming activity due to take place on public or private property in Shepway where it impacts on public areas.
- 11.3 Emergency Services must be notified of and consulted on all filming activity and access for emergency vehicles must always be maintained during location filming.

Section 12: Charging Schedule

- 12.1 All charges will be agreed and an agreement signed in advance of filming.
- 12.2 Shepway District Council has approved the following charging schedule for filming on council land:

Type of Request	Charge
Student / Charities / News Crews	Free
Commercial Filming – Small Crew (Upto ten people & small tripod)	Upto £500 per day or £85 per hour
Commercial Filming – Medium Crew (Upto 40 people, kit & trucks)	Upto £2,000 per day or £340 per hour
Commercial Filming – Large Crew (More than 40 people, kit & trucks)	Upto £3,000 per day or £510 per hour

- 12.3 The charges set out in the table are those agreed for the financial year 2015/16 and will be subject to an annual review. For an up-to-date charging schedule, please refer to Shepway District Councils [published fees and charges](#) on the council website.

- 12.4 Charges do not apply for the following individuals and organisations and no commission will therefore be levied by the Kent Film Office:
- Students creating films as part of their academic studies
 - Registered charities or community groups
 - Broadcasters generating news reports and news related features
- 12.5 Students – for the purpose of this policy, a student is defined as someone who is in full or part-time education with an approved college or university and is undertaking filming as part of their course. In order to be able to film, the student(s) must be covered by insurance provided by their college or university.
- 12.6 Charities – no charge will apply to organisations that are registered charities with the Charity Commission.
- 12.7 Community groups – no charge will apply to local voluntary and community groups. In order to qualify, an organisation must be based in Kent, must be a formally constituted body, non political and should be a non profit making body.
- 12.8 News reports – no charge will apply to broadcasters or organisations filming a brief account or report of an event or news item that is occurring in the district.
- 12.9 The following services may incur additional charges at cost:
- provision vehicles to wet down the street;
 - refuse collection;
 - removal of street furniture;
 - suspension of parking meters and any other parking provisions; and
 - any damage caused by a production company to the carriageway, footway or street furniture.
- 12.10 Filming shoots which are undertaken without the appropriate permissions or payments will result in the individual or organisations being escorted off council land. Any filming undertaken without signed agreement may incur extra charges.
- 12.11 Shepway District Council and the Kent Film Office reserve the right to assess any charges to be applied.

Section 13: Payments

- 13.1 Payments for filming permits are taken in advance by the Kent Film Office.
- 13.2 The Kent Film Office will collect payment on behalf of Shepway District Council in line with the Film Charging Schedule set out in Section 12 of this policy.
- 13.3 The Kent Film Office will hold all payments accruing to Shepway District Council. The council invoice the Kent Film Office once per year during March for the charges that have been made, less 10% as a management fee to the Kent Film Office.

Section 14: Cancellation and Refunds

- 14.1 In the event of the Company cancelling the hire the of the Location less than seven days, but more than 48 hours before commencement of the Initial Use Period or Further Use Period (as applicable), a cancellation fee equivalent to 20% of the outstanding Fees shall be payable. In the event of the Company cancelling the hire of the Location less than 48 hours before commencement of the Initial Use Period or Further Use Period (as applicable), a cancellation fee equivalent to 50% of the outstanding Fees shall be payable.
- 14.2 Should the filming need to be cancelled due to weather we will look to re-accommodate the activity on another date. If not rescheduled, the cancellation policy point outlined in 14.1 will be implemented.

Section 15: Code of Conduct

- 15.1 Film-makers and photographers are responsible for their own conduct and the conduct of their staff and crew during shoots. All individuals and organisations obtaining permission to film or take photographs on Shepway District Council land are asked to abide by the [Kent Code of Practice](#).
- 15.2 All filmmakers and photographers will be expected to abide by any site rules or by-laws relating to a specific location.
- 15.3 All individuals and organisations obtaining permission to film or take photographs on Shepway District Council land are asked to abide by the rules and regulations around location filming, as set out in the Kent Film Office [online A-Z Filming Guidelines](#).
- 15.4 The guidelines provide an overview of the filming requirements and legislative framework which apply when filming in the district.
- 15.5 The A-Z Filming Guidelines are intended as a guide to the requirements of filming in Kent. The document is not exhaustive and the Production must enter into a specific agreement before filming can be started. The Kent Film Office accepts no liability for loss, financial or otherwise, alleged to have been incurred as a result of these guidelines.
- 15.6 The A-Z Filming Guidelines along with other documentation associated with the filming forms part of the agreement to film.

Section 16: Copyright

- 16.1 The film company or individual shall own the entire copyright and all other rights of every kind in and to all film and audio and audio-visual recordings and photographs on council land.
- 16.2 The company or individual shall have the right to assign licence and sub-licence the whole or any part of their copyright pursuant to this agreement to any company or individual.
- 16.3 Anyone carrying out commercial filming or photography on Shepway District Council land without permission will not own the copyright of their films and photographs which will pass to the council.

- 16.4 It is expected that appropriate credits or acknowledgements will be given when filming on council land or property. By agreement, these may include the name of Shepway District Council, or words relating to the location. For example: "Filmed on location on the Romney Marsh", or "Shot on location in Folkestone", or "Location courtesy of Shepway District Council, Folkestone."

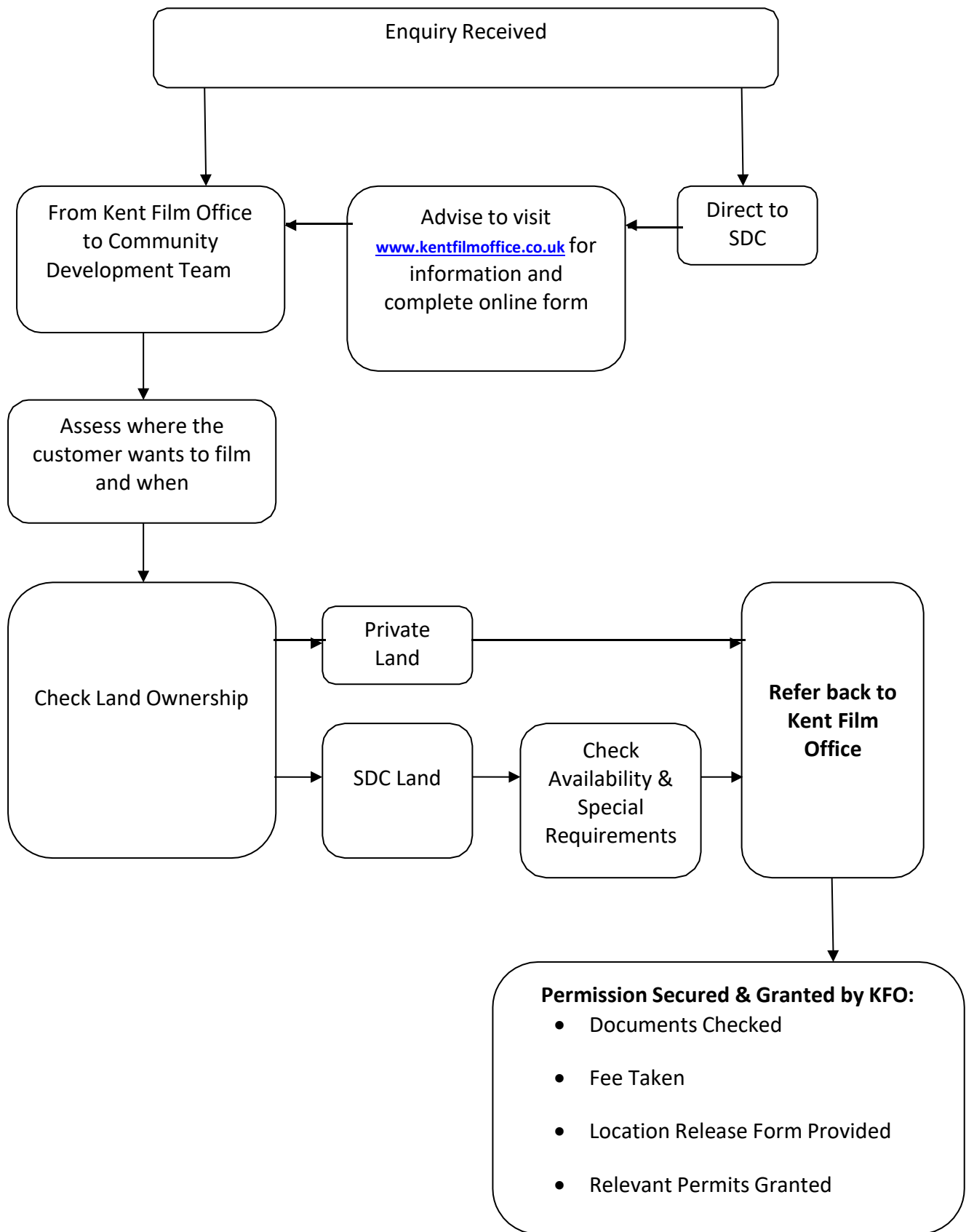
Section 17: Useful Contacts

- 17.1 Kent Film Office
www.kent.gov.uk/filmoffice
Tel: 0300 333 5656
- 17.2 Shepway District Council Communications Team
communications@folkestone-hythe.gov.uk
Tel: 01303 853000
- 17.3 Shepway District Council: Community Development Team
policy@folkestone-hythe.gov.uk
Tel: 01303 853277
- 17.4 White Cliffs Countryside Project
kirk.alexander@whitecliffscountryside.org.uk
Tel: 01304 241806

Section 18: Review

- 18.1 This policy will be reviewed on an annual basis. Minor alterations to the policy will be approved by Shepway District Council's Corporate Director with responsibility for communications in consultation with the Cabinet Member responsible for the service. Any substantive alterations to the content of the policy will be approved by Cabinet.
- 18.2 An Equality Impact Assessment will be completed if there is a major revision to this policy, which requires it to go to Cabinet in line with the council's statutory duties as set out in the Equality Act 2010.

Filming Photography Requests - Recommended Process



Appendix B:

Location Release Form

- (1) Shepway District Council, Civic Centre, Castle Hill Avenue, Folkestone, Kent CT20 2QY ("the Council")
- (2) [] of [] ("the Company")
- (3) [] ("the Production")
- (4) [] ("the Property" or location)

This Location Release confirms the agreement between the Council and the Company pursuant to which the Council has agreed to make available to the Company the Property.

1. The Property shall be made available to the Company for the purpose of filming [exterior and/or interior] scenes in connection with the Production on [] ("the Release Period").
2. The Council agrees to the provision of access for all personnel, props, equipment, vehicles and artists required by the Company for use in connection with the making of the Production.
3. The Company shall be entitled to make such use of the Property they may require during the Release Period but shall not make any alteration to the Property [and shall represent the Property under its proper name *use as applicable*]. During the Release Period the Company shall have use of the Property (being neither sole nor exclusive use).
4. The Company shall be entitled to incorporate all or any part of films photographs and recordings whether audio or audio-visual made in or about the Property in the Production either as a sequence or on their own or preceded or interlaced or followed by such other scenes as the Company may require in their sole discretion.
5. The Company shall own the entire copyright and all other rights of every kind in and to all film and audio and audio-visual recordings and photographs made in or about the Property including without prejudice to the generality of the above the irrevocable right to use or not to use any and all such film and audio and audio-visual recordings and photographs of the Property [together with the real name of the Property *use as applicable*] in or in connection with the Production and to exploit the Production by any manner or means now known or in the future invented in any and all media throughout the world for the full period of copyright.
6. The Company shall have the right to assign licence and sub-licence the whole or any part of their rights pursuant to this agreement to any company or individual.
7. The Company shall be liable for and shall indemnify the Council against any and all liabilities, actions, claims, proceedings, costs, losses and expenses (including any claims of any adjoining

owners or third parties) resulting from the act, omission or default of the Company, its servants, agents or contractors arising under any statute or at common law in respect of (i) damage to the Property or its contents, (ii) damage to any property, real or personal, or (iii) any injury to persons, (including injury resulting in death) in each case arising directly or indirectly out of or in the course of or in connection with the use of the Property by the Company or any failure by the Company or its servants, agents or contractors to comply with the obligations of the Company contained or referred to in this agreement.

8. The Company agree not to act or permit any act or to omit to act in any way that may cause nuisance to any persons lawfully using the Property or any of the owners or occupiers of land adjoining the Property.
9. The Company shall comply with all statutes, rules and regulations (including all relevant health and safety requirements) applicable to its use of the Property.
10. The Company shall comply with the [Kent Code of Practice](#). And the [Kent A-Z Filming Guidelines](#).
11. The Company shall have public liability insurance for not less than Five million pounds (£5,000,000) covering the Release Period evidence of which has been provided in advance of entering in to this Agreement. The Council will notify the Company in writing within five working days of any claim coming to the Council's attention.
12. In consideration of the rights granted to the Company under this Agreement the Company undertake to pay to the Council the sum £[] on receipt of the invoice raised by Shepway District Council and any other costs to third parties involved.
13. This Agreement shall be governed by and construed in accordance with the law of England and Wales the courts of which shall be courts of competent jurisdiction.

Signed: _____

Signed by: _____

Position: _____ on behalf of the Company

Signed: _____

Signed by: _____

Position: _____ on behalf of the Council

Appendix C:

1. The guidelines apply to:
 - Production, which refers to a Producer, Location Manager, Production Company or Production Manager or any authorised officer or employee of such a company or its agents; and
 - Film Contact which denotes the person appointed by any given organisation, agency, private company, charity, the Kent Film Office or local authority to manage the filming on their behalf.
2. Animals – The Production agrees to follow the Health and Safety Executive guidance sheets on working with animals including dangerous animals.
3. Cabling – The Production shall agree in advance with the Film Contact regarding the appropriate use of cables, the safe laying of agreed cabling and the suitability of attaching cables to street furniture, trees, historic properties and any other relevant items.
4. Camera track – All matters relating to tracking shall be discussed and agreed with the Film Contact in advance of filming. Any obstructions or alternative footways planned must be cleared by the Film Contact. Tracking boards may be required in certain circumstances.
5. Catering and the removal of litter – Catering arrangements and the positioning of catering vehicles shall be agreed in advance with the Production and Film Contact. The Production shall ensure that no dirty water or food waste be deposited in rainwater gullies and that caterers use a dirty water bowser where possible. It is the responsibility of the Production to ensure that all litter is removed before the end of filming each day.
6. Charging – All charges will be agreed, and an agreement signed, in advance of filming. Some services may incur an additional charge.
7. Child Performers – The Production must make adequate provision for the health & welfare needs of any children employed when filming. Any filming involving the employment of children (whether paid or unpaid) must be specifically agreed in advance of filming through Kent County Council's Education Welfare service.
8. Coning – The Production acknowledges that cones have no legal force to secure parking and their use shall be agreed in advance with the highways authority, the District Council responsible for parking enforcement and/or the police.
9. Consultation – Successful filming relies upon the local residents and business receiving adequate notice where appropriate. Letters should be sent to local residents and businesses outlining fully the intended filming.
10. Council property – Whenever filming on Council-owned property e.g. in parks, schools, town halls etc, the Production shall negotiate a license with the Kent Film Office.
11. Cranes, camera cranes and aerial platforms – Permission will be granted by the Kent Film Office. Relevant Health and Safety checks, method statements and risk assessments must be in place.

12. Drones – Filming with drones requires permission to be issued by the Civil Aviation Authority.
13. Firearms – No firearms of any kind, including prop or replica firearms, shall be used without agreement in advance between the Production and the police and/or appropriate emergency service and the Film Contact,
14. First Aid – By law, the production is responsible for providing suitable first-aid equipment, facilities and personnel to enable first aid to be given to employees if they are injured or become ill during filming.
15. Health and Safety – The Production is bound by law to have health and safety assistance. In the event that the Production involves less than five people, the Kent Film Office should be contacted for advice. Failure to follow appropriate Health & Safety procedure may invalidate any insurance.
16. High visibility clothing and personal safety equipment – The Production shall ensure that the appropriate level of safety clothing is worn for the safety of the crew when filming on the public highway and in the public domain.
17. Highways: Traffic Management – The Production shall liaise with the relevant Film Contact when wishing to use public highways and footpaths. Any traffic management measures put in place must also be agreed by Kent Police. Kent County Council has the powers to close sections of the public highway and public rights of way for the purposes of filming. The legislation allows for varying methods to achieve this, depending on the location requested and the type and extent of the filming proposed.
18. Highways: Filming from moving vehicles – The Production shall discuss and agree with the Film Contact and any other relevant authorities when filming from a moving vehicle on a public road. Please note this section refers to but is not limited to filming using low loaders, tracking vehicles and a-frames.
19. Historic Buildings and Conservation Areas – Special attention and care must be taken when a production is planning to use any historic buildings, heritage sites or conservation areas. Access by the general public may be a requirement by law.
20. Indemnity and Insurance – The Production shall obtain and produce a copy of the relevant insurance needed before shooting commences. The Production will be expected to indemnify the local authority, its officers and employees against any claims or proceedings arising directly from any injury to persons or damage to property as a result of the activities of the Production. The need for insurance is governed by statutory obligation.
21. Lighting, Scaffolding and Generators – The Production shall agree the positioning and safety of equipment in advance with the Film Contact and/or designated authority. An appropriate degree of flexibility may be agreed providing it is within the parameters of Health and Safety legislation.
22. Night filming – The Production shall consider and consult with the Film Contact, local residents and businesses in the planning process. Any activity, including filming, is subject to the Environmental Protection Act 1990 regarding noise and nuisance. A legitimate complaint of noise or nuisance from a resident to the

local authority can result in the termination of the shoot and the confiscation of equipment. Excessive noise, or filming, rigging or de-rigging involving noise outside agreed times, will result in the termination of filming. All agreed fees will remain chargeable and excess fees may be charged.

23. Noise and nuisance – Use of audio playback and megaphones shall only be permitted following agreement between the Production and the Film Contact.
24. Parking – The Production shall submit detailed parking plans to be discussed and agreed with the Film Contact and Parking Manager at the relevant District Council; in particular for on-street parking for technical vehicles, equipment and bays to be reserved for continuity. The Production shall make every effort to find off street parking for all facilities vehicles. It is inadvisable to enter into binding contracts or assume that a location is viable until parking requirements have been agreed with the Film Contact. The Production is responsible for the adherence to parking or vehicular movement agreements made with the Film Contact. Resident's bays are rarely suspended and "Disabled bays" (whether for a designated person or for disabled drivers in general) will not be suspended where an alternative exists and only in very special circumstances where one does not. Film vehicles will not be allowed to park in such a way that the passage of pedestrians or vehicular traffic is blocked or impeded or that emergency access is restricted or denied. Prior agreement must be secured from the Film Contact to block a footway for filming.
25. Planning – Planning permission may be required for some temporary structures.
26. Police and Emergency Services – The Production shall inform the police and/or appropriate emergency service of all proposed filming on the street and/or in a public space in liaison with the Film Contact.
27. Props – Any props used during the shoot will be removed and the area made good.
28. Public Liability Insurance – The Production will provide a copy of Public Liability Insurance for all location filming and agree to indemnify the location owner or representative against any claims arising as a direct result of the activities of the Production.
29. Residents and Businesses – The Production shall consider and consult with local residents and businesses that may be affected by their filming prior to and during the shoot.
30. Risk Assessments – Risk Assessments are required by the self-employed and by any company with employees to be able to satisfy their insurance provisions and statutory obligations to employees and those affected by their actions. Additional location specific Risk Assessments are also required depending on the type and nature of filming.
31. Rivers and waterways – When planning to film on any waterway, the Production will liaise with the Film Contact from the relevant governing body as early as possible. Specific health and safety measures will apply.

32. Road markings and signs – The temporary painting-out or disguising of road markings, lines or other road signs is subject to agreement in advance with the Film Contact and, if necessary the Highways Authority. The Production shall also notify local Police in advance of any such undertaking. The Production agrees to fully reinstate any alterations to road markings to the satisfaction of the Highways Authority and when obliged to use official contractors shall pay cost price.
33. Security – The Security Industry Authority (SIA) is the organisation responsible for regulating the private security industry in the UK. All production hired security must be SIA licensed.
34. Signage – All signs directing crew to specific locations must be erected by a contractor approved by relevant Highways Authority and must be taken down after filming. Unless approved by the relevant Highways Authority, unit direction signage on the highway is illegal. The Production shall consult the Film Contact before attaching all other non-public highways signage.
35. Sound playback – The filming of artists to sound play-back can only be undertaken with the prior agreement from the Film Contact, at any time.
36. Street Signs / Street Furniture / Street Lighting – The removal of street furniture, including street signs, and the adjustment of street lighting shall be subject to agreement in advance between the Film Contact and, if necessary, the Highways Authority. All agreed work shall normally be carried out by the Highways Authority and charged to the Production at cost. The Production shall agree to cover these costs and those of re-instatement. Minor work by the Production may be permissible with prior permission and any damage or reinstatement costs would have to be met by the Production.
37. Stunts/Special Effects/Pyrotechnics – The Production shall notify the relevant Film Contact or relevant third party whenever stunts are to be used. A full method statement and risk assessment may be required.

As this is a new council policy, it will require a stage one Equality Impact Assessment. There may be some issues relating to:

- Ensuring the filming permissions process is open and accessible to all groups (e.g. key documents are available in easy read formats or can be available in languages other than English if required)
- Charging for groups with protected characteristics although they are likely to be non-commercial and therefore exempt from charges
- Additional permissions for certain types of activity – e.g. filming involving children. This is covered by the Code of Practice and Filming Guidelines.
- Minimising the negative impacts of filming on individuals and communities. Again, this is covered by the Code of Practice and Filming Guidelines.

APPENDIX E:

Partnership Agreement between Shepway District Council and The Kent Film Office

This agreement forms the basis of a joint working relationship between Shepway District Council and the Kent Film Office to deliver filming and photography shoots across the District of Shepway.

As part of this Partnership, Shepway District Council will:

Nominate the Community Development Team as the team to liaise directly and coordinate internal information for the Kent Film Office.

Be supportive of the Kent Film Office in developing the Shepway offer to the film industry which should be seen to compliment the County and Regional offer.

Liaise fully with the Kent Film Office to promote and recommend suitable locations for filming in Shepway in order to secure filming and photography shoots in the District.

Support the Kent Film Office to become the first point of call for all productions wishing to film in Shepway, allowing them to co-ordinate the process of obtaining permissions from local agencies.

Use one uniform filming form that has been developed in conjunction with all the district and borough councils to ease the amount of administration a production company is expected to complete when engaging in cross border filming in Kent and thus encourage an increase in filming opportunities for the county.

Share data with the Kent Film Office regarding the number of days filmed in an area, the income generated, and the nature of the filming. This information will be collated by the Kent Film office and used to demonstrate the economic benefits of filming in Kent.

As part of this Partnership, the Kent Film Office will:

Seek to maximise inward investment in the Shepway economy from film and television production.

Seek to promote the district in the best possible manner through filming and photography to encourage visitors and boost tourism.

