



Agenda

Meeting: **Cabinet**
Date: **21 January 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*:

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

3. **Minutes (Pages 1 - 6)**

To consider and approve as a correct record the minutes of the meeting held on 17 December 2014.

4. **Parking around the proximity of polling stations on polling day (Pages 7 - 10)**

Folkestone and Hythe Labour Party has submitted a request for Shepway District Council to give assurance that parking restrictions around the proximity of polling stations are relaxed on polling day. The request has been referred to Cabinet in a resolution of General Purposes Committee

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Contact Amanda Brooks – Tel: 01303 853495
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on 02 September 2014.

Report C/14/68 considers the request for parking restrictions to be relaxed and sets out options for Cabinet to consider and agree.

5. **Shepway Places and Policies Local Plan - Key Decision (Pages 11 - 204)**

Report C/14/69 presents the Shepway Places and Policies Regulation 18 consultation document for approval. Having adopted the Shepway Core Strategy in September 2013, this document represents an early stage consultation on the formulation of the Shepway Places and Policies Local Plan. This consultation document represents an excellent opportunity for the general public and key stakeholders to engage with the district council on a range of key issues and options. However, no site specific allocations are being suggested at this stage.

In line with this new stage in the overall process of plan-making, a revised Statement of Community Involvement (SCI) has also been produced which sets out the approach that will be undertaken to ensure that there is a wide engagement with the consultation process.

6. **Community Infrastructure Levy (CIL): Draft CIL Charging Schedule and Draft Regulation 123 List, for Consultation (Pages 205 - 260)**

The Community Infrastructure Levy (CIL) Regulation (2010) as amended, outline the process for establishing a CIL scheme in an area. The core component is the adoption of a charging schedule, which sets out levy rates per sq. m of net new floor space, payable on different types of development and locations.

At its meeting of 30th July 2014, the Cabinet approved a CIL Preliminary Draft Charging Schedule (PDCS), to be issued for public consultation. The consultation also invited views on supporting evidence and analysis, including a CIL and Whole Plan Economic Viability Assessment, and a draft infrastructure assessment and delivery plan. The purpose of this report is therefore to:

- Provide feedback on the outcome of the consultation on the CIL PDCS, which ran from 18th August to 13th October 2014.
- Present for consideration and approval by Cabinet, a Draft CIL Charging Schedule, to be issued for a minimum 6 week consultation period during February / March 2015.
- Present for consideration and approval by Cabinet, a draft Regulation 123 List, to be issued alongside the draft CIL Charging Schedule consultation.

7. **Treasury Management Strategy and Prudential Indicators 2015/16 to 2017/18 - Key Decision (Pages 261 - 302)**

Report C/14/67 sets out the proposed strategy for treasury management for 2015/16 to 2017/18 including the Annual Investment Strategy to be approved by full Council. This report also sets out both the prudential indicators for capital expenditure and the Minimum Revenue Provision statement to be approved by full Council.

8. **Update to the General Fund Medium Term Capital Programme and Quarter 3 Monitoring 2014-15 - Key Decision (Pages 303 - 320)**

Report C/14/70 updates the General Fund Medium Term Capital Programme for the five year period ending 31 March 2020. The report provides a projected outturn for the General Fund capital programme in 2014/15, based on expenditure to 30 November 2014. The report reviews and updates the General Fund Medium Term Capital Programme and incorporates the new capital investment schemes Cabinet agreed to include at its meeting on 17 December 2014. The report also identifies those recurring capital schemes where the budget is proposed to be extended by one year into 2019/20. The General Fund Medium Term Capital Programme is required to be submitted to full Council for consideration and approval as part of the budget process.

9. **General Fund Revenue Budget Monitoring Report - 3rd Quarter 2014/15 Key Decision (Pages 321 - 344)**

Report C/14/71 sets out a projected year end financial position on the General Fund for 2014/15, based on actuals to 31 October 2014. It identifies projected variances on the General Fund revenue outturn position for 2014/15 against the latest approved budget. It also provides an update of the council tax base for the year.

10. **HRA Revenue and Capital Budget Monitoring 3rd Quarter 2014/15 - Key Decision (Pages 345 - 354)**

Report C/14/72 provides a projection of the end of year financial position for the Housing Revenue Account (HRA) revenue expenditure and Housing Revenue Account (HRA) capital programme, based on net expenditure to 31 October 2014.

11. **Council Tax Base 2015/16 - Key Decision (Pages 355 - 420)**

The Council is required to decide its tax base which will be used in the calculation of Council Tax for 2015/2016. Report C/14/73 proposes the tax base for the Council's approval.

Cabinet - 21 January 2015

(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, 17 December 2014
Present	Councillors Miss Susan Carey, John Collier, Malcolm Dearden, Alan Ewart-James, Rory Love, David Monk (Chairman) and Russell Tillson
Apologies for absence	Councillors Robert Bliss and Mrs Jennifer Hollingsbee
Officers present:	Jeremy Chambers (Corporate Director - Resources), Estelle Culligan (Solicitor to the Council and Monitoring Officer), Amandeep Khroud (Principal Solicitor), Tim Madden (Chief Financial Officer (S151 Officer)), Joanna Miller (Head of Finance), Bob Porter (Head of Housing, Land and Property), Susan Priest (Corporate Director - Operations), Peter Savage (Committee Services Officer) and Alistair Stewart (Chief Executive)
Others present:	Councillor Alan Clifton-Holt (Chairman of Oportunitas)

NOTE: All decisions are subject to call-in arrangements. The deadline for call-in is 5 January 2015 at 5pm. Decisions not called in may be implemented on 6 January 2015.

52. **Councillor Mrs Keren Belcourt**

Members of the Cabinet reflected in silence on the work of the late Councillor Mrs Keren Belcourt who had died. Councillor Mrs Belcourt had been a longstanding and hard working member of the Cabinet.

53. **Declarations of interest**

Councillor David Monk declared an interest in minute 62. He left the meeting for the debate and decision.

54. **Minutes**

The minutes of the meeting of the Cabinet held on 5 November 2014 were submitted, approved as a correct record and signed by the Chairman.

55. Grant Thornton annual audit letter - non-key decision

Report C/14/53 contained Grant Thornton's Annual Audit Letter which summarised the findings from the 2013/14 audit.

Proposed by Councillor Russell Tillson
Seconded by Councillor John Collier and

RESOLVED:

- 1. To receive and note report C/14/53.**
- 2. To note Grant Thornton's annual audit letter 2013/14.**

(Voting: For 7; Against 0; Abstentions 0).

Reasons for decision

The Council was required to receive and note the findings and summaries of Grant Thornton's assessment of the Council.

56. Oportunitas progress report - non-key decision

Report C/14/52 provided an update from the Company's Board on the activities of Shepway's regeneration and housing company, Oportunitas Ltd following Council's approval of the company's current business plan and funding arrangements on 6th August 2014. This report also included comments from Shepway District Council's Legal and Finance departments.

Proposed by Councillor David Monk
Seconded by Councillor Alan Ewart-James and

RESOLVED: That report C/14/52 be received and noted.

(Voting: For 7; Against 0; Abstentions 0).

57. Shepway Economic Development Strategy - key decision

Report C/14/51 contained the draft Economic Development Strategy (EDS) which set out how economic growth in Shepway would be achieved up to 2020. Councillors were asked to consider the draft Economic Development Strategy and the accompanying 'Shepway in Context' report which set out the evidence base for the strategy.

Proposed by Councillor Miss Susan Carey
Seconded by Councillor Rory Love and

RESOLVED:

- 1. To receive and note report C/14/51.**
- 2. To review and comment on the draft Economic Development Strategy.**

3. **To note the intended timetable and process towards approval of the final Shepway Economic Development Strategy.**
4. **To agree for the draft Economic Development Strategy to go out for public consultation in January 2015.**

(Voting: For 7; Against 0; Abstentions 0).

Reason for decision

For the Cabinet to review and comment on the draft EDS and agree for it to go out for public consultation in January 2015.

58. **East Kent Homelessness Prevention Strategy - non-key decision**

The Homelessness Act 2002 placed a legal duty on all local authorities to produce an effective strategy for dealing with homelessness in their area and to update the strategy every five years. The council had worked in partnership with Canterbury, Dover and Thanet councils to produce a new sub-regional strategy to address homelessness and related issues across the area. Report C/14/55 summarised the key actions set out in the draft strategy. It had been developed following an early stage consultation with key partners and stakeholders. The draft strategy would be made available for public consultation following approval by Cabinet. Cabinet was also asked to grant delegated authority to the Head of Housing, Land and Property in consultation with the Cabinet Member for Housing and Health to make any minor amendments to the document necessary following the public consultation.

Proposed by Councillor Alan Ewart-James
Seconded by Councillor Russell Tillson and

RESOLVED:

1. **To receive and note report C/14/55.**
2. **To approve the draft East Kent Homelessness Prevention Strategy 2014/19.**
3. **To agree that the draft strategy should be made available for public consultation.**
4. **To grant delegated authority to the Head of Housing, Land and Property in consultation with the Cabinet Member for Housing and Health to make any minor amendments to the document necessary following the public consultation.**

(Voting: For 6; Against 0; Abstentions 1).

Reasons for decisions

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

- a) The East Kent Homelessness Prevention Strategy was the Council's key tool for planning how the council and its partners intend to respond to homelessness and related issues in the district.
- b) The Council was required to produce and maintain an effective homelessness strategy.

59. **Draft General Fund Revenue original budget 2015/16 - key decision**

Report C/14/58 set out the District Council's proposed General Fund Budget for 2015/16. The minutes of the meeting of the Resources Scrutiny Committee held on 10 December 2014, where the matter had been considered, were laid round the table. Cabinet noted the Committee's comments.

Proposed by Councillor Russell Tillson
Seconded by Councillor Rory Love and

RESOLVED:

1. **To receive and note report C/14/58.**
2. **To recommend to full Council that the 2015/16 General Fund revenue budget is approved, excluding town and parish council precepts, as set out in Appendices 1 and 2 to the report.**
3. **To instruct senior management to contain their total expenditure within the approved budget during the course of 2015/16 and to take corrective action against any identified deficits.**
4. **To confirm that any second home monies from Kent County Council will be used to fund the Community Chest for 2015/16.**

(Voting: For 7; Against 0; Abstentions 0).

Reason for decisions

Cabinet was asked to make the decisions because the District Council's budget needed to be approved as part of the budget setting process which would culminate in full Council setting the Council Tax for 2015/16 on 19 February 2015 in accordance with the Local Government Finance Act 1992.

60. **General Fund capital investment proposals - key decision**

Report C/14/60 provided outline details of new high priority capital investment proposals which were to be considered for inclusion in the General Fund Medium Term Capital Programme (MTCP) from 2015-16 and identified the capital resources available to fund them. The report proposed that particular schemes included in the outline capital programme from 2015-16 would require a detailed investment appraisal and business case to be separately considered and approved by Cabinet before they could commence.

Proposed by Councillor Russell Tillson
Seconded by Councillor Miss Susan Carey and

RESOLVED:

1. **To receive and note report C/14/60.**
2. **To agree in principle that the capital investment proposals totalling £6.2m be added to the Council's General Fund Medium Term Capital Programme for full Council to approve.**

3. **To agree that a detailed investment appraisal and business case will be required to be considered by Cabinet for each of the new initiatives and invest to save capital investment proposals, identified in section 2.4(a) of this report, before they can commence.**
4. **To request that full Council provide Cabinet with delegated authority to approve the capital budget and the revenue budget consequences for each of the capital investment scheme proposals agreed 'in principle' and requiring an investment appraisal and business case, identified in section 2.4(a) of this report.**

(Voting: For 7; Against 0; Abstentions 0).

Reasons for decisions

Cabinet was asked to make the decisions because:

- a) Outline proposals for new high priority capital projects and the resources to fund them were required to be considered and approved before being included in the council's Medium Term Capital Programme.
- b) Delegated authority was to be sought from Council to agree the principle that new capital investment initiatives, including invest to save schemes, in the outline general fund capital programme from 2015/16 would require a detailed investment appraisal and business case to be considered and approved by Cabinet before they could commence.

61. **Housing Revenue Account revenue and capital budget 2015/16 - key decision**

Report C/14/59 report set out the Housing Revenue Account revenue and capital original budget for 2015/16 and proposed increases in rents and service charges for 2015/16.

Proposed by Councillor Russell Tillson

Seconded by Councillor Alan Ewart-James and

RESOLVED:

1. **To receive and note report C/14/59.**
2. **To recommend to full Council the Housing Revenue Account Budget for 2015/16.**
3. **To recommend to full Council the increase in rents of dwellings within the HRA on average by £1.89 per week, representing a 2.20% increase with effect from 6 April 2015.**
4. **To recommend to full Council the increase in service charges.**
5. **To approve the Housing Revenue Account capital programme budget 2015/16.**

(Voting: For 7; Against 0; Abstentions 0).

Reason for decisions

Cabinet was requested to make the decision as the Local Government Housing Act 1989 required the Council, as a local housing authority, to keep a separate

Housing Revenue Account and to produce estimates to ensure that the account did not go into deficit. The authority also had a duty to set and approve rents in accordance with government guidelines that were outlined in the self financing determination. The Constitution requires that the annual Budget and any variations to the Budget to be approved by Council.

62. **Land at Hawkinge Community Centre**

The Deputy Leader, Councillor Russell Tillson, took the chair for this item.

Report C/14/66 explained the background to the request by Hawkinge Town Council for Shepway District Council to buy a piece of land to the North West of Hawkinge Community Centre, referred to in this report as “the land”. The report set out the planning, financial and legal implications of the proposal and sought a decision from Cabinet.

Proposed by Councillor Malcolm Dearden
Seconded by Councillor Rory Love and

RESOLVED:

1. **To note report C/14/66.**
2. **To ask officers to carry out further investigations into the issues raised by Hawkinge Town Council with a view to seeking a positive response to their request having regard to the financial implications for Shepway District Council and the protection of the interests of the taxpayers of the District.**
3. **A report on those investigations be submitted to a future Cabinet meeting for determination.**

(Voting: For 6; Against 0; Abstentions 0).

Reason for decision

The issue of the land had been the subject of discussion between Hawkinge Town Council, Hawkinge Community Centre and Shepway District Council in recent months. SDC officers had carried out a number of investigations into the proposal. The Corporate Management Team had also discussed the matter and considered the outcome of the various investigations. Cabinet was asked to consider and make a decision on the issue, taking into account the matters detailed in the report.

This Report will be made public on 13 January 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/14/68**

To: Cabinet
Date: 21 January 2015
Status: Non key decision
Head of service: Bob Porter, Head of Housing, Land and Property
Cabinet Member: Councillor Malcolm Dearden, Cabinet Member for Traffic Management, Transport, Parks and Open Spaces

SUBJECT: PARKING AROUND THE PROXIMITY OF POLLING STATIONS ON POLLING DAY

SUMMARY: Folkestone and Hythe Labour Party has submitted a request for Shepway District Council to give assurance that parking restrictions around the proximity of polling stations are relaxed on polling day. The request has been referred to Cabinet in a resolution of General Purposes Committee on 02 September 2014.

This report considers the request for parking restrictions to be relaxed and sets out options for Cabinet to consider and agree.

RECOMMENDATIONS:

1. To receive and note report C/14/68.
2. To consider the options shown in 2.6 and agree the way forward.
3. That yellow line restrictions remain in force throughout the polling day as these have been introduced to aid traffic safety and assist with the free flow of traffic.
4. That the on-street bay restrictions remain in force throughout the polling day as these are in place to protect spaces for specific users or ensure satisfactory turnover of vehicles.

1. BACKGROUND

- 1.1 Folkestone and Hythe Labour Party submitted a request on 19 August 2014 as part of their Polling District and Places review submission seeking assurance from Shepway District Council that parking restrictions are relaxed on polling day.
- 1.2 The full request states 'Finally we would seek assurance from Shepway District Council that parking restrictions around the proximity of Polling Stations are relaxed on Polling Day and electors are not penalised for exercising their democratic right of casting their vote.'
- 1.3 On 02 September 2014, General Purposes Committee resolved 'To ask Cabinet to look at flexible parking conditions for the day of election' following the submission by the Folkestone and Hythe Labour Party.
- 1.4 The submission from Folkestone and Hythe Labour Party is in Appendix A of this report.

2. POLLING DAY PARKING

- 2.1 Officers have not received complaints from residents about parking difficulties on polling day. However, there are areas with high demand where voters may find it difficult to find a space if they choose to drive to the polling station and park.
- 2.2 There is anecdotal evidence that most residents walk to their polling station to vote. The council already allows disabled badge holders to park in car parks for up to 3 hours. Legislation also allows disabled badge holders to park on yellow lines for 3 hours and they can park in permit, pay & display and limited waiting bays for as long as they wish.
- 2.3 The on-street bay restrictions in a few areas have been introduced to either protect parking for specific users or encourage turnover of vehicles. They are mainly 1 or 2 hour waiting restrictions or permit parking. In view of this, it is recommended that the on-street parking bay restrictions are not relaxed.
- 2.4 Yellow line restrictions are introduced upon the highway to aid traffic safety, assist with the free flow of traffic and to provide clear access for emergency service vehicles. Parking on such restrictions should not be encouraged.
- 2.5 From the current list of polling stations, officers have identified 2 stations that may benefit from some off-street parking being made available to voters. This would help ease parking congestion in these areas. The stations are:
 - Tourist Information Centre, Tram Road Car park, Folkestone
 - Sandgate Library, Sandgate High Street, Sandgate
- 2.6 In view of the above, it is recommended that the Cabinet considers the 2 options below and agree on the way forward.

- a) Not to allow free parking in any car park. Voters should be encouraged to walk or cycle to the polling stations which in turn would ease traffic congestion.
- b) Voters are allowed to park free of charge for up to 20 minutes in the following car parks only:
 - Tram Road, Folkestone
 - Castle Road, Sandgate

2.7 Option B takes into consideration elderly electors who may take longer to access a polling station. Allowing free off-street parking in these car parks would provide the electorate with free and quick access to these polling stations which are located in areas where there is usually high demand for parking.

3 FINANCIAL IMPLICATIONS

The total number of electorate for the 2 polling stations identified is 2,725. It is estimated that voter turnout would be approximately 70% of which only 10% might reasonably be expected to travel to the polling station by car during the operational hours of the car parks. Therefore, if it is decided to proceed with option B, the potential loss of income, based on the assumptions above, would be no more than £163.

4. COMMUNICATIONS

41. Whichever course of action is agreed in response to the request for a relaxation of parking restrictions on polling day the effective communication of the arrangements to drivers visiting polling stations will be critical. Officers will work with the Cabinet Member for Traffic Management, Transport, Parks and Open Spaces to agree a suitable communications plan.

5. RISK MANAGEMENT ISSUES

5.1 Risk is as follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Misuse of relaxed parking restrictions if this option is agreed.	Medium	Medium	Visible patrols by Civil Enforcement Officers in the car parks listed to ensure compliance.

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

6.1 Legal Officer's Comments (AK)

There are no legal issues arising from this report

6.2 Finance Officer's Comments (MF)

The service manager has informed finance that there will only be minimal impact on parking fee income if the proposal is approved

6.3 Diversities and Equalities Implications (WF)

Diversity and equality issues have been addressed in the report.

7. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Wayne Fitter

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Frederick Miller

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

None

This Report will be made public on 13 January 2014

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/14/69**

To: Cabinet
Date: 21 January 2015
Status: Key Decision
Head of service: Chris Lewis – Planning and Environmental Health
Cabinet Member: Councillor John Collier– Cabinet Member for Properties Management

SUBJECT: SHEPWAY PLACES AND POLICIES LOCAL PLAN – ISSUES AND OPTIONS CONSULTATION

SUMMARY: This report presents the Shepway Places and Policies Regulation 18 consultation document for approval. Having adopted the Shepway Core Strategy in September 2013, this document represents an early stage consultation on the formulation of the Shepway Places and Policies Local Plan. This consultation document represents an excellent opportunity for the general public and key stakeholders to engage with the district council on a range of key issues and options. However, no site specific allocations are being suggested at this stage.

In line with this new stage in the overall process of plan-making, a revised Statement of Community Involvement (SCI) has also been produced which sets out the approach that will be undertaken to ensure that there is a wide engagement with the consultation process.

REASONS FOR RECOMMENDATION:

Cabinet is asked to agree the recommendations set out below in order to allow future progress to be made on the development and delivery of the Shepway Places and Policies Local Plan.

RECOMMENDATIONS:

- 1. To receive and note report C/14/69.**
- 2. To approve the Shepway Places and Policies Local Plan Regulation 18 consultation document and to agree that any necessary further minor amendments be carried out by The Head of Planning and Environmental Health in consultation with the Cabinet Member for Properties Management.**
- 3. To approve the draft Shepway Statement of Community Involvement, as set out in Appendix 2, as the basis for consultation and engagement with respect to local plan documents and planning applications, subject to any further minor amendments suggested by the Communications Team and in consultation with the Cabinet Member for Properties Management.**

4. To note the proposed consultation and engagement process for the Places and Policies Local Plan and the timescale to adoption, as set out in Section 2 of the report.

1. OVERVIEW

- 1.1 The Council adopted the Shepway Core Strategy Local Plan in September 2013 it having been found by the Planning Inspector, Michael Hetherington, to be 'sound', positively prepared, justified, effective and consistent with national planning policy as set out in the National Planning Policy Framework (NPPF).
- 1.2 The Shepway Core Strategy was conceived and drafted as a strategic long term document (including provisions up to 2031) and does not attempt to deliver all sustainable development aims directly. It guides other planning policy and needs to be followed by further local plan documentation covering issues such as small/medium sized development proposals. In particular, this can deliver:
- New housing sites at places identified in the Core Strategy settlement hierarchy.
 - Suitable employment sites, either through mixed use proposals or other interventions.
 - Support for Shepway's town and district centres to grow as modern locations for enterprise, jobs generation, culture and retail/leisure services; providing a sense of place and vitality for the district.
 - Revised Development Management policies that will replace the remaining saved policies in the Shepway Local Plan Review 2006.
- 1.3 On 18th June 2014 Cabinet approved the Shepway Local Development Scheme (LDS) that sets out a timetable for the delivery of future local plan documents. One of the key documents set out in the LDS is the Places and Policies Local Plan which is described as follows:

"The second part of the Development Plan, flowing from the Core Strategy, this Local Plan will make new land allocations and refine development management policies. It is anticipated this will cover both specific 'Places' i.e. sites for development or protection, and generic 'Policies' the basis for determining most planning applications.

It will allocate land to deliver objectives in the Core Strategy (additional to the strategic allocations within the Core Strategy) and to allow appropriate sustainable development to take place across the District. There will be new housing sites at places identified in the Core Strategy settlement hierarchy; there will be new local environmental and economic designations e.g. to support the identified town/ local centres in the Core Strategy.

The Plan and its revised Development Management policies will replace the remaining saved policies in the Shepway Local Plan Review 2006 and reflect NPPF/NPPG. It will be justified through the SA process"

2. PROCESS:

- 2.1 The timescale for this Regulation 18 (of The Town and Country Planning (Local Planning) (England) Regulations 2012) consultation period is from

29 January 2015 to 11 March 2015, and following on from this exercise, a forward plan of action (as set out in the LDS) towards the adoption of the Places and Policies Local Plan:

Start of public consultation on the draft 'Preferred Options' Plan	July 2015
Submission for Examination in Public	January 2016
Adoption (if found 'sound' at Examination)	November 2016

2.2 As such, this stage in the process provides the district council with an excellent opportunity to engage with a wide range of stakeholders including town and parish council's, local residents, local businesses, landowners, statutory agencies and other local authorities in order to seek views and comments that will help to shape the content of the draft Places and Policies Local Plan, for which the public consultation process is due to commence in July 2015. Such comments might include suggestions for alternative sites for different types of uses, in addition to those submitted to the district council as a part of the 'call for sites' process held previously. Site specific land use allocations are not being proposed at this stage but would need to be included in the Preferred Options Plan programmed for consultation in July 2015.

3. CONSULTATION DOCUMENT:

3.1 In order to facilitate this process a draft consultation document has been prepared attached as Appendix 1 (with a draft Executive Summary attached as Appendix 2). This document uses a number of key evidence base documents to set out a range of issues and options – such as the draft Economic Development Strategy, draft Shepway Town Centres Study and the East Kent Gypsy and Travellers Assessment. In addition, the document has also been subject to an early stage Sustainability Appraisal to ensure it is compliant.

3.2 The consultation document includes the following key elements:

- Introduction – including an overview of the Core Strategy objectives
- Key issues for the plan to address – housing distribution, creating jobs and meeting the needs of business, town centres, gypsy and traveller provision, local green space, infrastructure and heritage.
- Development Management Policy Options covering a wide range of themes.

3.3 A range of questions are included within the consultation document to help tease out views on the issues and options presented. In addition, the district council will also produce an executive summary of the document as well as exhibition material to help stimulate discussion and debate.

4. STATEMENT OF COMMUNITY INVOLVEMENT:

4.1 The Statement of Community Involvement (SCI) sets out the approach to consultation and was adopted by Shepway District Council on 22 February

2007. As we enter the initial consultation process for the 'Places and Policies' Local Plan it is essential that this document is reviewed and brought up to date. This amended version is attached under Appendix 3. All local planning authorities are required to produce an SCI which includes information on how and when community involvement will take place and what organisations and individuals will be consulted.

5. RISK MANAGEMENT ISSUES

5.1 A summary of the perceived risks is as follows:

Perceived Risk	Seriousness	Likelihood	Preventative Action
The council falls behind in its programme for producing a new Places and Policies Local Plan.	Medium	Medium	Keep under review the LDS, relevant budgets needed for delivery of the programme and the council's 5 year housing land supply.
Other local authorities do not agree the duty to co-operate has been met or don't agree to implement its provisions.	Medium	Medium	Continued dialogue with partner authorities through the various discussion forums that exist.

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

Legal Officer's Comments (AK)

6.1 There are no legal issues arising from this report.

Finance Officer's Comments (MF)

6.2 There are no financial implications arising directly from this report. The costs of the current consultation will be met within existing Planning Policy budgets

Diversities and Equalities Implications (JW)

6.3 The processes set out will enable the proper planning and consideration of diversity and equalities; for instance through preparation of appropriate methods of involvement in the programmed public consultations.

7. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

David Shore, Planning Policy Manager
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Jeremy Whittaker, Planning Policy Team Leader
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APPENDICES

Appendix 1 – Draft Issues and Options Consultation Document
Appendix 2 – Draft Issues and Options – Executive Summary
Appendix 3 - Draft Revised Statement of Community Involvement



Issues and Options Consultation Document

January 2015



Folkestone

Hythe & Romney Marsh
Shepway District Council



Shepway District Council

Civic Centre
Castle Hill Avenue
Folkestone
Kent CT20 2QY

01303 853 000

Foreword

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Introduction

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1 Foreword

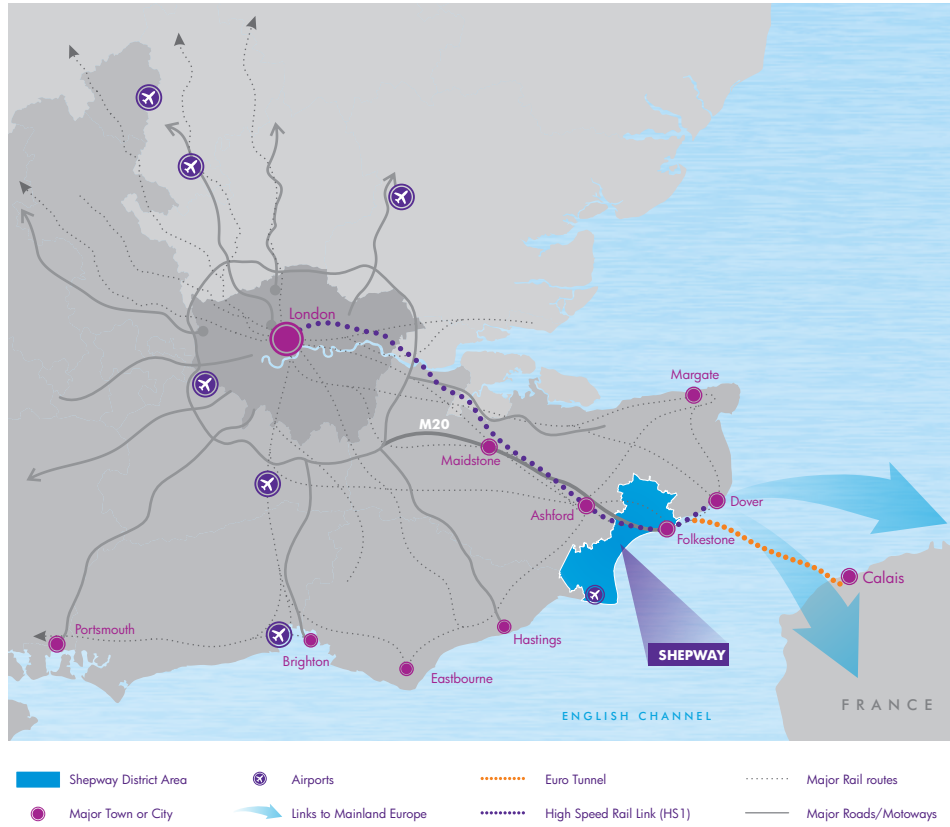
Having adopted our Core Strategy in September 2013 and set out an ambitious vision for sustainable growth and prosperity, the district council is now taking its first steps towards producing a Places and Policies Local Plan. This document will build upon the Core Strategy and set out our plans for the district in more detail, ultimately helping to shape how the area develops and grows for the period up to 2031.

We are currently consulting at the 'Issues and Options' stage – a great opportunity for those with an interest in the district to get involved early on in the process and help shape it's future for the better. Indeed, we are keen to get as much feedback through this process as possible – the stronger and more robust the evidence that we receive, the better our plan will be, and the brighter our district will shine. This is a fine example of democracy in action, and I encourage you to get involved.



Cllr John Collier

Cabinet Member for Properties Management



Picture 1.1 South East England Context

2 Introduction

2.1 The Shepway Places and Policies Local Plan is being prepared following the formal adoption of the Shepway Core Strategy in September 2013 and represents one of the key means by which the Core Strategy Objectives will be delivered. This document will consider the need to allocate land for a range of different uses as well as providing a series of new policies for the promotion and management of sustainable development in accordance with the provisions of the National Planning Policy Framework (NPPF).

2.2 The publication of this consultation document represents the first key stage in the development of a new local plan for Shepway and is intended to provoke debate, discussion and comments between the District Council, members of the public, town and parish councils, local businesses and other key stakeholders in order that the document can be further shaped prior to a more finalised draft of the document being prepared.

2.3 This consultation document is essentially divided into two strands - **Part 1** covers Main Themes and Future Site Allocations, however at this stage no allocations are included within the consultation document. Part 1 takes a topic based approach with a focus on the identification of key issues and questions relevant to the allocation of sites for development and other purposes. **Part 2** sets out a number of development management policy options.

2.4 A series of key questions are included in both **Part 1** and **2**, which it is hoped will help to develop your thoughts and comments.

2.5 Once adopted, the Shepway Places and Policies Local Plan in combination with the Core Strategy will form the basis for decisions on planning applications and will replace the saved policies of the Local Plan 2006. In addition to setting out development management policies, this document will also allocate sites for different land uses and developments. Alongside the policy document will be a Policies Map, showing site allocations such as housing and employment sites and protective designations such as the Area of Outstanding Natural Beauty and Conservation Areas. The plan must be prepared in accordance with the National Planning Policy Framework (NPPF) published by the Government in 2012. This requires the plan to contribute to achieving sustainable development and to be prepared in a collaborative way.

The Role and Objectives of the Core Strategy

2.6 The Shepway Places and Policies document must be consistent with the adopted Shepway Core Strategy. The Core Strategy is the over-arching document that sets out the Council's vision and strategic objectives for future development in the District over the period 2006 - 2031, as well as providing the policy context for

other local plans. It includes a series of strategic locational and generic policies. The strategic needs and aims of the Core Strategy will be carried forward in this document and are shown in the following table.

	A. The challenge to improve employment, educational attainment and economic performance in Shepway	B. The challenge to enhance the management and maintenance of the rich natural and historic assets in Shepway	C. The challenge to improve the quality of life and sense of place, vibrancy and social mix in neighbourhoods particularly where this minimises disparities in Shepway
1	Increase the population of settlements and their prosperity	Expand green infrastructure and enhance its connectivity, making a positive contribution to managing the impacts of climate change through adaptation and mitigation	Maintain cohesive neighbourhoods and encourage increased voluntary activity, the retention of viable local community buildings and civic interest in community development
2	Enhance the viability/vitality and appeal of Town Centres, with Folkestone as a major commercial, cultural and tourism centre featuring upgraded connections and public realm	Minimise local carbon emissions, maintain air quality, control pollutants and promote sustainable waste management	Ensure choice of good-quality residential accommodation is maximised within individual neighbourhoods and villages, with a mix of housing size, type and tenure
3	Achieve real-term increases in gross incomes	Protect and enhance habitats and species to sustain biodiversity, particularly where of international and national significance, including a focus on Dungeness and Folkestone Warren	Assist in meeting the essential needs of vulnerable local social groups and provide more properties that allow people to remain living independently

	A. The challenge to improve employment, educational attainment and economic performance in Shepway	B. The challenge to enhance the management and maintenance of the rich natural and historic assets in Shepway	C. The challenge to improve the quality of life and sense of place, vibrancy and social mix in neighbourhoods particularly where this minimises disparities in Shepway
4	Grow the proportion of residents with higher-level qualifications	Manage sensitive landscapes shaping the character of the district, especially on the edge of settlements or within the Kent Downs AONB and its setting	Improve sports facilities and reduce relative disparities in the health of communities
5	Deliver a flexible supply of employment land in terms of location, size and type	Increase the efficiency of water management to maintain local water resources and to improve the quality of watercourses and the sea	Increase access to services that are appropriate to the needs of the local population and maintain essential rural services
6	Maximise the efficient use of infrastructure and secure further improvements, unlocking the development of priority sites, communities and areas.	Maintain the sense of openness and tranquillity of the countryside and undeveloped coast	Improve the urban environment, including the usage and sense of security of key public spaces including major parks, town centres and public transport stations
7	Provide housing of a quality and type suited to long-term economic development needs	Manage Shepway's coast to ensure resilience to climate change processes, reducing the risk to life and property from flood hazards, and actively managing coastal environments for green infrastructure and sustainable recreational purposes	Reintegrate physically divided or highly linear villages and neighbourhoods through central social infrastructure or community development

	A. The challenge to improve employment, educational attainment and economic performance in Shepway	B. The challenge to enhance the management and maintenance of the rich natural and historic assets in Shepway	C. The challenge to improve the quality of life and sense of place, vibrancy and social mix in neighbourhoods particularly where this minimises disparities in Shepway
8	Regenerate deprived neighbourhoods, including Central and Northern Folkestone and in pockets within Romney Marsh	Enhance the character and function of Shepway's historic towns and villages, and the management of historic assets/visitor attractions	Improve Town Centre environments, facilities and communications for businesses and visitors in the Romney Marsh area
9	Expand cultural and creative activity in the district, with refurbished premises and spaces in Folkestone's Old Town forming a vibrant Creative Quarter	Promote choice in means of transport through opportunities for walking and cycling and improved public transport networks and information	Consolidate communities that are hosting significant new developments including at Hawkinge and Hythe

Table 2.1 Core Strategy

Sustainability Appraisal

2.7 Sustainability Appraisals (SA) are used to test local plan policies and proposals to ensure that they are consistent with the aims of sustainable development. A Sustainability Appraisal must also incorporate the requirements of the European Directive on Strategic Environmental Assessments, which ensures that significant environmental impacts are identified and taken into account. This document will be appraised against a set of defined criteria, in accordance with Shepway Places and Policies Local Plan Sustainability Appraisal Scoping Report. Further Sustainability Appraisal work will be carried out on all new sites.

Appropriate Assessment under the Habitats Regulations

2.8 Appropriate Assessment is being carried out alongside the development of the Places and Policies Local Plan to test whether the plan alone, or in combination with other plans and projects, is likely to have an adverse impact on the integrity of the Dungeness complex of Special Areas of Conservation (SAC), Special Protection Areas (SPA) and Ramsar sites, Folkestone to Etchingill Escarpment SAC, Parkgate

Down SA, Dover to Kingsdown Cliffs SAC and Lydden to Temple Ewell Downs SAC or any other site which benefits from European wildlife protection within 15km of the District boundary.

2.9 Where negative effects are identified other policy options should be examined to avoid any potential damaging effects. The results of the first 'screening exercise' stage of the Appropriate Assessment of the Plan will be presented in a separate report.

Equalities Impact Assessment

2.10 An initial Equalities Impact Assessment (EqIA) has been undertaken on the consultation document and the findings of this are available as a separate document. Undertaking an EqIA at this early stage enables us to identify actions that will help ensure that equalities issues are given proper consideration as we continue to develop the Plan and that positive impacts on target groups are enhanced as far as possible. Further Assessments will be undertaken as the development of the Plan progresses.

Duty to Co-operate

2.11 Whilst progressing through the process of producing the Places and Policies Local Plan, it will be necessary to ensure compliance with the statutory duty to co-operate - that is to engage constructively, actively and on an ongoing basis on planning matters that impact on more than one local planning area and being mindful of the requirements of neighbouring authorities and the approach they are taking to develop policies and allocations.

Neighbourhood Plan

2.12 In accordance with the provisions of the Localism Act 2011, neighbourhood planning allows town and parish councils to shape new development within their area through the production of neighbourhood plans.

2.13 In Shepway a number of parishes have agreed neighbourhood plan boundaries:

- Hythe
- Lympne
- New Romney
- St Mary in the Marsh
- Sellindge

2.14 Of these local councils Lympne are actively working on the preparation of a draft plan and St Mary in the Marsh have produced a draft plan that is currently under consideration by the district council before it is taken forward for examination.

2.15 The district council will actively engage with town and parish councils who wish to prepare a neighbourhood plan. Neighbourhood plan policies can cover a variety of planning policy areas addressing issues at the local level.

2.16 This consultation will help to identify the aspirations of local communities regarding the location of development in their area whether identified through the Places and Policies Local plan prepared by the Council or a possible future neighbourhood plan.

The Shepway Places and Policies Local Plan Timetable

2.17 The Places and Policies Local Plan comprises the following stages and scheduled key dates:

Consultation on options	January 2015
Consultation on draft plan (preferred options stage)	July 2015
Publication of final draft plan for representations	November 2015
Submission to the Secretary of State	January 2016
Examination in Public	April 2016
Inspector's Report	July 2016
Adoption of Local Plan	November 2016

Table 2.2

Help us in planning the future of Shepway District

2.18 This is the earliest stage in producing a plan and is an opportunity for the community to inform and shape the policies. The consultation period runs from Thursday 29th January 2015 – Wednesday 11th March 2015 and all comments should be received by 5.00 pm on 11th March 2015.

2.19 How to comment:

By completing the form online (<http://www.shepway-consult.limehouse.co.uk/portal/>); or

Email planning.policy@shepway.gov.uk; or

By completing and returning the enclosed response form; or

Downloading additional copies of the response form at www.shepway.gov.uk

2.20 The document can be viewed via the District Council's website - www.shepway.gov.uk; or

At the District Council offices and public libraries throughout the District (see www.shepway.gov.uk for opening hours).

3 Housing and the Settlements

Core Strategy Policy Context

3.1 Under the Core Strategy, Shepway has been divided into three character areas, these are the Urban Area, Romney Marsh and North Downs as referred to in Core Strategy Policy SS1. The future consultation stages of this plan will be more closely linked to these character areas but at this early stage of plan production a thematic approach has been adopted.

3.2 The Urban Area within Shepway consists of the sub-regional town of Folkestone and the strategic town of Hythe. The majority of new development both commercial & housing will take place in Folkestone to enhance its role as a sub-regional centre and to respond to the socio-economic needs of the area. Core Strategy Policies SS6 and SS7 directly allocate land in Folkestone as strategic sites for housing.

3.3 The Core Strategy recognises the sensitivity of the landscape that forms much of the North Downs area of the district; scattered villages against an undulating topography presenting a patchwork of agricultural land interspersed with more natural wooded areas. The Core Strategy seeks to protect this valuable landscape but recognises the need to allow for some modest development around existing centres, sensitively meeting the needs of existing communities.

3.4 The Romney Marsh character area is again very different in nature but still rural with an emphasis on agricultural activities taking place in a rich and varied landscape. This character area contains some of the most important ecological areas within the district but also areas that suffer from deprivation. Again in accordance with the principles established under the Core Strategy there is a precedent to focus development around existing centres to ensure sustainability and protect the countryside.

3.5 The Core Strategy recognises the complexity of sustainable development needs across Shepway. As a result it is not highly prescriptive in terms of specifying the amount of development for individual settlements. However in accordance with these established character areas and the settlement hierarchy this plan needs to develop an appropriate approach to the distribution of development that is not already determined by a strategic allocation within the Core Strategy. A major tool in achieving this is the settlement hierarchy and Policy SS3 ⁽¹⁾ which sets out a strong criteria basis for the suitability of development locations. The Settlement Hierarchy recognises the size and functionality of all significant settlements in the district and reflects the significance of proportionality as required in Policy SS3. This consultation aims to start the initial process in establishing the best distribution in each settlement to

1 Policy SS3-Place Shaping and Sustainable Settlement Strategy

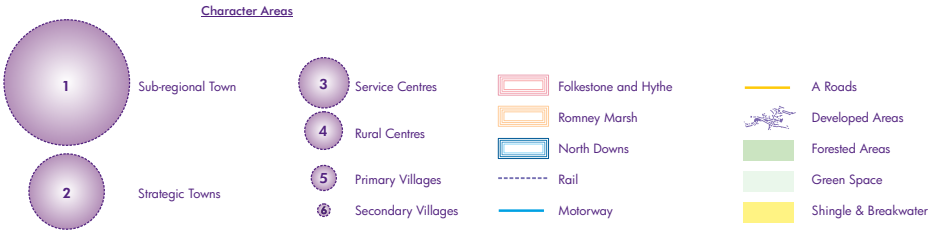
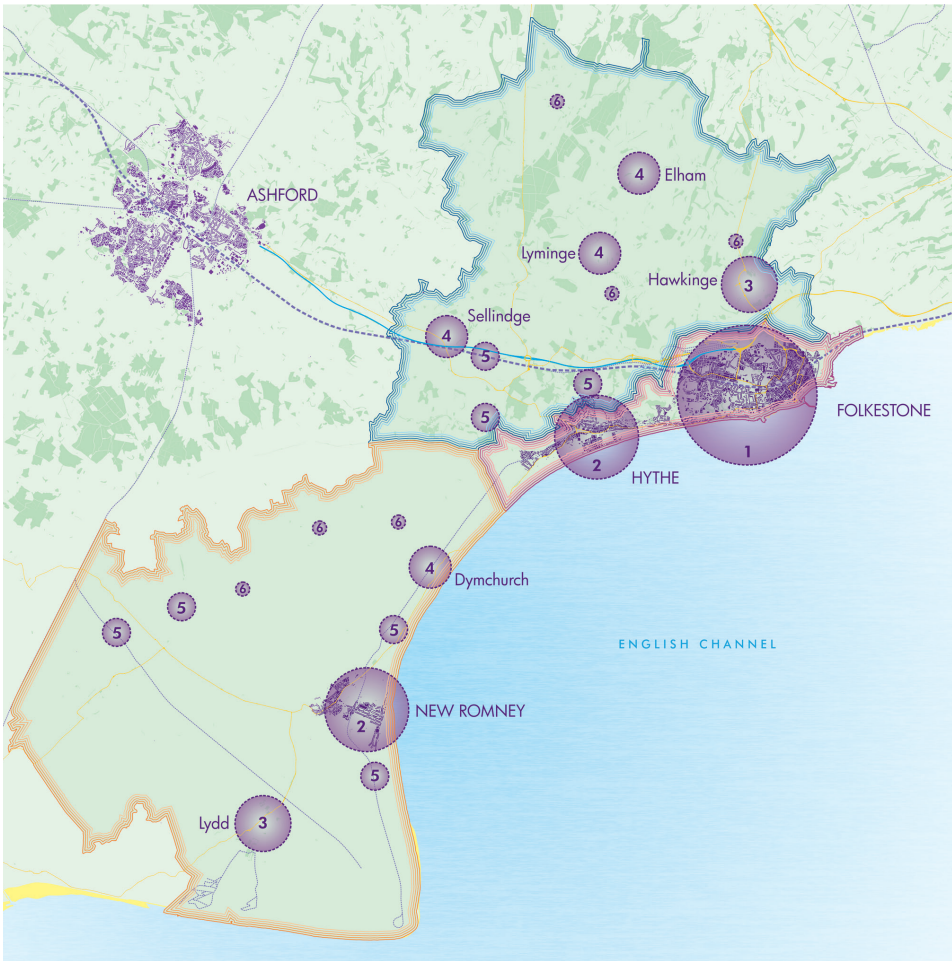
produce the most sustainable land allocations consistent with Core Strategy policy, while also seeking to maintain the balance between and scale of all settlements so as not to disrupt the current equilibrium between them.

3.6 Below is the Settlement Hierarchy contained within the Core Strategy

Status and Strategic role	Urban Area	Romney Marsh area	North Downs area
The Sub-Regional Town: <i>To accommodate substantial residential, commercial and social development. To provide improved (inter-) national transport links, and a good choice of employment, retail, cultural/leisure and public services for the whole of Shepway, adjoining districts and visitors</i>	Folkestone		
Strategic Towns for Shepway: <i>To accommodate significant development - in so far as consistent with maintaining historic character - appropriate to the needs of their wider hinterlands in Shepway, and maintaining the viability of their local transport hubs, Town Centres and higher order tourism, employment and public services.</i>	Hythe	New Romney Town (incorporating Littlestone-on-Sea)	
Service Centres for Shepway: <i>To accommodate development appropriate to Shepway and their own needs, in order to grow and consolidate their position as District Centres serving the local hinterland with shops, employment and public services.</i>		Lydd Town	Hawkinge

Status and Strategic role	Urban Area	Romney Marsh area	North Downs area
Rural centres: <i>To develop - consistent with enhancing the natural and historic environment - in a manner that supports their role as integrated tourist and local centres providing shops and services for a significant number of residents, visitors, and also for other villages in the North Downs or Romney Marsh.</i>		Dymchurch	Elham, Lyminge, Sellindge
Primary villages: <i>To contribute to strategic aims and local needs; and as settlements with the potential to grow and serve residents, visitors and neighbourhoods in the locality with rural business and community facilities.</i>		St Mary's Bay, Greatstone-on-Sea, Brookland, Brenzett	Lympne, Saltwood, Stanford/ Westenhanger
Secondary villages: <i>To continue to provide crucial rural facilities to visitors and their own residents and workforce, in line with local needs, their environment, and role as relatively small country settlements.</i>		Ivychurch, Newchurch, Burmarsh	Stelling Minnis, Densole, Etchinghill

Table 3.1



Picture 3.1 Settlement Hierarchy

3.7 In order to respond more sensitively to development within the character areas it is proposed that in future stages of plan development some more geographical complex areas, such as Hythe and Folkestone, might be subdivided in accordance with more defined characteristics. Therefore providing more detailed policy to contribute positively to place making or alternatively improving those aspects which are considered to be detrimental in accordance with the settlement hierarchy.

3.8 The Core Strategy has set out the council's vision and strategic objectives for future development, part of the development will come from the strategic sites allocated in the Core Strategy. This Places and Policies Local Plan will allocate the remainder of sites required to fulfil the targets set by the Core Strategy, in the following categories:

- Small to Medium Housing Sites
- Economic Development
- Town Centres
- Gypsy and Traveller sites
- Infrastructure
- Local Green Spaces
- Heritage

3.9 These categories are further expanded in forthcoming chapters.

Housing

3.10 The Core Strategy (Policy SS2) sets a target of delivering a minimum of 350 dwellings per annum on average until 2030/31 (inclusive from 2006/07), with a higher target of 400 dwellings a year in the first 20 years of the plan. This housing requirement was shown to be feasible and that sufficient housing land exists in the district through evidence base work. Foremost amongst the evidence is the Strategic Housing Land Availability Assessment (SHLAA) process set out in national policy. With the exception of the strategic sites which were allocated in the Core Strategy the remainder of the housing requirement now needs to be allocated through this plan. The Core Strategy sets out the approximate amount of housing anticipated to be delivered for each of the three character areas. For the Urban Area this figure is approximately 75% of new residential development in the district (para 5.80, Core Strategy), for the Romney Marsh the figure is approximately 10% of new residential development in the district (para 5.114, Core Strategy) and for the North Downs the figure is 15% of new residential development in the district (para 5.139, Core Strategy). The aim of this plan is to further expand on these approximate amounts for the character areas by seeking opinion on how best to identify housing quantities on a settlement by settlement basis with the character areas. Further information on the principles in the draft policy below can be found in the Local Housing Levels ⁽²⁾ evidence base document.

2 Local Housing Levels: Shepway Settlement Tiers Procedure Note June 2014

Policy 1

Policy Option for Housing Distribution

Specific housing levels by settlement tier are now set out, using SHLAA evidence (and housing permission completions from 2012/13) and applying the following principles:

- Core Strategy policy must be applied
- Core Strategy evidence, notable the 2012 technical note/ SHLAA, should be the starting point for identifying sufficient land in an area to allow subsequent testing of site development options.
- The total amount of housing planned across settlements in tiers of the Hierarchy should proportionate, it must not be less than the total planned in any tier of the Hierarchy below,
- There is the scope for flexibility within each tier within the Settlement Hierarchy in order to meet the total figure.
- With an adopted Core Strategy in place it is beyond the scope of this plan to review strategic urban extensions (Core Strategy Allocations at Folkestone, or the existing major allocations with planning permission at Nickolls Quarry, Hythe). These are not included.

Applying the 5 principles results in the following guideline amounts to help establish the degree of search for sites in each settlement:

Settlement Hierarchy Tier	Total	Average per settlement
Sub Regional Town	1,519	1,519
Strategic Towns x 2	959	480
Service Centres x 2	373	187
Rural Centres x 4	263	66
Primary Villages x 7	209	30
Secondary Villages x 6	32	5
Totals	3,355	153

Table 3.2

Question 1

Do you consider the approach set out in Policy 1 to be a sound basis to guide the allocation of housing across the district? Please explain your answer.

3.11 This early stage in the production of the plan seeks to identify the most sustainable land possible at settlements. As part of the initial research in late 2013/early 2014 a 'call for sites' was carried out. The potential housing sites put forward as well as further sites identified through desktop work the council is undertaking will ultimately form part of a review of the SHLAA. The review of the SHLAA is not yet complete and remains an on going process as more sites come forward. The assessment criteria consists of a number of stages where sites are sieved out, ultimately deciding if sites are sustainable, deliverable and developable in a neutral policy context.

3.12 In addition to the sites that have already been submitted, this consultation offers up the opportunity for a further 'call for sites'.

Question 2

Are there any sites that you think should be submitted as part of this 'call for sites'? If so, please provide details.

3.13 Please refer to policy options H1-H9.

4 Economic Development

Context

4.1 Shepway district has a relatively small economy that has historically been characterised by slow economic growth, high unemployment, low skills attainment and the long-term contraction of established local industries such as the Dormobile Coach Works, Silverspring and Smiths Medical. There are relatively few large firms in the district with only around 1.5% of businesses having more than 100 employees – these include businesses such as SAGA, Eurotunnel, Church and Dwight and Swiss Re, whilst around 84% of businesses are very small, with 0-9 employees. This is similar to the picture across Kent.

4.2 There are a number of key sectors in the district that are well represented in the local economy:

- Utilities – especially nuclear industries and emerging renewable sectors.
- Financial and Insurance services – especially in and around Folkestone Town Centre.
- Professional, scientific and technical
- Transport, storage and communications
- Arts, entertainment and recreation
- Accommodation and food services, visitor, tourism and leisure economy – still a major contributor to the local economy.
- Construction

4.3 The district economy has seen some improvement in its growth and development over recent years, for example unemployment rates have reduced from 3.9% in May 2011 (as reported in the Core Strategy) to 2.4% in August 2014 and, as illustrated in the draft Shepway Economic Development Strategy 2014-2019, jobs growth in the period 2000-2012 has seen a jump of 24% from 37,000 jobs in 2000 to 46,000 in 2012, with much of that growth taking place between 2009 and 2011.

4.4 However, this picture is certainly not as rosy as it first appears. The rate of decline in the unemployment rate has been slower than that of Kent and the South East and the jobs growth that has occurred has been predominantly in low skill, low wage sectors, meaning that Shepway still falls behind the national and regional averages for both workplace based and residence based statistics.

4.5 Indeed, as illustrated in the evidence base the district still faces a number of key challenges that mean that the economy still performs poorly within the context of the wider South East. Most notably:

- Perceived remoteness – still seen as peripheral to London despite excellent communications networks.
- Poor skills attainment – with high numbers of people in the district having no qualifications at all, and a lower than average number attaining NVQ4+ (degree or equivalent) level.
- Poor entrepreneurship levels – whilst start-up rates are quite high, the survival rates of these businesses is extremely low.
- Poor record of attracting mobile inward investment – predominantly due to the poor offer of sites and premises that the district currently has.
- Under performance across many socio-economic indicators compared with other comparable locations
- The need to develop a more compelling offer - building on our High Speed connectivity and proximity to mainland Europe, maximising the economic impact of the coastline, and using our housing and labour affordability to attract investment.

4.6 The evidence indicates that Shepway is on an economic growth trajectory, but it is questionable whether this growth will lead to an improvement in the quality of the local economy if things continue as they are. However, there are opportunities to put the district on the right path by capitalising on the strengths of the district, such as:

- Capitalising upon exceptional connectivity – including HS1 stations (50 minutes to London), three M20 Junctions, the Channel Tunnel and nearby Dover Port
- Identifying and adapting to serve changing needs of existing businesses.
- Developing the significant potential from growing and emerging sectors

Employment Allocations

4.7 The Core Strategy identifies under Strategic Need A that one of the key aims is “to deliver a flexible supply of employment land in terms of location, size and type”. Policy SS2 specifically identifies a target of approximately 20 hectares (gross) to be delivered between 2006/7 and 2025/26 inclusive, with approximately 7ha being delivered in the first 4 years of this plan period (as stated in the Core Strategy).

4.8 The Shepway Employment Land Review highlights that, whilst there is a plentiful supply of employment land allocated in the district to achieve this target, there are strong qualitative arguments for reviewing our approach to these (as posed in policy option E1) and identifying the potential for new sites. An illustration of this point is that whilst demand for employment premises is predominantly focused in and around Folkestone, the district has a number of allocations in places such as Lympne, New Romney and Lydd, where take up has either been slow or, in a number of cases, the sites are still undelivered. In addition, the offer in Folkestone is extremely limited, with lower quality premises comprising a fair amount of this offer. In short, there is

a lack of choice that is attractive to inward investors and expanding indigenous businesses, as borne out of the low number of inward investors over the past 10-15 years.

4.9 It is for this reason that the Employment Land Review states that “...the Council should plan for a more aspirational approach to developing the local economy and attracting new investment through provision of some better quality, more deliverable employment sites and more provision of town centre offices in Folkestone” (ELR, P.2). It therefore identifies the following additional allocations:

- a. Up to 5 hectares more land for industrial development on a well located, readily available site in Folkestone if the existing industrial allocations there appear unlikely to come forward and particularly if Park Farm industrial area continues to experience losses to retail warehouse uses.
- b. A broad mix of office and industrial B1 space at Nickolls Quarry
- c. 5-8,000 sqm of office space in and around Folkestone town centre
- d. Further small incubation premises for business start ups in Folkestone to encourage indigenous business formation and widen employment opportunities – 3-5,000 sqm of such space should be aimed for by 2026.

4.10 Since the Employment Land review was produced, there has been some progress in meeting some of these requirements, such as the opening of the Factory Floor on Tontine Street and permission for a mixed use scheme (residential and employment) at Ingles Manor. However, other areas are unlikely to be addressed in the short to medium term, such as the provision of office and industrial space at Nickolls Quarry.

4.11 Additional work is being undertaken for the draft Shepway Economic Development Strategy 2014-2019 and the draft Shepway Town Centres Study to identify potential sites to address this qualitative requirement through discussions with local landowners and business representative organisations. These broadly fall into three categories.

1. **Modern office space in and around Folkestone town centre, especially in and around Folkestone Central Station (please refer to policy option E2):** This accommodation would cater for outsourcing and relocations from London, with Shepway’s ‘offer’ based upon a combination of competitive office values compared to London and travel times of less than an hour to St Pancras via High Speed 1. Further work is required to analyse the deliverability of all options, but potential sites could include:

Potential Locations	Use
Folkestone Central Station	Creation of small office accommodation including refurbishment

3-5 and 7 Shorncliffe Road, Folkestone	Redevelopment of site for office space
Civic Centre Site, Folkestone	Mixed use scheme for office and residential
Creative Quarter (Tontine Street)	Office space for Creative, Media and IT companies.

Table 4.1

2. **Larger office accommodation within the M20 corridor:** This accommodation could also cater for outsourcing and relocations from London, particularly where occupiers require a greater quantum of parking and better strategic road access. These buildings could provide a quality ‘business park’-type environment that appeals to larger occupiers who prefer to own their own building and/or have control over their own security and access arrangements.

Given the current slow speed of commercial sales and lettings, larger units are likely to come forward individually over a longer timeframe, with speculative developers striving to secure pre-lets, or owner-occupiers developing on a bespoke basis. In light of the low values and demand currently experienced in the District, the Council will consider the feasibility of delivering serviced plots for office development on strategic sites within the M20 corridor to increase the attractiveness of investment to the private sector. Further work is required to analyse the deliverability of all options, but potential sites could include:

Potential Locations	Use
Land around Junction 11 of the M20	Potential for mixed employment use
Land around Junction 13 of the M20	Potential for mixed use scheme on Affinity Water site offering the potential for intensification of use.

Table 4.2

3. **Smaller, more flexible accommodation throughout the urban area:** Building upon the success of existing incubator and grow-on space in the urban area, this accommodation would provide smaller, sustainable office accommodation spread throughout the urban area, aimed at helping to stimulate business start-ups and survival rates.

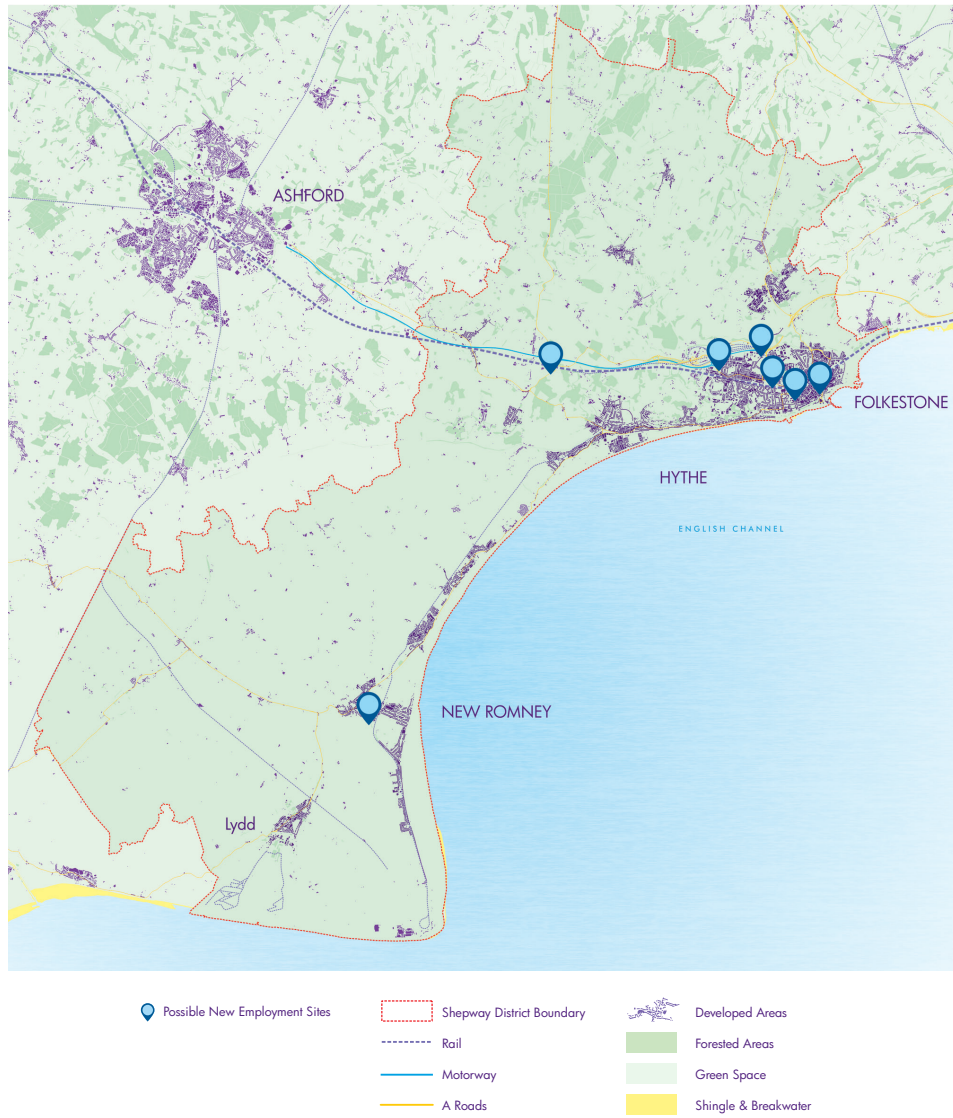
Potential Locations	Use
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Creative Quarter, Folkestone	Business Incubation and Grow On Space
Pennypot Industrial Estate, Hythe	Business Incubation Centre
Mountfield Road Industrial Estate, New Romney	Business Incubation and Grow On Space

Table 4.3

Question 3

- a. Do you think the plan should encourage allocations for modern office development in Folkestone Town Centre and especially around Folkestone Central Station in order to attract businesses into the district? If so, do you support the proposed sites being (re)developed?
- b. Would you support a focus of employment uses in and around our motorway junctions?
- c. Small units will help to stimulate the creation of business start-ups, do you agree this should be focused on urban areas?
- d. Are there other sites that should be looked at to help improve the quality of our employment space offer?



Picture 4.1 Potential New Employment Sites

4.12 Whilst identifying new employment sites helps to contribute towards addressing locational qualitative issues, it should be noted that the potential allocation of new sites, especially those along the M20 corridor, would lead to a greater quantitative oversupply, including a number of allocated employment sites in the district that have not been developed despite being designated for over 20 years.

4.13 In line with paragraph 22 of the National Planning Policy Framework, planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose.

4.14 The Shepway Employment Land Review carried out a review of allocated employment sites in 2011. The general conclusion of this analysis was to continue protecting those allocated employment sites that, despite their varying quality, have high levels of occupancy and are clearly serving a local need well, with the need to take a pragmatic mixed-use approach to undeveloped allocations as well as the potential to look at the reallocation of Station Yard, Lydd. Earlier this year, further work was commissioned by the District Council to review this approach in line with the changing economic circumstances and the lack of progress on some sites.