Ensure filming and photography is conducted in a safe manner and the public's health and safety is protected at all times, ensuring that adequate Public Liability Insurances and Risk Assessments are in place.

Ensure the principles set out in the Kent A-Z Filming Guidelines are adhered to.

Ensure the Location Release Form is completed for filming and photography being conducted on Shepway land.

Minimise any disruptive effect filming and photography may have on others.

Financial Arrangements

The Kent Film Office will collect payment on behalf of Shepway District Council in line with the Film Charging Schedule set out in Section 12 of the Filming & Photography Policy.

The Kent Film Office will hold all payments accruing to Shepway District Council.

The Council will invoice the Kent Film Office once per year during March for the charges that have been made, less 10% as a management fee to the Kent Film Office.

This Agreement will remain in force until further notice, and will be reviewed on an annual basis. There shall be nothing to prevent either party from withdrawing from this agreement at any time through written agreement.

Actions by either Partner shall not imply legal responsibility for such actions by the other party, and there shall be no recourse to law by either party to enforce the provisions set out in this agreement.

Information shared within the terms of this Agreement shall be subject to normal requirements of the Freedom of Information Act 2000 and within the terms of the Data Protection Act 1998 including any exemptions.

Alistair Stewart
Chief Executive
Shepway District Council

David Cockburn
Head of Paid Service
Kent County Council

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This Report will be made public on 27 October 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/15/41**

To: Cabinet
Date: 4 November 2015
Head of Service: Joanna Miller, Finance
Cabinet Members: Councillor Miss Susan Carey, Finance and
Councillor Alan Ewart-James, Housing

SUBJECT: HOUSING REVENUE ACCOUNT REVENUE AND
CAPITAL BUDGET MONITORING 2015/16 – 2nd
QUARTER

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 2015.

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/15/41.

1. INTRODUCTION

- 1.1 This report informs Cabinet of the likely projected outturn on HRA revenue and capital expenditure for 2015/16.
- 1.2 The projections are based on actual expenditure and income to 31 August 2015. Some caution therefore needs to be exercised when interpreting the results. However, a thorough budget monitoring exercise has been carried out.

2. HOUSING REVENUE ACCOUNT REVENUE 2015/16 (see Appendix 1)

- 2.1 The table below provides a summary of the projected outturn compared to the latest budget for 2015/16.

	Latest Budget	Projection	Variance
	£'000	£'000	£'000
Income	(16,306)	(16,279)	27
Expenditure	8,722	8,589	(133)
Share of Corporate Costs	229	229	0
Net Cost of HRA Services	(7,355)	(7,461)	(106)
Interest Payable/Receivable etc	1,622	1,612	(10)
HRA Surplus/Deficit	(5,733)	(5,849)	(116)
Repayment of Debt	900	900	0
Revenue Contributions to Capital	5,423	5,423	0
Decrease/(Increase) to HRA Reserve	590	474	(116)

- 2.1.1 The table shows that overall at quarter 2 there is a projected decrease in net expenditure of £116,000 on the HRA.

- 2.2 The main reasons for this are as follows:-

	£'000
Decrease in bad debt provision (see 2.3 below)	(64)
Decrease in supervision and management (see 2.4 below)	(57)
Increase in dwelling rents	(17)
Decrease in repairs and maintenance	(12)
Increase in investment income	(10)
Decrease in non dwelling rents	22
Decrease in charges for services and facilities	<u>22</u>
Total net projected Housing Revenue Account decrease	<u>(116)</u>

- 2.3 The decrease in bad debt provision relates to the delay in implementing Universal Credit. When the budget was set it was assumed that Universal Credit would be partially implemented within this financial year. However, the latest information we have is that it will start in January 2016.

- 2.4 The underspend within supervision and management mainly relates to an £80k underspend relating to premises insurance. This is following the re-tender for insurance, a competitive bid from our existing insurer and the

low claims experience that has built up over the previous contract term, therefore the premium for HRA has been substantially reduced.

- 2.5 The financial projections have been compared to the previous year's outturn and analysed in detail. These have been adjusted where genuine underspends have previously occurred or where there has been a change to current activity levels.
- 2.6 Overall, the HRA reserve at 31 March 2016 is expected to be £3.778m compared with £3.662m in the latest budget.

3. HOUSING REVENUE ACCOUNT CAPITAL 2015/16 (see Appendix 2)

3.1 The latest approved budget for HRA capital programme in 2015/16 is £9,025,000, the projected outturn for the year is £9,018,000, an underspend of £7,000 on the capital programme. For information, Appendix 2 outlines the current schemes contained within the programme.

3.2 The reasons for the decrease in expenditure is as follows:-

Heating Improvements	-£502k	underspend due to the number of boilers needing replacement was less than originally anticipated
Lift Replacements	-£25k	underspend due to costs being lower than originally budgeted
Fire Protection Works	£250k	overspend due to essential works identified following a fire risk assessment that was carried out
Void Capital Repairs	£120k	overspend based on current level of void properties needing repair
Disabled Adaptations	£80k	overspend due to an increase in applications
Re-roofing	£40k	overspend due to revised tender figure compared to the original budget
Thermal Insulations	£30k	overspend due to an increased demand for loft and wall insulations

3.4 The following table compares the resources required to finance the projected outturn for the HRA capital programme in 2015/16. The variation shown below corresponds to the figure in section 3.1, above.

2015/16 HRA	Capital Receipts	Revenue Contribution	Major Repairs	Total
-------------	------------------	----------------------	---------------	-------

			Reserve	
	£'000	£'000	£'000	£'000
Projected Outturn	1,280	5,423	2,315	9,018
Approved	1,280	5,423	2,322	9,025
Variation	0	0	(7)	(7)

4. RISK MANAGEMENT ISSUES

4.1 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 2015/16 to 2016/17 capital programme will need to continue to be reviewed to take account of the capacity to manage the programme. 2015/16 planned expenditure will need to be reviewed to determine whether any expenditure will fall into 2016/17 and beyond.
Significant amendments having to be made to the financial results following audit.	High	Low	The formal accounts have been prepared in accordance with professional standards and best accounting practice.

5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

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

There are no legal implications arising from this report.

5.2 Finance Officer's Comments (LH)

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

5.3 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. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Leigh Hall, Group Accountant

Tel: 01303 853231 Email: leigh.hall@shepway.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 2015

[Appendix 2](#) Housing Revenue Account capital budget monitoring report at 31 August 2015

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HOUSING PORTFOLIO	LATEST APPROVED BUDGET £000	PROJECTED OUTTURN £000	VARIANCE £000	REASON
INCOME				
Dwelling rents	14,904	14,921	-17	Income higher due to vacant properties being filled quicker
Non-dwelling rents	369	347	22	Due to garages being void
Charges for services and facilities	983	961	22	Reduction in heating income due to some tenants now having their own individual boiler
Contributions from general fund	50	50	0	
Total Income	16,306	16,279	27	
EXPENDITURE				
Repairs and maintenance	3,000	2,988	-12	£50k Void repairs due to current level of voids; -£28k Planned Maintenance; -£14k Communal repairs; -£10k Partnering costs, -£10k Insurance excesses
Supervision and management	4,000	3,943	-57	-£80k Premises insurance due to lower premiums; -£16k Utilities; £20k Compensation payments; £12k Council Tax increase due to change in legislation; £5k Building Cleaning contract; £2k Other minor variances
Rents, rates and taxes	24	24	0	
Depreciation charges of fixed assets	1,524	1,524	0	
Debt management expenses	30	30	0	
Bad debts provision	144	80	-64	Delay in Universal Credit commencing, now January 2016
Total Expenditure	8,722	8,589	-133	
Net	-7,585	-7,691	-106	
HRA Share of Corporate and Democratic Costs	229	229	0	
Net Cost of HRA Services	-7,356	-7,461	-106	
Interest payable	1,753	1,753	0	
Interest and investment income	-105	-115	-10	Due to higher HRA balance than anticipated
Premiums and discounts	-26	-26	0	
(SURPLUS)/DEFICIT	-5,733	-5,849	-116	
MOVEMENTS IN HRA BALANCE FOR 2014/15				
Repayment of Debt	900	900	0	
Revenue contribution to capital	5,423	5,423	0	
Surplus/deficit for the year	-5,733	-5,849	-116	
Increase/Decrease in Net Movement in HRA Balance	590	474	-116	
HRA Reserve balance brought forward	-4,252	-4,252	0	
HRA Reserve balance carried forward	-3,662	-3,778	-116	

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PORTFOLIO AND SCHEMES	LATEST APPROVED BUDGET	PROJECTED OUTTURN	VARIANCE	COMMENTS
HOUSING PORTFOLIO	£'000	£000	£000	
1. Planned Improvements				
Doors	50	50	0	
Re-roofing	150	190	40	Increase due to revised tender figure compared to original budget
Replacement Double Glazing Units	120	120	0	
Heating Improvements	652	150	-502	Due to the number of boilers needing replacement being less than originally anticipated
Kitchens Replacements	500	500	0	
Bathroom Improvements	250	250	0	
Voids Capital Works	150	270	120	Based on current level of void properties needing repair
Disabled Adaptations	270	350	80	Due to increase in applications
Sheltered Scheme upgrades	80	80	0	
Rewiring	90	90	0	
Lift Replacement	140	115	-25	Reduction due to costs being lower than originally budgeted
Thermal Insulation	30	60	30	Due to increased demand for loft and wall insulation
Fire Protection Works	0	250	250	Due to essential works highlighted following a fire risk assessment that was carried out
	2,482	2,475	-7	
2. Major Schemes				
External Enveloping *	350	350	0	
Garages Improvements	35	35	0	
Treatment Works	20	20	0	
	405	405	0	
3. Environmental Improvements				
Environmental Works	270	270	0	
New Paths	15	15	0	
Play Areas	10	10	0	
	295	295	0	
4. Other Schemes				
New Builds	5,620	5,620	0	
EKH Single System	223	223	0	
	5,843	5,843	0	
TOTAL	9,025	9,018	-7	
FUNDING				
Major Repairs Reserve	2,322	2,315	-7	
Revenue	5,423	5,423	0	
Capital Receipts	1,280	1,280	0	
TOTAL FUNDING	9,025	9,018	-7	

* 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 on 27 October 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report **C/15/42**

To: Cabinet
Date: 4 November 2015
Status: Non-Key Decision
Head of Service: Joanna Miller - Head of Finance
Cabinet Member: Councillor Susan Carey – Cabinet Member for Finance

SUBJECT: 2015/16 QUARTER 2 BUDGET MONITORING

SUMMARY: This report sets out a projected year end financial position on the General Fund for 2015/16, based on actuals to 31 August 2015. This report covers General Fund revenue alone. Capital expenditure and Housing Revenue Account expenditure are covered under separate reports on this Agenda.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations set out below because Cabinet needs to be informed of the council's financial position for this year.

RECOMMENDATIONS:

1. To receive and note Report C/15/42.

2015/16 QUARTER 2 BUDGET MONITORING REPORT

1. INTRODUCTION

- 1.1 This report updates Cabinet of the likely projected outturn on the General Fund, based on data received as at 31st August 2015.
- 1.2 General Fund projections are made against the latest approved estimate which has been adjusted for approved carry forwards from the 2014/15 budget and approved Virement to 31st August 2015.
- 1.3 Members will remember that a high level approach was taken for Quarter 1 monitoring report. Quarter 2 provides a more detailed report, incorporating recent changes in the Council's management structure.

2. GENERAL FUND REVENUE 2015/16

- 2.1 The Quarter 2 projected outturn shows a forecast surplus of £168,000 against the latest approved estimated deficit of £96,000. This represents an improvement of £264,000.
- 2.2 Compared to the projection as at Quarter 1, the forecasted deficit of £211,000 has been replaced by a surplus of £168,000. This is an improvement of £379,000. Underlying expenditure is about £200,000 below budget. The balance is caused by funding more capital from reserves.
- 2.3 Although capital expenditure funded from revenue has increased by about £1.1 m, as shown in paragraph 2.4.4, nearly all has been funded by earmarked reserves. The latest projected outturn for the General Fund in 2015/16 is summarised below:

VARIANCE ANALYSIS 2015/16 - SUMMARY

@ August 2015 - Period 5

General Fund Net Cost of Services	Original Budget	Approved Carry Forwards & Virements	Latest Approved Budget	Projected Outturn	Variance
	£000	£000	£000	£000	£000
Service Budgets (after Central Support recharges)					
Leadership Support	605	79	684	794	110
Communications	510	(179)	331	326	(5)
Democratic Services & Law	5,775	215	5,991	5,980	(11)
Human Resources	756	230	986	1,114	128
Finance	4,505	247	4,750	4,810	60
Communities	2,081	497	2,578	2,548	(30)
Strategic Development Projects	51	184	235	226	(9)
Economic Development	968	184	1,152	1,123	(29)
Planning & Environmental Health	569	72	642	512	(130)
Commercial & Technical Services	1,057	(60)	997	658	(339)
Sub-Total - Heads of Service	16,877	1,469	18,346	18,091	(255)
Unallocated Net Employee Costs	(208)	-	(208)	(1)	207
Less recharges to non General Fund (additional)		(73)	(73)	(73)	-
Total for Service	16,669	1,396	18,065	18,017	(48)
Internal Drainage Board Levies	427	-	427	427	-
Interest Payable and Similar Charges	644	-	644	594	(50)
Interest and Investment Income	(507)	-	(507)	(601)	(94)
Council Tax Freeze Grant	(100)	-	(100)	(100)	-
New Homes Bonus Grant	(1,603)	-	(1,603)	(1,603)	-
Other Non Service Related Government Grants	(989)	-	(989)	(989)	-
Town and Parish Council Precepts	1,557	-	1,557	1,557	-
Minimum Revenue Provision	514	-	514	514	-
Capital Expenditure Financed from Revenue	130	-	130	1,202	1,072
NET REVENUE EXPENDITURE BEFORE USE	16,742	1,396	18,138	19,018	880
Net Transfer to/from(-) Earmarked Reserves	111	(1,396)	(1,285)	(2,429)	(1,144)
TOTAL TO BE MET FROM TAXPAYERS & FOR	16,853	-	16,853	16,589	(264)
Transfer to/from(-) the Collection Fund	(393)	-	(393)	(393)	-
Revenue Support Grant and Re-distributed NNDR	(2,753)	-	(2,753)	(2,753)	-
Business Rates Income	(3,498)	-	(3,498)	(3,498)	-
Demand on the Collection Fund	(10,113)	-	(10,113)	(10,113)	-
SURPLUS(-)/DEFICIT FOR THE YEAR	96	-	96	(168)	(264)
General Fund Reserve at 1/4/15	(5,646)		(5,646)	(5,646)	
Expected General Fund Reserve at 31/3/16	(5,550)		(5,550)	(5,814)	

The significant movements are outlined below:

	£'000	£'000	Paragraph Reference
Deficit as per latest approved estimate		96	
Increase in Income			
Increase in Planning Application fees	-40		
Interest and Investment Income	-94		2.4.1
Net Increase in Car Parking Income	-43		2.4.2
Increase in Lifeline Income	-74	-251	2.4.3
Increase in Expenditure			
Increase in Capital Financed from Revenue		1,072	2.4.4
Decrease in Expenditure			
Bad Debt Provision		-50	2.4.5
Net Movement in Earmarked Reserves		-1,144	2.5
Other net variations		109	
Total Variance		-264	
Surplus as per projected outturn		-168	

2.4 The main variations are explained in more detail below.

2.4.1 Increase in interest and investment income

The main reason for this is the enhanced return expected to be received from investing a further £2m in the CCLA LA Property Fund during 2015/16.

2.4.2 Net increase in car parking income

This is mainly relates to an increase in off-street car parking income due to greater usage.

2.4.3 Increase in Lifeline income

The contract to maintain the lifeline service for Dover District Council (DDC) clients ended on 31st January 2015. However there has been a delay in DDC transferring over the clients to the new service provider. This has resulted in additional income that was not budgeted for (£29,000). In addition the Council has started a TeleHealth service which enables users to monitor their medical condition. This should produce about £30,000 per annum.

2.4.4 Capital Financed from Revenue

This is where capital expenditure is financed from revenue. There is no net cost to the General Fund because it is funded from reserves. It is projected that this cost will be about 1.2 million in 2015/16. This relates to additional schemes approved by the Cabinet from the provisional programme. The assumption made here is that this will be funded:

	£000s
General Reserve	62
Earmarked reserves (see paragraph 2.5)	1,140
Total	1,202

Based on existing resources, both are fundable. The GF Reserve stood at about £5.6 m at 1/4/15.

2.4.5 Reduction in Bad Debt Provision

Likely irrecoverable on debtors outstanding have been reviewed. This mainly relates to includes Housing Benefits (HB) overpayments and HB recovery on going entitlement. This indicates that the likely contribution required in 2015/16 will be about £50,000 below the budget of £131,000.

2.5 Net Movement in Reserves

On the basis of the projections set out in this report as at 31 March 2016, the council's net movement in earmarked reserves are expected to be:

Movment in Earmarked Reserves	Latest Approved	Change	Quarter 2
	Budget		Projection
	£'000	£'000	£'000
Earmarked Reserve			
Business Rates	177	0	177
Invest to Save	-158	0	-158
Carry forwards	-1,336	-69	-1,405
IFRS	-14	-3	-17
Corporate Property	0	0	0
Vehicle, Equipment and Technology	-89	-208	-297
New Homes Bonus	752	0	752
Corporate Initiatives	-147	-360	-507
Leisure	30	-4	26
Economic Development		-500	-500
Further Education	-500	0	-500
Total Earmarked Reserves	-1,285	-1,144	-2,429

3. Budget Strategy.

There is a separate report on this agenda for the Budget Strategy. This indicates that the Corporate Management Team, Service Managers and Finance have met to design a strategy to produce a balanced budget for 2016/17 and beyond. One of the outcomes from this is that there are likely to be further savings in 2015/16 than those projected by service managers as at August 2015. These are likely to be at least £200,000. These need to be added to those shown in paragraph 2.

4. RISK MANAGEMENT ISSUES

4.1 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	Regularly reviewing monthly budget monitoring to identify key expenditure and income variances and taking remedial action where possible.
Fluctuating interest rate movement impacting on investment returns	Medium	Medium	Interest rate forecasts regularly reviewed. Investment portfolios split between fixed rate/fixed term deposits to help manage impact of interest rate movement.
Adverse weather conditions impacting on car parking income	Medium	Medium	Regularly reviewing monthly budget monitoring to identify key income trends/variances and taking remedial action where possible.
Increase in claimants receiving housing benefits due to the economic climate	Medium	Medium	Regularly reviewing the number of claimants receiving benefits and highlighting any significant increases as early as possible so remedial action can be taken where possible
Increase in homelessness numbers due to the changes to the benefit system	Medium	Medium	Regularly reviewing the homelessness situation and highlighting any significant increases as early as possible so remedial action can be taken where possible.

5 LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 Legal Officer's Comments (DK)

There are no legal implications arising from this report.

5.2 Finance Officer's Comments (DB)

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

5.3 Diversities and Equalities Implications (JM)

There are no implications arising directly from this report.

6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

David Burton, Group Accountant

Telephone: 01303 853213 Email: david.burton@shepway.gov.uk

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VARIANCE ANALYSIS 2015/16 - Suzy Tigwell

@ August 2015 - Period 5

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SERVICE	Cost Centre	Original Budget	Latest Approved Budget	Projected Outturn	Variance	Proposed Carry Forwards	Adjusted Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE		£000	£000	£000	£000	£000	£000	
<u>Suzy Tigwell - Leadership Support</u>								
<i>Services</i>								
Feasibility Study Folk Seafront CP	CE46	-	-	-	-	-	-	-
Folkestone Airshow	EE23	12	12	12	-	-	-	-
Civic Ceremonials	FE20	16	16	17	1	-	1	-
Emergency Planning	FH25	26	26	19	(7)	-	(7)	(£7k) Reduction to the SLA with KCC for Emergency Planning support.
Sub Total - Services		54	54	48	(6)	-	(6)	
<i>Admin</i>								
Corporate Centre	GB00	147	149	163	14	-	14	£15k additional staffing cost partly offset by (£1k) reduction to office expenses.
Corporate Initiatives	GC01	-	-	-	-	-	-	-
Regen & Housing Co set up costs	GC02	-	-	-	-	-	-	-
Corporate Director - Resources	GL05	131	133	145	12	-	12	£8k increased training and conference expenses and £4k additional salary cost.
Chief Finance Officer	GM00	42	43	118	75	-	75	£76k additional cost of Chief Financial Officer role extended to January 2016.
Corporate Director - Operations	GM01	87	89	90	1	-	1	-
Leadership and PA Support	GM38	144	216	230	14	-	14	£12k new post Policy & Improvement Officer and £1k other small variances.
Sub Total - Admin		551	630	746	116	-	116	
Total - Suzy Tigwell - Leadership Support		605	684	794	110	-	110	

SERVICE	Cost Centre	Original Budget	Latest Approved Budget	Projected Outturn	Variance	Proposed Carry Forwards	Adjusted Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE		£000	£000	£000	£000	£000	£000	
<u>Mark Luetchford - Communications</u>								
<u>Services</u>								
Sub Total - Services		-	-	-	-	-	-	
<u>Admin</u>								
Website Project	GL35	5	5	39	34	-	34	£30k website copywriting cost and £4k website testing - possibly partly offset by 14/15 budget C/F of £21,380 that is held in the Corporate IT Reserve.
Communications	GM37	505	326	287	(39)	-	(39)	£14k cost of replacement Media Officer, £5k in year salary increases offset by saving of (£43k) due to deleted Policy and Engagement Manager post and (£15k) reduced Shepway Today expenditure, as only one issue to be produced in 15/16.
Sub Total - Admin		510	331	326	(5)	-	(5)	
Total - Mark Luetchford - Communications		510	331	326	(5)	-	(5)	

SERVICE	Cost Centre	Original Budget	Latest Approved Budget	Projected Outturn	Variance	Proposed Carry Forwards	Adjusted Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE		£000	£000	£000	£000	£000	£000	
Amandeep Khroud - Democratic Services & Law								
<u>Services</u>								
Household Waste Collection	CE10	(14)	(14)	(17)	(3)	-	(3)	Projected increased income by £3k
Recycling and Waste	CE11	(1,297)	(1,297)	(1,290)	7	-	7	Variance incs : Garden waste income is down so projection reduced by £10k
Environmental Enhancements	CE12	-	63	63	-	-	-	-
Hythe Swimming Pool	CE31	17	20	36	16	-	16	RH 18.09 - projection on staffing (-£10k) and overtime (+£5k) adjusted. Variance relates to some income budgets which will not be met in 15/16, inc Club Hire and DD 12mnth Contract.
Cleansing	CE60	70	70	48	(22)	-	(22)	Perm trans to GM14 - to be done. £50k added to proj in meantime. Underspend on equipment; bin replacement; grant contributions. Slight increase in income.
Street Naming & Numbering	DA12	(11)	(11)	(11)	-	-	-	-
Leas Cliff Hall	EA01	667	667	667	-	-	-	-
Members Allowances & Expenses	FE05	366	366	366	-	-	-	-
Democratic Representation-Misc Expenditure	FE15	23	23	22	(1)	-	(1)	-
Democratic Representation-Support Services	FE61	(5)	(5)	(5)	-	-	-	-
Democratic Representation-Recharges	FE70	(122)	(122)	(122)	-	-	-	-
Registration of Electors	FH03	80	74	76	2	-	2	Reduce proj for 0007 as budget has been trans -£5k Budget has been reduced for 15/16 (negative virement) - growth bid for 16/17.
Conducting Elections	FH04	99	104	105	1	-	1	Costs to be JT'd - projection reduced by £1k Inc proj for 2001 equip as budget has been trans+£5k
Individual Electoral Registration (IER)	FH05	5	63	63	-	-	-	-
Sub Total - Services		(122)	1	1	-	-	-	
<u>Admin</u>								
Client Side Unit	GA03	121	123	123	-	-	-	-
Procurement	GA10	113	115	121	6	-	6	Salary savings will be offset by interim staffing costs. Temp Creditor posts will be extended by 3mnths adding £6k to projection.
Centralised Equipment	GA11	3	3	3	-	-	-	-
Corporate Consumables - Floors 1 & 2	GA24	3	3	4	1	-	1	+£1k Additional stationery orders now with Business Support.
Legal Services	GL00	255	281	326	45	-	45	RH 18.09.15 - Budget showing overspend of £45.1k, this is due to +£65.1k on staffing because of new posts (Sol & Legal Services Mgr)
Solicitor to the Council	GL41	85	76	85	9	-	9	Variance due to PW Apr & May costs
Electoral Services	GL51	101	102	114	12	-	12	RH 18.09 - £23.4k and -£1k removed from projection for PW costs (Budget from GM02). Variances - no budget for WF's cash alternative or apprentice costs (Apr), plus overspend on Misc training.
Committee Services	GL52	85	86	102	16	-	16	Variance relates to staffing: +£10.4k SC post; hon awards and additional hours.
ICT Unit	GM11	-	-	-	-	-	-	-
ICT Contract	GM13	471	471	471	-	-	-	-
Waste Contract	GM14	3,528	3,528	3,428	(100)	-	(100)	RH - savings of £100k on Waste budget. Efficiency to be included for 16/17
Contract Parking Enforcement	GM15	352	367	360	(7)	-	(7)	Q2 - reduce overall budget to £360,000. Still awaiting J11 enforcement orders.

ICT Operations	GM19	540	593	588	(5)	-	(5)	-
Waste Contract Management	GM34	168	170	178	8	-	8	RH 18.09 - Add £18.2k to projection for Contracts Man Off post (starts Sept). Variance incs +£3.6k Smart debit card costs; +£9k clients costs from DDC
Sub Total - Admin		5,825	5,918	5,903	(15)	-	(15)	
<u>Holding</u>								
Civic Centre-Cleaning Contract	GX02	54	54	58	4	-	4	Increased spend to include additional floors (3 + 5)
Shorncliffe Road-Cleaning Contract	GX03	18	18	18	-	-	-	
Sub Total - Holding		72	72	76	4	-	4	
Total - Amandeep Khroud - Democratic Services & Law		5,775	5,991	5,980	(11)	-	(11)	

SERVICE	Cost Centre	Original Budget	Latest Approved Budget	Projected Outturn	Variance	Proposed Carry Forwards	Adjusted Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE		£000	£000	£000	£000	£000	£000	
Andrina Smith - Head of Human Resources								
<u>Services</u>								
Corporate Training	FD16	23	23	23	-	-	-	-
Local Land Charges	FH57	(165)	(165)	(156)	9	-	9	L Rubie: £5.7k overspend - KCC payments increase as more LLC search requests received +£2.4k projected on legal fees.
CX Savings	AX02	-	-	-	-	-	-	-
Sub Total - Services		(142)	(142)	(133)	9	-	9	
<u>Admin</u>								
Business Support Unit	GA23	444	574	585	11	-	11	RH: Overspend on salaries - 2x temp staff
Organisational Development	GL45	300	339	322	(17)	-	(17)	RH: -£5k underspend on salaries; -£10k on Apprentices code
Centrally Managed Staffing	GM02	-	65	65	-	-	-	RH; Budget gradually being reduced, as transfers to services happen.
Payroll	GM07	55	55	55	-	-	-	-
Human Resources (Corporate Training)	GM08	42	38	138	100	-	100	Projection includes Grow your Own Trainees costs (although salaries will appear in own service codes)
Human Resources (Central Costs)	GM09	57	57	82	25	-	25	Increases in volume and costs for vacancy advertising
Sub Total - Admin		898	1,128	1,247	119	-	119	
Total - Andrina Smith - Head of Human Resources		756	986	1,114	128	-	128	

SERVICE	Cost Centre	Original Budget	Latest Approved Budget	Projected Outturn	Variance	Proposed Carry Forwards	Adjusted Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE		£000	£000	£000	£000	£000	£000	
Joanna Miller - Head of Finance								
<u>Services</u>								
Members Community Grant Bid	ED42	-	120	120	-	-	-	
Corporate Management- Misc Expenditure	FD15	260	292	292	-	-	-	-
Corporate Management-Support Services	FD61	(10)	(10)	(10)	-	-	-	-
Corporate Management-Recharges	FD70	(98)	(98)	(98)	-	-	-	-
Pensions Back Funding	FF15	1,668	1,668	1,668	-	-	-	-
Early Retirement Contributions	FF16	-	-	-	-	-	-	-
Business Rates Collection	FL05	(174)	(174)	(174)	-	-	-	-
Council Tax Collection	FL20	(522)	(522)	(522)	-	-	-	-
Council Tax Benefits	FL21	-	-	-	-	-	-	-
Council Tax Reduction Scheme	FL22	(94)	(91)	(102)	(11)	-	(11)	(£11k) Vacant Recovery Officer & Corporate Debt Officer posts
Housing Benefits	FN01	(425)	(425)	(425)	-	-	-	-
Rent Rebates	FN02	4	4	4	-	-	-	-
Sub Total - Services		609	764	753	(11)	-	(11)	
<u>Admin</u>								
Accountancy	GA00	678	775	791	16	-	16	
Corporate Debt	GA05	324	257	261	4	-	4	£4k Legal expenses relating to C Hearsey redundancy over & above budgeted estimate
Treasury Management	GA08	12	36	36	-	-	-	-
Revenues	GA20	446	457	465	8	-	8	£4.5k reversal of year end accrual that relates to a cost that was received in 14/15. £3.5k relating to the costs for extra hours worked by Visiting Officers
Technical, Fraud & VO's	GA22	463	336	336	-	-	-	-
Benefits	GA27	723	866	866	-	-	-	-
FERIS Fraud & Error Reduction Incentive Scheme	GA28	-	11	11	-	-	-	-
DWP Additional Fees	GA29	-	-	-	-	-	-	-
Printing Services	GA54	226	228	234	6	-	6	£6k unbudgeted LGPS contributions
New Romney One Stop	GA56	2	2	2	-	-	-	-
Hythe Library	GA57	-	-	-	-	-	-	-
Lydd Library	GA58	-	-	-	-	-	-	-
Civic Wardens	GA60	86	87	89	2	-	2	£2k increased costs relating to Temporary staff
Customer Services	GA62	852	856	870	14	-	14	£14k unbudgeted costs relating to transfer of staff to cover vacant posts & Front Office & Customer Contact Apprentices
ICT Innovation Project	GL32	(1)	(1)	(1)	-	-	-	-
Office Moves	GL33	-	-	-	-	-	-	-
Ways of Working	GL34	(1)	(1)	(1)	-	-	-	-
Internal Audit	GP00	98	98	98	-	-	-	-
Minor differences		(12)	(21)		21		21	
Sub Total - Admin		3,896	3,986	4,057	71	-	71	
Total - Joanna Miller - Head of Finance		4,505	4,750	4,810	60	-	60	

SERVICE	Cost Centre	Original Budget	Latest Approved Budget	Projected Outturn	Variance	Proposed Carry Forwards	Adjusted Variance	BRIEF EXPLANATION OF VARIANCE
		£000	£000	£000	£000	£000	£000	
REVENUE EXPENDITURE								
Jyotsna Leney - Head of Communities								
<u>Services</u>								
Crime and Disorder	BF53	11	13	13	-	-	-	-
Silver Back Project	CE27	5	5	-	(5)	-	(5)	Silver Back project completed
Troubled Families	CE28	14	20	20	-	-	-	-
Troubled Families Secondment	CE29	-	-	(5)	(5)	-	(5)	-
Working Families Everywhere	CE32	-	-	-	-	-	-	-
CSE External Projects	CE55	-	5	5	-	-	-	-
Cultural Services	EA59	54	40	40	-	-	-	-
Community Chest	ED15	-	195	195	-	-	-	-
Members Ward Allowance	ED40	30	45	45	-	-	-	-
Community Grants	ED41	196	196	199	3	-	3	-
Sports Development Initiatives	EE20	20	20	20	-	-	-	-
Folkestone Sports Centre	EE25	200	200	200	-	-	-	-
Young People Initiative	EF01	9	7	9	2	-	2	-
General Grants	FH18	57	57	57	-	-	-	-
Housing Standards	HE10	(8)	(8)	(8)	-	-	-	-
Housing Strategy	HH11	10	10	10	-	-	-	-
Homelessness	HH21	45	45	44	(1)	-	(1)	-
Registered Social Landlords	HH31	(1)	(1)	(1)	-	-	-	-
Renovation Grants	HH40	-	-	-	-	-	-	-
Care and Repair Scheme	HH42	43	43	43	-	-	-	-
Other Housing Improvement Services	HH48	99	99	99	-	-	-	-
Housing Advances	HH70	-	-	-	-	-	-	-
Sub Total - Services		784	991	985	(6)	-	(6)	
<u>Admin</u>								
Head of Housing, Land & Property	GH51	120	169	191	22	-	22	£19k salary settlement (oncosts not included)
Housing Options	GH58	242	275	274	(1)	-	(1)	-
Social Lettings Agency	GH61	36	36	30	(6)	-	(6)	Reduced working hours
Housing Strategy & Support	GH62	112	114	115	1	-	1	-
Crime Reduction	GL20	-	-	-	-	-	-	-
Community Safety	GL21	207	218	212	(6)	-	(6)	-
Environmental Health	GM22	-	-	-	-	-	-	-
Private Sector Housing	GM29	223	192	180	(12)	-	(12)	(£12k) Vacancy saving
Env Protection & Licensing	GM36	357	392	370	(22)	-	(22)	(£22k) vacancy savings
Community Development	GM47	-	191	191	-	-	-	-
Sub Total - Admin		1,297	1,587	1,563	(24)	-	(24)	
Total - Jyotsna Leney - Head of Communities		2,081	2,578	2,548	(30)	-	(30)	

SERVICE	Cost Centre	Original Budget	Latest Approved Budget	Projected Outturn	Variance	Proposed Carry Forwards	Adjusted Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE		£000	£000	£000	£000	£000	£000	
Andy Jarrett - Strategic Development Projects								
<u>Services</u>								
Misc Regeneration Initiatives	ED11	51	(43)	(43)	-	-	-	-
Sub Total - Services		51	(43)	(43)	-	-	-	
<u>Admin</u>								
Projects	GM33	-	188	170	(18)	-	(18)	(£18k) Vacancy saving
Strategic Developments Projects	GM40	-	90	99	9	-	9	£5k additional salaries cost; £4k cash alternative allowance
Sub Total - Admin		-	278	269	(9)	-	(9)	
Total - Andy Jarrett - Strategic Development Projects		51	235	226	(9)	-	(9)	

SERVICE	Cost Centre	Original Budget	Latest Approved Budget	Projected Outturn	Variance	Proposed Carry Forwards	Adjusted Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE		£000	£000	£000	£000	£000	£000	
Chris Lewis - Head of Planning & Env Health								
<u>Services</u>								
Licensing	BE57	(174)	(174)	(174)	-	-	-	
Food Safety, Health and Safety etc	BG50	271	276	277	1	-	1	
Pollution Reduction	BG51	24	31	31	-	-	-	
Pest Control	BG52	1	1	1	-	-	-	
Transport Policy & Initiatives	CE06	-	-	-	-	-	-	
Cemeteries	CE20	(208)	(208)	(208)	-	-	-	
Hythe Sports Provision Study	CE35	(3)	(3)	(3)	-	-	-	
Dog Control	CE51	17	22	22	-	-	-	
Litter and Fouling Enforcement	CE54	(1)	11	11	-	-	-	
Hackney Carriage Licensing	CE58	(87)	(87)	(87)	-	-	-	
Other Environmental Services	CE99	59	59	59	-	-	-	
Development Control	DA11	(462)	(439)	(480)	(41)	-	(41)	(£40k) increase in planning application fees
Planning Policy	EC12	79	79	79	-	-	-	
M20 Jct 11 Study	EC14	-	(10)	(10)	-	-	-	
Princes Parade Planning Project	ED02	(1)	(1)	(1)	-	-	-	
High Street Innovation Fund	ED14	-	15	15	-	-	-	
Sub Total - Services		(485)	(428)	(468)	(40)	-	(40)	
<u>Admin</u>								
Planning Control	GM20	1,054	1,070	980	(90)	-	(90)	(£83k) saving on employee costs, (£15k) saving on professional advice and fees, £4k increase in mobile telephones, £2k decrease in income from S106 monitoring fees
Sub Total - Admin		1,054	1,070	980	(90)	-	(90)	
Total - Chris Lewis - Head of Planning & Env Health		569	642	512	(130)	-	(130)	

SERVICE	Cost Centre	Original Budget	Latest Approved Budget	Projected Outturn	Variance	Proposed Carry Forwards	Adjusted Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE		£000	£000	£000	£000	£000	£000	
Katharine Harvey - Head of Economic Development								
<u>Services</u>								
Commercial Development	ED01	(1)	(1)	(1)	-	-	-	-
Regeneration & Economic Development	ED10	685	898	859	(39)	-	(39)	Figures taken from Katharine's s/s for CMT
Rural Regeneration Initiatives	ED12	12	12	12	-	-	-	
European Initiatives	ED13	26	26	26	-	-	-	-
Environmental Initiatives	ES05	21	38	38	-	-	-	-
Sub Total - Services		743	973	934	(39)	-	(39)	
<u>Admin</u>								
Regeneration & Economic Development	GM30	225	179	189	10	-	10	Salary to be vired from Planning for SA
Sub Total - Admin		225	179	189	10	-	10	
Total - Katharine Harvey - Head of Economic Development		968	1,152	1,123	(29)	-	(29)	

SERVICE	Cost Centre	Original Budget	Latest Approved Budget	Projected Outturn	Variance	Proposed Carry Forwards	Adjusted Variance	BRIEF EXPLANATION OF VARIANCE
		£000	£000	£000	£000	£000	£000	
REVENUE EXPENDITURE								
Andy Blaszkwicz - Head of Commercial & Technical Services								
<u>Services</u>								
CCTV	BE51	-	-	-	-	-	-	-
Highways Non-Partnership	CE01	17	17	17	-	-	-	-
Street Furniture	CE02	8	22	22	-	-	-	-
Passenger Shelters	CE03	17	20	20	-	-	-	-
Street Lighting	CE04	65	65	77	12	-	12	+£12k for Electricity spend (based on last year's spend)
Outdoor Sports and Recreation	CE30	(57)	(47)	(52)	(5)	-	(5)	(£5k) new lease income from Invicta FC, (£5k) saving on annual grant to the Indoor Bowls Association, offset by £5k loss of IBA rent.
Royal Military Canal (including Ecology & Habitat Maintenance (HLF))	CE33 / CE34	(15)	(15)	(15)	-	-	-	
RMC Drainage Functions	CE36	14	14	14	-	-	-	-
RMC - Bridge Painting	CE37	22	22	22	-	-	-	-
Community Parks & Open Spaces	CE38	(307)	(292)	(294)	(2)	-	(2)	0
Off-Street Parking	CE40	(853)	(853)	(895)	(42)	-	(42)	(lward,21Aug14) Increase in Parking Charges -£25k, reduction in Parking Fines £20k more compliance, reduction in CP Season Tickets £10k
On-Street Parking Enforcement	CE45	(411)	(411)	(408)	3	-	3	(fmiller,06Aug14) More compliance so fewer pcns issued
Public Toilets	CE52	(10)	(10)	(10)	-	-	-	-
Oil Pollution	CE91	(1)	(1)	(1)	-	-	-	-
Sewerage Services	CG55	(2)	(2)	(2)	-	-	-	-
Coast Protection	CG80	(230)	(230)	(230)	-	-	-	Contribution from KCC for funding past coast protection schemes.
Shoreline Management	CG85	(20)	(20)	(20)	-	-	-	-
Flood Defence & Land Drainage	CG90	(56)	(56)	(56)	-	-	-	-
Romney Marsh Project	CG96	-	-	-	-	-	-	-
Flood Repair & Renew	CG97	-	-	-	-	-	-	-
Building Control	DA10	(241)	(241)	(241)	-	-	-	-
Leas Bandstand	EA11	3	3	3	-	-	-	-
Shorncliffe Industrial Estate	EB01	-	-	-	-	-	-	-
Mountfield Industrial Estate	EB02	(76)	(76)	(76)	-	-	-	-
Industrial Estates - Support Services	EB04	(1)	(1)	(1)	-	-	-	-
Lifeline Facilities	HH51	(186)	(175)	(297)	(122)	-	(122)	RH: Underspend incl. -£53.3k carrying 2 x vacancies. Telehealth charges (income from KCC) 15/16 proj -£30k, not sure if this will continue through 16/17. -£38k for Monitoring chgs for DDC Schemes.
Dover Careline	HH52	-	-	-	-	-	-	-
Sub Total - Services		(2,320)	(2,267)	(2,423)	(156)	-	(156)	

SERVICE	Cost Centre	Original Budget	Latest Approved Budget	Projected Outturn	Variance	Proposed Carry Forwards	Adjusted Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE		£000	£000	£000	£000	£000	£000	
Andy Blaszkwicz - Head of Commercial & Technical Services								
<u>Admin</u>								
Control Room	GL30	-	-	-	-	-	-	
Lifeline Installation	GL31	-	-	-	-	-	-	-
Building Control	GM21	245	249	248	(1)	-	(1)	
Parking Services	GM23	62	92	81	(11)	-	(11)	RH: Underspend is due to vacant post (filled at beg August)
Handyman Service	GM24	59	60	60	-	-	-	-
Grounds Maintenance Contract Management	GM25	138	78	78	-	-	-	-
Engineers	GM31	554	114	58	(56)	-	(56)	RH: Underspend -£56k due to staff vacancies... one full year costs and one half year costs
Property	GM32	-	233	166	(67)	-	(67)	
Head of Commercial & Technical Services	GM39	-	63	70	7	-	7	Management restructure
Sub Total - Admin		1,058	889	761	(128)	-	(128)	

SERVICE	Cost Centre	Original Budget	Latest Approved Budget	Projected Outturn	Variance	Proposed Carry Forwards	Adjusted Variance	BRIEF EXPLANATION OF VARIANCE
		£000	£000	£000	£000	£000	£000	
REVENUE EXPENDITURE								
Andy Blaszkowicz - Head of Commercial & Technical Services								
<u>Holding</u>								
ASD - Grounds Maintenance	CE39	-	-	-	-	-	-	-
Grounds Maintenance	GE01	1,148	1,177	1,132	(45)	-	(45)	(£25k) net saving on staffing costs due to vacant and restructured posts, (£8k) net reduced running costs, offset by increased memorial seat income and (£12k)
Charity Areas	GE05	199	201	193	(8)	-	(8)	(£8k) reduction to staffing costs.
Royal Military Canal	GE06	89	90	86	(4)	-	(4)	-
Toilet Cleaning	GE07	107	111	107	(4)	-	(4)	-
Pump Maintenance Crew	GE08	12	12	11	(1)	-	(1)	-
Civic Centre	GX00	251	274	254	(20)	-	(20)	(£15k) decrease in business rates, (£5k) increase in income due to EKH moving into the Civic
3/5 Shornccliffe Road	GX01	(45)	(45)	(27)	18	-	18	£18k reduction in rent from EKH due to them moving into the Civic
Hawkinge Depot	GX05	3	3	3	-	-	-	-
Oss-New Romney	GX06	4	4	4	-	-	-	-
Public Toilets	GX10	113	110	99	(11)	-	(11)	(£11k) reduction in business rates
Parks & Open Spaces Buildings	GX20	39	39	39	-	-	-	-
Royal Military Canal Buildings	GX21	5	5	5	-	-	-	-
Bandstand	GX23	2	2	2	-	-	-	-
Sports & Recreation Buildings	GX24	23	23	23	-	-	-	-
Charity Parks & Open Spaces	GX25	40	40	45	5	-	5	£5K Increase in business rates
Hythe Swimming Pool	GX27	118	118	123	5	-	5	£6k increase in water services, (£1k) decrease in business rates
Car Parks	GX30	196	196	203	7	-	7	£7k increase in business rates
Prog Planned Maintenance	GX40	106	106	106	-	-	-	-
Cemeteries Buildings	GX50	10	10	10	-	-	-	-
Oxenden Road Depot	GX51	6	6	6	-	-	-	-
Mountfield Rd Depot	GX52	16	16	16	-	-	-	-
Misc Corporate Property	GX53	(148)	(148)	(148)	-	-	-	-
Christchurch Tower	GX54	-	-	-	-	-	-	-
Ross Depot & Murf	GX55	16	16	17	1	-	1	-
Fishermans Beach	GX56	-	-	3	3	-	3	-
Mountfield Industrial Estate	GX60	5	5	6	1	-	1	-
Miscellaneous Commercial Property	GX69	-	-	-	-	-	-	-
Misc Leisure Prop (Non-Op)	GX79	3	3	1	(2)	-	(2)	-
Miscellaneous Agricultural Property	GX89	-	-	-	-	-	-	-
Misc Vacant Land & Buildings	GX99	1	1	1	-	-	-	-
Sub Total - Holding		2,319	2,375	2,320	(55)	-	(55)	
Total - Andy Blaszkowicz - Head of Commercial & Technic		1,057	997	658	(339)	-	(339)	

N.B.

The above excludes admin recharges, capital charges and depreciation costs.

The 'latest approved budget' is the original budget plus any approved carry forwards and virements.

Performance Info.

Have not submitted budgets

Late submitting budgets

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This report will be made public on 27 October 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report number **C/15/43**

To: Cabinet
Date: 4 November 2015
Status: Non-Key Decision
Head of Service: Joanna Miller, Head of Finance
Cabinet Member: Councillor Susan Carey, Finance

SUBJECT: GENERAL FUND CAPITAL BUDGET MONITORING – 2nd QUARTER 2015/16

SUMMARY: This monitoring report provides a projection of the latest financial position for the General Fund capital programme, based on expenditure to 31 August 2015. The report identifies projected variances on the planned capital expenditure programme for the General Fund in 2015/16.

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/15/43.