4.15 This report has identified a number of sites where it has been recommended that no change to the existing policy is required, including:

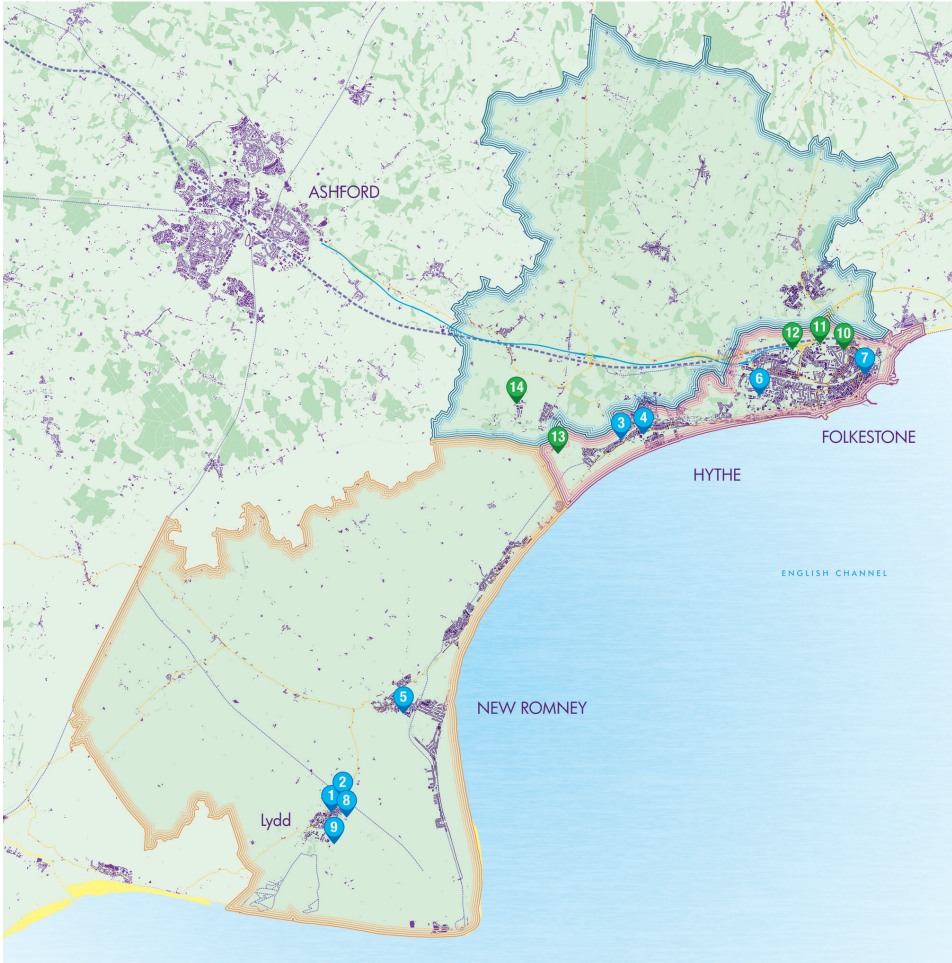
- Bowles Well Gardens, Folkestone (site accessed from Bowles Well Gardens)
- Park Farm, Folkestone
- Riverside Industrial Estate, West Hythe
- Lympe Industrial Estate (including Link Park)
- Shearway Business Park, Folkestone

4.16 It has also highlighted a number of sites that could be potentially be re-allocated for alternative uses, including:

- Bowles Well Gardens, Folkestone (site accessed from Dover Road) – potential for site to accommodate some residential use.
- Highfield Industrial Estate, Folkestone - potential to include Use Class B8 (storage and distribution).
- Shorncliffe Industrial Estate, Folkestone - potential to include Use Class B8 (storage and distribution).
- Pennypot Industrial Estate, Hythe – potential for an intensification of employment use including alternative residential use.
- Boundary Road, Hythe – potential for the site to accommodate some residential use.

- Mountfield Road Industrial Estate, New Romney - potential at the north of the site to be re-allocated for residential use, subject to delivery of Mountfield Road Industrial Estate Phase 4.
- Station Yard, Lydd – potential for a mixed use scheme comprising residential and employment uses.
- Kitewell Lane, Lydd – amend the allocation to incorporate the wider site for a comprehensive mixed-use scheme.
- Harden Road, Lydd - potential to include alternative uses.
- Dengemarsh, Lydd - potential to include leisure and ancillary uses.

4.17 It should be noted that the above list of sites have been taken from 'Commercial Property Market Review' (September 2014), which has been produced by BBP Consultants on behalf of Shepway District Council. The above information from this study is used to give an indication of possible alternative uses although, for a number of these sites, further work is required to assess their deliverability.



- | | | |
|---|--|--|
| <ul style="list-style-type: none"> ● Sites for possible re-allocation (policy change) 1 Station Yard, Lydd 2 Kitewell Lane, Lydd 3 Pennypot Industrial Estate, Hythe 4 Boundary Road, Hythe 5 Mounfield Road Industrial Estate, Hythe 6 Shorncliffe Industrial Estate, Folkestone 7 Highfield Industrial Estate, Folkestone 8 Harden Road, Lydd 9 Bowles Well Gardens | <ul style="list-style-type: none"> ● Sites deemed not to require policy change 10 Bowles Well Gardens 11 Park Farm 12 Shearway Business Park 13 Riverside Industrial Estate 14 Lympe Industrial Estate (including Link Park) | <ul style="list-style-type: none"> ▭ Folkestone and Hythe ▭ Romney Marsh ▭ North Downs ⋯ Rail — Motorway — A Roads 🏘 Developed Areas 🌳 Forested Areas 🌿 Green Space 🟡 Shingle & Breakwater |
|---|--|--|

Picture 4.2 Existing Employment Sites

Question 4

- a. Do you agree that allocated sites that have no reasonable prospect of coming forward for employment uses should be re-allocated?
- b. Do you agree with the list of sites that are proposed to not require a change in policy?
- c. Do you agree with the list of possible sites for re-allocation?
- d. Are there other employment allocations that should be considered for re-allocation?

4.18 Please refer to policy options E1-E7 and E12-14.

5 Town Centres

Context:

5.1 The role and focus of Town Centres has come under the spotlight recently, following the sustained economic downturn, the continued attraction of out-of-town facilities and the growing popularity of online shopping. In recognition of this, the National Planning Policy Framework provides support to our Town Centres in paragraphs 23-27, stressing the need for planning policies to be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period. This support is also backed up by the Shepway Core Strategy, which under Policy SS4 underlines a ‘town centre first’ policy, as well as Policies CSD6-8 which focus on the vitality and viability of Folkestone, Hythe and New Romney Town Centres.

5.2 The continued plight of Town Centres has also led to a series of reviews, with the Portas Review (2012) and the Grimsey Review (2013) leading to the establishment of an industry ‘task force’ producing a report called ‘Beyond Retail’ (2013) which outlines a number of recommendations for our high streets, the following being some of the most pertinent to the centres in Shepway:

- Develop strong and dynamic leadership to bring about long term change in town centre functions.
- Undertake bold, strategic land assembly, to assemble redevelopment opportunities of scale and worth.
- Provide greater flexibility in the planning system to enable redundant retail premises to be converted to ‘more economically productive uses’

5.3 The District Council, in partnership with town and parish councils and town centre based groups, is in the process of preparing the Shepway Town Centres Study. Some of the initial analysis is presented in the draft plan, along with some key questions, in order to stimulate further discussion and to allow the study to be finalised and appropriate town centre strategies and policies to be developed.

Current Performance of Our Centres:

5.4 Within the context of continued competition of out-of centre retail provision (predominantly Park Farm Industrial Estate) and competing centres (Ashford, Canterbury and Dover), the centres in Shepway are deemed to perform as follows:

Folkestone Town Centre	<ul style="list-style-type: none"> • Overall, performs adequately when assessed in terms of diversity of uses; level of vacant units; levels of demand; environmental quality and accessibility – it is ‘getting by’. • The Creative Quarter is an asset to the town but not that well integrated.
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	<ul style="list-style-type: none"> • The town faces challenges – especially: <ol style="list-style-type: none"> a. The almost-entire absence of an evening economy (particularly in respect of family restaurants). b. High level of vacant units in parts of the town centre, such as Guildhall Street, which need short-term investment to help arrest the decline.
Hythe Town Centre	<ul style="list-style-type: none"> • The centre is popular and well supported, with strong pedestrian flows • The vacancy rate is significantly lower than the UK average • The visual appearance of the town centre is positive, and accessibility is good.
New Romney Town Centre	<ul style="list-style-type: none"> • Performing well • Vacancy rate is significantly lower than the UK average • The centre is attractive and well-maintained with an agreeable environment.
Lydd District Centre	<ul style="list-style-type: none"> • Very limited retails and services offer. • Attractive and well-maintained. • Would expect most local residents to shop away from Lydd for most of their shopping requirements.
Hawkinge District Centre	<ul style="list-style-type: none"> • Pleasant environment • Centre has a slightly disjointed feel • Centre serves a limited role and function
Cheriton District Centre	<ul style="list-style-type: none"> • Reasonable range of shops with a dominance of take-aways and fast food retailers. • Vacancy Rates in line with UK average. • Environment compromised by the poor state of repair of a number of premises. • Investment required to improve the environmental quality of the high street.

Table 5.1

Question 5

- a. Do you agree with the overall assessment of our centres? If not, please explain.
- b. Are there other issues that you feel need to be addressed?

Spending Patterns:

5.5 For Comparison Goods (non-food) Shopping:

- The district retains just over 50% of spend, totalling around £188m per annum.
- Of which around £105m is spent in Folkestone Town Centre; £49m at Park Farm; £15m in Hythe Town Centre; £10m in Cheriton and just over £5m in New Romney. There are also a number of destinations that draw under £1m of comparison goods spend in the district.
- The vast majority of leakage goes to Ashford (around £80m) and Canterbury (around £60m)

5.6 For Convenience Goods (food) Shopping:

- The district retains 77% of spend, totalling around £200m per annum.
- Of which foodstores in Folkestone account for £121m of spending and foodstores in Hythe account for £48m of spending.
- The majority of leakage goes to Ashford (£34m) and Dover (£9m).

Retail Floorspace Needs:

5.7 Based on the information above as well assessing trends in areas such as population and spend, the draft Town Centres Study highlights the following quantitative requirements in the district over the Plan period:

	2014	2017	2021	2026	2031
Comparison Goods Floorspace Requirement (sqm net, rounded)	0	1,100	3,600	<i>8,000</i>	<i>12,800</i>
Convenience Goods Floorspace Requirement (sqm net, rounded)	-4,400	-4,200	-3,600	<i>-2,700</i>	<i>-1,600</i>

Table 5.2

NB Figures are cumulative. Figures in italics are indicative.

5.8 However, it is argued that there is a need for comparison retail quality to be improved, especially in Folkestone, towards a more mid-market offer to reduce the levels of expenditure leakage to surrounding centres, and through the provision of larger retail units to meet the needs of national retailers. This is likely to require the modernisation of existing floorspace as well as the identification of opportunity sites.

Question 6

- a. Do you think that sites need to be identified to improve the quality of Folkestone Town Centre's comparison retail offer? If so, where and what types of new offer do you consider appropriate?
- b. Do you think that the provision of larger units should be created through site redevelopment or the amalgamation of existing smaller shops, or through both approaches?
- c. Do you think further redevelopment opportunities need to be identified in other centres to improve the quality of offer?

5.9 Whilst there is no quantitative need for additional convenience (food) floorspace across the district, there may be a qualitative case for:

- A new anchor store in Cheriton district centre to help retain local spend
- An enhanced provision in Hawkinge district centre to reduce a dependency on travelling to foodstores in Folkestone.
- A small store in Lydd to help improve consumer choice.
- There is no qualitative case for further foodstore provision in the town centres of Folkestone and Hythe, but applications of new development of this nature should be considered on their individual merits

Question 7

Do you agree that there is a good case for a new anchor store in Cheriton district centre, enhanced retail provision in Hawkinge district centre and a small store in Lydd to help improve consumer choice? Please explain your answer.

Commercial Leisure Need:

5.10 'Commercial Leisure' includes uses such as hotels, cultural services (cinemas, theatres and museums), restaurants and cafes – all essential ingredients of a vibrant evening economy. The following trends in Shepway have been identified in this sector:

Food and Drink:

- The largest area of growth to 2031 will come in the restaurants and cafes sector – around 44% growth between 2014 and 2031.

- Around 68% of spend on ‘food and drink’ is retained in the district, but there is some scope for improvement.
- There is considerable restaurant-spend leakage from Folkestone Town Centre (over 50%).
- Hythe performs strongly, retaining 68% of spend on cafes and coffee shops locally.

5.11 Overall, the analysis in the draft Shepway Town Centre Study highlights that the following increase in floorspace is required in the district to the period up to 2031, with the majority of this being directed towards Folkestone in the first instance:

	2014	2017	2021	2026	2031
Food & Drink Floorspace Requirement (sqm gross, rounded)	0	800	1,800	3,000	4,300

Table 5.3

NB Figures are cumulative. Figures in italics are indicative.

Cinema and Theatre:

5.12 The draft Shepway Town Centre Study identifies:

- ‘a major opportunity for Folkestone town centre over the course of the study period’ to attract further cinema provision that builds upon and complements existing provision.
- No requirement for further theatre provision

Question 8

Do you think that the district and town centres in Shepway lack a quality leisure offer? If so:

- Which district and town centres do you think fair particularly poorly?
- What types of leisure uses are missing that would otherwise attract an evening economy?

Potential Site Allocations:

5.13 A range of sites and investment opportunities are identified that could accommodate the retail and leisure growth needs of the district, with a focus on supporting the role and function of town centres in the first instance, and specifically Folkestone given its status as the main town centre in the district and its under performance on a number of scores. These sites include:

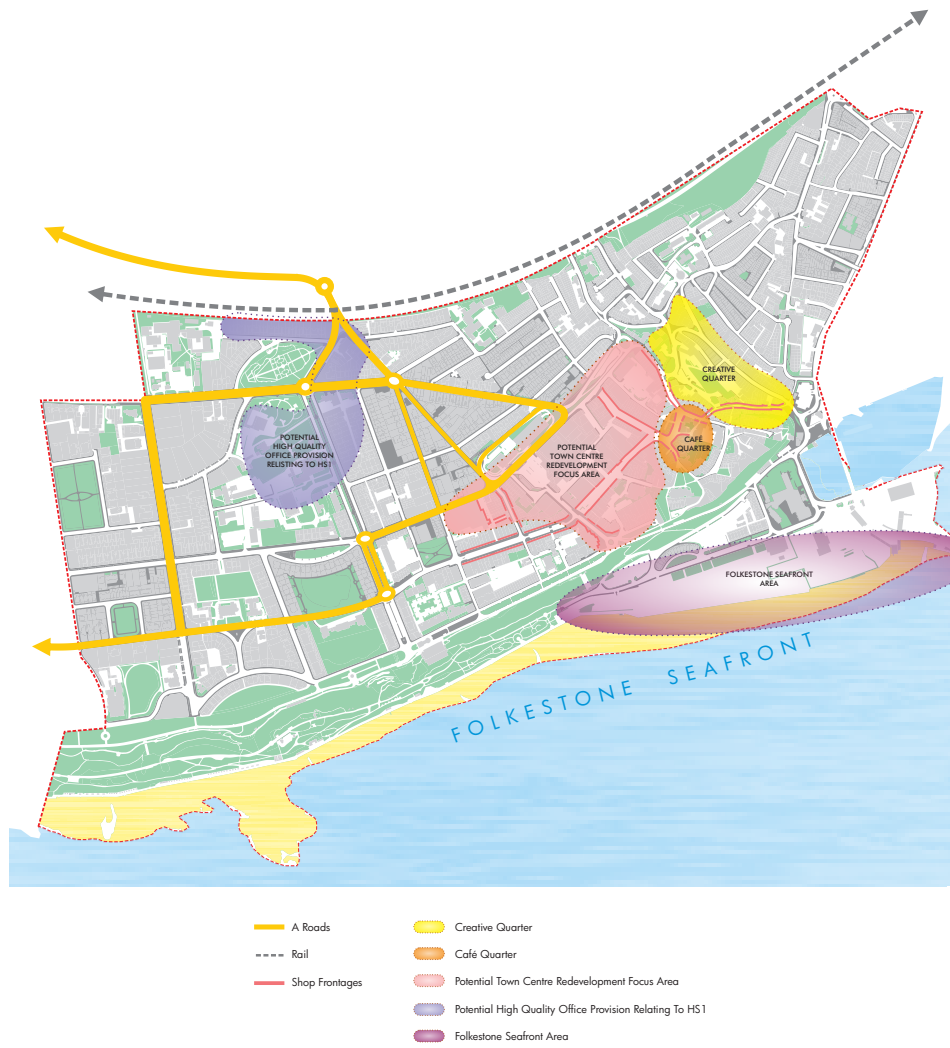
- Folkestone Bus Station – for a comprehensive redevelopment including leisure and retail uses to enhance the evening economy, as well as continued use as a bus station.
- Guildhall Street/Gloucester Place/Shellons Street – to address the high levels of vacant retail premises in this area.
- Improved linkages between the harbour and town centre – to stimulate greater footfall movement.
- Bingo Hall site, Tontine Street – for improved leisure/residential provision
- Tram Road Car Park – to attract an anchor tenant that would improve footfall and help further link the harbour and the town centre.
- Creative Foundation sites - Bottom of the Old High Street/25 Tontine Street (Payers Park)
- Establishment of a cafe quarter around Rendezvous Street/Church Street/Old Town Hall/top of Old High Street – to build upon the cluster of cafes in this area to help create a transition between the core retail area and the Creative Quarter.
- Folkestone Seafront – as stated in Policies SS6 and CSD6 – there is a key role to be played by the redevelopment of the seafront to create new commercial opportunities.

5.14 The sites above have been identified through the draft Shepway Town Centres Study. However, this list is not exclusive and further analysis needs to be undertaken in respect of the deliverability of these sites, and potentially others, to meet the needs of the local area.

Question 9

- a. Do you think the redevelopment of these sites would improve the viability and vitality of Folkestone Town Centre and are you aware of any factors that might help development of these sites to come forward or any constraints that might prevent them being delivered?
- b. Should a more flexible approach be taken to changes of use in shopping areas? If so:
 - i. Are there any areas in particular that should be focused on?
 - ii. What sort of uses would be appropriate?
 - iii. Should there be any restrictions on non A1 use?
- c. Are there other sites in and around the town centre that you feel should be looked at?
- d. Do you think the other town and district centres in Shepway require further intervention? If so, what is required specifically?

5.15 Please refer to policy options E8-E11.



Picture 5.1 Folkestone Town Centre

6 Gypsy and Travellers

6.1 Based on Census 2011 data, it is estimated that there are 164 individuals (42 households) in Shepway District that identify their ethnicity as Gypsy or Traveller, with 132 (32 households) living in 'bricks and mortar' accommodation.

6.2 In the Core Strategy, Policy CSD2 it states that "the accommodation needs of specific groups will be addressed based on evidence of local need, including appropriate provision for Gypsies, Travellers and Travelling Showpeople. Policies will be included in the local plan to provide criteria and make allocations for Traveller sites in line with national policy".

6.3 An assessment of future accommodation and pitch needs amongst Gypsy, Traveller and Travelling Showpeople commissioned by the four East Kent Local Authorities and carried out by the University of Salford has identified that in Shepway there is a modest increase in need.

Accommodation	Estimated Requirements			
	2013-2017	2018-2022	2023-2027	Total
Residential Pitches	4	1	1	6
Transit Pitches	0	0	0	0
Travelling Showpeople Plots	1	0	0	1
Total	5	1	1	7

Table 6.1

6.4 These figures are based on the analysis of survey responses, combined with secondary data and baseline population information which indicates that need arises in the period up to 2017 as a result of:

- The presence of four households living on unauthorised accommodation (in the Lydd area) requiring authorised provision;
- The presence of a single Travelling Showperson household living on an unauthorised development (in the North Downs) requiring authorised provision.

6.5 The need arising for subsequent periods is calculated by applying a 3% household growth figure to the current number of pitch based households and the households who will be accommodated on pitches by 2018.

Question 10

Given the evidence provided, and the requirement for a modest growth in authorised accommodation, the following options could be taken to accommodate the needs of the district:

i) Where appropriate, an extension to existing authorised sites

And/or

ii) Identification of (ii) new site(s) (including current unauthorised sites) in accordance with the sequential approach and environmental assessment criteria set out in the Core Strategy

And/or

iii) Set a site threshold and a proportion of traveller pitches/plots for large housing developments.

Which option(s) do you consider to be best approach?

If you think (a) new site(s) should be identified, do you have a site in mind?

Please also refer to draft DM policy option H3.

Other matters:

6.6 The Government is currently consulting on proposals to amend planning policy concerning Gypsy and Travellers. Their proposals include:

- redefining "Gypsy" and "traveller" in planning policy to exclude those who no longer travel permanently.
- strengthening the requirement on authorities to "strictly limit new traveller site development in open countryside" to "very strictly" limit such developments.
- lessen the weight of a lack of an up-to-date five-year supply of deliverable traveller sites. Currently, a failure to show this is a "significant material consideration" when considering applications for temporary permission. The consultation proposes that this would be merely a "material consideration".

7 Infrastructure

7.1 The Core Strategy's District Infrastructure Strategy sets out the approach to overseeing the provision of infrastructure in Shepway. A primary focus is to co-ordinate the delivery of new or upgraded economic, social and environmental measures to support sustainable communities and settlements, alongside development. In this context, District Infrastructure Policy SS5 states that "development should provide, contribute to or otherwise address Shepway's current and future infrastructure needs. Infrastructure that is necessary to support development must exist already, or a reliable mechanism must be available to ensure that it will be provided at the time it is needed"

7.2 In conjunction with Policy SS5, the Core Strategy's Green Infrastructure of Natural Networks, Open Spaces and Recreation Policy (CSD4) aims to support the improvement of Shepway's landscape, habitats and biodiversity, by working with partner organisations and developers.

7.3 The Core Strategy identifies a range of 'critical' and 'necessary' infrastructure measures and projects that are required to support the delivery of the Local Plan's quantum of development across Shepway's settlements and communities. The distinction is made to provide initial guidance for planning and investment decisions, whereby 'critical' infrastructure includes:

- Measures to improve a choice of travel options and minimise the environmental impact of transport, including investment in High Speed 1 rail stations and key highway/junction upgrades;
- Upgrading flood defences and maintaining coastal engineering;
- The provision of social/community facilities (including schools) and green infrastructure required for the development of strategic sites, or major sites with planning permission.

7.4 'Necessary' infrastructure is defined as including 'non critical' projects considered to be potentially important for delivery of the Core Strategy, such as smaller scale highways improvements or broadband provision.

7.5 Policies SS5 and CSD4 therefore aim to secure developer contributions via specific negotiated legal agreements, Community Infrastructure Levy (CIL) contributions, and other funds. In this context, Section 106 planning obligations will continue to play a key role in addressing site specific mitigation and infrastructure issues arising from the development of strategic and key sites in Shepway. CIL is expected to provide resources to support the wider infrastructure needs of the district, as well as providing a contribution to local infrastructure through the Parish and Town Council share of CIL income. Government Agencies, the South East Local Enterprise Partnership, and public and private sector organisations are expected to provide support to enable investment in the District's 'critical' and 'necessary' infrastructure.

7.6 In accordance with the Community Infrastructure Levy (CIL) Regulations 2010 (as amended), the Council will be consulting on a draft CIL Charging Schedule during February and March 2015. This follows on from a consultation on a CIL Preliminary Draft Charging Schedule, which ran from 18th August to 13th October 2014.

7.7 The draft CIL Charging Schedule consultation will request representations on a number of issues including:

- Proposed CIL rates and zones in the district; and
- The proposed infrastructure use by the Council of CIL income, as outlined by a draft Regulation 123 list, as per CIL Regulations 2010 (as amended).

Question 11

Are there any specific infrastructure issues this plan should be addressing?

8 Local Green Spaces

8.1 The open spaces within our towns and villages are a vital part of vibrant and sustainable settlements - their presence and configuration and the opportunities that they offer in contributing towards making places where we would wish to live, work or visit.

8.2 The council recognises the importance of safeguarding existing open space within the towns and villages through the district, such as Garden Squares and Local Wildlife Sites. This principle was re-established in the district on the adoption of the Core Strategy in September 2013 under Policy CSD4 – Green Infrastructure of Natural Networks, Open Spaces and Recreation, which looks at the protection, management and expansion of areas of green infrastructure within the district at a strategic level.

8.3 As part of this consultation process, the council is seeking to identify those sites that are of particular significance in accordance with the National Planning Policy Framework (paragraph 77), which provides the justification for the designation of Local Green Space. This land classification that is intended to identify and protect the most prestigious green spaces that relate to the district's towns and villages. The National Planning Policy Framework identifies certain criteria on which this designation would be ratified:

- where the green space is in reasonably close proximity to the community it serves;
- where the green area is demonstrably special to a local community and holds a particular local significance, for example because of its beauty, historic significance, recreational value (including as a playing field), tranquillity or richness of its wildlife; and
- where the green area concerned is local in character and is not an extensive tract of land.

Question 12

a. How should national policy be interpreted at the local level? Do you think there are any other local factors that should apply?

b. Do you think that the council should define the term 'close proximity'? If yes, what would you consider to be a reasonable definition?

- Within existing settlement boundaries or within the built fabric of a community?
- Adjacent to existing settlement boundaries or adjacent to the built fabric of a community?
- Within a certain distance of an existing settlement boundary or the built fabric of a community? If so, please define.

c. Do you think the council should stipulate size thresholds for what constitutes a local green space? If yes, what would you consider to be an appropriate minimum and maximum threshold?

8.4 The council is using this consultation as an opportunity to identify potential Local Green Spaces from its existing sources. This will be done through reviewing existing open spaces with policy and other appropriate designations and by gathering opinion as to how local residents and stakeholders value existing areas of open space within district. Table 4.1 below is a simple matrix that is being suggested as an evaluation tool to designate Local Green Space.

National Planning Policy Framework criteria (in bold) and expressed local interpretation	1	2	3	4	5
Beauty - a current landscape designation or almost uniquely special quality					
Historic significance - a heritage asset / conservation designation					
Recreational value - with recognised recreational value and permanent public access					
Tranquillity - a pleasant, calm environment					

National Planning Policy Framework criteria (in bold) and expressed local interpretation	1	2	3	4	5
Richness of wildlife - a nature conservation designation					

Table 8.1

8.5 Each site that is considered will be ranked with 1 being very poor and 5 being very good, producing a total possible score of 25. Sites that score over 17 (roughly equal to 70%) will be put forward for Local Green Space.

Question 13

Do you agree with the proposed methodology for assessing Local Green Space? If not what changes would you make

8.6 The existing sources of information that are suggested for testing are listed below:

- Local Nature Reserves
- Local Wildlife Sites
- Cemeteries and Churchyards
- Outdoor Sports Facilities
- Parks and Gardens

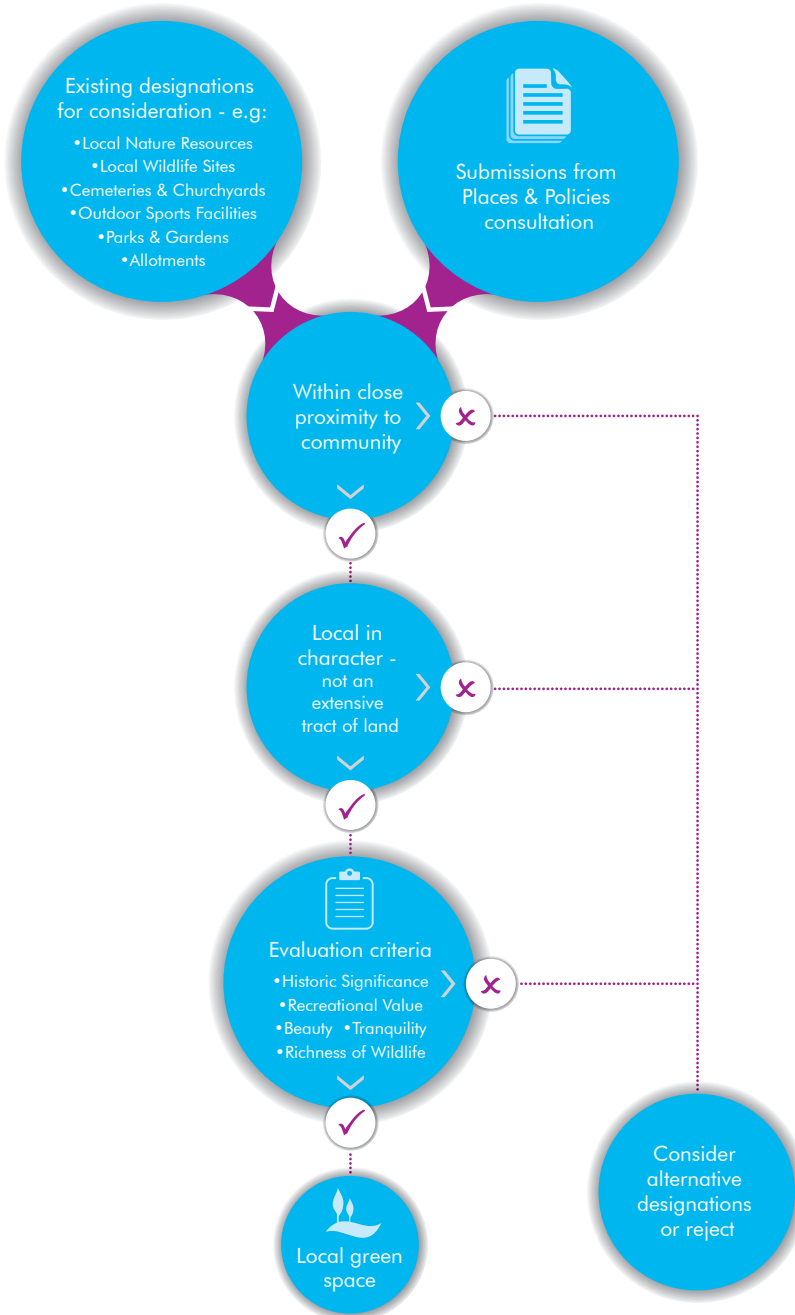
8.7 And from the remaining policies from the Shepway District Council 2006 Local Plan Review, the following are also suggested for testing:

- Open Space Value (LR9)
- Allotments (LR11)
- Communal Gardens (BE14)
- Special Landscape Area (CO4) where not AONB
- Local Landscape Area (CO5) apart from Romney Marsh District Character Area
- Sites of Nature Conservation Interest
- Existing Local Nature Reserves

Question 14

Do you agree with these categories as a basis from which to consider the designation of Local Green Space? If not, please explain.

8.8 In association with the last call for sites, the council requested suggestions for land that might fulfil the criteria to be considered for Local Green Spaces. It received over 40 submissions, which will be tested against the methodology approved through this consultation. This consultation provides an opportunity for local residents, businesses and stakeholders to comment on the submissions and to provide additional sites for the council to consider.



Picture 8.1 Local Green Spaces

9 Heritage

9.1 Shepway is home to some fantastic heritage assets. An array of medieval churches, castles, windmills and Napoleonic infrastructure intermingles across the district to create a rich heritage offer (as illustrated in Figure 5.2 of the Core Strategy). In addition, some of our more hidden treasures, such as the Roman Villa on the East Cliff in Folkestone, contribute to a compelling historic narrative about the area.

9.2 The National Planning Policy Framework (Paragraph 126) states that a positive strategy for the conservation and enjoyment of the historic environment should be set out, which recognises the fact that such assets are an irreplaceable resource which should be conserved in a manner appropriate to their significance.

9.3 This should be delivered through a strategy that takes into account:

- Desirability of sustaining and enhancing the significance of heritage assets and putting them to viable uses consistent with their conservation.
- Wider social, cultural, economic and environmental benefits that conservation of the historic environment can bring
- The desirability of new development making a positive contribution to local character and distinctiveness; and
- Opportunities to draw on the contribution made by the historic environment to the character of a place.

9.4 The Shepway Core Strategy recognises this requirement, stating “...a positive framework needs to be provided for ... capitalising on a strong sense of place and a rich heritage offer”, with paragraph 5.29 recognising the extent of the district’s heritage offer by noting that “...that although clusters (of historic features) exist on the coast, key features of Shepway’s attractive historic environment are also found across the North Downs and Romney Marsh, especially through built environment and military artefacts”

9.5 It is the intention of the council to commission a Heritage Strategy that will help to inform the heritage policies in the Places and Policies Local Plan. This strategy will identify all of our heritage assets and look at their individual and collective significance as well as measure their vulnerability and the potential catalyst they could provide for tourism and regeneration. In doing this work, we will want to work closely with local groups and town and parish councils in identifying and assessing our heritage assets.

9.6 Please refer to policy options HE1, HE2 and HE3

Question 15

Are there any specific heritage initiatives that you feel need to be particularly supported through the Local Plan?

Do you think the council should have flexible policies for the viable re-use of heritage assets in order to secure their long term retention, even if this entails some sensitive alterations?

Are there any specific themes that clusters of our heritage assets fall under that you feel need to be highlighted?

10 General Development Management Policy Options

10.1 The policy options in this section are those general development management issues that are material considerations when considering planning applications such as, design, amenity, and ground conditions. These are issues that contribute to achieving sustainable development but are also crucial to the wellbeing of residents and local communities. The new development proposed in the Core Strategy will only be permitted if its design is of a high quality and sustainable.

10.2 Amenity refers to protecting the quality of life in an area from harmful impacts as a result of new development, this can include loss of privacy and loss of daylight. It can also refer to the layout of a development and the spaces between buildings. When a site is proposed for development the way that people will move into and through the proposal should be considered and is vital for a successful development. Consideration should go beyond the boundaries of a site. In other words a place should be easy to get to, easy to move through and easy to understand.

10.3 Provision of quality broadband is particularly important for rural areas, for community integration to help ensure a vibrant rural economy and assist with farm diversification and home working.

10.4 Climate change has increased the risk of flooding from all sources. The key requirements in relation to major flooding risks and the location of development within the district are included in policy SS3 of the Core Strategy. The policy options presented in this document are concerned with on-site flood risk management.

10.5 Shepway is covered by a special Water Scarcity Status (formally designated in 2006) and therefore water efficiency measures are especially appropriate in new development and supported by the Environment Agency. Water sensitive design is an approach that considers water as a valuable resource in terms of reuse, visual amenity, biodiversity enhancement and can result in wider benefits such as providing opportunities for recreation and contributing to improved food production. Surface water management should be integrated into our natural spaces (green infrastructure), existing water bodies (blue infrastructure) and our built environment (grey infrastructure). This increases the efficiency of water management and maximises their multiple benefits.

Policy No.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 Local Plan Policies
GD1	Provide for high quality design in new development, designing out crime and enhancing a sense of place	<p>A: Continue to define design criteria for development with reference to promoting local distinctiveness through the use of local architectural features, layouts and materials and landscaping. Seek high-quality landscaping measures wherever possible, with a preference for native species planting and tree cover at a scale appropriate to the development</p> <p>Or</p> <p>B: A new policy that sets out generic design criteria with a presumption in favour of high quality architecture and landscaping that are distinctive but do not necessarily respond to local characteristics and which provide simple but robust policy coverage for all development</p>	NPPF para 17, 56-68, Core Strategy SS3
			BE1

Policy No.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 Local Plan Policies
GD2	Ensuring satisfactory amenity for existing residents and the future occupiers of new dwellings	A: Continue to define criteria for ensuring adequate amenity in all developments, for example, in terms of natural light, ease of access, privacy, outlook, air quality and noise And/or	NPPF para 17, 56-68, 125 Core Strategy SS3
		B Consider setting internal standards for new residential development, for example, minimum bedroom sizes, minimum requirements for space for drying clothes or for laundry facilities And/or C In new residential developments seek the provision of either: private garden or balcony space, and /or a financial contribution towards the provision of parks and public green space nearby. And/or There should be a minimum 'back to back' distance between residential	BE1

Policy No.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 Local Plan Policies
		development of 21 metres and a 'side to back' distance of 11m.	
GD3	Ensuring the consideration of environmental issues such as land instability, contamination and pollution	A: Set out measures to deal with the impacts of noise, light and dust pollution either affecting the proposed development, or arising from it And/or B: Encourage development on brownfield sites affected by contamination which can effectively remediate the contamination And/or C: Set standards to ensure that land contamination on development sites is adequately mitigated to provide a safe environment for future occupants And/or D: Require consideration of refuse storage and recycling storage with suitable access arrangements for collection to be incorporated into all development proposals-	NPPF para 120 Core Strategy SS3
			BE19,U10, U10a, U15

Policy No.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 Local Plan Policies
		<p>And/ or</p> <p>E: Require evidence when an application is submitted or by planning condition as appropriate that sites within land instability areas can be safely developed without adverse impact on the site or adjoining land.</p>	
GD4	Address localised flooding and flood risk management	<p>A: Require all development to manage its own surface water run off so that it has a neutral effect on water courses and the local surface water drainage system</p> <p>Or</p> <p>B: Require all development within the flood catchment areas not only to mitigate their own flood risk on site, but to provide extra mitigation to reduce downstream effects arising from the development</p>	<p>NPPF para 94,99 -104, Core Strategy SS3, CSD5</p>

Policy No.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 Local Plan Policies
GD5	Incorporating public art in new development	<p>A: To secure a contribution for art to improve the public realm.</p> <p>The Council will support the inclusion of public art and require all major schemes to include public art that:</p> <ul style="list-style-type: none"> a. Is integrated into proposals at an early stage of the design process; b. Enhances and creates local distinctiveness and reinforces a sense of place; c. Responds to local character; d. Makes a positive contribution to the public realm; and e. Engages the local community in its creation. <p>Or</p> <p>B. No new policy is introduced beyond the requirements of national guidance</p>	NPPF para 57, Core Strategy SS3
			BE2

Policy No.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 Local Plan Policies
GD6	To guide telecommunications development (including provision of broadband).	Provision for broadband (such as ducting for cables) should be designed and installed as an integral part of development, which minimises visual impact and future disturbance during maintenance. All telecommunications infrastructure should be capable of responding to changes in technology requirements over the period of the development.	NPPF paras 42-46, Core Strategy SS5
			U11

Table 10.1 General Development Management Policy Options

Question 16

Which approach do you think is most appropriate? Please explain your answer.

Are there any other issues you think should be included?

With regard to GD4 when should the council require developers to carry out the relevant surveys, at the time of making a planning application or after?

Are there any other policy options the Council should consider?

11 Housing

11.1 The Core Strategy has set the amount of housing that the Council intends to deliver, how much of that housing will be 'affordable' and the broad distribution of the development in accordance with the settlement hierarchy. The policy options below are concerned with more detailed issues such as the density and mix of housing

and more specialised forms of housing. Through what will become the Places and Policies Local Plan the Council intends to plan for a range of homes that will meet the needs of our current and future population to create inclusive, healthy and balanced communities.

11.2 As a result of developing the Core Strategy policies and evidence gathering, the following policy options have been identified to meet those objectives. Additional issues have also been identified. The District has experienced significant pressure for redevelopment of its existing low-density housing and back garden land, although some of this land has the potential to provide higher-density development in suitable locations. Another issue is that of houses previously occupied by families being converted to provide flats or shared accommodation in the form of houses in multiple occupation. However changes to the Use Classes Order mean that a small 'House in Multiple Occupation' (HMO), i.e. where there are three to six unrelated people living in the same dwelling and sharing facilities, is now a separate use class to a house where there is no multiple occupation. Changes between the two uses are, however, classed as permitted development at present and therefore do not require planning permission. The Council need to consider how best to deal with HMO's having regard to both housing needs and the potential problems such as the loss of a sense of community and impacts on local facilities.

11.3 The Government's planning policy on gypsy and travellers is set out in Planning policy for traveller sites (March 2012) which states that local planning authorities should, in producing their Local Plan identify and update annually, a supply of specific deliverable sites sufficient to provide five years' worth of sites against their locally set targets. It may be possible to meet some of the accommodation requirement for Gypsies, Travellers and Travelling Showpeople by providing additional pitches on existing sites, either by increasing the size of the site or by intensification. In addition it may be necessary to allocate land to create entirely new sites.

11.4 There is expected to be a significant ageing in Shepway's population in the next twenty years and we need to provide housing now that will meet the requirements of people through their lives. Lifetime Homes are ordinary homes incorporating 16 Design Criteria that add to the convenience, flexibility and adaptability of the home and supports the changing needs of individuals and families at different stages of life.

11.5 Over the last few years the Government has introduced a number of initiatives to support people who wish to build their own home and within the NPPF paragraph 50 states that local authorities should plan for a mix of housing that includes people wishing to build their own homes. Currently consultation is taking place on the Government's Right to Build "to give prospective custom builders a right to a plot from councils" to improve the availability of suitable, serviced plots of land for custom build.

Policy No.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 Local Plan Policies
H1	Providing a mix of housing type and size to meet the needs of Shepway's residents	<p>A: Set a district-wide preferred housing mix policy which will deliver a range of dwelling sizes and types that meets a target that at least half of all new homes by 2026 will have 3 bedrooms or more</p> <p>Or</p> <p>B: Establish an appropriate housing mix based on a site-by-site basis</p> <p>Or</p> <p>D. Require major development to provide a percentage on site of dwellings that have 3 bedrooms or more.</p>	NPPF para 47-55, Core Strategy CSD2
H2	Recognising the role of residential garden land in housing delivery	<p>A: Allow the development of back gardens for new housing throughout the urban area subject to certain criteria to ensure there is no harm to the character of the area e.g: maintain existing road frontage, suitable distance between dwellings, maintaining key existing landscaping and have regard to prevailing density.</p> <p>Or</p>	NPPF para 47-55, Core Strategy SS3

Policy No.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 Local Plan Policies
		<p>B: Designate areas where the development of back gardens for new housing is considered acceptable in principle</p> <p>Or</p> <p>C: Do not allow the development of back gardens for new housing anywhere in the District</p>	
H3	Providing for the accommodation needs of specific sections of the community	<p>A: Explore the possibility of providing additional pitches for Gypsies, Travellers and Travelling Showpeople on existing sites within the District</p> <p>And/or</p> <p>B: Allocate new sites for Gypsies, Travellers and Travelling Showpeople in accordance with the sequential approach and environmental assessment criteria set out in the Core Strategy</p> <p>And/or</p> <p>Set a site size threshold and a proportion of traveller pitches/plots for large housing developments</p>	<p>NPPF para 4, Core Strategy CSD2</p>

Policy No.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 Local Plan Policies
H4	To provide a criteria based policy that can be applied to applications for sites for Gypsies, Travellers and Travelling Showpeople that are not designated.	<p>A: In considering applications for seasonal, temporary or permanent use of land by Gypsies and Travellers, or the extension of existing sites, planning permission will only be acceptable within or adjoining the settlement boundary and subject to the following criteria being met:</p> <ul style="list-style-type: none"> a. Compatible with national flood risk policy b. Appropriately screened or capable of being so through additional measures c. No adverse impact on the residential amenity or existing buildings or uses d. Access should not be detrimental to highway safety e. Established personal need f. No adverse effect on the visual or other essential qualities of the AONB, SSSI, national or local nature reserve or conservation area. <p>Or</p> <p>B: In considering applications for seasonal, temporary or permanent use of land by Gypsies and Travellers, or the extension of existing sites, planning permission</p>	NPPF para 4, Core Strategy CSD2

Policy No.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 Local Plan Policies
		<p>will be acceptable both inside and outside of the settlement boundary subject to the following criteria being met:</p> <ul style="list-style-type: none"> a. Compatible with national flood risk policy b. Appropriately landscaped or capable of being so through additional measures c. No adverse impact on the residential amenity or existing buildings or uses d. Access should not be detrimental to highway safety e. Established personal need f. Accessible to local services and facilities g. No adverse effect on the visual or other essential qualities of the AONB, SSSI, national or local nature reserve or conservation area. 	
H5	Recognising the need to develop housing at an appropriate density to make better use of previously developed land and existing infrastructure	<p>A: Create policies that seek to maximise the density on housing sites in the urban areas where that can be achieved without harm to local character (so as to minimise development outside urban areas)</p> <p>Or</p>	<p>NPPF para 47, 59; Core Strategy SS3</p> <p>SD1, HO2</p>

Policy No.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 Local Plan Policies
		B: Establish an appropriate density based on a site-by-site basis informed by the prevailing pattern of settlement in the vicinity and only in exceptional circumstances encouraging a higher density to enable the delivery of more dwelling units	
H6	Providing for accommodation for our ageing population and vulnerable members of our community	A: Plan for more Lifetime Homes, suitable for disabled and elderly residents which are capable of being adapted to meet the needs of residents as their life needs change over time. On sites of 10 or more, 20% of dwellings will meet the Lifetime Homes standards	NPPF para 47-55, Core Strategy CSD2
		<p>And/or</p> <p>B: Encourage the development of more retirement homes and specialist homes that help people to live independently, but have facilities or support available when they need them</p> <p>Or</p> <p>C: Encourage the development of retirement communities that comprise of different types of housing and care facilities in a single location</p>	HO13

Policy No.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 Local Plan Policies
		<p>And/or</p> <p>D: Encourage the change of use of existing homes to specialist residential accommodation</p>	
H7	To consider the impact that converting large homes to flats has on the character of an area and the amenity of other residents (for example parking problems).	<p>A: The Council will grant planning permission for the conversion of larger houses into flats, or maisonettes subject to criteria including design, parking, location, distribution and amenity</p> <p>And/or</p> <p>B: A policy that identifies location/property that could generally be suitable for HMO use, e.g. unused accommodation within shopping frontages on major transport routes?</p> <p>And/or</p> <p>C: Should planning permission for new or extended HMOs only be granted outside those areas where there are existing significant concentrations' of HMOs, and if so should standard minimum and potentially maximum thresholds be applied to establish which those areas are?</p>	<p>NPPF para 47 -55</p> <p>Core Strategy SS3</p>
			<p>HO8, HO9</p>

Policy No.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 Local Plan Policies
H8	To ensure that the conversion of rural buildings to houses, replacement dwellings and extensions respect the character of their surroundings and reflect local vernacular and design	A: Develop criteria based policies for conversions, replacement dwellings and extensions to dwellings to ensure that they respect the character of the countryside Or B: Rely upon generic design policies to assess such proposals	NPPF para 55 Core Strategy CSD3
			CO19, CO20, CO21
H9	To provide for self build housing	At strategic sites a minimum of 2% of the dwellings shall be to meet Government aspirations to increase self build developments. These schemes will: 1. Be individually designed, employing innovative approaches throughout that cater for changing lifetime needs	NPPF para 50
			BE1

Table 11.1 Housing Policy Options

Question 17

Which approach do you think is most appropriate? Please explain your answer.

Are there any other issues you think should be included?

Are there any other policy options the Council should consider?

12 Economy

12.1 Strategic Need A, as set out in the Shepway Core Strategy, is the challenge to improve employment, educational attainment and economic performance in the district. As explained in Section 2, the district has historically seen slow economic growth, high unemployment and low skills attainment over the past decade, and whilst there have been some improvements in recent years, there is still much work to do to boost the district economy. As such, the Places and Policies Local Plan needs to address a number of issues to ensure that the economic development aims of the Core Strategy are delivered. The Core Strategy sets out the additional employment floorspace that is required for the District (by type and total amount), and identifies that this will be achieved through allocations and new policies in the Places and Policies Local Plan. The key issue is the need to make the best use of designated employment land, and ensure additional employment development meets the needs of the district and is provided in sustainable locations.

12.2 Small parades of shops throughout the District perform an important function, particularly in relation to sustainable development, by providing shops and services close to residential areas and reducing the need to travel. However, these local shopping centres often suffer from commercial viability problems and declining trade. There is a strong case for encouraging the development of the evening economy in Folkestone, to provide for a range of leisure and cultural facilities which provide jobs and entertainment for visitors and residents, including bars, clubs, music venues, restaurants, cinema, and theatres. Together these will support and strengthen the town centre's economic standing and attraction beyond its function as a day-time workplace and shopping centre. This in turn helps make centres more attractive places, can contribute to the creation of inclusive communities and attract new housing development. The night-time economy is associated with many negative factors including noise, violence, litter, safety issues and drunken behaviour. It must therefore be ensured that any development proposals address these issues and how they can be tackled over the long term. Good design will be required to design out crime and provide a more inclusive place for people to meet and socialise.

12.3 The Shepway Transport Strategy includes the aim of "to support improved access to London Ashford (Lydd) Airport subject to no adverse environmental consequences". Smaller airports, such as Lydd Airport, play a valuable role in the local economy and this is recognised by existing Local Plan policy TR15. The airport has planning permission for an extended runway and a new terminal building. Any future development proposals at the airport will need to manage noise impacts, meet all national safety requirements and not impact on the Dungeness peninsular SPA, SAC, SSSI and pRAMSAR site in accordance with the provisions of national planning policy (please refer to policy option T6).

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
E1	Making the best and most sustainable use of existing employment land	<p>A: Retain existing employment land unless there is clear evidence that it is surplus to requirements, the continued use of the land for employment purposes would have a significant deleterious effect on residential amenity, the redevelopment of the site for a suitable alternative use would enable another more suitable employment site to come forward or that continued allocation for commercial use is demonstrated not to be viable</p> <p>And/or</p> <p>B: Identify alternative non-employment uses for surplus employment land, accompanied by policies to manage the release of these sites for housing or other suitable uses.</p>	NPPF para 21-22, Core Strategy SS2, SS4
			E1, E2, E4
E2	Directing business to sustainable locations, in particular office uses to town centre /edge of centre areas	<p>A: Incorporate Areas for Small Business and/or Town Centre Business Areas into Town Centre designations and promote a more flexible approach to economic development in these areas</p> <p>Or</p> <p>B: Specifically define areas within or near town centres where business/office uses will be located</p>	NPPF18-21, 23-27
			Core Strategy SS2, SS4
			S3-S7

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
E3	Ensuring that economic development contributes to climate change avoidance and mitigation (energy efficiency/ renewable energy)	<p>A: Include specific criteria to secure provision of renewable energy, and energy efficiency measures, in new economic/employment development</p> <p>Or</p> <p>B: Apply generic design and sustainability criteria in considering proposals for new economic development</p>	NPPF para 18, 95-99
			<p>Core Strategy SS3</p> <p>SD1, U14</p>
E4	Securing new economic development on designated employment land with good transport connections to meet identified needs and encourage inward investment	<p>A: Identify specific designated employment sites where particular types or sizes of unit should be provided</p> <p>Or</p> <p>B: Identify specific designated employment sites where a less prescriptive approach to future economic development would be appropriate, allowing the market to determine the exact nature of commercial provision on those sites</p> <p>Or</p> <p>C: Allow a more flexible approach to future economic development on all designated employment sites</p>	NPPF 21-22
			<p>Core Strategy SS2, SS4</p> <p>SD1, E1, E2, E4</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
E5	Managing economic development outside designated employment sites	<p>A: Encourage new economic development outside designated employment sites provided it meets an identified need and policy criteria</p> <p>And</p> <p>B: Allow existing employment land outside designated employment sites to be redeveloped for other uses subject to identified policy criteria</p> <p>Or</p> <p>C: Apply more general development management criteria to assessing proposals for creation or loss of employment land outside designated areas.</p>	<p>NPPF 21-22</p> <p>Core Strategy SS2, SS4</p> <p>SD1, E1, E2, E4</p>
E6	Offices and employment areas supporting economic innovation and the knowledge economy	<p>A: Encourage mixed used development in all town centres, including start up or live-work units</p> <p>And/or</p> <p>B: Focus new office development in Folkestone and Hythe Town Centres</p> <p>And</p> <p>C: Identify opportunities for small and start-up business units in New Romney Town Centre</p>	<p>NPPF 21, 23</p> <p>Core Strategy SS2, SS4, CSD6</p> <p>SD1, E1, E2, S3-S7</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
E7	Providing for the needs of small and medium sized businesses	<p>A: Set maximum size thresholds in certain town centre areas to ensure business units remain small and employment areas develop different specialities</p> <p>Or</p> <p>B: Do not set size thresholds to allow maximum flexibility</p> <p>And/or</p> <p>C: Encourage provision of smaller units on other designated employment sites</p>	NPPF 21, 23 Core Strategy SS2, SS4
E8	<p>Town centre and shopping areas (primary and secondary)</p> <p>Policies that protect the vitality and viability of retailing in town centres.</p>	<p>A: Continue to set minimum percentage thresholds for the occupancy of the shopping street by shopping uses. Where a stretch of the street is below the desired threshold, changes of use away from shops will be resisted</p> <p>Or</p> <p>B: Prevent all changes of use away from shopping use regardless of the occupancy levels (except in special circumstances)</p> <p>Or</p>	NPPF 23-27 Core Strategy SS3, SS4
			S3-S7

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		<p>C: Prevent changes of use away from shopping where it would create a certain number of non-retail units adjacent to each other</p> <p>Or</p> <p>D: Introduce greater flexibility by allowing changes of use away from shopping into specified other uses, but risk losing valued retail units</p>	
E9	Promoting the vitality and viability of town centres, or isolated parades, by maintaining an appropriate proportion of non-shopping uses	<p>A: Introduce a flexible approach to allow non-retail uses (for example crèches, leisure activities or health centres) where these would complement retail uses and contribute to vitality and viability</p> <p>Or</p> <p>B: Encourage the co-location of services, infrastructure facilities to create mini "hubs" and to release other land/buildings for further development</p>	NPPF 23-27, 28 Core Strategy SS3, SS4
			S3-S8
E10	Improving sites of poor visual amenity which detract from the appearance of town centres and	A: Where there is an economically feasible case for redevelopment of sites that do not contribute to the attractiveness of the town, identify an opportunity area, accepting flexibility of use in return	NPPF 23 Core Strategy SS3, SS4
			SD1

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
	stimulate beneficial redevelopment	for very high quality, historically sympathetic design and finishing materials Or B: Leave it entirely to the market and treat incoming proposals on a case-by-case basis	
E11	Managing a lively, safe and social evening economy in the larger town centres which does not detract from the retail offer of town centres or harm residential amenity	A: Encourage the provision of food, drink and entertainment uses where they are appropriately located and would not lead to an undue loss of shopping units and would not cause harm to local residential amenity. Or B: Not to actively promote an expansion of the night time economy and maintain the existing balance of uses	NPPF 23 Core Strategy SS4 S3-S7
E12	Education/training	A: Allocate the East Kent College site for mixed use development that will enhance the educational offer on the campus And/or B: Work with partners such as Kent County Council, skills providers and neighbouring authorities to promote and deliver improved education facilities and	NPPF 23, 70, 72 Core Strategy SS3, SS5, CSD6, CSD7

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		increased education opportunities including support for identifying and developing vocational and skills improvement facilities in the district	
E13	Tourism and tourist facilities	<p>A: Supporting proposals for new visitor accommodation provided that:</p> <p>(i) They are well related to the primary road network and/or have good public transport accessibility;</p> <p>(ii) Will not create parking congestion in the area they are located; and</p> <p>(iii) Do not impact upon the character and amenity of neighbouring buildings and the surrounding area.</p> <p>And/or</p> <p>Encouraging extensions and improvements to existing visitor accommodation subject to other development management policies.</p> <p>And/or</p> <p>Where a loss of visitor accommodation is proposed within the district it will need to be demonstrated that:</p>	NPPF 23,28
			TM2

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		<p>(i) The existing use is no longer viable or feasible. It will also need to be demonstrated that other visitor accommodation types are not feasible or viable at the site;</p> <p>(ii) The proposal provides an alternative use that meets the strategic needs of the Core Strategy Local Plan;</p> <p>(iii) The new use does not impact upon the character or amenity of the area and neighbouring uses or adversely impact upon the transport network.</p> <p>Or</p> <p>Consider proposals for redevelopment or change of use of existing visitor accommodation on a site by site basis but without the presumption that the existing use should be retained .</p>	

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
E14	Caravan and camping sites	<p>Support the upgrade, expansion of existing touring caravan and camping sites and the provision of new touring caravanning in sustainable locations where specific criteria are met including there being no harm to the character of the countryside and the undeveloped coast, the amenity of nearby residential property and there being no risk from flooding.</p> <p>Or</p> <p>That other than small enhancements and additions there be a presumption against the expansion and development of additional touring camping and caravanning sites.</p> <p>And/or</p> <p>That there be a presumption against the provision and expansion of static caravan and holiday chalet sites.</p>	<p>NPPF 28, 100, 103, 106</p> <p>Core Strategy SS3, CSD3</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		<p>Or</p> <p>That additional static holiday caravans and chalet uses be supported in sustainable locations that meet specific criteria relating to location, transport, flood risk and environmental impact.</p> <p>And/or</p> <p>That existing static caravan and chalet parks be permitted to open all year around subject to safeguards relating to flood risk, prevention of residential uses establishing and suitable on site management arrangements being in place.</p> <p>And/or</p> <p>Planning permission will be granted for development designed to enhance facilities within existing caravan sites, including accommodation and the replacement of static caravans by chalets, provided that the above criteria is adhered to and:</p> <p>(a) It would not be visually intrusive and;</p> <p>(b) It would not unacceptably affect the living conditions of nearby residents</p>	<p>TM3, TM4 and TM5</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		(c) there being no risk from flooding	

Table 12.1

Question 18

Which approach do you think is most appropriate? Please explain your answer.

Are there any other issues you think should be included?

Are there any other policy options the Council should consider?

13 Community

13.1 The National Planning Policy Framework (NPPF) in paragraph 69 states that the planning system can play an important role in facilitating social interaction and creating healthy, inclusive communities. The Council recognises the benefits of a healthy community and with the expected growth in the district’s population, existing community facilities that serve their current and future needs should be retained and new facilities provided. To use the Core Strategy’s definition of community infrastructure, these are facilities available for use by all the community, such as church or village halls, doctor’s surgeries and hospitals. Community facilities could also include nursing homes, public houses, children’s playgrounds and sports facilities.

13.2 Shepway’s population as it grows will put increasing pressure on community facilities. Consequently a changing approach towards locating services and facilities is needed, especially to ensure they are provided in sustainable locations. The use of a building and the needs of communities can change over time. Therefore, new community facilities should be designed to be flexible and adaptable to changing circumstances including being capable of multi-use and expansion. As set out in Section 7, the NPPF allows local authorities to designate green space for special

protection as Local Green Space. The Government states in paragraph 76 and 77 of the NPPF that this designation should not be applied to most green areas or open space.

Opportunity for local communities to propose the designation of a Local Green Space

Consultation on this Plan provides an opportunity for local communities to identify and propose the designation of additional Local Green Spaces. If you would like to propose the designation of a Local Green Space, please do so in your response form, setting out how it satisfies the criteria set out in Section 7.

13.3 Good quality open space and recreational facilities are also intrinsic to achieving quality new development, as well as contributing to people's health and wellbeing. The Council will base its requirements upon the Benchmark Standards produced by Fields in Trust (formerly the National Playing Fields Association), that are contained in the publication "Planning and Design for Outdoor Sport and Play". They are recommended as a tool for assisting in the development of local standards for example the Benchmark Standard for children's playing space is 0.80 hectares per 1000 population; distance criteria are also provided.

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
C1	To safeguard existing community facilities	<p>A: The Council will ensure the provision of a network of community facilities, providing essential public services throughout the district by protecting existing community sites that still serve, or have the ability to serve, the needs of the community.</p> <p>And/or</p> <p>B: The Council will only permit the loss of existing community facilities where:</p>	<p>NPPF para 70</p> <p>Core Strategy SS3, SS5, CSD3, CSD8,CSD9</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		<p>i. It can be demonstrated that there is no need for the existing premises or land for a community use and that it no longer has the ability or flexibility to serve the needs of the community;</p> <p>ii. The existing use is located on the ground floor within a Main Retail Frontage, a Secondary Retail Frontage, a Shopping Parade or other major commercial frontage; or</p> <p>iii. Community facilities of equivalent floor space or benefit (either on site or off site as part of a comprehensive redevelopment) that meets the current or future needs are provided.</p>	SC4, SC7
C2	The provision of upgraded community and formal recreation facilities	<p>A: Allocate land in the plan for the provision of new facilities based on assessed needs</p> <p>And/or</p> <p>B: Allow a flexible approach to delivering new and improved community and formal recreational uses which may include the need to build on part of an area of existing open space in order to provide better</p>	<p>NPPF para 70, 72, 73, 74</p> <p>Core Strategy SS3 CSD3 CSD8 CSD9</p> <p>LR9, BE13, HO2</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		<p>quality facilities and bring about environmental improvements and regeneration.</p> <p>And/or</p> <p>C: Allow more flexible use of vacant retail units for other business uses, community facilities or residential use</p>	
C3	Providing open space, informal recreation provision and other green infrastructure to meet the current and future needs of the District, addressing deficiencies and taking into account planned development	<p>A: Allocate new sites for open space and informal recreation facilities in accordance with the proposals set out in open spaces: sports and recreation report 2011 and the emerging play strategy.</p> <p>Or</p> <p>B: As above but the emphasis being to provide new open space and informal recreation facilities as part of the redevelopment of larger sites</p>	<p>NPPF para 73</p> <p>Core Strategy CSD4, SS6, SS7,</p>
			LR9
C4	Creating a balance between permitting appropriate use of the countryside for recreation and protecting natural resources and the	<p>A: Develop criteria based policies for equestrian development and other recreational activities that are sustainable and appropriate to a rural location to ensure they respect the character of the</p>	<p>NPPF para 17, 114, 115</p> <p>Core Strategy CSD3, CSD4</p>
			CO22

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
	character of the rural areas	<p>countryside, based on the Kent Downs AONB Good Practice guide</p> <p>Or</p> <p>B: Rely upon generic design policies to assess such proposals</p>	
C5	Rural services and creating a balance between protecting the countryside and supporting the rural economy	<p>A: Develop criteria based policies for the re-use and adaptation of rural buildings and other development associated with small scale business uses in the countryside to ensure they respect the character of the Countryside and in particular the AONB</p> <p>Or</p> <p>B: Rely upon generic design policies to assess such proposals</p>	NPPF para 28 Core Strategy tCSD3
			CO19
C6	Providing enhancements to existing open spaces and formal and informal recreation facilities	<p>A: Require developer or Community Infrastructure Levy (CIL) contributions for new provision/ enhancements to nearby open space and recreation facilities to meet the needs of all new residential development</p> <p>And/or</p>	NPPF para 70, 73 Core Strategy SS3, SS5, CSD4
			SD1,LR9

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		<p>B: Require where practicable major new development to improve the quality of existing open spaces and recreation facilities in the local vicinity</p> <p>Or</p> <p>C. Require major development to provide on site open space provision based on the Fields in Trust Benchmark Standard</p>	
C7	Local Green Space	<p>Planning permission will only be granted for development proposals on designated Local Green Space that protect its openness, permanence and special quality.</p> <p>The Council will support designation of Local Green Space through Neighbourhood Plans where the space has a special character and significance to the local community by virtue of its beauty, historic significance, recreational value or wildlife value.</p> <p>Or</p> <p>The Council will protect and safeguard the extent of the district's Local Green Spaces as designated on the Policies Map</p>	<p>NPPF para 76, 77</p> <p>Core Strategy CSD4</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		by applying the same level of protection afforded to Metropolitan Green Belt in national planning policy to Local Green Spaces in the District.	
C8	Protection and enhancement of Public Rights of Way (PROW). Create a network to link up open spaces and provide an improved network of pedestrian and cycle routes	<p>A. Specifically allocate land to create a network of pedestrian routes, cycleways and bridleways between residential areas and main destinations, links between urban areas and the countryside and routes through the countryside in conjunction with the Green Infrastructure Strategy</p> <p>And/Or</p> <p>B: Require developers on a case by case basis to link up new residential developments with the footpath / cycleway / bridleway network</p>	NPPF para 75 Core Strategy CSD4
			LR8

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
C9	Provision of new community facilities in Hythe	<p>That development will be permitted on land at Princes Parade for a hub of new community uses including a leisure centre with swimming pool, a relocated Seabrook elementary school, and a canal side park.</p> <p>Planning permission will be subject to the following requirements being met:-</p> <ul style="list-style-type: none"> i. Any housing development being limited to that which is demonstrated to be necessary to providing sustainable community uses; ii. The decontamination of the land; iii. High quality design of buildings and landscaping that reflects the site's unique seafront location; iv. Development preserving and where possible enhancing the setting of the Royal Military Canal and other heritage assets; 	<p>NPPF para 70</p> <p>Core Strategy CSD3, CSD7</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		<p>v. Provision of sustainable transport to and from the site.</p> <p>Or</p> <p>Development will be permitted on suitable individual sites in and adjoining Hythe for essential new community uses and in particular a leisure centre with swimming pool and a relocated Seabrook elementary school.</p> <p>Planning permission will be subject to the following requirements being met:-</p> <p>i. The site is in a sustainable location with good access from a range of travel modes;</p> <p>ii. The development would not have an adverse impact on the amenity of nearby residential properties;</p> <p>iii. High quality design of buildings and landscaping are included;</p> <p>iv. There would be no adverse incursion of the development into the open countryside;</p> <p>v. There is no adverse impact on acknowledged heritage assets;</p> <p>vi. The site is sequentially</p>	TM8

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		<p>acceptable having regard to flood risk..</p> <p>And/or</p> <p>Planning permission will only be granted on Land at Princes Parade for minor development that is related to low key leisure uses associated with the enjoyment of the adjoining coastline and canal and which preserves the predominantly open character of the site.</p>	

Table 13.1

Question 19

Which approaches do you think is most appropriate? Please explain your answer.