1. INTRODUCTION AND BACKGROUND

- 1.1 As part of the council's normal budget monitoring process this report updates Cabinet on the latest position for the General Fund capital programme at the 2nd quarter of 2015/16. The projections are based on expenditure to 31 August 2015 compared to the latest approved budget, adjusted for the rephasing of schemes delayed from 2014/15. The report also summarises the impact the projected outturn to the capital programme will have on the financing resources required to fund it.
- 1.2 The Q1 capital budget monitoring report considered by Cabinet on 22 July 2015 (report C/15/10 refers) identified that £493,000 of capital expenditure had been rephased from 2014/15 to 2015/16.
- 1.3 On 16 September 2015 Cabinet approved funding for the two new capital schemes and these now feature in the projected outturn for 2015/16. These schemes, shown below, were previously agreed by the Council, along with four others, to be included in principle in the Medium Term Capital Programme subject to Cabinet considering and approving a detailed investment appraisal for each;-
- i) £0.5m in capital funding to Oportunitas to support additional expenditure for their housing acquisitions programme during 2015/16 and,
 - ii) £1.2m to support the council's Empty Homes Initiative during 2015/16 and 2016/17.

2. CAPITAL PROGRAMME 2015/16 – PROJECTED OUTTURN

- 2.1 At Q2, the planned expenditure on all approved General Fund capital schemes in 2015/16 is anticipated to be £4,580,000 compared to the latest budget, adjusted for slippage from 2014/15, of £3,382,000 an increase of £1,198,000. Full details are shown in the appendix to this report. The following table summarises the position and outlines the impact on the capital resources required to fund the expenditure:

General Fund Programme 2015/16	Latest Budget 2015/16	Quarter 2 Projection 2015/16	Variance
	£'000	£'000	£'000
Total General Fund Capital Expenditure	3,382	4,580	1,198
Capital Funding			
Grants and Contributions	(928)	(1,062)	(134)
Capital Receipts	(1,714)	(2,316)	(602)
Revenue	(740)	(1,202)	(462)
Total Funding	(3,382)	(4,580)	(1,198)

2.2 The following table analyses the reasons for the net increase in the planned capital expenditure in 2015/16. Full details of the variances for the individual schemes are also shown in the appendix to this report:

Analysis of Variances – 2015/16 Latest Budget to Projected Outturn			
			£'000
1	Capital investment schemes approved by Cabinet on 16 September 2015:		
	i) Empty Homes Initiative £1.2m – budget profiled equally between 2015/16 and 2016/17	600	
	ii) Oportunitas – additional funding for housing acquisitions programme	500	
			1,100
2	Increase in Disabled Facilities Grants made due to more government funding received (included in Q1 monitoring report)		122
3	Additional copywriting costs for the Website Development project		17
4	Warm Home Loans met from funding received from Kent County Council (included in Q1 monitoring report)		12
5	Small additional cost for the upgrading of the Lifeline alarm receiving equipment		2
6	Saving on van for Grounds Maintenance unit because new Supervisor's post not being recruited		(15)
7	'Connectivity' wi-fi pilot project delayed		(40)
	Total movement		1,198

2.3 The following capital investment schemes have been approved in principle by Full Council to be included in the Medium Term Capital Programme and each requires a detailed investment appraisal to be considered by Cabinet before being formally approved. Officers are currently working on the investment appraisals and it is anticipated Cabinet will consider these in the coming months. The capital expenditure for these schemes is likely to be profiled between 2015/16 and 2016/17. The schemes are:

	Scheme	£'000
i)	Local Business Lending Partnership – 'Funding Circle'	100
ii)	Corporate development projects – feasibility studies	100
iii)	Corporate development projects	1,700
iv)	Oportunitas Ltd – development and investment projects	2,000
vi)	Shepway Development Enabling Fund	200
	Total	4,100

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 no new borrowing is used. 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 latest forecast for the General Fund capital programme conforms to this key principle.
- 3.2 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
Receipts in hand at 31 st March 2015	(6,831)
Less:	
Committed towards General Fund capital expenditure	2,962
Committed towards HRA capital expenditure	1,280
Ring-fenced for specific purposes	1,807
Contingency for urgent or unforeseen capital expenditure	500
Balance available to support new capital expenditure	(282)

4. CONCLUSIONS

- 4.1 The projected outturn shown for the General Fund capital programme for 2015/16 reflects the position based on actual expenditure and forecasts at 31 August 2015.
- 4.2 The projected outturn for the programme continues to be funded from existing available capital resources and does not require any borrowing to support it.
- 4.3 Cabinet is expected to continue to receive further investment appraisals and business cases for the capital investment schemes previously agreed in principle by Full Council to be included in the MTCP.

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	Medium	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.
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.

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

6.1 Legal Officer's Comments (BD)

There are no legal implications arising from 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 Diversities and Equalities Implications

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

7. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Lee Walker, Group Accountant

Tel: 01303 853593. e-mail [:lee.walker@shepway.gov.uk](mailto:lee.walker@shepway.gov.uk)

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

None

Appendices:

Appendix – General Fund Capital Programme 2015/16 Q2 Projection

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APPENDIX 2 - GENERAL FUND CAPITAL PROGRAMME 2015/16 QUARTER 2 PROJECTION						
		2015/16				
Item No.	Scheme	Approved Budget 2015/16	Approved Budget inc slippage 2015/16	Q2 Projection 2015/16	Variance Budget to Projection	Comment
		£'000	£'000	£'000	£'000	
1	Website Project	-	22	39	17	Additional copywriting costs
2	Improvements to Hawkinge Yard	45	70	70	0	
3	Grounds Maintenance Vehicle and Equipment Replacement Programme	145	145	145	0	3 Ford Transit Tipper vehicles on order. Other vehicles to follow
4	Van - New Supervisor's Post (linked to Oportunitas work)	15	15	0	-15	Post not appointed
5	Hythe Environmental Improvements	65	65	65	0	
6	Coast Protection - Coronation Parade, Folkestone	-	9	9	0	Funded from Environment Agency grant
7	Coast Protection - Greatstone Dunes Management & Study	15	15	15	0	Funded from Environment Agency grant
8	Coast Protection - Hythe to Folkestone Beach Management (from 2015)	250	302	302	0	Funded from Environment Agency grant
9	Disabled Facilities Grant	500	500	622	122	Additional government grant to support the scheme
10	Home Safe Loans	100	100	100	0	
11	Warm Home Loans Scheme	-		12	12	KCC funding to support the pilot scheme
12	Empty Properties Initiative	-	-	600	600	Investment case approved by Cabinet in September 2015. Profiled budget £200k No Use Empty Loans, £400k empty property acquisitions programme
13	Connectivity	40	40	0	-40	Proposed pilot scheme for Hythe unlikely to progress in 2015/16
14	General Fund Property - Health and Safety Enhancements	200	200	200	0	£75k spent on works to Hythe Pool

APPENDIX 2 - GENERAL FUND CAPITAL PROGRAMME 2015/16 QUARTER 2 PROJECTION						
		2015/16				
Item No.	Scheme	Approved Budget 2015/16	Approved Budget inc slippage 2015/16	Q2 Projection 2015/16	Variance Budget to Projection	Comment
		£'000	£'000	£'000	£'000	
15	Burials Software (BACAS)	-	21	21	0	
16	PC Replacement Programme	8	8	8	0	
17	Server Replacement Programme	60	60	60	0	
18	Virtual Desktop Technology	20	20	20	0	
19	Lifeline Capitalisation	42	42	42	0	
20	Lifeline Alarm Receiving Equipment	-	74	76	2	
21	3G Football Pitch Cheriton Road	-	97	97	0	
22	Budget and Forecasting Application	-	9	9	0	
23	Oportunitas Loan & Share Capital Phase 1 (Housing Acquisitions Programme)	1,384	1,568	2,068	500	Includes additional £500k towards additional housing acquisitions approved by Cabinet in September 2015
	Total	2,889	3,382	4,580	1,198	

This Report will be made public on 27 October 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/15/44**

To: Cabinet
Date: 4 November 2015
Status: Non-Key Decision
Head of service: Joanna Miller, Head of Finance
Cabinet Member: Councillor Ms Susan Carey, Finance

SUBJECT: TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS MONITORING REPORT

SUMMARY: This report provides an update on the council's treasury management activities that have taken place during 2015/16 against the agreed strategy for the year. The report also provides an update on the prudential indicators for capital expenditure, borrowing and treasury approved by Council earlier this year.

REASONS FOR RECOMMENDATIONS:

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

- a) The Council must have regard to the Prudential Code when carrying out its duties under Part 1 of the Local Government Act 2003.
- b) 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/15/44.

1. BACKGROUND

- 1.1 Full Council approved the latest Treasury Management Strategy and Prudential Indicators for capital expenditure, borrowing and treasury management on 19 February 2015 (report A/14/33 refers).
- 1.2 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management requires the council, as a minimum, to produce a mid-year report reviewing its treasury management activity undertaken so far against the approved strategy for the year and to consider any significant issues which may impact upon the function for the remainder of the year. This includes reviewing approved borrowing and treasury management prudential indicators. This report meets CIPFA's reporting requirement.
- 1.3 CIPFA's Prudential Code for Capital Finance also requires the council to review the approved prudential indicators for its capital expenditure during the year and the report also meets this requirement.

2. ECONOMIC UPDATE AND INTEREST RATE OUTLOOK

- 2.1 The UK's economy continues to show good signs of recovery from both recession and the financial crises of recent years. Key economic indicators supporting the recovery include:-
- i) **GDP** – growth is roughly in line with previous expectations and is forecast to be around 2.5% in 2015, a little lower than the 3% peak achieved in 2014. Weak growth in the EU, China and the emerging markets is acting as a headwind on UK growth. Looking forward UK growth is expected to remain at just under 3% for the next couple of years. For growth to become more sustainable in the long term there needs to be a move away from the dependence on consumer spending and a buoyant housing market towards the manufacturing and export sectors, both of which need to continue to improve.
 - ii) **Unemployment** – although unemployment continues on a downward trend there has been a small rise in claimant numbers in recent months creating an unwelcome headwind in the UK's recovery. More positively the number of people in employment continues to rise.
 - iii) **Inflation (CPI)** – this has been at or close to zero during 2015 and is expected to remain at these levels for the rest of this year before slowly rising in 2016. Although UK wage inflation is rising, currently at 3%, this is being significantly offset by a fall in commodity prices, notably oil prices, leading the CPI to be at its current historically low point. The August Bank of England inflation report predicts inflation to barely rise to 2% within the next two to three years.
 - iv) **Government Debt** – the Budget Statement in July outlined that the government would look to achieve a budget surplus in 2019/20 rather than the previously forecast deadline of 2018/19. Whilst the pace of the austerity measures may have eased slightly they nevertheless do have a dampening effect on the pace at which the UK economy can grow.

2.2 Although there has been much speculation about the timing of the first increase in the bank base rate since 2009, most commentators are now expecting the MPC to raise the base rate slowly from the second quarter of 2016. This is also the current view of the council's own treasury advisor, Capita Asset Services (Capita).

2.3 The following table, based on information from Capita, is the latest forecast of interest rates for the short and medium term.

	Apr 15 – Sep 15 average	Dec 15	Mar 16	2016/17 average	2017/18 average
Bank Rate	0.5%	0.5%	0.5%	0.9%	1.5%
Investments					
3 month LIBID	0.5%	0.6%	0.7%	1.0%	1.7%
12 month LIBID	0.9%	1.1%	1.2%	1.5%	2.2%
Borrowing					
5 year PWLB	2.1%	2.4%	2.5%	2.8%	3.3%
10 year PWLB	2.8%	3.0%	3.2%	3.5%	4.0%
25 year PWLB	3.4%	3.6%	3.8%	4.0%	4.5%
50 year PWLB	3.3%	3.6%	3.8%	4.0%	4.5%

2.4 The above forecasts for the Public Works Loan Board (PWLB) rates incorporate a reduction of 0.2% available for most local authorities under the 'PWLB Rate Certainty' scheme.

2.5 In summary, interest rates for the remainder of 2015/16 are expected to remain broadly unchanged from their current levels before they begin to slowly rise in the future.

3. LATEST SUMMARISED TREASURY POSITION FOR 2015/16

3.1 The latest summarised treasury position for 2015/16 is shown in the table below:

	Opening 1/4/15	Current 31/8/15	Original Projection 31/3/16	Latest Projection 31/3/16
	£m	£m	£m	£m
Borrowings				
General Fund	10.6	9.6	8.9	8.9
HRA	51.7	50.6	50.6	50.6
Total Borrowings	62.3	60.2	59.5	59.5
Investments	(38.8)	(41.4)	(30.0)	(36.0)
Net Debt	23.5	18.6	29.5	23.5

3.2 The latest projection for the position at the end of 2015/16 shows a reduction in the council's net debt of £6m compared to that originally forecast. The main reason for this reduction is the level of the council's reserves and balances held has increased from that originally anticipated during the budget planning process last year. The Council approved an ambitious General Fund capital programme broadly based around high priority 'invest to save' schemes and funded from reserves and balances. A great deal of planning work is already in progress to bring forward these schemes, however it is likely the majority of the expenditure to deliver these will be incurred from 2016/17 rather than 2015/16, in part explaining the higher level of reserves and balances held.

4. DEBT AND BORROWING

4.1 The following key factors were approved as part of the borrowing strategy for 2015/16:-

- No borrowing required to finance new capital expenditure or to replace existing maturing debt.
- Opportunities for debt rescheduling to continue to be monitored.

4.2 In line with the forecast for the year, approximately £2.1m of long term borrowing is maturing during the year and being met from internal balances without the need for new borrowing. The majority of this took place in August with a £2m PWLB loan maturing.

4.3 No new borrowing is expected to be required to finance capital expenditure. The only borrowing incurred so far this year is a series of short term loans from Folkestone Town Council taken up for cash flow purposes. At the 31 August loans totaling £550,000 were held at an interest rate of 0.25%.

4.4 So far during 2015/16 no opportunities have arisen to undertake debt rescheduling beneficial to the council. The position continues to be closely monitored although it seems unlikely any debt rescheduling will take place this year.

4.5 In all cases the Chief Finance Officer has delegated powers to take the most appropriate form of borrowing taking account of the borrowing requirement, prevailing interest rates and economic conditions at the time.

4.6 The council's total borrowing during 2015/16 is expected to remain well within authorised limit of £65.7m approved by Council. This is covered in more detail as part of the review of the Prudential Indicators at appendix 2 to this report.

5. INVESTMENTS

5.1 As part of the Treasury Management Strategy, full Council approved the Annual Investment Strategy (AIS) for 2015/16. The AIS details the investment parameters the council can operate within during the year. The key objectives of the Council's investment strategy are safeguarding the re-

payment of the principal and interest of its investments on time – the investment return being a secondary objective. Following the banking and credit crises in recent years, the current investment climate has one overriding risk consideration, that of counterparty risk.

5.2 Investment Activity

5.2.1 Appendix 1 to this report lists the council's investments held at 31 August 2015 totaling £41.4m.

5.2.2 Notable factors influencing the council's investment activity during the current year include:

- i) Interest rates have generally remained very low and, in some cases, even fallen so far during the current financial year across the range of standard investment products available to the council. In part this is because banks have recapitalised following the banking crisis of recent years and do not have the same demand for cash, hence the lower interest rates for deposits.
- ii) Operational restrictions currently in place mean deposits with some major UK financial institutions are limited to a maximum duration of between 3 and 6 months.
- iii) Interest rates for 12 month investments with other UK local authorities are also currently no better than those available through instant access and short term deposit accounts.
- iv) Market expectation is that interest rates will slowly but steadily rise from 2016 suggesting investment durations should be kept shorter, generally no longer than 12 months.
- v) The level of cash balances to invest is on average projected to be about £42m for the year, £5m more than originally anticipated.

5.2.3 As a response to the banking crisis of recent years UK and European governments have over the past year or so introduced "bail-in" legislation for banking institutions. This means that rather than providing direct financial support themselves, governments will look to equity, debt and deposit holders (including local authorities) to take a direct financial hit ("haircut") should individual banks have financial difficulties in the future. Banks are now required to carry much greater liquidity buffers to help mitigate this risk. Credit rating agencies now rate banks based on their ability to support themselves rather than rely on government (sovereign) backing and this council changed its credit rating criteria in 2014/15 to reflect these changes.

5.2.4 The council's treasury advisor, Capita, continue to support the use of bank deposits and similar products as suitable investments for the authority, although with some banks Capita's credit rating methodology advises using shorter durations than the council's approved AIS actually allows.

5.2.5 In line with the AIS the council invested a further £2m in the CCLA LA Property Fund at the end of April 2015 increasing the total amount to £5m. The fund's property portfolio is a mixture of commercial, retail and light industrial units spread across the country and aims to deliver returns based

on rental income and capital appreciation. The table below summarises the key data for the fund and shows a projected net yield of 5% for the year, after management fees of approximately 0.5% are deducted.

CCLA LA Property Fund	2014-15	2015-16
SDC investment	£3m	£5m
Net yield – Q1 to 30 th June	4.7%	4.8%
Net yield – year to 31 st March	5.21%	5.0%
Fund size at 31 st August	£214m	£467m
Number of investors	69	123

5.2.6 The projected average return on the council's overall investment portfolio for the current financial year is 1.35% and is in line with the original projection for the year. The projected interest from the council's investments and its impact compared to the budgeted position is included in the financial summary (section 6) later in this report.

5.2.7 All investment activity undertaken so far during the current financial year is in accordance with the approved AIS.

5.3 Investment Benchmarking

5.3.1 The council participates in a recently expanded regional investment benchmarking group which now includes eleven other local authorities across Kent, Sussex and Hampshire. The group is organised by the council's treasury advisor, Capita, and the main purpose is to allow participants to:

- measure and compare investment performance in terms of returns and relative risks
- share information and identify opportunities to improve investment returns taking account of the relative risks
- compare performance against national data for district councils

5.3.2 The council receives a quarterly benchmarking report from Capita showing the district council's performance. In summary, the quarterly report to June 2015 showed the following key performance information:

June 2015 'Snapshot' Summary	Shepway DC (excluding CCLA Property Fund)	Regional Group	District Councils (National)
Average return	0.85%	0.84%	0.68%
Average maturity (days)	157	203	102
Credit Risk*	3.5	4.2	3.9

* A credit risk measure of 7 or more is high. Most Sector clients who use their counterparty credit rating information have a score of 4.5 or less.

5.3.3 Because the CCLA Property Fund is an open ended investment and it is not rated in the same way as other investments, Capita's benchmarking

service is unable to take into account the impact of the fund within its analysis and it is excluded from the information above.

- 5.3.4 As the table shows, the council's overall performance compares well with both its peers in the regional group and the national group of district councils participating in the benchmarking exercise.

6. FINANCIAL SUMMARY

- 6.1 The projected outturn for the net cost of treasury management to the General Fund in 2015/16 is summarised below:

Financial Summary	2015/16 Original Estimate	2015/16 Projection	Variance
	£'000	£'000	£'000
Interest on all Borrowing	2,266	2,266	-
Related HRA Charge	(1,753)	(1,753)	-
General Fund Borrowing Cost	513	513	-
Investment Income	(491)	(542)	(51)
HRA Element	94	75	(19)
Net General Fund Investment Income	(397)	(467)	(70)
Net General Fund Borrowing Cost	116	46	(70)

- 6.2 The main reason for this projected net reduction in borrowing costs to the General Fund in 2014/15 is the improved returns from the additional £2m investment in the CCLA Property Fund. Notably there is no additional interest being earned from having a projected average investment balance £5m more than originally anticipated. This is due to average interest rates available on straight forward cash deposits being slightly lower than forecast when the budget was prepared last autumn.
- 6.3 This position is included within the General Fund budget monitoring report for Quarter 2 of 2015/16, due to be considered by Cabinet on this agenda.
- 6.4 Opportunities to reduce the net cost of treasury management will continue to be sought as part of the pro-active management to the council's debt and investment portfolios by its officers in consultation with the Portfolio Holder.

7. COMPLIANCE WITH APPROVED INDICATORS

- 7.1 Full Council approved the various statutory Prudential Indicators for capital, borrowing and treasury activities in 2015/16 as part of the Treasury Management Strategy Statement. Additionally the council set local prudential and performance indicators for 2015/16. It can be confirmed the council is projected to remain within all these limits during the year and no

further action is required at this time. Details of the indicators can be found in Appendix 2.

8. CONCLUSIONS

- 8.1** There is a welcome projected reduction in the council's net interest cost to the General Fund in 2015/16 largely due to the investment made in the CCLA LA Property Fund.
- 8.2** The loan and investment portfolios will continue to be closely monitored to ensure they efficiently contribute towards the council's medium term financial strategy.
- 8.3** The council's existing approved capital expenditure, borrowing and treasury prudential indicators reflect the latest projected position for 2015/16 and do not require any further action at this time.

9. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

9.1 Legal Officer's Comments (BD)

There are no legal implications arising from this report.

9.2 Finance Officer's Comments (LW)

Prepared by Financial Services, no further comments.

9.3 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. 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
Telephone: 01303 853593
E-mail: lee.walker@shepway.gov.uk

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

None

Appendices:

Appendix 1 – Investments held at 31 August 2015

Appendix 2 – Prudential and Treasury Indicators

APPENDIX 1 – INVESTMENTS HELD AT 31 AUGUST 2015

Investments Held at 31st August 2015					
Counterparty	Investment Type	From	To	Principal	Interest Rate
				£	%
Liquid Investments					
Standard Life (Ignis)	Money Market Fund	instant access		944,000	0.49
Svenska Handelsbanken	Callable deposit	instant access		2,435,000	0.45
Barclays - FIBCA	Callable deposit	instant access		5,000,000	0.45
				8,379,000	
Fixed Term Investment					
Lloyds Bank	Fixed Term Deposit	06/07/15	06/07/16	2,000,000	1.00
Lloyds Bank	Fixed Term Deposit	18/08/15	18/08/16	1,000,000	1.00
Lloyds Bank	Fixed Term Deposit	10/04/15	10/04/16	2,000,000	1.00
Peterborough City Council	Fixed Term Deposit	30/09/13	30/09/15	3,000,000	1.10
Dumfries & Galloway Council	Fixed Term Deposit	18/11/13	18/11/15	5,000,000	1.00
Santander	Fixed Term Deposit	14/04/15	14/10/15	5,000,000	0.73
Standard Chartered Bank	Certificate of Deposit	10/04/15	11/01/16	5,000,000	0.79
Royal Bank of Scotland	Certificate of Deposit	13/05/15	12/05/17	3,000,000	1.48
Royal Bank of Scotland	Certificate of Deposit	04/06/15	02/06/16	2,000,000	0.89
				28,000,000	
Managed Fund					
CCLA Property Fund				5,000,000	5.00
Total Investments Held				41,379,000	

* CCLA based on dividend received to 30 June 2015 and net of fees (0.5%)

APPENDIX 2 – PRUDENTIAL AND TREASURY INDICATORS

Prudential Indicator 1 – Capital Expenditure and Financing

	2015/16 Estimate	2015/16 Projection
	£'000	£'000
Non-HRA capital expenditure	5,589	4,580
HRA capital expenditure	8,227	8,768
Total capital expenditure	13,816	13,348
Resourced by:		
Capital receipts	(3,379)	(3,596)
Capital grants	(830)	(1,062)
HRA Major Repairs Reserve	(1,524)	(2,065)
Revenue (GF)	(2,660)	(1,202)
Revenue (HRA)	(5,423)	(5,423)
Unfinanced capital expenditure (additional need to borrow)	-	-

The 2015/16 estimate is that approved by full Council on 19 February 2015. The projection shown above is based on the second quarter's capital programme budget monitoring reports for the General Fund and HRA due to be considered by Cabinet on this agenda.

Prudential Indicator 2 – Capital Financing Requirement

The Capital Financing Requirement (CFR) is the council's underlying need to borrow for a capital purpose. It represents the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is increased each year by any new borrowing required (see 1, above) and decreased by any statutory revenue charge for repayment of debt (the Minimum Revenue Provision [MRP].) and additional voluntary payments where it is seen to be in the council's best interest.

As part of the statutory HRA Self-Financing reforms introduced from April 2012, an affordable strategy to repay the HRA's total debt, represented by its capital financing requirement (HRACFR) over the next 18 -20 years has been agreed and is included in the prudential indicator below.

As at 31st March	2015/16 Estimate	2015/16 Projection
	£'000	£'000
Opening balance		
CFR – Non Housing	12,997	12,997
CFR - Housing	47,416	47,416
Total CFR	60,413	60,413
Net Financing Need – P.I. 1, above	-	-
Less, MRP	(514)	(514)
Less, HRA financing movement	(1,200)	(1,200)
Closing balance	58,699	58,699

Prudential Indicator 3 – Ratio of Financing Costs to Net Revenue Stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. The revenue stream for non-HRA is the amount to be met from government grant and council tax payers and for HRA is rent and other income.

%	2015/16 Approved	2015/16 Projection
Non-HRA	20.0%	20.7%
HRA	43.2%	43.3%

Prudential Indicators 4 & 5 - Incremental Impact of Capital Investment Decisions

These indicators identify the revenue costs associated with new schemes introduced to the Medium Term Capital Programme, recommended in the budget report for 2015/16, compared to the council's existing approved commitments and current plans.

P.I.	£	2015/16 Approved	2015/16 Projection
4	Council Tax – Band D	0.59	0.59
5	Weekly Housing Rents	0.09	0.09

Prudential Indicator 6 – Gross Borrowing / CFR

Within the prudential indicators there are a number of key indicators to ensure the council operates its activities within well defined limits. One of these is that the council needs to ensure its total borrowing does not, except in the short term, exceed the CFR in the preceding year plus the estimate of any additional CFR for 2015/16 and the following two years. This allows some flexibility for limited early borrowing for future years, but ensures borrowing is not undertaken for revenue purposes.

£'m	31 March 2016 Approved	31 March 2016 Projection
Borrowing at 1 April	61.7	62.3
Expected change in borrowing	(2.2)	(2.8)
Other long-term liabilities (OLTL)	-	-
Expected change on OLTL	-	-
Borrowing at 31 March	59.5	59.5
CFR – the borrowing need	58.7	58.7
Under / (over) borrowing	(0.8)	(0.8)

The above prudential indicator shows that for 2015/16 the council's total borrowing is, as forecast, projected to slightly exceed the CFR. This is due to it not being possible to exactly match the rate at which the HRA can afford to reduce its CFR under the Self-financing regime with the actual loan maturities the council already has in place. This means the HRA is projected to be slightly over-borrowed for the 2015/16. Although not ideal, the HRA's budget already anticipates the interest charges on this borrowing and will not impact on the HRA's strategy to repay its debt over the next 20 years. Notionally, the cost of carry to the HRA for 2015/16 is approximately £35k. It may be possible to mitigate this position if an opportunity arises to prematurely repay some PWLB debt.

Prudential Indicators 7 & 8 – Borrowing Limits

Two other key prudential indicators are used to ensure the council operates its borrowing activities within well defined limits.

The Operational Boundary - The limit beyond which external borrowing is not normally expected to exceed. In most cases this would be a similar figure to the CFR but may be lower or higher depending on the levels of actual borrowing.

The Authorised Limit for External Borrowing - This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been exercised.

The following table summarises the CFR and the projected borrowing position for the year against the approved operational and authorised borrowing limits

P.I.	£m	31 March 2016 Approved	31 March 2016 Projection
	CFR – the borrowing need	58.7	58.7
	Borrowing at 31 March	59.5	59.5
7	Operational boundary	63.2	63.2
8	Authorised limit	65.7	65.7

The Authorised Limit is the “Affordable Borrowing Limit” required by section 3 of the Local Government Act 2003. The council does not have the power to borrow above this level.

The Chief Finance Officer reports that no difficulties are envisaged meeting the requirements of this prudential indicator for the current or future years. This view takes into account current commitments, existing plans and is based on expenditure matching the resources available.

Prudential Indicator 9 – Interest Rate Exposures

%	2015/16 Approved Limit	2015/16 Projection
	Upper	Upper
Limits on fixed interest rates:		
• Debt	100%	99.6%
• Investments	100%	45.3%
Limits on variable interest rates;		
• Debt	20%	0.4%
• Investments	80%	54.7%

Prudential Indicator 10 – Maturity Structure of Borrowing

Maturity Structure of Fixed Interest Rate Borrowing 2015/16					
	Latest Approved		Projection		
	Lower	Upper	Lower	Upper	Value £m
Under 12 months	0%	30%	0%	3.4%	2.1
12 months to 2 years	0%	40%	0%	0.2%	0.1
2 years to 5 years	0%	50%	0%	7.6%	4.7
5 years to 10 years	0%	80%	0%	25.3%	15.6
10 years to 20 years	0%	100%	0%	42.2%	26.0
20 years to 50 years	0%	100%	0%	21.3%	13.1

Prudential Indicator 11 – Funds Invested for greater than 364 days

Investments	2015/16 Approved Limit £m	2015/16 Projection £m
Principal sums invested > 364 days	16.0	10.0

Local Indicators - HRA Debt Ratios

CIPFA's Prudential Code recommends the use of local indicators to measure the affordability and sustainability of the HRA's debt over the medium term. The following two local indicators consider the total level of HRA debt and how its proportion is changing over the next three year period. Both these indicators show reductions over the next three years and are consistent with the HRA Business Plan.

i) HRA Debt to Revenue Ratio

	2015/16 Estimate	2015/16 Projection	2016/17 Estimate	2017/18 Estimate
HRA debt £m	50.6	50.6	50.5	49.6
HRA revenues £m	16.3	16.3	16.7	17.0
Ratio of debt to revenues	3.1	3.1	3.0	2.9

ii) HRA Debt per Dwelling

	2015/16 Estimate	2015/16 Projection	2016/17 Estimate	2017/18 Estimate
HRA debt £m	50.6	50.6	50.5	49.6
Number of HRA dwellings	3,388	3,388	3,395	3,406
Debt per dwelling £	15,220	15,220	£14,880	£14,560

iii) Local Treasury Management Indicators

	2015/16	Estimate	Projection
1.	Debt – Average rate of interest on Non-HRA borrowing (excluding benefit of 'internal borrowing')	5.30%	5.30%
2.	Debt – Average rate of interest on HRA borrowing	3.44%	3.44%
3.	Investments – Average rate of return on all investments	1.34%	1.35%

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This Report will be made public on 27 October 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/15/30**

To: Cabinet
Date: 4 November 2015
Status: Key Decision
Head of Service: Tim Madden, Chief Finance Officer
Cabinet Member: Councillor David Monk, Leader of the Council

SUBJECT: Medium Term Financial Strategy 2016/17 to 2020/21

SUMMARY: The Medium Term Financial Strategy (MTFS) is the Council's key financial planning document. It puts the financial perspective on the council's Corporate Plan priorities, expressing the aims and objectives of various plans and strategies in financial terms over the five year period ending 31st March 2021. It covers both revenue and capital for the General Fund and the Housing Revenue Account. Also included are the Council's reserves policies. The MTFS is a key element of sound corporate governance and financial management.

REASONS FOR RECOMMENDATION:

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

- (a) The MTFS is the council's key financial planning document.
- (b) The strategy defines the financial resources needed to deliver the council's corporate objectives and priorities and covers the financial implications of other key strategies.
- (c) The council needs to be able to carry out an early assessment of the financial implications of its approved policies and strategies and also external financial pressures facing the authority to ensure that it has robust budgeting and remains financially viable.

RECOMMENDATIONS:

1. To receive and note Report C/15/30.
2. To recommend to Council that the Medium Term Financial Strategy, as appended to this report, is adopted.

1. THE MEDIUM TERM FINANCIAL STRATEGY

- 1.1 The MTFFS is the council's key financial planning tool and underpins the strategic approach to financial planning. It is a live document which needs to be periodically reviewed to reflect changing priorities and objectives. As the MTFFS outlines the financial resources necessary to deliver strategic priorities, it should not be viewed in isolation but as part of the wider corporate process.
- 1.2 The council reviewed the MTFFS at its meeting of 19 November 2014. The attached MTFFS has updated the document agreed at that point based on the work completed to date in preparation of the 2016/17 budget. As such it is consistent with the budget strategy which is presented elsewhere on the agenda.
- 1.3 The attached document reflects a summarized version of the key financial elements facing the Council. It contains all the pertinent points and in particular updates the financial projections which are of importance at this stage of the process and links to the new corporate plan. The intention is, once the 2016/17 budget is completed, to refresh this document and to present the full version to Cabinet and Council which will take into account the final budget of the council which will be agreed in February 2016.
- 1.4 As in recent years, local authority financial management is set against a background of uncertainty and the MTFFS is subject to influence outside the authority's control. At a central government level, this is the first settlement under the new Conservative administration and some significant announcements have already been indicated with detail to follow within the Autumn Statement and the Local Government Finance settlement. In particular, the change in future funding arrangements for Business Rates and the anticipated demise of the Revenue Support Grant will have a significant impact upon the financial profiling of the Council. The impact of decisions arising from council policy could also affect the MTFFS and therefore further iterations of the MTFFS will reflect the financial implications of those decisions taken.
- 1.5 The current strategy has been developed prior to Central Government's announcements as mentioned above. As such, assumptions have had to be made with regard to future income streams and assessments of future government grant. Although these are very much best estimates, they are taken in the context of the current economic climate and the expected continuation of the desire to eliminate the current deficit. As such, a difficult but realistic forecast of income trends has been incorporated into this MTFFS model.
- 1.6 The current MTFFS forecasts a cumulative funding gap of £5.5 million over the lifetime of this MTFFS. As set out in the budget strategy, this is based on a nil change to council tax levels for the period of the MTFFS. These will be subject to Political decisions at the appropriate time. The table below also shows the cumulative deficit over the period of the MTFFS.

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Deficit	1,700	3,221	4,429	4,936	5,558

1.7 The budget strategy previously referred to sets out the proposals and investments for 2016/17 in greater detail. Further work will be commencing to address the deficit in future years and also to deal with any issues which may arise out of the Local Government Finance Settlement due in December 2015. The MTFS will be brought back to Cabinet once the 2016/17 budget is complete in order to prepare for further planning for future financial years.

1.8 The MTFS is included at Annex A to this report for members consideration.

2. RISK MANAGEMENT ISSUES

2.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
The Council does not remain up to date up to date with changes in legislation and other developments.	High	Low	Financial Services are keeping abreast of finance changes. Heads of Service to keep up to date with / communicate changes to their areas of work.
Assumptions may be inaccurate	High	Medium	Budget monitoring process is up to date and a close eye is being kept on financial developments nationally. Assumptions are constantly reviewed and amended in light of information received.
Local Government Finance Settlement is worse than anticipated.	High	Medium	Realistic assumptions have already been included and any new information is being assessed as to its likely impact.

MTFS becomes out of date	High	Low	This is reviewed annually through the budget process.
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3. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

3.1 Legal Officer's Comments (DK)

There are no legal implications arising out of this report.

3.2 Finance Officer's Comments (TM)

There are no direct financial consequences arising from this report. However the strategy will influence the management of the council's resources ensuring that the focus is on the objectives and targets outlined in the corporate plan.

3.3 Diversity and Equalities Implications (TM)

There are no diversity and equality implications arising from this document. When the budget for 2016/17 is prepared, an Equalities Impact Assessment will be completed.

4. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

*Tim Madden, Corporate Director, Organisational Change
Tel: 01303 853371 E-mail: tim.madden@shepway.gov.uk*

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

No background documents have been used.

Appendices:

Medium Term Financial Strategy 2016/17 – 2020/21

Appendix 1 - Detailed MTFS projection

	<i>Orig Base</i>					
	<i>2015/16</i>	<i>2016/17</i>	<i>2017/18</i>	<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>
	£	£	£	£	£	£
Heads of Service						
CMT and Leadership Support	581,570	581,570	581,570	581,570	581,570	581,570
Head of HR	1,576,560	1,576,560	1,576,560	1,576,560	1,576,560	1,576,560
Policy and Engagement Manager	1,012,980	1,021,924	984,924	984,924	984,924	984,924
Solicitor to the Council	5,928,210	5,928,210	5,828,210	5,928,210	5,928,210	6,088,210
Head of Finance	3,915,190	3,964,140	3,964,140	3,964,140	3,964,140	3,964,140
Head of Housing, Land and Property	4,328,550	3,509,350	4,289,350	4,299,850	4,299,850	4,299,850
Head of Planning and Env Health	1,010,630	1,005,050	1,005,050	1,005,050	1,005,050	1,005,050
Communty Safety Manager	158,560	158,560	158,560	158,560	158,560	158,560
Changes not attributed to services	0	520,000	740,000	960,000	1,180,000	1,400,000
Recharges to non GF accounts	-1,844,570	-1,844,570	-1,844,570	-1,844,570	-1,844,570	-1,844,570
Unallocated net employee costs	-500	357,120	914,240	1,271,360	1,628,480	1,985,600
Head of Service net expenditure	16,667,180	16,777,914	18,198,034	18,885,654	19,462,774	20,199,894
Internal drainage board levies	427,280	435,826	444,543	453,434	462,503	471,753
Interest payable and similar charges	644,100	651,000	601,000	537,000	520,000	520,000
Interest and investment income	-506,870	-506,870	-506,870	-506,870	-506,870	-506,870
Council tax freeze grant	-99,550	0	0	0	0	0
New Homes Bonus grant	-1,602,550	-1,602,550	-1,230,550	-850,705	-565,780	-565,780
Other non-service related grants	-989,240	-663,250	-683,527	-705,701	-728,718	-752,609
	14,540,350	15,092,070	16,822,630	17,812,812	18,643,909	19,366,388
Net transfers to/from reserves	110,610	585,678	172,666	240,003	247,367	247,367
Minimum revenue provision adjust.	514,390	405,130	388,930	373,370	358,440	358,440
Financing of fixed assets	130,000	138,000	138,000	138,000	138,000	138,000
	15,295,350	16,220,878	17,522,226	18,564,185	19,387,716	20,110,195
Transfer to/from Collection Fund	-392,560	-100,000	-100,000	-100,000	-100,000	-100,000
Net business rates income	-3,497,740	-3,794,312	-3,932,000	-4,082,568	-4,238,858	-4,401,087
Revenue support grant	-2,752,840	-2,047,416	-1,562,718	-1,117,518	-946,018	-751,418
	8,652,210	10,279,149	11,927,508	13,264,099	14,102,840	14,857,689
Council Tax Requirement	-8,555,860	-8,628,329	-8,755,641	-8,884,930	-9,016,226	-9,149,558
Deficit / Surplus (-)	96,350	1,650,820	3,171,867	4,379,169	5,086,613	5,708,132
Target surplus/deficit to Gen Reserve		-50,000	-50,000	-50,000	150,000	150,000
Shortfall		1,700,820	3,221,867	4,429,169	4,936,613	5,558,132

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Appendix 2 – Reserves Policy

INTRODUCTION

The establishment, monitoring and review of the levels of reserves and balances are an important element of the council's financial management systems and financial standing.

The Chief Finance Officer (S151 Officer) is required by law to formally report to the council her/his opinion on the adequacy of the council's reserves. Irrespective of this, a well managed authority is clear about the reserves it needs now and in the future to support its service aspirations, whilst at the same time delivering value for money within a climate of significant resource pressure and economic/ social risk.

This policy does not cover non-distributable reserves required to support financial accounting transactions e.g. the Revaluation Reserve, Capital Adjustment Account and Pension Reserve. (Non-distributable reserves are those that cannot be used for revenue or capital purposes.)

Reserves can be held for four reasons:

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

Such reserves are generally referred to as earmarked reserves.

WHAT ARE RESERVES?

There is no clear definition of reserves even though reference is made to reserves in legislation. The Chartered Institute of Public Finance and Accountancy (CIPFA) states "amounts set aside for purposes falling outside the definition of provisions should be considered as reserves." Provisions are required for any liabilities of uncertain timing or amount that have been incurred.

Generally there are two types of reserves, those that are available to meet revenue or in some cases capital expenditure (Usable) and those that are not available to finance revenue or capital expenditure (Unusable). Useable reserves result from events that have allowed monies to be set aside, surpluses or decisions causing anticipated expenditure to have been postponed or cancelled. They can be spent or earmarked at the discretion of the council.

The council must manage its reserves in accordance with its strategic longer term planning process.

LEVEL OF RESERVES

As mentioned above the council's reserves can be regarded as general and earmarked reserves. In addition, the council maintains a Usable Capital Receipt reserve.

Projected Levels

The projected level of reserves over the next five years is summarised at the table below.

Projected level of reserves over next 5 years

	1 April 2015 £'000	1 April 2016 £'000	1 April 2017 £'000	1 April 2018 £'000	1 April 2019 £'000
General Reserve	5,646	2,824	2,824	2,824	2,824
Earmarked Reserves:					
Vehicles, Equipment and Technology	836	464	478	468	447
Leisure	211	237	287	187	187
Carry Forwards	1,600	345	271	271	271
Non Domestic Rates	1,830	2,007	1,976	1,976	1,976
Invest to Save	381	108	108	108	108
Corporate Initiatives	1,009	238	138	38	38
New Homes Bonus	1,005	1,757	2,509	2,889	2,889
IFRS Reserve	145	128	117	106	98
Economic Development	2,000	300	300	300	300
Other	793	290	290	290	290
Earmarked Reserves - Total	9,810	5,874	6,474	6,633	6,604
Housing Revenue Account reserve	4,252	3,872	3,060	2,273	2,068
Usable Capital Receipts Reserve	6,831	3,235	1,796	1,696	1,596

As part of its MTFs, the council also adopts some fundamental principles as to how reserves are used:

- The reserves must only be used to fund one off expenditure.
- Any recurring item may only be funded from reserves if plans are in place to replenish the reserve within 12 months.
- Any unplanned revenue income receipt should be put in reserves pending any future decisions as to its use.

- Reserves should be maintained at a sustainable level to ensure an adequate working balance is maintained.
- Reserves may be used as part of a planned process to balance the budget in order to avoid short term responses which may not be in the best interests of the council.

The council has prudently built up its reserves in recent years to be able to provide for its priorities when required. In particular, the need to consider alternative income streams through investments to compensate for the reduction in grants from central government. The use of the reserves to support this objective will need to be fully considered on a business case basis and will be used to approve any relevant funding.

The use of reserves is a critical part of the council's budget strategy and the level of reserves is kept under ongoing review. Any future calls on the reserves are considered by looking at the whole position and ensuring minimum reserve levels are adhered to. It is vital that the future needs of the authority such as through the VET reserve are continually refreshed and updated and that earmarked reserves are applied appropriately.

ASSESSING THE ADEQUACY OF RESERVES

The Chartered Institute of Public Finance and Accountancy (CIPFA) state that the Institute 'does not accept a case for introducing a statutory minimum level of reserves, even in exceptional circumstances'. It does however confirm that authorities should make their own judgment on such matters, taking into account all relevant local circumstances on the advice of their Chief Finance Officer.

The Local Government Act 2003 requires the Chief Finance Officer to formally report on the adequacy of the proposed financial reserves.

To arrive at assessing the adequacy of reserves a number of issues need to be addressed:

- What are the strategic, operational and financial risks facing the authority?
- Does the authority comply with the requirements to ensure that there is an adequate system of internal control?
- Are the key financial assumptions in formulating the council's budget robust and reasonable?
- Does the council have adequate financial management and cash flow arrangements?

In addition there are a number of questions an authority can ask to demonstrate that it is managing its affairs satisfactorily, such as:

- What is the track record of the council in its budgetary and financial management?
- What is the council's record regarding Council Tax collection?

- What is the council's capacity to manage in-year budgetary pressures?
- What is the strength of the council's financial reporting?
- What are the procedures to deal with under and over spends during and at the year end?
- In the case of earmarked reserves, will there be expected calls on the reserves that prompted the setting up of the reserves in the first place?

Finally, there is a need to look at the assumptions made in setting the budget, not just for the coming year but also under the MTFS.

The budgetary assumptions cover:

- Inflation and interest rate projections.
- Estimate and timings of capital receipts.
- Treatment of planned efficiency savings.
- Financial risks involved in major funding arrangements.

The assessment of the adequacy of the reserves and the robustness of the estimates are contained within the Chief Finance Officers report to council as part of the budget setting process based upon Section 25 of the Local Government Act of 2003.

Allocation of Reserves

There are to be no withdrawals from reserves, unless of a one-off nature, or if they are part of a planned usage which will lead to the elimination of any deficit and the setting of a balanced budget. It is not normal practice to withdraw from the General Fund Reserve to balance the annual budget, unless plans are in place to provide for an ongoing balanced budget.

Budget Assumptions

These are set out in detail within the Budget Strategy and a sensitivity analysis has been undertaken regarding the financial forecasts for the next five years. The council is responsible for a number of demand led budgets which are difficult to control.

The council has identified its strategic financial risks and has carried out an assessment of that risk. Based on this analysis, the following levels are considered appropriate:

Required Levels of Reserves

	Minimum Level £m
General Fund	3.2
Housing Revenue Account	2.0
Capital Receipts	0.5

The minimum level of the General Reserve balance has been arrived at after assessing the strategic financial risks faced by the council.

The table above shows that a minimum General Reserve balance of £3.2 million should be maintained. This includes an income accrual of £1.224m which is particularly significant given the proposed changes to universal credit and the potential impact on the ability to recover Housing Benefit overpayment. The HRA minimum balance has been set at £2.0 million as part of the preparation of the HRA business plan.

OPPORTUNITY COST OF HOLDING RESERVES

Having set minimum levels, the opportunity cost of holding reserves needs to be considered. All balances are used to either reduce temporary borrowing or are invested subject to other cash flows. Therefore in measuring any opportunity cost of holding these reserves, account needs to be taken of the interest saving. The opportunity cost of holding the reserves is therefore a judgment whether the 'worth' of expenditure foregone is more than the income generated. Given the current economic climate and prevailing uncertainty over future grant funding the risks the authority is exposed to exceed the opportunity cost of holding reserves.

REPORTING FRAMEWORK

The levels of reserves is continually monitored and a full review is undertaken each year.