Should the Council include a policy on cemeteries or allocate a site for a new one within the district?

Are there any other issues you think should be included?

Are there any other policy options the Council should consider?

14 Transport

14.1 The Core Strategy seeks to promote choice in means of transport through opportunities for walking and cycling and improved public transport and to reduce congestion, pollution and greenhouse gases resulting from private car use. It also aims to improve accessibility to key services and facilities and to direct development to sustainable locations in order to achieve sustainable development

14.2 Alternative means of transport will need to be provided to support sustainable communities, improve air quality and reduce noise pollution. Measures will be required in new development to facilitate walking, cycling and public transport use. There will still need to be recognition that many journeys will still involve car use. In new developments, safe and convenient access to the highway network must be provided to ensure that the development does not exacerbate traffic congestion or create highway safety problems. Proposals should also include arrangements for the proper servicing of developments, for example refuse lorries and deliveries.

14.3 The Council can set car parking standards in order to manage the use of the car and to respond to car ownership levels. This could mean setting different parking standards for different parts of the District depending on the level of accessibility of the location. This would accommodate higher car usage in less accessible areas and restrict car usage in more accessible locations. An alternative approach might be to accept current car ownership levels and make provision for this in new residential developments whilst restricting parking provision for new development in town centres in order to reduce car journeys and encourage sustainable travel.

14.4 The Shepway Transport Strategy includes the aim of "to support improved access to London Ashford (Lydd) Airport subject to no adverse environmental consequences". Small regional airports, such as Lydd Airport, play a valuable role in the local economy and this is recognised by existing Local Plan policy TR15. The airport has planning permission for an extended runway and a new terminal building. Any future development proposals at the airport will need to manage noise impacts, meet all national safety requirements and not impact on the Dungeness peninsular SPA, SAC, SSSI and pRAMSAR site in accordance with the provisions of national planning policy.

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
T1	Parking Standards	<p>A: Rely on adopted Kent County Council parking standards (IGN3), supported by national guidance, Kent Design and Shepway Transport Strategy</p> <p>And/or</p> <p>B: Produce new Shepway adopted parking standards based on local circumstances which also include criteria for the design and layout of parking spaces (including garages) in new developments</p> <p>And</p> <p>C: Adopted parking standards may be varied where:-</p> <p>i) the location is well served by public transport and there would be no adverse effect on road safety or traffic management;</p> <p>ii) this would allow development which would preserve or enhance the character or appearance of a conservation area, or assist the re-use of a building of architectural or historic interest which is a recognised heritage asset.</p> <p>iii) Measures are included in the development or a a commuted sum payment section 106 contribution is made for</p>	<p>NPPF para 39, 40</p> <p>Core Strategy SS3, SS5</p> <p>TR12, TR14, CO16</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		<p>improvements to or measures to assist encourage the use of public transport, cycling or walking.</p> <p>And/or</p> <p>D: In Folkestone Town Centre and Hythe Town Centre, new leisure, retail, office or commercial development should provide essential operational parking only on site.</p>	
T2	Site Layout	<p>In assessing the layout of new residential development and mixed use schemes that include residential development priority should be given to -</p> <p>A. Non car based modes of transport in the site layout</p> <p>Or</p> <p>B. Maximising the provision of on-site and off-site parking, including visitor parking in those areas with poor access to public transport.</p> <p>And</p> <p>C. Maximising permeability and enhancing pedestrian and cycle access;</p> <p>Or</p>	<p>NPPF para 35, 36, 38</p> <p>Core Strategy SS3, SS5</p> <p>BE1, TR5, TR6, TR12</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		<p>D. Reducing permeability in site layouts where needed to meet secure by design principles;</p> <p>And</p> <p>E. Provision of home zones and other pedestrian priority roads and spaces;</p> <p>Or</p> <p>F. Designing for a clear separation between vehicle movements and pedestrian and cycle movements.</p>	
T3	Sustainable Transport	<p>A. All developments of over 10 dwellings or over 1,000 sq metres gross of commercial floorspace shall incorporate facilities for charging plug-in and other ultra-low emission vehicles, unless the applicant demonstrates that this is not feasible on site.</p> <p>Or</p> <p>B. All applications of over 10 dwellings or over 1,000 sq metres gross of commercial floorspace shall include a travel plan demonstrating how the development will achieve the objectives of sustainable development, unless it is demonstrated that there are</p>	<p>NPPF para 35, 38</p> <p>Core Strategy SS3, SS5</p> <p>TR5, TR13</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		<p>extenuating circumstances that justify such a plan not being required.</p> <p>Or</p> <p>C. All applications of over 10 dwellings or over 1,000 sq metres gross of commercial floorspace shall include disabled parking spaces, cycle parking and motor cycle parking in a publicly accessible locations within the development.</p>	
T4	Highway Safety and Highway Congestion	<p>A.:</p> <p>Proposals which involve the formation of a new access, or would result in the intensification of the use of an existing access, will only be permitted where:-</p> <p>i) the access is not detrimental to the safety of vehicle traffic, cyclists and pedestrians or</p> <p>ii) the access can alternatively be improved to a standard acceptable to the Highway Authority or</p> <p>iii) the applicant can demonstrate by means of a transport impact study that the proposal would not increase the risk of accidents or create delays.</p> <p>And</p>	<p>NPPF para 32,34, 35</p> <p>Core Strategy SS3, SS5</p> <p>TR11</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		<p>B:</p> <p>Development that would lead to significant increased traffic congestion on the existing road network will not be permitted unless suitable mitigation measures are included within the application and funded by the developer.</p>	
T5	Traffic Management and New Transport Schemes	<p>A: All major residential, commercial and mixed use development should:</p> <p>i) promote measures to increase the use of public transport, cycling and walking;</p> <p>ii) demonstrate a positive impact on sustainable travel;</p> <p>iii) not have a detrimental impact on highway safety for pedestrians, cyclists, public transport users and private vehicles users.</p> <p>And/or</p> <p>B:</p> <p>All strategic level development (development that has travel implications beyond its local environment) should:</p>	<p>NPPF para 30, 32,34, 35</p> <p>Core Strategy SS3, SS5</p> <p>TR2, TR6, TR12, TR13</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		<p>i) provide direct investment that improves public transport, cycling and walking between the site and town centre;</p> <p>ii) results in increased opportunities for sustainable travel including provision in the layout to allow penetration by buses;</p> <p>iii) has a positive impact on highway safety for pedestrians, cyclists, public transport users and private vehicles users.</p>	
T6	London Ashford (Lydd) Airport	<p>Carry forward Policy TR15 which states that the District Planning Authority will permit proposals for the expansion of facilities at Lydd Airport directly related to the commercial and recreational flying use provided there would be no significant impact upon the internationally important wildlife communities in the Lydd/Dungeness area. Regard will also be given to the likely effect of proposals on other special features in the area, particularly the power station.</p> <p>Or</p> <p>Develop a new policy for the airport but which takes account of the planning permission for the extended runway and new</p>	<p>NPPF para 31, 33</p> <p>Core Strategy SS3, SS5</p> <hr/> <p>TR14</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		terminal buildings and encourages other complementary uses subject to national nature conservation designations.	
T7	Lorry Parking	<p>A. Proposals for a strategic lorry parking facility will only be approved where it can demonstrate it has:</p> <p>i) good access to the M20</p>	NPPF para 31, Core Strategy SS5

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		ii) no impact on the Area of Outstanding Natural Beauty or other local landscape designations or natural or ecological features iii) no impact on villages or small settlements in the vicinity Or B. Proposals for small lorry parking facilities will only be approved where it can be demonstrated that they: i) provide good access to the M20 ii) have no impact on the Area of Outstanding Natural Beauty or other local landscape designations or natural or ecological features iii) have no impact on villages or small settlements in the vicinity; and iv) provide choice and flexibility	TR9, TR10

Table 14.1

Question 20

Which approach do you think is most appropriate? Please explain your answer.

Are there any other issues you think should be included ?

Are there any other policy options the Council should consider?i

15 Natural Environment

15.1 The Core Strategy Policy CSD4 is concerned with protecting, managing and enhancing Shepway's varied and extensive green and open spaces, including its water features and coast. These include unique landscapes and habitats that are of both national and international importance. Designated sites such as Special Areas of Conservation and Special Protection Areas have been part of conservation protection for so long that their ongoing importance is often underestimated. Despite more recent challenges like climate change and the need for habitat expansion, designated sites are still the most important tool for nature conservation.

15.2 The landscapes within the AONB are highly valued and need to be protected to ensure that their nationally important status can be maintained. It is also important to protect views into and out of the AONB. There are a number of high quality landscape areas outside of the AONB and it will be necessary to consider whether these areas should benefit from the same level of protection as land within the AONB in future.

15.3 Access to the countryside and the natural environment is poorer in some parts of the district than others, in particular for some communities which also display relatively poor health indicators and high levels of economic disadvantage. A key issue is how best this position can be improved to ensure that a fair and accessible supply of green open spaces can be delivered through the planning system and one way of doing this is by improving access to the open countryside that surrounds the built up areas within the district. Linking the urban area to the countryside and key open spaces can be improved by making use of existing corridors such as rivers, canals and also the national cycle network.

15.4 The idea of a biodiversity offsetting system in England was announced in the Government's Natural Environment White Paper - a 50-year vision for the natural environment published in 2011. Biodiversity offsetting is a proposed approach to compensate for habitats and species lost to development in one area, with the creation, enhancement or restoration of habitat in another. Under this system any negative impacts on the natural environment would then be compensated for, or 'offset' by developers. The Government published a Green Paper on biodiversity offsetting in September 2013.

15.5 The landscapes within the AONB are highly valued and need to be protected to ensure that their nationally important status can be maintained. It is also important to protect views into and out of the AONB. There are a number of high quality landscape areas outside of the AONB and it will be necessary to consider whether these areas should benefit from the same level of protection as land within the AONB in future.

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
NE1	To enhance access to the natural environment	<p>A: To target opportunities for improvements on routes and links from urban areas where access is currently poor.</p> <p>Or</p> <p>B: To focus on a more general approach of improving access to key open spaces from all areas.</p>	<p>NPPF para 73, 76, 77,114,</p> <p>Core Strategy CSD4</p> <p>SD1</p>
NE2	To provide for biodiversity offsetting	<p>Where major development proposals result in biodiversity loss, identify areas on site or off site for biodiversity offsetting on a case by case basis.</p> <p>Or</p> <p>Identify in the local plan boundaries for GI corridors which would be supported by developer contributions or CIL.</p>	<p>NPPF para 110,114,117, 118</p> <p>Core Strategy CSD4</p> <p>CO1</p>
NE3	Protecting the District's landscapes and countryside	<p>A: Commission a landscape appraisal that identifies areas of countryside in addition to the AONB that make an important contribution at a local level to the natural beauty of the district and develop policies to ensure that they continue to contribute to the character of the area, protect the natural environment and are not adversely impacted by new development</p>	<p>NPPF para 115, 116</p> <p>Core Strategy SS1, CSD4</p> <p>CO1, CO4, CO5</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		<p>And/or</p> <p>B: Develop a criteria based policy, in addition to Core Strategy and national policy, to protect and manage the AONB, including views into and out of it, in line with the AONB Management Plan</p> <p>And/or</p> <p>C: Develop policies to protect the high quality areas of landscape that abut the AONB</p>	
NE4	Achieving a balance between accommodating new growth and ensuring the protection of important habitats and species that contribute to the biodiversity of the District	<p>A Develop additional policies to protect, manage and enhance important habitats and species that are not already subject to Core Strategy policy and national planning guidance.</p> <p>And/or</p> <p>B: Promote additional sites of biodiversity value to ensure that they are protected and sensitively managed, and where appropriate provide opportunities for access and education</p> <p>Or</p> <p>C: Concentrate on improving existing sites such as Local Nature Reserves</p>	<p>NPPF para 110, 113, 114, 117</p> <p>Core Strategy SS1, CSD4</p> <p>CO11</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
NE5	Promoting the positive enhancement of biodiversity in the District	<p>A: Require developers to demonstrate how major development will maintain and where possible, positively enhance the biodiversity of the site</p> <p>And/or</p> <p>B: Require landscaping in new developments to use native species that reflect the landscape character of the area and safeguard existing key landscape features.</p> <p>And/or</p> <p>C: Where possible require developments to incorporate wildlife corridors / links between habitats</p> <p>And/or</p> <p>D: Require developers to provide an ecological survey at the time of submitting a planning application unless there is clearly no ecological interest on the site</p>	NPPF 118, 119, 120 Core Strategy SS1, CSD4
			CO11, CO13
NE6	Ensuring that increased recreational pressure does not have an adverse impact upon the SAC/SPAs	<p>A: Develop policies and allocate land to divert recreation activities away from the SAC by the provision of enhanced facilities elsewhere, for example urban parks</p> <p>And/or</p>	NPPF para 113, 117, 119 Core Strategy CSD4 CO11, CO14

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		B: Manage access to Dungeness SAC/SPAs complex	
NE7	Development and Disturbance of Birds in Dungeness Special Protection Areas and pRamsar site	Set out criteria based policy to protect sites of international nature conservation importance. This should take into account the zone of influence around the sites.	NPPF para 14, 113, 117, 118, 119 Core Strategy SS1, CSD4
		Or Rely on national guidance and Core Strategy CSD4	CO14

Table 15.1

Question 21

Which approach do you think is most appropriate? Please explain your answer.

Are there any other issues you think should be included?

Are there any other policy options the Council should consider?

16 The Coast

16.1 The Marine and Coastal Access Act 2009 (the Act) provided for the introduction of a marine planning system for England’s inshore and offshore marine area. As the UK marine area and marine plan area boundaries extend up to the level of mean high water spring tides while terrestrial planning boundaries generally extend to mean low water spring tides (including estuaries), the marine plan area will physically overlap with the boundaries of the Places and Policies Local Plan.

16.2 The Government’s vision for the marine environment is:

'clean, healthy, safe, productive and biologically diverse oceans and seas'

16.3 Integrated Coastal Zone Management means adopting a joined-up approach towards the many different interests in coastal areas – both on the land and at sea. In coastal areas, local planning authorities are required by the NPPF para 105 to take account of the UK Marine Policy Statement and marine plans and apply Integrated Coastal Zone Management across local authority and land/sea boundaries, ensuring integration of the terrestrial and marine planning regimes. The designation of Coastal Zone Management Areas will be based on evidence and will require joint working with adjoining Kent authorities with connecting coastlines.

16.4 Much of Shepway is low lying with 195km (55%) lying within the Environment Agency's Zone 3a flood risk area. The Council's Strategic Flood Risk Assessment (SFRA) 2009 provides an analysis of the main sources of flood risk to the District, together with a detailed means of appraising development allocations and existing planning policies against the risks posed by coastal flooding over this coming century. The Council are currently working with their consultants on up dating the provisions of the SFRA taking account of more recent climate change data and improved flood defences. This document alongside detailed national planning guidance and policies in the Core Strategy will inform the council when making decisions on land use designations and planning applications in a flood risk area. In addition the SFRA could be instrumental in determining the locations of possible Coastal Change Management Areas.

16.5 Policy CO6 of the Shepway District Local Plan Review (2006) says that the District Planning Authority will give long term protection to the Folkestone and Dover Heritage Coast and to the areas of undeveloped coast shown on the proposals map. Within these areas development will not be permitted unless proposals preserve and enhance natural beauty, landscape, heritage, scientific and nature conservation value (consistent with any agreed management plan). In all cases, it must be demonstrated that a coastal location is required for development and that no suitable site exists along the developed coast. Proposals should where practicable also maintain or improve public access to the coast where this can be achieved without compromising conservation objectives.

16.6 Heritage coast site shown on the Proposals Map are Folkestone/Dover, West Hythe, Dymchurch, St Mary's Bay and Dungeness.

16.7 Outside settlement boundaries and villages in the settlement hierarchy, the character of the District's undeveloped coast, should be protected and enhanced. Development in close proximity to the sea suffers physical damage caused by wave and wind borne sand, grit and shingle and chemical degradation of materials from saltwater and spray. Essential to the efficient and effective maintenance and repair of storm damage to coast protection and sea defence works is the easy access for

plant and vehicles from the highway to the sea wall/beach. There is provision within the Environment Agency’s Land Drainage and Sea Defence Bye-laws for the consent of the Environment Agency to be obtained for any works between low water mark and a line 15 metres from the landward side of the defences it maintains. Reference must be made to the relevant Shoreline Management Plans and Coastal Defence Strategy to ensure that any proposed development is not affected by a coastal management policy or “managed realignment” or “no active intervention”. Even in areas where the policy is “hold the line” there is no guarantee of future funding and it is anticipated that all coast protection schemes will require a degree of contribution in order to secure government grant.

16.8 The NPPF states that local authorities should define Coastal Change Management Areas (CCMAs) where they are needed to help reduce the risk of flood from coastal change by avoiding inappropriate development in vulnerable areas. The NPPF states that CCMAs should be designated in any area likely to be affected by physical changes to the coast. CCMAs will not need to be defined where the Shoreline Management Plan (SMP) policy is to ‘hold the line’ or ‘advance the line’ for the whole period covered by the SMP.

Policy No.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
CP1	Integrated Coastal Zone Management	Establish criteria that integrate the aims and objectives of the shoreline plan and marine plans with local plan policies for establishing Coastal Change Management Areas (see CP2 below) Or Define Coastal Change Management Plans in the body of the plan.	NPPF para 94, 105 Core Strategy Policies CSD4, CSD5

Policy No.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
CP2	To designate Coastal Change Management Areas and manage proposed development within those areas.	Development proposals for new dwellings or conversion of existing buildings to residential use will not be permitted in the Coastal Change Management Areas (CCMAs) identified on the Policies Map.	NPPF para 94,106, 107.108
		<p>And</p> <p>Planning applications for all other types of development within the CCMAs including redevelopment, extensions to existing property and development or intensification of land uses, will be permitted where a Coastal Change Vulnerability Assessment has been produced to demonstrate that there will be no increased risk to life, nor any significant increased risk to property.</p> <p>And</p>	SD1, CO6

Policy No.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		Proposals for new or replacement coastal defence schemes will be permitted where it can be demonstrated that the works are consistent with the management approach for the frontage presented in the relevant Shoreline Management Plan, and there will be no material adverse impact on the environment or that these impacts can be mitigated.	
CP3	Development around the Coast	<p>Maintaining policies for protecting the undeveloped Folkestone and Dover Heritage Coast.</p> <p>Or</p> <p>Having no specific policy for the undeveloped Folkestone and Dover Heritage Coast relying instead on generic planning policies.</p> <p>And/or</p>	<p>NPPF para 106, 107, 108, 114</p> <p>Core Strategy Policies SS1, SS3,CSD4, CSD5</p>

Policy No.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		<p>Maintaining the existing policy for Undeveloped Coast Sites at West Hythe, Dymchurch, St Mary's Bay and Dungeness</p> <p>Or</p> <p>Having no specific policy for Undeveloped Coast sites at West Hythe, Dymchurch, St Mary's Bay and Dungeness</p> <p>Or</p> <p>Identifying additional areas of Heritage Coast and/or Undeveloped Coast sites.</p> <p>Or</p> <p>General criteria that control development along the coast to include safeguarding areas of land to allow for coastal defence work and to</p>	SD1, TM5, CO6, LR7

Policy No.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		prevent storm damage to buildings. May in certain circumstances limit development along the coast.	

Table 16.1

Question 22

Which approach do you think is most appropriate? Please explain your answer.

Are there any other issues you think should be included?

Are there any other policy options the Council should consider?

17 Climate Change

17.1 National planning policy and legislation requires us to work to mitigate climate change, mainly by reducing our greenhouse gas emissions and promoting sustainability. We need to ensure that the urban and natural environments are capable of being adapted to meet the expected impacts of climate change.

17.2 One of the aims of the Core Strategy is to minimise carbon emissions and a way to achieve this is to reduce the carbon emissions from buildings. Buildings are responsible for around 40 per cent of the UK’s energy consumption. Most of our buildings’ carbon emissions come from the energy used to provide the heating, cooling, lighting and other building services that keep occupiers comfortable and healthy. This energy has financial and environmental costs and generates carbon emissions. We can avoid this by using energy more efficiently, and by finding other ways to generate energy to heat our homes and offices.

17.3 Using suitable sustainable construction techniques in new developments will make them more efficient. We also need to consider retrofitting existing buildings as the majority of the buildings we will be using in 2050 have already been built. The

Government's Green Deal project is supporting homeowners to make energy efficiency improvements. We could plan for buildings that have a longer useful life. This might include the ability for a building to evolve with changing lifestyles and home occupation patterns. We could also require developments that plan for future weather changes by including adaptations like shading, natural and passive ventilation, and better drainage systems. Within the government's approach to the reduction in carbon emissions is the concept of 'Allowable Solutions'. The aim of Allowable Solutions is to give developers an economical way of compensating for the CO2 emission reductions that are difficult to achieve through normal design and construction. There might be technical reasons why a particular site might not be able to use some of the renewable technologies on offer, for instance because the solar aspect might be poor (Photo Voltaic) . The purpose of Allowable Solutions was to allow the investment in energy / carbon saving schemes outside the boundary of the site.

17.4 Water resources are renewable, but not unlimited, and our region is already under severe water stress. Given climate change forecasts and population increases, water shortage will be a very important issue in our district in the plan period. We can seek to combat this and adapt to these conditions by reducing our water consumption, reusing wastewater, water metering and rainwater harvesting. Through the Local Plan we could choose to set more stringent requirements than building regulations already require; for example, by setting a requirement for re-use of grey water in new homes or a lower water use per person standard (where financially viable). The current standard for levels 3-4 of the Code for sustainable homes is less than 105 litres per person per day.

17.5 Policy SS3 e) ii of the Core Strategy states that proposals should contribute to sustainable development through appropriate sustainable construction measures, including water efficiency and a proportion of energy from renewable/low carbon sources on new-build development, but without setting specific targets. The strategic sites allocated in the Core Strategy require residential buildings achieve a minimum water efficiency of 90 litres/person/day, plus Code for Sustainable Homes level 3 or higher. In dealing with applications for housing development the council currently seek to achieve a minimum of Code for Sustainable Homes level 3. However the Code for Sustainable Homes may not continue in its current form and in future some sustainable requirements of the code could be subsumed into the Building Regulations.

17.6 Specific planning policies on waste are contained in the National Planning Policy for Waste, as stated in the Planning Practice Guidance, all local planning authorities must have regard to that and the National Waste Management Plan for England. Although Shepway does not have any waste planning responsibility it must play its role in delivering the waste hierarchy. This could include measures such as 'including a planning condition promoting sustainable design of any proposed development through the use of recycled products, recovery of on-site material and the provision of facilities for the storage and regular collection of waste' (Planning Practice Guidance, March 2014).

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan
CC1	Carbon emissions/ carbon reduction policy	<p>A: Require the provision of a suite of energy efficiency, water efficiency and sustainable design measures in new housing and commercial developments e.g. use of ground or air source heat pumps, orientation for solar gain, provision of water butts, compost bins and outdoor drying facilities in addition to that required by the Building Regulations</p> <p>And/or</p> <p>B: That the local planning authority rely on CIL contributions to fund local carbon reduction projects where it is not technically feasible to incorporate measures on site prior to the introduction of Allowable Solutions.</p> <p>Or</p> <p>C: Rely on the provisions of national guidance and the higher level policies expressed in the Core Strategy and the Building Regulations to ensure development contributes towards minimising energy and water usage, and carbon dioxide emissions</p>	<p>NPPF 95, 97, 98</p> <p>Core Strategy Policy SS3</p>
			SD1

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan
CC2	Wind Turbine Development	<p>A. Planning permission will be granted for the development of wind turbines, subject to considerations including noise impacts, safety, ecology, interference with electromagnetic transmissions, heritage, shadow flicker, energy output, cumulative landscape and visual impacts, decommissioning.</p> <p>Or</p> <p>B. Commission a study that identifies those areas in the district where wind turbine development might be acceptable and those where for landscape or other reasons are deemed unacceptable.</p> <p>Extensions and Alterations to Existing Wind Farms:</p> <p>Extensions to existing wind farms will be supported provided that the proposals are in keeping with the character of the existing development and satisfy the criteria above.</p> <p>Proposals to re-commission or re-power a wind farm will be supported provided that the development meets the criteria</p>	<p>NPPF para 17, 93, 97, 98</p> <p>Core Strategy Policy SS3</p> <p>U14</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan
		<p>above taking full account of the effects of the extended timescale.</p> <p>Wind Turbine Development Affecting the Area of Outstanding Natural Beauty (AONB):</p> <p>There will be a presumption against large scale wind development in the AONB. Developments involving more than one turbine, or turbines with a hub height of over 20m, will not be permitted.</p> <p>Small scale wind development within the AONB will be permitted provided that its impacts on the environment are acceptable and its installed capacity is commensurate with the needs of the property or business. Development outside of the AONB which has a substantial impact on interior views within the AONB, or important views of the AONB, will not be permitted.</p>	

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan
CC3	Wind turbines and existing residential development	<p>Wind turbines to provide energy for existing residential dwellings will only be acceptable where:</p> <ol style="list-style-type: none"> 1. A single turbine is proposed for an existing dwelling; 2. The scale of the turbine is not overwhelming in relation to the height of nearby dwellings; 3. There is no adverse impact on the setting of a listed building, a conservation area or other heritage asset; 4. The turbine does not cause any adverse impact on the amenity of a nearby dwelling(s) by way of obstructed outlook, noise or flicker; 5. The turbine does not have any adverse visual impact on the scenic beauty of the Kent Downs Area of Outstanding Natural Beauty or other sensitive local landscapes; 6. There are no adverse ecology impacts arising from the development; 	<p>NPPF para 17, 93, 97, 98</p> <p>Core Strategy Policy SS3</p>
			U14

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan
		<p>7. The turbine is finished in an appropriate colour to minimise its visual impact;</p> <p>8. The turbine is removed when no longer operational.</p> <p>Or</p> <p>Wind turbines for existing residential uses will only be acceptable where the above criteria are met <u>and additionally</u> the applicant has demonstrated that they have explored all reasonable alternatives for less intrusive forms of renewable energy such as ground source heating</p>	

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan
CC4	Solar Farms	<p>The development of new solar farms or the extension of existing solar farms will only be acceptable where-</p> <ol style="list-style-type: none"> 1. The proposed solar farm does not have any adverse visual impact on the scenic beauty of the Kent Downs Area of Outstanding Natural Beauty or other sensitive local landscapes; 2. The proposed solar farm does not result in the direct loss of amenity to nearby residential properties by virtue of glare or other disturbance; 3. Any necessary ancillary building works are minimised so as not to adversely impact on the character of the surrounding area; 4. There are no adverse ecology impacts arising from the development; 5. A suitable landscaping and screening strategy is included with the application 6. The solar panels and supporting frames are finished in an appropriate 	<p>NPPF 17, 93, 97, 98</p> <p>Core Strategy Policy SS3</p>
			U14

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan
		<p>colour to minimise visual impact;</p> <p>7. The solar panels are removed when no longer operational.</p> <p>Or</p> <p>Solar farms will only be acceptable where the above criteria are met <u>and additionally</u> the solar farm will not result in the loss of the best and most versatile agricultural land.</p>	
CC5	Renewable energy/ Off site renewable energy	<p>Develop a renewable energy strategy that identifies suitable sites for renewable energy and promotes the development of Combined Heat and Power (CHP) networks</p> <p>Or</p> <p>Establish policy that requires CHP solutions to be assessed for all large scale residential, commercial and institutional planning applications.</p> <p>Or</p> <p>Not have a policy relating to CHP</p>	<p>NPPF para 17, 93, 97, 98</p> <p>Core Strategy Policy SS3</p>
			U14

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan
CC6	Encouraging and promoting sustainable transport measures	<p>A: Require larger schemes to incorporate transport measures such as charging points for electric vehicles and parking space for one or more car club vehicles</p> <p>And/or</p> <p>B: Ensure that the requirements of Travel Plans can be implemented on development sites through, for example allowing sufficient space for cycle parking / storage and easy access for pedestrians</p>	NPPF para 29, 30, 32, 35, 36 Core Strategy Policy SS5
			TR13
CC7	Waste/Recycling	<p>Require all planning applications, other than for small extensions or minor development, to make external provision for on-site waste and recycling storage</p> <p>Or</p> <p>Allow internal waste and recycling storage.</p>	Core Strategy Policies SS3 SS6
			U10

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan
CC8	Sustainable design measures for extensions to existing buildings	<p>Require planning applications for extensions to dwelling houses and commercial buildings to include sustainable design measures when applicants apply for planning permission, unless the improvements are not viable</p> <p>Or</p> <p>To rely on Building Regulations in respect of these matters.</p>	<p>NPPF para 17, 95</p> <p>Core Strategy Policy SS3</p> <p>SD1</p>
CC9	Efficient and sustainable water use	<p>Introduce a specific policy that limits water use requiring water saving measures in new homes with a per person consumption target lower than 105 litres per day</p> <p>Or</p>	<p>NPPF para 94, 99</p> <p>Core Strategy Policies SS3 CSD5 CSD9</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan
		<p>Introduce a specific policy that limits water use requiring water saving measures in new homes with a per person consumption target lower than 90 litres per day</p> <p>Or</p> <p>Have no policy on water saving measures in new homes and rely on the Building Regulations, including possible future amendments.</p>	U4

Table 17.1

Question 23

Which approach do you think is most appropriate ?

Are there any other issues you think should be included ?

Are there any other policy options the Council should consider?

18 Health and Wellbeing

18.1 The population and housing growth that will take place in Shepway to 2031 will need to be supported by the necessary infrastructure, including that for health. The Core Strategy promotes the development of community facilities that provide the opportunity for healthy lifestyles. This is in line with the priority objective of the ‘Fair Society, Healthy Lives’ Marmot Review (2010) to create and develop healthy and sustainable places and communities. The NHS reform by the Health and Social Care Bill, transferred the responsibility for public health to Local Authorities. Planning

has an important role to play in public health and improvements to the built environment have a significant impact on improving public health. The environment is known to have a major impact on health and well-being.

18.2 In the Government's Planning Practice Guidance published in March 2014, provides guidance on how the NPPF policies on health can be considered in plan making. This includes how opportunities for supporting healthy lifestyles have been appraised such as planning for an environment that supports people of all ages in making healthy choices, helps to promote active travel and physical activity, and promotes access to healthier food, high quality open spaces and opportunities for play, sport and recreation.

18.3 The Core Strategy aims to deliver a safe and healthy district. In Shepway in 2012, 25.2% of adults were classified as obese and physical activity was worse than the average for England. Hot food takeaways provide employment, offer a varied range of food adding to the cultural mix in an area, and can provide food at affordable prices. However many takeaways offer food which is energy dense and nutritionally poor which can contribute to obesity. One policy option considers this issue. Another policy option ensures health is taken into account in new development and proposes that systematic health impact assessments are undertaken for larger proposals. Food security is a long-term challenge; farming needs to be supported in building capacity for sustainable production both in the UK and globally. However, the food chain has major impacts on climate change, biodiversity and the wider environment, which require management.

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
HW1	To consider the effects of hot food takeaways on health and potential planning policy actions	A: A planning policy to restrict the development of new hot food takeaways within walking distance (e.g. 400 metres) of schools, parks, leisure centres, youth facilities and other similar locations Or	NPPF para 17 Core Strategy SS3

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
HW2	Development should contribute to addressing the causes of ill-health, improving the health and well-being of the local population and reducing health inequalities.	<p>A: For residential development of 100 or more units and non-residential development in excess of 1,000 sq. m a Health Impact Assessment will be required, which will measure wider impact upon healthy living and the demands that are placed upon health services and facilities arising from the development. Where significant impacts are identified, measures to address the health requirements of the development should be provided and/or secured by planning obligations or planning conditions as appropriate. A Health Impact Assessment for smaller forms of development may also be required where the proposal is likely to give rise to a significant impact on health.</p> <p>Or</p> <p>B: The above but identify specific forms of development</p> <p>Or</p> <p>C: No requirements for Health Impact Assessments</p>	<p>NPPF para 7, 17,69, 70, 123</p> <p>Core Strategy SS3</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
HW3	Development that supports healthy, fulfilling and active lifestyles	<p>A: To increase, create and safeguard opportunities for healthy, fulfilling and active lifestyles, and the creation of healthy neighbourhoods in Shepway and to reduce the environmental impact of importing food, development proposals should:</p> <p>a. Incorporate food growing in the design and layout of buildings and landscaping of all major developments;</p>	<p>NPPF para 17, 70, 112</p> <p>Core Strategy SS3</p>

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
		<p>b. Not result in the loss of existing allotments; and</p> <p>c. Not result in the loss of the best and most versatile agricultural land (Grades 1, 2 and 3a).</p> <p>Or</p> <p>B: A policy that:</p> <p>a. Prevents the net loss of existing allotments;</p> <p>b. Requires all homes of 3 bedrooms or more to include garden space that can be used for growing food; and</p> <p>c. Which protects the loss of grade 3a agricultural land to new development unless there is a compelling and overriding planning reason to do so.</p>	<p>SD1, TM5, LR3, LR11</p>

Table 18.1

Question 24

Which approach do you think is most appropriate? Please explain your answer.

Are there any other issues you think should be included?

Are there any other policy options the Council should consider?

19 Historic Environment

19.1 The Core Strategy sets out the broad approach to the historic environment, enhancing local identity and includes an express requirement to have regard to local context and the impact of development on heritage assets. The historic environment comprises all aspects of the environment resulting from the interaction between people and places through time, whether visible, buried or submerged, and landscaped and planted or managed flora. Elements of the historic environment that hold significance are called heritage assets and may be measured in terms of archaeological, architectural, artistic or historic value.

19.2 As stated in the first half of this document, according to the National Planning Policy Framework, local authorities should set out in their Local Plan a positive strategy for the conservation and enjoyment of the historic environment. Further, the Planning Practice Guidance proposes local planning authorities should identify specific opportunities within their area for the conservation and enhancement of heritage assets. Therefore in addition to the suggested policy options we are going to commission a Heritage Strategy will identify all of our heritage assets and look at their individual and collective significance.

19.3 However our historic environment is part of an overall environment where people live, work and play. We must therefore develop policies that protect our heritage assets from development pressures without compromising the Core Strategy's aims for economic growth and development

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
HE1	Promoting and reinforcing the special character of designated conservation areas in the District	A: Require the design of new development in conservation areas to draw inspiration from local street patterns, building heights, local architectural styles and prevalent materials while remaining distinctive in its own right. Proposed development should take account of approved Conservation Area Appraisals. Or	NPPF para 126, 128, 132, 137 Core Strategy SS3

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
		<p>B: Promote high quality design of new buildings in conservation areas that while having reference to historical surroundings is innovative, distinctive and contemporary in character.</p> <p>And/or</p> <p>C: Require advertisements to reflect historic or locally distinct design wherever possible and to minimise visual obtrusiveness (whilst recognising their function)</p>	SD1, BE4
HE2	Balancing the need for change and new development against the need to protect the historic environment and heritage assets.	<p>A: Require all new development to preserve or enhance the architecture, historic interest and setting of our built heritage and heritage assets</p> <p>And/or</p> <p>B: Recognise that even in historic environments in some cases modern design can contribute to a sense of place and economic vitality, particularly where the existing character is poorly defined, or of limited visual amenity</p>	<p>NPPF 126, 128, 129, 131, 132, 133, 134, 137</p> <p>Core Strategy SS3</p>
			SD1, BE5, BE6

Policy no.	Issues	Policy Options	NPPF and Core Strategy Policies
			Saved 2006 District Local Plan Policies
HE3	Ensuring adequate and proportional protection of buildings, gardens, landscapes, structures and archaeological features which are of local historical merit, but which do not meet the national standards for statutory listing	<p>A: Establish a policy that, informed by a Heritage Strategy, identifies buildings, gardens, landscapes, structures and archaeological features that should be afforded an appropriate level of importance and protection as heritage assets.</p> <p>Or</p> <p>B: Establish a policy that requires the assessment of development on non designated heritage assets on a case by case basis having regard to generic design policies and the requirements of the NPPF.</p> <p>And/or</p> <p>C: In Areas of Archaeological Potential and where appropriate elsewhere require the preservation in situ of archaeological remains that are considered to be of national or local interest unless there is an overriding case based on the needs and requirements of a development</p>	NPPF para 135, 136, 139 Core Strategy SS3
			SD1, BE18

Table 19.1

Question 25

Which approach do you think is most appropriate? Please explain your answer.

Are there any other issues you think should be included?

Are there any other policy options the Council should consider?

20 Glossary

Adoption - the formal decision to approve the final version of the document, at the end of all the preparation stages, bringing it into effect.

Affordable Housing - housing available at a significant discount below the market value, provided to specified eligible households whose needs are not met by the market. It includes social rented and intermediate housing (such as shared equity products, low cost homes for sale and intermediate rent). See national policy.

Amenity - a general term used to describe the tangible and intangible benefits or features associated with a property or location, that contribute to its character, comfort, convenience or attractiveness.

Authorities Monitoring Report (AMR) - a document produced by the local planning authority providing analysis over the period of the performance of planning policies and reporting on progress made in producing up-to-date planning policy. Previously known as Annual Monitoring Report.

AONB - Area of Outstanding Natural Beauty, a national designation applying in Shepway in the Kent Downs AONB.

Appropriate Assessment - See Habitats Regulations Assessment

Biodiversity - the variety of plants and animals and other living things in a particular area or region. It encompasses habitat diversity, species diversity and genetic diversity.

BOA - Biodiversity Opportunity Area.

Building for Life - the national standard for well-designed homes and neighbourhoods. A Building for Life assessment scores the design quality of planned or completed housing developments against 20 criteria.

Broad Location - general locations for growth formally indicated on the Key Diagram; includes sites for major development where technical or infrastructure information does not currently allow the exact extent of land to be confirmed. Does not constitute a formal (Strategic) Allocation; planning permission is still required to deliver development.

Brownfield Land (also known as Previously Developed Land) - land which is or was occupied by a permanent structure. A full definition is given in national policy.

Code for Sustainable Homes (CfSH / CSH) - national standard designed to measure the sustainability of new homes against nine design categories including energy and water. Homes are rated on six levels between one (1*) and six stars (6*) with the higher ratings representing increased levels of sustainability.

Community Infrastructure - facilities available for use by all the community, such as church or village halls, doctor's surgeries and hospitals. Community facilities could also include children's playgrounds and sports facilities.

Community Infrastructure Levy (CIL) – A payment that is made to the Council by developers when development commences. The payment is used to fund infrastructure that is needed to serve development in the area. This can include new transport schemes, community facilities, schools and green spaces.

Conservation Area - an area of special architectural or historic interest, the character or appearance of which it is desirable to preserve or enhance, formally designated.

Core Strategy – This is a plan which sets out the long-term spatial vision for the District, along with the spatial objectives and strategic policies to deliver that vision. The Shepway Core Strategy Local Plan was adopted in September 2013.

Department for Communities and Local Government (DCLG) - the central government department that is responsible for policy on local government, housing and urban regeneration.

Development Plan - This includes adopted local plans that together with the Minerals and Waste Plans will form the development plan for Shepway District.

Environment Agency (EA) - Government agency concerned mainly with rivers, flooding and pollution.

Examination (in Public/ EiP) - a form of independent public inquiry into the soundness of a submitted Local Plan document which is chaired by an inspector appointed by the Secretary of State. After the examination has ended the inspector produces a report with recommendations which are binding on the council.

Facilities - public or private premises that are used for, or help to provide, services and infrastructure for visiting members of the public

Greenfield Land - land which has not been developed before, and is not defined as previously developed 'brownfield' land.

Green Infrastructure - a network of protected sites, nature reserves, green spaces, waterways and greenway linkages (including parks, sports grounds, cemeteries, school grounds, allotments, commons, historic parks and gardens and woodland). It offers opportunities for a number of functions, including recreation and wildlife as well as landscape enhancement.

Gypsy and Traveller Sites - sites either for settled occupation, temporary stopping places or transit sites for people of nomadic habit of life, such as Gypsies and Travellers.

Habitats Regulations Assessment (including Appropriate Assessment) - a legal requirement examining the potential impacts of policies and proposals on the nature conservation integrity of Natura 2000 Series sites.

Heritage Coast - Areas of undeveloped coastline which are managed to conserve their natural beauty and, where appropriate, to improve accessibility for visitors.

Index of Multiple Deprivation - combines a number of indicators chosen to cover a range of economic, social and housing issues, into a single deprivation score for each small area in England.

Infrastructure - a collective term which relates to all forms of essential services like electricity, water and road and rail provision, including social/community facilities.

Internationally designated habitats - see Natura 2000 Series Sites.

Kent County Council (KCC) - countywide local authority responsible for a range of strategic functions and services such as highways (non-trunk routes), minerals and waste planning, and education and social care.

Lifetime Homes - homes which are built to an agreed set of national standards that make housing more functional for everyone including families, disabled people and older people. They also include future-proofing features that enable cheaper, simpler adaptations to be made when needed.

Local Development Document (LDD)- The collective term for Local Plans, Supplementary Planning Documents (SPDs) and the Statement of Community Involvement (SCI).

Local Development Scheme (LDS)- A project plan and timetable for the preparation of the Local Development Framework or Local Plan. It can be updated and amended as necessary by the Council.

Local Green Space - a designation to provide special protection against development for green areas of particular importance to local communities.

Local Housing Market Area (LHMA) - geographical areas within East Kent defined in the SHMA by economic household demand and preferences. Housing markets do not respect administrative boundaries and may comprise smaller, more local sub markets and neighbourhoods.

Localism Act – The Localism Act has devolved greater powers to local government and neighbourhoods and given local communities more rights and powers over decisions about housing. It also includes reforms to make the planning system more democratic and more effective.

Local Plan – The plan for the future development of the local area, drawn up by the local planning authority in consultation with the community.

Low Carbon Development - a development which achieves an annual reduction in net carbon emissions of 50% or more from energy use on site e.g. by reducing energy demand through passive design and energy efficient technology and supplying energy from renewable sources.

Major Employment Sites - a Core Strategy term indicating general places where land is/ will be allocated for industrial, warehousing or office uses.

Mixed use development - development for a variety of uses on a single site.

National Planning Policy Framework (NPPF) – A document setting out the Government’s national planning requirements, policies and objectives. It replaces much of the national advice previously contained within Planning Policy Statements, Planning Policy Guidance and Circulars. The NPPF is a material consideration in the preparation of LDDs and when considering planning applications.

Natura 2000 series sites - internationally designated sites of nature conservation (including current - and in effect, proposed - Special Areas of Conservation/Special Protection) subject to Habitats Regulations Assessment.

Natural England (NE) - Government agency concerned with the natural environment, including biodiversity and the countryside.

Neighbourhood Plan – A duty under the Localism Act 2011 which gives authorised groups the power to prepare a development plan for their area. This plan could include general planning policies and allocations of land for new development.

(Open) Countryside - rural and coastal areas defined as land lying outside the settlement boundaries shown on the Policies Map.

Place-shaping - the ways in which local government and its partners can create safe, attractive, vibrant communities where people want to live and work.

Planning Inspectorate - An organisation which processes planning appeals and holds examinations into DPDs or Local Plans and the Community Infrastructure Levy (CIL).

Policies Map - a statutory map of a local planning authority accompanying its Local Plans, and defining the spatial extent of relevant policies in it. Formerly known as the Proposals Map.

Previously Developed Land - see Brownfield Land.

Priority Centres of Activity (PCAs) - a term used in the Core Strategy for locations central to people, place or prosperity incorporating town, district and local (village/ neighbourhood) centres and Major Employment Sites.

Public Realm - the space between and within buildings that is publicly accessible including streets, squares, forecourts, parks and open spaces.

Ramsar sites - Wetlands of international importance, designated under the 1971 Ramsar Convention.

Registered Social Landlord (RSL) - Government-funded, not-for-profit organisations that provide affordable housing. They including housing associations, trusts and co-operatives.

Renewable Energy - energy derived from a source that is continually replenished such as wind, wave, solar, hydroelectric and energy from plant material, but not fossil fuels or nuclear energy.

Sequential Approach - an approach to planning decisions which may require certain sites or locations to be fully considered for development before the consideration moves on to other sites or locations. The approach could apply to issues such as retail development, or the use of land at risk from flooding.

Settlement Hierarchy - settlements are categorised into a hierarchy based on the range of facilities, services and employment opportunities available, plus the ability to access other higher-ranking settlements by public transport.

Shepway District Local Plan Review (2006) - adopted by the council on 16 March 2006. As set out in the Planning and Compulsory Purchase Act 2004, the council made a request to central government to continue to use (most) specific policies. These policies 'saved' in 2009 and not deleted by the Core Strategy remain part of the Development Plan and will remain saved until they are replaced by specific policies in a new adopted Local Plan document.

Shoreline Management Plans - A plan providing a large-scale assessment of the risk to people and to the developed, historic and natural environment associated with coastal processes.

Site of Specific Scientific Interest (SSSI) - a conservation designation for the protection of an area because of the value of its flora and fauna or its geological interest.

South East Plan (the former Regional Spatial Strategy applicable to Shepway). Published by the DCLG in 2009, providing statutory planning policies for a region. Previously part of the Statutory Development Plan alongside local Development Plan Documents. It was revoked in 2013.

Spatial Planning - this concept brings together policies for the development and use of land with other policies and strategies which too have ramifications for the nature of places and how they operate.

Special Areas of Conservation (SAC) - Areas given special protection under the European Union's Habitats Directive, which is transposed into UK law by the Habitats and Conservation of Species Regulations 2010.

Special Protection Areas (SPA) - Areas which have been identified as being of international importance for the breeding, feeding, wintering or the migration of rare and vulnerable species of birds found within European Union countries. They are European designated sites, classified under the Birds Directive.

Stakeholder- A person, group, company, association, etc. with an interest in, or potentially affected by, planning decisions in the District.

Statement of Community Involvement (SCI)- The Council's policy for involving the community in the development of the LDF or Local Plan, and when considering planning applications. It includes who should be involved and the methods to be used.

Spatial Planning - this concept brings together policies for the development and use of land with other policies and strategies which too have ramifications for the nature of places and how they operate.

Strategic Flood Risk Assessment (SFRA) - required under national policy and providing an analysis of the main sources of flood risk to the district, together with a detailed means of appraising development allocations and existing planning policies against the risks posed by coastal flooding over the coming century.

Strategic Housing Land Availability Assessment (SHLAA) - required under national policy, providing an assessment of the scale of potential housing land opportunities over a 15 (or more) year period. It cannot allocate or grant planning permissions but does lead to a pool of possible key future housing sites to inform future Local Plans through further public consultation and additional evidence gathering.

Strategic Housing Market Assessment (SHMA) - required under national policy, providing an understanding of how housing markets operate within a given area, showing housing need and demand. Produced for the East Kent Housing Market Partnership (including Canterbury, Dover, Swale and Thanet Councils and organisations from other sectors).

Strategic (Site) Allocation - a site central to achievement of the strategy, where the principle and main features of development are established through a formal designation (allocation) of a specific parcel(s) of land. Planning permission is still required to deliver development.

Submission stage - the stage at which a planning policy document is sent to the Secretary of State as a prelude to its examination, having previously been published for public inspection and formal representations.

Supplementary Planning Document (SPD)– A LDD which expands policies set out in a DPD or provides additional detail. They are not subject to independent examination.

Sustainability Appraisal and Strategic Environmental Assessment (SA/SEA)– A systematic and iterative appraisal process incorporating the requirements of the European Directive on Strategic Environmental Assessment. The purpose of the Sustainability Appraisal is to appraise the economic, environmental and social effects of the strategies in a LDD from the outset of the preparation process.

Sustainable Development - usually referred to as "development which meets the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland, 1987).

Sustainable Transport - management of transport for Sustainable Development purposes. Can be travel management measures or any form of transport, including all alternatives to the private car, especially low-carbon travel modes. Often relates to travel by bus or train but also includes walking and cycling.

Sustainable Urban Drainage System (SUDS) - sequence of water management practices and facilities designed to drain surface water in a manner that will provide a more sustainable approach than what has been the conventional practice of routing run-off through a pipe to a watercourse.

Travel plan - A long-term management strategy for an organisation or site that seeks to deliver sustainable transport objectives through action and is articulated in a document that is regularly reviewed.

Viability - a viable development is one where there is no financial reason for it not to proceed, where there is the correct relationship between gross development value (GDV - the amount a developer receives on completion or sale of a scheme) and development costs (e.g. build costs). An unviable scheme is one where a poor relationship exists between GDV and development costs so that profitability and land value are not sufficient enough for a development to proceed.

Water Framework Directive - more formally the Directive 2000/60/EC of the European Parliament and the Council of 23 October 2000, which established a policy framework for action on water quality.

Windfall Site - a previously developed site which has not been specifically identified as available through the development plan process, but which unexpectedly becomes available for development. A windfall dwelling is a dwelling which is delivered from such a site.

Zero Carbon Development - a development that after taking account of emissions from space heating, ventilation, hot water and fixed lighting, expected energy use from appliances, and exports and imports of energy from the development to and from centralised energy networks, will have net zero carbon emissions over the course of a year.

A glossary of common planning terms and phases can be found on the National Planning Portal at <http://www.planningportal.gov.uk/general/glossaryandlinks/glossary>



Issues and Options Consultation Document Executive Summary

January 2015



Folkestone

Hythe & Romney Marsh
Shepway District Council



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FOREWORD

Having adopted our Core Strategy in September 2013 and set out an ambitious vision for sustainable growth and prosperity, the district council is now taking its first steps towards producing a Places and Policies Local Plan. This document will build upon the Core Strategy and set out our plans for the district in more detail, ultimately helping to shape how the area develops and grows for the period up to 2031.

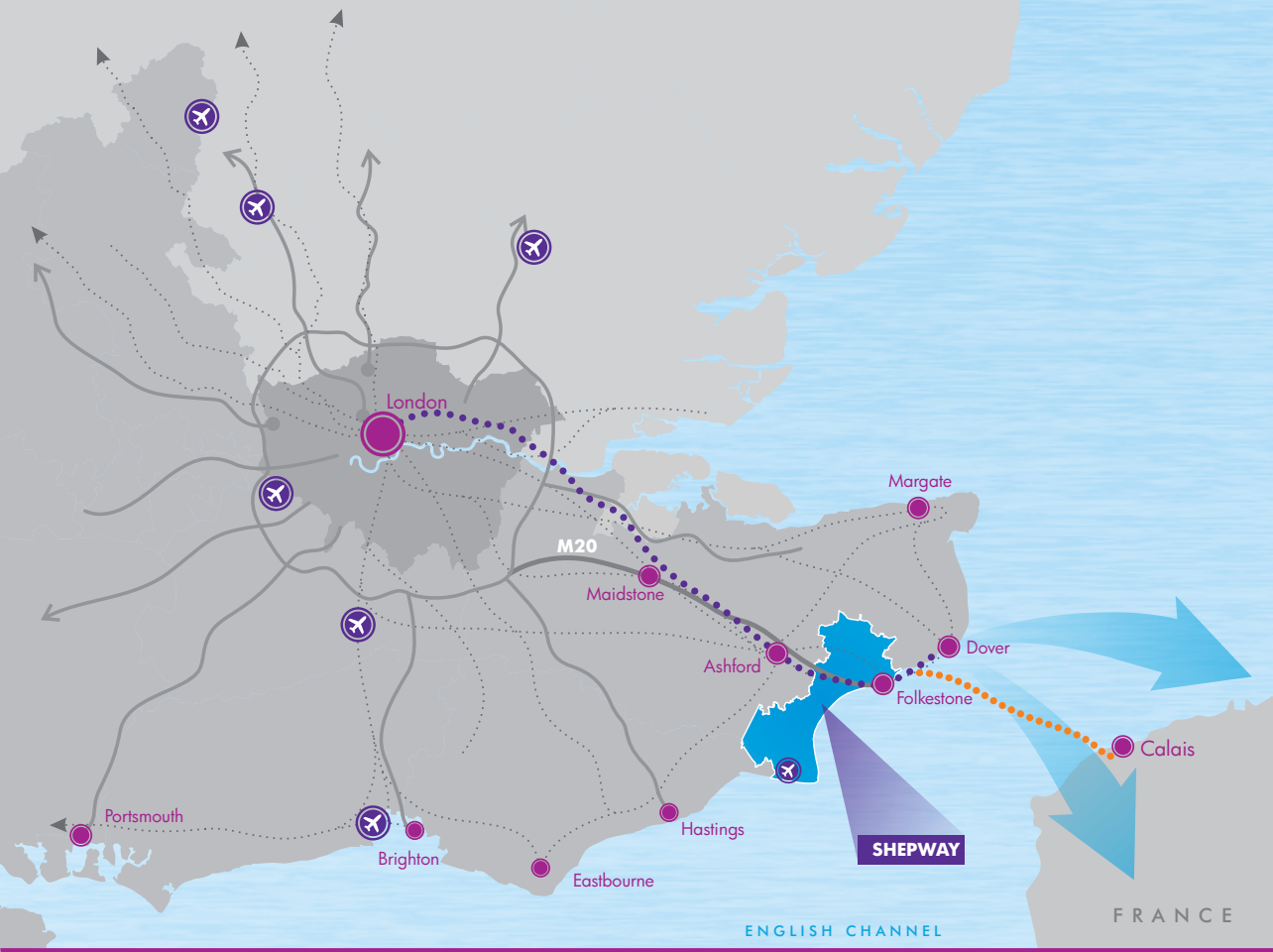
We are currently consulting at the 'Issues and Options' stage – a great opportunity for those with an interest in the district to get involved early on in the process and help shape it's future for the better. Indeed, we are keen to get as much feedback through this process as possible – the stronger and more robust the evidence that we receive, the better our plan will be, and the brighter our district will shine. This is a fine example of democracy in action, and I encourage you to get involved.



Cllr John Collier
Cabinet Member for
Properties Management



FIGURE 1: South East England Context



- Shepway District Area
- ✈ Airports
- Euro Tunnel
- Major Rail routes
- Major Town or City
- Links to Mainland Europe
- High Speed Rail Link (HS1)
- Major Roads/Motoways



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Aerial of Folkestone



- 1.1 The Shepway Places and Policies Local Plan is being prepared following the formal adoption of the Shepway Core Strategy in September 2013 and represents one of the key means by which the Core Strategy Objectives will be delivered. The document will consider the need to allocate land for a range of different uses as well as providing a series of new policies for the promotion and management of sustainable development in accordance with the provisions of the National Planning Policy Framework (NPPF).
- 1.2 The publication of this document represents the first key stage in the development of a new local plan for Shepway and is intended to provoke debate, discussion and comments between the District Council, members of the public and key stakeholders in order that the document can be further shaped prior to a more finalised draft being prepared.

The Role and Objectives of the Core Strategy

- 1.3 The Shepway Places and Policies document must be consistent with the adopted Shepway Core Strategy. The Core Strategy is the over-arching document that sets out the Council's vision and strategic objectives for future development in the District over the period 2006 - 2031, as well as providing the policy context for other local plans. It includes a series of strategic locational and generic policies. The strategic needs and aims of the Core Strategy will be carried forward in this document.

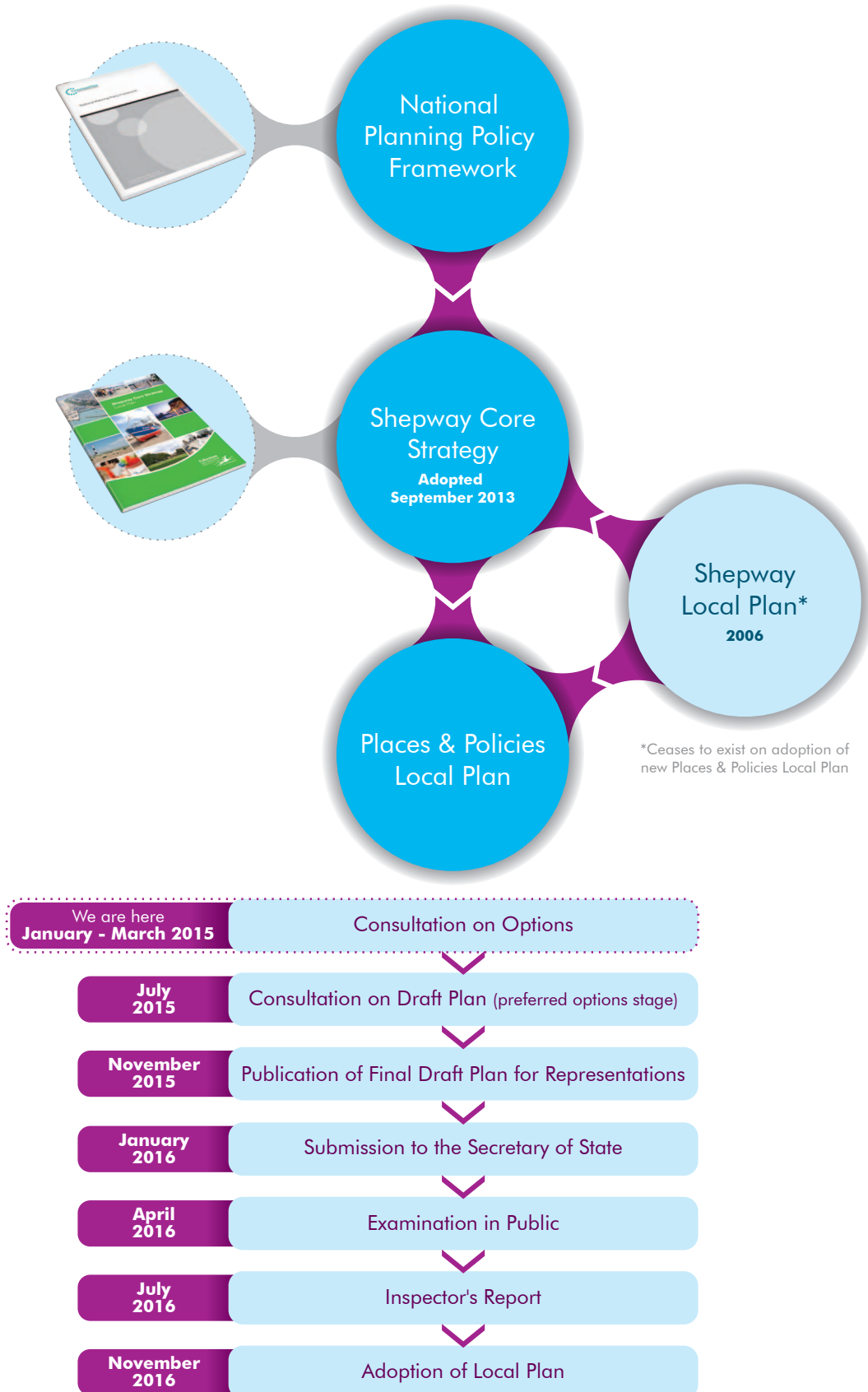
Strategic Needs

A	The challenge to improve employment, educational attainment and economic performance in Shepway
B	The challenge to enhance the management and maintenance of the rich natural and historic assets in Shepway
C	The challenge to improve the quality of life and sense of place, vibrancy and social mix in neighbourhoods particularly where this minimises disparities in Shepway

The Shepway Places and Policies Local Plan Timetable

1.4 The Places and Policies Local Plan comprises the following stages and scheduled key dates shown in Figure 3 below.

FIGURE 2: Where we are in the process





Help us in planning the future of Shepway District

- 1.5 This is the earliest stage in producing a plan and is an opportunity for the community to inform and shape the policies. The consultation period runs from **Thursday 29th January 2015 – Wednesday 11th March 2015** and all comments should be received by **5.00 pm on 11th March 2015**.
- 1.6 How to comment:
By completing the form online (<http://www.shepway-consult.limehouse.co.uk/portal/>); or
Email: planning.policy@shepway.gov.uk; or
- 1.7 By completing and returning the enclosed response form; or
Downloading additional copies of the response form at www.shepway.gov.uk.
The main consultation document can be viewed via the District Council's website – www.shepway.gov.uk; or
At the District Council offices and public libraries throughout the District (see www.shepway.gov.uk for opening hours).





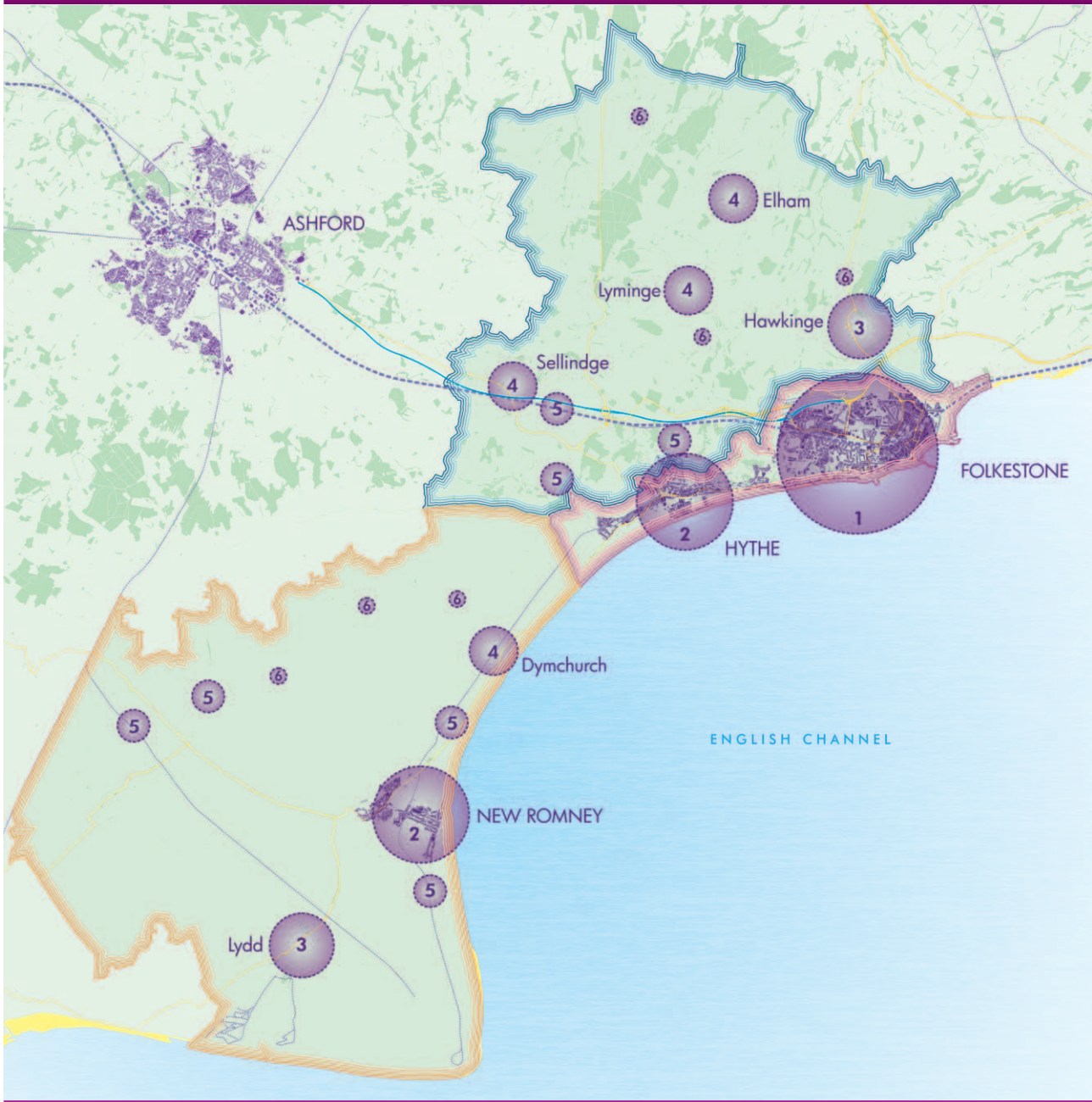
1 | HOUSING AND THE SETTLEMENTS



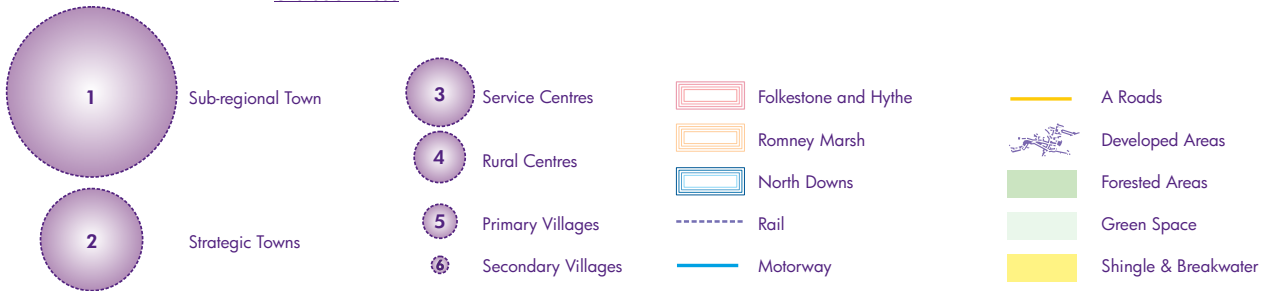
Core Strategy Policy Context

- 2.1 The Core Strategy divides Shepway into three character areas – the Urban Area, Romney Marsh and North Downs. The future consultation stages of this plan will be more closely linked to these character areas but at this early stage of plan production a thematic approach has been adopted.
- 2.2 The Places and Policies Local Plan needs to develop an appropriate approach to the distribution of development that is not already determined by a strategic allocation within the Core Strategy. A major tool in achieving this is the settlement hierarchy and Policy SS3- Place Shaping and Sustainable Settlement Strategy. This consultation aims to start the initial process in establishing the best distribution to produce the most sustainable land allocations consistent with Core Strategy policy, while also seeking to maintain the balance between our settlements so as not to disrupt the current equilibrium between them.

FIGURE 3: Settlement Hierarchy



Character Areas



- 2.3 The Core Strategy has set out the council's vision and strategic objectives for future development, and part of the development will come from the allocated strategic sites. The Places and Policies Local Plan will allocate the remainder of sites required to fulfil the targets set by the Core Strategy.



- 2.4 The Core Strategy (Policy SS2) sets a target of delivering a minimum of 350 dwellings per annum on average until 2030/31 (inclusive from 2006/07), with a higher target of 400 dwellings a year in the first 20 years of the plan. The Core Strategy sets out the approximate amount of housing anticipated to be delivered for each of the three character areas. For the Urban Area this figure is approximately 75% of new residential development in the district, for the Romney Marsh the figure is approximately 10% and for the North Downs the figure is 15%. The aim of this plan is to further expand on these approximate amounts for the character areas by seeking opinion on how best to identify housing quantities on a settlement by settlement basis with the character areas.

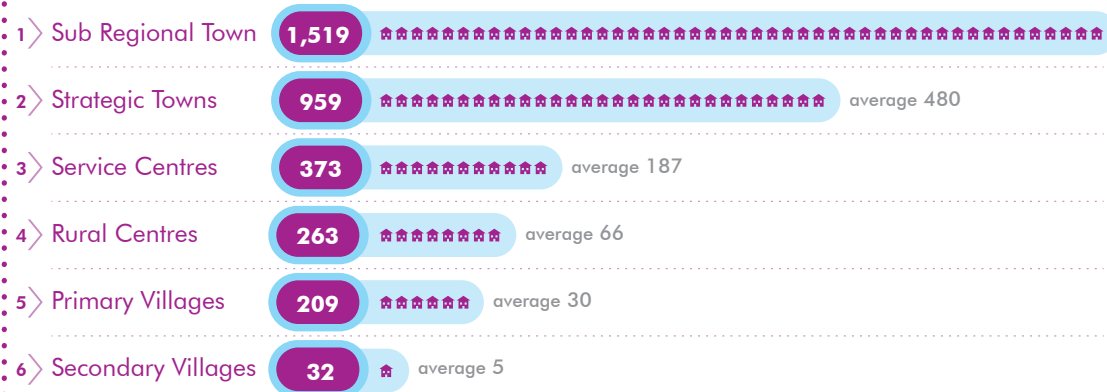
Policy Option for Housing Distribution

Specific housing levels by settlement tier are set out below using existing evidence and applying the following principles:

- Core Strategy policy must be applied
- Core Strategy evidence should be the starting point for identifying sufficient land in an area to allow subsequent testing of site development options.
- The total amount of housing planned across settlements in tiers of the Hierarchy should proportionate, it must not be less than the total planned in any tier of the Hierarchy below,
- There is the scope for flexibility within each tier within the Settlement Hierarchy in order to meet the total figure.
- Following on from 1, with an adopted Core Strategy in place it is beyond the scope of this plan to review strategic urban extensions (Core Strategy Allocations at Folkestone, or the existing major allocations with planning permission at Nickolls Quarry, Hythe). These are not included.

Applying the 5 principles results in the following guideline amounts to help establish the degree of search for sites in each settlement:

FIGURE 4: Potential Indicative Housing Distribution (by Settlement Tier)



Q1

Do you consider the approach set out above to be a sound basis to guide the allocation of housing across the district? Please explain your answer.

- 2.5 As part of the initial research in late 2013/early 2014 a 'call for sites' was carried out. The potential housing sites put forward as well as further sites identified through desktop work the council is undertaking will form part of a review of the Strategic Housing Land Availability Assessment (SHLAA). The review of the SHLAA is not yet complete and remains an ongoing process as more sites come forward. The assessment criteria consists of a number of stages where sites are sieved out, ultimately deciding if sites are sustainable, deliverable and developable in a neutral policy context.

Q2

Are there any sites that you think should be submitted as part of this 'call for sites'? If so, please provide details.



- 2.6 The district economy has seen some improvement in its growth and development over recent years, however the rate of decline in the unemployment rate has been slower than that of Kent and the South East and the jobs growth that has occurred has been predominantly in low skill, low wage sectors.
- 2.7 However, there are opportunities to put the district on the right path by capitalising on the strengths of the district, such as:
- Capitalising upon exceptional connectivity – including HS1 stations (50 mins to London), three M20 Junctions, the Channel Tunnel and nearby Dover Port.
 - Identifying and adapting to serve changing needs of existing businesses.
 - Developing the significant potential from growing and emerging sectors.



Employment Allocations

- 2.8 Policy SS2 identifies a target of approximately 20 hectares (gross) to be delivered between 2006/7 and 2025/26 inclusive. The Shepway Employment Land Review highlights that, whilst there is a plentiful supply of employment land allocated in the district to achieve this target, there are strong qualitative arguments for reviewing our approach to these (as posed in policy option E1) and identifying the potential for new sites.
- 2.9 Building upon this, additional work is being undertaken for the draft Shepway Economic Development Strategy 2014-2019 and the draft Shepway Town Centres Study to identify potential sites to address this qualitative requirement through discussions with local landowners and business representative organisations. These broadly fall into three categories.
- 1 Modern office space in and around Folkestone town centre, especially in and around Folkestone Central Station (please refer to policy option E2)
 - 2 Larger office accommodation within the M20 corridor.
 - 3 Smaller, more flexible accommodation throughout the urban area.

Do you think the plan should encourage allocations for modern office development in Folkestone Town Centre and especially around Folkestone Central Station in order to attract businesses into the district? If so, do you support the proposed sites being (re)developed?

Q3

Would you support a focus of employment uses in and around our motorway junctions?

Small units will help to stimulate the creation of business start-ups, do you agree this should be focused on urban areas?

Are there other sites that should be looked at to help improve the quality of our employment space offer?

- 2.10 Whilst identifying new employment sites helps to contribute towards addressing locational qualitative issues, it should be noted that the potential allocation of new sites, especially those along the M20 corridor, would lead to a greater quantitative oversupply, including a number of allocated employment sites in the district that have not been developed despite being designated for over 20 years. In line with paragraph 22 of the National Planning Policy Framework, planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose.
- 2.11 Recent analysis has identified a number of sites where it has been recommended that no change to the existing policy is required, as well as highlighting a number of sites that could be potentially partly or wholly re-allocated for alternative uses. These are set out in Figure 7.
- 2.12 For a number of these sites, further work is required to assess their deliverability.

Do you agree that allocated sites that have no reasonable prospect of coming forward for employment uses should be re-allocated?

Q4

Do you agree with the list of sites that are proposed to not require a change in policy?

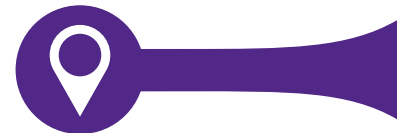
Do you agree with the list of possible sites for re-allocation?

Are there other employment allocations that should be considered for re-allocation?

FIGURE 5: Existing Employment Sites



- | | | |
|---|--|---|
| <ul style="list-style-type: none"> ● Sites for possible re-allocation (policy change) 1 Station Yard, Lydd 2 Kitewell Lane, Lydd 3 Pennypot Industrial Estate, Hythe 4 Boundary Road, Hythe 5 Mounfield Road Industrial Estate, Hythe 6 Shorncliffe Industrial Estate, Folkestone 7 Highfield Industrial Estate, Folkestone 8 Harden Road, Lydd 9 Bowles Well Gardens | <ul style="list-style-type: none"> ● Sites deemed not to require policy change 10 Bowles Well Gardens 11 Park Farm 12 Shearway Business Park 13 Riverside Industrial Estate 14 Lympne Industrial Estate (including Link Park) | <ul style="list-style-type: none"> Folkestone and Hythe Romney Marsh North Downs Rail Motorway A Roads Developed Areas Forested Areas Green Space Shingle & Breakwater |
|---|--|---|



2.13 The role and focus of Town Centres has come under the spotlight recently, following the sustained economic downturn, the continued attraction of out-of-town facilities and the growing popularity of online shopping.

Current Performance of Our Centres:

2.14 Within the context of continued competition of out-of centre retail provision (predominantly Park Farm Industrial Estate) and competing centres (Ashford, Canterbury and Dover), the draft Shepway Town Centres Study states that the centres in Shepway are deemed to perform as follows:

TABLE 1	
Folkestone Town Centre	<ul style="list-style-type: none"> Overall, performs adequately when assessed in terms of diversity of uses; level of vacant units; levels of demand; environmental quality and accessibility – it is ‘getting by’. The Creative Quarter is an asset to the town but not that well integrated. The town faces challenges – especially: <ol style="list-style-type: none"> The almost-entire absence of an evening economy (particularly in respect of family restaurants). High level of vacant units in parts of the town centre, such as Guildhall Street, which need short-term investment to help arrest the decline.
Hythe Town Centre	<ul style="list-style-type: none"> The centre is popular and well supported, with strong pedestrian flows. The vacancy rate is significantly lower than the UK average. The visual appearance of the town centre is positive, and accessibility is good.
New Romney Town Centre	<ul style="list-style-type: none"> Performing well. Vacancy rate is significantly lower than the UK average. The centre is attractive and well-maintained with an agreeable environment.
Lydd District Centre	<ul style="list-style-type: none"> Very limited retails and services offer. Attractive and well-maintained. Would expect most local residents to shop away from Lydd for most of their shopping requirements.
Hawkinge District Centre	<ul style="list-style-type: none"> Pleasant environment. Centre has a slightly disjointed feel. Centre serves a limited role and function.
Cheriton District Centre	<ul style="list-style-type: none"> Reasonable range of shops with a dominance of take-aways and fast food retailers. Vacancy Rates in line with UK average. Environment compromised by the poor state of repair of a number of premises. Investment required to improve the environmental quality of the high street.

Q5

Do you agree with the overall assessment of our centres? If not, please explain.
Are there other issues that you feel need to be addressed?

2.15 Based on spending patterns as well assessing trends in areas such as population and spend, the Town Centres Study highlights the following quantitative requirements for the district over the Plan period:

Settlement Hierarchy Tier	2014	2017	2021	2026	2031
Comparison Goods Floorspace Requirement (sqm net, rounded)	0	1,100	3,600	8,000	12,800
Convenience Goods Floorspace Requirement (sqm net, rounded)	-4,400	-4,200	-3,600	-2,700	-1,600

NB Figures are cumulative. Figures in italics are indicative.

2.16 However, it is argued that there is a need for comparison retail quality to be improved, especially in Folkestone, and this is likely to require the modernisation of existing floorspace as well as the identification of opportunity sites.

Q6

Do you think that sites need to be identified to improve the quality of Folkestone Town Centre's comparison retail offer? If so, where and what types of new offer do you consider appropriate?

Do you think that the provision of larger units should be created through site redevelopment or the amalgamation of existing smaller shops, or through both approaches?

Do you think further redevelopment opportunities need to be identified in other centres to improve the quality of offer?

2.17 Whilst there is no quantitative need for additional convenience (food) floorspace across the district, there may be a qualitative case for:

- A new anchor store in Cheriton district centre to help retain local spend.
- An enhanced provision in Hawkinge district centre to reduce a dependency on travelling to foodstores in Folkestone.
- A small store in Lydd to help improve consumer choice.
- There is no qualitative case for further foodstore provision in the town centres of Folkestone and Hythe, but applications of new development of this nature should be considered on their individual merits.

Q7

Do you agree that there is a good case for a new anchor store in Cheriton district centre, enhanced retail provision in Hawkinge district centre and a small store in Lydd to help improve consumer choice? Please explain your answer.

Commercial Leisure Need:

2.18 Commercial leisure uses includes uses including hotels, cultural services (cinemas, theatres and museums), restaurants and cafes – all essential ingredients of a vibrant evening economy. The following trends in Shepway have been identified in this sector:

- The largest area of growth to 2031 will come in the restaurants and cafes sector – around 44% growth between 2014 and 2031, leading to an indicative increase of 4,300 sqm (gross) floorspace being required in the district up to 2031.
- Around 68% of spend on 'food and drink' is retained in the district, but there is some scope for improvement.
- 'a major opportunity for Folkestone town centre over the course of the study period' to attract further cinema provision that builds upon and complements existing provision.
- No requirement for further theatre provision.

Do you think that the district and town centres in Shepway lack a quality leisure offer? If so:

Q8

Which district and town centres do you think fair particularly poorly?

What types of leisure uses are missing that would otherwise attract an evening economy?

Potential Site Allocations:

2.19 A range of sites and investment opportunities are identified that could accommodate the retail and leisure growth needs of the district, with a focus on supporting the role and function of town centres in the first instance, and specifically Folkestone given its status as the main town centre in the district and its under performance on a number of scores. These sites include:

- Folkestone Bus Station
- Guildhall Street/Gloucester Place/Shellons Street
- Improved linkages between the harbour and town centre
- Bingo Hall site, Tontine Street
- Tram Road Car Park
- Creative Quarter
- Establishment of a cafe quarter around Rendezvous Street/Church Street/Old Town Hall/top of Old High Street
- Folkestone Seafront – as stated in Policies SS6 and CSD6.

2.20 The sites above have been identified through the draft Shepway Town Centres Study. However, further analysis needs to be undertaken in respect of the deliverability of these sites to meet the needs of the local area.

Do you think the redevelopment of these sites would improve the viability and vitality of Folkestone Town Centre and are you aware of any factors that might help development of these sites to come forward or any constraints that might prevent them being delivered?

Should a more flexible approach be taken to changes of use in shopping areas? If so:

Q9

Are there any areas in particular that should be focussed on?

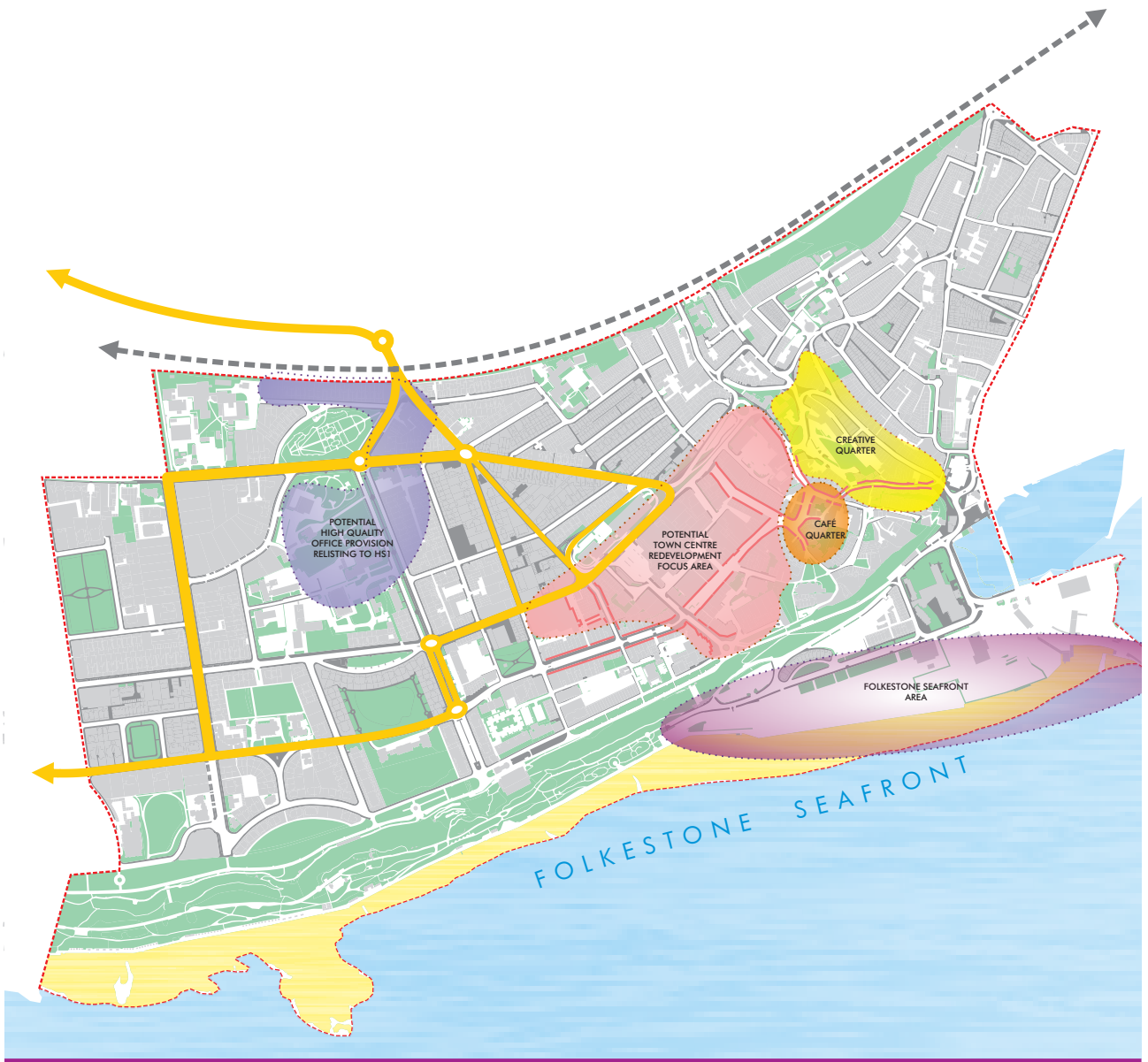
What sort of uses would be appropriate?

Should there be any restrictions on non A1 use?

Are there other sites in and around the town centre that you feel should be looked at?

Do you think the other town and district centres in Shepway require further intervention? If so, what is required specifically?

FIGURE 6: Folkestone Town Centre



- A Roads
- Rail
- Shop Frontages
- Creative Quarter
- Café Quarter
- Potential Town Centre Redevelopment Focus Area
- Potential High Quality Office Provision Relating To HS1
- Folkestone Seafront Area



- 2.21** In the Core Strategy, Policy CSD2 it states that “the accommodation needs of specific groups will be addressed based on evidence of local need, including appropriate provision for Gypsies, Travellers and Travelling Showpeople. Policies will be included in the local plan to provide criteria and make allocations for Traveller sites in line with national policy”. An assessment of future accommodation and pitch needs amongst Gypsy, Traveller and Travelling Showpeople commissioned by the four East Kent Local Authorities has identified that a total of 6 residential pitches and 1 travelling showpeople plot are required in Shepway by 2027.
- 2.22** These figures are based on the analysis of survey responses, combined with secondary data and baseline population information which indicates that need arises in the short term as a result of current unauthorised accommodation requiring authorised provision. The need arising for subsequent periods is calculated by applying a 3% household growth figure to the current number of pitch based households and the households who will be accommodated on pitches by 2018.

Given the evidence provided, and the requirement for a modest growth in authorised accommodation, the following options could be taken to accommodate the needs of the district:

Where appropriate, an extension to existing authorised sites

AND/OR

Identification of (a) new site(s) (including current unauthorised sites) in accordance with the sequential approach and environmental assessment criteria set out in the Core Strategy

AND/OR

Set a site threshold and a proportion of traveller pitches/plots for large housing developments.

Which option(s) do you consider to be best approach?

If you think (a) new site(s) should be identified, do you have a site in mind?

Q10



- 2.23** The Core Strategy's Policy SS5 states that "development should provide, contribute to or otherwise address Shepway's current and future infrastructure needs. Infrastructure that is necessary to support development must exist already, or a reliable mechanism must be available to ensure that it will be provided at the time it is needed". The Core Strategy also identifies a range of 'critical' and 'necessary' infrastructure measures and projects that are required to support the delivery of the Local Plan's quantum of development across Shepway's settlements and communities.
- 2.24** Policies SS5 and CSD4 therefore aim to secure developer contributions via specific negotiated legal agreements, Community Infrastructure Levy (CIL) contributions, and other funds. In this context, Section 106 planning obligations will continue to play a key role in addressing site specific mitigation and infrastructure issues arising from the development of strategic and key sites in Shepway. CIL is expected to provide resources to support the wider infrastructure needs of the district, as well as providing a contribution to local infrastructure through the Parish and Town Council share of CIL income.
- 2.25** In accordance with the Community Infrastructure Levy (CIL) Regulations 2010 (as amended), the Council will be consulting on a draft CIL Charging Schedule during February and March 2015. This follows on from a consultation on a CIL Preliminary Draft Charging Schedule, which ran from 18th August to 13th October 2014. The draft CIL Charging Schedule consultation will request representations on a number of issues including:
- Proposed CIL rates and zones in the district; and
 - The proposed infrastructure use by the Council of CIL income, as outlined by a draft Regulation 123 list, as per CIL Regulations 2010 (as amended).
- 2.26** Further information on the consultation is available via the following webpage:
<http://www.shepway.gov.uk/content/view/201786/206/>

Q11

Are there any specific infrastructure issues this plan should be addressing?



2.27 As part of this consultation process, the council is seeking to identify those sites that are of particular significance in accordance with the National Planning Policy Framework (paragraph 77), which identifies certain criteria on which a designation would be ratified:

- where the green space is in reasonably close proximity to the community it serves;
- where the green area is demonstrably special to a local community and holds a particular local significance, for example because of its beauty, historic significance, recreational value (including as a playing field), tranquillity or richness of its wildlife; and
- where the green area concerned is local in character and is not an extensive tract of land.



Coastal Park

How should national policy be interpreted at the local level? Do you think there are any other local factors that should apply?

Do you think that the council should define the term 'close proximity'? If yes, what would you consider to be a reasonable definition?

Within existing settlement boundaries or within the built fabric of a community?

Q12

Adjacent to existing settlement boundaries or adjacent to the built fabric of a community?

Within a certain distance of an existing settlement boundary or the built fabric of a community? If so, please define.

Do you think the council should stipulate size thresholds for what constitutes a local green space? If yes, what would you consider to be an appropriate minimum and maximum threshold?

2.28 The council is using this consultation as an opportunity to identify potential Local Green Spaces from its existing sources. This will be done through reviewing existing open spaces with policy and other appropriate designations and by gathering opinion as to how local residents and stakeholders value existing areas of open space within district. Table 2 below is a simple matrix that is being suggested as an evaluation tool to designate Local Green Space.

TABLE 2					
National Planning Policy Framework criteria (in bold) and expressed local interpretation	1	2	3	4	5
Beauty - a current landscape designation or almost uniquely special quality					
Historic significance - a heritage asset / conservation designation					
Recreational value - with recognised recreational value and permanent public access					
Tranquillity - a pleasant, calm environment					
Richness of wildlife - a nature conservation designation					

2.29 Each site that is considered will be ranked with 1 being very poor and 5 being very good, producing a total possible score of 25. Sites that score over 17 (roughly equal to 70%) will be put forward for Local Green Space.



Hythe RMC

Q13

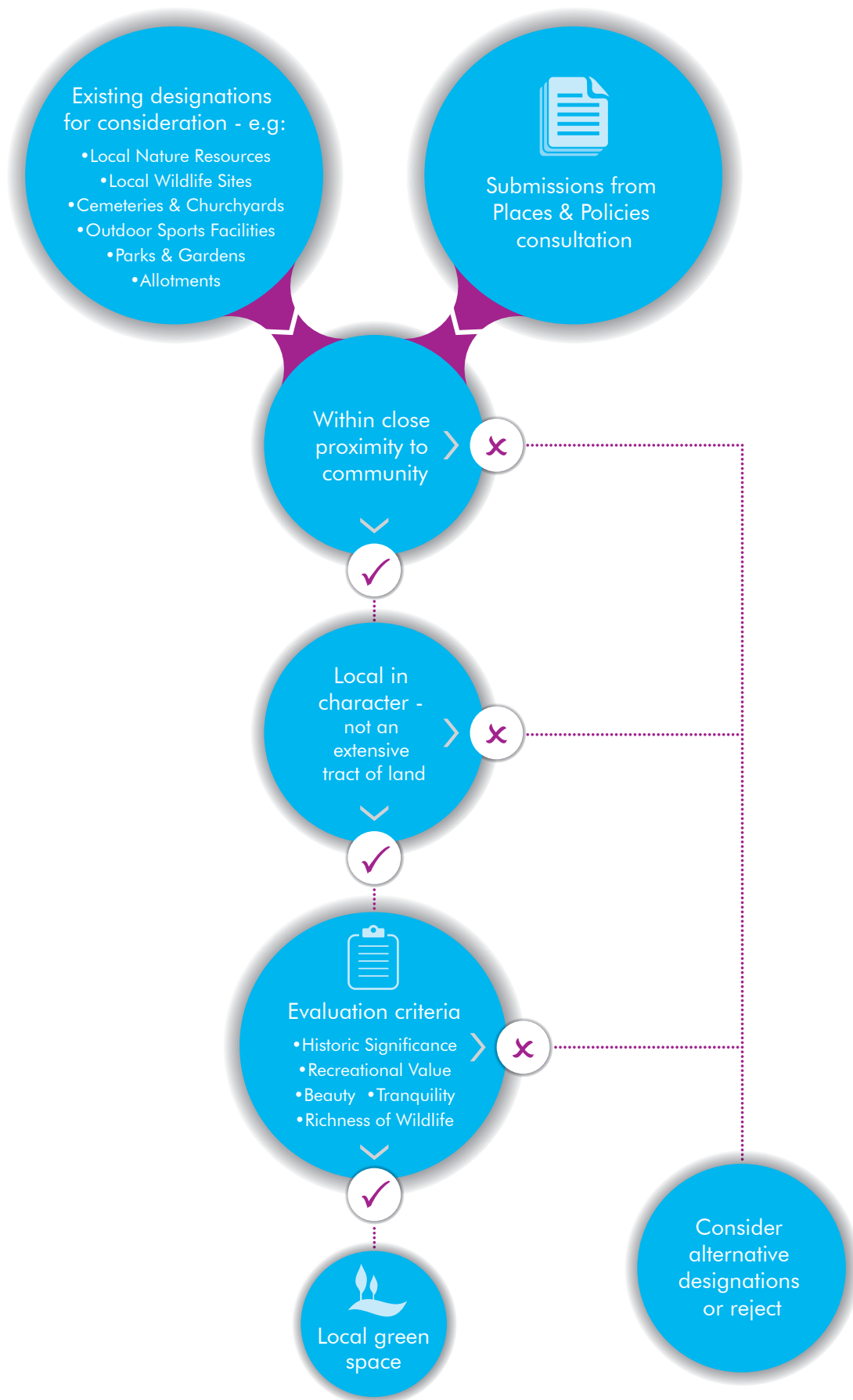
Do you agree with the proposed methodology for assessing Local Green Space? If not what changes would you make?

2.30 The existing sources of information, and the remaining policy from the Shepway District Council 2006 Local Plan Review that are suggested for testing are set out in the main consultation document.

Q14

Do you agree with these categories as a basis from which to consider the designation of Local Green Space? If not, please explain.

FIGURE 7: Local Green Spaces





2.31 The National Planning Policy Framework (Paragraph 126) states that a positive strategy for the conservation and enjoyment of the historic environment should be set out, which recognises the fact that such assets are an irreplaceable resource which should be conserved in a manner appropriate to their significance. This should be delivered through a strategy that takes into account:

- Desirability of sustaining and enhancing the significance of heritage assets and putting them to viable uses consistent with their conservation.
- Wider social, cultural, economic and environmental benefits that conservation of the historic environment can bring
- The desirability of new development making a positive contribution to local character and distinctiveness; and
- Opportunities to draw on the contribution made by the historic environment to the character of a place.

2.32 The Shepway Core Strategy recognises this requirement, and it is the intention of the council to commission a Heritage Strategy that will help to inform the heritage policies in the Places and Policies Local Plan. This strategy will identify all of our heritage assets and look at their individual and collective significance as well as measure their vulnerability and the potential catalyst they could provide for tourism and regeneration. In doing this work, we will want to work closely with local groups and town and parish councils in identifying and assessing our heritage assets.

Q15

Are there any specific heritage initiatives that you feel need to be particularly supported through the Local Plan?

Do you think the council should have flexible policies for the viable re-use of heritage assets in order to secure their long term retention, even if this entails some sensitive alterations?

Are there any specific themes that clusters of our heritage assets fall under that you feel need to be highlighted?

St Leonards Hythe





DEVELOPMENT MANAGEMENT POLICY OPTIONS REFERENCES

The following table sets out the issues addressed in Part 2 of the consultation document. The various policy options and related questions can be referenced in the main document.

Policy Ref	Issues
General Development Management Policies	
GD1	Provide for high quality design in new development, designing out crime and enhancing a sense of place
GD2	Ensuring satisfactory amenity for existing residents and the future occupiers of new dwellings
GD3	Ensuring the consideration of environmental issues such as land instability, contamination and pollution
GD4	Address localised flooding and flood risk management
GD5	Incorporating public art in new development
GD6	To guide telecommunications development (including provision of broadband).
Housing	
H1	Providing a mix of housing type and size to meet the needs of Shepway's residents
H2	Recognising the role of residential garden land in housing delivery
H3	Providing for the accommodation needs of specific sections of the community To provide a 'criteria based' policy that can be applied to applications for sites for Gypsies, Travellers and Travelling Showpeople that are not designated.
H4	Recognising the need to develop housing at an appropriate density to make better use of previously developed land and existing infrastructure
H5	Providing for accommodation for our ageing population and vulnerable members of our community
H6	To consider the impact that converting large homes to flats has on the character of an area and the amenity of other residents (for example parking problems).
H7	To ensure that the conversion of rural buildings to houses, replacement dwellings and extensions respect the character of their surroundings and reflect local vernacular and design
H8	To provide for self build housing
Economic Development	
E1	Making the best and most sustainable use of existing employment land
E2	Directing business to sustainable locations, in particular office uses to town centre /edge of centre areas
E3	Ensuring that employment development contributes to climate change avoidance and mitigation (energy efficiency/ renewable energy)
E4	Securing new economic development on designated employment land with good transport connections to meet identified needs and encourage inward investment
E5	Managing economic development outside designated employment sites
E6	Offices and employment areas supporting economic innovation and the knowledge economy
E7	Providing for the needs of small and medium sized businesses
E8	Town centre and shopping areas (primary and secondary) - Policies that protect the vitality and viability of retailing in town centres.
E9	Promoting the vitality and viability of town centres, or isolated parades, by maintaining an appropriate proportion of non-shopping uses
E10	Improving sites of poor visual amenity which detract from the appearance of town centres and stimulate beneficial redevelopment
E11	Managing a lively, safe and social evening economy in the larger town centres which does not detract from the retail offer of town centres or harm residential amenity
E12	Education and Training
E13	Tourism and tourist facilities
E14	Caravan and camping sites

Policy Ref	Issues
Community	
C1	To safeguard existing community facilities
C2	The provision of upgraded community and formal recreation facilities
C3	Providing open space, informal recreation provision and other green infrastructure to meet the current and future needs of the District addressing deficiencies and taking into account planned development
C4	Creating a balance between permitting appropriate use of the countryside for recreation and protecting natural resources and the character of the rural areas.
C5	Rural services and creating a balance between protecting the countryside and supporting the rural economy
C6	Providing enhancements to existing open spaces and formal and informal recreation facilities
C7	Local Green Space
C8	Protection and enhancement of Public Rights of Way (PROW). Create a network to link up open spaces and provide an improved network of pedestrian and cycle routes
C9	Provision of new community facilities in Hythe
Transport	
T1	Parking Standards
T2	Site Layout
T3	Sustainable Transport
T4	Highway Safety and Highway Congestion
T5	Traffic Management and New Transport Schemes
T6	London Ashford (Lydd) Airport
T7	Lorry Parking
Natural Environment	
NE1	To enhance access to the natural environment
NE2	To provide for biodiversity offsetting
NE3	Protecting the District's landscapes and countryside
NE4	Achieving a balance between accommodating new growth and ensuring the protection of important habitats and species that contribute to the biodiversity of the District
NE5	Promoting the positive enhancement of biodiversity in the District
NE6	Preventing adverse impacts upon / loss of specific features that contribute to biodiversity such as trees and ponds
NE7	Ensuring that increased recreational pressure does not have an adverse impact upon the SAC/SPAs
NE8	Development and Disturbance of Birds in Dungeness Special Protection Areas and pRamsar site
The Coast	
CP1	Integrated Coastal Zone Management
CP2	To designate Coastal Change Management Areas and managed proposed development within those areas
CP3	Development around the coast (Quality)

Policy Ref	Issues
Climate Change	
CC1	Carbon emissions/ carbon reduction policy
CC2	Wind turbine development
CC3	Wind turbines and existing residential development
CC4	Solar farms
CC5	Renewable energy/ Off site renewable energy
CC6	Encouraging and promoting sustainable transport measures
CC7	Waste recycling
CC8	Sustainable design measures for extensions to existing buildings
CC9	Efficient and sustainable water use
Health and Well Being	
HW1	To consider the effects of hot food takeaways on health and potential planning policy actions
HW2	Development should contribute to addressing the causes of ill-health, improving the health and well-being of the local population and reducing health inequalities.
HW3	Development that supports healthy, fulfilling and active lifestyles
Historic Environment	
HE1	Promoting and reinforcing the special character of designated conservation areas in the District
HE2	Balancing the need for change and new development against the need to protect the historic environment and heritage assets.
HE3	Ensuring adequate and proportional protection of buildings, gardens, landscapes, structures and archaeological features which are of local historical merit, but which do not meet the national standards for statutory listing

Qs

Using Part 2 of the main consultation document, which sets out the various options under each issue, which approaches do you think are most appropriate? Please explain your answer.

Are there any other issues you think should be included?

Are there any other policy options the Council should consider?

Folkestone

Hythe & Romney Marsh
Shepway District Council



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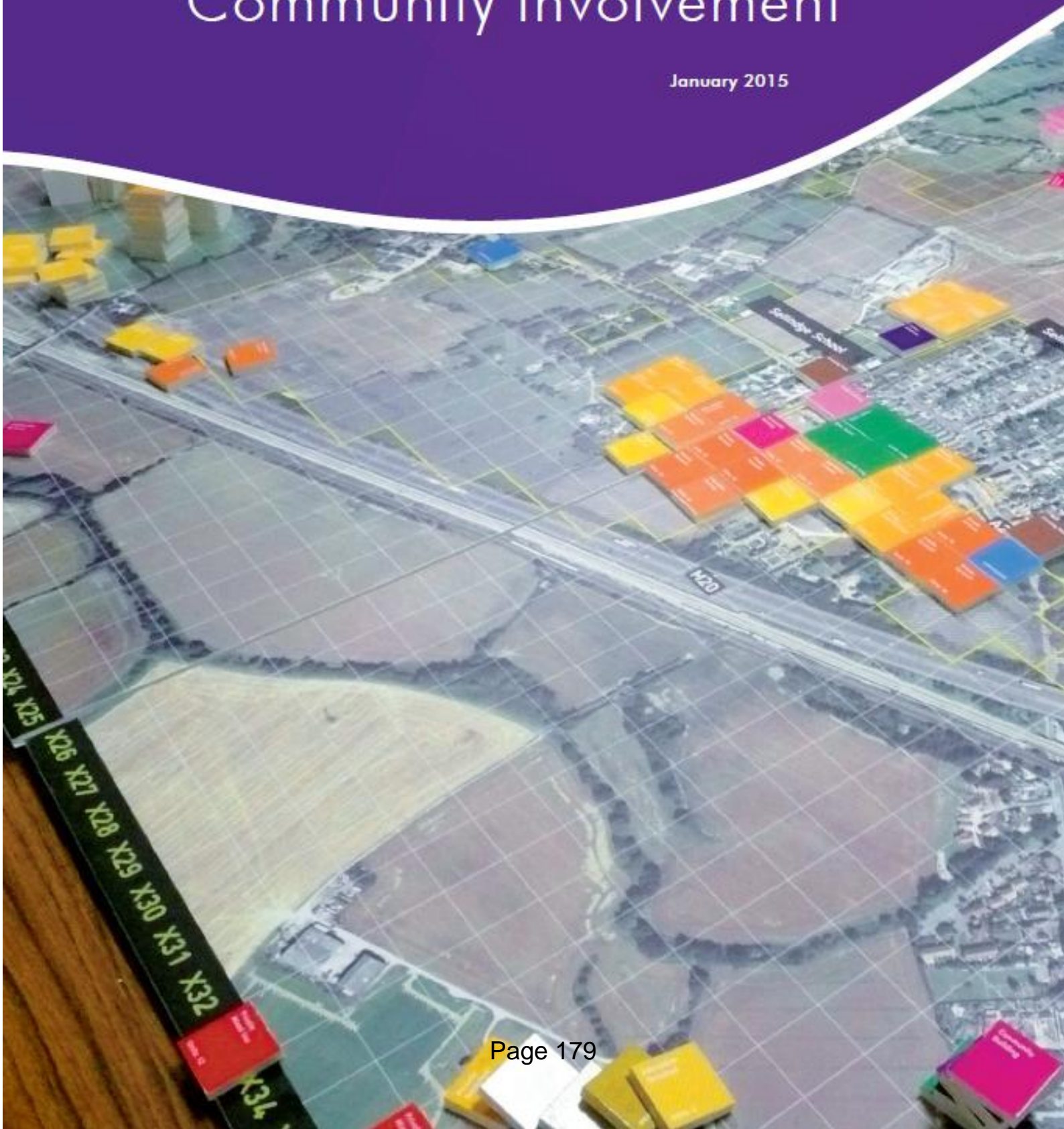
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Draft Statement of Community Involvement

January 2015



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Enquiries about planning

You can contact us:

In person at: Shepway District Council by appointment

By telephone: Planning (Development Management) 01303 853538
Planning Policy 01303 853000

Email: planning@shepway.gov.uk for Development Management enquiries
planning.policy@shepway.gov.uk for Planning Policy enquiries

Website: www.shepway.gov.uk

DRAFT

PART ONE: INTRODUCTION AND OVERVIEW OF CONSULTATION

1. Introduction

This document explains how Shepway District Council involves the local community in developing planning policy and making planning decisions. It is known as a Statement of Community Involvement (SCI) and is a requirement for all local planning authorities under the Town and Country Planning (Local Planning) (England) Regulations 2012 and Neighbourhood Planning Regulations 2012.

Planning affects everyone in some way – the homes we live in, the places we work, the open spaces we enjoy and the roads we travel on. Therefore, it is important that local people understand the planning process and are given the opportunity to get involved to contribute ideas and influence land use decisions.

Shepway District Council is committed to extending and developing links with the local community in all of its services and continuously assesses how to involve local people and businesses in decision making.

The Council's existing SCI was adopted in 2007. This document is the update to that document. It has been prepared to take into account new legislation and Council policy. The SCI includes information on how and when community involvement will take place and what organisations and individuals will be consulted.

2. How you can get involved in planning

There are two main ways to get involved in local planning matters:

- 1) Responding to public consultation on local development documents – these documents set the policy framework against which development proposals will be assessed; and.
- 2) Making comments on planning applications – most types of development require a planning application to be submitted and approved.

This document sets out how you can get involved.

3. Community Involvement in Context

National Context

The system for plan making, procedures for community consultation and examinations in public has changed since the publication of the last SCI in 2007. The National Planning Policy Framework (NPPF) was published in March 2012 and sets out national planning policy which must be taken into account when preparing local planning policy documents and determining planning applications. It replaces most existing Planning Policy Statements and Planning Policy Guidance Notes and favours a single local plan approach.

The Localism Act 2011 has also introduced a number of changes to the planning system, including the removal of regional strategies and the introduction of neighbourhood plans. It

will also involve the production of new documents including the Community Infrastructure Levy (CIL) charging schedule.

Local Context

All new or updated documents will be prepared in line with legislation and relevant national policy as stated above. These include, the Town and Country Planning (Local Planning) (England) Regulations 2012, the Localism Act 2011 and the Community Infrastructure Levy Regulations 2010 (as amended).

The Shepway Core Strategy was formally adopted in September 2013 and sets out the long-term vision for the district, along with the spatial objectives and strategic policies to deliver that vision.

The district council is now working toward its Places and Policies Local Plan, which will provide more detailed policies and proposals for the district, and replace those remaining saved policies in the Shepway District Local Plan Review (2006).

The timescales for this document, as well as other documents, such as the CIL charging Schedule are set out in the Local Development Scheme.

The district council also has a duty under the Localism Act 2011 to give authorised groups the power to prepare a Neighbourhood Plan for their area.

4. Links to Other Council Strategies:

Local Planning Policy documentation should be seen within the context of a host of other policies which guide and promote community engagement. This SCI takes these into account and will work with other Council departments to ensure that a consistent approach is taken to consultation, and where appropriate, joint consultations between departments will be considered to share resources. These include:

Corporate Plan 2013-18:

Shepway District Council's Corporate Plan 2013-18 sets out our long-term vision for improving the lives for all those who live and work in the district:

"Prosperous and ambitious – working for more jobs and homes in an attractive district"

To achieve this vision, the plan includes involving local people and businesses in shaping council services.

Shepway Economic Development Strategy 2014-2019:

This strategy sets out an ambitious plan of action for building upon the existing economic strengths of the district, such as the excellent communications network, as well as aiming to address areas of underperformance, such as the high levels of worklessness and low skills attainment.

Shepway Community Compact 2013:

This document aims to set out in one place the 'community rights' of Town and Parish Councils, local voluntary and community groups and the general public. It also sets out how people can exercise these rights. In addition, it states a Code of Practice on Consultation and Engagement which aims to provide "meaningful opportunities for local communities to express their views on issues which affect their area".

Development Control Service Standards:

The purpose of these standards is to:

- Give you an understanding of what you can expect to receive from the service.
- Provide an overview of what we try to achieve.
- Let you know how we operate.
- Tell you what our service standard targets are.
- Explain how to complain about unsatisfactory service

These service standards are set out under the following areas – submitting a planning application; notifying the public; making the decision; monitoring development; enforcing planning law and regulations; and complaints.

Equality and Diversity Policy 2012-2016:

The Equality and Diversity Policy confirms the Council's commitment to:

- Remove or minimise disadvantages suffered by people because of their protected characteristics (including age, disability, gender identity, pregnancy and maternity, race, relationship status, religion or belief, sex, sexual orientation, and social and economic status)
- Take steps to meet the needs of people from protected groups where these are different from the needs of others;-
- Encourage people from protected groups to participate in public life or in other activities where they are under-represented

5. Our community involvement principles

In making planning decisions, the Council will often need to balance differing views and make judgements in the best interests of all our communities. Getting local opinions will help us make decisions in the most informed way possible. To achieve this, we will apply some general principles to our planning consultations:

Involving the public as early as possible
For example: <ul style="list-style-type: none">• Involve individuals, organisations and groups as early as possible in developing planning policy.• Pre-application involvement in planning applications, so that the applicants for certain types of development are encouraged to consult the public before submitting an application.
Transparent planning processes
<ul style="list-style-type: none">• Make the purpose of planning consultations clear• Take account of views received and be honest about the scope of consultations from the start.• Publish consultation material that is clear, concise and avoids unnecessary jargon

Choosing appropriate ways to involve as many people as possible

- Ensure consultations include all parts of the community affected;
- Ensure that consultations use professionally accepted methods and are well managed; these may include active planning exercises, focus groups and “piggy backing” on existing meetings.
- Ensure that the views sought in any consultation are informed;
- Make best endeavours to use all available communications.
- Ensure communications are accessible.

Listen and feedback

- Adopt clear processes of consultation that, where possible, produce results that are measurable and can be evaluated objectively;
- Fully acknowledge and consider the results of consultations; and
- Provide accessible feedback on the results of consultations and how they have been used.

6. Whom we will consult

The Council is required by legislation to consult certain bodies which it considers may have an interest in or be affected by a document. These bodies include:

- Kent County Council
- Neighbouring councils
- Local Parish and Town Councils
- Utility companies
- Network Rail Infrastructure Ltd
- Local policing body
- Government bodies like the Highways Agency and Natural England.

The Council must also seek to ensure a wide range of other stakeholders and individuals have opportunities to become involved at any stage if they wish or where their input will be useful. These include:

- Organisations that represent specific communities or interests such as the Federation of Small Businesses, Chambers of Commerce, Equality and Human Rights Commission, Sport England and the Police
- Developers, landowners and planning professionals
- Local businesses and the voluntary and community sector
- Others who have expressed an interest in the plan or subject matter
- The general public including members of the Kent Youth Parliament
- Council Elected Members who provide important channels of communication to and act as advocates for their local communities.

The Council maintains a database of people and organisations who want to be kept informed and have responded to consultation documents. This database is used to keep registered individuals, organisations and groups informed on the production of any development plan documents. New consultees can be added to the consultation database at any time, and the Local Planning Authority will work with other departments to ensure that the database is as comprehensive as possible. Anyone who wishes to be added can do so by contacting the planning policy team (planning.policy@shepway.gov.uk).

7. How we will consult

Legislation sets out the minimum requirements for public participation when preparing Local Plans and Supplementary Planning Documents. This includes making information available on our website. Where possible and appropriate, the Council will go beyond these requirements to promote greater community participation and to meet the needs of our different communities. Therefore, a variety of methods are likely to be used at various stages of the plan making process. These include, but are not limited to:

- **Direct notifications to appropriate organisations and individuals** – emails or letters (where no email) will be sent to statutory bodies, relevant groups and to those who have requested to be contacted on our consultation database.
- **Website** – progress on our planning documents will be publicised on the Council's website. This will also be the place to download evidence base documents and feedback reports. People will be able to view consultation documents and access response/comment forms.
- **Deposit venues** – during consultation periods, documents will be made available for inspection at Shepway District Council offices, and local libraries (at the discretion of Kent County Council).
- **Social networking sites** – information and consultation events will be advertised via the District Council's Twitter feed.
- **Local Plan News** – short e-newsletters that provide information on the progress of the Local Plan.
- **Local media** – media releases to local newspapers, radio stations and online media may be issued via the Communications Department to promote consultations and latest news.
- **Shepway Today** – where possible, updates will appear in our district newsletter which is distributed to homes across the district.
- **Presentations and forums** – presentations to appropriate groups, organisations and stakeholders will be delivered to target particular people in the community who may be interested in specific issues. For example, when considering issues relevant to children and young people, we will try to involve local schools and colleges as well as work with bodies such as the YMCA.
- **Leaflets and Posters**- these may be distributed to promote consultations and summarise information on consultations. Information may also be circulated to Town & Parish Councils and Residents' Associations for display on community notice boards or in community newsletters.
- **Interactive workshops** – discussions of topics and documents in groups using plans, models and other visual materials. This format may be more appealing to some people than traditional methods of consultation. These may take the form of 'Planning for Real' exercises. Workshops are particularly useful at issues and options stages of consultation and topic-based plans. The Council may use consultants to support this engagement.
- **Exhibitions and road shows** – public displays for local residents to follow progress of LDDs and to give publicity to large scale development proposals and applications. Timing and location of exhibitions must be relevant to the community.
- **Member Workshops** – to keep Members informed and help them disseminate information about the LDD processes to local residents.
- **Council meetings** - where appropriate, we will take our plans to relevant Council meetings for feedback and approval from elected local Members.
- **Surveys and questionnaires** – surveys and questionnaires may be used to canvass views on key issues, options, proposals and documents. Responses can

help identify key interests and groups. There is benefit in focusing questions around a number of key topics.

The details behind each consultation initiative will be formulated in partnership with the communications and community engagement departments.

In line with the principles of community involvement, the Council will do its best to ensure that documents are written clearly and concisely and avoid technical language whilst remaining fit for their purpose. Documents can also be made available in different languages and formats (e.g. Braille) on request.

We will choose accessible consultation venues and hold events at convenient times of the day and week. We will also be clear about the aims and scope of engagement so that people understand when they can participate and the rules for doing so. This will help to manage expectations.

8. Reaching the 'seldom heard'

The 'seldom heard' are those people least likely to make their views known through public consultation and who often miss out on information because they do not belong to a recognised organisation or group.

Those who fall into the 'seldom heard' category could be:

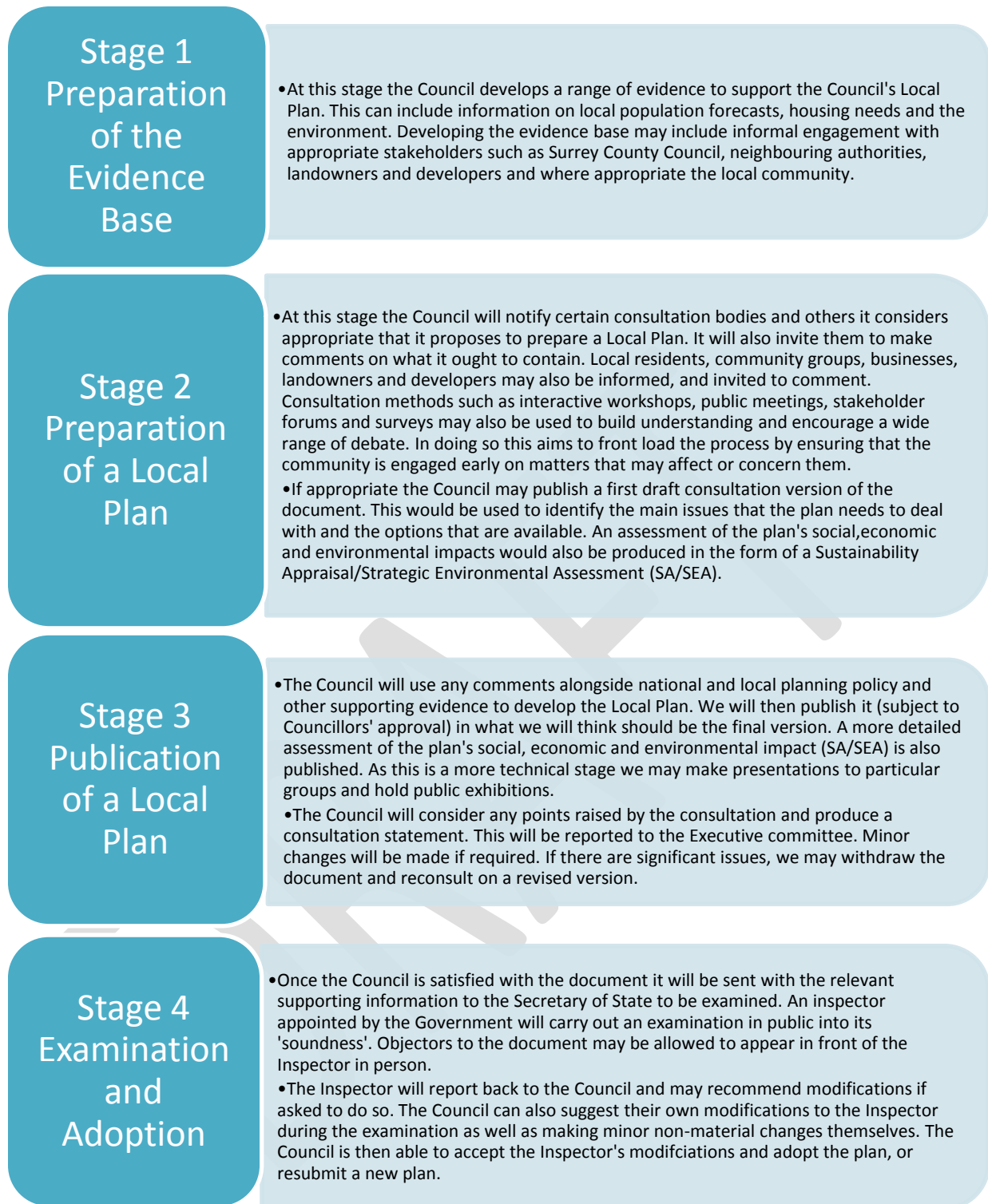
- People of working age who, due to work and family commitments, have very limited periods of free time in which to involve themselves in wider issues (the time-limited)
- People of school age who are too young to belong to recognised consultation organisations
- People of limited mobility, through either age or disability
- People whose first language is not English
- People with sight or hearing impairment
- People without a permanent address including Gypsies and Travellers, and those who through circumstance or life-style choice have no fixed contact address.

Neighbour notification and drop-in sessions are often successful in reaching the seldom heard. We also recognise that Town and Parish Councils are key contributors in increasing awareness at a local level, particularly as they have existing communication networks within their areas. In order to assist residents unable to access some services during normal working hours the Council continues to increase the amount of online self service functions (www.shepway.gov.uk).

PART TWO: PLANNING POLICY

9. Consultation on a Local Plan

The process for preparing a Local Plan, or its full or partial review, will include at least one formal consultation stage before submission to the Secretary of State for independent examination. This is explained further in the diagram below.



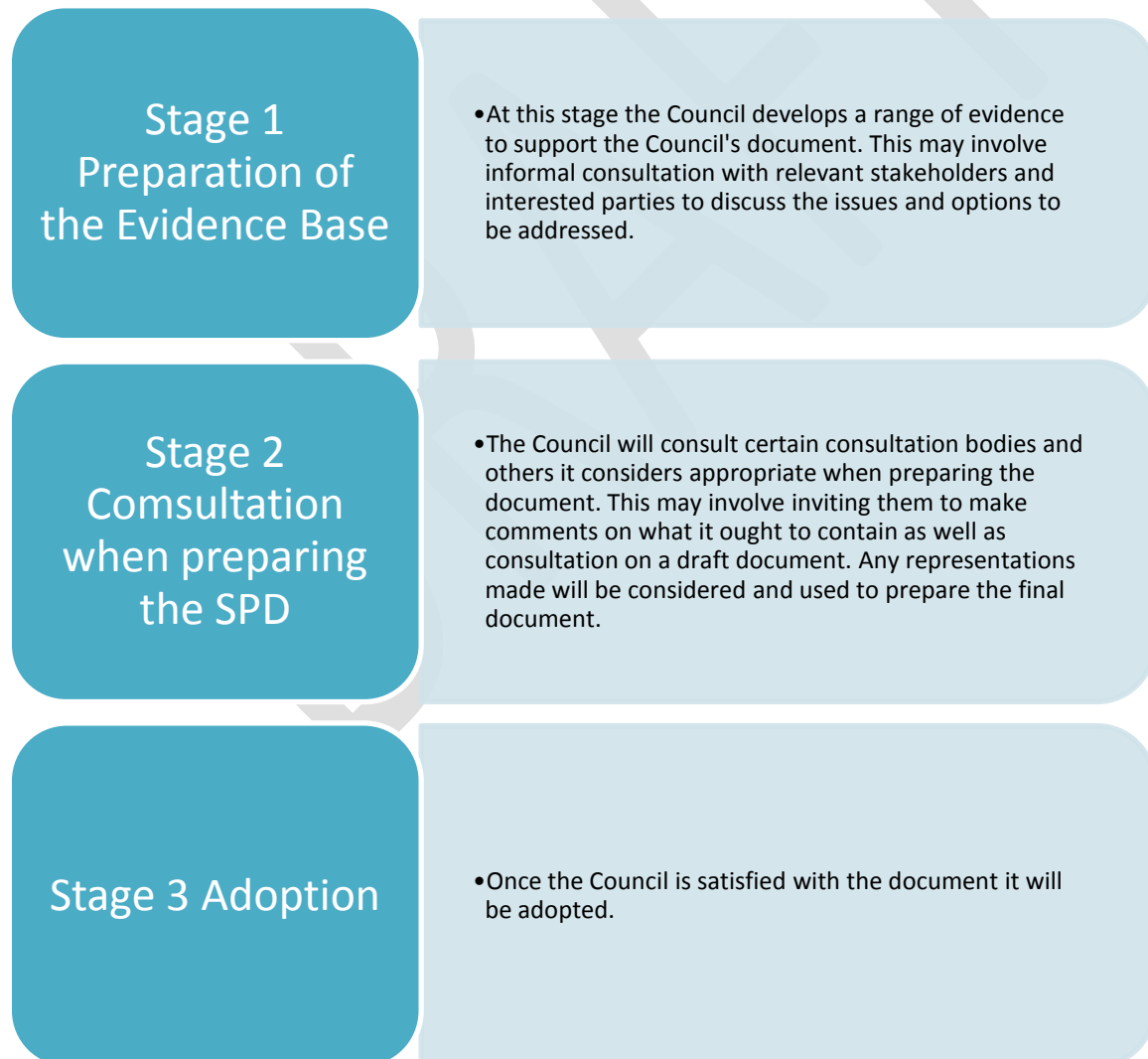
The engagement methods for each stage in the preparation of a Local Plan are set out in Appendix 1.

10. Sustainability Appraisal/Strategic Environmental Assessment

Legislation requires a Local Development Document (or Local Plan) to go through a process of Sustainability Appraisal and Strategic Environmental Assessment (SA/SEA). This assesses a document's impact on the environment, economy and society and is intended to promote more sustainable development. When required, an SA/SEA will be consulted on throughout the plan-making process, at the same time as the document itself. Relevant stakeholders will also be consulted on the 'scope' of the SA/SEA at the start of the document preparation.

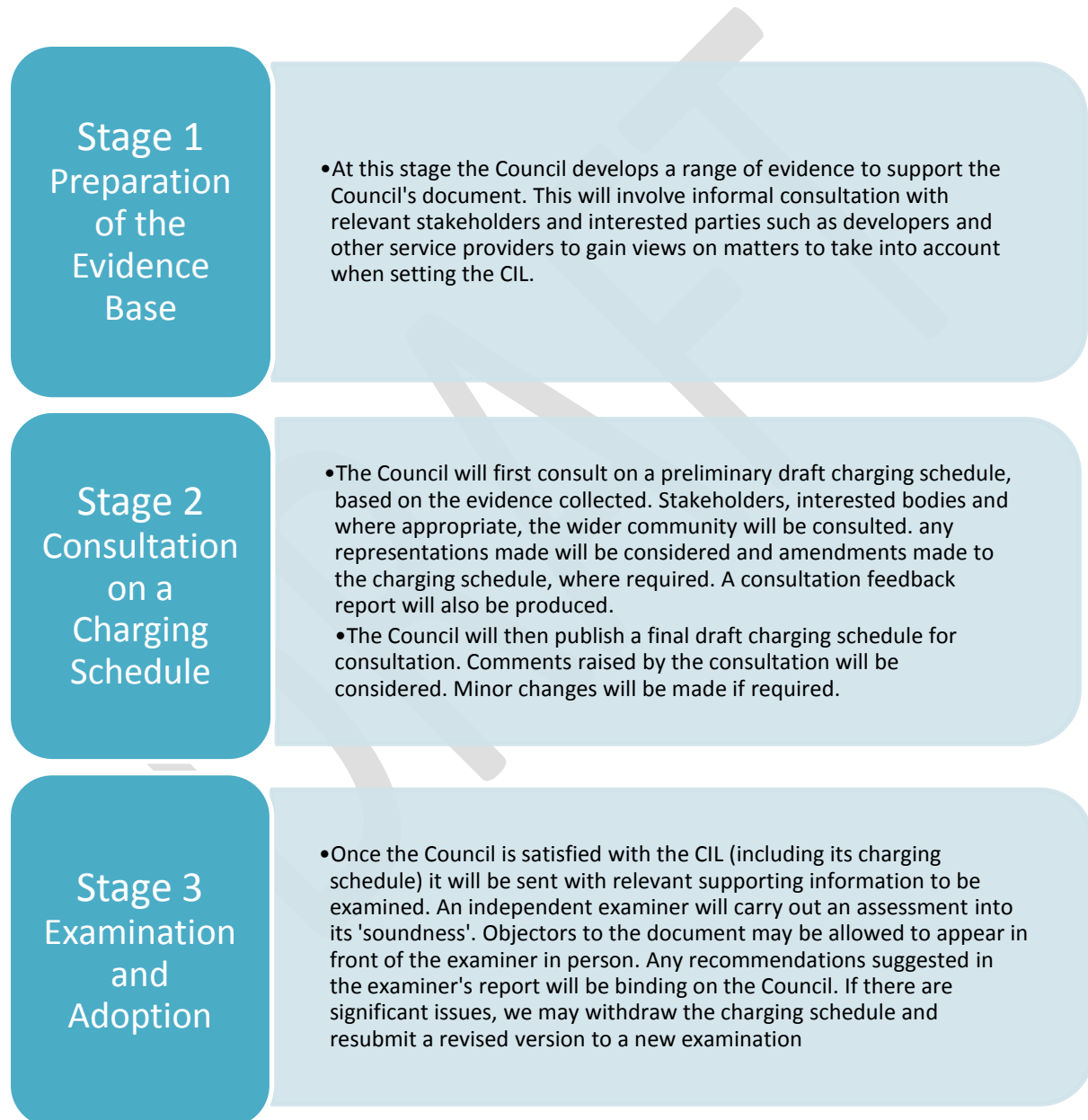
11. Consultation on a Supplementary Planning Document

Supplementary Planning Documents (SPD) adds further detail to the policies in a Local Plan. Currently we do not have the production of any SPDs scheduled in our Local Development Scheme but the Council will prepare or revise SPDs where they will help applicants make successful applications or aid infrastructure delivery, and where they will not add unnecessarily to the financial burdens on development. The preparation of a new or revised Supplementary Planning Document involves the stages set out:



12. Consultation on a Community Infrastructure Levy (CIL) Charging Schedule

The Community Infrastructure Levy (CIL) is a new charge which will allow the Council to raise funds from new developments in the District. The money collected from the levy will be used to support development by funding infrastructure that the Council, local community and local residents want. For example new road or transport schemes, flood defences and schools. The levy will apply to most buildings. Charges will be based on the size, type and location of new development and be set out in a charging schedule. The preparation of a CIL involves the stages shown below:



13. Using the results of consultation and feedback

Representations made during formal consultation periods will be acknowledged, recorded on our consultation database and may be published. We cannot accept confidential, anonymous or late comments. We will also reject any comments that are offensive, obscene, racist or illegal in any other way.

All duly-made responses will be considered and used to inform decisions and/or shape the documents, alongside Government legislation, planning policy and other evidence. Sometimes plans may attract a large number of objections or petitions. These will be taken into account in the same way as other representations.

Comments made at earlier rounds of consultation on a document will not be carried forward. Any outstanding issues must be resubmitted in order to be considered.

When submitting a document for independent examination, the Council is required to submit a statement setting out which bodies and other persons have been consulted, how they have been consulted, the main issues that were raised and how these issues have been addressed.

14. Council committees

Council decisions and recommendations on planning policy documents, including consultation documents, the results of formal consultations and documents for adoption are considered by one or more of the following Council meetings:

- Full Council
- Cabinet
- Overview and Scrutiny Committee

The decision to adopt a document is taken by Full Council. All Council committee meetings are open to the public and the agendas and minutes for each are published on our website. In addition, the Council's Overview and Scrutiny Committee, provides for review and challenge of planning policy documents.