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MEDIUM TERM FINANCIAL STRATEGY – EXECUTIVE SUMMARY

Introduction

This summary sets out the key issues arising from Shepway District Council's Medium Term Financial Strategy ('MTFS') for the next five years. The MTFS provides an integrated view of the whole of the council's finances and it also maps out the objectives to be secured, policies to be applied and risks to be managed over the period.

The council continues to find itself in an extremely challenging financial period as central government pursues its deficit reduction policy. Local government as a whole has faced more severe reductions than other parts of the public sector and has needed to provide strong discipline and management to put itself in a position to best address these challenges. The result of the May 2015 election has provided continuity in this approach and the MTFS is based on an assumption that local government will need to continue to play a full part in the national deficit reduction programme. The MTFS is a critical document in setting out the council's approach to establishing a strong financial base to enable the council's policies and priorities to be delivered.

Within the document are some key issues which will need to be tackled. The annual budget setting process will set out the detailed actions required to meet these but will in all cases be consistent with the direction and objectives of the MTFS.

Shepway Council - the Current Position

Shepway Council covers an area of 140 square miles and has a population of just over 100,000 people with approximately 48,200 dwellings in the district. The council has responsibility for a wide range of services including waste collection, planning, environmental enforcement, housing and homelessness, parking and grounds maintenance. In 2015/16 it planned to spend approximately £16.8 million per annum net revenue expenditure on services.

The Council's Aspirations

The vision and strategic objectives of the council are laid out in the Corporate Plan 2013 to 2018 and are shown below:

The vision for Shepway:

Prosperous and Ambitious – Working for more jobs and homes in an attractive district.

As a council, to help achieve the vision for the district, our five strategic objectives are:

- Boost the local economy and increase job opportunities

- More homes
- Listening to local people
- Support an attractive and vibrant place to live
- Deliver value for money

The council will have a particular emphasis on supporting the growth and sustainability of the economy to increase prosperity and on improving our effectiveness and efficiency through service design and workforce development. By focusing on these key priorities, the council will be able to direct resources to achieving its key strategic objectives and to ensure sustainability in its activities.

Strategic Financial Objectives

The MTFS covers all areas of the council spending and is underpinned by the strategic financial objectives as set out below:

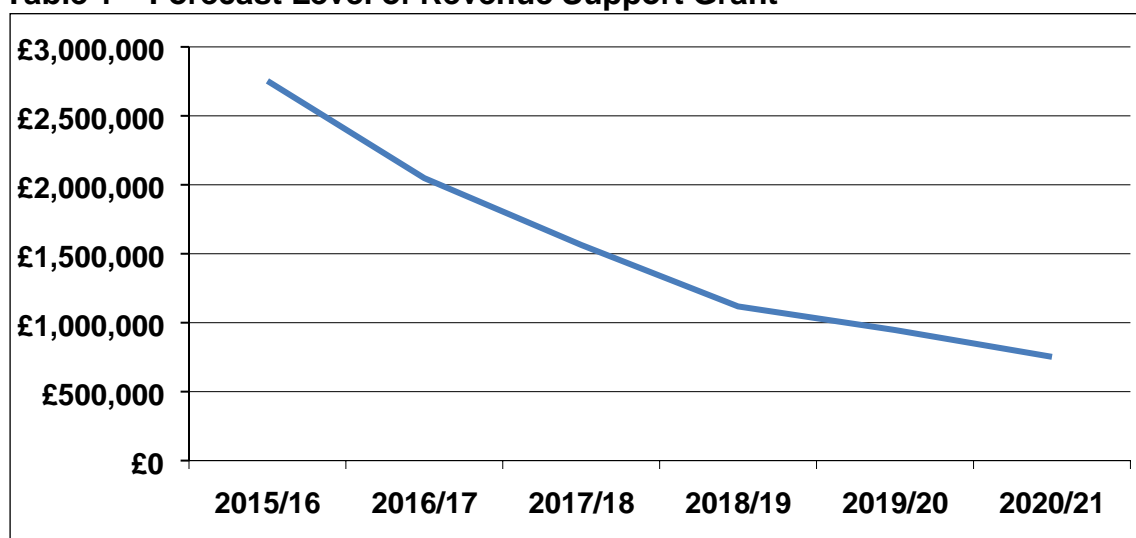
- To maintain a balanced Budget such that expenditure matches income from Council Tax, fees and charges, and government and other grants and to maintain that position.
- To maximise the council's income by setting fees and charges, where it has the discretion and need to do so, at a level to ensure at least full cost recovery, promptly raising all monies due and minimising the levels of arrears and debt write offs.
- To only incur additional spending when matched by increased income or identified budget savings over the medium term.
- To set a rate for Council Tax which maximises income necessary for the council to deliver its strategic objectives but ensures that government referendum limits are not exceeded. The % increase will be reviewed annually.
- To ensure resources are aligned with the council's strategic vision and corporate priorities.
- To actively engage local residents and other interested stakeholders in the financial choices facing the council.
- To maintain an adequate and prudent level of reserves.

The council faces a number of difficult decisions if it is to achieve its corporate priorities. Effective prioritisation and management of resources therefore continues to remain significant for the coming years.

Financial Pressures and Projections

The council is part of the local government sector which has been one of the areas hardest hit by central government's deficit reduction plan. Since 2010, there has been a steady reduction in the support provided by central government grant. Although the next spending review is yet to be announced, it is anticipated that the revenue support grant from central government will continue to decrease. **Table 1** below shows the current level of grant and the forecast reducing levels of grant over the period of this strategy.

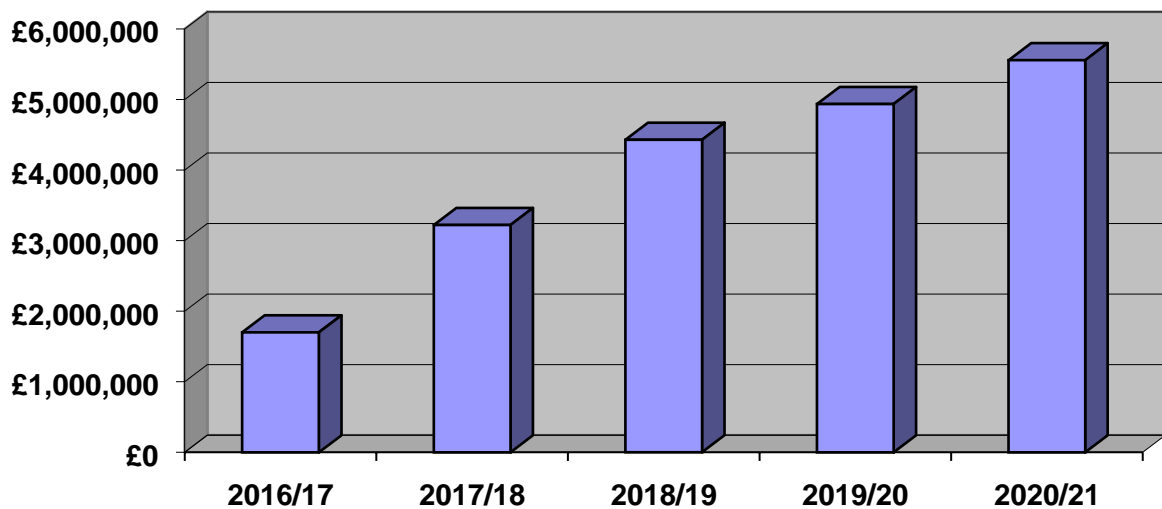
Table 1 – Forecast Level of Revenue Support Grant



The chart shows that the forecast level of grant for 2020/21 is approximately 27% of that in 2015/16 – a reduction in annual grant of £2 million. Over the MTFS period, the council is forecast to receive approximately £7.3 million less in government grant.

This reduction in grant, together with ongoing pressures from inflation, energy costs, legislation and the general economic climate have meant that the financial projections for the council continue to show an ongoing deficit which the financial planning processes of the council will need to address. The level of the deficit projection for the period to 2020/21 is detailed in **Appendix 1** and is shown in **Table 2** below:

Table 2 – Cumulative Deficit over the MTFS period



The above represents the cumulative deficit position assuming no action is taken and the level of council tax is kept at standstill for the period through the term of the MTFS. Although there are significant uncertainties looking forward, it is unlikely the overall financial forecast will improve significantly. However, it is worth noting that these challenges are being faced across the country by the local authority sector and are not in themselves unique to Shepway.

The key challenge facing the authority is how it will address the future funding gap of around £5.5 million over the next five years. The council has a good track record of addressing previous financial pressures and continues to develop responses to meet the future financial challenges. The section below sets out the general approach of the council to dealing with this environment.

Future Actions

Set out below are some of the broad themes which the council will pursue in addressing the deficit. The detailed programmes are built up through the ongoing budget work and will be monitored and updated continually through the year. The main areas the council will be following are:

- Reviewing the level of council tax. A 1% increase or decrease will have an effect of approximately £100,000 income in a year for Shepway District Council.
- Alternative income streams. Looking to generate future income sources through investments in the district which can generate a return over the longer term for the council including the development of Oportunitas Ltd to increase those income streams.
- Continuing to transform the way we work including service area reviews and maximising operational efficiencies. This will include fully utilising digital delivery to gain those efficiencies but also to improve the customer experience.

- Exploit commercial opportunities wherever possible to cover costs and to review our fees and charges.
- Support growth in the area to support the delivery of houses and jobs so that income streams can be maximised.
- Review of previous years' out turn and our base budget to ensure maximum value is obtained from those resources already allocated
- Considering the use of reserves in a sustainable and prudent manner to support the council's strategy.

To maintain the council's financial standing it is important that the council continues its proactive approach to financial planning and ensures that the detailed action plan addresses any deficit which may arise.

Council Tax

The Council Tax is one of the key funding streams for the council and accounts for approximately 50% of the council's income. Although this is a significant funding source, it is subject to restrictions by central government. The Localism Act included a requirement to hold a local referendum if any Council Tax increase is deemed 'excessive' and this level is currently set at 2% by central government.

If a council wishes to increase its Council Tax levy beyond pre-determined levels it will have to produce a 'shadow budget' at the maximum level allowed and implement this if the referendum is lost and also to bear the costs of any referendum. It should be noted that the government has the ability to either increase or decrease the level at which a referendum would be triggered.

The government has provided funding in recent years for a council tax freeze. A one year freeze grant was applied for 2015/16 but there has been no indication as yet as to whether this will be replicated for 2016/17 onwards. At this stage, no freeze grant has been assumed and if this becomes available, then it can be considered at the same time as the level of council tax is being decided.

Use of Reserves

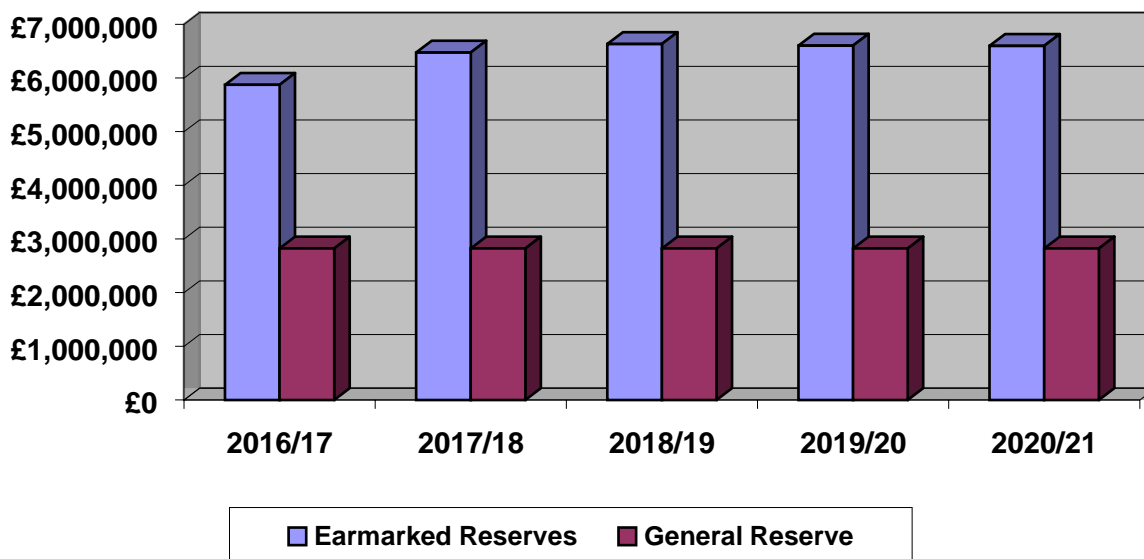
The council has a level of reserves which provides it with some protection against the difficult economic times. However, there are some fundamental principles as to how these should be used:

- The reserves must in general only be used to fund one off expenditure.
- Any recurring item may only be funded from reserves if plans are in place to replenish the reserve within 12 months
- Any unplanned revenue income receipt should be put in reserves pending any future decisions as to its use
- Reserves should be maintained at a sustainable level to ensure an adequate working balance is maintained
- Reserves can be used to bridge a funding gap plan if they provide an ongoing income stream (e.g. New Homes Bonus; Non Domestic Rates reserves)

Appendix 2 to this report sets out the council’s overall reserves policy and the context in which decisions are made as to the appropriate level of reserves.

The council’s prudent approach to reserves means there is flexibility as to how these can be applied in future. The projected level of reserves for the next 5 years is shown as a bar chart in **Table 3** below. The actual figures are shown in Appendix 1.

Table 3 – Level of Reserves for MTFS period



Consideration will be given as to the most effective usage of reserves to support the priorities of the council whilst maintaining financial stability and appropriate levels of reserves.

New Homes Bonus (NHB)

The New Homes Bonus was introduced in 2011/12 and has become an important funding source for councils. It is designed by Central Government to incentivise new house building. Local authorities are rewarded with a financial bonus, equal to the national average Council Tax on each additional property built and paid for the following six years after the occupation as a non ring fenced grant. This bonus is split in two tier areas 80% to the District Council and 20% to the County Council and includes where properties which have been empty for more than six months are brought back into use. There is also an enhancement for affordable homes. This provides a bonus system that gives a fiscal incentive to encourage local authorities to facilitate housing growth. The first bonus was paid in the financial year 2011/12 and builds successively in the following financial years to 2016/17 after which the bonus will be paid on a six year rolling basis. However, after the initial funding that the Government has set aside for the scheme has been exhausted, the cost of paying the New Homes Bonus will be met by top slicing formula grant.

Shepway currently utilises half of its existing New Homes Bonus to support services with the remaining amounts being set aside within a reserve to fund the additional cost of services. This strategy has allowed the council to build up its reserves which

will give it stability within the uncertain economic conditions currently being experienced and allows it to be drawn on when required for services.

Business Rates (Non Domestic Rates)

From 2013, the government introduced a scheme through which local authorities would be able to retain a proportion of any business rates growth above a set baseline. The purpose was to give local authorities a financial incentive to encourage and foster economic growth within their area and to work collaboratively with other authorities and business organisations to achieve that growth. Whilst this scheme has been broadly welcomed by local authorities, there are concerns over the potential volatility of this income stream with the level of appeals and that even a small variation in the overall revenue generated can carry a significant financial impact. The government is currently undertaking a review of how business rates operate and has undertaken a major consultation exercise. However, it has also stated that any changes should be fiscally neutral.

With regard to the MTFs, Shepway has welcomed the emphasis on economic growth but has been cautious about building this into the base budget. As such, any surpluses have been placed within a reserve until there is a degree of certainty before they can be used which may well not be until the following financial year. This is prudent management to manage the natural fluctuations of the business cycle. The council has also, in 2015/16, joined the Kent business rates pool on the basis of financial modelling which demonstrates a financial gain to the authority due to a reduction in the amount being paid to central government. This is a one year agreement which may be extended and is under consideration for 2016/17.

Recent announcements by the Chancellor of the Exchequer have indicated further changes to the Business Rates regime with proposals being presented which will devolve 100% of business rates to local government rather than the current 50%. This will also signal the end of central grants such as RSG. These proposals are due to be detailed at the Autumn Statement on the 25th November 2015 and are likely to be implemented in 2019/20. As detail becomes available, the implications of this change will be thoroughly worked through.

Housing Revenue Account

The council has a separate account, the Housing Revenue Account (HRA) which supports local authority housing throughout the district. The HRA is now required to produce a 30 year business plan which demonstrates the affordability and sustainability of the management and investment in the council's housing stock. This full plan is currently being reviewed however the existing plan can be found at:

<http://www.shepway.gov.uk/moderngov/ieListDocuments.aspx?CId=142&MId=2496&Ver=4> .

The main strategic objectives of the HRA business plan are:

- To provide high quality affordable homes that meet fully the Shepway housing standard.

- To provide an efficient and effective housing management service, and invest in service improvements.
- To maximise the recovery of rental income.
- To build new council homes.

In agreeing the HRA business plan, the following principles were agreed to be followed:

- The repayment of the council's HRA debt over the first 18-20 years of the business plan (by around 2031).
- The implementation of a fully funded Shepway Housing Standard Programme throughout the 30 year life of the Business Plan.
- The provision of resources for a programme of new build council homes from April 2014.
- A minimum balance of £2million to be retained within the HRA at all times.
- Minimum borrowing headroom of £2million to be retained at all times.
- The plan should provide sufficient resources to fund environmental improvements and improvements to communal parts on the council's estate areas.
- A detailed review of the Business Plan should be completed every 5 years.

The business plan is currently being reviewed and the strategic objectives and principles outlined above will be reviewed for appropriateness. This review is expected to be completed shortly.

Medium Term Capital Programme

The Medium Term Capital Programme sets out how capital resources are used to achieve the council's vision and corporate priorities. Funding for capital projects is limited and where possible external funding is used to supplement the programme. The council has an affordable Capital Programme and is not relying on future capital receipts for funding. A strategy has been adopted which will look to utilise capital receipts only when they are realised as there are very limited amounts of capital resources available to finance the new projects to be added to the Capital Programme. Demand for financing of potential new projects continues to outweigh the funding available.

The main strategic objectives of the Capital Programme, which provide the underlying principles for financial planning, can be summarised as follows:

- To maintain a five year rolling Capital Programme which remains within the approved affordable, sustainable and prudential limits.
- To ensure capital resources are aligned with the council's strategic vision and corporate priorities by ensuring all schemes are prioritised according to the council's prioritisation methodology.
- Prudential Borrowing to be undertaken to support the councils priorities where there is a business case for it to do so and there are sufficient

monies to meet in full the implications of capital expenditure, both borrowing and running costs.

- To maximise available resources by actively seeking external funding to support council priorities and disposing of surplus assets.
- To use internal resources to support the capital programme where it can be demonstrated a business case to deliver future income streams for the council

The council forecasts its capital programme over a 5 year period and the latest position is set out in the report to council on the 19th February 2015. This can be found at:

<http://intranet.shepway.gov.uk/moderngov/ieListDocuments.aspx?CIId=122&MIId=2795&Ver=4>

Conclusion

The MTFs represents the collation of the key financial documents which looks to forecast the likely financial position the council will be facing over the next 5 years. It is the critical financial planning tool for the council and will provide the overall steer for the ongoing discussions throughout the annual budget cycles in dealing with the current economic climate.

This Report will be made public on 27 October 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/15/33**

To: Cabinet
Date: 4 November 2015
Status: Key Decision
Head of Service: Joanna Miller, Chief Finance Officer
Cabinet Member: Councillor David Monk, Leader of the Council, Councillor Susan Carey, Finance.

SUBJECT: BUDGET STRATEGY 2016/17

SUMMARY:

This Budget Strategy sets out the guidelines for preparing the 2016/17 Budget. The Strategy supports the Corporate Plan and aligns with the direction and objectives of the Medium Term Financial Strategy (MTFS).

The Budget Strategy takes account of current and future financial issues; sets out assumptions and initial proposals; and provides a timetable for delivering a balanced budget in 2016/17.

REASONS FOR RECOMMENDATION:

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

- (a) The Budget Strategy will assist in providing the framework within which the detailed budget is compiled.
- (b) A Strategy needs to be agreed that will support the delivery of the MTFS.
- (c) The council's constitution requires approval of such a strategy at least two months in advance of the budget being set.

RECOMMENDATIONS:

- 1. To receive and note report C/15/33.
- 2. To approve the Budget Strategy for 2016/17 set out in this report.
- 3. To approve the General Fund revenue growth proposals for 2016/17 (Appendix 2).
- 4. To approve the General Fund revenue savings proposals for 2016/17 (Appendix 3).

5. To approve the General Fund capital growth proposals for 2016/17 (Appendix 4)
6. To agree the proposed timetable for 2016/17 (Appendix 5).

1. INTRODUCTION

- 1.1 The Constitution requires that “no less than two months before any plan, strategy or budget that forms part of the Budget and Policy Framework needs to be adopted, the Cabinet will publish initial proposals and a timetable to council”.
- 1.2 This Budget Strategy covers those requirements, setting out the initial proposals and a timetable that will be used to inform the setting of the detailed budget for 2016/17. The Budget Strategy is consistent with the direction and objectives of the updated MTFS.
- 1.3 The MTFS and Budget Strategy are aligned with the council's strategic financial objectives, which are:

- To maintain a balanced General Fund budget such that expenditure matches income from Council Tax, Business Rates, fees and charges and government and other grants to maintain that position.
- To maximise the council's income by setting fees and charges, where it has the discretion and need to do so, at a level to ensure at least full cost recovery, promptly raising all monies due and minimising the levels of arrears and debt write offs.
- To only incur additional spending when matched by increased income or identified budget savings.
- To set a rate for Council Tax which maximises income necessary for the council to deliver its strategic objectives but ensures that any government referendum limit is not exceeded. The % increase will be reviewed annually.
- To ensure resources are aligned with the council's strategic vision and corporate priorities.
- To actively engage local residents and other interested stakeholders in the financial choices facing the council.
- To maintain an adequate and prudent level of reserves.

2. CURRENT FINANCIAL ISSUES

2.1 2014/15 Outturn Position

- 2.1.1 The final outturn position for 2014/15 was a surplus of £0.148m after transfers to reserves. Useable reserves increased by £3.75m to £28.3m.
- 2.1.2 Over recent years, Shepway has established a good track record of maintaining a healthy reserves position. This enables the council to have greater stability and resilience for dealing with current and future financial challenges and uncertainties.

- 2.1.3 The Audit Findings Report (AFR) 2014/15 confirmed that the council had proper arrangements in place to secure value for money in its use of resources. The table below summarises the external auditor's findings against the six key risk areas.

Table 1: 2014/15 VFM Conclusion	
Theme	Rating
Key indicators of performance	Green
Strategic Financial Planning	Amber
Financial governance	Green
Financial control	Green
Prioritising resources	Green
Improving efficiency & productivity	Green

- 2.1.4 This shows that further work is required in the area of Strategic Financial Planning. The audit findings make reference to the projected shortfall of £1.7m in 2016/17, and the need to establish detailed proposals for consideration by members as part of the budget planning process in order to address the funding gap in the short and medium term.
- 2.1.5 Although the council has a healthy reserves position, the AFR recognises that the use of reserves will not provide a sustainable solution over the longer term and that realistic and tangible plans to make savings or increase revenues are required for the short and medium term.
- 2.1.6 It should be noted that the financial pressures that the Authority faces are not peculiar to Shepway, but a reflection of the increasingly difficult financial context within which local government operates.