15. Neighbourhood Plans

Neighbourhood Plans have been introduced by the Localism Act 2011. They allow Town and Parish Councils or Neighbourhood Forums (authorised groups of local individuals in unparished areas) to prepare statutory Neighbourhood Development Plans against which planning applications will be assessed. They cannot promote less development than is set out in the Council's Local Plan, but they can promote more.

In addition, and unlike Council prepared plans, a Neighbourhood Plan must undergo a local referendum prior to being adopted. Once adopted it would form part of the Local Plan. If a community wishes to simplify the process for allowing development, it can also produce a Neighbourhood Development Order or a Community Right to Build Order. These can be instead of, or in conjunction with, a Neighbourhood Plan and can be used to grant planning permission for certain types of development in specified areas. Such orders, however, cannot remove the need for other permissions such as Listed Building or Conservation Area consent. As Neighbourhood Plans and Orders are not prepared by the Council, this SCI cannot prescribe what methods of community engagement they must follow. However, the Council will expect groups preparing Neighbourhood Plans to meet the requirements set out in legislation and to follow wherever possible the general

principles and techniques set out in this SCI. The Council will also provide technical guidance and support as required by legislation and will offer additional advice where feasible.

16. Other planning documents

The Council may also approve other planning guidance and development briefs for specific sites. These are not statutory but are intended to help people apply adopted policies. These often involve dialogue from relevant stakeholders such as service providers during their preparation. They may be published for public consultation before approval.

17. Duty to co-operate

Changes to the planning system require councils and other public bodies to work together on strategic and cross-boundary planning issues. These may include public transport networks or major business, housing or retail developments. This could lead to a development plan document being prepared jointly with other local planning authorities. Subsequent consultation on these would follow the processes described above to ensure all communities are appropriately engaged.

18. Availability of adopted documents

Adopted Local Plans, Supplementary Planning Documents and other documents such as the Local Development Scheme and SCI, will be published on the Council's website. Copies will also be made available for inspection at the Council's Reception Desk. Paper copies will also be available to purchase (in order to recover costs). All consultation documents and supporting materials such as copies of representations, statements and notices will be removed after a document has been adopted (in line with planning regulations).

PART THREE: DEVELOPMENT MANAGEMENT

19. Community involvement on planning applications

In 2013, the Council determined about 1300 planning applications ranging from household extensions and fences to major new housing estates and business premises. These decisions shape the nature of the areas where people live, work and spend their leisure time. Opportunities exist for the community and stakeholders to be informed and consulted on development proposals at each of the following stages:

- Pre-application consultation
- Planning application
- Planning appeals.

Planning legislation sets out the minimum requirements for publicising and consulting the community and stakeholders on planning applications. Further details are set out on our website under 'Neighbour Notifications'.

20. Pre-application stage

The Council encourages developers to consult the community prior to submitting planning applications for larger-scale or potentially contentious development proposals.

Pre-application consultation provides an opportunity for applicants and developers to find out the views of local residents about their development proposals, and allows the local community to make suggestions which can then be taken into account by the developer in finalising their planning application. This process can help to reduce local opposition, help resolve early design and development problems and ensure that high quality planning applications are received.

The Council expects applicants in most cases to carry out their own pre-application consultation. This should be effective in bringing draft proposals to the attention of the public, the local Town or Parish Council and other affected parties and provide opportunities to make comments. Effective ways of doing this include public exhibitions, workshops and other forums providing specific opportunities for comments to be made.

Planning Officers are available to provide advice on appropriate engagement methods, target audience and venues. The Council will expect the applicant to submit details of pre-application consultation as well as an explanation on how the responses have been taken into account, alongside their planning application. The Council will consider this information prior to making a decision.

The Council offers pre-application advice to potential applicants. General planning advice is offered over the telephone during normal office hours and a duty planner is available by telephone, between 09.00 – 16.00 Monday, Tuesday, Thursday and Friday and 09.30 - 16.00 Wednesdays by telephoning 01303 853538 or by emailing planning@shepway.gov.uk. For more detailed advice potential applicants are requested to send drawings and details of the proposed scheme by email or post. There is no charge for this service. Further information on the service offered can be found in the 'Pre application planning advice protocol' on the Council's website.

21. Planning application stage

Details of all planning applications are available to view on the Council's website.

You can use the site to:

- Follow the progress of an application,
- View associated plans and documents,
- Make comments on an application,
- Search a weekly list of applications and decisions,
- View the application report and decision notice,
- See if appeals have been lodged and any decisions made,
- See recent planning history and property details, including maps and constraints, and search enforcement cases.

In line with national requirements, the Council will usually notify neighbours affected by a development proposal by letter or email. Statutory bodies (for example, the Highways Agency and the Environment Agency) are also notified as well as other organisations that may want to comment on the application.

In some cases, and in line with national requirements, site notices are also displayed close to the application site. Notification letters and site notices include details of the planning application, where to view plans, how to make comments and by what date. In most instances residents have 21 days to make written comments. If amended plans are

received a further period may be given for additional comments, depending on the nature and extent of the amendments. If a new planning application is required, this will be subject to new public consultation.

A public notice is placed in a local newspaper for major applications, applications which are a departure from the development plan, applications for Listed Building Consent and applications in Conservation Areas, in line with national requirements.

A public meeting may sometimes be held for major applications of significant local interest. These usually involve a presentation of the development proposal by the applicant followed by an opportunity for the public to ask questions and make comments. They are arranged by the Council or applicant once a planning application has been received.

Representations on a planning application will be acknowledged and all responses will be fully considered in the assessment and determination of the application. Anonymous or confidential comments cannot be taken into account. Comments received from local residents and consultees are available to view on the Council's website.

The Council has targets for the time taken to determine planning applications. These are currently 13 weeks for major applications and 8 weeks for all others. Before a decision is made, the case officer will prepare a report with a recommendation.

The recommendation will take into account the Council's adopted planning policy documents, central Government planning advice as well as any comments made.

However, the Council can only take into account comments relating to material planning considerations. These include such matters as:

- Overshadowing or loss of light
- Vehicle access and highway safety
- Design and impact within the streetscene
- Impact on residential amenity

The following issues cannot normally be considered in making planning decisions:

- Reduction in property values
- Loss of a private view over land
- Moral objections to a development
- Commercial competition.

The majority of planning applications are determined by officers under delegated powers. A small number of applications are decided by the Council's Development Control Committee (for example, significant or controversial applications). Applications presented to the Committee will be accompanied by a written report and officer recommendation, which will be available to view before the meeting. The Council operates a system of public speaking at these meetings. Please see our website for further information.

Once a planning application has been decided, the full text of the officer report and the decision notice, including conditions where appropriate, are published on the Council's website. The report will always summarise any comments received. Respondents are able to track the progress of an application using the website.

The table below shows how people can be involved in the various stages of the planning application process:

Involvement action	Stage of development
Keeping informed	
Monitor information sources about planning applications such as site notices, press advertisements, search on our website and parish notice boards and newsletters	Pre-application and application
Take opportunities to find out more – attend any exhibitions or meetings offered as part of the applicant’s public involvement programme, or any other local meetings, read summaries of applications (and shortly full applications) and officers’ reports on the Council’s website and at the Town Hall and local libraries	Pre-application and application
Track the application’s progress using the Planning Search on the Council’s website to find out when the consultation closes and when the application is due to be determined.	Application
Check the decision notice issued after the Council has made a decision to know what the outcome is, and what conditions may have been applied	Determination and post-decision
If you live near a site, be aware whether any conditions imposed are being complied with	Determination and post-decision
Making your views known	
Respond directly to consultations such as questionnaires, consultation letters to parishes/ other organisations, direct neighbour notification letters	Pre-application and application
Respond to publicity (site and press notices, the website, parish notice boards and newsletters etc) by giving your views in writing (letter, email or on line) to the contact address provided	Pre-application and application
Feed your views in to Town / Parish Council to help them formulate their responses, or to your local Councillor	Application
Make sure that if you raise objections, these are for valid planning reasons	Application
If you think that conditions imposed with a decision are being ignored, let the planning authority know, so that we can check this.	Post-decision
Attending Development Control Committee	
As an Observer or as a Speaker.	Determination

22. Appeals

An appeal may be submitted by the applicant where permission has been refused, or permitted with conditions which the applicant considers to be unacceptable. There is also a right of appeal if the application has not been determined within the appropriate time limit. Third parties do not have the right to appeal decisions. All those who were notified of the original application or submitted comments will be informed if an appeal is made. They also have the opportunity to make further written comments, except in the case of Householder Appeals where the Inspector makes the decision based solely on all the information on the original application file.

For appeals decided by informal hearing or public inquiry, interested parties are also given the opportunity to appear before the Inspector at the hearing or inquiry. The Inspectorate will consider the evidence and make a decision on the proposal. . The Inspector's decision is binding on the Council, although it can be challenged on a point of law in the High Court.

23. Enforcement

The Council's role in enforcing planning regulations is set out on the Council's website in the adopted Planning Enforcement Protocol. People with concerns regarding breaches of Planning Control should complete the online Planning Enforcement Complaint Form, email planning@shepway.gov.uk or telephone 01303 853538.

24. Stakeholder forums

The Council holds regular forums with agents and town and parish councils to help inform and improve the consultation and engagement process on planning applications, appeals and enforcement.

25. Notification/publicity on receipt of valid planning applications

The table below provides information on how the district council notifies and publicises on receipt of valid planning applications:

Type of planning application	Statutory requirements	What Shepway will do
General planning applications	<ul style="list-style-type: none">• By serving notice on any adjoining owner or occupier, or• By site notice displayed in at least one place on or near the land to which the application relates Site notices/newspaper publicity where required• Consult with Statutory Consultees	<ul style="list-style-type: none">• Neighbour notification, and/or a site notice• Weekly list• Newspaper advert where required• Pre-application discussions – Applicants are encouraged to approach neighbouring residents to discuss their proposals.• Applications encouraged to achieve 'good design' as promoted by Kent Design

<p>Major applications (for residential development 10 or more dwellings or 0.5 hectares or more; for all other development where creating 1000 m2 or more floorspace or 1.0 hectares or more)</p>	<ul style="list-style-type: none"> • By serving notice on any adjoining owner or occupier, or • By site notice displayed in at least one place on or near the land to which the application relates By newspaper advertisement • Consult with Statutory Consultees 	<ul style="list-style-type: none"> • Site notice • Neighbour notification • Newspaper advert • Weekly list • Bespoke arrangements for larger or particularly sensitive proposals • Pre- application discussions – applicants encouraged to approach Local Parish Councils and local community to publicise proposals and invite their comments. • Encourage applicants to submit statement of consultation. • Applications are encouraged to achieve 'good design' as promoted by Kent Design.
<p>Listed Building Applications / Conservation Area Consent</p>	<ul style="list-style-type: none"> • By site notice displayed in at least one place on or near the land to which the application relates Newspaper advertisement • Consult with Statutory Consultees 	<ul style="list-style-type: none"> • Neighbour notification • Site notice • Newspaper advert • Weekly list

26. Monitoring and review

This SCI is flexible to allow for appropriate changes in our approach to community involvement in order to reflect changes in policy, to make improvements and the use of additional, new or different approaches to consultation.

The SCI will be monitored regularly. If it becomes out of date it will be reviewed.

27. Further information and advice on planning

The Planning Portal

The Planning Portal is the Government's online 'one-stop-shop' for planning and building services. It provides information on the planning system, allows you to submit a planning application, find out about development in your area, appeal against a decision and research government policy.

Website: www.planningportal.gov.uk

Email: support@planningportal.gsi.gov.uk

Department for Communities and Local Government (DCLG)

The DCLG provides general information on the planning system including the latest national planning policy, decisions on planning appeals, research and statistics and reform of the planning systems.

Website: www.gov.uk/dclg

Email: contactus@communities.gsi.gov.uk

Postal Address: Eland House, Bressenden Place, London SW1E 5DU

Telephone Number: 030 3444 0000

Planning Aid England (PAE)

Planning Aid England provides free, independent and professional planning advice to communities and individuals who cannot afford to pay professional fees. It is provided by the Royal Town Planning Institute.

Website: www.rtpi.org.uk/planning-aid

Email: advice@planningaid.rtpi.org.uk

Postal Address: The Royal Town Planning Institute, 41 Botolph Lane, London EC3R 8DL

Telephone: 0330 123 9244

The Planning Inspectorate

The Planning Inspectorate processes planning appeals and holds examinations into planning policy documents and the Community Infrastructure Levy (CIL).

Website: www.planningportal.gov.uk/planning/planninginspectorate

Email: enquiries@pins.gsi.gov.uk

Postal Address: The Planning Inspectorate, Room 3/13, Temple Quay House, 2 The Square, Temple Quay, Bristol BS1 6PN

Telephone: 0303 444 5000

28. Glossary

Community Infrastructure Levy (CIL) – A payment that is made to the Council by developers when development commences. The payment is used to fund infrastructure that is needed to serve development in the area. This can include new transport schemes, community facilities, schools and green spaces.

Core Strategy – This is a plan which sets out the long-term spatial vision for the district, along with the spatial objectives and strategic policies to deliver that vision.

Development Plan Document (DPD) - Spatial planning documents that together with the Minerals and Waste Plans will form the development plan for Shepway District. They are subject to Independent Examination before adoption.

Local Development Document (LDD) - The collective term for Development Plan Documents (DPDs), Supplementary Planning Documents (SPDs) and the Statement of Community Involvement (SCI).

Local Development Framework (LDF) – The collection of Development Plan Documents (DPDs) and Supplementary Planning Documents (SPDs) setting out the overall planning strategy, policies and proposals for the district. New planning legislation in 2012 requires authorities to prepare a single ‘Local Plan’ to replace Development Plan Documents. However, until adopted documents are reviewed, the Council shall continue to refer to them as DPDs and SPDs.

Local Development Scheme (LDS) - A project plan and timetable for the preparation of the Local Development Framework or Local Plan. It can be updated and amended as necessary by the Council.

Localism Act – The Localism Act has devolved greater powers to local government and neighbourhoods and given local communities more rights and powers over decisions about housing. It also includes reforms to make the planning system more democratic and more effective.

Local Plan – The collection of development plan documents setting out the overall planning strategy, policies and proposals for SDG.

National Planning Policy Framework (NPPF) – A document setting out the Government’s national planning requirements, policies and objectives. It replaces much of the national advice previously contained within Planning Policy Statements, Planning

Policy Guidance and Circulars. The NPPF is a material consideration in the preparation of LDDs and when considering planning applications.

Neighbourhood Plan – There is a duty under the Localism Act 2011 which gives authorised groups the power to prepare a development plan for their area. This plan could include general planning policies and allocations of land for new development.

Planning Inspectorate – Is an organisation which processes planning appeals and holds examinations into DPDs or Local Plans and the Community Infrastructure Levy (CIL).

Stakeholder- Is a person, group, company, association, etc. with an interest in, or potentially affected by, planning decisions in the District.

Statement of Community Involvement (SCI) – Is the Council's policy for involving the community in the development of the LDF or Local Plan, and when considering planning applications. It includes who should be involved and the methods to be used.

Supplementary Planning Document (SPD) – A LDD which expands policies set out in a DPD or provides additional detail. They are not subject to independent examination.

Sustainability Appraisal and Strategic Environmental Assessment (SA/SEA) – Is a systematic and iterative appraisal process incorporating the requirements of the European Directive on Strategic Environmental Assessment. The purpose of the Sustainability Appraisal is to appraise the economic, environmental and social effects of the strategies in a LDD from the outset of the preparation process.

A fuller glossary of common planning terms and phases can be found on the National Planning Portal at <http://www.planningportal.gov.uk/general/glossaryandlinks/glossary>

Appendix 1: Engagement methods for each stage in the preparation of a Local Plan

<p>Pre-Publication stage</p> <p>Inspection copies at specified locations Direct communication with Specific and General Consultees* including appropriate residents/businesses Publish documents/consultation response forms on our website Response forms available in hard copy and electronically Publication of newsletters, leaflets, flyers as appropriate Media release/news item on our website Area Forums/workshops (optional) Parish/ward meetings (optional)</p>
<p>Publication Stage (Regs 19-20 of 2012 Regulations)</p> <p>Inspection copies at specified locations Direct communication with Specific and General Consultees including appropriate residents /businesses and including copies of/links to each of the published proposed submission documents and a statement of the representation procedure on the tests of soundness of the documents Publish on our website Response forms Publication of Newsletters and/or Flyers when required Media Release/news item on our website Area Forums/workshops (where required) Parish/ward meetings (where required)</p>
<p>Formal Submission Stage (Reg 22)</p> <p>Inspection copies of submission documents described in Regulation 22.1 of the 2012 Regulations at specified locations Direct Communication with those Specific and General consultees and appropriate residents /businesses invited to make representations at previous stages, advising where and when the inspection Submission documents might be viewed. Also confirmation that the documents have been submitted to those who have requested notification of submission. Publish on our website</p>
<p>EiP (Hearing) & Post-Submission Stage (Regs 24-26)</p> <p>Examination in Public (EiP) / Hearing: (Reg 24)</p> <p>At least six weeks before the hearing:</p> <p>Copy of the public notice in compliance with Reg 24 at specified locations Notify any person who has made a representation (Reg 20) and has not withdrawn that representation of the date, time and place of the hearing plus the name of the Planning Inspector appointed Publish the public notice on our website</p> <p>Publication of Inspector's recommendations: (Reg 25)</p> <p>As soon as reasonably practicable after receipt of the Inspector's report:</p> <p>Inspection copy of report and recommendations or a direction from the Secretary of State (Reg 29) available to view at specified locations Give notice to those registered to receive notification Publish recommendations/reasons on our website Media release/news item on our website</p> <p>Adoption of the Local Plan Document: (Reg 26)</p> <p>As soon as reasonably practicable after adoption</p> <p>Inspection copies of Adopted Plan, accompanying documents and adoption statement available to view at County and District offices and in Public Libraries, main document only in hard copy. Send adoption statement to those registered to receive notification Send Local Plan Document + adoption statement to Secretary of State Publish Adopted Plan, accompanying documents and adoption statement on SDC Website Media release and news item on our website</p>

*The 2012 Regulations (Reg 18) require us to consult appropriate specific and general consultation bodies. A list of these is included as Appendix 2.

DRAFT

Appendix 2: Consultees on the Local Development Documents

The 2012 Regulations (Reg 18) require us to consult:

1. Such of the specific bodies as we consider may have an interest in the subject of the proposed document;
2. Such of the general consultation bodies as we consider appropriate and
3. Such residents or other persons carrying on business in the area from which we consider it appropriate to invite representations.

Specific Consultation Bodies

A relevant authority any part of whose area is in or adjoins Shepway, namely:

Kent County Council

Kent District or Borough Councils

Parish and Town Councils

Neighbouring County Councils

Neighbouring Unitary Authorities

Neighbouring London Boroughs

Neighbouring Districts or Boroughs

Neighbouring Parish/Town Councils

Police Authorities

The Coal Authority

The Environment Agency

English Heritage

Natural England

Network Rail Infrastructure Limited (company number 2904587)

The Highways Agency

Any person to whom the electronic communication code applies (under section 106(3)(a) of the Communications Act 2003)

Any person who owns or controls electronic communications apparatus in Shepway

Any of the following exercising functions in Shepway:

A Primary Care Trust established under section 18 of the NHS Act 2006 or continued in existence by virtue of that section;

A person to whom a licence has been granted under section 6(1)(b) or (c) of the Electricity Act 1989;

A person to whom a licence has been granted under section 7(2) of the Gas Act 1986;

Sewerage undertakers and

Water undertakers

The Homes and Communities agency

General Consultees

Voluntary bodies some or all of whose activities benefit any part of Shepway

Bodies which represent the interests of different racial, ethnic or national groups in Shepway

Bodies which represent the interests of different religious groups in Shepway

Bodies which represent the interests of disabled persons in Shepway

Bodies which represent the interests of persons carrying on business in Shepway

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This Report will be made public on 13 January 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/14/75**

To: Cabinet
Date: 21 January 2015
Status: Key Decision
Head of service: Chris Lewis, Head of Planning
Cabinet Member: Cllr. John Collier

SUBJECT: Community Infrastructure Levy (CIL): Draft CIL Charging Schedule and Draft Regulation 123 List, for Consultation

SUMMARY:

The Community Infrastructure Levy (CIL) Regulation (2010) as amended, outline the process for establishing a CIL scheme in an area. The core component is the adoption of a charging schedule, which sets out levy rates per sq. m of net new floor space, payable on different types of development and locations.

At its meeting of 30th July 2014, the Cabinet approved a CIL Preliminary Draft Charging Schedule (PDCS), to be issued for public consultation. The consultation also invited views on supporting evidence and analysis, including a CIL and Whole Plan Economic Viability Assessment, and a draft infrastructure assessment and delivery plan. The purpose of this report is therefore to:

- Provide feedback on the outcome of the consultation on the CIL PDCS, which ran from 18th August to 13th October 2014.
- Present for consideration and approval by Cabinet, a Draft CIL Charging Schedule, to be issued for a minimum 6 week consultation period during February / March 2015.
- Present for consideration and approval by Cabinet, a draft Regulation 123 List, to be issued alongside the draft CIL Charging Schedule consultation.

REASONS FOR RECOMMENDATIONS:

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

- a) The need to develop a CIL Charging Schedule in response to CIL Regulations and changes to the planning obligations regime.
- b) To support delivery of the Core Strategy Local Plan.

RECOMMENDATIONS:

- a. Note the outcome of the consultation on the CIL Preliminary Draft Charging Schedule**
- b. Approve the draft CIL Charging Schedule for consultation**
- c. Approve the draft Regulation 123 List for consultation**
- d. Receive a further report on consultation responses and next stages of the CIL development process in due course.**

1. CIL REGULATIONS

- 1.1 The Planning Act 2008 and CIL Regulations, provide for the introduction of CIL. The Regulations set out how CIL can be used to raise infrastructure funds in support of the growth set out by an area's Local Plan.
- 1.2 The process of developing a charging schedule includes consultation on a CIL PDCS, followed by consultation on a draft CIL Charging Schedule and draft Regulation 123 (R123) list (indicates proposed use of CIL income). The final stage is examination in public of the draft CIL Charging Schedule.
- 1.3 The Government intends CIL to become the primary means of collecting general infrastructure contributions, with s106 agreements to be scaled back to addressing site specific mitigation measures, from April 2015. Individual infrastructure projects will also be limited to 5 pooled s106 agreements from this date. Affordable housing remains subject to s106 agreements.
- 1.4 The rationale for CIL includes a more transparent charge to secure infrastructure funding. The system also offers scope to capture funding contributions from smaller developments.
- 1.5 CIL Regulations direct a proportion of CIL income is to be passed on to parish and town councils, resulting from developments in their areas. This amounts to 25% of CIL income for areas with a neighbourhood plan, and 15% for other localities.

2. CIL PDCS CONSULTATION RESPONSES

- 2.1 The Consultation Statement attached at appendix 1, provides a summary of the comments received on the CIL PDCS, and a note of how comments have been taken into consideration in preparing the draft CIL Charging Schedule.
- 2.2 Twenty submissions were received in response to the consultation, from developers' agents, public bodies, individuals, other local authorities, parish and town councils, business organisations, utilities, and charitable bodies.
- 2.3 Key developers, landowners and agents were contacted directly on the CIL PDCS's proposed residential rates and zones, but no comments and representations were submitted opposing the proposals. Other respondents suggested however, a charge be levied on the proposed zero rated areas, but provided no supporting analysis and evidence in support of submitted comments.
- 2.4 The consultation did however, highlight that the following issues required a more substantive review:

- The benefits of introducing discretionary policies as allowed by the CIL Regulations, on payments by instalment, payments in kind, and waiving CIL charges in exceptional circumstances.
- Clarification on the assumptions used by the CIL and Whole Plan Economic Viability Study's modelling of CIL impact on retail developments.
- Clarification on how the Council intends to define what's meant by large scale retail developments, town centre and non-town centre locations.
- Clarification on the assumptions used by the CIL and Whole Plan Economic Viability Study's modelling of CIL impact on retirement housing.

2.5A number of respondents also asked for further information on the Council's intended use of CIL receipts. The CIL regulations require that the Council publish this information in the form of a draft R123 list at the same time as the consultation on a draft CIL charging schedule.

3. DRAFT CIL CHARGING SCHEDULE

3.1 The Council has retained Dixon Searle Partnership (DSP), who produced the CIL and Whole Plan Economic Viability Study, to provide continuing services. DSP have reviewed the above issues, and the consultation statement at appendix 1, with their conclusions informing the following proposed responses for inclusion in the draft CIL Charging Schedule attached at appendix 2:

Discretionary Instalments Policy

3.2 The default position on full payment of CIL is 60 days from development commencement, unless an instalments policy is offered. The benefits of offering this policy relate mainly to larger phased developments. Additional time and resources may however be incurred in managing the policy. On balance however, and in tune with the CIL Regulations emphasis on supporting delivery, it is proposed that the draft instalments policy attached at appendix 3 forms part of the draft CIL Charging Schedule. The policy can be amended at the Council's discretion at any time after a CIL Charging Schedule is adopted.

Discretionary Payments in Kind Policy

3.3 CIL Regulations provide a local authority with discretion to accept land, buildings or infrastructure payments, as all or part of a due CIL payment, so long as their value is equal to the due CIL, and due CIL exceeds £50,000; the land owner has CIL liability; and an agreement has been entered into to make payment in kind, before development commences. The infrastructure element must also be in scope with the type of project indicated by a Council's R123 list. Developers proposing payment in kind have to provide all the required supporting information.

3.4 Additional time and resources may however be incurred in managing the policy, but on balance and in tune with the CIL Regulations emphasis on supporting delivery, it is proposed that the draft payments in kind policy attached at appendix 4, forms part of the draft CIL Charging Schedule. Even with a policy in place, the Council is under no obligation to accept an offer of payment in kind.

Discretionary Relief from CIL

3.5 The CIL regulations allow a local authority to permit discretionary exceptional circumstances relief from CIL (e.g. where a reduced or nil payment may be

accepted) on for example, charities' investment activities; and where CIL and planning obligations combine to make development unviable.

3.6 Given the evidence presented by the CIL and Whole Plan Economic Viability study, an exceptional circumstances relief policy is not considered to be required. Inclusion of this policy would also impose an additional layer of complexity in the administration of CIL. The CIL Regulations allow for a discretionary relief policy to be introduced at any stage after the adoption of a CIL Charging Schedule.

Viability Study Assumptions and Retail Developments

3.7 Agents representing large retailers requested further clarification on the assumptions used in setting proposed CIL levels for large scale retail developments. DSP's review of issues raised has concluded that the Viability Study's assumptions are robust enough to support the proposed CIL rates.

Definition of Large Scale Retail Developments

3.8 Kent County Council and large retailers' agents requested further clarification on the definition of large scale retail developments. The issues raised have been discussed with DSP and the findings of the recent Town Centre' Study has also been taken into consideration.

3.9 In response, the draft CIL Charging Schedule includes 2 retail charging zones and a floorspace threshold set at over 280 sq m, before CIL applies. The zones are based on Folkestone Town Centre's retail and commercial area, where a zero CIL rate will apply; and the rest of the district, where a £100 per sq m CIL rate will apply. The following table and map at appendix 5, provides further information:

Retail Developments		
Zone	Development (A1 to A5 uses)	CIL rate /£ per sq m
Folkestone Town Centre	All convenience and comparison retail and other development akin to retail	£0
Rest of district	Supermarkets, superstores, and retail warehousing (net retail selling space <u>of over 280 sq m</u>) (a & b)	£100
Rest of district	Other large scale development akin to retail (net retail selling space <u>of over 280 sq m</u>) (c)	£100
Rest of district	Other retail development and developments akin to retail (net retail selling space <u>up to 280 sq m</u>)	£0
<i>Notes</i>		
<p>a) Superstores/supermarkets are shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit.</p> <p>b) Retail warehouses are large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering for mainly car-borne customers.</p> <p>c) Includes sui generis uses akin to retail including petrol filling stations; selling and/or displaying motor vehicles; and retail warehouse clubs.</p>		

3.10 The floor space threshold of over 280 sq. m has been used because it conforms to the Sunday Trading legislation. This means for example, the Folkestone Tesco Express stores at 94 Foord Road and 209 Dover Road are able to trade for long hours on Sundays, given their approximate 260 sq m of net retail floorspace. Larger stores are however, limited to 6 hours Sunday trading e.g. Lidl in Hawkinge, with approximately 1,200 sq m of net retail floorspace.

Viability Assumptions and Sheltered / Retirement Housing

- 3.11 Agents representing retirement housing developers requested further clarification on the assumptions used to model the impact of proposed residential CIL rates on related developments. DSP have reviewed the issues raised and have concluded that the Viability Study's assumptions are robust enough to support the proposed CIL rates for all residential developments, including retirement housing.

Strategic and Key Development Sites

- 3.12 The CIL PDCS indicated that remaining Hawkinge residential development sites would be considered for inclusion on the list of strategic and key sites rated at £0 per sq. m, subject to further review. This review has now highlighted that all of the currently allocated housing sites in Hawkinge, are in the planning process and not of a comparable scale to the other strategic and key sites, identified as being zero rated for CIL purposes at Folkestone Harbour and Seafront, Shorncliffe Garrison, Sellindge and New Romney. Hawkinge sites have therefore been removed from the list of zero rated CIL sites on the draft CIL Charging Schedule.

4. DRAFT R123 LIST

- 4.1 As part of the consultation on a draft CIL Charging Schedule, the CIL Regulations require a local authority to publish a draft list of infrastructure that it intends to fund wholly or partly via income generated by CIL, known as an R123 list.
- 4.2 The draft Infrastructure assessment and delivery plan considered by Cabinet at its meeting of 30th July 2014 highlighted a significant potential funding gap of up to £69 million, across a broad range of infrastructure categories. The draft R123 list at appendix 6 therefore reflects this broad need, through its proposed reference to the general infrastructure categories listed as follows that could be considered for CIL support:
- Local roads, public transport, walking & cycling infrastructure
 - Green infrastructure, open space and bio-diversity
 - Education, learning and skills facilities
 - Business infrastructure
 - Health & social care facilities
 - Community facilities
 - Leisure, play space, and sports facilities
 - Public realm enhancements
 - Cultural and heritage facilities
 - Flood defence and drainage infrastructure
 - Community safety
- 4.3 The inclusion of a project or type of infrastructure on an R123 list need not however, signify a commitment by the Council to funding or prioritisation through CIL, with this to be subject to further discussions and consideration in due course. The CIL Regulations also allow an R123 list to be reviewed and updated periodically, subject to appropriate local consultation on any proposed changes.

5. NEXT STEPS & TIMESCALES

5.1 In line with CIL Regulations, the Council is required to publish the draft CIL Charging Schedule and draft R123 list, and invite representations over a 6 week consultation period. Once representations have been received and reviewed, a further report will be submitted to Cabinet on:

- a) Whether the draft Charging Schedule should be submitted for Examination in Public (EIP); or
- b) Whether the Charging Schedule requires further modifications as a result of representations received, and therefore a further period of consultation.

5.2 If 'a' is the outcome, then the intention is for the EIP to be set for late spring / early summer 2015, which means the Council should be in a position to adopt a CIL Charging Schedule at an appropriate date after the EIP.

6. RISK MANAGEMENT ISSUES

6.1 The draft CIL Charging Schedule is presented as a consultation document and has taken account of representations made as part of an earlier consultation on a CIL PDCS. Financial risks in respect of securing development and infrastructure funding contributions may arise should the proposed CIL rates be found to be non-viable. However, the findings of the independent CIL and Whole Plan Economic Viability Study reduce this risk.

Perceived risk	Seriousness	Likelihood	Preventative action
Challenging comments from Draft CIL CS consultation	Low	Low	Comments reviewed and reflected as appropriate during CIL development process
Unviable CIL Rates	Low	Low	Viability study commissioned

7. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

7.1 Legal Officer's Comments (AF)

There are no legal implications arising from this report.

7.2 Finance Officer's Comments (MF)

There are no financial implications arising directly from this report. The approved budget and Medium Term Financial Strategy (MTFS) do not allow for any future/unrealised developers contributions.

7.3 Diversities and Equalities Implications (SA)

The report does not raise any diversities and equalities issues.

7.4 Communications Implications

The Draft CIL Charging Schedule and draft R123 list have to be issued for a minimum 6 week period of public consultation. This means that key consultees will need to be contacted directly, public notices issued in local media and newspapers, and information made available on the Council's 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:

Stephen Arnett, CIL Officer
Telephone: 01303 853364
Email: Stephen.arnett@shepway.gov.uk

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

- CIL and Whole Plan Economic Impact Assessment (July 2014)
- CIL Preliminary Draft Charging Schedule (August 2014)
- Core Strategy Local Plan draft Infrastructure Assessment and Delivery Plan (July 2014)

Appendices:

- 1) CIL PDCS – Consultation Statement (December 2014)
- 2) Draft CIL Charging Schedule (December 2014)
- 3) Discretionary draft CIL Instalments Policy
- 4) Discretionary draft CIL Payments in Kind Policy
- 5) Folkestone Town Centre retail and commercial area
- 6) Draft R123 list

Appendix 1

Shepway District Council

Community Infrastructure Levy (CIL)

**Consultation Statement:
CIL Preliminary Draft Charging Schedule**

(Draft: December 2014)

Contents

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Purpose of Document

During 2014/15, Shepway District Council will be taking forward the development of a Community Infrastructure Levy (CIL) scheme for the area, in accordance with the CIL Regulations 2010 (as amended).

The CIL Regulations require a minimum of two rounds of public consultation as part of the process to inform the development of a CIL Charging Schedule – firstly, consultation on a CIL Preliminary Draft Charging Schedule (PDCS) in accordance with Regulation 15 of the CIL Regulations; and secondly, following consideration of representations received on the PDCS, consultation on a draft CIL Charging Schedule, in accordance with Regulation 16 of the CIL Regulations.

The purpose of this document is therefore to outline the process and consider the responses received, for each stage of the CIL consultation. The document will also form part of the evidence base presented in support of the examination in public for Shepway's draft CIL Charging schedule, which follows its consultation.

CIL PDCS Consultation

This edition of the report provides information on the Council's approach to undertaking a public consultation on its CIL PDCS Schedule, which took place from the 18th August to the 13th October 2014.

The CIL PDCS consultation has been conducted in accordance with the requirements set out by Regulation 15 of the CIL Regulations 2010 (as amended), and associated guidance. Regulation 15 outlines the range of bodies and organisations that Councils need to consult and engage with on a CIL PDCS.

Regulation 15 also requires that a charging authority must take into account any representations made to the Preliminary Draft Charging Schedule before it publishes a draft of the charging schedule for examination.

The aim of the CIL PDCS consultation was to enable a wide audience to respond to the Council's initial proposals on CIL rates across the District, and the supporting evidence base used to inform the proposals. Activities to raise awareness of the consultation included:

- Public notices placed in local newspapers (Kent on Sunday, weekend of 22nd August 2014; Folkestone and Hythe Express, 20th August 2014; Folkestone Extra, 20th August 2014; Kentish Express, 21st August 2014) (appendix 2).
- Direct contact via email and letter to a range of statutory and non-statutory bodies; developers, land owners and commercial agents; Registered Providers of affordable housing; neighbouring Local Authorities and the County Council; Parish and Town Councils; business organisations and local businesses (appendices 3 and 5).
- Information on the consultation and how to respond, made available on the Council's public website (appendix 4); and
- Copies of the consultation documents made available for public inspection, at the Council's Civic Centre offices in Folkestone.

In addition to the above formal promotion of the CIL PDCS consultation, advance stakeholder engagement activities included:

- CIL updates at regular engagement forums including Parish and Town Councils' user group meetings; and Planning and Building Control Agents' user group meetings; and
- Contact with developers, commercial agents, landowners, Registered Providers of affordable housing - by independent consultants commissioned to undertake a CIL and Whole Plan Economic Viability Assessment.

Consultation Questions & Responses

The Council's consultation on the CIL PDCS invited responses on the following key consultation questions:

- 1) Given the CIL and Whole Plan Economic Viability Assessment and the need to fund infrastructure, are the proposed CIL rates set at a reasonable level, to enable developments to achieve viability?
- 2) Given the CIL and Whole Plan economic viability assessment's analysis of value areas, are the proposed CIL zones set realistically, to enable residential developments to achieve viability within each zone?

Comments were also invited on any other points raised by the CIL PDCS and its supporting evidence base, as presented on the Council's CIL webpage.

During the consultation period, the Council received 20 responses on the CIL PDCS, from a number of organisations and stakeholders. Responses were submitted either by letter, via email, or by using the Council's CIL PDCS consultation comments form.

The following table provides a summary of the range of organisations submitting responses.

Table 1: CIL PDCS respondents	
Type of respondent	Number of respondents
Developers or their agents	5
Public bodies	5
Neighbouring local authorities	2
Parish and Town Councils	3
Business organisations & businesses	1
Members / councillors	1
Utilities	1
Individuals	1
Charitable bodies	1
Total	20

Consultation Issues and Representations Raised by Respondents

Appendix 1 provides a summary and review of the topics and issues raised by respondents to the CIL PDCS consultation, along with an indication as to whether there are any resulting proposed changes to be reflected in the draft CIL Charging Schedule. This highlights that the Council and its retained Viability Study consultants (Dixon Searle Partnership), will need to consider a number of issues further, as part of the next steps development of a draft CIL Charging Schedule, including the following:

- CIL Regulations and policies: the benefits of introducing an Instalments policy; a payment in kind policy; and an exceptional circumstances relief policy.
- CIL & Whole Plan Economic Viability Assessment: further clarification required on how the study has considered costs associated with retail developments' planning obligations.
- Proposed CIL rates for retail developments: further clarification required on – what's meant by large scale retail developments (e.g. could floorspace thresholds be used to define more clearly?); the benefits of including maps to distinguish 'town centre and non town centre locations' (if considered an appropriate option); and the need to provide a cross reference to Use Class Order (A1 – A5).
- Proposed CIL rates for residential developments: further clarification required on how the viability study's modelling of a sheltered / retirement housing scheme has taken into account related development costs.

- Draft Regulation 123 List: further consideration required on – the scope and focus of the draft R123 list; and its relationship to how s106 agreements will continue to be used.
- Draft Infrastructure Assessment and Delivery Plan: to be updated as per comments / further information received.

Next Steps / Consultation on the Draft CIL Charging Schedule

A further consultation on Shepway's draft CIL Charging Schedule will take place during the early part of 2015. Where appropriate, this next version of the CIL Charging Schedule will reflect comments, issues and representations raised during the consultation of the CIL PDCS, in accordance with Regulation 15 of the CIL Regulations.

The consultation on the draft CIL Charging Schedule will be in line with the approach set out by Regulation 16 of the CIL Regulations. This requires that a Local Authority / Charging Authority, before submitting its draft CIL Charging Schedule for examination in public (EIP) , is required to publish for consultation the draft CIL Charging Schedule along with evidence on infrastructure costs, proposed allocation of CIL income (draft R123 list), funding sources and economic viability.

This will be the final stage of the consultation before the EIP of the draft CIL Charging Schedule. If however the consultation generates the need for further modifications, these would be subject to a separate consultation/ notification process, prior to the EIP.

Appendices

- 1) CIL PDCS - summary of comments and representations
- 2) Copy of Public Notice
- 3) Consultation letter & email
- 4) Council's CIL webpage
- 5) Consultation contact list

**Appendix 1: Shepway's CIL PDCS
Summary of Consultation Responses & Representations**

Cons. response reference	Comments	By who	SDC Response	Effect on Draft CIL Charging Schedule
	<i>CIL Regulations & Policies</i>			
001	Clarification required on which developments are CIL exempt, as per CIL regulations.	Kent Channel Chamber of Commerce	Comments noted - further information to accompany draft CIL Charging Schedule consultation.	Note on liable and exempt CIL developments to be included in draft CIL Charging Schedule
004	Clarification required on whether proposed CIL rates will be subject to indexing to inflation	KCC Member for Hythe	Comments noted - further information to accompany draft CIL Charging Schedule consultation.	Note on indexing of CIL rates to be included in draft CIL Charging Schedule
013	Confirmation required in the PDCS text that KCC buildings associated with community services are zero rated (e.g. schools, residential care homes, sheltered care). Confirmation that a zero CIL charge will also be applied to eligible mineral and waste uses is required.	Kent County Council	PDCS proposed CIL rate of £0 on 'all other developments' intended to capture this range of use. Further clarification to accompany draft CIL Charging Schedule consultation.	Note on types of development falling in other developments category to be included in draft CIL Charging Schedule.
006	Encourage the Council to introduce an instalment policy, as managing cash flow during development is often key in determining whether a scheme will be successfully delivered.	Thomas Eggar LLP (on Behalf of Asda Stores Ltd)	Comments noted – Instalment policy to be recommended to SDC Cabinet.	If approved by SDC Cabinet, Instalments policy to be referenced in draft CIL Charging Schedule.
009	An instalment policy, if implemented, should be on a sliding scale with the largest payment up front.	New Romney Town Council	Comments noted – Instalment policy charging scale to be considered further	As above
006 020	Encourage the Council to adopt an Exceptional Circumstances Relief policy. By doing so, it enables the flexibility to allow desirable, but unprofitable, development schemes to come forward, by exempting them from the CIL charge or reducing it in certain circumstances.	Thomas Eggar LLP (on Behalf of Asda Stores Ltd) Folkestone Town Council	Considered that proposed CIL rates won't have an adverse impact on viability, so an exceptional circumstances relief policy will not be offered at this stage.	No changes proposed
006	CIL Regulations allow contributions to be paid by the provision of infrastructure in certain circumstances. The Council should therefore consider adopting a Payment in Kind policy.	Thomas Eggar LLP (on Behalf of Asda Stores Ltd)	Comments noted – Payment in Kind policy to be recommended to SDC Cabinet.	If approved by SDC Cabinet, Payments in Kind policy to be referenced in draft CIL Charging Schedule.
009	What will be the mechanism for enforcing CIL Payments?	New Romney Town Council	Comments noted – further information on administration of CIL Payments process available Spring 2015	No changes proposed

Cons. response reference	Comments	By who	SDC Response	Effect on Draft CIL Charging Schedule
	<i>CIL & Whole Plan Economic Viability Assessment</i>			
006	A fairer CIL solution would be to adopt a flat rate levy based on the total cost of deliverable infrastructure, divided by the total expected development floorspace (across all development types). This could be combined with an Exceptional Circumstances Relief Policy.	Thomas Eggar LLP (on Behalf of Asda Stores Ltd)	CIL Viability Study evidence & analysis, underlines that a variable scheme of CIL charges and zones is more suited to Shepway's property development markets.	No changes proposed
006	The Viability Study does not acknowledge that the economics of conversion schemes are very different to those of new build schemes. It is difficult to see how the Council can assess whether the imposition of CIL will put the majority of these schemes at risk without having considered its impact on their viability, particularly in the context of regeneration initiatives.	Thomas Eggar LLP (on Behalf of Asda Stores Ltd)	Viability study consultants have provided further clarification, which shows that these factors have been taken into account in their modelling.	No changes proposed
004	The proposed CIL rates within the tiered system seem far too slanted in favour of developers, particularly in the lower rated zones, and for the strategic development sites. The starting point should be a district wide high CIL rate, with it up to developers to prove the case with regard to viability (in the context of a viability waiver being available).	KCC Member for Hythe	CIL & Whole Plan Economic Viability Study evidence & analysis, underlines that a variable scheme of CIL charges and zones is more suited to Shepway's property development markets.	No changes proposed
006	The Viability Study underestimates the true cost of planning obligations associated with retail developments. This means that the study has artificially inflated the residual land values used for the financial viability models, which in turn has inflated the amount of CIL proposed for these uses.	Thomas Eggar LLP (on Behalf of Asda Stores Ltd)	Viability study consultants have provided further clarification, which shows that these factors have been taken into account in their modelling.	No changes proposed

Cons. response reference	Comments	By who	SDC Response	Effect on Draft CIL Charging Schedule
	Retail - CIL Proposals			
005 006 013 018a 018b	The PDCS does not currently define clearly enough what is meant by 'large scale and smaller' scale retail development. A floorspace threshold figure would therefore be helpful in this regard. A distinction should also be made to take account of different retail business models.	Savills (on behalf of Ellandi) Thomas Eggar LLP (on Behalf of Asda Stores Ltd) Planning Potential Ltd (on behalf of ALDI Stores Ltd) Kent County Council	Comments noted – retail zones and floorspace threshold to be recommended to SDC Cabinet. CIL Regulations indicate that CIL cannot be differentiated so as to take account of different retail business models.	If approved by SDC Cabinet, retail zones and floorspace thresholds to form part of draft CIL Charging Schedule
005	The PDCS does not currently employ the use of zones in differentiating between Town Centre & Non Town Centre CIL rates for retail development. To address this it is considered that the PDCS would benefit from the inclusion of a map to distinguish between in- and out-of-centre developments if this geographical differentiation is to be used.	Savills (on behalf of Ellandi)	As above	As above
005	Whilst it is understood that convenience and comparison retail fall within the A1 Use Class category, the addition of text to define those use classes which fall under the category of 'all other retail development', would be helpful.	Savills (on behalf of Ellandi)	Comment noted – further clarification to be provided in draft CIL Charging Schedule.	Cross reference to UCO to be provided
006	The proposed retail CIL rates would discourage larger retail developments and would not ensure that the relevant retail and employment aims of the local plan are met.	Thomas Eggar LLP (on Behalf of Asda Stores Ltd)	The viability study evidence & analysis, indicates that the proposed CIL rates for large scale retail development won't inhibit commercial viability.	No proposed changes
006	If the retail charges set out in the PDCS are used, all other forms of business and commercial development will receive a significant subsidy at the expense of retail schemes. This will create a market distortion and an investment disincentive in the retail sector of the local economy.	Thomas Eggar LLP (on Behalf of Asda Stores Ltd)	The viability Study's analysis highlights applying a CIL charge to non retail commercial developments, significantly undermines their viability, thereby preventing any future related job generating schemes from coming forward.	No proposed changes

006	There will be State Aid issues arising out of the setting of differential rates for different types of commercial entity (e.g. convenience retail) within the same use class.	Thomas Eggar LLP (on Behalf of Asda Stores Ltd)	The issue of State Aid is complex, and tends to relate more to markets served by a recipient business. In the context of convenience retail, larger scale developments tend to serve a different market segment to other parts of the A1 to A5 UCO.	No proposed changes.
001	Zero rated retail and commercial developments should have a small charge applied.	Kent Channel Chamber of Commerce	The proposed CIL rates have been derived from the viability study. This highlights that zero rated commercial and retail developments would be unviable if CIL charges were to apply.	No proposed changes
004	The proposal to exempt any retail developments other than large ones is too sweeping - the assumption needs to be towards the highest CIL rate for all developments, with the onus on the developer to then prove the viability case.	KCC Member for Hythe	The proposed CIL rates have been derived from the viability study. This highlights that zero rated commercial and retail developments would be unviable if CIL charges were to apply.	No proposed changes

Cons. response reference	Comments	By who	SDC Response	Effect on Draft CIL Charging Schedule
	Residential - CIL Proposals			
013	There's a need to keep under review residential sales values build costs and land transaction values, to ensure changing market conditions do not significantly contradict the assumptions within the CIL and Whole Plan Viability study, and the PDCS's proposed CIL rates.	Kent County Council	Comments noted – the adopted CIL Charging Schedule will be reviewed on a regular basis, so as to track changing market conditions.	No proposed changes
014	Pending key site development proposals should not be prejudiced by adopting a CIL Charging Schedule, before current Local Plan and Pre-Application consultations have been concluded.	RPS (on behalf of the GSE Group)	The CIL Regulations and guidance allow a Local Authority to determine when it's most appropriate to develop and adopt a CIL Charging Schedule.	No proposed changes
001 015	Zero rated residential areas should have a small rate set.	Sellindge Parish Council Kent Channel Chamber of Commerce	Proposed CIL rates have been derived from the viability study. This shows residential developments in £0 zones, would be unviable if charged CIL.	No proposed changes
016a 016b 016c	The Viability Study appraisal for sheltered housing, underplays a number of viability assumptions that are specific to sheltered / retirement housing schemes. This could potentially underestimate their costs so that it has disproportionately positive effect on the residual land value of schemes, and therefore the proposed CIL rates for sheltered / retirement housing.	The Planning Bureau Ltd (on behalf of McCarthy & Stone Retirement Lifestyles Ltd)	Viability study consultants have provided further clarification, which shows that these factors have been taken into account in their modelling. CIL Regulations currently indicate that CIL cannot be differentiated so as to take account of different residential business models.	No proposed changes
003	Developments in locations close to the AONB, where sensitive areas could be impacted by increased access and use of rural infrastructure such as PROWs, should be subject to a higher CIL rates.	Kent Downs AONB	The proposed CIL rates have been derived from the viability study, which indicates the CIL rates that are most appropriate for different residential zones across the district. CIL Regulations state that rates should be set with regard to evidence, rather than policy considerations.	No proposed changes

Cons. response reference	Comments	By who	SDC Response	Effect on Draft CIL Charging Schedule
	<i>Draft R123 List</i>			
005 006 008 011 013 019	<p>Absence of a Draft Regulation 123 list, highlighted by respondents.</p> <p>The intention to provide a draft R123 list as part of the draft CIL Charging Schedule consultation, noted by some respondents.</p> <p>Some respondents expressed an interest in being involved in discussions on the development of the draft R123 list.</p>	<p>Savills (on behalf of Ellandi) Thomas Eggar LLP (on Behalf of Asda Stores Ltd) Environment Agency Kent Police Kent County Council Dover District Council</p>	<p>Comments noted – a draft R123 list will accompany the draft CIL Charging Schedule consultation.</p>	<p>Draft R123 to accompany consultation on draft CIL Charging Schedule.</p>
003	<p>It would be expected that the use of CIL generated from developments raised from within the AONB or its setting, should be related to conserving and enhancing the AONB. S106 agreements must also remain an option to fulfil this need.</p>	<p>Kent Downs AONB</p>	<p>An indicated use of pooled CIL income will be provided by the draft R123 list. S106 agreements will also remain part of the planning process, particularly for significant development proposals requiring site specific mitigation measures to be addressed.</p>	<p>No proposed changes</p>
003 005 006 009 010 012	<p>Need to provide clarification on the continued use of s106 agreements, and their relationship with the CIL system and R123 list.</p>	<p>New Romney Town Council Southern Water Kent Wildlife Trust Kent Downs AONB Thomas Eggar LLP (on Behalf of Asda Stores Ltd) Savills (on behalf of Ellandi)</p>	<p>Comments noted – further clarification to be provided during spring 2015.</p> <p>Draft R123 list will also accompany draft CIL Charging Schedule Consultation.</p>	<p>No proposed changes</p>

Cons. response reference	Comments	By who	SDC Response	Effect on Draft CIL Charging Schedule
	Draft Infrastructure Assessment & Infrastructure Delivery Plan			
010 013	Draft Infrastructure Assessment and Delivery Plan (IADP) to be updated to reflect detailed information provided by respondents.	Kent County Council Southern Water	Comments noted – IADP to be updated.	No proposed changes
013	The District Council will need to identify other funding sources to address the infrastructure funding gap (identified by the draft IADP) - a gap funding strategy should therefore be considered and developed.	Kent County Council	Comments noted – Core Strategy Local Plan draft infrastructure assessment and draft IADP to form basis of a gap funding strategy, particularly for key infrastructure projects.	No proposed changes

Shepway CIL PDCS Consultation Respondents	SDC reference
Kent Channel Chamber of Commerce	CIL PDCS-001
Marine Management Organisation	CIL PDCS-002
Kent Downs AONB	CIL PDCS-003
KCC Member	CIL PDCS-004
Savills (on behalf of Ellandi LLP)	CIL PDCS-005
Thomas Eggar (on behalf of Asda)	CIL PDCS-006
Natural England	CIL PDCS-007
Environment Agency	CIL PDCS-008
New Romney Town Council	CIL PDCS-009
Southern Water	CIL PDCS-010
Kent Police	CIL PDCS-011
KWT	CIL PDCS-012
KCC	CIL PDCS-013
RPS (on behalf of GSE group)	CIL PDCS-014
Sellindge Parish Council	CIL PDCS-015
The Planning Bureau (on behalf of McCarthy & Stone)	CIL PDCS-016a CIL PDCS-016b CIL PDCS-016c
Other resident (not residing in Kent)	CIL PDCS-017
Planning Potential Ltd (on behalf of Aldi Stores Ltd)	CIL PDCS-018
Dover District Council	CIL PDCS-019
Folkestone Town Council	CIL PDCS-020

Appendix 2: CIL PDCS Public Notice Placed in Local Press

NOTICE OF PUBLICATION OF THE SHEPWAY DISTRICT COUNCIL COMMUNITY INFRASTRUCTURE LEVY PRELIMINARY DRAFT CHARGING SCHEDULE

PLANNING ACT 2008 (PART 11) / LOCALISM ACT 2011 (PART 6) COMMUNITY INFRASTRUCTURE REGULATIONS 2010 (AS AMENDED) REGULATION 15

The Community Infrastructure Levy (CIL) is a charge that partly replaces section 106 planning obligations. CIL will apply to certain new developments in an area, with income used to part fund infrastructure. CIL Regulations and guidance require CIL rates to be set at a level that maintains development viability.

As part of the formal process, Shepway District Council has produced a CIL Preliminary Draft Charging Schedule (PDCS), which is issued for consultation. The CIL PDCS sets out proposed CIL rates, which are considered to be set at an appropriate level to secure both infrastructure funding contributions and development viability in the District.

In accordance with Regulation 15 of the CIL Regulations 2010 (as amended), comments and representations are invited on the CIL PDCS, and its associated evidence base documents, during the consultation period from 18th August 2014 to 13th October 2014 at 5pm.

The CIL PDCS, a consultation comments response form, and supporting documents on viability and infrastructure, are available for inspection online or at the Civic Centre, as follows:

- Online via the District Council's website: <http://www.shepway.gov.uk/content/view/201786/206/>
- At Shepway District Council's Civic Centre, Castle Hill Avenue, Folkestone, Kent CT20 2QY (from 8.30am to 5pm on Mondays, Tuesdays, Thursdays and Fridays; and from 9.30am to 5pm on Wednesdays).

Comments and representations can be made and submitted as follows:

- By email, by downloading and completing the consultation comments response form, with this to be sent to – planning.policy@shepway.gov.uk
- By post, by downloading and completing a hard copy of the consultation comments response form; or by obtaining a hard copy of the form from the Civic Centre – with this to be sent to the above address.

In accordance with the CIL Regulations 2010 (as amended), comments and representations received on the CIL PDCS will be taken into consideration in preparing a subsequent Draft CIL Charging Schedule. Following an additional period of consultation on the second draft, the charging schedule will be subject to an examination in public.

For further information, please contact the Council's Planning Policy team at tel. 01303 853364 / or by email: planning.policy@shepway.gov.uk

Folkestone

Hythe & Romney Marsh

Shepway District Council



www.shepway.gov.uk

Appendix 3: CIL PDCS Consultation Letter & Email

Your Ref:
Our Ref: SDC/CIL PDCS/Aug14
Direct Dial: 01303 853364
Fax:
E-Mail: planning.policy@shepway.gov.uk
Date:

Folkestone
Hythe & Romney Marsh
Shepway District Council



18th August 2014

To:

Dear

**Shepway District Council Community Infrastructure Levy
Public Consultation: Preliminary Draft Charging Schedule
Monday 18th August to 5pm Monday 13th October 2014**

I am writing to inform you that on Monday 18th August 2014, Shepway District Council will commence its public consultation on a Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule (PDCS). The consultation period lasts for an 8 week period, until 5pm on Monday 13th October 2014, and this represents the first formal stage in the development and introduction of CIL in the district.

The Council is inviting comments and representations from residents, businesses, parish and town councils, neighbouring local authorities, the County Council, developers and the development industry, and any organisation or person that may have an interest in CIL and the proposals set out by the CIL PDCS.

You may be aware that CIL is a new charge that local authorities can levy on new developments in their area. It has been introduced by Government as their preferred approach for developers to provide funding contributions toward the infrastructure required to support developments in an area. A scaled back system of section 106 planning obligations will however continue to remain in operation once CIL comes into effect.

A copy of the CIL PDCS is enclosed for your attention, along with a consultation comments response form.

An on-line version of the CIL PDCS and the consultation comments response form, along with further information, including a CIL and Whole Plan Economic Viability Study, and a Core Strategy Local Plan infrastructure assessment, can be viewed via the following web site address: <http://www.shepway.gov.uk/content/view/201786/206/>

The Consultation document and supporting information can also be viewed at the:
Shepway District Council Civic Centre, Castle Hill Avenue, Folkestone CT20 2QY.

Comments and representations on the CIL PDCS and related matters should be made using the enclosed consultation comments response form. This can be sent as an email attachment, or by post using the following addresses:

Shepway District Council
Civic Centre, Castle Hill Avenue, Folkestone, Kent, CT20 2QY
Telephone: (Switchboard) 01303 853000
E-mail: sdcs@shepway.gov.uk
DX 4912 Folkestone

www.shepway.gov.uk

By email:

Planning.policy@shepway.gov.uk

(Please enter CIL PDCS in the title bar of your email)

By post:

CIL PDCS Consultation
Shepway District Council
Planning and Building Control
Planning Policy
Civic Centre, Castle Hill Avenue
Folkestone, Kent
CT20 2QY

Should you have any queries on the consultation, please use the contact details given at the top of this letter.

The Council greatly appreciates your consideration of the consultation document, and welcomes your views on the CIL PDCS.

Yours faithfully

Chris Lewis
Head of Planning

Email text

From: Arnett, Stephen
Sent: 18 August 2014 17:26
To:
Subject: Shepway CIL PDCS consultation

Dear

**Shepway District Council Community Infrastructure Levy (CIL)
Public Consultation: Preliminary Draft Charging Schedule (PDCS)
Monday 18th August, to 5pm Monday 13th October 2014**

I am writing to inform you that on Monday 18th August 2014, Shepway District Council will commence its public consultation on a Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule (PDCS). Please therefore accept this email as notification of the commencement of the public consultation of this document.

The consultation period lasts for an 8 week period until 5pm on Monday 13th October 2014. The Council would greatly appreciate receiving your views on the CIL PDCS, which represents the first formal stage in the development and introduction of CIL in the district.

The Council is inviting comments and representations from residents, businesses, parish and town councils, neighbouring local authorities, the County Council, developers and the development industry, and any organisation or person that may have an interest in CIL and the proposals set out by the CIL PDCS.

The attached letter provides further information on how to respond to the consultation. Please also find attached the CIL PDCS document and a consultation comments response form. These and supporting documents, including a CIL and Whole Plan Economic Viability Study, and a Core Strategy Local Plan Infrastructure Assessment, can also be viewed via the Council's website at:
<http://www.shepway.gov.uk/content/view/201786/206/>

The Consultation document and supporting information can also be viewed at the: **Shepway District Council Civic Centre, Castle Hill Avenue, Folkestone CT20 2QY.**

If you wish to make comments in response to the CIL PDCS consultation, please submit these by email using the attached consultation comments response form, with these to be returned to:
planning.policy@shepway.gov.uk.

If you prefer to send in a hard copy response form, please send this to the above address, with 'CIL PDCS Consultation' written on the envelope.

Thank you for considering the CIL PDCS consultation. The Council welcomes your views on and looks forward to receiving your response.

Kind regards

Stephen Arnett
Community Infrastructure Levy Officer
Planning Policy Team
Shepway District Council
Tel: 01303 853364

The Civic Centre
Castle Hill Avenue
Folkestone
Kent CT20 2QY
www.shepway.gov.uk

Appendix 4: CIL PDCS consultation webpage (on www.shepway.gov.uk)

<http://www.shepway.gov.uk/content/view/201786/206/>

CONSULTATION ON COMMUNITY INFRASTRUCTURE LEVY (CIL) PRELIMINARY DRAFT CHARGING SCHEDULE (PDCS)

Community Infrastructure Levy

The purpose of the Community Infrastructure Levy (CIL) is to raise funds to help pay for the infrastructure that's required to support development.

The scope of CIL is governed by CIL regulations initially introduced in 2010 and further amended in 2011, 2012, 2013 and 2014. All Local Authorities wishing to introduce CIL have to pay due regard to these regulations. The initial stage in the process is preparation of a CIL Preliminary Draft Charging Schedule (PDCS), for consultation.

On adoption by a Local Authority, CIL is payable by liable developments as defined by a CIL Charging Schedule. CIL will also replace most section 106 contributions for wider infrastructure needs, apart from those related to site specific mitigation measures and affordable housing.

The Planning Act (2008), which introduced CIL, gives a wide definition of the types of infrastructure that it can help to fund, including – transport, education, flood defences, community facilities, parks, green spaces and play spaces.

Further information on CIL is available from the Government's Department of Communities and Local Government, via their website as follows:

[Communities and Local Government website](#)

Consultation on CIL Preliminary Draft Charging Schedule

Shepway District Council approved a CIL Preliminary Draft Charging Schedule (PDCS) for consultation, at its Cabinet meeting of 30th July 2014.

Members of the public, local communities, Parish and Town Councils, businesses and interested organisations, are now invited to review Shepway's CIL PDCS and submit their comments and representations by 5pm Monday, 13th October 2014.

Key Documents


CIL Regulations and guidance requires a Local Authority to produce a viability study as a means to identify appropriate CIL rates.


Shepway District Council commissioned an independent CIL and Whole Plan Economic Viability study during the spring of 2014, to review evidence, model and test CIL rates for residential and non-residential developments across the District.

CIL Regulations and guidance also require a Local Authority to produce an infrastructure assessment and delivery plan, which identifies infrastructure needs, projects, indicative costs, funding sources and gaps.



A review of the Shepway Core Strategy Local Plan's (CSLP) infrastructure needs assessment was therefore undertaken during the spring of 2014, and a related draft infrastructure delivery plan has been produced.


The CIL PDCS can be downloaded as a PDF document, and the consultation comments response form can be downloaded as a word document, as follows:

CIL PDCS  [Shepway CIL PDCS \(final draft Aug14\)](#)

CIL PDCS consultation comments response form  [CIL PDCS comments form \(Aug14\)\(1\)](#)

The CIL and Whole Plan Economic Viability Study, and the CSLP Infrastructure Needs Assessment can be downloaded as PDF documents, as follows:

CIL & Whole Plan Economic Viability Study  [Shepway CIL&WPVS \(July14\)](#)  [Shepway CIL&WPVS appends \(July14\)](#)

CSLP Infrastructure Needs Assessment & draft Infrastructure Delivery Plan  [SDC Infrastructure Assessment \(July14\)](#)

How to Send Comments and Representations on the CIL PDCS

Please submit your comments and representations on the CIL PDCS via one of the following means:

- By email attaching the consultation comments response form
- By downloading the consultation comments response form and sending by post

Please email the consultation comments response form to:

planning.policy@shepway.gov.uk

Or send by post to:

1. CIL PDCS Consultation
2. Shepway District Council

Planning and Building Control
Planning Policy
Civic Centre, Castle Hill Avenue
Folkestone, Kent
CT20 2QY

Please note the consultation runs from Monday 18th August to 5pm Monday 13th October 2014.

Next Steps and CIL Timescales

After the close of the consultation, the Council will consider all comments and representations received. In accordance with CIL Regulations, a further draft CIL Charging Schedule will then be produced and issued for consultation during January 2015. Following a review of comments and representations received, the Council will aim to submit a final draft CIL Charging Schedule to the Secretary of State for Communities and Local Government during the spring of 2015, with this to be followed by an Examination in Public. The aim is for the Council to be in a position to consider the adoption of a CIL Charging Schedule during the summer of 2015.

Further Information

For further information, please contact the Council's Planning Policy team on tel.no: 01303 853364; or via email at: planning.policy@shepway.gov.uk

Created : Thu, 12 Jun 2014

Updated : Mon, 18 Aug 2014

<u>Annex 5: CIL PDCS Consultation Contact List</u>	
	Action with Communities in Rural Kent
	A Scott Ltd
	Acrise Parish Council
	Affinity Water Ltd
	Airport Operators Association
	Akehurst Homes
	Alliance Environment & Planning Ltd
	Anthony Hicks & Co
	Applied Renewable Energy Ltd
	Arena Racing Company Ltd
	Asda Stores
	Ashford Borough Council
	Association of Local Councils
	Barton Willmore
	Better Places
	Big Jigs Toys
	Bishop Consultancy Limited
	Blackstone Homes
	Bluewater Caravan Park
	BNP Paribas Real Estate
	Bouveie Place
	Bovis Homes
	Brenzett Parish Council
	Brian Uden Ltd
	British Asian Association
	British Energy Plc
	British Geological Survey
	Brookland Parish Council
	Browns, Hawkinge
	BT Open Reach
	Bucket and Spade
	Burmarsh parish Council
	Buzzlines
	C R Child & Partners, Hythe
	Cabterbury City Council
	Camland Developments
	Canterbury Christ Church University

CDSP Ltd
CGMS
Champion Ltd
Champion & Co, Hythe
Charlier Construction
Cheney Thorpe & Morrison
Church and Dwight
Clagues
Clive Tidmarsh, Design Architecture & Planning
Cognitive Media
Colin Bett Ltd
Copy Link/FITA
Country Land and Business Association
Courtley Consultants Ltd
CPRE - Protect Kent
Creative Foundation
Crown Estate
CSDP
Cycle Shepway
CYMA Architects
Damian Collins MP
Defence Infrastructure & Land Management Services
Deloitte
Department of Transport
DHA Planning
Discover Folkestone, Hythe and Romney Marsh
Dover District Council
Drivers Jonas Deloitte
DTZ Development Consulting
Dymchurch Parish Council
East Kent Housing
East Sussex County Council
EDF Energy
Elham Parich Council
Elmsted Parish Council
English Heritage
Environment Agency
Eurotunnel
Federation of Small Businesses
Fell Reynolds

FHDHCA
Fields in Trust
Folkestone Harbour Company
Folkestone Town Centre Management
Folkestone Town Council
Folkestone, Hythe and District Association of Surveyors, Valuers, Auctioneers and Estate
Geoconservation Kent
Geoff Love Ltd
George Denny Ltd
Gladman Group
Godden Allen Lawn
GOPAK
Gregory Gray Associates
Guy Hollaway Architects
GVA
Hallam Land Management Limited
Hawkinge Town Council
Highways Agency
Hobbs Parker
Holiday Extras
Home Builders Federation
Homes & Communities Agency
Humberts Leisure
Hume Planning Consultancy
HV Wooding
Hythe Care Homes
Hythe Chamber of Commerce & Tourism
Hythe Town Council
Iceni Projects
Ivychurch Parish Council
Jacksons Fencing
Jenner Homes
John Floydd & Co
John Macmillian Associates
John Verkaik Ltd
Jones Lang LaSalle Limited
KCC Shepway members (all)
Keith Barker Ltd
Kent Channel Chamber of Commerce
Kent County Council

Kent Developers Group
Kent Downs AONB
Kent Fire & Rescue Service
Kent Nature Partnership
Kent Planning Ltd
Kent Police
Kent Wildlife Trust
Kentish Homes Ltd
Kingston Homes
Lcl surveyors
Lee Evans & Co
Leisure Republic
Lydd Airport
Lydd Town Council
Lyminge Parish Council
Lympne Parish Council
Magnox
Maidstone Studios
Marine Management Organisation
Marsh Forward Development Trust
McCarthy & Stone
Milbrooke Printers
Moat Housing Group
Monks Horton Parish Council
Mono Consultants Ltd
Morrisons Supermarkets
Mouchel Estates
Murston Construction Ltd
Natural England
Network Rail
New Romney Town Council
Newchurch Parish Council
Newington Parish Council
NHS Property Services
Nick Highton Ltd
Nigel Seymour Ltd
Old Romney Parish Council
Open Spaces Society
Orbit Housing Association
Paddlesworth Parish Council

Paul Noad Associates
Paul Roberts Associates
Pentland Homes
Persommon Homes
Peter Spiller Ltd
Petham
Phides Estates
Port Lympne Wild Animal Park
Postling Parish Council
PRP Architects
Quinn Estates
Realia
Reeds Rains, Folkestone
Richard Daniels & Co
Roger Joyce Associates
Romney Marsh Potato Company
Romney Resource Centre
Romney, Hythe & Dymchurch Railway
Rother District Council
RPC Land and New Homes
RSPB
SAGA Group Ltd
Sainsburys
Saltwood Parish Council
Sanctuary Housing Association
Sandgate Parish Council
Sandgate Society
Savills
Scott Wilson
Screen South
Sellindge Parish Council
Servo Connectors
Shepway District Council members (all)
Shepway Environment and Community Network
Sleeping Giant Media
Smith Woolley & Perry
Smiths Gore, Maidstone
Snargate Parish Council
South East LEP
Southeastern Railways

Southern Water
Sport England
St Mary in the Marsh Parish Council
Stagecoach
Stanford Parish Council
Stelling Minnis Parish Council
Stowting Parish Council
Strutt & Parker, Canterbury
Stuart Ingleston Ltd
Sustrans
Swingfield Parish Council
Taskmasters UK
Taylor Wimpey
Terry Dowding Ltd
Tescos
TG Designer Homes
Thanet District Council
The London Planning Practice
The Planning Inspectorate
The Woodland Trust
The Workshop
Tim Campbell Associates
Tim Parrett Ltd
Tom Quaye Ltd
Town & Country Housing Association
Triflex
Waitrose Ltd
Walker Construction
Walker Construction
Ward Homes
Wealden Homes
West Design Products
Wheelchair Users Group
YOUR MOVE, Hythe

Appendix 2
Shepway District Council
Community Infrastructure Levy (CIL)

Draft CIL Charging Schedule

(Working Draft: v2, December 2014)

**Shepway District Council
Community Infrastructure Levy (CIL):
Draft CIL Charging Schedule
Consultation**

The Consultation on the draft Community Infrastructure Levy (CIL) Charging Schedule is the second of the consultations required as part of the process leading to the introduction of CIL, in Shepway District. The document sets out the Council's preferred position on CIL rates that it proposes to submit for examination in public, after the consultation.

The consultation period on the draft CIL Charging Schedule runs from 2nd February to the 16th March 2015 (all representations and comments to be received by 5pm).

For further information, please visit the Council's website at:

<http://www.shepway.gov.uk/content/view/201786/206/>

Or telephone: 01303 853364

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The Charging Authority and Charging Area

The Charging Authority is Shepway District Council

The charging area covers the administrative area of Shepway District.

Purpose of Consultation

This consultation document represents the second formal stage in Shepway District Council's preparation of a Community Infrastructure Levy (CIL) charging schedule.

CIL is a tariff based approach to funding infrastructure that allows local authorities to raise funds from developers undertaking new building projects. Its purpose is to help fund the provision of infrastructure needed to support the growth and development identified by an area's Local Plan.

The draft CIL Charging Schedule sets out the CIL rates that the Council proposes to charge on development within its charging area. Rates are set out as '£s per sq m' on chargeable developments, in respect of different types of development and geographical areas. A cross reference to the Use Class Order is also provided.

Statutory Compliance

The provisions for CIL are set out by Part 11 of the Planning Act 2008, the Localism Act 2011, and the CIL Regulations 2010 (as amended in 2011, 2012, 2013 and 2014).

This Draft Charging Schedule is published for public consultation as the second step in setting a CIL charge for Shepway District Council, and is published in accordance with Regulation 15 of the CIL Regulations.

The CIL Regulations can be accessed via the following website:

<https://www.gov.uk/government/policies/giving-communities-more-power-in-planning-local-development/supporting-pages/community-infrastructure-levy>

CIL Liable Developments

CIL is charged according to the rates stated in a Local Authority's Charging Schedule on the:

- The net additional gross internal floorspace of all new residential units, regardless of their size; and
- The erection of, or extensions to, other buildings creating over 100 sq m net new additional gross internal floorspace.

The rates set out in an adopted CIL Charging Schedule are not negotiable.

Mandatory Exemptions from CIL

Some types of development are exempt from paying CIL, including the following as set out by the CIL Regulations:

- Minor development of less than 100 sq. m. net additional gross internal floorspace, unless it results in the creation of net additional dwelling(s) (Regulation 42);
- The conversion of any building previously used as a dwelling house to two or more dwellings;
- Full relief is applied on all those parts of chargeable development that are to be used as social/affordable housing (criteria set out in Regulation 49/49A);
- All forms of residential development including annexes and extensions which are built by 'self builders';
- A registered charity landowner will receive full relief from their portion of the liability where the chargeable development will be used wholly or mainly for charitable purposes (Regulation 43-48);
- The conversion of or works to a building in lawful use that affects only the interior of the building;
- Mezzanine floors of less than 200 sq m inserted into an existing building, unless they form part of a wider planning permission, which seeks to provide other works;
- Development of buildings and structures into which people do not normally go into, or enter under limited circumstances (for example an electricity sub-station or wind turbine) (Regulation 5(2));
- Vacant buildings brought back into use (Regulation 40), where there is no net gain in floorspace, provided a building has been in use for 6 continuous months out of the last 3 years.
- When a CIL charge is calculated as £50 or less, a CIL payment will not be charged by the Council (Regulation 40)

In addition to the above exemptions, developments that have a planning permission when a CIL charging schedule comes into force are not liable for CIL. This includes any subsequent reserved matters applications following outline planning permission. If developments with planning permission are not commenced within a conditioned time limit, any subsequent renewal or amendment applications are liable to CIL, if by that time a Charging Schedule has been adopted.

Proposed CIL Rates and Zones

The following tables and location maps at appendices 1 to 4, detail the proposed CIL rates and zones for Shepway District Council's administrative area:

Table 1: Residential Developments (C3 & C4 uses, including sheltered accommodation)	
Zone (as per maps at appendices 1 & 2)	CIL rate /£ per sq m
A	£0
B	£50
C	£100
D	£125

Table 2: Retail Developments		
Zone	Development (A1 to A5 uses)	CIL rate / £ per sq m
Folkestone Town Centre Area (appendix 3)	All convenience and comparison retail and other development akin to retail	£0
Rest of district	Supermarkets, superstores, and retail warehousing (net retail selling space of over 280 sq m) (a & b)	£100
Rest of district	Other large scale development akin to retail (net retail selling space of over 280 sq m) (c)	£100
Rest of district	Other retail development and developments akin to retail (net retail selling space up to 280 sq m)	£0

Notes
a) Superstores/supermarkets are shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit.
b) Retail warehouses are large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering for mainly car-borne customers.
c) Includes sui generis uses akin to retail including petrol filling stations; selling and/or displaying motor vehicles; and retail warehouse clubs.

Table 3: Strategic & Key Development Sites		
Core Strategy Local Plan policies (appendix 4)	Development (A, B, C & D uses)	CIL Rate / £ per sq m
SS6	Folkestone Harbour & Seafront	£0
SS7	Shorncliffe Garrison	£0
CSD8	New Romney Masterplan	£0
CSD8	Sellindge	£0

Note: The Council considers that the above strategic & key development sites are more appropriately addressed by s106, given their scale and stage in the planning process.

Table 4: Other Developments (B, C1, C2 & D uses)	
Other	CIL Rate – per sq m
All other developments (district wide)	£0

Index Linking CIL Rates to Inflation

In accordance with Part 5 of the CIL Regulations 2010 (as amended), the calculation of CIL liability will take account of inflation by index-linking to the national All-in Tender Price Index published from time to time by the Building Cost Information Service (BCIS) of the Royal Institution of Chartered Surveyors.

The need for an index linked increase will be considered 12 months after the adoption date of the Charging Schedule, and at each subsequent 12 month period thereafter, over the life-cycle of the Charging Schedule.

Payment of CIL and Instalments Policy

Payment of CIL is due from the date of commencement of the liable development. The default position set by the CIL Regulations is that the whole amount must be paid within 60 days of commencement, unless a discretionary instalments policy is offered. Shepway District Council intends to provide this facility, with its proposed terms outlined by a draft CIL Instalments Policy, which can be viewed on the following Council webpage:

<http://www.shepway.gov.uk/content/view/201786/206/>

This policy does not however, have to form part of the consultation and examination on the draft CIL Charging Schedule, and is therefore provided for information only.

Payment in Kind

The CIL Regulations provide a local authority with the discretion to accept land, buildings or infrastructure payments, as all or part of a CIL payment due in respect of a liable development. Shepway District Council intends to provide this facility, with its proposed terms outlined by a draft CIL Payments in Kind Policy, which can be viewed on the following Council webpage: <http://www.shepway.gov.uk/content/view/201786/206/>

The Council is not however, obliged to accept any offer of payment in kind by land or infrastructure.

This policy does not have to form part of the consultation and examination on the draft CIL Charging Schedule, and is therefore provided for information only.

Discretionary Relief from CIL

The CIL regulations allow charging authority's to permit discretionary relief from CIL (e.g. where a reduced or nil payment may be accepted). These cases are likely to be rare but could include the following:

- Development by charities for investment activities (as defined by Regulation 44);
- Development by charities where relief would normally constitute State Aid (as defined in Regulation 45); and,
- Where a charging authority considers there are exceptional circumstances to justify relief (as defined in Regulation 55), in cases where a development is – subject to planning obligations; where payment of CIL would have an unacceptable impact on economic viability; and where granting of relief wouldn't constitute a state aid.

Discretionary Charitable Relief

It is not the intention of the Council to offer discretionary charitable relief at present, given the availability of mandatory relief. It is considered that such a policy would impose an additional level of complexity in the administration and management of the CIL.

The CIL Regulations allow a policy of this kind to be introduced at any stage. The Council will therefore keep this under review as part of the regular post adoption monitoring of the CIL system.

Discretionary Exceptional Circumstances Relief

It is not the intention of the Council to offer exceptional circumstances relief at present. The circumstances in which a policy of this nature would be likely to be used would be extremely rare given that the CIL rate is set based on viability evidence. It would also impose an additional level of complexity in the administration and management of the CIL charge.

The CIL Regulations allow a policy of this kind to be introduced at any stage. The Council will therefore keep this under review as part of the regular post adoption monitoring of the CIL system.

Parish and Town Councils' Neighbourhood Fund

The CIL Regulations 2010 (as amended), and section 2 of the Localism Act (2011) require a Charging Authority to pass a 'meaningful proportion' of CIL receipts to local neighbourhoods, where development has taken place.

Parishes where development takes place will therefore receive their own portion of CIL income to spend on the infrastructure they want. In areas where there is no neighbourhood plan this will be 15%, capped at £100 per existing dwelling. Where a neighbourhood plan is in place the portion is an uncapped 25%.

Draft Regulation 123 List

The CIL Regulations 2010 (as amended), requires a Charging Authority to provide at examination a draft list of the projects or types of projects that will be funded in whole or in part by CIL. The list, called the Draft Regulation 123 List, needs to link to an infrastructure assessment, which considers the infrastructure funding required to support the growth outlined by an area's Local Plan.

A draft Shepway District Council Regulation 123 list and a Draft Infrastructure Assessment and Delivery Plan, can be viewed on the following Council webpage:

<http://www.shepway.gov.uk/content/view/201786/206/>

Monitoring and Review

As per the requirements of the CIL Regulations 2010 (as amended), collection and spending of CIL funds will be reported annually.

Unless market and economic conditions, or delivery circumstances, change significantly, the Council does not propose to review its adopted CIL charging schedule until 3 years after the date of adoption.

Responding to the Consultation

Comments and representations are invited on the draft CIL Charging Schedule and the accompanying draft Regulation 123 list. Further information and copies of all CIL related documents, and a consultation comments response form, are available on the Council's website as follows:

<http://www.shepway.gov.uk/content/view/201786/206/>

Comments and representations should be sent to the following addresses:

planning.policy@shepway.gov.uk

Or by sending a hard copy of the consultation comments form to:

Draft CIL Charging Schedule Consultation
Shepway District Council
Planning and Building Control
Planning Policy
Civic Centre, Castle Hill Avenue
Folkestone, Kent
CT20 2QY

Please note that all representations made in response to the draft CIL Charging Schedule must be submitted to the examiner, together with a summary of the main issues raised. Therefore, comments cannot be treated as confidential and will be made available as public documents. Personal addresses will not however, be made publicly available.

Timescale for Submitting Comments

The consultation period on the draft CIL Charging Schedule runs from 2nd February to the 16th March 2015 (all representations and comments to be received by 5pm).

Requesting Further Notifications

Any organisation or person making representations may request that they be notified at a specified address, of any of the following:

- That the draft CIL Charging Schedule has been submitted to the examiner in accordance with section 212 of the Planning Act 2008;
- The publication of the recommendations of the examiner and the reasons for those recommendations; and
- The approval of the CIL Charging Schedule by the Council

If you would like further notification of the above matters, please state this in your response to the draft CIL Charging Schedule.

Timescale for Adoption of a CIL Charging Schedule

Following this consultation, all comments received along with all supporting information will be submitted to the Planning Inspectorate for independent examination. Anybody who

makes comments in response to this document will have the right to be heard at the Examination in Public.

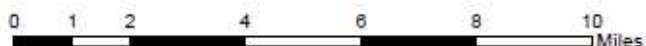
Following the Examination in Public, the Examiner will publish a report, which will set out their findings. If the Examiner approves the draft CIL Charging Schedule, the Council will look to bring the CIL Charging Schedule into effect according to the timescale indicated as follows:

Activity	Timing
Draft CIL Charging Schedule issued for consultation and representations	February to March 2015
Submission of draft CIL Charging Schedule to Secretary of State	Spring 2015
Examination in Public for Draft CIL charging schedule	Summer 2015 (exact date to be set)
Shepway District Council's adoption of CIL charging schedule	Late Summer 2015
Commencement date of CIL charging schedule	After Summer 2015
<i>Note: The Council will use its best endeavours to keep to the above indicated timetable, but reserves the right to amend this if circumstances as they become known, determine this to be necessary.</i>	

APPENDIX 1: CIL charging zones for residential developments.



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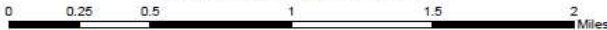
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**APPENDIX 2:
CIL charging zones for
residential developments.**

Folkestone Town Inset Map



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Appendix 3: Folkestone Town Centre Retail & Commercial Area

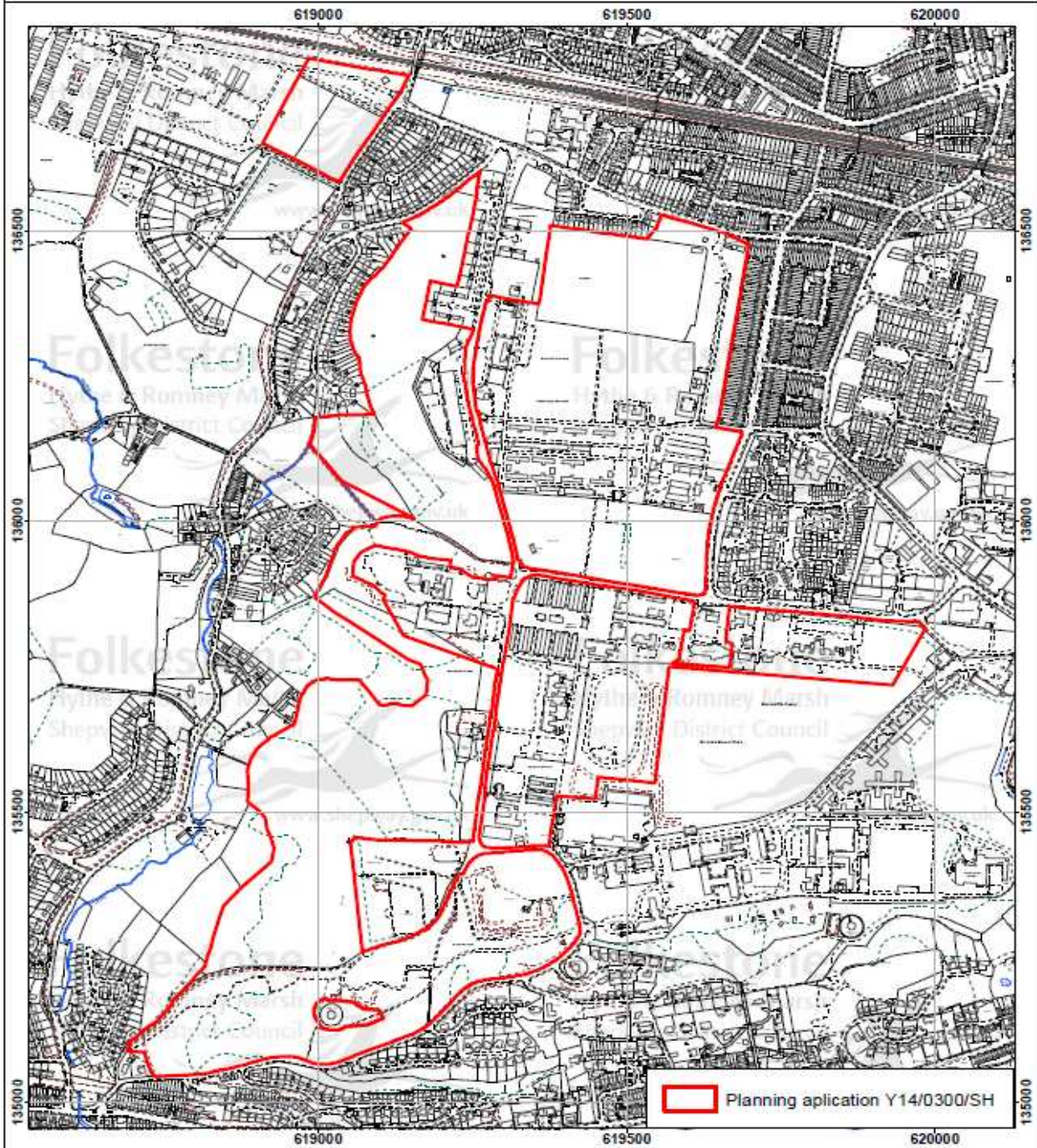


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Shorncliffe Garrison (Core Strategy Local Plan Policy SS7)



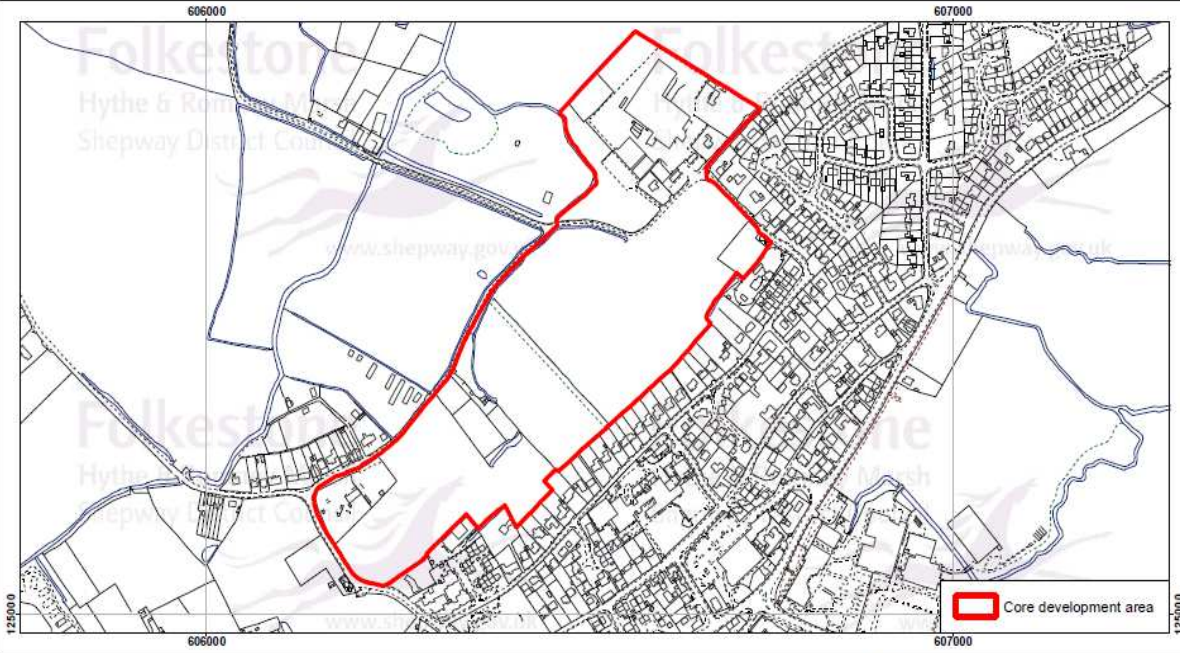
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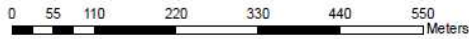
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New Romney Masterplan Sites (Core Strategy Local Plan Policy CSD8)

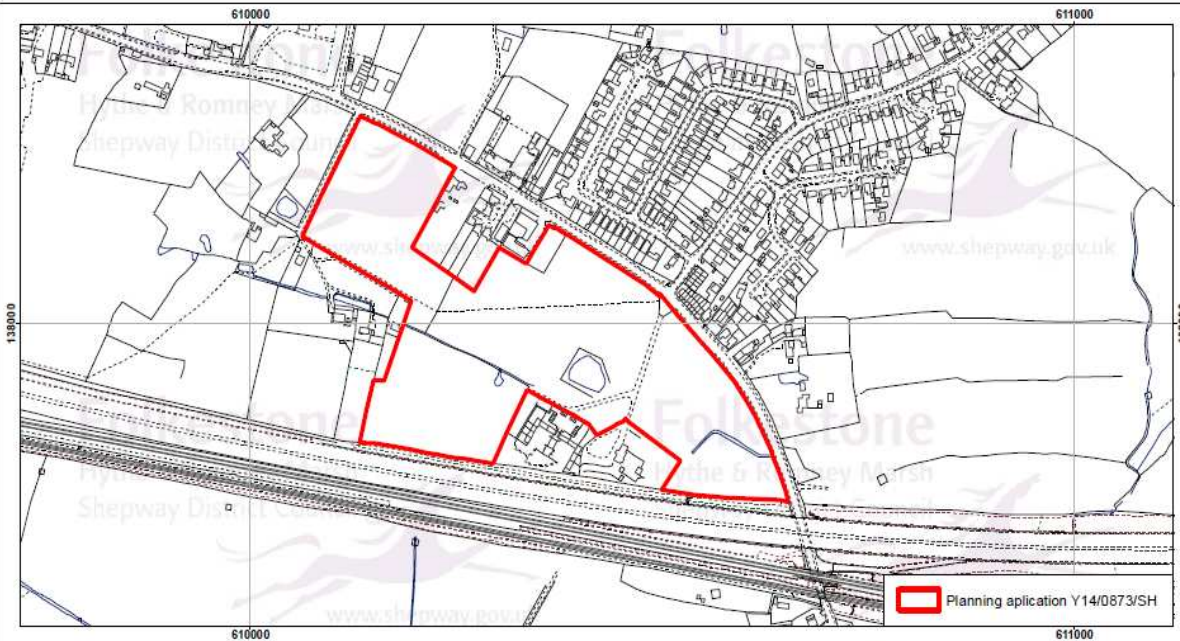


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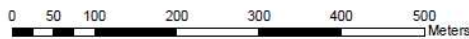


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Sellidge (Core Strategy Local Plan Policy CSD9)



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Appendix 3
Shepway District Council
Community Infrastructure Levy (CIL)
Draft Instalments Policy
(Draft: v1, December 2014)

Background

Regulation 69B of the CIL Regulations 2010 (as amended), gives a Local Authority discretion to introduce an instalments policy for the payment of CIL.

Where an instalment policy is not in place, Regulation 70 (7) of the CIL (Amendment) Regulations 2011, sets a default of full payment of due CIL payments within 60 days of the commencement of a liable development.

A CIL instalments policy differs from s106 payments in that it requires payment a certain number of days after commencement of a development, rather than linking payment to completion or occupation, of parts or all of a development.

The benefits of offering an instalments policy relate mainly to helping developer's cash flow on projects that are complex, or are of a scale so as to require a phasing of development. The disadvantages of the policy include an increase in the amount of time and resources that may need to be allocated to administering CIL by a Council and developers.

On balance and in tune with the CIL Regulations emphasis on ensuring CIL charges do not compromise development viability, and in accordance with Regulation 69B of the CIL Regulation, Shepway District Council proposes to introduce a CIL instalments policy as part of the CIL Charging scheme in the District, according to the scale of CIL liable developments.

Whilst comments on the draft instalments policy are welcomed, it should be noted that the draft instalment policy will not itself form part of the draft CIL Charging Schedule examination in public.

Draft Instalments Policy

The draft policy proposes that CIL will be payable by instalments on liable developments as stated by the adopted CIL Charging Schedule, as follows:-

Residential Developments

- 1) Where the chargeable amount is less than £50,000, full payment will be required within 60 days of the commencement date.
- 2) Where the chargeable amount is more than £50,000 but less than £100,000, two instalments will be allowed:
 - The first instalment representing 50% of the chargeable amount will be required within 60 days of the commencement date; and
 - The second instalment representing 50% of the chargeable amount will be required within 120 days of the commencement date.

3) Where the chargeable amount is over £100,000, three instalments will be allowed:

- The first instalment representing 25% of the chargeable amount will be required within 60 days of the commencement date;
- The second instalment representing 25% of the chargeable amount will be required within 120 days of the commencement date; and
- The third instalment representing 50% of the chargeable amount will be required within 240 days of the commencement date.

Large Scale Retail Developments outside of Folkestone Town Centre

Larger scale, retail developments outside of Folkestone Town Centre are the only other type of use proposed to pay CIL at the current time.

CIL will be payable by 2 instalments as follows, for all liable retail developments:

- The first instalment representing 50% of the chargeable amount will be required within 60 days of the commencement date; and
- The second instalment representing 50% of the chargeable amount will be required within 240 days of the commencement date.

Adoption and Review

The instalments policy will take effect at the same time as the commencement date of the Council's adopted CIL Charging Schedule.

In accordance with the CIL Regulations, the Council can vary the terms of an instalments policy if circumstances determine this to be appropriate, at any time as long as the previous instalments policy has been in effect for more than 28 days.

Appendix 4
Shepway District Council
Community Infrastructure Levy (CIL)
Draft Payment in Kind Policy:
Land, Buildings and Infrastructure
(Draft: v1, December 2014)

Background

The Community Infrastructure Levy (CIL) Regulations 2010 (as amended), provide a local authority with the discretion to accept land, buildings or infrastructure payments, as all or part of a CIL payment due in respect of a liable development.

Regulation 73 specifies that an agreement to accept land and buildings as payment in kind would be where the value of CIL paid is equal to the agreed value of the land and buildings acquired in kind (as determined by an independent person). Other key aspects of regulation 73 include:

- the amount of CIL payable for a development must be greater than £50,000 (Regulation 73(6) (a));
- the person from whom land is acquired has assumed liability to pay CIL (Regulation 73(6) (c)); and
- an agreement to make a land payment must be entered into before the development is commenced (Regulation 73(6) (d)).

CIL Regulations 73A and 73B also provide a local authority with the discretion to accept infrastructure payments as all or part of a due CIL payment. A key requirement is for an infrastructure payment to be in scope with the types of project covered by a Council's Regulation 123 list. An agreement for infrastructure payments must also be entered into before development commences.

The benefits of adopting a payment in kind policy include supporting the delivery of developments that are complex in their nature and scale. The disadvantages include a requirement for additional administrative and technical resources and costs for a Council and developers, in the administration of CIL.

Whilst comments on the draft payments in kind policy are welcomed, it should be noted that the draft instalment policy will not itself form part of the draft CIL Charging Schedule examination in public.

Draft Payments in Kind Policy

Shepway District Council proposes to adopt a discretionary payment in kind policy, in support of part or all payment of due CIL, subject to the following conditions:

- 1) The Council must be satisfied that the land to be transferred, and the infrastructure provided, represents an appropriate in kind payment to support delivery of the Local Plan.
- 2) The chargeable development must not have commenced before a written agreement with the Council to pay part or the entire CIL amount to be paid in kind, has been made. This agreement must state the value of the land and buildings to be transferred, as verified by an independent valuation.

- 3) The person transferring the land to the charging authority as payment must have assumed liability to pay CIL.
- 4) The land, subject to the transfer, must be free from any interest in land and any encumbrance to the land, buildings or structures.
- 5) The land, subject to the transfer, must be fit for a relevant purpose to support delivery of the Local Plan. This may require the owner to demonstrate that the land is suitable through the submission of further information to the Council, including but not limited to, topographical information, reports on contamination and archaeology and details of any underground services.
- 6) The Council may transfer at its own discretion, the land, at nil cost, to a third party for the provision of infrastructure.
- 7) The agreement to pay in land may not form part of a planning obligation entered into under Section 106 of the Town and Country Planning Act 1990 (as amended).

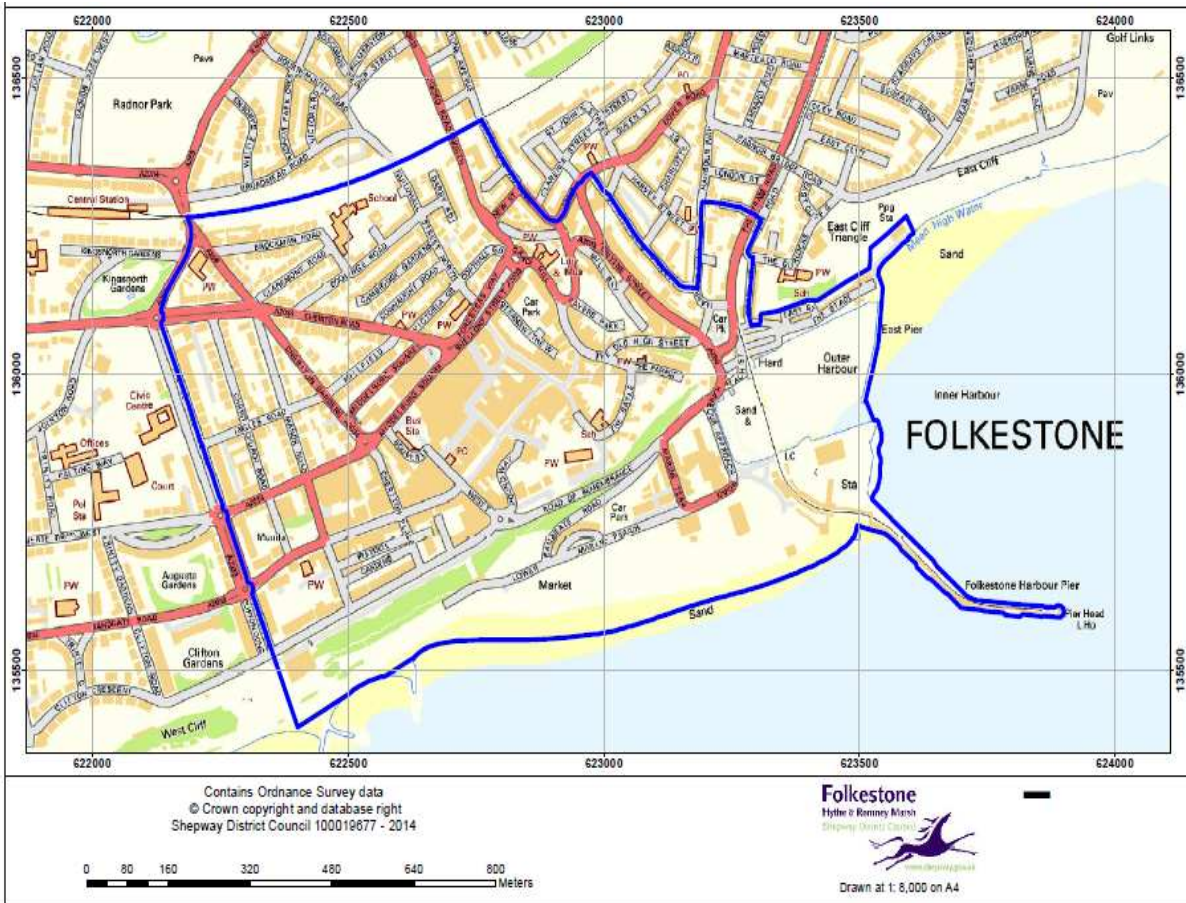
The Council is not obliged to accept any offer of payment in kind by land or infrastructure.

Adoption and Review

The payment in kind policy will take effect at the same time as the commencement date of the Council's adopted CIL Charging Schedule.

The CIL regulations require a Local Authority to produce an annual report, which indicates how CIL receipts have been used. Any Payments in Kind will be reported as part of this annual report.

Appendix 5: Folkestone Town Centre Retail & Commercial Area



Appendix 6
Shepway District Council
Community Infrastructure Levy (CIL)
(Working) Draft Regulation 123 List

Regulation 123 of the CIL Regulations 2010 (as amended), requires a Council to identify types of infrastructure and projects that it intends will be, or may be, wholly or partly funded through CIL. A draft R123 list also has to be provided as part of the consultation and Examination in Public on a Council's Draft CIL Charging Schedule.

The CIL Regulations require that from April 2015, S106 planning obligations will be limited to on-site mitigation measures and site-specific requirements to make development acceptable. In accordance with the CIL Regulations, this will also be subject to no more than five S106 agreements being pooled to fund a single infrastructure project.

Following CIL coming into effect in Shepway District, the following types of infrastructure, will be considered for support through CIL receipts:

- Local roads, public transport, walking & cycling infrastructure
- Green infrastructure, open space and bio-diversity
- Education, learning and skills facilities
- Business infrastructure
- Health & social care facilities
- Community facilities
- Leisure, play space, and sports facilities
- Public realm enhancements
- Cultural and heritage facilities
- Flood defence and drainage infrastructure
- Community safety

The inclusion of a project or type of infrastructure on the R123 list does not signify a commitment by the Council to fund (either in whole or part) the listed project or type of infrastructure. Nor does the list order imply any preference or priority.

The Council will work with Parish and Town Councils and local communities, to agree local priorities for spend. The proportion of CIL receipts due to Parish and Town Councils can be used to support infrastructure items related to the R123 list, but there is no requirement for Parish and Town Councils to do this.

The Council will also work with the County Council, neighbouring Local Authorities, and other infrastructure providers and funders to ensure CIL income is used in the most effective manner to benefit the District's communities.

Project funding proposals will be screened to ensure they are compliant with the CIL Regulations emphasis on the avoidance of double funding via CIL and S106 contributions.

The Council will produce an annual monitoring report on the use of collected CIL income.

Background Note CIL & Continuing Use of S106 Agreements

After adoption of the Council's CIL Charging Schedule, site specific matters needed to make a development acceptable in planning terms will continue to be addressed through S106 agreements, including for example the following:

- Site access and highways improvements
- Public transport improvements
- Education provision where a housing development is of significant scale to create a demand for new facilities and schools.
- Flood defences and coastal engineering
- Water supply & utilities provision, & wastewater drainage
- Other significant site specific mitigation measures that require an on-site or off-site compensatory solution, including that related to green space and open-space; play and sports space; public realm; and the natural environment.

S106 agreements will also continue to apply to:

- Affordable housing; and
- Monitoring fees, travel plans, air quality monitoring plans, employment and skills agreements, and archaeological investigations.

S278 highways agreements will continue to be negotiated and completed between developers and Highways Authorities, for development proposals that impact on an existing adopted highway, and require for example the construction of new access/junction improvements or safety related works.

In accordance with proposals set out by the draft CIL Charging Schedule, S106 agreements will also apply to:

- Strategic and key development sites: and
- Zero rated (£0 per sq. m) developments where site specific mitigation measures may be required.

Current Strategic and Key Developments' Infrastructure Projects

Infrastructure projects forming part of major current and future strategic and key developments that are subject to S106 and S278 agreements include the following:

Education

- Folkestone West new primary school
- Folkestone East new primary school
- Hythe existing primary school expansion
- Sellindge existing primary school expansion
- Romney Marsh existing primary school expansion

Highways and Transportation

- Cheriton High Street / Horn Street junction improvements
- Cheriton High Street A20/Spur Junction
- Cheriton Road Crossroads (A20/A2034) junction improvements
- Cheriton Garden Avenue / Cheriton Road crossroad improvement
- Grace Hill system / Tontine Street (A260/A259/A2033) junctions

- Hammonds Corner west of New Romney (A259/B2075) junction improvements
- Horn Street railway / pedestrian bridge improvements / upgrade
- New Romney (A259/B2071) Church Road junction
- Newingreen A20/A261 Stone Street junctions
- Signalisation of Risborough Lane / Church Road Junction Phase 1
- Signalisation of Risborough Lane / Church Road Junction Phase 2
- South of Hawkinge A20/A260 junction
- Bus network improvements – Tontine Street scheme

Leisure

- Replacement for Hythe swimming pool (part of Nickolls Quarry S106 agreement)

The above listed infrastructure projects won't be eligible for any future CIL contributions, unless it can be demonstrated such contributions are compliant with the CIL Regulations.

(Draft: 9th December 2014)

This Report will be made public
on 13 January 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/14/67**

To: Cabinet
Date: 21 January 2015
Status: Key Decision
Head of Service: Joanna Miller, Finance
Cabinet Member: Councillor Russell Tillson, Finance

Subject: TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2015/16 to 2017/18

SUMMARY: This report sets out the proposed strategy for treasury management for 2015/16 to 2017/18 including the Annual Investment Strategy to be approved by full Council. This report also sets out both the prudential indicators for capital expenditure and the Minimum Revenue Provision statement to be approved by full Council.

REASONS FOR RECOMMENDATION:

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) The Council is required to approve a Minimum Revenue Provision statement for 2015/16 in advance of the start of the financial year.
- c) The Financial Procedure Rules requires the Council to receive an annual plan and strategy for treasury management in advance of the financial year.
- d) The Council is required to approve an Annual Investment Strategy for the forthcoming year.

RECOMMENDATIONS:

1. To receive and note Report C/14/67.
2. To recommend to Council the approval of the Prudential Indicators for capital expenditure set out in the report.
3. To recommend to Council the approval of the Minimum Revenue Provision (MRP) statement set out in the report.
4. To recommend to Council that the strategy for treasury management set out in the report is adopted.
5. To recommend to Council the approval of the Prudential Indicators for treasury management and borrowing set out in the report
6. To recommend to Council that the 2015/16 Annual Investment Strategy set out in the report is adopted.

1. INTRODUCTION AND BACKGROUND

- 1.1 The council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.2 The second main function of the treasury management service is the funding of the council's capital plans. These capital plans provide a guide to the borrowing need of the council, essentially the longer term cash flow planning to ensure that the council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet council risk or cost objectives.
- 1.3 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital and its Code of Practice on Treasury Management require local authorities to determine and approve the following on an annual basis:
- Prudential indicators for the capital expenditure plans.
 - A Minimum Revenue Provision Policy outlining how capital expenditure met by borrowing is charged to revenue over time.
 - A Treasury Management Strategy Statement (TMSS), including treasury indicators, outlining how borrowings and investments are to be organised.
 - An Investment Strategy outlining the parameters to be used for managing investments. This also takes account of the Department for Communities and Local Government's (CLG) Investment Guidance.
- 1.4 CIPFA defines treasury management as:
"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. "
- 1.5 The council is responsible for its treasury decisions and activity. No treasury management activity is without risk. The successful identification, monitoring and control of risk are integral elements to treasury management activities.
- 1.6 The strategy for 2015/16 covers the following main areas:
- the capital plans and the prudential indicators
 - the Minimum Revenue Provision (MRP) policy
 - the current treasury position
 - treasury indicators which limit the treasury risk and activities of the Council
 - prospects for interest rates
 - the borrowing strategy including any changes compared to 2014/15

- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy including any changes compared to 2014/15
- creditworthiness policy
- policy on use of external service providers.
- reporting and scrutiny requirements

1.7 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

2 THE CAPITAL PRUDENTIAL INDICATORS 2015/16 TO 2017/18

2.1 The Local Government Act 2003 requires local authorities to adopt the CIPFA Prudential Code and to produce prudential indicators. The Code promotes the freedom of a local authority to determine locally what it needs to borrow to finance its future capital spending. However, the Code requires the Council to have regard to the following matters when arriving at its decisions:

- i. affordability – eg implications for Council Tax and housing rents,
- ii. prudence and sustainability – eg implications for external borrowing,
- iii. value for money – eg options appraisal,
- iv. stewardship of assets – eg asset management planning
- v. service objectives, and
- vi. practicality – eg achievability of the medium term financial plan.

2.2 The Council is asked to approve the prudential indicators set out below for the period up to 2017/18. Each indicator either summarises the expected activity or introduces limits upon the activity, and reflects the outcome of the council's underlying capital appraisal system and approved capital programme.

2.3. Capital Expenditure Plans

2.3.1 The council's capital expenditure plans are summarised below and this forms the first of the prudential indicators. The plans are consistent with the latest Medium Term Capital Programmes (MTCP) for the General Fund, due to be considered separately by Cabinet on today's agenda, and the Housing Revenue Account (HRA), considered by Cabinet on 17 December 2014. In line with the existing policy, no new borrowing is anticipated to fund the General Fund capital programme in future years. Should this policy change and prudential borrowing is agreed to be used to fund future capital expenditure plans then full Council will be required to approve changes to the Treasury Management Strategy and the capital and treasury prudential indicators, including the borrowing limits discussed later in this report.

2.3.2 Following the HRA Self-financing Reforms introduced from 1 April 2012, the approved HRA Business Plan provides for a limited 'new build' housing programme commencing in 2014/15. The 'new build' programme is planned to be

funded from revenue resources generated by the HRA, however it is possible that prudential borrowing may be required to help fund the cost. This will be assessed at the time dependent upon prevailing circumstances.

2.3.3 The key risks to the plans are that the level of Government support has been estimated and is therefore subject to change. Similarly some of the estimates for other sources of funding, such as future capital receipts and revenue resources to fund capital, may also be subject to change over this timescale. To mitigate this risk capital schemes to be funded from future capital resources will not be allowed to commence until these sums have been received or confirmed.

2.3.4 **The Council is asked to approve the summary capital expenditure projections below.** This forms the first prudential indicator:

Prudential Indicator 1 – Capital Expenditure Projections

£'000	2014/15 Projection	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Capital Expenditure				
Non-HRA	4,178	5,589	4,095	1,019
HRA	4,747	8,227	6,807	7,007
Total	8,925	13,816	10,902	8,026
Funded by:				
Capital receipts	(1,231)	(3,379)	(946)	(700)
Capital grants	(2,596)	(830)	(765)	(765)
Capital reserves	-	-	-	-
Revenue (GF)	(545)	(2,660)	(2,984)	(154)
Major Repairs Reserve (HRA)	(2,872)	(1,524)	(1,524)	(1,524)
Revenue (HRA)	(1,681)	(5,423)	(4,683)	(4,883)
Net financing need for the year	-	-	-	-

2.4 The Council’s Borrowing Need (The Capital Financing Requirement)

2.4.1 The second prudential indicator is the council’s Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of council’s underlying borrowing need. Any capital expenditure, above, which has not immediately been paid for will increase the CFR.

2.4.2 The CFR does not increase indefinitely as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset’s life.

2.4.3 The Council is asked to approve the CFR projections below:

Prudential Indicator 2 – CFR Projections

£'000 As at 31 st March	2013/14 Actual	2014/15 Projection	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Capital Financing Requirement					
CFR – Non Housing	13,576	12,997	12,482	12,077	11,688
CFR - Housing	48,317	47,416	46,217	45,317	44,417
Total CFR	61,893	60,413	58,699	57,394	56,105
Movement in CFR	n/a	(1,480)	(1,714)	(1,305)	(1,289)

Movement in CFR represented by					
Net financing need for the year (P.I. 1)	-	-	-	-	-
Less MRP	-	(580)	(514)	(405)	(389)
Less HRA financing movement	-	(900)	(1,200)	(900)	(900)
Movement in CFR	-	(1,480)	(1,714)	(1,305)	(1,289)

2.4.4 Separately, the council is also limited to a maximum HRA CFR through the HRA Self-financing regime. The limit, set by the government, is the maximum amount of capital expenditure funded by borrowing the HRA is allowed. The table below shows the projected position and available headroom for further borrowing should it be required and is based on planned capital expenditure from the HRA's business plan.

HRA Debt Limit £m	2014/15 Projection	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Limit	61.4	61.4	61.4	61.4
HRA CFR 31 March	47.4	46.2	45.3	44.4
Available Headroom	14.0	15.2	16.1	17.0

2.5 Minimum Revenue Provision (MRP) Policy Statement

2.5.1 The council is required to pay off an element of the accumulated General Fund capital spend financed by borrowing each year through a revenue charge (the Minimum Revenue Provision), although it is also allowed to undertake additional voluntary payments where it is seen to be in its best interests to do so.

2.5.2 Regulations have been issued by the Department for Communities and Local Government (DCLG) which require full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils to replace the existing Regulations, so long as there is a prudent provision. **The Council is**

recommended to approve the following MRP Statement to be applicable for 2014/15 and 2015/16.

- 2.5.3 For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:
- Existing practice - MRP will follow the existing practice outlined in former DCLG Regulations (4% of balance of CFR at 31.3.08)
- 2.5.4 From 1 April 2008 for unsupported borrowing the MRP policy will be:
- Asset Life Method – MRP will be based on the estimated life of the assets, in accordance with the regulations.
- 2.5.5 The only exception to the Asset Life Method is the £500k borrowing undertaken in 2013/14 to fund the Local Authority Mortgage Scheme (LAMS) being operated by Lloyds Bank PLC. At the end of the five year term of the LAMS scheme the council will receive back its capital investment and this will be used to repay the borrowing and extinguish the CFR relating to it. Therefore no MRP will be made in the intervening period.
- 2.5.6 No statutory revenue charge or MRP is currently required for the HRA. However under HRA reforms the HRA is required to charge depreciation on its assets, which will have a revenue effect. In order to address any possible adverse impact, regulations allow the Major Repairs Allowance to be used as a proxy for depreciation for the first five years, from 2012/13 to 2016/17.
- 2.5.7 As part of the HRA reforms, Cabinet approved an affordable strategy to repay the HRA's total debt, represented by its capital financing requirement (HRACFR), over the next 18-20 years. This is reflected in prudential indicator 2, above.

2.6 Core Funds and Expected Investment Balances

- 2.6.1 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources £m	2014/15 Projection	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Fund balances / reserves	16.0	12.9	10.9	11.6
Capital receipts	5.7	3.2	3.3	3.6
Provisions	-	-	-	-
Other	-	-	-	-
Total core funds	21.7	16.1	14.2	15.2
Working capital*	13.0	13.1	13.8	11.1
(Under)/over borrowing	1.3	0.8	2.0	1.7
Expected investments	36.0	30.0	30.0	28.0

*Working capital balances shown are estimated year end; these may be higher mid year.

2.7 Affordability Prudential Indicators

2.7.1 Prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the overall council's finances. **The Council is asked to approve the following indicators:**

2.7.2 **Estimates of the 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 the HRA is rent and other income.

Prudential Indicator 3 - Ratio of financing costs to net revenue stream

%	2014/15 Projection	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Non-HRA	7.6%	20.0%	22.0%	2.5%
HRA	21.3%	43.2%	37.1%	36.6%

2.7.3 The estimates of financing costs include current commitments and the proposals in both the General Fund and HRA revenue and capital budget reports. The changes to the Non-HRA figures reflect the use of revenue resources to support the new capital investment being included in the Medium Term Capital Programme. The changes in the HRA's figures reflect an increase in financing costs to meet the planned capital investment on the 'new build' programme which has commenced during 2014/15.

2.7.4 **Estimates of the incremental impact of capital investment decisions on the Council Tax** – This indicator identifies the revenue costs associated with **new schemes** introduced to the Medium Term Capital Programme recommended in the budget report compared to the council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of government support, which are not published over a three year period.

2.7.5 **Incremental impact of capital investment decisions on the Band D Council Tax**

Prudential Indicator 4

£	Proposed Budget 2015/16	Forward Projection 2016/17	Forward Projection 2017/18
Council Tax - Band D	£0.59	£2.26	£1.93

2.7.6 These values reflect the loss of interest, the opportunity cost, for the council's cash reserves and balances, anticipated to be used to fund its new capital investment plans included in the Medium Term Capital Programme. A number of

the new capital investment schemes being approved in principle will be expected to either generate new income streams or produce efficiencies for the council leading to a reduction in the cost to the Council Tax. To support this, the majority of the new capital schemes will each require an investment appraisal and business case clearly demonstrating its tangible financial benefit before it can commence. The investment appraisal for each scheme will need to include the impact of using the council's reserves and balances to fund it. Because of this the General Fund budget for 2015/16 does not currently reflect any loss of interest from using reserves and balances to fund the new capital investment plans.

2.7.7 Estimates of the incremental impact of capital investment decisions on Housing Rent levels – Similar to the Council Tax calculation this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in the budget report compared to the council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

2.7.8 Incremental impact of capital investment decisions Housing Rent levels

Prudential Indicator 5

£	Proposed Budget 2015/16	Forward Projection 2016/17	Forward Projection 2017/18
Weekly Housing Rent levels	0.09	0.28	0.61

2.7.9 This indicator shows the revenue impact on any newly approved schemes on the average weekly housing rent for the HRA. From 2015/16 it is forecast the council will receive rental income from the new build programme due to commence in 2014/15. The new build programme is expected to generate a net surplus for the HRA which, in turn, will contribute to the planned repayment of its debt over the 20 year life of the current business plan. Although the HRA capital investment in new build will generate a net surplus, this indicator includes the notional loss of interest from using the HRA's reserves and balances to fund the expenditure, the opportunity cost. This notional loss of interest slightly exceeds the additional income forecast to be received and is reflected above.

2.8 Local Indicators - HRA Debt Ratios

2.8.1 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**

	2014/15 Projection	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
HRA debt £m	51.7	50.6	50.5	49.6
HRA revenues £m	16.0	16.3	16.7	17.0
Ratio of debt to revenues	3.2	3.1	3.0	2.9

ii) **HRA Debt per Dwelling**

	2014/15 Projection	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
HRA debt £m	51.7	50.6	50.5	49.6
Number of HRA dwellings	3,400	3,388	3,395	3,406
Debt per dwelling	£15,220	£14,920	£14,880	£14,560

3. BORROWING

3.1 Debt Portfolio Position

3.1.1 The council's treasury portfolio position at 31 March 2014, with forward projections are summarised below. The table shows the actual external borrowing (the treasury management operations), against the capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Prudential Indicator 6 – Gross Borrowing / CFR

£m	2013/14 Actual	2014/15 Projection	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
External borrowing					
Borrowing at 1 April	65.0	62.9	61.7	59.5	59.4
Expected change in borrowing	(2.1)	(1.2)	(2.2)	(0.1)	(1.6)
Other long-term liabilities (OLTL)	-	-	-		
Expected change in OLTL	-	-	-		
Actual borrowing at 31 March	62.9	61.7	59.5	59.4	57.8
CFR – the borrowing need	61.9	60.4	58.7	57.4	56.1
Under / (over) borrowing	(1.0)	(1.3)	(0.8)	(2.0)	(1.7)

- 3.1.2 Within the prudential indicators there are a number of key indicators to ensure that the council operates its activities within well defined limits. One of these is that the council needs to ensure that its total borrowing, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2015/16 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.
- 3.1.3 The above prudential indicator shows that the council's total borrowing is forecast 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 during this period. 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.
- 3.1.4 **The Chief Finance Officer reports that the council is projected to breach this prudential indicator in 2014/15 and 2015/16. This view takes into account current commitments, existing plans, and the proposals in the budget reports. The implications of this are outlined above in section 3.1.3.**

3.2 Limits on Borrowing Activity

- 3.2.1 Two other key prudential indicators are used to ensure the council operates its borrowing activities within well defined limits and these are required to be approved for the period from 2015/16 to 2017/18.
- 3.2.2 **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.

Prudential Indicator 7 – Borrowing Operational Boundary

Operational boundary £m	2014/15 Approved	2014/15 Projection	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Borrowing	64.1	63.4	63.2	61.0	60.9
Other long term liabilities	-	-	-	-	-
Total	64.1	63.4	63.2	61.0	60.9

- 3.2.3 **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.

3.2.4 The Council is asked to approve the following Authorised Limit for 2015/16 to 2017/18:

Prudential Indicator 8 – Authorised Borrowing Limit

Authorised Limit £m	2014/15 Approved	2014/15 Projection	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Borrowing	66.6	65.9	65.7	63.5	63.5
Other long term liabilities	-	-	-	-	-
Total	66.6	65.9	65.7	63.5	63.5

4. ECONOMIC OUTLOOK AND PROSPECTS FOR INTEREST RATES

4.1 The council uses Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives Capita’s central view on interest rates.

Annual Average %	Bank Rate	LIBID Investment Rates		PWLB Borrowing Rates (including certainty rate adjustment)		
		3 month	1 year	5 year	25 year	50 year
Dec 2014	0.50	0.50	0.90	2.00	3.30	3.30
Mar 2015	0.50	0.50	0.90	2.20	3.40	3.40
Jun 2015	0.50	0.50	1.00	2.20	3.50	3.50
Sep 2015	0.50	0.60	1.10	2.30	3.70	3.70
Dec 2015	0.75	0.80	1.30	2.50	3.80	3.80
Mar 2016	0.75	0.90	1.40	2.60	4.00	4.00
Jun 2016	1.00	1.10	1.50	2.80	4.20	4.20
Sep 2016	1.00	1.10	1.60	2.90	4.30	4.30
Dec 2016	1.25	1.30	1.80	3.00	4.40	4.40
Mar 2017	1.25	1.40	1.90	3.20	4.50	4.50
Jun 2017	1.50	1.50	2.00	3.30	4.60	4.60
Sep 2017	1.75	1.80	2.30	3.40	4.70	4.70
Dec 2017	1.75	1.90	2.40	3.50	4.70	4.70
Mar 2018	2.00	2.10	2.60	3.60	4.80	4.80

4.2 The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:

- As for the Eurozone, concerns in respect of a major crisis subsided considerably in 2013. However, the downturn in growth and inflation during the second half of 2014, and worries over the Ukraine situation, Middle East and Ebola, have led to a resurgence of those concerns as risks increase that it could be heading into deflation and a triple dip recession since 2008. Sovereign debt difficulties have not gone away and major concerns could return in respect of individual countries that

do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise to levels that could result in a loss of investor confidence in the financial viability of such countries. Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods;

- Investment returns are likely to remain relatively low during 2015/16 and beyond;
- Borrowing interest rates have been volatile during 2014 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. During July to October 2014, a building accumulation of negative news has led to an overall trend of falling rates. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt;
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

4.3 A more detailed list of interest rate forecasts supplied by Capita Asset Services (CAS) is shown in appendix 2 to this report. A more detailed commentary of the economic factors affecting interest rate projections, also supplied by CAS, is shown in appendix 3 to this report.

5. BORROWING STRATEGY

5.1 The proposed borrowing strategy is unchanged from that currently approved and is reproduced below for Cabinet's information.

5.2 The council's planned capital expenditure for both the General Fund and HRA currently does not require any new borrowing to finance it. It is also anticipated that existing borrowing due to mature over the next three years can be met from internal cash resources rather than having to be replaced with new loans. This means there is no planned new borrowing to meet the council's CFR over the next three years.

5.3 Against the difficult and uncertain economic background and the risks within the economic forecast, the council will continue to take a cautious approach to its treasury strategy. The Chief Finance Officer will monitor interest rates and prevailing market conditions and, under delegated powers, undertake the most appropriate form of borrowing at the time should any be required, taking into account the risks from the economic forecast above.

- 5.4 If it was felt that there was a significant risk of a sharp fall in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- 5.5 If it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.

5.6 Debt Rescheduling

- 5.6.1 As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).
- 5.6.2 The reasons for any rescheduling to take place will include:
- the generation of cash savings and / or discounted cash flow savings;
 - helping to fulfil the treasury strategy;
 - enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
- 5.6.3 Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.
- 5.6.4 All rescheduling will be reported to Cabinet at the earliest meeting following its action.

5.7 Policy on Borrowing in Advance of Need

- 5.7.1 The council will not borrow more than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the council can ensure the security of such funds.
- 5.7.2 To reduce the investment risks associated with borrowing in advance of need it is seen prudent to limit this to **no more than 18 months in advance of need**.

6. INVESTMENT STRATEGY

- 6.1 The council's investment policy has regard to the CLG's Guidance on Local Government Investments and the 2011 revised CIPFA Treasury Management in

Public Services Code of Practice and Cross Sectoral Guidance Notes. The general policy objective for this council is the prudent investment of its treasury balances with its priorities remaining as security first, liquidity second and then return.

6.2 The key requirements of both the CLG investment guidance and the CIPFA Code are for the Council to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of the following:

- The creditworthiness methodology to be used to create the high quality counterparty list for investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments the council will use. These are high security (i.e. high credit rating, although this is defined by the council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.
- Group and country limits to be applied to investments.
- The investment strategy to be followed.
- Investment risk benchmarking.

6.3 The Annual Investment Strategy (AIS) for 2015/16 required to be approved by full Council is shown in appendix 4 to this report. The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoid a concentration of risk. **The intention of the strategy is to provide security of investment and minimisation of risk.**

6.4 Two key changes are proposed for the 2015/16 AIS compared to that approved for 2014/15.

6.4.1 To increase the maximum amount that can be invested in the CCLA Local Authorities' Property Fund from £3m to £5m. The original £3m limit was linked to the council maintaining a minimum balance of £3.2m in the General Reserve over the next 5 years, in line with the approved Medium Term Financial Strategy (MTFS). In addition to the minimum balance for the General Reserve, the MTFS requires a minimum balance of £2m to be maintained for the HRA and £0.5m in the Capital Receipts Reserve meaning a total £5.5m is to be held in reserves over the next 5 years. The proposed increase in the maximum amount to be invested in the CCLA fund is broadly in line with the minimum reserve position.

6.4.2 To remind Cabinet, the key benefits and risks of the CCLA fund are summarised below:

Key Benefits

- Diversification of investment portfolio
- Professional managed property portfolio
- Attractive and stable returns – above inflation
- Returns likely to outperform standard returns for next 5 years
- Year 1 & 2 return approximately £41k more per £1m invested than forecast
- Potential capital growth
- Fits SDC's projected reserves position for MTFS – minimum General Reserve £5.5m over next 5 years

Key Risks

- Illiquidity in fund – cash takes time to realise, small cash buffer, transaction costs are high
- Rise and fall in property values affecting fund value
- Gearing – loan facility within fund to provide some liquidity can affect unit values
- Financial risks – legislation/taxation changes for property
- Quality of core tenants for sustainable income streams
- Potential capital loss particularly if funds withdrawn early

6.4.3 It is also proposed to change the monetary limit on AAA rated enhanced money market funds to be increased from £2m to £5m per fund. This will bring the investment limit for enhanced money market funds in line other UK financial institutions on the council's counterparty list. However it is not proposed to change the overall limit of £5m that can be invested in any one fund provider, whether or not its an ordinary or enhanced money market fund.

6.5 The criteria for choosing counterparties set out in the strategy provides a sound approach to investment management and risk in the current difficult market conditions. Under these current market conditions the Chief Finance Officer may temporarily restrict further investment activity to counterparties of higher credit quality than the minimum set out for approval. Similarly the time periods for investments may also be restricted.

7. FINANCIAL SUMMARY – NET REVENUE COST

7.1 The net revenue cost of the council's treasury management borrowing and investment activity is estimated to be:

£'000	2014/15 Estimate	2014/15 Latest Projection	2015/16 Estimate	Variance 2014/15 to 2015/16
Revenue Budgets				
Interest on Borrowing	2,360	2,369	2,265	(95)
HRA Element	(1,819)	(1,817)	(1,752)	67
GF Borrowing Cost	541	552	513	(28)
Investment income	(229)	(430)	(514)	(285)
HRA Element	40	58	94	54
GF Investment income	(189)	(372)	(420)	(231)
Net Cost (GF)	352	180	93	(259)

7.2 The net cost excludes the impact of the interest being received on the loans advanced to Oportunitas Limited as this is purely a capital investment decision and sits outside of the council's treasury management activities. The estimated interest of approximately £87k in 2015/16 from the Oportunitas loans is included in the proposed General Fund budget. Also, as highlighted in the commentary to Prudential Indicator 4 (section 2.7), the 2015/16 estimate does not reflect the loss of interest on cash reserves and balances that may be used to fund the new capital investment schemes agreed in principle. This will be considered as part of the investment appraisal and business case process for each scheme.