2.2 2015/16 Forecast Outturn Position

- 2.2.1 The 2015/16 Quarter 2 General Fund Revenue Budget Monitoring Report is included elsewhere on the agenda. Based on information to 31st August, there is a projected surplus of £168k for the full year, which represents a favourable variance of £264k against the latest approved budget. One of the main reasons for the projected surplus is an increase in the estimated income from fees and charges relating to Planning, Car Parking and the Lifeline Service. Where officers believe that these enhanced income levels can be maintained in the future, this has been included in the Budget Strategy proposals.
- 2.2.2 The Quarter 2 HRA Monitoring report, included elsewhere on the agenda, sets out the likely outturn for HRA revenue and capital expenditure for 2015/16. The projections, based on actual expenditure and income to 31 August 2015, show a decrease in net revenue expenditure of £116k and an underspend of £7k against the £9m capital programme.
- 2.2.3 The latest projection for the General Fund capital programme, also a separate item on this agenda, shows an increase in planned capital expenditure of £1.2m against the latest budget. The main reasons for the increase relate to two capital investment schemes which were approved by

Cabinet on 16 September 2015, i.e. £600k for the Empty Homes Initiative and £500k additional funding for the Oportunitas housing acquisitions programme. Both these capital schemes were previously agreed in principle by full Council. The Quarter 2 projection is fully funded.

2.3 External influences

- 2.3.1 On 21 July 2015, the Chancellor of the Exchequer launched the 2015 spending review. 'Unprotected' departments, including local government, have been asked to prepare savings plans illustrating the impact of 25% and 40% real terms reductions by 2019/20. The Spending Review is due to report on 25 November 2015. This will provide overall Council funding allocations for 2016/17. It is expected that this will be followed by a detailed grant announcement in December. The government has stated that it will be looking at transforming the approach to local government financing and further decentralise power. Forecasts for future funding settlements remain very uncertain.

3.0 2016/17 FINANCIAL FORECAST

3.1. Medium Term Financial Strategy (MTFS)

- 3.1.1 The MTFS is the council's key financial planning document. It links the council's strategic priorities with the financial resources required to deliver them. The MTFS covers a five year period, providing the context and framework within which the Budget Strategy is prepared, and considers the implications of the council's approved priorities. It also takes in to account the uncertainty surrounding the financial climate that the council is working within. The MTFS is updated each year.
- 3.1.2 The latest MTFS highlights some key issues which will need to be tackled. The overriding financial challenge facing the authority is the projected funding gap of £5.5m over the next five years. The main reasons for this are: the reduction in revenue support grant provided by central government; ongoing pressures from inflation; energy costs; legislative changes; and the general economic climate.
- 3.1.3 Moreover, there is ongoing uncertainty around other central government funding sources, including the council tax freeze grant, new homes bonus and business rates.
- 3.1.4 The MTFS forecasts a cumulative funding gap of £5.5m over the next five years, with a deficit of £1.7m in 2016/17. This Budget Strategy explains the assumptions underlying the 2016/17 forecast (Section 4 below) and proposals for addressing next year's funding gap (Section 5 below).

3.2 Reserves

- 3.2.1 Total General Fund reserves at 31st March 2015 amounted to £15.5m, of which £5.6m is held within the General Reserve. The table below shows projected reserves before any application towards new growth.

Table 2: General Fund Reserves			
Description of reserve	Balance 31/3/15 £000	Projected bal 31/3/16 £000	Projected bal 31/3/2017 £000
General Reserve	5,646	2,824	2,824
Earmarked reserves:			
Vehicle, equipment and technology	836	464	478
Leisure	211	237	287
Invest to save	381	108	108
Carry forwards	1,600	345	271
Corporate plan initiatives	1,009	238	138
New Homes Bonus initiatives	1,005	1,757	2,509
IFRS	145	128	117
Other	793	290	290
Economic Development	2,000	300	300
Business rates	1,830	2,007	1,976
Total Earmarked Reserves	9,810	5,874	6,474
Total General Fund Reserves	15,456	8,698	9,298

4.0 BUDGET ASSUMPTIONS

4.1 Appendix 1 summarises the changes between the 2015/16 and 2016/17 budget. These changes comprise:

Table 3: Changes from 2015/16 to 2016/17		
	£'000	£'000
2015/16 Base		96
Inflationary pressures	586	
Corporate funding impacts	506	
Growth pressures	500	
Other reductions	-37	1,555
Target surplus		50
Total budget deficit		1,701

The key assumptions are listed below.

4.2 Funding Assumptions

4.2.1 Revenue Support Grant lower tier funding, (i.e. excluding ongoing freeze grants), is assumed to reduce by 30% (£705k).

4.2.2 Income from Business Rates has been based on last year's estimates, pending a full review.

4.2.3 No council tax increase.

4.2.4 A Collection Fund Surplus of £100k has been assumed, compared to a forecast surplus of £392k for 2015/16.

4.3 Cost Assumptions

- 4.3.1 A pay award of 2% has been assumed (£238k) and a further 1% (£119k) has been included to cover salary increments.
- 4.3.2 £300k (based on a 3.6% increase to national insurance costs) has been included to reflect National Insurance changes
- 4.3.3 Contract inflation of £220k has been allowed for.
- 4.3.4 An increase of 2% has been assumed in relation to the Internal Drainage Board.

5.0 2016/17 BUDGET PROPOSALS

- 5.1 The council will use a multipronged approach to address the deficit in the short and medium term. The broad themes are:
- Review the level of council tax
 - Pursue alternative income streams
 - Transform services to generate efficiencies
 - Exploit commercial opportunities, including a robust review of fees and charges
 - Support local growth in houses and jobs to maximize income streams
 - Review the base budget to ensure effective use of allocated resources
 - Consider the use of reserves to support the council's strategy
- 5.2 A rigorous review of the 2015/16 base budget and previous years' outturns was undertaken in September. The review identified savings and efficiencies of just over £1.2m in total (see Appendix 3). The savings include £350k which relates to the Transformation theme.
- 5.3 Savings from increases to fees and charges which have already been through the CMT are also included in Appendix 3. The exercise of reviewing all discretionary fees and charges is still ongoing and will report into Cabinet in December.
- 5.4 Service heads and budget holders were also asked to produce growth items that would ensure future sustainability. The proposals are attached at Appendices 2 (revenue) and 4 (capital).
- 5.5 It is expected that the return on investments will continue to do well; as a result, £100k has been factored in as additional investment income.
- 5.6 Based on the work already undertaken, the current position is set out below in Table 4. Members should note that this position will change as more detail becomes available.

Table 4: Funding Gap	£'000
Forecast deficit	1,701
Less Savings and efficiencies	(1, 202)
Less additional interest income	(100)
Add Revenue growth proposals	81
Latest projected balance 2016/167	480

5.7 Further options for addressing the remaining deficit shown above, include:

- Increasing council tax (a 1% increase equates to approximately £100k). The current referendum limit is 2%. This will ensure the cumulative increase is built into the base.
- Reducing the Council Tax Reduction Support Grant paid to Town and Parish councils. The current payment is £166k. This is due to be considered at the Cabinet meeting of 4th November 2015.
- At present it is not planned to use reserves to close the gap. However, this situation will continue to be reviewed.

6.0 HOUSING REVENUE ACCOUNT (HRA)

6.1 This Budget Strategy^{9y} does not explore the Housing Revenue Account further as the council approved on 10 July 2013 a HRA business plan for the period 2013 to 2043. The business plan is currently being reviewed. This will include the impact of the 1% housing rent reduction which was announced by the Chancellor in his recent July budget. It is expected to be reported into Cabinet in March 2016.

6.2 The detailed 2016/17 HRA revenue and capital budgets that will be submitted to Cabinet in December 2015 will be consistent with the agreed business plan.

7.0 CAPITAL PROGRAMME

7.1 As part of the Budget Strategy, Cabinet is asked to consider the proposals for new capital schemes to be included in the council's General Fund Capital Programme for 2016/17. Any new capital scheme to be included in the programme will need to contribute to the objectives set out in section 1.3 of this report. New General Fund capital scheme proposals of £894k for 2016/17 are shown in Appendix 4 to this report. Additionally the council's General Fund Medium Term Capital Programme (MTCP) will need to be updated to include recurring schemes planned to continue over the 5 year period to 2020/21.

7.2 All proposed changes to the council's General Fund MTCP are required to be approved by full Council as part of the budget setting process.

7.3 Capital Receipts – The existing MTFs states that a minimum of £0.5m in capital receipts must be retained as a contingency to meet urgent or unforeseen capital expenditure. The council's general policy is that only

capital receipts received should be earmarked to fund capital projects. The only departure from this is ring-fencing the use of future repaid decent homes loans and home safe loans receipts to be reinvested in further private sector housing improvement loans. The latest position regarding the council's available capital receipts to fund capital expenditure, based on the 2nd quarter's capital budget monitoring for 2015/16, is shown in the following table:

Table 5: Capital Receipts Position Statement	£'000
Receipts in hand at 31 st March 2015	(6,831)
Less:	
Committed towards General Fund capital expenditure	2,962
Committed towards HRA capital expenditure	1,280
Ring-fenced for specific purposes	1,807
Contingency for urgent or unforeseen capital expenditure	500
Balance available to support new capital expenditure	(282)

- 7.4** Over the term of the MTFs the council hopes to receive approximately £1m in capital receipts which it could choose to use to fund its future capital expenditure plans or retain for investment purposes. This excludes 'Right to Buy' disposals of council dwellings where the retained element of capital receipts are required to be reinvested directly in local social housing initiatives. This also currently excludes any potential future capital receipts that may be generated through the council's current 'invest to save' initiatives.
- 7.5** Other Capital Funding Sources - In addition to the available capital receipts, the council can choose to use its revenue resources (earmarked revenue reserves and balances) or consider prudential borrowing to fund its General Fund capital expenditure plans. Prudential borrowing will incur a revenue cost to the General Fund in terms of interest and a minimum revenue provision charge (MRP). Therefore, prudential borrowing is best suited to capital 'invest to save' projects that will provide a net long term financial return to the council allowing for these costs.
- 7.6** Any capital scheme included in the approved capital programme requiring external grant funding to support it will only be allowed to commence once a formal funding agreement has been established between the council and the relevant funding body.
- 8.0 THE BUDGET TIMETABLE**
- 8.1** By early March each year the council is required by law to approve its Budget (revenue, capital and HRA) and Council Tax levels for the forthcoming year. The council meets in February to do this. Advance notice is given in the publication of key decisions to be made.
- 8.2** Detailed guidance on the annual budget preparation process was circulated to officers on 12 August 2015. This guidance covered roles and responsibilities; the links between finance and service planning; expected

standards and approach; and the timetable for preparing the 2016/17 Budget.

8.3 The 2016/17 Budget timetable is attached at Appendix 5.

9.0 RISK MANAGEMENT ISSUES

9.1 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.
Budget strategy not achieved.	High	Low	The budget making process is controlled closely with regular reconciliations against projections.
Incorrect assessment of Local Government Finance Settlement impact.	High	Low	Figures provided by Central Government have been used. The December Autumn Statement will inform latest forecast.

10.0 LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

9.1 Legal Officer's Comments (AK)

There are no legal issues arising from the report.

9.2 Finance Officer's Comments (JM)

The Budget for 2016/17 will be submitted to council in February 2016. This Budget Strategy is the first stage in the detailed budget process and will be used to inform the preparation of estimates.

10. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Joanna Miller, Chief Finance Officer
Tel: 01303 853387
E-mail: joanna.miller@shepway.gov.uk

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

None

Appendices:

- Appendix 1 – Change from 2015/16 base to 2016/17
- Appendix 2 – General Fund Revenue Growth Proposals
- Appendix 3 – General Fund Revenue Savings Proposals
- Appendix 4 – Capital Programme Growth Proposals
- Appendix 5 – Budget Timetable

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Budget Strategy - Change from 2015/16 to 2016/17

Net Budget - 2015/16 Base 96,350

Additional Inflationary Pressures

Pay Inflation (2% p.a.)	238,080	
Increments (1% p.a.)	119,040	
Contract Inflation (p.a.)	220,000	
Internal Drainage Board (2%)	8,546	585,666

Corporate Funding Impacts

Reduction in RSG	705,424	
Business Rates adjustment	29,418	
Capital Financing	-94,360	
CT Base / Collection Fund	220,091	
Reserves Movements	-354,932	505,641

Growth Pressures

Change to NI rates	300,000	
CT freeze grant ending	99,550	
Filming of Council Meetings	11,944	
Impact of SFIS	69,450	
Bowls Club growth	19,500	500,444

Other reductions

Folkestone Sports Centre	-10,500	
Financial Systems upgrade (FYE)	-20,000	
Burials Register (FYE)	-1,200	
Environmental Officers (FYE)	-5,580	-37,280 1,554,471

Target surplus to be achieved 50,000

Total budget deficit 1,700,821

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2016/17 REVENUE GROWTH

Service Area	Description	2016/17 £
Commercial & Technical Services - Andy Blaszkowicz		
	1 3-5 Shornecliffe Road effect of maintaining a vacant building	20,000
	2 Indoor Bowls Association - rent reduction and grant	19,500
Democratic Services & Law - Amandeep Khroud		
	3 Elections software licence and maintenance costs	6,700
Communities - Jyotsna Leney		
	4 Contribution to Independent Domestic Violence Advocacy service	19,600
Planning & Environmental Health - Ben Geering		
	5 Increase to planning consultant's budget	15,000
Total		<u><u>80,800</u></u>

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2016/17 GENERAL FUND REVENUE SAVINGS PROPOSALS

Service Area	Description	Base Budget Review			
		Savings		Efficiencies	
		£	£	£	£
Commercial & Technical Services - Andy Blaszkowicz					
	Highways materials and contract payments	-2,000			
	Royal Military Canal land drain maintenance	-6,000			
	Parking Income	-70,000			
	Flood defence and land drainage	-2,000			
	Shoreline management - buildings	-6,100	-86,100		
	Property			-67,875	
	Grounds Maintenance			-40,940	
	Parking			-25,000	-133,815
Democratic Services & Law - Amandeep Khroud					
	Electoral Services - overtime and employee costs	-3,000			
	Electoral registration	-50,010			
	ICT contract	-93,250			
	Increase in garden waste income	-73,000			
	Household waste - equipment	-45,000	-264,260		
	Disposal of recycling materials			-4,000	
	Litter bin provision			-5,000	
	Clean Kent contribution			-5,000	
	Equipment, furniture hire and maintenance			-5,000	
	Veolia contract costs			-100,000	-119,000
Planning - Ben Geering					
	Development control - professional advice	-1,000			
	Planning control	-1,820	-2,820		
	Increase in fee income			-50,000	
	Charges for pre-planning application advice			-20,000	
	Agricultural advice			-1,020	
	Plan printing and digital mapping system			-1,000	-72,020
Finance - Joanna Miller					
	Business Support - technical fraud and visiting officer expenses	-5,650			
	Revenues - land registry fees	-2,000			
	Service BPR Review	-350,000	-357,650		
	Reduced contribution to bad debt provision				-50,000
Communities - Jyotsna Leney					
	Young people initiative - professional advice	-6,850			
	Community Safety & Engagement - travel costs	-1,490			
	Crime & Disorder - misc contract	-3,200			
	Project contributions (Silver Back and Strange Cargo Arts)	-14,500			
	Homelessness - various incl mortgage rescue £10k	-11,750			
	Housing options - various expenses	-950			
	Housing Strategy - contract	-25,000			
	Shepway housing list	-400	-64,140		
	Reductions in consumables and hire of facilities budgets				-1,800
Communications - Mark Luetchford					
	Advertising		-2,000		
	Publications				-3,410
Leadership Support - Suzy Tigwell					
	SLA cost for emergency planning and business continuity			-3,000	
	Chairman's installation			-1,180	-4,180
Head of HR - Andrina Smith					
	Business Support - compensation		-500		
	Payroll contract				-40,000
Total Savings			-777,470		-424,225

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2016/17 CAPITAL PROGRAMME GROWTH PROPOSALS

Service		
Area	Description	2016/17 £'000
Strategic Development Projects - Andy Jarrett		
1	Preparation of Princes Parade redevelopment	500
Commercial & Technical Services - Andy Blaszkowicz		
2	Royal Military Canal enhancements	50
3	Plant and vehicle replacement	216
4	Replacement chipper for tree team	15
5	Parking self serve voucher and permit systems	32.6
6	Civic centre costs	80
Total proposed 2016/17 Growth		<u>893.6</u>

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2016/17 Budget Timetable	
Date	Details
28 October 2015	Resources Scrutiny Committee scrutinises MTFS 2016/17 to 2020/21, Budget Strategy 2016/17, Fees and Charges 2016/17.
4 November 2015	Cabinet considers and approves MTFS 2016/17 to 2020/21, Budget Strategy 2016/17, Town and Parish Funding 2016/17 – Council Tax Reduction Scheme.
18 November 2015	Full Council approves MTFS 2016/17 to 2020/21.
TBC November /December 2015	Provisional local government finance settlement 2016/17 announced by Department for Communities and Local Government (DCLG).
9 December 2015	Resources Scrutiny Committee receives the draft General Fund original revenue budget 2016/17, the HRA revenue and capital original budget 2016/17, and the draft General Fund Medium Term Capital Programme 2016/17 to 2020/21.
16 December 2015	Cabinet considers and approves the draft General Fund original revenue budget 2016/17, Fees and Charges 2016/17, the HRA revenue and capital original budget 2016/17, and the draft General Fund Medium Term Capital Programme 2016/17 to 2020/21.
TBC February 2016	Final Local Government Finance Settlement confirmed.
10 February 2016	Detailed scrutiny of budget by the Resources Scrutiny Committee.
24 February 2016	Cabinet approves final amount to be met from the Collection Fund to fund the 2016/17 General Fund budget.
24 February 2016	Full Council approves General Fund and Housing Revenue Account budgets 2016/17, General Fund Medium Term Capital Programme, and sets council tax and rent levels for 2016/17.

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This Report will be made public on 27 October 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/15/32**

To: Cabinet
Date: 4 November 2015
Status: Key Decision
Head of Service: Joanna Miller, Head of Finance
Cabinet Member: Councillor David Monk, Leader of the Council,
Councillor Miss Susan Carey, Finance.

SUBJECT: TOWN AND PARISH FUNDING 2016/17 – COUNCIL TAX REDUCTION SCHEME

SUMMARY: This report recommends options for a scheme for providing grants to town and parish councils in 2016/17 to 2018/19 towards the cost of council tax reduction scheme that falls on their council tax base.

REASONS FOR RECOMMENDATION:

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

- (a) It will provide funding clarity to towns and parishes for the financial year ahead.
- (b) The impact can be built into the council's planned budget for 2016/17 and into the council's medium term financial strategy.

RECOMMENDATIONS:

- 1. To receive and note report C/15/32.
- 2. To consider the 2 options and to agree either:

Option 1 - to approve that grant of £115,854 is paid to town and parish councils in 2016/17 towards the cost of council tax reduction falling on their council tax base as shown in Appendix 1 and to approve the grant for 2017/18 as set out in Appendix 1 and to agree that the grant will cease after that year.

OR:

Option 2 - to cease the funding of the grant and for no grant to be paid in 2016/17.

1. INTRODUCTION

- 1.1 As part of the 2015/16 Budget, Cabinet approved a basis on which grant payments to town and parish councils were determined. The funding was towards the cost of council tax reduction falling on their council tax base in 2015/16. Grant of £165,505 is being paid to the local councils at the same time as their precept payments.
- 1.2 This report asks Cabinet to consider future payments of the grant to town and parish councils in order to provide some financial clarity for their planning. The proposals cover 2 options which Cabinet is asked to determine and agree the approach to adopt.

2. PROPOSED GRANT AVAILABLE

- 2.1 As mentioned above, grant of £165,505 is being paid to town and parish councils in 2015/16. This sum is after a reduction to the amount of the Government's allocation notionally contained within the settlement funding assessment which had been notified by government at that time. This notional payment is made as part of the Revenue Support Grant each year. At present, the level of future settlement funding has not been notified by the Government and will not be until the local government finance settlement which is expected around mid December 2015.
- 2.2 However, it is expected that central government funding will continue to reduce significantly and the Council is anticipating a funding gap of £1.7 million in 2016/17. Previously, Cabinet agreed that the reduction in the grant payment should be consistent with the reduction the council was experiencing with its overall funding change. However, the grant itself does not have a separate identity within central government funding. There has also been no indication from central government as to whether this is still included in RSG payments and a number of other local authorities have ceased to pay it against a background of significant reduction in the government funding. For Shepway, in 2016/17 the financial forecasting for the council has assumed a reduction of 30% in RSG as part of the £1.7 million. This grant is assumed to still be a part of this total although this is not stated within the overall grant settlement.
- 2.3 In light of this context, Cabinet is asked to consider the future of the grant and set out below are 2 options in relation to this particular grant

Option1

- 2.4 That the basis for distributing the grant in 2016/17 will be the same as for 2015/16, however the amount will be reduced pro rata to the reduction in the settlement funding assessment mentioned above. It is then anticipated that the remainder of the grant is allocated with a 40% reduction in 2017/18 with no payments being made beyond that year. The allocations for the remaining years of the grant are set out in Appendix 1 to this report.

Option 2

- 2.5 That the pass porting of the grant ceases and that no further payments are made in relation to this grant. Therefore 2015/16 will be the final year of this pass porting. This will result in a saving for Shepway District Council.
- 2.6 Cabinet is asked to consider which option it wishes to recommend.

3. BASIS FOR DISTRIBUTING GRANT

- 3.1 Both options will give funding clarity to Town and Parish councils for their budget setting. They will know in advance the amount of grant they will receive from the council.
- 3.2 Local preceptors will however have to manage the funding risk of the change in their tax base due to the estimated cost of CTRS that will be used in future tax base setting.

4. CONCLUSION

- 4.1 The proposals aim to give funding clarity to this council and to the town and parishes, in advance of budget setting.

5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 Legal Officer's Comments (DK)

There are no legal issues arising from this report.

5.2 Finance Officer's Comments (TM)

Financial implications are illustrated within the report and Appendix.