7.3 The main reasons for the projected net reduction in General Fund borrowing costs of £259k from the 2014/15 estimate to the 2015/16 estimate are:

	£'000
i) Returns from average investment portfolio balance of £37m forecast to be higher than the 2014/15 estimate. This includes the enhanced returns of £135k from the £3m invested in the CCLA LA Property Fund.	(264)
ii) Reduction in interest on borrowing due to planned loan maturities	(39)
iii) Increase in interest due to the HRA for its share of investment balances	55
iv) Other changes	(11)
Net reduction in costs to General Fund	(259)

8. SENSITIVITY TO INTEREST RATE MOVEMENTS

8.1 Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 1% increase/decrease in all interest rates to treasury management costs/income for next year. The council's loans portfolio is all fixed rate borrowing and, with no new borrowing requirement, there is no

exposure to interest rate movements on it. The council's investment portfolio is exposed to interest rate movements and the impact of this is reflected in the table below. Based on current market conditions, it is felt there is a greater downside risk to interest rates in 2015/16 and a subsequent reduction in investment returns than a prospect of higher rates and an increase in returns.

£'000 Interest Rate Movement	2015/16 Estimated + 1%	2015/16 Estimated - 1%
Revenue Budgets		
Interest on Borrowing	-	-
Related HRA Charge	-	-
Net General Fund Borrowing Cost	-	-
Investment income	(225)	218
Net position	(225)	218

9. TREASURY MANAGEMENT PRUDENTIAL INDICATORS

9.1 There are four further treasury prudential indicators. The purpose of these prudential indicators is to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However if these are set to be too restrictive they will impair the opportunities to reduce costs. The indicators are:

- Upper limits on variable interest rate exposure – This indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- Upper limits on fixed interest rate exposure – Similar to the previous indicator this covers a maximum limit on fixed interest rates.
- Maturity structures of borrowing – These gross limits are set to reduce the council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.
- Total principal funds invested for greater than 364 days – These limits are set to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

9.2 The Council is asked to approve the following prudential indicators:

Prudential Indicator 9 – Interest Rate Exposures

%	2015/16	2016/17	2017/18
Interest Rate Exposures			
	Upper	Upper	Upper
Limits on fixed interest rates:			
• Debt	100%	100%	100%
• Investments	100%	100%	100%

Limits on variable interest rates;			
• Debt	20%	20%	20%
• Investments	80%	80%	80%

Prudential Indicator 10

Maturity Structure of fixed interest rate borrowing		
	2015/16	
	Lower	Upper
Under 12 months	0%	30%
12 months to 2 years	0%	40%
2 years to 5 years	0%	50%
5 years to 10 years	0%	80%
10 years to 20 years	0%	100%
20 years to 30 years	0%	100%
30 years to 40 years	0%	100%
40 years to 50 years	0%	100%

Prudential Indicator 11

Maximum principal sums invested > 364 days			
	2015/16	2016/17	2017/18
Principal sums invested > 364 days	£16m	£16m	£16m

10. PERFORMANCE INDICATORS

- 10.1 The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. Based on the 2015/16 estimates, the following local performance indicators have been set for the year:

	2015/16 Estimate	
1.	Debt – Average rate of interest on Non-HRA borrowing	5.30%
2.	Debt – Average rate of interest on HRA borrowing	3.44%
3.	Investments – Average rate of return on all investments	1.34%

11. TREASURY MANAGEMENT ADVISORS

- 11.1 The council uses Capita Asset Services (CAS) as its external treasury management advisors. CAS had an initial three year contract with the council running until 31 March 2014 and in October 2013 the Head of Finance agreed to extend this for a further two years until 31 March 2016.
- 11.2 The council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

11.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

12. REPORTING REQUIRMENTS

12.1 In addition to this strategy report, as a minimum the following two reports are required to be scrutinised and then considered by Cabinet:

- i) **A Mid Year Treasury Management Report** – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.
- ii) **An Annual Treasury Report** – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

12.2 The Resources Scrutiny Committee is responsible for scrutinising the council's Treasury Management reports.

13. RISK MANAGEMENT ISSUES

13.1 Inherently treasury management is concerned with the management of risk, e.g. interest rate risk, market risk, credit risk and liquidity risk. The strategies in this Report are developed to minimise the impact of risk changes whilst at the same time providing a framework for the council to reduce its net interest costs.

13.2 Specific risks to be addressed are as follows:

PERCEIVED RISK	SERIOUSNESS	LIKELIHOOD	PREVENTATIVE ACTION
Interest Rate Risk (rates moving significantly different to expectations)	High	Medium	Rate rises would be beneficial but if rates fall the council would need to consider further fixed rate investments or debt rescheduling to mitigate impact.
Market Risk (adverse market fluctuations affect value of investment capital)	Medium	Low	A limit is placed on the value of principal exposed to changes in market value.

Credit Risk (risk to repayment of Capital)	High	Medium	The council's investment criteria restricts counterparties to those of the highest quality and security.
Liquidity Risk (risk that cash will not be available when needed)	Medium	Medium	Council's investment portfolio structured to reflect future liquidity needs. Temporary borrowing is also available to meet short term liquidity issues.
Changes to the Capital Programme and/or revenue streams	High	Low-Medium	Cash flows are calculated monthly and regular projections are made to identify changes to the council's funding requirements. Only realised capital receipts are used to fund the approved capital programme. There may be some slippage in capital expenditure between years and the impact will be monitored.

14. CONCLUSIONS

14.1 The 2015/16 to 2017/18 strategy for treasury management has been prepared in compliance with CIPFA's Code of Practice for Treasury Management, CIPFA's Prudential Code for Capital Finance, DCLG's Guidance on Local Government Investments and the council's Financial Procedure Rules.

- a. The strategy re-affirms the Chief Finance Officer has delegated powers to undertake all treasury management activity and to prepare an annual report after the year-end reviewing the outcomes.
- b. The prudential indicators set out in the report for capital expenditure, borrowing and treasury management are required to be approved by the Council.
- c. The MRP statement set out in the report is required to be approved by the Council.

- d. The Treasury Management Strategy and the Annual Investment Strategy are both required to be approved by the Council.

15. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

15.1 Legal Officer's Comments (AK)

The Local Government Act 2003 gives the council the power to borrow and invest money. It also requires the council to act prudently when carrying out these activities. In addition, the council is required by the Local Government Finance Act 1992 to produce a balanced budget.

15.2 Finance Officer's Comments (LW)

The report has been prepared by Financial Services and the relevant financial implications are contained within it.

16. CONTACT OFFICER AND BACKGROUND DOCUMENTS

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

*Lee Walker – Group Accountant
Tel: 01303 853593 Email: lee.walker@shepway.gov.uk*

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

Capita Asset Services' Model Treasury Management Strategy Statement Template 2015/16

Appendices:

- Appendix 1 – Treasury Management Scheme of Delegation
- Appendix 2 - Capita's Interest Rate Forecasts 2014 to 2018
- Appendix 3 – Capita's Economic Background document
- Appendix 4 – Annual Investment Strategy 2015/16

Appendix 1

TREASURY MANAGEMENT SCHEME OF DELEGATION

i) **Full Council**

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

ii) **Cabinet**

- approval of/amendments to the organisation's adopted clauses and treasury management policy statement,
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

iii) **Resources Scrutiny Committee**

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

iv) **Chief Finance Officer (S.151 Officer)**

- recommending clauses and the treasury management policy for approval, reviewing the same regularly, and monitoring compliance; review and approval of amendments to the treasury management practices,
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

Appendix 2 – Capita Interest Rate Forecast 2014 - 2018

Annual Average %	Bank Rate	LIBID Investment Rates		PWLB Borrowing Rates (including certainty rate adjustment)		
		3 month	1 year	5 year	25 year	50 year
Dec 2014	0.50	0.50	0.90	2.00	3.30	3.30
Mar 2015	0.50	0.50	0.90	2.20	3.40	3.40
Jun 2015	0.50	0.50	1.00	2.20	3.50	3.50
Sep 2015	0.50	0.60	1.10	2.30	3.70	3.70
Dec 2015	0.75	0.80	1.30	2.50	3.80	3.80
Mar 2016	0.75	0.90	1.40	2.60	4.00	4.00
Jun 2016	1.00	1.10	1.50	2.80	4.20	4.20
Sep 2016	1.00	1.10	1.60	2.90	4.30	4.30
Dec 2016	1.25	1.30	1.80	3.00	4.40	4.40
Mar 2017	1.25	1.40	1.90	3.20	4.50	4.50
Jun 2017	1.50	1.50	2.00	3.30	4.60	4.60
Sep 2017	1.75	1.80	2.30	3.40	4.70	4.70
Dec 2017	1.75	1.90	2.40	3.50	4.70	4.70
Mar 2018	2.00	2.10	2.60	3.60	4.80	4.80

Appendix 3 - ECONOMIC BACKGROUND

(Commentary supplied by Capita Asset Services)

UK. Strong UK GDP quarterly **growth** of 0.7%, 0.8% and 0.7% in quarters 2, 3 and 4 respectively in 2013, (2013 annual rate 2.7%), and 0.7% in Q1, 0.9% in Q2 and a first estimate of 0.7% in Q3 2014 (annual rate 3.1% in Q3), means that the UK will have the strongest rate of growth of any G7 country in 2014. It also appears very likely that strong growth will continue through the second half of 2014 and into 2015 as forward surveys for the services and construction sectors are very encouraging and business investment is also strongly recovering. The manufacturing sector has also been encouraging though recent figures indicate a weakening in the future trend rate of growth. However, for this recovery to become more balanced and sustainable in the longer term, the recovery needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance.

This overall strong growth has resulted in **unemployment** falling much faster through the initial threshold of 7%, set by the **Monetary Policy Committee (MPC)** last August, before it said it would consider any increases in Bank Rate. The MPC has, therefore, subsequently broadened its forward guidance by adopting five qualitative principles and looking at a much wider range of about eighteen indicators in order to form a view on how much slack there is in the economy and how quickly slack is being used up. The MPC is particularly concerned that the current squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of inflation in order to ensure that the recovery will be sustainable. There also needs to be a major improvement in labour productivity, which has languished at dismal levels since 2008, to support increases in pay rates. Most economic forecasters are expecting growth to peak in 2014 and then to ease off a little, though still remaining strong, in 2015 and 2016. Unemployment is therefore expected to keep on its downward trend and this is likely to eventually feed through into a return to significant increases in pay rates at some point during the next three years. However, just how much those future increases in pay rates will counteract the depressive effect of increases in Bank Rate on consumer confidence, the rate of growth in consumer expenditure and the buoyancy of the housing market, are areas that will need to be kept under regular review.

Also encouraging has been the sharp fall in **inflation** (CPI) during 2014 after being consistently above the MPC's 2% target between December 2009 and December 2013. Inflation fell to 1.2% in September, a five year low. Forward indications are that inflation is likely to fall further in 2014 to possibly near to 1% and then to remain near to, or under, the 2% target level over the MPC's two year ahead time horizon. Overall, markets are expecting that the MPC will be cautious in raising **Bank Rate** as it will want to protect heavily indebted consumers from too early an increase in Bank Rate at a time when inflationary pressures are also weak. A first increase in Bank Rate is therefore expected

in Q4 2015 and they expect increases after that to be at a slow pace to lower levels than prevailed before 2008 as increases in Bank Rate will have a much bigger effect on heavily indebted consumers than they did before 2008.

The return to strong growth has also helped lower forecasts for the increase in **Government debt** by £73bn over the next five years, as announced in the 2013 Autumn Statement, and by an additional £24bn, as announced in the March 2014 Budget - which also forecast a return to a significant budget surplus, (of £5bn), in 2018-19. However, monthly public sector deficit figures have disappointed so far in 2014/15.

The Eurozone (EZ). The Eurozone is facing an increasing threat from weak or negative growth and from deflation. In September, the inflation rate fell further, to reach a low of 0.3%. However, this is an average for all EZ countries and includes some countries with negative rates of inflation. Accordingly, the ECB took some rather limited action in June to loosen monetary policy in order to promote growth. In September it took further action to cut its benchmark rate to only 0.05%, its deposit rate to -0.2% and to start a programme of purchases of corporate debt. However, it has not embarked yet on full quantitative easing (purchase of sovereign debt).

Concern in financial markets for the Eurozone subsided considerably during 2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise for some countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed. The ECB's pledge in 2012 to buy unlimited amounts of bonds of countries which ask for a bailout has provided heavily indebted countries with a strong defence against market forces. This has bought them time to make progress with their economies to return to growth or to reduce the degree of recession. However, debt to GDP ratios (2013 figures) of Greece 180%, Italy 133%, Portugal 129%, Ireland 124% and Cyprus 112%, remain a cause of concern, especially as some of these countries are experiencing continuing rates of increase in debt in excess of their rate of economic growth i.e. these debt ratios are likely to continue to deteriorate. Any sharp downturn in economic growth would make these countries particularly vulnerable to a new bout of sovereign debt crisis. It should also be noted that Italy has the third biggest debt mountain in the world behind Japan and the US. Greece remains particularly vulnerable but has made good progress in reducing its annual budget deficit and in returning, at last, to marginal economic growth. Whilst a Greek exit from the Euro is now improbable in the short term, some commentators still view the inevitable end game as either being another major right off of debt or an eventual exit.

There are also particular concerns as to whether democratically elected governments will lose the support of electorates suffering under EZ imposed austerity programmes, especially in countries like Greece and Spain which

have unemployment rates of over 24% and unemployment among younger people of over 50 – 60%. There are also major concerns as to whether the governments of France and Italy will effectively implement austerity programmes and undertake overdue reforms to improve national competitiveness. Any loss of market confidence in the two largest Eurozone economies after Germany would present a huge challenge to the resources of the ECB to defend their debt.

USA. The Federal Reserve started to reduce its monthly asset purchases of \$85bn in December 2013 by \$10bn per month; these ended in October 2014, signalling confidence the US economic recovery would remain on track. First quarter GDP figures for the US were depressed by exceptionally bad winter weather, but growth rebounded very strongly in Q2 to 4.6% (annualised). The first estimate of Q3 showed growth of 3.5% (annualised). Annual growth during 2014 is likely to be just over 2%.

The U.S. faces similar debt problems to those of the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth, although the weak labour force participation rate remains a matter of key concern for the Federal Reserve when considering the amount of slack in the economy and monetary policy decisions. It is currently expected that the Fed. will start increasing rates in mid 2015.

China. Government action in 2014 to stimulate the economy appeared to be putting the target of 7.5% growth within achievable reach but recent data has been mixed. There are also concerns that the Chinese leadership have only started to address an unbalanced economy which is heavily dependent on new investment expenditure, and for a potential bubble in the property sector to burst, as it did in Japan in the 1990s, with its consequent impact on the financial health of the banking sector. There are also concerns around the potential size, and dubious creditworthiness, of some bank lending to local government organisations and major corporates. This primarily occurred during the government promoted expansion of credit, which was aimed at protecting the overall rate of growth in the economy after the Lehmans crisis.

Japan. Japan is causing considerable concern as the increase in sales tax in April 2014 has suppressed consumer expenditure and growth. In Q2 growth was -1.8% q/q and -7.1% over the previous year. The Government is hoping that this is a temporary blip.

CAPITA ASSET SERVICES FORWARD VIEW

Economic forecasting remains difficult with so many external influences weighing on the UK. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, or the safe haven of bonds.

The overall longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Over time, an increase in investor confidence in world economic recovery is also likely to compound this effect as recovery will further encourage investors to switch from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently evenly weighted. However, only time will tell just how long this period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

The interest rate forecasts in this report are based on an initial assumption that there will not be a major resurgence of the EZ debt crisis, or a break-up of the EZ, but rather that there will be a managed, albeit painful and tortuous, resolution of the debt crisis where EZ institutions and governments eventually do what is necessary - but only when all else has been tried and failed. Under this assumed scenario, growth within the EZ will be tepid for the next couple of years and some EZ countries experiencing low or negative growth, will, over that time period, see an increase in total government debt to GDP ratios. There is a significant danger that these ratios could rise to the point where markets lose confidence in the financial viability of one, or more, countries, especially if growth disappoints and / or efforts to reduce government deficits fail to deliver the necessary reductions. However, it is impossible to forecast whether any individual country will lose such confidence, or when, and so precipitate a sharp resurgence of the EZ debt crisis. While the ECB has adequate resources to manage a debt crisis in a small EZ country, if one, or more, of the large countries were to experience a major crisis of market confidence, this would present a serious challenge to the ECB and to EZ politicians.

Downside risks currently include:

- The situation over Ukraine poses a major threat to EZ and world growth if it was to deteriorate into economic warfare between the West and Russia where Russia resorted to using its control over gas supplies to Europe.
- Fears generated by the potential impact of Ebola around the world
- UK strong economic growth is currently mainly dependent on consumer spending and the potentially unsustainable boom in the housing market. The boost from these sources is likely to fade after 2014.
- A weak rebalancing of UK growth to exporting and business investment causing a weakening of overall economic growth beyond 2014.
- Weak growth or recession in the UK's main trading partner - the EU, inhibiting economic recovery in the UK.
- A return to weak economic growth in the US, UK and China causing major disappointment in investor and market expectations.
- A resurgence of the Eurozone sovereign debt crisis caused by ongoing deterioration in government debt to GDP ratios to the point where financial markets lose confidence in the financial viability of one or more countries and in the ability of the ECB and Eurozone governments to deal with the potential size of the crisis.
- Recapitalisation of European banks requiring considerable government financial support.
- Lack of support by populaces in Eurozone countries for austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
- Italy: the political situation has improved but it remains to be seen whether the new government is able to deliver the austerity programme required

and a programme of overdue reforms. Italy has the third highest government debt mountain in the world.

- France: after being elected on an anti austerity platform, President Hollande has embraced a €50bn programme of public sector cuts over the next three years. However, there could be major obstacles in implementing this programme. Major overdue reforms of employment practices and an increase in competitiveness are also urgently required to lift the economy out of stagnation.
- Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.
- Heightened political risks in the Middle East and East Asia could trigger safe haven flows back into bonds.
- There are also increasing concerns at the reluctance of western central banks to raise interest rates significantly for some years, plus the huge QE measures which remain in place (and may be added to by the ECB in the near future). This has created potentially unstable flows of liquidity searching for yield and, therefore, heightened the potential for an increase in risks in order to get higher returns. This is a return to a similar environment to the one which led to the 2008 financial crisis.

The potential for upside risks to UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- A further surge in investor confidence that robust world economic growth is firmly expected, causing a flow of funds out of bonds into equities.
 - UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.
-

SHEPWAY DISTRICT COUNCIL

ANNUAL INVESTMENT STRATEGY 2015/16

1. TREASURY MANAGEMENT PRACTICE (TMP) 1 – CREDIT AND COUNTERPARTY RISK MANAGEMENT

- 1.1 The CLG issued Investment Guidance in 2010, and this forms the structure of the Council's policy below.
- 1.2 The key intention of the Guidance is to maintain the current requirement for Councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires the council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. The Council has previously adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Chief Finance Officer has produced its treasury management practices (TMPs). This part, TMP 1(5), covering investment counterparty policy requires approval each year.

2. ANNUAL INVESTMENT STRATEGY

- 2.1 The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of the following:
- The creditworthiness methodology to be used to create the high quality counterparty list for investments.
 - The principles to be used to determine the maximum periods for which funds can be committed.
 - Specified investments the council will use. These are high security (i.e. high credit rating, although this is defined by the council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
 - Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.
 - Group and country limits to be applied to investments.
 - The investment strategy to be followed.
 - Investment risk benchmarking.
- 2.2 The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoid a concentration of risk. **The intention of the strategy is to provide security of investment and minimisation of risk.**

3. INVESTMENT OBJECTIVES

3.1 All investments will be in sterling. The general policy objectives for this council is the prudent investment of its treasury balances (this includes monies borrowed in advance for the purpose of funding either capital expenditure or replacing maturing debt, i.e. borrowed up to 18 months in advance of need). The council's investment priorities stated in its Treasury Management Strategy are, in priority order:

1. SECURITY – safeguarding the repayment of principal and interest of its investments on time.

2. LIQUIDITY – ensuring adequate funds are available to meet its financial commitments

3. YIELD – the return achieved on its investments

4. CREDITWORTHINESS POLICY

4.1 To help ensure the council's investment objectives are met the Chief Finance Officer will maintain a counterparty list in compliance with the following criteria and submit them to full Council for approval as necessary. These criteria are separate to that which determines whether investment instruments are either Specified or Non-Specified (see below) as it provides an overall pool of counterparties considered high quality which the council may use, rather than defining what types of investments are to be used.

4.2 The rating criteria use the **lowest common denominator** method of selecting counterparties and applying limits. This means that the application of the council's minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by two agencies, one meets the council's criteria, the other does not, the institution will fall outside the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.

4.3 Credit rating information published by Fitch Ratings, Moody's Investors Services and Standard and Poor's is supplied by Capita Asset Services, the council's treasury advisor, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating watch applying to a counterparty at the minimum council criteria will be suspended from use, with all others being reviewed in light of market conditions.

4.4 CHANGES TO CREDIT RATING CRITERIA

- 4.4.1 On 1 October 2014 full Council approved changes to the credit rating criteria applicable to the 2014/15 Investment Strategy. This was a response to anticipated changes to the structure of credit rating information provided by the three main credit rating agencies as part of continuing regulatory changes in the banking sector. This centred on changes to the implied sovereign support for banks and other financial institutions meaning viability, financial strength and support ratings previously applied by the credit rating agencies effectively becoming redundant. This resulted in the key ratings used to monitor counterparties being the short and long term ratings only.
- 4.4.2 Full Council added the caveat that the changes to the credit rating criteria were to be implemented immediately they were made by the agencies. At the time of writing this report the changes have yet to be made by the agencies although this is still expected to happen in the near future. In the meantime the viability, financial strength and support ratings continue to be used.
- 4.4.3 It is proposed to continue with the same approach for the credit rating criteria as approved by full Council on 1 October 2014.

4.5 USE OF ADDITIONAL INFORMATION OTHER THAN CREDIT RATINGS

- 4.5.1 Additional requirements under the Code of Practice require the council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This includes the use of Credit Default Swaps, share prices and other market intelligence.
- 4.5.2 Capita provide a weekly report to the council which takes the existing credit ratings position and overlays it with the latest Credit Default Swaps information to provide a suggested maximum investment duration for each eligible counterparty on the list.

4.6 CRITERIA FOR HIGH QUALITY INVESTMENT COUNTERPARTIES

- 4.6.1 The criteria for providing a pool of high quality investment counterparties is:

Banks 1- UK Good Credit Quality – the council will only use UK banks for investments up to one year who have, as a minimum, the following Fitch, Moody's and Standard and Poors credit ratings (where rated):

- i) **Short Term – F1/P1/A1**
- ii) **Long Term – A-/A3/A-**

and until changed when the following will be removed,

- iii) Viability / Financial Strength – bb- / C- (Fitch / Moody's only)
- iv) Support – 3 (Fitch only)

Banks 2 – Non-UK Good Credit Quality – the council will only use non-UK banks for investments of up to one year who are domiciled in a country which has a minimum Sovereign long term rating of AAA. The banks must also have, as a minimum, the following Fitch, Moody's and Standard and Poors credit ratings (where rated):

- i) **Short Term – F1/P1/A1 for investments up to one year**
- ii) **Long Term – AA-/Aa3/AA- for investments longer than one year.**

and until changed when the following will be removed

- iii) Viability / Financial Strength – bb- / C- (Fitch / Moody's only)
- iv) Support – 3 (Fitch only)

Banks 3 – Part nationalised UK banks – Lloyds Bank and Royal Bank of Scotland. These banks can be included if they continue to be part nationalised or they meet the ratings in Banks 1 above.

Banks 4 – The council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.

Bank subsidiary and treasury operation -. The council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.

Building Societies – the council will use all Societies which meet the ratings for banks outlined above.

Money Market Funds – AAA rated

Enhanced Cash Funds – AAA rated

UK Government (including gilts, treasury bills and the DMADF)

Local Authorities, Parish Councils etc

Supranational institutions (e.g. European Investment Bank)

Local Authority Property Funds (e.g. CCLA)

4.7 SPECIFIED INVESTMENTS

- 4.7.1 These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure. **A schedule of the proposed specified investment categories to be used in 2015/16, including monetary limits for each category, and is shown below at Annex 1.**

4.8 NON-SPECIFIED INVESTMENTS

4.8.1 Non-specified investments are any other type of sterling investment (i.e. not defined as Specified above). **The identification and rationale supporting the selection of these other investments and the maximum monetary and time limits to be applied are set out below at Annex 2.**

4.9 COUNTRY, GROUP AND SECTOR INVESTMENT CONSIDERATIONS AND LIMITS

4.9.1 Due care will be taken to consider the country, group and sector exposure of the council's investments.

4.9.2 Country limits - In part the country selection will be chosen by the credit rating of the Sovereign state outlined in section 4.5.1 above (Banks 2). In addition no more than £8m will be placed with non-UK countries at any time with a maximum limit of £4m on any single country together with a maximum investment duration of 12 months. This is explained in the Investment Strategy at section 5, below.

4.9.3 Group Limits – A group entity will have one investment limit applied to it. The total invested with any qualifying individual counterparties within the group must not total, in aggregate, any more than the group limit stated.

4.9.4 Local Authority Mortgage Scheme (LAMS) – The council's £0.5m contribution to the LAMS scheme counts as capital expenditure and is seen as a service investment rather than a treasury management investment. However, because LAMS involves placing money on deposit for five years with the Lloyds Banking Group this sum will count towards the monetary limits to be applied against this group.

4.9.5 Sector limits will be monitored regularly for appropriateness.

5. INVESTMENT STRATEGY TO BE FOLLOWED

5.1 Based on its cash flow projections, the council anticipates its fund balances available for investments during 2015/16 to typically range from £33m to £45m. Mindful of the stated investment objectives of security, liquidity and yield (in that order) the proposed investment strategy for the council in 2015/16 is to:-

- i) Invest up to a maximum of £5m in the CCLA Local Authorities' Property Fund outlined in the Treasury Management Strategy for 2015/16. This represents the council's minimum reserves position which, as part of the approved Medium Term Financial Strategy, has been agreed not to drop lower than £5.5m over the next five years.
- ii) Invest up to a maximum of £16m in cash deposits with qualifying counterparties for a period of up to two years. This represents core funds that are not expected to be required to meet expenditure during the next two years.
- ii) Consider using the council's core funds in lieu of external borrowing, consistent with the proposed borrowing strategy.

iii) Invest any remaining cash surpluses arising from the council's normal operating cash flow to be invested with qualifying counterparties for a period of not more than one year, i.e. short term.

- 5.2 It is proposed to continue with the strategy of the higher counterparty limits of £8m for each of the part-nationalised banking groups of RBS and Lloyds. These two banking groups are viewed as being more secure than other UK banks and building societies. Although the government recently sold a small part of its interest in Lloyds, it seems highly unlikely the government will relinquish overall control of Lloyds over the next year. The government is further away still from ending its controlling interest in RBS.
- 5.3 It is also proposed to change the monetary limit on AAA rated enhanced money market funds to be increased from £2m to £5m per fund. This will bring the investment limit for enhanced money market funds in line other UK financial institutions on the council's counterparty list. However it is not proposed to change the overall limit of £5m that can be invested in any one fund provider, whether or not its an ordinary or enhanced money market fund.
- 5.4 In accordance with the proposed Treasury Management Strategy the Chief Finance Officer, in consultation with the Treasury Officers, Capita Asset Services and the Cabinet Member for Finance, may continue to apply temporary restrictions to the council's investment criteria during 2015/16 for new deposits to minimise counterparty risk. These restrictions may result in a reduction to the income estimated to be received from the council's investments and the situation will be closely monitored and reported in accordance with the council's budget monitoring procedures.
- 5.6 The funds available for investment are based on the council's latest forecast revenue and capital expenditure plans for 2015/16. Should there be any material change to these forecasts the Chief Finance Officer will determine the most appropriate course of action to resolve the position and ensure the Cabinet Member for Finance is kept informed of any decision.
- 5.7 **Investment Returns Expectations** – The weighted average estimated interest returns along with the bank base rate over the next three years are shown in the table below. As highlighted above, a temporary restriction on investment criteria may lead to a reduction against these budgeted returns. These returns do not anticipate the additional potential yields available from increasing the council's investment in the CCLA Property Fund from £3m to £5m.

Average %	Bank Rate	Weighted Average Returns
2014/15	0.50%	1.01%
2015/16	0.88%	1.34%
2016/17	1.38%	2.17%
2017/18	2.13%	2.66%

5.8 EXTERNAL CASH FUND MANAGEMENT

- 5.8.1 The proposed strategy also allows the flexibility of the council to invest its cash funds with an external fund manager. The Chief Finance Officer will consult with the council's treasury advisor, Capita Asset Services, over any long term investment decision. If the council appoints an external fund manager to manage any of its cash balances a fund management agreement will be put in place formally documenting the instruments they can use within pre-agreed limits.

6. INVESTMENTS DEFINED AS CAPITAL EXPENDITURE

- 6.1 The acquisition of share capital or loan capital in any body corporate is defined as capital expenditure under Section 16(2) of the Local Government Act 2003. Such investments will have to be funded out of capital or revenue resources and will be classified as "non-specified investments".
- 6.2 A loan or grant by this council to another body for capital expenditure by that body is also deemed by regulation to be capital expenditure by this council. There is a higher risk of loss with these types of instruments. It is therefore important for this council to clearly identify if the loan was made for policy reasons (eg to a registered social landlord for the construction/ improvement of dwellings) or if it is an investment for treasury management purposes. The latter will be governed by the framework set by the council for "specified" and "non-specified" investments.
- 6.3 This council will not use or allow an external fund manager to use any investment which will be deemed as capital expenditure.

7. PROVISION FOR CREDIT-RELATED LOSSES

- 7.1 If any of the council's investment appeared at risk of loss due to default (ie this is a credit-related loss, not one resulting from a fall in price due to movements in interest rates) the council will make revenue provision of an appropriate amount.

8. BENCHMARKING AND MONITORING SECURITY, LIQUIDITY AND YIELD IN THE INVESTMENT SERVICE

- 8.1 These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.

8.2 SECURITY

8.2.1 Security of the investments – In context of benchmarking, assessing security is a much more subjective area to assess. Security is currently evidenced by the application of minimum credit quality criteria to investment counterparties, primarily through the use of credit ratings supplied by the three main credit rating agencies (Fitch, Moody's and Standard and Poors). Whilst this approach embodies security considerations, benchmarking levels of risk is more problematic. One method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the council's investment strategy. The table beneath shows average historical defaults for differing periods of investment grade products based on an amalgamation of the three credit rating agencies.

Long term rating	1 year	2 years	3 years	4 years	5 years
AA	0.010%	0.038%	0.137%	0.271%	0.384%
A	0.080%	0.237%	0.425%	0.610%	0.861%
BBB	0.201%	0.595%	1.025%	1.519%	2.000%

8.2.2 The council's minimum long term rating criteria is currently "A", meaning the average expectation of default for a one year investment in a counterparty with this rating would be 0.08% of the total investment (e.g. for a £1m investment the average loss would be £800). This is only an average - any specific counterparty loss is likely to be higher - but these figures do act as a proxy benchmark for risk across the portfolio.

8.2.3 The council's maximum security risk benchmark for the whole portfolio, when compared to these historic default tables, is:

- 0.25% historic risk of default when compared to the whole portfolio.

And in addition that the security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
Maximum	0.237%	0.237%	n/a	n/a	n/a

8.2.4 These benchmarks are embodied in the criteria for selecting cash investment counterparties and these will be monitored and reported to Members in the Investment Annual Report. As this data is collated, trends and analysis will be collected and reported. Where a counterparty is not credit rated a proxy rating will be applied.

8.3 LIQUIDITY

8.3.1 This is defined as "having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives" (CIPFA Treasury Management Code of Practice). In respect of this area the Council seeks to maintain:

- Bank overdraft - £0.5m
- Liquid short term deposits of at least £5m available with a week's notice. This may be in the form of short term deposits available with a week's notice or through appropriate temporary borrowing facilities

8.3.2 The availability of liquidity and the term risk in the portfolio can be benchmarked by the monitoring of the Weighted Average Life (WAL) of the portfolio – shorter WAL would generally embody less risk. In this respect the proposed benchmark to be used is:

- WAL benchmark is expected to be 0.67 years (244 days), with a maximum of 2 years.

8.4. YIELD

8.4.1 Investments – Internal returns above the 7 day LIBID rate.

DRAFT

ANNEX 1 – SPECIFIED INVESTMENTS – SHORT TERM UP TO 12 MONTHS				
INVESTMENT	SECURITY/HIGH CREDIT QUALITY CRITERIA (LCD approach and supported by additional creditworthiness information identified in this strategy)			MONETARY LIMIT
U.K. Banks and U.K Building Societies, including subsidiary banks with parent guarantees – term and callable deposits and certificates of deposits (including forward deals)	<u>Short Term Rating</u> Fitch = F1 Moody's = P1 S & P = A1	<u>Long term rating</u> Fitch = A- Moody's = A3 S & P = A-	<u>Until changed/withdrawn</u> Individual / Financial Strength Fitch = bb- Moody's = C-	£5m per group
U.K. Part-nationalised Banks, including subsidiary banks with parent guaranteed, where the U.K. Government is a significant shareholder – term and callable deposits and certificate of deposits (i.e. RBS & Lloyds Banking Groups)	<u>Short Term Rating</u> Fitch = F1 Moody's = P1 S & P = A1	<u>Long term rating</u> Fitch = A- Moody's = A3 S & P = A-		£8m per group
Non-U.K. Banks, domiciled in a country with a minimum Sovereign long term rating of 'AAA'	<u>Short Term Rating</u> Fitch = F1 Moody's = P1 S & P = A1	<u>Long term rating</u> Fitch = AA- Moody's = Aa3 S & P = AA-	<u>Until changed/withdrawn</u> Individual / Financial Strength Fitch = bb- Moody's = C-	£8m maximum in Non-U.K. banks at any one time. £4m per country £4m per institution

ANNEX 1 – SPECIFIED INVESTMENTS – SHORT TERM UP TO 12 MONTHS		
INVESTMENT	SECURITY/HIGH CREDIT QUALITY CRITERIA (LCD approach and supported by additional creditworthiness information identified in this strategy)	MONETARY LIMIT
Money Market Funds (callable deposit) & Enhanced Cash Fund	'AAA' rated by Fitch, Moody's and Standard & Poors	£5m with any one provider
U.K. Government's Debt Management Account Deposit Facility	Government backed	£8m (can be breached if maximum deposits reached with all over counterparties)
U.K. Government Gilts or Treasury Bills	Government backed	£8m (Gilts subject to consultation with treasury advisors)
Term or callable deposits (including forward deals) with U.K. local authorities	High security although not credit rated.	£5m per local authority
Supranational Bonds (less than one year duration)	'AAA' rated and Government Backed	£3m and subject to consultation with treasury advisors

ANNEX 2 – NON-SPECIFIED INVESTMENTS – LONGER TERM INVESTMENTS (OVER 12 MONTHS)						
INVESTMENT	SECURITY/HIGH CREDIT QUALITY CRITERIA (LCD approach and supported by additional creditworthiness information identified in this strategy)		MONETARY LIMIT	MAXIMUM MATURITY PERIOD	BENEFITS	RISKS
U.K. Banks, including subsidiary banks with parent guarantees – term and callable deposits and certificate of deposits (including forward deals)	Fitch = AA- Moody's = Aa3 S & P = AA- Until changed/withdrawn Individual/Financial Strength = Fitch = bb- Moody's = C-		£5m per group	2 years	Certainty of rate of return No movement on capital value of deposit Lower credit risk as highly rated	Illiquid
U.K. Part-nationalised Banks, including subsidiary banks with parent guaranteed, where the U.K. Government is a significant shareholder – term and callable deposits and certificate of deposits (i.e. RBS & Lloyds Banking Groups)	<u>Short Term Rating</u> Fitch = F1 Moody's = P1 S & P = A1	<u>Long term rating</u> Fitch = A- Moody's = A3 S & P = A-	£8m per group	2 years	Certainty of rate of return No movement on capital value of deposit Lower risks as supported by the U.K. Government	Illiquid

ANNEX 2 – NON-SPECIFIED INVESTMENTS – LONGER TERM INVESTMENTS (OVER 12 MONTHS)					
INVESTMENT	SECURITY/HIGH CREDIT QUALITY CRITERIA (LCD approach and supported by additional creditworthiness information identified in this strategy)	MONETARY LIMIT	MAXIMUM MATURITY PERIOD	BENEFITS	RISKS
U.K. Government Gilts	Government backed	£8m and subject to consultation with treasury advisor.	2 years	Excellent credit quality Very liquid Known yield to maturity	Subject to market risk and interest rate risk
Term deposits (including forward deals) with U.K. local authorities	High security although not credit rated.	£5m per local authority	2 years	Excellent credit quality. Certainty of rate of return No movement on capital value	Illiquid
Supranational Bonds	'AAA' rated and government backed	£3m and subject to consultation with treasury advisor.	2 years	Excellent credit quality Very liquid Known yield to maturity	Subject to market risk and interest rate risk
Pooled Local Authority Property Funds (i.e. CCLA LA Property Fund)	Non-rated	£5m and subject to consultation with treasury advisor	n/a	Diversification, Pooled managed Stable yields Capital growth	Illiquid Capital loss Market risk

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This Report will be made public on 13 January 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



www.shepway.gov.uk

Report Number **C/14/70**

To: Cabinet
Date: 21 January 2015
Status: Key Decision
Head of Service: Joanna Miller, Head of Finance
Cabinet Member: Councillor Russell Tillson, Finance

SUBJECT: UPDATE TO THE GENERAL FUND MEDIUM TERM CAPITAL PROGRAMME AND QUARTER 3 MONITORING 2014-15

SUMMARY: This report updates the General Fund Medium Term Capital Programme for the five year period ending 31 March 2020. The report provides a projected outturn for the General Fund capital programme in 2014/15, based on expenditure to 30 November 2014. The report reviews and updates the General Fund Medium Term Capital Programme and incorporates the new capital investment schemes Cabinet agreed to include at its meeting on 17 December 2014. The report also identifies those recurring capital schemes where the budget is proposed to be extended by one year into 2019/20. The General Fund Medium Term Capital Programme is required to be submitted to full Council for consideration and approval as part of the budget process.

REASONS FOR RECOMMENDATIONS:

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

- a) It needs to be kept informed of the existing General Fund Medium Term Capital Programme position and take appropriate action to deal with any variance from the approved budget.
- b) Proposed extensions to existing schemes are required to be considered and approved before being included in the council's Medium Term Capital Programme.
- c) The proposed Medium Term Capital Programme needs to be considered before it is submitted to full Council for approval as part of the budget process.

RECOMMENDATIONS:

1. To receive and note report C/14/70.

- 2. To seek Council's approval to the updated General Fund Medium Term Capital Programme as set out in appendix 2 to this report.**

1. INTRODUCTION AND BACKGROUND

- 1.1 In line with the council's approved Budget Strategy for 2015/16, this report updates the General Fund Medium Term Capital Programme (MTCP) for the five year period ending 31 March 2020. The report;-
- i) provides the latest projection, at quarter 3, of the planned expenditure in 2014/15 for the existing General Fund capital programme and explanations of the variances compared to the approved budget,
 - ii) incorporates the capital investment proposals agreed by Cabinet at its meeting on 17 December 2014 to be submitted to full Council for approval,
 - iii) provides details of those existing capital schemes proposed to be extended by one year into 2019/20, and
 - vi) identifies the impact the proposed changes to the overall capital programme will have on the financing resources required to fund it.
- 1.2 Capital expenditure plans for the Housing Revenue Account (HRA) have already been considered by Cabinet at its meeting on 17 December 2014.
- 1.3 The overall capital expenditure plans for both the General Fund and HRA are required to be submitted to full Council for consideration and approval as part of the budget process.

2. CAPITAL PROGRAMME 2014/15 – PROJECTED OUTTURN

- 2.1 The planned expenditure on all General Fund capital schemes in 2014/15, based on expenditure to 30 November 2014, is anticipated to be £4,178,000, a reduction of £222,000 compared to the latest approved budget of £4,400,000. Full details are shown in appendix 1. The following table summarises the position across the council's service units and also outlines the impact on the capital resources required to fund the expenditure:

General Fund Programme 2014/15	Latest Budget 2014/15	Quarter 3 Projection 2014/15	Variance
General Fund – Service Units	£'000	£'000	£'000
Human Resources	177	177	-
Housing, Land and Property	2,473	2,191	(282)
Planning and Environmental Health	38	38	-
Solicitor to the Council	92	92	-
Community Safety	42	102	60
Policy and Engagement	665	665	-
Finance	913	913	-

Total General Fund Capital	4,400	4,178	(222)
Capital Funding			
Grants	(831)	(831)	-
External Contributions	(2,002)	(1,765)	237
Capital Receipts	(1,037)	(1,037)	-
Revenue	(530)	(545)	(15)
Borrowing	-	-	-
Total Funding	(4,400)	(4,178)	222

2.2 The main reasons for the net reduction in the projected outturn for 2014/15 are summarised below:

		£'000
1.	Payers Park – adjustments to the scheme specification mainly due to it being ineligible for Heritage Lottery Funding towards paving works. Project successfully completed on time in August 2014 ahead of the Folkestone Triennial event.	(172)
2.	Hawkinge Yard improvements –. Building improvement element of the works now expected to take place during the early part of 2015/16	(45)
3.	Hythe Environmental Improvements – scheme, entirely funded by Section 106 developer's contribution, delayed until 2015/16.	(65)
4.	Lifeline Alarm Receiving Equipment required to be replaced (see below for more information)	60
	Total net reduction	(222)

2.3 Lifeline Alarm Receiving Equipment

2.3.1 The Lifeline alarm receiving equipment, Tunstall's PNC6 system, takes all the calls from the Lifeline clients, all the Sheltered Housing schemes for East Kent Housing, the Kent Hate Crime Line, as well as the Out of Hours service for both Shepway and Dover District Councils. There is currently an average of 4,000 calls per week. The current equipment, which attracts an annual maintenance charge of £34k, runs on Windows XP software and this will no longer be supported after 31 March 2015.

2.3.2 The replacement equipment, estimated to cost £60k, is required to be purchased and installed in the current financial year to ensure it can be tested and ready for use by 31 March 2015. The replacement equipment will have a two year warranty and this means the council will not have to pay the annual maintenance charge of £34k per annum, meaning the capital investment cost will be recovered during this time. The reduction in the maintenance cost has already been factored into the proposed General Fund revenue budget for 2015/16.

2.3.3 The capital investment cost of £60k in 2014/15 is proposed to be funded from the council's Vehicle, Equipment and Technology Reserve.

3. UPDATE TO THE GENERAL FUND MEDIUM TERM CAPITAL PROGRAMME

3.1 The latest projection for the total cost and funding of the General Fund capital programme from 2014/15 to 2019/20 is £16,887,000. Compared to the latest approved budget of £9,796,000 this represents an increase of £7,091,000. Full details are shown in appendix 2 to this report and the following table summarises the position across the Service Units and also outlines the impact on the capital resources required to fund the programme:

General Fund Programme to 2019/20	Latest Budget	Projected Outturn	Variance
General Fund – Service Units	£'000	£'000	£'000
Human Resources	177	177	-
Housing, Land and Property	5,933	10,226	4,293
Economic Development	-	100	100
Planning and Environmental Health	38	38	-
Solicitor to the Council	476	572	96
Community Safety	210	312	102
Policy and Engagement	665	665	-
Finance	2,297	4,797	2,500
Total General Fund Capital	9,796	16,887	7,091
Capital Funding			
Government Grants	(3,827)	(4,656)	(829)
External Contributions	(2,002)	(1,830)	172
Capital Receipts	(2,885)	(3,782)	(897)
Revenue	(1,082)	(6,619)	(5,537)
Borrowing	-	-	-
Total Funding	(9,796)	(16,887)	(7,091)

3.2 The main changes from the approved budget to the latest projection for the medium term programme are summarised below:

	Changes to the Medium Term Capital Programme to 2019/20	£'000	£'000	£'000
1.	Capital investment decisions approved by Cabinet on 17 December 2014			
a)	In principle schemes each requiring an investment appraisal and business case to be considered by Cabinet			
i)	Local Business Lending Partnership –	100		

	'Funding Circle'			
ii)	Corporate development projects – feasibility studies	100		
iii)	Corporate development projects	1,700		
iv)	Oportunitas Ltd – development and investment projects	2,500		
v)	Empty properties initiative	1,200		
vi)	Shepway Development Enabling Fund	200		
			5,800	
b)	Other new capital investment			
vii)	Connectivity	40		
viii)	Corporate property – health and safety enhancements	200		
ix)	Grounds Maintenance vehicle replacement programme	145		
x)	Small van – New supervisor's post to support grounds maintenance work undertaken on behalf of Oportunitas	15		
			400	
	Total new capital investment			6,200
2.	Existing annual programmes extended by one year to 2019/20			
a)	Annual equipment and technology programmes funded from revenue resources			
i)	PC Replacement Programme	16		
ii)	Server Replacement Programme	60		
iii)	Virtual Desktop Technology	20		
iv)	Private Lifeline Equipment	42		
			138	
b)	Coast Protection beach management schemes, subject to grant funding from the Environment Agency			
i)	Hythe beach management	250		
ii)	Greatstone dunes management	15		
			265	
c)	Private Sector Housing Improvement Initiatives			
i)	Disabled Facilities Grants and Loans, subject to Government grant funding	500		
ii)	Home Safe Loans funded from repaid Decent Homes Loans	100		
			600	
	Total schemes extended by one year			1,003

3.	Lifeline Alarm Receiving Equipment			60
4.	Payers Park – adjustments to the scheme specification mainly due to it being ineligible for Heritage Lottery Funding towards paving works. Project successfully completed on time in August 2014 ahead of the Folkestone Triennial event.			(172)
	Total change in overall capital programme			7,091

4. IMPACT ON CAPITAL RESOURCES

- 4.1 One of the key principles underlying the council's Medium Term Financial Strategy is the capital programme is funded from available or realised capital resources and that new borrowing should only be used where it is prudent and affordable. The only exception to this is where a scheme is subject to grant funding or external contributions in which case no commitment is made against these until the funding is confirmed. The latest forecast for the General Fund capital programme conforms to this key principle.
- 4.2 The latest position regarding the council's available capital receipts to fund capital expenditure is shown in the following table:

General Fund Capital Receipts Position Statement	£'000
Receipts in hand at 1 st April 2014	(6,346)
Less,	
committed towards General Fund capital expenditure	2,808
committed towards HRA capital expenditure	1,419
Ring-fenced for specific purposes:	
i) Future Unbudgeted Demand for Disabled Facilities Grants	374
ii) Other	84
Contingency for urgent or unforeseen capital expenditure	500
Balance available to support new capital expenditure	(1,161)

- 4.3 The council's continuing prudent financial management means it is in a position to use its internal resources (cash reserves and balances) to fund the outline capital investment agreed by Cabinet on 17 December 2014 with no new borrowing currently required. The table below summarises the council's resources currently available to support new General Fund capital expenditure.

	£'000	£'000
Outline capital investment proposals		6,200
Capital Receipts Reserve	(1,161)	
Economic Development Reserve	(1,700)	
Corporate Plans Initiative Reserve	(500)	
Invest to Save Reserve	(115)	

Vehicle, Equipment and Technology Reserve	(200)	
Total earmarked resources available		(3,676)
Balance to be met from the General Reserve (or borrowing)		(2,524)
Total capital resources		(6,200)

4.4 This level of capital investment will be a significant draw upon the council's available reserves and balances and it is unlikely this could be repeated in the future. For this reason it is important that a thorough and robust assessment is undertaken for the new capital investment proposals to ensure best use of the councils limited financial resources.

4.5 At this stage it is not possible to fully assess the revenue consequences of the capital investment proposals agreed in principle by Cabinet on 17 December 2014. This will need to be included as part of the investment appraisal and business case process.

4.6 The revenue resources for those capital schemes being extended by one year in to 2019/20 are provided for in the council's approved MTFs. The revenue consequences of the existing approved MTCP are already included in the proposed General Fund budget for 2015/16 and also feature in the MTFs.

5 CONCLUSIONS

5.1 The council's MTCP has been reviewed and updated in accordance with the approved budget strategy for 2015/16.

5.2 The projected outturn for the 2014/15 General Fund capital programme includes £60k for the Lifeline Alarm Receiving Equipment not previously included in the approved budget.

5.3 A number of recurring capital schemes are proposed to be extended by one year to 2019/20 and revenue resources to fund these are already included in the council's approved Medium Term Financial Strategy.

5.4 The proposed MTCP does not require new borrowing to fund it.

5.5 The level of new capital investment agreed in principle by Cabinet on 17 December 2014 will be a significant draw upon on the council's available reserves and balances and is unlikely to be repeated in the future. The revenue consequences of these schemes are not yet known and will need to be assessed as part of the investment appraisal and business case process.

5.6 Cabinet is asked to recommend to full Council to approve the changes to the MTCP outlined in this report to reflect the latest projected outturn shown in the appendix to this report.

6. RISK MANAGEMENT ISSUES

6.1 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	The internal capital resources identified in this report have been realised. The proposed investment appraisal and business case process will consider the resources available to fund the capital investment
Cost of new projects may exceed the estimate.	High	Medium	The proposed investment appraisal and business case process will help to mitigate this risk. Capital monitoring procedures in place allowing prompt early action to be taken to manage the risk effectively.
Anticipated financial benefit may not be realised	High	Medium	The proposed investment appraisal and business case process will help to mitigate this risk.
Expenditure planned to be met by grant is ineligible under the terms of the funding agreement	High	Medium	Prior to commitments being made the project manager to agree in advance grant eligible expenditure with the funding body.

7. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

7.1 Legal Officer's Comments (EC)

There are no legal comments

7.2 Finance Officer's Comments (LW)

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

8. 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

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

None

Appendices:

- 1) General Fund Capital Programme Projected Outturn 2014/15
- 2) Proposed General Fund MTCP to 2019/20

Appendix 1 - General Fund Capital Programme 2014/15 Outturn Projection at Q3					
Item No.	Service Area and Scheme	14/15 Latest Estimate (Q1) £'000	14/15 Outturn Projection (Q3) £'000	Variance £'000	Comments
	<u>Andrina Smith - Head of Human Resources</u>				
1	ICT and Office Adaptations (WoW)	44	44	0	Budget to support improvements being made to the 2nd floor of the Civic Centre during the autumn of 2014.
2	ICT Infrastructure Improvements (WoW)	53	53	0	On target for budget to be spent in 2014/15.
3	Website Project	80	80	0	Enhancement of website as part of the council's improved 'Ways of Working' initiative. Website planned to relaunched in early 2015.
	Total - Head of Human Resources	177	177	0	
	<u>Bob Porter - Head of Housing, Land and Property</u>				
4	Play Area Equipment	11	11	0	Reinstatement of play area at Station Road, New Romney funded by Affinity Water. Previously delayed due to on-going problems at the site but now completed.
5	Payers Park, Folkestone	1,351	1,179	-172	The park was completed in August 2014 in time for the Folkestone Triennial event and the scheme was entirely externally funded. The main reason for the variance is additional paving works anticipated to be funded from a Heritage Lottery Fund grant did not take place as the scheme was ineligible for this.
6	Improvements to Hawkinge Yard	78	33	-45	Site clearance works undertaken and roadway improvements planned to be completed by March 2015. The balance of works are expected to take place in 2015/16.
7	Vehicle and Equipment Replacement Programme	77	77	0	£50k for two vans and £27k for two ride-on mowers being purchased in the current financial year.

Appendix 1 - General Fund Capital Programme 2014/15 Outturn Projection at Q3					
Item No.	Service Area and Scheme	14/15 Latest Estimate (Q1) £'000	14/15 Outturn Projection (Q3) £'000	Variance £'000	Comments
8	Hythe Environmental Improvements	65	0	-65	Scheme delayed and now expected to be completed during the summer of 2015.
9	Coast Protection - South Foreland to Beachy Head SMP	1	1	0	
10	Coast Protection - Coronation Parade, Folkestone	25	25	0	Slippage of preliminary costs from 2013/14
11	Coast Protection - Greatstone Dunes Management & Study	15	15	0	On-going annual programme
12	Coast Protection - Hythe to Folkestone Beach Management (to 2015)	221	221	0	First phase of beach recycling work undertaken in Autumn 2014. Second phase planned for Spring 2015.
13	Coast Protection - Hythe to Folkestone Beach Management (from 2015)	69	69	0	Beach Management Plan completed.
14	Disabled Facilities Grant	500	500	0	Demand being met and currently no waiting list for the scheme. Cost of scheme able to be met from government grant.
15	Home Safe Loans	60	60	0	The take up of loans continues to be lower than originally anticipated. The parameters for the scheme have been reviewed to encourage demand.
	Total - Head of Housing, Land and Property	2,473	2,191	-282	
	Chris Lewis - Head of Planning and Environmental Health				
16	Burials Software (BACAS)	38	38	0	Software purchased and installed during the autumn of 2014.

Appendix 1 - General Fund Capital Programme 2014/15 Outturn Projection at Q3					
Item No.	Service Area and Scheme	14/15 Latest Estimate (Q1) £'000	14/15 Outturn Projection (Q3) £'000	Variance £'000	Comments
	Total - Head of Planning and Environmental Health	38	38	0	
	<u>Estelle Culligan - Solicitor to the Council</u>				
17	Server Replacement Programme	72	72	0	Annual programme on target
18	Virtual Desktop Technology	20	20	0	Steria are investigating some issues with performance of the virtual desktops which may require an upgrade to the current hardware.
	Total - Solicitor to the Council	92	92	0	
	<u>Jyotsna Leney - Community Safety Manager</u>				
19	Lifeline Capitalisation	42	42	0	Recurring annual budget to purchase new Lifeline units
20	Lifeline Alarm Receiving Equipment	0	60	60	See main report
	Total - Community Services Manager	42	102	60	

Appendix 1 - General Fund Capital Programme 2014/15 Outturn Projection at Q3					
Item No.	Service Area and Scheme	14/15 Latest Estimate (Q1) £'000	14/15 Outturn Projection (Q3) £'000	Variance £'000	Comments
	<u>Matthew Mellor - Policy and Engagement Manager</u>				
21	3G Football Pitch Cheriton Road	665	665	0	Contractor appointed and work due to commence by January 2015 and be completed by end of March but will be dependent upon weather related ground conditions. SDC contribution to scheme is £150k with the remainder being met by the Football Foundation.
	Total - Policy and Engagement Manager	665	665	0	
	<u>Joanna Miller - Head of Finance</u>				
22	Budget and Forecasting Application	9	9	0	Being used to implement an automated invoice capture solution
23	Oportunitas Loan & Share Capital (Housing Acquisitions Programme)	904	904	0	£720k advanced for the purchase of 5 properties at Walter Tull Way, Folkestone in November 2014. Total funding package of £2.288m available for first phase of the Oportunitas' housing acquisitions programme to March 2016.
	Total - Chief Finance Officer	913	913	0	
	Total General Fund Capital Programme 2014/15	4,400	4,178	-222	

Appendix 2 - General Fund Medium Term Capital Programme 2014/15 to 2019/20												
Item No.	Service Area and Scheme	Approved Budget 2014/15 - 2019/20 £'000	Latest Projection 2014/15 £'000	Latest Projection 2015/16 £'000	Latest Projection 2016/17 £'000	Latest Projection 2017/18 £'000	Latest Projection 2018/19 £'000	Latest Projection 2019/20 £'000	Total Projection 2014/15 - 2019/20 £'000	Variance Budget to Projection £'000	Comments	
	<u>Andrina Smith - Head of Human Resources</u>											
1	ICT and Office Adaptations (WoW)	44	44	-	-	-	-	-	44	0		
2	ICT Infrastructure Improvements (WoW)	53	53	-	-	-	-	-	53	0		
3	Website Project	80	80	-	-	-	-	-	80	0		
	Total - Head of Human Resources	177	177	-	-	-	-	-	177	0		
	<u>Bob Porter - Head of Housing, Land and Property</u>											
4	Play Area Equipment	11	11	-	-	-	-	-	11	0		
5	Payers Park, Folkestone	1,351	1,179	-	-	-	-	-	1,179	-172	Anticipated Heritage Lottery Fund not available and scheme adjusted to match reduced funding	
6	Improvements to Hawkinge Yard	78	33	45	-	-	-	-	78	0		
7	Grounds Maintenance Vehicle and Equipment Replacement Programme	77	77	145	-	-	-	-	222	145	New capital investment - 2015/16 vehicle requirements	
8	Van - New Supervisor's Post (linked to Oportunitas work)	-	-	15	-	-	-	-	15	15	New capital investment - 2015/16 vehicle requirement	
9	Hythe Environmental Improvements	65	0	65	-	-	-	-	65	0		
10	Coast Protection - South Foreland to Beachy Head SMP	1	1	-	-	-	-	-	1	0		
11	Coast Protection - Coronation Parade, Folkestone	25	25	-	-	-	-	-	25	0		
12	Coast Protection - Greatstone Dunes Management & Study	75	15	15	15	15	15	15	90	15	Extended one year to 2019/20 - externally funded	
13	Coast Protection - Hythe to Folkestone Beach Management (to 2015)	221	221	-	-	-	-	-	221	0		

Appendix 2 - General Fund Medium Term Capital Programme 2014/15 to 2019/20												
Item No.	Service Area and Scheme	Approved Budget 2014/15 - 2019/20 £'000	Latest Projection 2014/15 £'000	Latest Projection 2015/16 £'000	Latest Projection 2016/17 £'000	Latest Projection 2017/18 £'000	Latest Projection 2018/19 £'000	Latest Projection 2019/20 £'000	Total Projection 2014/15 - 2019/20 £'000	Variance Budget to Projection £'000	Comments	
14	Coast Protection - Hythe to Folkestone Beach Management (from 2015)	1,069	69	250	250	250	250	250	1,319	250	Extended one year to 2019/20 - externally funded	
15	Disabled Facilities Grant	2,500	500	500	500	500	500	500	3,000	500	Extended one year to 2019/20 - externally funded	
16	Home Safe Loans	460	60	100	100	100	100	100	560	100	Extended one year to 2019/20	
17	*Empty Properties	-	-	600	600	-	-	-	1,200	1,200	In principle new capital investment	
18	*Shepway Development Enabling Fund	-	-	200	-	-	-	-	200	200	In principle new capital investment	
19	*Corporate Development Projects - Feasibilities	-	-	100	-	-	-	-	100	100	In principle new capital investment	
20	*Corporate Property Development Projects	-	-	700	1,000	-	-	-	1,700	1,700	In principle new capital investment	
21	Connectivity	-	-	40	-	-	-	-	40	40	New capital investment	
22	General Fund Property - Health and Safety Enhancements	-	-	200	-	-	-	-	200	200	New capital investment	
	Total - Head of Housing, Land and Property	5,933	2,191	2,975	2,465	865	865	865	10,226	4,293		
	Katherine Harvey - Head of Economic Development											
23	*Local Business Lending Partnership - Funding Circle	-	-	100	-	-	-	-	100	100	In principle new capital investment	
	Total - Head of Economic Development	-	-	100	-	-	-	-	100	100		

Appendix 2 - General Fund Medium Term Capital Programme 2014/15 to 2019/20												
Item No.	Service Area and Scheme	Approved Budget 2014/15 - 2019/20 £'000	Latest Projection 2014/15 £'000	Latest Projection 2015/16 £'000	Latest Projection 2016/17 £'000	Latest Projection 2017/18 £'000	Latest Projection 2018/19 £'000	Latest Projection 2019/20 £'000	Total Projection 2014/15 - 2019/20 £'000	Variance Budget to Projection £'000	Comments	
	<u>Chris Lewis - Head of Planning and Environmental Health</u>											
24	Burials Software (BACAS)	38	38	-	-	-	-	-	38	0		
	Total - Head of Planning and Environmental Health	38	38	-	-	-	-	-	38	0		
	<u>Estelle Culligan - Solicitor to the Council</u>											
25	PC Replacement Programme	64	-	8	8	32	16	16	80	16	Extended one year to 2019/20	
26	Server Replacement Programme	312	72	60	60	60	60	60	372	60	Extended one year to 2019/20	
27	Virtual Desktop Technology	100	20	20	20	20	20	20	120	20	Extended one year to 2019/20	
	Total - Solicitor to the Council	476	92	88	88	112	96	96	572	96		
	<u>Jyotsna Loney - Community Safety Manager</u>											
28	Lifeline Capitalisation	210	42	42	42	42	42	42	252	42	Extended one year to 2019/20	
29	Lifeline Alarm Receiving Equipment	-	60	-	-	-	-	-	60	60	New capital investment in 2014/15	
	Total - Community Safety Manager	210	102	42	42	42	42	42	312	102		

Appendix 2 - General Fund Medium Term Capital Programme 2014/15 to 2019/20												
Item No.	Service Area and Scheme	Approved Budget 2014/15 - 2019/20 £'000	Latest Projection 2014/15 £'000	Latest Projection 2015/16 £'000	Latest Projection 2016/17 £'000	Latest Projection 2017/18 £'000	Latest Projection 2018/19 £'000	Latest Projection 2019/20 £'000	Total Projection 2014/15 - 2019/20 £'000	Variance Budget to Projection £'000	Comments	
	Matthew Mellor - Policy and Engagement Manager											
30	3G Football Pitch Cheriton Road	665	665	-	-	-	-	-	665	0		
	Total - Policy and Engagement Manager	665	665	0	0	0	0	0	665	0		
	Joanna Miller - Head of Finance											
31	Budget and Forecasting Application	9	9	-	-	-	-	-	9	0		
32	Oportunitas Loan & Share Capital Phase 1 (Housing Acquisitions Programme)	2,288	904	1,384	-	-	-	-	2,288	0		
33	*Oportunitas Loan - Development and Investment Projects Phase 2	-	-	1,000	1,500	-	-	-	2,500	2,500	In principle new capital investment	
	Total - Chief Finance Officer	2,297	913	2,384	1,500	0	0	0	4,797	2,500		
	Total General Fund Medium Term Capital Programme	9,796	4,178	5,589	4,095	1,019	1,003	1,003	16,887	7,091		
	Funding											
34	Government Grant	-3,827	-831	-765	-765	-765	-765	-765	-4,656	-829		
35	Other External Contributions	-2,002	-1,765	-65	0	0	0	0	-1,830	172		
36	Capital Receipts	-2,885	-1,037	-2,099	-346	-100	-100	-100	-3,782	-897		
37	Revenue Contributions	-1,082	-545	-2,660	-2,984	-154	-138	-138	-6,619	-5,537		
	Total Funding	-9,796	-4,178	-5,589	-4,095	-1,019	-1,003	-1,003	-16,887	-7,091		

This Report will be made public on 13 January 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/14/71**

To: Cabinet
Date: 21 January 2015
Status: Key Decision
Head of Service: Joanna Miller
Cabinet Member: Councillor Russell Tillson, Cabinet Member for Finance

SUBJECT: GENERAL FUND REVENUE BUDGET MONITORING REPORT – 3RD QUARTER 2014/15

SUMMARY: This report sets out a projected year end financial position on the General Fund for 2014/15, based on actuals to 31 October 2014. It identifies projected variances on the General Fund revenue outturn position for 2014/15 against the latest approved budget. It also provides an update of the council tax base for the year.

REASONS FOR THE RECOMMENDATIONS:

Cabinet is asked to agree the recommendations and to take appropriate action if necessary to deal with any variance from the approved budget.

RECOMMENDATIONS:

1. To receive and note Report C/14/71.

SECTION A – 2014/15 QUARTER 3 BUDGET MONITORING REPORT

1. INTRODUCTION

- 1.1 This report updates Cabinet on the likely projected outturn on the General Fund, based on data received at 31st October 2014.
- 1.2 General Fund projections are made against the latest approved estimate which has been adjusted for approved carry forwards from the 2013/14 budget and approved virements to 31st October 2014.
- 1.3 The previous quarterly position as outlined in report C/14/38 showed a surplus of £450k against the latest approved budget.
- 1.4 The presentation of this report has been updated to reflect the recent changes to the Council's management structure.