6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Tim Madden, Corporate Director – Organisational Change
Tel: 01303 853371
E-mail: tim.madden@shepway.gov.uk

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

None

Appendices:

Appendix 1 – Grant distribution

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APP 1 OPTION 1 PROPOSED CTRS FUNDING TO TOWN & PARISH COUNCILS

COUNCIL TAX REDUCTION SCHEME

Town / Parish	Grant 2015/16 £	Proposed Grant 2016/17 £	Proposed Grant 2017/18 £
Folkestone	83,408	58,386	35,031
Sandgate	4,902	3,431	2,059
Hythe	26,114	18,280	10,968
Lydd	12,046	8,432	5,059
New Romney	11,808	8,266	4,959
Acrise	2	1	1
Elham	752	526	316
Elmsted	24	17	10
Hawkinge	9,544	6,681	4,008
Lyminge	2,054	1,438	863
Lympne	483	338	203
Monks Horton	12	8	5
Newington	281	197	118
Paddlesworth	0	0	0
Postling	58	41	24
Saltwood	417	292	175
Sellindge	1,483	1,038	623
Stanford	76	53	32
Stelling Minnis	196	137	82
Stowting	43	30	18
Swingfield	1,064	745	447
Brenzett	855	599	359
Brookland	1,330	931	559
Burmarsh	439	307	184
Dymchurch	4,873	3,411	2,047
Ivychurch	135	95	57
Newchurch	240	168	101
Old Romney	0	0	0
St Mary	2,866	2,006	1,204
Snargate	0	0	0
Total	165,505	115,854	69,512

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This report will be made
public on 27 October
2015

Report number **C/15/36**

To: Cabinet
Date: 4 November 2015
Status: Non-key Decision
Manager: Suzy Tigwell, Leadership Support Manager
Cabinet Member: Councillor David Monk, Leader

SUBJECT: CORPORATE RISK UPDATE

SUMMARY:

The Council is committed to report on its changes to the Corporate Risk Register and this report outlines updates since April 2015.

REASONS FOR RECOMMENDATIONS:

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

- a) It is a requirement of the Council's Risk Policy to provide updates to the Corporate Risk Register to Members.

RECOMMENDATIONS:

1. To receive and note report C/15/36.

1. OVERVIEW

1.1 This report provides the latest amendments to the Corporate Risk Register.

2. BACKGROUND

2.1 The risk register is a key element of the Council's internal processes and it was rewritten in 2014 to create a forward looking document which proactively considered the risks to the council's corporate objectives.

2.2 The Council's Risk Management Policy defines corporate risk as "those risks that need to be taken into account when looking at the medium to long term objectives of the council". These risks can be categorised as follows:

- Political – those associated with a failure to deliver either local or central government policy.
- Economic – those affecting the ability of the council to meet its financial commitments.
- Social – those relating to the effects of demographic changes on the council's ability to deliver its objectives.
- Technological – includes the consequences of internal technological failures on the council's ability to deliver its objectives.
- Legislative – those associated with current or potential changes in national or European law.
- Environmental – those relating to environmental consequences of progressing the council's corporate objectives.
- Competitive – those affecting the competitiveness of the service and/or its ability to deliver best value.
- Customer – those associated with the failure to meet the current and changing needs and expectations of customers.
- Reputation – those relating to public confidence and failure to recruit high caliber staff.

2.3 The Corporate Risk Register is the document which is used to collate and report on the strategic risks facing the Council. It requires the identified risk owner to provide a risk description, a risk score and an overview of the mitigating actions.

2.4 The Corporate Risk Register is updated three times a year. The risk likelihood and impact scores are reassessed and the mitigating actions are reviewed to ensure they are still valid.

2.5 Shepway District Council reports risk by exception. This means the risk register is focused on those risks that are changing and those that are 'high risk'. Risks won't appear on the register if the Council has put in place the only mitigating actions available and risk is unlikely to change. This approach allows senior managers and members to focus on the key risks to the authority and its services.

3. RISK MANAGEMENT UPDATE

- 3.1 Since the last report in April, the Corporate Risk Register has been reviewed and updated. This report highlights risks that have been removed and added as a result of this review. All mitigation measures were reviewed and updated where necessary. The period covered by the latest update is April to July 2015. Heads of Service and CMT have agreed updates to the register.
- 3.2 The full register of risks is attached as Appendix 1. In summary they are:
- Financial uncertainty
 - Organisational resources
 - Delivering new homes in the district
 - Economic Growth
 - HRA new build programme
 - Major development site
 - Governance
 - Health and Wellbeing
- 3.3 The following risk has been removed from the register:
Corporate Priorities after 2015 - The May 2015 elections have now taken place and therefore the outcomes are no longer a risk to the Council achieving its objectives.
- 3.4 The following risk has been added to the register:
Health and Wellbeing - There is a risk that the authority is not adequately engaged in the Health and Wellbeing agenda.
- 3.5 The highest scoring risk identified remains **Major Development sites**. Several of the risks have a significant impact but a medium likelihood, due to the mitigation measures implemented.
- 3.6 The risks contained within register have all been updated and reviewed the main changes to the Register are;
- The risk owners have been reviewed to reflect recent restructures and changes to Cabinet responsibilities.
 - **Financial uncertainty** –
 - Any reference to the May 2015 election has been removed and the risk control relating income has been reworded slightly.
 - **Organisational Resources** –
 - The risk control regarding resources has been reworded slightly and the risk and risk control relating to shared services with Ashford has been removed.
 - **Delivering new homes in the district** –
 - An additional risk has been included relating to new government legislation on the development of brown field sites.
 - An additional risk control has been added relating to reducing empty homes.

- **Economic growth**
 - Additional risk controls have been included relating to activities that promote the district as a place for inward investment.
- **HRA new build programme –**
 - An additional risk has been included on the potential impact of the proposed rent reduction on HRA properties.
- **Major Development Sites-**
 - Additional risk included relating not being successful in bidding for public sector funds and major site developments going ahead without the necessary infrastructure.
- **Governance –**
 - The risk control regarding anti-fraud and corruption e-learning has been reworded and an additional risk control has been included relating to member training.
- **Corporate Priorities after 2015-**
 - Removed from the register as it is longer a risk.
- **Health and Wellbeing –**
 - Has been added to the register as there is a risk that not all policies are influenced by the health and wellbeing agenda.

4. RISK MANAGEMENT ISSUES

4.1 A summary of the perceived risk is as follows:

Perceived risk	Seriousness	Likelihood	Preventative action
The identified risks will prevent the Council from delivering the objectives and actions in the Corporate Plan	High	Low	The risks have been considered and mitigation measures have been identified to ensure that the risks are significantly reduced.

5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 Legal officer's (AK)

There are no legal implications arising directly from this report

5.2 Finance officer's comments (JM)

The financial risks associated with the corporate risk register are outlined in the Appendix to this report. There are no further financial implications arising from this report.

5.3 Diversity and equality implications (ST)

There are no diversity and equalities implications arising from this report.

5.4 Communications implications (ML)

There are no communication implications arising from this report.

8. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Amy Golder, Resilience & Risk Officer
Telephone: 01303 853254
Email: amy.golder@shepway.gov.uk

Suzy Tigwell, Leadership Support Manager
Telephone: 01303 853232
Email: suzy.tigwell@shepway.gov.uk

Appendices:

Appendix 1: Corporate Risk Register

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Direction of travel for overall risk scores 2014/15:

	Period 1		Period 2		Period 3 (April – July 2015)	
	Likelihood	Impact	Likelihood	Impact	Likelihood	Impact
2014 major events (removed)	2	5	1	2	-	-
Financial uncertainty	3	4	3	4	3	4
Organisational resources	2	4	2	4	2	4
Delivering new homes in the district	-	-	2	4	2	4
Economic growth	2	4	2	4	2	4
HRA new build programme	3	4	3	4	3	4
Major development sites			4	4	4	4
Governance	2	4	2	4	2	4
Corporate priorities after 2015 (removed)	2	5	2	5	-	-
Health and Wellbeing	-	-	-	-	2	5

Shepway District Council – Corporate Risk Register 2014/15

	Risk Owner	Risk Description	Likelihood (Mitigated)	Impact	Risk Controls
Financial uncertainty	Joanna Miller Head of Finance (S151) Cllr Susan Carey Cabinet Member for Finance	There is ongoing volatility/ uncertainty in key areas of council income and expenditure.			
		Non domestic rates: Changes to how Non Domestic Rates are calculated and distributed were introduced by the government in 2013. The new system means the local authority shares to a much greater extent the risks associated with any loss of businesses.	3	4	NDR: There are arrangements in place to monitor the ongoing effect and any changes within this area which may affect this funding stream. The consequences of this are uncertain and there is close monitoring of the scheme as it develops. In part the risk faced by the Council has been mitigated by the agreement with the major Preceptors and further consideration of options for pooling.
		Council Tax Relief: The government changes to the CTR provides a higher risk because of the increase in those requiring support in their council tax bills, may result in an increased burden to the authority.	3	4	CTR: The risk to the local authority on the collection of discounts and premiums will be managed through close monitoring of collection rates and the inclusion of a prudent level of income in the budget based upon the ability to collect.
		Universal Credit: There is uncertainty surrounding the impact of Universal Credit. There is a risk that the changes will significantly affect the council's ability to recover rent and housing overpayments directly from benefit payments.	3	4	UC: East Kent Housing has prepared some detailed assumptions based on experience by councils included in the pilot scheme for Universal Credit. This will be monitored closely.
		Income: The macroeconomic uncertainty means that there is a risk that the councils income levels may vary especially where significant levels of income are forecast.	3	4	Income: Fees and charges levied by the council are subject to a detailed annual review and are consistent with the Fees and Charges Strategy where the Council will maximise income or recover the full cost of the service.

	Risk Owner	Risk Description	Likelihood (Mitigated)	Impact	Risk Controls
		Revenue Support Grant: ongoing reduction in central government funding RSG. This has been significantly cut and continues to be reduced.	3	4	RSG: The council's MTFS projections are modelling reductions in RSG as a mitigating factor.
Organisational resources	Jeremy Chambers Corporate Director - Resources Cllr David Monk Leader with responsibility for Overall Strategy and Leadership	Resources and skills: There is a risk to the Council that the Council will not be able to attract and retain those officers who have the professional skills which are essential to the delivery of the corporate plan. A second risk is if the Council is unable to access additional investment to deliver corporate plan objectives.	2	4	Resources: Seniors managers are developing a network of specialist agencies that can commission consultants and provide additional support. The result will be a pool of resources which the council can call on if necessary with a faster lead in time than using standard recruitment methods each time. Consultants on the list will still be subject to the council's usual procurement and contract standing order rules." Prudent financial management has ensured the council retains a high credit rating; therefore additional investment can be accesses if required.
Delivering new homes in the district	Chris Lewis Head of Planning and Environmental Health Cllr Philip Martin Cabinet Member for Property Management and Environment Health	There is a risk that the Council will not deliver the homes required in the district. This could be because of delays in producing and adopting the 'Places and Policies Local Plan'; site specific constraints, or a change in the economic climate (locally or nationally) New Government legislation on the development of brown field land will change the way sites are brought forward for development. Key site development – significant,	2	4	Work on developing the Places and Policies Local Plan has commenced, and consequently a programme to deliver the plan has been developed and scheduled. In addition there will be significant work to engage with stakeholders to ensure the Plan will be delivered within the agreed timescales. A report on the progress of the Local Plan is scheduled for consideration by Cabinet in September 2015. To ensure existing housing stock is

	Risk Owner	Risk Description	Likelihood (Mitigated)	Impact	Risk Controls
		reputational and financial risks exist around the key sites identified for development.			maximised as places of residence (i.e. to reduce empty homes)
Economic growth	Katharine Harvey, Head of Economic Development Cllr John Collier Cabinet Member for the District Economy	There is a risk that the council will not enable the economic growth and deliver the jobs and homes required in the district.	2	4	Development of a comprehensive economic development strategy for the district, based upon robust research data. The involvement of key local business and potential investors to the area is critical. Partnerships with local businesses will be entered into. Resources will be targeted at key activities likely to generate the greatest impact. <ul style="list-style-type: none"> a) Working with Locate in Kent to raise the profile of the district as a location for inward investment. b) Developing an ED website to provide information and increase awareness of the economic attributes of the district.
	Joanna Miller Head of Finance Cllr Susan Carey Cabinet Member for Finance	The risk that the councils investment strategy to support economic development fails to meet its objectives	3	4	Individual investment appraisals for each activity will be undertaken prior to a decision being made whether to deliver the activity and the most suitable delivery vehicle (e.g. private investment, HRA, Oportunitas, General Fund, other vehicle). Where necessary clear funding agreements will need to be in place. The Council will be clear on its state aid position for activities where relevant and that current activities have sought external legal and financial advice. The first phase of the wholly owned company's activities are to be structured to

	Risk Owner	Risk Description	Likelihood (Mitigated)	Impact	Risk Controls
					meet the financial objective to optimise the income stream in the most tax efficient way and external financial advice has been sought.
HRA new build programme	Andy Jarrett, Head of Strategic Development Projects Cllr Alan Ewart-James Cabinet Member for Housing	Delays in programme due to land supply Cost overruns on programme impacts on viability of programme and the HRA business plan. Skills in the organisation are insufficient to deliver the programme. The quality of homes does not meet the required standard. Planning issues cannot be overcome on key sites for the programme.	3	4	A complete review of existing land holdings. Explore land acquisition opportunities and develop land acquisition strategy. Prudent forecasts of costs incorporated into the business plan. Deploy in-house resources whenever possible to reduce cost, including new technical posts within the land and property team. A full tender of professional and construction services to ensure value for money has been completed. Complete thorough review of business plan during 2014/15. Complete comprehensive business plan for the acquisitions programme, including prudent cost/income assumptions and benchmark against both VFM indicators and affordability. Target appropriate properties for acquisition based upon business plan. Work with Property Services and external consultants to direct resources to delivery of acquisitions programme. Ensure close working with Planning to

	Risk Owner	Risk Description	Likelihood (Mitigated)	Impact	Risk Controls
	Adrian Hammond, Housing Strategy Manager	The potential impact of proposed rent reduction on HRA properties.			overcome any difficulties. Update of the HRA Business Plan during 2015/16.
Major Development Sites	<p>Andy Jarrett, Head of Strategic Development Projects</p> <p>Chris Lewis Head of Planning and Environmental Health</p> <p>Katharine Harvey Head of Economic Development</p> <p>Cllr John Collier Cabinet Member for the District Economy</p> <p>Cllr Philip Martin Cabinet Member for Property Management</p>	<p>The delivering of major sites is delayed.</p> <p>Potential risks relate to:</p> <ul style="list-style-type: none"> • Lack of appropriate private sector investment. • Prohibitive upfront infrastructure costs • Delays in process e.g. funding applications, land ownership, planning etc • Lack of success in bidding for public sector funds to meet funding shortfalls. • Major site developments go ahead without the necessary infrastructure needs met, causing increased congestion which will be detrimental to quality of life. 	3	4	<p>The Council will consider direct intervention on key major development sites where a clear investment case has been made and the delivery of the site could be accelerated.</p> <p>Key Council contacts will be identified for all major sites to liaise with developers and assist in overcoming barriers.</p> <p>Planning processes will ensure that major site applications are dealt with in a timely manner (normally by the use of planning performance agreements entered into with the developer) and are allocated adequate resources.</p> <p>Achieve engagement and awareness of funding opportunities remains and resources are available to develop public sector funding bids.</p> <p>Planning applications adequately consider the infrastructure requirements/ implications.</p>
Governance	Amandeep Khroud Solicitor to the Council	Fraud, corruption and the loss of council data would expose Shepway to considerable reputational and financial risks.	2	4	Management governance controls including the Council Constitution, Financial Procedure Rules, Contract

	Risk Owner	Risk Description	Likelihood (Mitigated)	Impact	Risk Controls
	<p>Leader with responsibility for Overall Strategy and Leadership David Monk</p> <p>Joanna Miller, Head of Finance</p> <p>Cllr Susan Carey, Cabinet Member for Finance</p>	<p>Information security could be compromised by:</p> <ul style="list-style-type: none"> • Careless handling of information. • External threats. • Sharing information with partners. • Non compliance with government controls. • Non the management and labelling of information. <p>The Council may be susceptible to fraud/ corruption in the following ways:</p> <ul style="list-style-type: none"> • Non-compliance with internal controls e.g. decision made outside governance framework. • Failure to promote an anti-fraud organisational culture e.g. Whistleblowing. • Corrupt practices promoted by contractors e.g. price fixing or bribery of officials. • Poor ethical judgement by elected officials and senior managers e.g. expenses fraud. • Should these risks not be mitigated that the Council is liable to punitive actions, including fines from the Information Commissioner. • Economic pressures increase risk of fraud and theft from external parties to the organisation. 			<p>Standing Orders, Strategies & Procedures and Internal Audit reviews highlight any concerns.</p> <p>All Shepway staff have been trained on information security and the relevant council policies, by the council IT contractor Steria.</p> <p>Staff who work flexibly must adhere to the flexible working policies, which includes sections on Data Protection and Information Security.</p> <p>Promotion of anti-fraud and corruption policies e.g. the Whistleblowing Policy.</p> <p>Members and Employees must adhere to the respective Codes of Conduct.</p> <p>A new anti fraud and corruption e-learning module has been rolled out, and it mandatory for all staff.</p> <p>Induction and training sessions have been run for all new members and learning resources are available on the Intranet.</p> <p>Assurance statements completed by CMT and Heads of Service.</p> <p>Internal audit and external audit – report to Audit and Standards Committee three times a year.</p> <p>In 2014 Shepway systems for information handling will be subject to the annual government security check.</p>

	Risk Owner	Risk Description	Likelihood (Mitigated)	Impact	Risk Controls
Health and Wellbeing	Jyotsna Leney, Interim Head of Communities Cllr Hollingsbee, Deputy Leader and Cabinet Member for Communities	The Council is not adequately engaged with the Health and Wellbeing agenda.	2	5	Ensure that all policies are influenced and are taking account of Health and Wellbeing agenda. Make changes to policies and services as required.

This report will be made public on the 27 October 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report **C/15/37**

To: Cabinet
Date: 4 November 2015
Status: Key Decision
Head of Service: Jyotsna Leney, Interim Head of Communities
Cabinet Member: Councillor Alan Ewart-James, Housing

SUBJECT: RIGHT TO BUY SOCIAL MOBILITY FUND (CASH INCENTIVE SCHEME)

SUMMARY: This report sets out details of the council's successful bid for £200,000 match funding through the Government's Right to Buy Social Mobility Fund Cash Incentive Scheme (RTBSMF CIS). The report also sets out how, subject to Cabinet approval, the initiative will be implemented in Shepway.

REASONS FOR RECOMMENDATIONS:

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

1. The DCLG have made £200,000 of match funding available to Shepway to implement the initiative in Shepway
2. The proposals will assist the council to make best use of its stock.
3. The proposals represent good value for money for the council and will assist the council to better meet the housing needs of the district.
4. The proposals will help up to ten tenant households to meet their aspirations for home ownership.

RECOMMENDATIONS:

1. To receive and note Report C/15/37.
2. To agree that the RTBSMF CIS should be implemented in Shepway in accordance with the proposals set out in this report.

1.0 Background

- 1.1 The council has been awarded £200,000 by the Government from its RTBSMF to provide grants to help existing council tenants to purchase a property which better meets their needs in the private sector and therefore move out of their current council home. The council has now received details of the scheme criteria from the DCLG.
- 1.2 The scheme in Shepway will be supported with an additional £200,000 provided by the council from the Housing Revenue Account. The scheme will enable the council to provide a total of ten cash grants of £40,000, enabling ten tenant households to move to more suitable homes.
- 1.3 The scheme will focus on freeing up 1 bedroom units and larger family homes. This type of property is in particularly high demand in the district amongst applicants on the Shepway Housing List.
- 1.4 A survey of Shepway's Tenants has been carried out by East Kent Housing to gauge the potential demand for the scheme. This has shown there is likely to be a good level of interest for this initiative from our eligible tenants.

2. HOW THE RIGHT TO BUY SOCIAL MOBILITY FUND (CASH INCENTIVE SCHEME) WILL OPERATE

- 2.1 The scheme will be open to tenant households who are eligible to purchase their existing home through the Right to Buy, however, because the property does not meet their needs, would prefer to give up their right to buy and take up a one off £40,000 cash grant to purchase an alternative property in the private sector and release their council home.
- 2.2 The Scheme will target in particular:
 - (a) older tenants under-occupying their homes
 - (b) older tenants giving or receiving support
 - (c) other tenants taking up employment or re-training opportunities
- 2.3 Administration of the scheme, in terms of its promotion and the processing of applications received, will be undertaken by East Kent Housing. East Kent Housing manages the Right to Buy process on behalf of the council and is best placed to validate any applications received. However, the council will give the final approval for each individual application. East Kent Housing will also inspect the applicant's council home to ensure that it is being handed back to the council in good order.

The grant payment will be paid to the applicant's solicitor to hold until the applicant is able to complete on the purchase of their new home.

- 2.4 If the applicant sells the property purchased with the grant within one year of the purchase, they will be required to repay all of the £40,000 grant.

After that the total amount they will have to payback reduces as follows:

- 80% of the grant in the second year
- 60% of the grant in the third year
- 40% of the grant in the fourth year
- 20% of the grant in the fifth year

Tenants will not be eligible if they are in the process of applying for Right to Buy for their current property or if they have received the Right to Buy for a previous property in the last 5 years, or if they are intending to purchase a property on a shared ownership basis.

- 2.5 The grant will also be protected through a legal charge which will be placed against the property purchased by the applicant for a five year period from completion of the purchase.
- 2.6 The council is required to provide a quarterly return to the DCLG to inform on grant activity in the district. Failure to spend the Government funding will result in the funding being withdrawn and re-allocated to other councils. There is no other financial penalty. Based on the background work completed by East Kent Housing, there is high confidence the 10 grant payments will be taken up.
- 2.7 The initiative is considered good value for money for the council. The Government will match fund the council's £200,000 contribution to the initiative. The contribution made by the council can also be considered in the context of the financial impact of each property sale through the Right to Buy. Tenants taking up the Right to Buy receive a discount of up to £70,000. Each property sold also results in an annual rental income loss within the HRA of approximately £4,000 to £5,000. The cost of replacing a sold property will be in the range of £120,000 to £160,000.

3.0 RISK MANAGEMENT ISSUES

3.1 A summary of the perceived risks to the council is shown below:

Perceived Issue	Seriousness	Likelihood	Preventative Action
Insufficient demand from eligible tenants.	Low	Low	Initial work has been completed by East Kent Housing to assess the likely demand for the initiative.
The initiative is over subscribed	Low	Low	There may be opportunity for additional funding in 2016/17 if other council do not use all of their 2015/16 grant funding allocation from the Government.

4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

4.1 Legal Officer's Comments (BD)

Strict governance arrangements will need to be in place to ensure that the tenant is eligible and qualifies for the scheme. Legal advice should be sought where necessary. The DCLG does not make reference to imposing conditions on applicants regarding the repayment of the grant on a further sale of the purchased property.

Shepway can, if it so wishes, consider implementing its own repayment conditions in its scheme.

4.2 Finance Officer's Comments (LH)

There is no budget provision in the HRA capital programme in the current financial year for this. There are resources available within the HRA balances. However, any funding will need to be determined and will have an impact on the profile of the approved HRA Business Plan. This will need to be determined by Cabinet and Full Council.

4.3 Diversities and Equalities Implications (SS)

There are no diversity or equality issues directly affected by this report

4.4 CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

*Report Author, Sandra Sainsbury, Housing Strategy & Partnerships Officer
Telephone: 01303 853317
Email: sandra.sainsbury@shepway.gov.uk*

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

DCLG RTBSMF CIS Guidance

Appendices:
None

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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