2. GENERAL FUND REVENUE 2014/15 (see appendix 1)

- 2.1 The projected outturn for the General Fund budget for 2014/15 shows a surplus of £642k against the latest approved estimated surplus of £22k. This represents an increase in surplus of £620k.
- 2.2 The latest projected outturn for the General Fund in 2014/15 is shown in appendix 1 and summarised by Service Head, below:

	Original	Approved	Latest		
General Fund	Approved	Carry	Approved	Projected	Variance
Net Revenue Expenditure	Budget	Forwards	Budget	Outturn	
		& Virements			
Manager	£'000	£'000	£'000	£'000	£'000
CMT and Leadership Support	934	97	1,031	1,046	15
Head of Human Resources	1,975	12	1,987	1,897	(90)
Policy and Engagement Manager	771	158	929	839	(90)
Solicitor to the Council	5,750	141	5,891	5,874	(17)
Head of Finance	2,605	1,503	4,108	3,900	(208)
Head of Housing, Land & Property	4,684	(36)	4,648	3,931	(717)
Head of Planning & Environmental Health	1,352	147	1,499	1,249	(250)
Community Safety Manager	453	(168)	285	223	(62)
Total for Managers	18,524	1,854	20,378	18,959	(1,419)
Unallocated Net Employee Costs	329	(281)	48	400	352
Recharges to Non General Fund Accounts*	(1,895)	-	(1,895)	(1,744)	151
Adjusted Total for Managers	16,958	1,573	18,531	17,615	(916)
Other Net Adjustments	(1,028)	(1,550)	(2,578)	(2,536)	42
Total Excluding Precepts	15,930	23	15,953	15,079	(874)
Town and Parish Precepts	1,528	-	1,528	1,528	-
Total Expenditure	17,458	23	17,481	16,607	(874)
Council Tax, Business Rates & Revenue Support Grant	(17,503)	-	(17,503)	(17,249)	254
Surplus (-) / Deficit	(45)	23	(22)	(642)	(620)

*Net costs recharged to HRA, Capital and Charities Accounts

2.3 The significant movements are outlined below:

	£'000	£'000
Surplus as per latest approved estimate		(22)
Vacancy and Other Savings Target		188
Increase in Income		
Interest and Investment Income	(197)	
Court Cost Income	(180)	
Building and Development Control Fees	(140)	
External funding	(33)	
Net Increase in Car Parking Income	(32)	(582)
Reduction in Recharges to Non General Fund Accounts		151
Increase in Expenditure		
Increase in NNDR levy	255	
Increase in Capital Finance from Revenue	139	394
Decrease in Expenditure		
Reduction in Bad Debt Provision	(70)	
Reduction in Apprenticeship Scheme	(60)	(130)
Expenditure Slipped or Deferred*		(764)
Net Movement in Earmarked Reserves (see paragraph 2.4.14)		102
Other net variations		22
Variance		(620)
Surplus as per projected outturn		(642)
*offset by movement in earmarked reserves		

2.4 Detailed variation statements for the individual managers' service areas are included at Appendix 1 with the main variations outlined below. The majority of the surplus is due to the additional income forecasted. The expenditure slipped or deferred is offset by an opposite entry of the same amount included within the net movement in earmarked reserves variance. Therefore there is no overall impact of this on the projection.

2.4.1 Vacancy and other savings target

This mainly represents the vacancy target set for the year. Currently this is not being met due to a number of re-organised services and associated costs. However this is offset against the overall projected savings on the general fund.

2.4.2 Increase in interest and investment income

The majority of this increase relates to additional interest being received on higher than anticipated surplus cash balances. A proportion of the council's investment balances have been placed in a longer term property fund providing a significantly higher return. Additionally this also includes £13k interest to be received by the council from the loan made to its arms-length company, Oportunitas Limited.

2.4.3 Increase in court cost income

Based on 2013/14 outturn figures which showed court cost income at £561k and current analysis to date this projection has been revised to £600k after allowing for bad debt provision. This represents an increase of £180k against budget. Further monitoring will be carried out during the year and the projection will be updated accordingly.

2.4.4 Increase in Development and Building Control Fees

This increase is split £104k for planning application fee income and £36k for building control fees.

Recent growth in the UK economy seems to have encouraged house building and development. In particular there have been two large applications in Shepway for 1,200 houses at Shorncliffe and 250 houses at Sellindge.

Projections indicate that Building control income is expected to be at least 17% higher than last years actuals.

2.4.5 External Funding

Funding of £18k and £15k has been received from Kent County Council for funding past coast protection schemes and weed sprays respectively.

2.4.6 Net Increase in Car Parking Income

There has been an overall increase in off street car parking income of £85k mainly as a result of a warm autumn, Folkestone hosting a number of events and a reduction in prices at Sandgate Road car park stimulating demand at that car park. This is partly offset by a £30k reduction in charges from Penalty Charge Notices issued due to less people parking illegally and a £10k reduction in car park season ticket income.

2.4.7 Reduction in Recharges to Non General Fund Accounts

The recharges to the Housing Revenue Account and capital have fallen due to an overall reduction in management and administration, support service and building holding account budgets .

2.4.8 Increase in NNDR Levy

Following changes in small business rate relief, it is anticipated that the Council will pay an additional business rate levy to Government, amounting to £255k which will be funded from the S31 DCLG Grant received in 2013/14. The grant is held in the business rates reserve and a corresponding entry has been made in the movement in earmarked reserves to reflect this funding (see paragraph 2.4.13). This position is consistent with what was reported to Cabinet on 23rd July 2014 (report C/14/17 refers)

2.4.9 Increase in Capital Financed from Revenue

The main variations are:-

£77k to replace grounds maintenance equipment that has come to the end of it's useful life

£60k to replace Lifeline alarm receiving equipment

£53k for updating cabling and ICT infrastructure.

£12k additional funding required for server replacement

Offset by:

£45k due to the delay in the Hawkinge yard improvement scheme (likely to be carried forward)

£16k savings from PC replacement programme as no further PC replacement costs anticipated in 2014/15

These are all funded by earmarked reserves and are reflected in the movement in earmarked reserves projection (see paragraph 2.4.13)

2.4.10 Reduction in Bad Debt Provision

Consistent with the Quarter 2 report to Cabinet, additional budget requirement of £70k for an increase in bad debts is now not required based on data received at 2013/14 outturn experience.

2.4.11 Reduction in Apprenticeship Scheme costs

Although it is likely that the target for the number of people in apprenticeships will be exceeded, costs are lower than originally anticipated. In particular for travel and marketing.

2.4.12 Expenditure Proposed to be Carried Forward

This is where budgeted revenue expenditure relating to the current year has slipped or been deferred and includes expenditure planned to be funded from earmarked reserves, revenue contributions to capital as well as general revenue items.

Currently carry forwards of £764k have been proposed however this position is likely to change at quarter 4 as more are identified. £500k of this amount relates to deferring a grant to K College for educational purposes.

Approval of carry forwards will be dependent upon the final outturn position of the Council.

2.4.13 Net Movement in Earmarked Reserves

The table below summarises the main variances on movements on reserves.

	Latest Approved Budget	Change	Quarter 3 Projection
	£'000	£'000	£'000
Earmarked Reserve			
Business Rates	121	(411)	(290)
Invest to Save	(408)	-	(408)
Carry forwards	(1,816)	(33)	(1,849)
IFRS	(19)	2	(17)
Corporate Property	(30)	30	0
Vehicle, Equipment and Technology	(77)	(128)	(205)
New Homes Bonus	1,005	-	1,005
Corporate Initiatives	(444)	142	(302)
Leisure	(99)	-	(99)
Further Education	(500)	500	0
Total Earmarked Reserves	(2,267)	102	(2,165)

2.5 There are a number of areas where it is not possible to accurately predict outturn until financial year end. Such areas include bad debt provision and housing benefits subsidy for example.

2.6 The main movements between the Quarter 2 projected surplus of (£450k) and the Quarter 3 projected surplus of (£642k) include:

Quarter 2 Projected Surplus						(450)
Savings						
Increase in Building and Development Control Fees				(140)		
Reduction in Apprenticeship Scheme				(60)		
Increase in Interest and Investment Income				(34)		
External funding				(33)		
Net Increase in Car Parking Income				(32)		
Increase in Court Cost Income				(30)		(329)
Offset by:						
Additional Expenditure						
Change in Movement in Earmarked Reserves				434		
Increase in Salary and Employee Related Costs				184		
Reduction in Recharges to Non General Fund Accounts				151		
Increase in Capital Expenditure Financed from Revenue				78		847
Expenditure Slipped or deferred						(764)
Other Net Variations						54
Quarter 3 Projected Surplus						(642)

3. RISK MANAGEMENT ISSUES

3.1 A summary of the perceived risk 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 portfolio 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	Medium	Medium	Regularly reviewing the number of claimants

receiving housing benefits due to the economic climate			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.

4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

4.1 Legal Officer's Comments (AK)

There are no legal implications arising from this report.

4.2 Finance Officer's Comments (MF)

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

4.3 Diversities and Equalities Implications (JM)

There are no implications arising directly from this report.

5. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Mike Fitch, Group Accountant – General Fund
 Telephone: 01303 853213 Email: mike.fitch@shepway.gov.uk

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

Budget projection working papers

Appendices:

Appendix 1 - General Fund Revenue Budget Monitoring report at 31 October 2014 with detailed service and administration variation statements.

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**SHEPWAY DISTRICT COUNCIL
GENERAL FUND NET REVENUE EXPENDITURE
VARIANCE ANALYSIS 2014/15 QUARTER 3**

APPENDIX 1

General Fund Net Cost of Services	Manager	Original Budget	Approved Carry Forwards and Virements	Latest Approved Budget	Projected Outturn	Variance
		£000	£000	£000	£000	£000
<u>Services and Admin Costs</u>						
CMT and Leadership Support		934	97	1,031	1,046	15
Head of Human Resources	Andrina Smith	1,975	12	1,987	1,897	(90)
Policy and Engagement Manager	Matthew Mellor	771	158	929	839	(90)
Solicitor to the Council	Estelle Culligan	5,750	141	5,891	5,874	(17)
Head of Finance	Joanna Miller	2,605	1,503	4,108	3,900	(208)
Head of Housing, Land & Property	Bob Porter	4,684	(36)	4,648	3,931	(717)
Head of Planning & Environmental Health	Chris Lewis	1,352	147	1,499	1,249	(250)
Community Safety Manager	Jyotsna Leney	453	(168)	285	223	(62)
Sub-Total for Managers		18,524	1,854	20,378	18,959	(1,419)
Unallocated Net Employee Costs		329	(281)	48	400	352
Recharges to Non General Fund Accounts		(1,895)		(1,895)	(1,744)	151
Total for Service		16,958	1,573	18,531	17,615	(916)
Internal Drainage Board Levies		428	-	428	423	(5)
Interest Payable and Similar Charges		771	-	771	771	-
Interest and Investment Income		(189)	-	(189)	(386)	(197)
Local Services Support Grant		-	-	-	-	-
Council Tax Freeze Grant		(98)	-	(98)	(98)	-
New Homes Bonus Grant		(1,290)	-	(1,290)	(1,290)	-
Other Non Service Related Government Grants		(871)	-	(871)	(868)	3
Town and Parish Council Precepts		1,528	-	1,528	1,528	-
Minimum Revenue Provision		532	-	532	532	-
Capital Expenditure Financed from Revenue		138	268	406	545	139
NET REVENUE EXPENDITURE BEFORE USE OF RESERVES		17,907	1,841	19,748	18,772	(976)
Net Transfer to/from(-) Earmarked Reserves		(449)	(1,818)	(2,267)	(2,165)	102
TOTAL TO BE MET FROM TAXPAYERS & FORMULA GRANT		17,458	23	17,481	16,607	(874)
Transfer to/from(-) the Collection Fund		(45)	-	(45)	(45)	-
Revenue Support Grant and Re-distributed NNDR		(3,828)	-	(3,828)	(3,829)	(1)
Business Rates Income		(3,720)	-	(3,720)	(3,465)	255
Demand on the Collection Fund		(9,910)	-	(9,910)	(9,910)	-
SURPLUS(-)/DEFICIT FOR THE YEAR		(45)	23	(22)	(642)	(620)

VARIANCE ANALYSIS 2014/15 - CMT and Leadership Support

@ October 2014 - Period 7

SERVICE	Cost Centre	Original Budget	Approved Carry Forwards	Virements	Latest Approved Budget	Projected Outturn	Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE		£000	£000	£000	£000	£000	£000	
CMT and Leadership Support								
<u>Services</u>								
Feasibility Study Folk Seafront CP	CE46	30		-	30	-	(30)	(£30k) project intended to be carried forward to 2015/16. (£4k) Contribution from Folkestone Town Council
Folkestone Airshow	EE23	-		24	24	18	(6)	
Civic Ceremonials	FE20	15		-	15	14	(1)	
Sub Total - Services		45	-	24	69	32	(37)	
<u>Admin</u>								
Corporate Centre	GB00	172		(22)	150	150	-	£18k Additional salary cost for senior management restructure. £10k additional salary cost for management restructure and (£3k) office expenses saving. £14k additional permanent hours for management post and £12k net salary cost due to PA post made permanent beyond maternity cover.
Corporate Initiatives	GC01	300	17	(55)	262	262	-	
Regen & Housing Co set up costs	GC02	-		55	55	55	-	
Corporate Director Resources	GL05	152		(57)	95	113	18	
Website Project	GL35	-	74	-	74	74	-	
Chief Finance Officer	GM00	140	1	(18)	123	130	7	
Corporate Director - Operations	GM01	125		(18)	107	107	-	
Leadership and PA Support	GM38	-		96	96	123	27	
Sub Total - Admin		889	92	(19)	962	1,014	52	
Total - CMT and Leadership Support		934	92	5	1,031	1,046	15	

VARIANCE ANALYSIS 2014/15 - Andrina Smith

@ October 2014 - Period 7

SERVICE	Cost Centre	Original Budget	Approved Carry Forwards	Virements	Latest Approved Budget	Projected Outturn	Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE		£000	£000	£000	£000	£000	£000	
Andrina Smith - Head of HR								
<u>Services</u>								
Corporate Training	FD16	24	6	-	30	30	-	
Local Land Charges	FH57	(160)		-	(160)	(160)	-	
CX Savings	AX02	(276)		254	(22)	-	22	Residue of Chief Executive's savings target to be allocated during the year
Sub Total - Services		(412)	6	254	(152)	(130)	22	
<u>Admin</u>								
Technical, Fraud & VO's	GA22	864	10	(289)	585	545	(40)	Vacancy Savings
Business Support Unit	GA23	605	-	(131)	474	417	(57)	Reorganisation and vacancy savings
Printing Services	GA54	406		(31)	375	396	21	£9k Delay in Staff Restructure savings, £6k Redundancy costs, £6k - 2 staff joining Pension scheme
ICT Innovation Project	GL32	-	145	-	145	145	-	
Ways of Working	GL34	-	9	-	9	9	-	
Organisational Development	GL45	319	20	(82)	257	253	(4)	
Payroll	GM07	66		52	118	110	(8)	New payroll contract transfer costs less than anticipated
Human Resources (Corporate Training)	GM08	42	38	1	81	62	(19)	(£14k) reduction in internal apprenticeships, (£4k) reduction in training
Human Resources (Central Costs)	GM09	85	10	-	95	90	(5)	Saving due to year on year underspend on staff health care
Sub Total - Admin		2,387	232	(480)	2,139	2,027	(112)	
Total - Andrina Smith - Head of HR		1,975	238	(226)	1,987	1,897	(90)	

VARIANCE ANALYSIS 2014/15 - Matthew Mellor

@ October 2014 - Period 7

SERVICE	Cost Centre	Original Budget	Approved Carry Forwards	Virements	Latest Approved Budget	Projected Outturn	Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE		£000	£000	£000	£000	£000	£000	
Matthew Mellor - Policy and Engagement Manager								
<u>Services</u>								
Community Chest	ED15	-	95	6	101	6	(95)	(£95k) grant income from Kent County Council to be carried forward to 2015/16.
Coastal Co-ordinator	ED30	82		(82)	-	-		
Members Ward Allowance	ED40	-		46	46	46		
Community Grants	ED41	-		40	40	40		
Sports Development Initiatives	EE20	54		(33)	21	20	(1)	
WW1 Centenary Commemorations	EE22	-		40	40	32	(8)	Reduction of commemoration expenditure due successful grant application to Department for Culture, Media and Sport
Folkestone Sports Centre	EE25	211		-	211	211		
Young People Initiative	EF01	9	4	-	13	5	(8)	(£7k) saving due to only one current project at present time.
Emergency Planning	FH25	27		-	27	27		
Sub Total - Services		383	99	17	499	387	(112)	
<u>Admin</u>								
Policy & Engagement Team	GM37	388		42	430	452	22	£26k additional staffing costs offset by (£7k) reduction in Shepway Today and Herald costs and £3k reduction in advertising sales income.
Sub Total - Admin		388	-	42	430	452	22	
Total - Matthew Mellor - Policy and Engagement Manager		771	99	59	929	839	(90)	

VARIANCE ANALYSIS 2014/15 - Estelle Culligan

@ October 2014 - Period 7

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SERVICE	Cost Centre	Original Budget	Approved Carry Forwards	Virements	Latest Approved Budget	Projected Outturn	Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE		£000	£000	£000	£000	£000	£000	
Estelle Culligan - Solicitor to the Council								
<u>Services</u>								
Household Waste Collection	CE10	(66)		30	(36)	(34)	2	
Recycling & Waste	CE11	(1,274)		-	(1,274)	(1,293)	(19)	(£4k) Reduction due to emptying of Bring Sites discontinuing as doorstep recycling has been introduced, and (£14.6k) additional income for garden waste subscriptions
Environmental Enhancements	CE12	-		92	92	92	-	
Hythe Swimming Pool	CE31	20		(17)	3	13	10	(£11k) Vacancy savings; £17k Reduction in income for swimming lessons
Cleansing	CE60	21	48	1	70	43	(27)	(£5k) Reduction due to no longer funding 'Clean Kent'; (£5k) Reduction in litter bin replacement due to the refurbishment of bins; (£15k) KCC increasing grant to pay for two weed sprayings
Street Naming & Numbering	DA12	(8)		-	(8)	(8)	-	
Leas Cliff Hall	EA01	651		-	651	651	-	
Members Allowances & Expenses	FE05	405	1	(46)	360	363	3	
Democratic Representation-Misc Expenditure	FE15	23		-	23	22	(1)	
Registration of Electors	FH03	76		5	81	86	5	£5k Increase in the electoral registration canvasser salary cost
Conducting Elections	FH04	30	6	(4)	32	37	5	£5k Increase in the purchase of new election equipment
Individual Electoral Registration (IER)	FH05	-	7	-	7	5	(2)	
Sub Total - Services		(122)	62	61	1	(23)	(24)	
<u>Admin</u>								
Client Side Unit	GA03	137		(16)	121	121	-	
Procurement	GA10	139		(23)	116	116	-	
Centralised Equipment	GA11	5		-	5	5	-	
Corporate Consumables - Floors 1 & 2	GA24	-		1	1	3	2	
Legal Services	GL00	272		(71)	201	216	15	£7k Increase in professional training expenses and £7k professional Counsel fees. £8k Increase in on salaries costs, netted off by (7k) extra income from Legal fees.
Head of Administration	GL41	52		32	84	80	(4)	
Electoral Services	GL51	99		(6)	93	102	9	£6k overspend on salaries due to post budget setting restructure and £2k additional spend on the Apprentices budget
Committee Services	GL52	140		(15)	125	95	(30)	(£30k) Restructure savings
ICT Unit	GM11	(44)		-	(44)	(44)	-	
ICT Contract	GM13	463	99	-	562	562	-	

VARIANCE ANALYSIS 2014/15 - Estelle Culligan

@ October 2014 - Period 7

SERVICE	Cost Centre	Original Budget	Approved Carry Forwards	Virements	Latest Approved Budget	Projected Outturn	Variance	BRIEF EXPLANATION OF VARIANCE
<u>REVENUE EXPENDITURE</u>		£000	£000	£000	£000	£000	£000	
<u>Estelle Culligan - Solicitor to the Council</u>								
Waste Contract	GM14	3,443		-	3,443	3,443	-	Budget was underspent in 2013/2014 due to running less than full quota of staff. Budget was reduced for 2014/15. Staff are now at full rota. Budget growth £8K has been agreed for 2015/16
Contract Parking Enforcement	GM15	353		-	353	365	12	
ICT Operations	GM19	570	28	1	599	599	-	
Waste Contract Management	GM34	165		(12)	153	156	3	
Sub Total - Admin		5,794	127	(109)	5,812	5,819	7	
<u>Holding</u>								
Civic Centre-Cleaning Contract	GX02	60		-	60	60	-	
Shorncliffe Road-Cleaning Contract	GX03	18		-	18	18	-	
Sub Total - Holding		78	-	-	78	78	-	
Total - Estelle Culligan - Solicitor to the Council		5,750	189	(48)	5,891	5,874	(17)	

VARIANCE ANALYSIS 2014/15 - Joanna Miller**@ October 2014 - Period 7**

SERVICE	Cost Centre	Original Budget	Approved Carry Forwards	Virements	Latest Approved Budget	Projected Outturn	Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE		£000	£000	£000	£000	£000	£000	
Joanna Miller - Head of Finance								
<u>Services</u>								
Corporate Management- Misc Expenditure	FD15	288		(116)	172	172	-	
Pensions Back Funding	FF15	-		1,596	1,596	1,596	-	
Early Retirement Contributions	FF16	-		90	90	132	42	Pension strain following restructuring
Business Rates Collection	FL05	(180)		-	(180)	(180)	-	
Council Tax Collection	FL20	(318)		(100)	(418)	(598)	(180)	Increase in court cost income based on half year review and income for 2013/14
Council Tax Reduction Scheme	FL22	(61)	94	-	33	33	-	
Housing Benefits	FN01	(437)		-	(437)	(456)	(19)	Reduction in external audit fees.
Rent Rebates	FN02	6		-	6	6	-	
Sub Total - Services		(702)	94	1,470	862	705	(157)	

VARIANCE ANALYSIS 2014/15 - Joanna Miller

@ October 2014 - Period 7

SERVICE	Cost Centre	Original Budget	Approved Carry Forwards	Virements	Latest Approved Budget	Projected Outturn	Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE		£000	£000	£000	£000	£000	£000	
Joanna Miller - Head of Finance								
<u>Admin</u>								
Accountancy	GA00	767	48	(89)	726	722	(4)	Vacancy Saving Oportunitas; arrangement fee for loan Visiting Officers moved from Tech and Fraud (GA22). Insufficient budget due to restructure of VO happening later than anticipated (£36k) Vacancy savings; (£12k) Reduction in allpay charges; £4k Increase in credit/debit card charges
Corporate Debt	GA05	-		177	177	170	(7)	
Treasury Management	GA08	11		-	11	(13)	(24)	
Revenues	GA20	611	19	(99)	531	552	21	
Benefits	GA27	800	26	(60)	766	766	-	
New Romney One Stop	GA56	3		-	3	2	(1)	
Civic Wardens	GA60	102		(14)	88	89	1	
Customer Services	GA62	913		(69)	844	804	(40)	
Internal Audit	GP00	100		-	100	103	3	
Sub Total - Admin		3,307	93	(154)	3,246	3,195	(51)	
Total - Joanna Miller - Head of Finance		2,605	187	1,316	4,108	3,900	(208)	

SERVICE	Cost Centre	Original Budget	Approved Carry Forwards	Virements	Latest Approved Budget	Projected Outturn	Variance	BRIEF EXPLANATION OF VARIANCE
REVENUE EXPENDITURE		£000	£000	£000	£000	£000	£000	
Bob Porter - Head of Housing, Land & Property								
<u>Services</u>								
Highways Non-Partnership	CE01	19		-	19	18	(1)	
Street Furniture	CE02	9		-	9	9	-	
Passenger Shelters	CE03	13	52	(26)	39	39	-	
Street Lighting	CE04	166		21	187	187	-	
Outdoor Sports and Recreation	CE30	(39)		-	(39)	(43)	(4)	
Royal Military Canal (including Ecology & Habitat Maintenance (HLF))	CE33 / CE34	(9)		-	(9)	(10)	(1)	
RMC Drainage Functions	CE36	14		-	14	14	-	
RMC - Bridge Painting	CE37	22	3	-	25	25	-	
Community Parks & Open Spaces	CE38	552	3	(4)	551	485	(66)	(£15k) Section 106 funding , (£6k) income from Kent County Council re: sponsorship of roundabouts, (£5k) sponsorship income for Shepway District Council flower beds and (£3k) additional rental income.
Off-Street Parking	CE40	(850)		-	(850)	(900)	(50)	(£85k) Increase in Parking Charges, £20k reduction in Parking Fines due to more compliance, £10k reduction in CP Season Tickets, £5k other minor variances
On-Street Parking Enforcement	CE45	(416)		-	(416)	(398)	18	More compliance so fewer penalty charge notices (pcn's) issued
Public Toilets	CE52	40		-	40	40	-	
Coast Protection	CG80	(220)	1	(1)	(220)	(238)	(18)	(£18k) Increase in KCC contribution towards borrowing costs on coast protection schemes undertaken in the past.
Shoreline Management	CG85	(18)		1	(17)	(23)	(6)	(£6k) Water Quality Awards no longer applied for.
Flood Defence & Land Drainage	CG90	20		-	20	20	-	
Leas Bandstand	EA11	4		-	4	5	1	
Mountfield Industrial Estate	EB02	(76)		-	(76)	(76)	-	
Regeneration & Economic Development	ED10	793	74	27	894	284	(610)	(£60k) Cost of apprenticeships less than budgeted for. Proposed carry forwards: (£500k) East Kent College redevelopment spend will now be in 2015/16, (£50k) School for Creative Start-ups spend will now be in 2015/16
Misc Regeneration Initiatives	ED11	80	82	(6)	156	129	(27)	Incubation units completed under budget.
Rural Regeneration Initiatives	ED12	15		26	41	41	-	
European Initiatives	ED13	27		-	27	29	2	
Environmental Initiatives	ES05	249	10	(156)	103	103	-	
Housing Standards	HE10	(1)		-	(1)	(1)	-	
Housing Strategy	HH11	49		(20)	29	4	(25)	Housing Needs Assessment study will no longer be carried out during this financial year.
Homelessness	HH21	76		(3)	73	74	1	
Care and Repair Scheme	HH42	44		-	44	44	-	
Rent Deposits (Supp People-KCC)	HX02	4		-	4	4	-	
Sub Total - Services		567	225	(141)	651	(135)	(786)	
<u>Admin</u>								
Head of Communities	GH51	107		21	128	131	3	
Housing Options	GH58	265		(43)	222	262	40	£26k Restructure costs, £12k Housing Options Officer post, £10k Temporary post, (£12k) Housing Options Officer vacancy, £2k other minor variances
Social Lettings Agency	GH61	-		23	23	16	(7)	Salary saving due to a reduction in hours
Housing Strategy & Support	GH62	123		(13)	110	113	3	

VARIANCE ANALYSIS 2014/15 - Bob Porter

@ October 2014 - Period 7

SERVICE	Cost Centre	Original Budget	Approved Carry Forwards	Virements	Latest Approved Budget	Projected Outturn	Variance	BRIEF EXPLANATION OF VARIANCE
		£000	£000	£000	£000	£000	£000	
REVENUE EXPENDITURE								
Bob Porter - Head of Housing, Land & Property								
Parking Services	GM23	202		(151)	51	61	10	Head of service savings not achieved due to restructure
Handyman Service	GM24	68		(7)	61	58	(3)	
Grounds Maintenance Contract Management	GM25	140		(4)	136	130	(6)	Saving on Grounds Maintenance Manager post.
Private Sector Housing	GM29	215		(5)	210	213	3	
Regeneration & Economic Development	GM30	-		84	84	86	2	
Engineers	GM31	368		185	553	599	46	New posts funded by charge to HRA New build Schemes
Property Services	GM32	140		(140)	-	-	-	
Sub Total - Admin		1,628	-	(50)	1,578	1,669	91	
Holding								
Grounds Maintenance	GE01	1,224	14	(86)	1,152	1,106	(46)	(£27k) saving on equipment used to finance capital purchase of two mowers, (£10k) lower projected spend on plants and shrubs, (£7k) lower cost of vehicle running expenses, £22k increased salary and agency cost for sickness cover and additional works, partly off set by (£8k) additional income from the recharge for World War One Commemoration works. Other additional income generated includes (£5k) HRA tree works, (£6k) memorial seat income, and (£5k) other income.
Charity Areas	GE05	212		(22)	190	196	6	£6k additional staff cover for long term sickness.
Royal Military Canal	GE06	102	6	(11)	97	96	(1)	
Toilet Cleaning	GE07	77		(4)	73	81	8	£4k additional cost for later locking of 21 toilets, £4k increased consumable and vehicle cost, £2k extra staff cost offset by (£2k) hire repair and maintenance budget not spent.
Pump Maintenance Crew	GE08	18		(4)	14	14	-	
Civic Centre	GX00	248		-	248	245	(3)	
3/5 Shorncliffe Road	GX01	(41)		-	(41)	(15)	26	Back dated correction in business rates resulting in an increased charge
Hawkinge Depot	GX05	82		(79)	3	3	-	
Oss-New Romney	GX06	4		-	4	4	-	
Public Toilets	GX10	112		-	112	106	(6)	Business rate charges lower than estimated
Parks & Open Spaces Buildings	GX20	29		-	29	29	-	
Royal Military Canal Buildings	GX21	6		-	6	6	-	
Bandstand	GX23	3		-	3	3	-	
Sports & Recreation Buildings	GX24	27		-	27	22	(5)	Insurance settlement for Folkestone Invicta storm damage
Charity Parks & Open Spaces	GX25	41		-	41	41	-	
Hythe Swimming Pool	GX27	118		-	118	131	13	Increased cost due to emergency repairs
Car Parks	GX30	197	21	-	218	221	3	
Prog Planned Maintenance	GX40	107	95	-	202	202	-	
Cemeteries Buildings	GX50	10		-	10	9	(1)	
Oxenden Road Depot	GX51	6		-	6	6	-	
Mountfield Rd Depot	GX52	16		-	16	13	(3)	
Misc Corporate Property	GX53	(136)		-	(136)	(149)	(13)	(£11k) Budget for rental income understated
Christchurch Tower	GX54	1		-	1	1	-	
Ross Depot & Murf	GX55	17		-	17	17	-	
Mountfield Industrial Estate	GX60	5		-	5	5	-	
Misc Leisure Prop (Non-Op)	GX79	3		-	3	3	-	
Misc Vacant Land & Buildings	GX99	1		-	1	1	-	
Sub Total - Holding		2,489	136	(206)	2,419	2,397	(22)	
Total - Bob Porter - Head of Housing, Land & Property		4,684	361	(397)	4,648	3,931	(717)	

VARIANCE ANALYSIS 2014/15 - Chris Lewis

@ October 2014 - Period 7

SERVICE	Cost Centre	Original Budget	Approved Carry Forwards	Virements	Latest Approved Budget	Projected Outturn	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	(177)		-	(177)	(164)	13	Reduction in Gambling licensing income forecast, based on last years actuals.
Food Safety, Health and Safety etc	BG50	-		1	1	1	-	
Pollution Reduction	BG51	21		-	21	23	2	
Pest Control	BG52	4		-	4	2	(2)	
Cemeteries	CE20	(176)		-	(176)	(154)	22	Reduction in burials income forecast based on last years actuals
Hythe Sports Provision Study	CE35	80	6	-	86	86	-	
Dog Control	CE51	18		-	18	23	5	£3k increase in staffing costs to cover for sickness. £2k Dog kennelling cost.
Litter and Fouling Enforcement	CE54	3		53	56	56	-	
Hackney Carriage Licensing	CE58	(80)		-	(80)	(88)	(8)	(£6k) Increase in Vehicle Licensing income based on last years actuals, (£2k) Increase in income from CRB checks income
Other Environmental Services	CE99	57		-	57	62	5	£6k Increase in emergency cover.
Building Control	DA10	(237)		-	(237)	(273)	(36)	17% increase in applications
Development Control	DA11	(394)	48	(37)	(383)	(487)	(104)	Large increase in applications this year, most notably 1200 houses at Shorncliffe and 250 at Sellindge.
Planning Policy	EC12	60	173	73	306	243	(63)	(£38k) Saving on Local Plan expenses, (£5k) Additional Government Grant for Neighbourhood Plan, (£20k) Proposed carry forward for expenditure relating to assisting parish councils in progressing Neighbourhood Development plans.
Princes Parade Planning Project	ED02	8	54	-	62	62	-	
High Street Innovation Fund	ED14	-	52	-	52	52	-	
Sub Total - Services		(813)	333	90	(390)	(556)	(166)	

VARIANCE ANALYSIS 2014/15 - Chris Lewis

@ October 2014 - Period 7

SERVICE	Cost Centre	Original Budget	Approved Carry Forwards	Virements	Latest Approved Budget	Projected Outturn	Variance	BRIEF EXPLANATION OF VARIANCE
<u>REVENUE EXPENDITURE</u>		£000	£000	£000	£000	£000	£000	
<u>Chris Lewis - Head of Planning & Env Health</u>								
<u>Admin</u>								
Planning Control	GM20	1,203		(182)	1,021	979	(42)	(£71k) Vacancy Savings, £29k additional professional advice & fees.
Building Control	GM21	285		(31)	254	230	(24)	(£7k) saving on car allowances , (£7k) saving on supplies and services & (£9k) increase in ad hoc development fee work
Environmental Health	GM22	326		(33)	293	255	(38)	(£27k) Post Redundant, (£10k) KCC grant towards the Environmental Education Officer salary, (£1k) Other small variances
Environmental Protection & Licensing	GM36	351		(30)	321	341	20	£12.5k Burials Officer Post, £5k Back pay on upgrade, £2.5k On costs for Emergency Response Officers (EROs)
Sub Total - Admin		2,165	-	(276)	1,889	1,805	(84)	
Total - Chris Lewis - Head of Planning & Env Health		1,352	333	(186)	1,499	1,249	(250)	

VARIANCE ANALYSIS 2014/15 - Jyotsna Leney

@ October 2014 - Period 7

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SERVICE	Cost Centre	Original Budget	Approved Carry Forwards	Virements	Latest Approved Budget	Projected Outturn	Variance	BRIEF EXPLANATION OF VARIANCE
		£000	£000	£000	£000	£000	£000	
REVENUE EXPENDITURE								
Jyotsna Leney - Community Safety Manager								
<u>Services</u>								
CCTV	BE51	120	30	-	150	153	3	
Crime and Disorder	BF53	11	19	-	30	30	-	
Silver Back Project	CE27	-		1	1	1	-	
Troubled Families	CE28	13		(11)	2	2	-	
Troubled Families Secondment	CE29	-		(4)	(4)	-	4	
Working Families Everywhere	CE32	17		(8)	9	9	-	
CSE External Projects	CE55	-	16	-	16	16	-	
Cultural Services	EA59	55		-	55	55	-	
General Grants	FH18	57		-	57	57	-	
Lifeline Facilities	HH51	(910)		-	(910)	(913)	(3)	£15k Consortium maintenance higher than expected; (£31k) New Telehealth contract income higher due to contract extension; £21k Lifeline rental uptake lower than anticipated; (£12k) Telecare income higher than anticipated due to delay in end of contract; £4k Other variances
Dover Careline	HH52	14		-	14	15	1	
Sub Total - Services		(623)	65	(22)	(580)	(575)	5	
<u>Admin</u>								
Crime Reduction	GL20	124		(124)	-	2	2	
Community Safety & Engagement	GL21	206		19	225	225	-	
Control Room	GL30	746		(106)	640	571	(69)	Vacancy savings due to the termination of the KCC Telecare contract
Sub Total - Admin		1,076	-	(211)	865	798	(67)	
Total - Jyotsna Leney - Community Safety Manager		453	65	(233)	285	223	(62)	

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This Report will be made public on 13 January 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



www.shepway.gov.uk

Report Number **C/14/72**

To: Cabinet
Date: 21 January 2015
Head of Service: Joanna Miller, Finance
Cabinet Members: Councillor Russell Tillson, Cabinet Member for Finance and Councillor Alan Ewart-James, Cabinet Member for Housing

SUBJECT: HOUSING REVENUE ACCOUNT REVENUE AND CAPITAL BUDGET MONITORING 2014/15 – 3rd QUARTER

SUMMARY: This report provides a projection of the end of year financial position for the Housing Revenue Account (HRA) revenue expenditure and Housing Revenue Account (HRA) capital programme, based on net expenditure to 31 October 2014.

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/14/72.

1. INTRODUCTION

- 1.1 This report informs Cabinet of the likely projected outturn on HRA revenue and capital expenditure for 2014/15.
- 1.2 The projections are based on actual expenditure and income to 31 October 2014. 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 2014/15 (see Appendix 1)

- 2.1 The table below provides a summary of the projected outturn compared to the latest budget for 2014/15.

	Latest Budget £'000	Projection £'000	Variance £'000
Income	16,007	16,012	(5)
Expenditure	10,023	9,774	(249)
Share of Corporate Costs	177	208	31
Net Cost of HRA Services	(5,807)	(6,030)	(223)
Interest Payable/Receivable etc	1,727	1,701	(26)
HRA Surplus/Deficit	(4,080)	(4,329)	(249)
Repayment of Debt	900	900	0
Revenue Contributions to Capital	1,681	1,595	(86)
Decrease/(Increase) to HRA Reserve	(1,499)	(1,834)	(335)

- 2.2 The table shows that overall on the Housing Revenue Account there is a projected decrease in net expenditure of £335,000.

The main reasons for this are as follows:-

	£000
Increase in repairs and maintenance	58
Increase in cost of Corporate & Democratic Core	31
Decrease in bad debt provision (see 2.3 below)	(234)
Decrease in revenue contribution to capital	(86)
Decrease in supervision and management	(73)
Increase in interest and investment income	(26)
Increase in dwelling rents	(18)
Other net variances	13
Total net projected Housing Revenue Account increase	<u>(335)</u>

Further comments on the variances are included in Appendix 1.

- 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, this has now been delayed for the majority of the south east and at present is not known when this will be fully rolled out.
- 2.4 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.
- 2.5 Overall, the HRA reserve at 31 March 2015 is expected to be £4.71m compared with £4.38m in the latest budget.

3. HOUSING REVENUE ACCOUNT CAPITAL 2014/15 (see Appendix 2)

- 3.1 The latest approved budget for Housing Revenue Account (HRA) capital programme is £4,878,000, the projected outturn is £4,794,000, showing an underspend of £84k on the capital programme. The main reasons for this are as follows:

Treatment Works -	£100k underspend as a result of work delayed due to focus on new build programme (see 3.1.1 below)
EKH Single System -	£77k underspend due to costs lower than originally anticipated
Re-wiring -	£12k underspend due to reduction in works
Double Glazing Units -	£10k underspend due to lower number of units required
Voids Capital Works -	£10k underspend due to fewer voids than originally anticipated

- Environmental Works - £70k overspend specific to new build programme (see 3.1.1 below)
- Disabled Adaptations - £30k overspend specific to new build programme at Millfield (see 3.1.1 below)
- Thermal Insulations - £12k overspend due to more requests than originally anticipated
- Doors - £10k overspend due to increase in replacement doors

For information, Appendix 2 outlines the current schemes contained within the programme.

3.1.1 The current £100k budget provision for Treatment Works is no longer required during the current financial year.

Additional resources are required within the Environmental Improvements (£70k) and Disabled Adaptation (£30k) budgets in order to fund environmental improvement works adjacent to the pilot scheme for the new build developments at both Millfield and Tourney Road and to fund the additional cost of providing one of the Millfield bungalows to a fully disabled adapted specification.

EKH have fully committed both the Environmental Improvements and Disabled Adaptations budgets for 2014/15.

3.2 The following table compares the resources required to finance the projected outturn for the HRA capital programme in 2014/15, against the previous quarter's forecast.

2014/15 HRA	Capital Receipts	Revenue Cont.	Major Repairs Reserve	Total
	£'000	£'000	£'000	£'000
Projected Outturn	218	1,595	2,981	4,794
Previous Forecast	218	1,595	2,891	4,794
Variation	-	-	-	-

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	Medium	Medium	Areas at greater risk of variances are being closely monitored and an update will be made

different to the actual year end position.			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 2014/15 to 2015/16 capital programme will need to continue to be reviewed to take account of the capacity to manage the programme. 2014/15 planned expenditure will need to be reviewed to determine whether any expenditure will fall into 2015/16 and beyond.

5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 Legal Officer's Comments (EC)

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)

There are no implications arising directly from this report.

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:

None

Appendices:

[Appendix 1](#) Housing Revenue Account revenue budget monitoring report at 31 October 2014

[Appendix 2](#) Housing Revenue Account capital budget monitoring report at 31 October 2014

HOUSING PORTFOLIO	LATEST APPROVED BUDGET £000	PROJECTED OUTTURN £000	VARIANCE £000	REASON
INCOME				
Dwelling rents	14,632	14,650	-18	Income higher due to vacant properties being filled quicker
Non-dwelling rents	347	342	5	
Charges for services and facilities	978	970	8	
Contributions from general fund	50	50	0	
Total Income	16,007	16,012	-5	
EXPENDITURE				
Repairs and maintenance	2,811	2,869	58	Responsive repairs - increase in structural repairs £77k, Void repairs - based on current level of voids £25k, Scaffolding (£17k), Performance bonus (£10k), Pump Stations (£10k), Plumbing (£8k), Other minor variances £1k
Supervision and management	3,989	3,916	-73	
Rents rates and taxes	23	23	0	Recharge to services (£115k), Increase in utilities £26k, increase in Council Tax £17k, other minor variances (£1k)
Depreciation charges of fixed assets	2,872	2,872	0	
Debt management expenses	34	34	0	
Bad debts provision	294	60	-234	Delay in Universal Credit being implemented
Total Expenditure	10,023	9,774	-249	
Net	-5,983	-6,237	-254	
HRA Share of Corporate and Democratic Costs	177	208	31	Higher than originally expected
Net Cost of HRA Services	-5,807	-6,030	-223	
Interest payable	1,819	1,817	-2	Higher HRA balance than originally expected
Interest and investment income	-66	-90	-24	
Premiums and discounts	-26	-26	0	
(SURPLUS)/DEFICIT	-4,080	-4,329	-249	
MOVEMENTS IN HRA BALANCE FOR 2014/15				
Repayment of Debt	900	900	0	HRA capital programme projected to underspend in 2014/15
Revenue contribution to capital	1,681	1,595	-86	
Surplus/deficit for the year	-4,080	-4,329	-249	
Increase/Decrease in Net Movement in HRA Balance	-1,499	-1,834	-335	
HRA Reserve balance brought forward	-2,881	-2,881	0	
HRA Reserve balance carried forward	-4,380	-4,715	-335	

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PORTFOLIO AND SCHEMES	LATEST APPROVED BUDGET	PROJECTED OUTTURN	VARIANCE	COMMENTS
HOUSING PORTFOLIO	£'000	£000	£000	
1. Planned Improvements				
Doors	50	60	10	Increased works for doors
Re-roofing	150	150	0	
Replacement Double Glazing Units	120	110	-10	Reduction in replacement windows
Heating Improvements	690	690	0	
Kitchens Replacements	500	500	0	
Bathroom Improvements	200	200	0	
Voids Capital Works	200	190	-10	Lower than originally budgeted
Disabled Adaptations	319	349	30	Due to Disabled Adaptation requirements on new build programme
Sheltered Scheme upgrades	110	110	0	
Rewiring	117	105	-12	Reduction in works
Lift Replacement	110	110	0	
Thermal Insulation	30	42	12	Increase in requests for thermal insulation
	2,596	2,616	20	
2. Major Schemes				
External Enveloping *	350	350	0	
Garages Improvements	35	35	0	
Treatment Works	133	33	-100	Work delayed due to resources needed on new build programme
Broadmead Road	22	24	2	
	540	442	-98	
3. Environmental Improvements				
Environmental Works	270	340	70	Due to Environmental Work requirements on new build programme
New Paths	15	15	0	
Play Areas	10	11	1	
	295	366	71	
4. Other Schemes				
New Builds	1,147	1,147	0	
EKH Single System	300	223	-77	Costs lower than originally anticipated
	1,447	1,370	-77	
TOTAL	4,878	4,794	-84	
FUNDING				
Major Repairs Reserve	2,981	2,981	0	
Revenue	1,681	1,595	-86	
Capital Receipts	216	218	2	
TOTAL FUNDING	4,878	4,794	-84	

* 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 13 January 2014

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/14/73**

To: Cabinet
Date: 21 January 2015
Status: Non-Key Decision
Head of Service: Joanna Miller, Head of Finance
Portfolio Holder: Councillor Russell Tillson, Cabinet Member for Finance

SUBJECT: COUNCIL TAX BASE 2015/16

SUMMARY:

The Council is required to decide its tax base which will be used in the calculation of Council Tax for 2015/2016. This report proposes the tax base for the Council's approval.

REASONS FOR RECOMMENDATION:

The Cabinet is asked to agree the recommendations set out below because it is a statutory requirement of the Council to determine a Council Tax base each year to be used by the County Council, Kent Police Authority, Kent Fire and Rescue Service, the Town and Parish Councils and the District Council in the calculation of precepts and Council Taxes.

RECOMMENDATIONS:

1. To receive and note report C/14/73.
2. To recommend to council that the Council Tax bases set out in appendices 1-31 (which have been calculated in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 (as amended)) be the amounts so calculated by the Council as its Council Tax bases for the year 2015/2016.

1 INTRODUCTION

- 1.1 The Council is required each year to determine its Council Tax base. The Council Tax base is the measure in the Council Tax system of the relative taxable capacity of the district. The Council Tax base is used by the County Council, Kent Police Authority, Kent Fire and Rescue Service and the Town/Parish and District Councils in the calculation of precepts and Council Taxes. It is also used by the County Council, Kent Police Authority and Kent Fire and Rescue Service in calculating their precepts upon each of the District Councils in Kent and by the Council in the calculation of its own demand on the Collection Fund.
- 1.2 The Council itself must determine the Council Tax base and the County Council, Kent Police Authority and Kent Fire and Rescue Service must be informed by 31 January in each year.
- 1.3 From 2013/14 the taxbase calculation must include an adjustment for the change from council tax benefit to the council tax reduction scheme which is no longer fully funded by Central Government.
- 1.4 The taxbase for 2015/16 also reflects the changes in the level of discount awarded from the 1 April 2014 to empty properties and those deemed uninhabitable for council tax purposes including the premium for properties empty over 2 years.

2 RULES FOR THE CALCULATION OF THE COUNCIL TAX BASE

- 2.1 The rules which the Council has to use to calculate the tax base are prescribed in regulations.

3 THE CALCULATION

- 3.1 The Council has to calculate a Council Tax base for each Town and Parish area and aggregate them all to arrive at the Council Tax base for the whole District.
- 3.2 For each band in every part of the District the Council has to calculate a "relevant amount". The relevant amounts for each band are then aggregated and multiplied by an estimated collection rate to give the Council Tax base for that part of the District. In addition, an estimated amount is added for those parts of the District where a contribution in lieu of Council Tax is paid by the MoD in respect of 'forces' accommodation, which is otherwise exempt. This means in Shepway 240 separate "relevant amounts" and 30 tax bases have to be calculated.
- 3.3 The 'relevant amount' for 2015/2016 is the number of chargeable dwellings in each band as shown in the valuation list on 30 November 2014 less the number of dwellings in each band which are exempt adjusted for:
 - the number of discounts and disabled reductions which apply to those dwellings, plus or minus
 - estimated changes in properties and discounts and disabled reductions between now and 31 March 2015 multiplied by
 - the proportion which dwellings in that band bear to dwellings in band D using prescribed proportions.
- 3.4 The calculation includes an adjustment based on the estimated amount for the council tax reduction scheme which replaced council tax benefit from the 1 April 2013 as amended for 2015/16
- 3.5 In simple terms this is the number of Band D equivalents for each band.

3.6 Attached are appendices showing the calculation for each Town and Parish area and an aggregate of them all to give the Council Tax base for the whole of the District.

EXPLANATION OF CALCULATION SHOWN IN APPENDICES 1-31

3.7 **Line 1 Dwellings.** This shows the total number of dwellings in each band as shown in the valuation list on 30 November 2014.

3.8 **Line 2 Exemptions.** This shows the number of dwellings included in the valuation list which according to the Council's records, are exempt from the Council Tax.

3.9 **Line 3 Disabled Relief.** This shows the number of net adjustments for each band of the effect of granting disabled person's relief.

3.10 **Line 4 Chargeable Dwellings.** This shows the aggregate number of dwellings in each band after taking into account the above adjustments. (ie. line 1 – line 2 + or – line 3).

3.11 **Line 5 Discounts – Single.** This shows the total number of dwellings in each band where a single discount of 25% is given.

3.12 **Line 6 Discounts – Double.** This shows the total number of dwellings in each band which are entitled to a reduction of two discounts (ie. 50%).

3.13 **Line 7 Discounts - 10%.** This line is no longer applicable as no properties receiving a 10% discount from the 1 April 2014

3.14 **Line 8 – Total Discounts.** This shows the total number of discounts shown above (ie. Line 5 + (2 x line 6) + (line 7/2.5)).

3.15 **Line 9 Discount Deduction.** This shows the effect of the total discounts apportioned to the number of equivalent properties in each band (ie. line 8 x 25%).

3.16 **Line 10 Adjustments.** This line shows the number of adjustments estimated for each tax band between now and 31 March 2015. This includes changes in bands as a result of successful appeals and an estimate of the number of new properties which will be completed and banded before 31 March 2016.

3.17 **Line 10a Adjustments.** This line shows as a band D equivalent only the impact of applying a 50% premium on properties that have been empty over 2 years

3.18 **Line 11 Adjustments.** This line shows the adjustments for the council tax reduction scheme which has been based on the value of council tax benefit as at the 30 November 2014.

3.19 **Line 12 Net Dwellings.** This shows the total number of dwellings after taking into account all of the above adjustments (ie. Line 4 – Line 9 + or – line 10).

3.20 **Line 13 Band D Equivalents.** This is the "relevant amount" referred to in the report and is calculated by multiplying the number of net dwellings shown in line 11 by the prescribed proportion used for calculating the number of Band D equivalents. The proportion used for each band is laid down in statute and is as follows:-

Band @	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

3.21 The total band D equivalents for each part of the district are multiplied by the estimated collection rate to obtain the Tax Base for each part of the district as

shown on Appendices 1-31. We are continuing to collect arrears in respect of previous years. A figure of 95.25% was used last year and a figure of 97 % has been used as the estimated collection rate for 2015/2016.

- 3.22 An estimate of Band D equivalent dwellings is added to those parts of the District where a contribution in lieu is paid by the MoD forces accommodation.

4 CONCLUSIONS

- 4.1 Finally, the overall Tax Base for Shepway for 2015/2016 is calculated as 35,469.36 compared to 34,441.57 for the current year.

5 LEGAL, FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 Legal Officer's comments (AK)

The Legal Officer has reviewed this Report and has no legal comments.

5.2 Finance Officer's comments (GW)

The Council Tax base is proposed to increase by 1,027.79 mainly due to a revision in the collection rate assumption from 95.25% to 97% and the costs of the Council Tax Reduction Scheme are expected to be lower. The draft budget for 2015/16 had already anticipated an increase in council tax income of £45,000 due to anticipated tax base changes. The final budget in February 2015 will be updated to reflect a further overall net increase in council tax yield of £151,000, subject to confirmation of final council tax rates.

5.3 Equalities and Diversities Implications

There are no implications arising directly from this report.

6 CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Report author: Jane Worrell
Telephone: 01303 853226
Email: jane.worrell@shepway.gov.uk

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

§ *Valuation List as at 30 November 2014*

Appendices:

Appendix 1 – Council Tax base calculations

Area ACRISE

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	2.00	3.00	1.00	6.00	21.00	16.00	19.00	3.00
2	Exemptions	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Disabled Relief				1.00	-1.00			
4	Chargeable Dwelling	0.00	3.00	1.00	7.00	20.00	16.00	19.00	3.00
5	Discounts - single	0.00	0.00	0.00	4.00	5.00	4.00	1.00	2.00
6	Discounts - double								
7	Discounts - 10%								
8	Total Discounts	0.00	0.00	0.00	4.00	5.00	4.00	1.00	2.00
9	Discount Deductions	0.00	0.00	0.00	1.00	1.25	1.00	0.25	0.50
10	Adjustments								
10a	50% premium								
11	Reduction Scheme	0.00	-0.02	-0.36	-0.75	-1.30	0.00	0.00	0.00
12	Net Dwellings	0.00	2.98	0.64	5.25	17.45	15.00	18.75	2.50
13	Band D Equivalents	0.00	2.32	0.57	5.25	21.33	21.67	31.25	5.00

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TAX BASE CALCULATION	
Total Band D equivalents	87.39
Collection Rate	97 %
	84.77
* Add MoD Contributions	
Tax Base	84.77

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area ELHAM

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	25.00	59.00	67.00	134.00	132.00	105.00	151.00	4.00
2	Exemptions	8.00	2.00	1.00	1.00	0.00	0.00	1.00	0.00
3	Disabled Relief			1.00	0.00	0.00	-1.00		
4	Chargeable Dwelling	17.00	57.00	67.00	133.00	132.00	104.00	150.00	4.00
5	Discounts - single	12.00	29.00	26.00	36.00	32.00	21.00	24.00	1.00
6	Discounts - double				1.00				
7	Discounts - 10%								
8	Total Discounts	12.00	29.00	26.00	38.00	32.00	21.00	24.00	1.00
9	Discount Deductions	3.00	7.25	6.50	9.50	8.00	5.25	6.00	0.25
10	Adjustments								
10a	50% premium	1.00							
11	Reduction Scheme	-3.93	-8.42	-9.02	-11.37	-5.59	-0.75	-2.60	0.00
12	Net Dwellings	11.07	41.33	51.48	112.13	118.41	98.00	141.40	3.75
13	Band D Equivalents	7.38	32.15	45.76	112.13	144.72	141.56	235.67	7.50

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TAX BASE CALCULATION	
Total Band D equivalents	726.87
Collection Rate	97 %
	705.06
* Add MoD Contributions	
Tax Base	705.06

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area ELMSTED

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	11.00	6.00	10.00	18.00	25.00	21.00	34.00	3.00
2	Exemptions	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
3	Disabled Relief					1.00	-1.00		
4	Chargeable Dwelling	10.00	5.00	9.00	18.00	26.00	20.00	34.00	3.00
5	Discounts - single	0.00	1.00	1.00	7.00	3.00	4.00	6.00	0.00
6	Discounts - double								
7	Discounts - 10%								
8	Total Discounts	0.00	1.00	1.00	7.00	3.00	4.00	6.00	0.00
9	Discount Deductions	0.00	0.25	0.25	1.75	0.75	1.00	1.50	0.00
10	Adjustments								
10a	50% premium	1.00				1.00			
11	Reduction Scheme				-1.59	-1.00			
12	Net Dwellings	11.00	4.75	8.75	14.66	25.25	19.00	32.50	3.00
13	Band D Equivalents	7.33	3.69	7.78	14.66	30.86	27.44	54.17	6.00

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TAX BASE CALCULATION	
Total Band D equivalents	151.93
Collection Rate	97 %
	147.37
* Add MoD Contributions	
Tax Base	147.37

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area HAWKINGE

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	57.00	357.00	911.00	727.00	691.00	271.00	153.00	3.00
2	Exemptions	4.00	13.00	34.00	68.00	21.00	1.00	0.00	0.00
3	Disabled Relief	4.00		-2.00	7.00	-4.00	-2.00	-3.00	
4	Chargeable Dwelling	57.00	344.00	875.00	666.00	666.00	268.00	150.00	3.00
5	Discounts - single	30.00	134.00	326.00	166.00	124.00	25.00	21.00	0.00
6	Discounts - double	0.00	1.00	0.00	1.00	0.00	2.00	0.00	0.00
7	Discounts - 10%								
8	Total Discounts	30.00	136.00	326.00	168.00	124.00	29.00	21.00	0.00
9	Discount Deductions	7.50	34.00	81.50	42.00	31.00	7.25	5.25	0.00
10	Adjustments								
10a	50% premium								
11	Reduction Scheme	-13.81	-95.57	-132.07	-42.76	-24.39	-8.57	-1.83	
12	Net Dwellings	35.69	214.43	661.43	581.24	610.61	252.18	142.92	3.00
13	Band D Equivalents	23.79	166.78	587.94	581.24	746.30	364.26	238.20	6.00

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TAX BASE CALCULATION	
Total Band D equivalents	2,714.51
Collection Rate	97 %
	2,633.07
* Add MoD Contributions	111.11
Tax Base	2,744.18

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area LYMINGE

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	68.00	91.00	298.00	343.00	229.00	121.00	99.00	2.00
2	Exemptions	3.00	6.00	6.00	0.00	2.00	2.00	1.00	0.00
3	Disabled Relief		1.00	3.00	-3.00	-1.00	3.00	-3.00	
4	Chargeable Dwelling	65.00	86.00	295.00	340.00	226.00	122.00	95.00	2.00
5	Discounts - single	45.00	43.00	116.00	96.00	55.00	19.00	14.00	
6	Discounts - double					1.00	1.00		
7	Discounts - 10%								
8	Total Discounts	45.00	43.00	116.00	96.00	57.00	21.00	14.00	0.00
9	Discount Deductions	11.25	10.75	29.00	24.00	14.25	5.25	3.50	0.00
10	Adjustments								
10a	50% premium	1.00			1.00				
11	Reduction Scheme	-31.11	-17.94	-29.51	-14.50	-6.48	-1.28	-0.65	0.00
12	Net Dwellings	23.64	57.31	236.49	302.50	205.27	115.47	90.85	2.00
13	Band D Equivalents	15.76	44.57	210.21	302.50	250.89	166.79	151.42	4.00

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TAX BASE CALCULATION	
Total Band D equivalents	1,146.14
Collection Rate	97 %
	1,111.76
* Add MoD Contributions	1.44
Tax Base	1,113.20

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area LYMPNE

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	22.00	34.00	102.00	156.00	213.00	58.00	60.00	3.00
2	Exemptions	8.00	2.00	0.00	2.00	3.00	0.00	0.00	0.00
3	Disabled Relief	-1.00	1.00		-1.00		1.00	-1.00	
4	Chargeable Dwelling	13.00	33.00	102.00	153.00	210.00	59.00	59.00	3.00
5	Discounts - single	7.00	8.00	44.00	43.00	28.00	10.00	8.00	0.00
6	Discounts - double	0.00	5.00	0.00	1.00	0.00	0.00	0.00	0.00
7	Discounts - 10%								
8	Total Discounts	7.00	18.00	44.00	45.00	28.00	10.00	8.00	0.00
9	Discount Deductions	1.75	4.50	11.00	11.25	7.00	2.50	2.00	0.00
10	Adjustments								
10a	50% premium								1.00
11	Reduction Scheme	-3.10	-2.31	-12.87	-6.13	-4.93	-2.54	0.00	0.00
12	Net Dwellings	8.15	26.19	78.13	135.62	198.07	53.96	57.00	4.00
13	Band D Equivalents	5.43	20.37	69.45	135.62	242.09	77.94	95.00	8.00

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TAX BASE CALCULATION	
Total Band D equivalents	653.90
Collection Rate	97 %
	634.28
* Add MoD Contributions	
Tax Base	634.28

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area MONKS HORTON

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	2.00	3.00	2.00	10.00	6.00	6.00	18.00	3.00
2	Exemptions								
3	Disabled Relief								
4	Chargeable Dwelling	2.00	3.00	2.00	10.00	6.00	6.00	18.00	3.00
5	Discounts - single	1.00	2.00	0.00	3.00	1.00	0.00	3.00	0.00
6	Discounts - double								
7	Discounts - 10%								
8	Total Discounts	1.00	2.00	0.00	3.00	1.00	0.00	3.00	0.00
9	Discount Deductions	0.25	0.50	0.00	0.75	0.25	0.00	0.75	0.00
10	Adjustments								
10a	50% premium	1.00							
11	Reduction Scheme				-0.61	-0.37			
12	Net Dwellings	2.75	2.50	2.00	8.64	5.38	6.00	17.25	3.00
13	Band D Equivalents	1.83	1.94	1.78	8.64	6.58	8.67	28.75	6.00

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TAX BASE CALCULATION	
Total Band D equivalents	64.19
Collection Rate	97 %
	62.26
* Add MoD Contributions	
Tax Base	62.26

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area NEWINGTON

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	6.00	33.00	45.00	24.00	22.00	15.00	18.00	1.00
2	Exemptions	1.00	2.00						
3	Disabled Relief			2.00	-2.00				
4	Chargeable Dwelling	5.00	31.00	47.00	22.00	22.00	15.00	18.00	1.00
5	Discounts - single	4.00	12.00	12.00	5.00	1.00	3.00	2.00	0.00
6	Discounts - double								
7	Discounts - 10%								
8	Total Discounts	4.00	12.00	12.00	5.00	1.00	3.00	2.00	0.00
9	Discount Deductions	1.00	3.00	3.00	1.25	0.25	0.75	0.50	0.00
10	Adjustments								
10a	50% premium			1.00	2.00				
11	Reduction Scheme	-0.51	-6.90	-5.71	-1.46	0.00	-0.82	0.00	0.00
12	Net Dwellings	3.49	21.10	39.29	21.29	21.75	13.43	17.50	1.00
13	Band D Equivalents	2.33	16.41	34.92	21.29	26.58	19.40	29.17	2.00

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TAX BASE CALCULATION	
Total Band D equivalents	152.10
Collection Rate	97 %
	147.54
* Add MoD Contributions	
Tax Base	147.54

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area PADDLESWORTH

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	1.00	1.00	0.00	2.00	3.00	3.00	5.00	0.00
2	Exemptions						1.00		
3	Disabled Relief								
4	Chargeable Dwelling	1.00	1.00	0.00	2.00	3.00	2.00	5.00	0.00
5	Discounts - single	1.00	0.00	0.00	2.00	1.00	1.00	0.00	0.00
6	Discounts - double								
7	Discounts - 10%								
8	Total Discounts	1.00	0.00	0.00	2.00	1.00	1.00	0.00	0.00
9	Discount Deductions	0.25	0.00	0.00	0.50	0.25	0.25	0.00	0.00
10	Adjustments								
10a	50% premium								
11	Reduction Scheme								
12	Net Dwellings	0.75	1.00	0.00	1.50	2.75	1.75	5.00	0.00
13	Band D Equivalents	0.50	0.78	0.00	1.50	3.36	2.53	8.33	0.00

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TAX BASE CALCULATION	
Total Band D equivalents	17.00
Collection Rate	97 %
	16.49
* Add MoD Contributions	
Tax Base	16.49

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area POSTLING

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	3.00	0.00	7.00	15.00	22.00	15.00	31.00	1.00
2	Exemptions	1.00	0.00	0.00	0.00	0.00	1.00	1.00	0.00
3	Disabled Relief				1.00	-1.00			
4	Chargeable Dwelling	2.00	0.00	7.00	16.00	21.00	14.00	30.00	1.00
5	Discounts - single	0.00	0.00	2.00	6.00	5.00	6.00	7.00	0.00
6	Discounts - double								
7	Discounts - 10%								
8	Total Discounts	0.00	0.00	2.00	6.00	5.00	6.00	7.00	0.00
9	Discount Deductions	0.00	0.00	0.50	1.50	1.25	1.50	1.75	0.00
10	Adjustments								
10a	50% premium								
11	Reduction Scheme			-0.07	-1.15	-1.15	0.00	-0.20	0.00
12	Net Dwellings	2.00	0.00	6.43	13.35	18.60	12.50	28.05	1.00
13	Band D Equivalents	1.33	0.00	5.72	13.35	22.73	18.06	46.75	2.00

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TAX BASE CALCULATION	
Total Band D equivalents	109.94
Collection Rate	97 %
	106.64
* Add MoD Contributions	
Tax Base	106.64

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area SALTWOOD

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	8.00	13.00	96.00	90.00	68.00	42.00	67.00	6.00
2	Exemptions	1.00	0.00	0.00	1.00	0.00			
3	Disabled Relief			1.00	-1.00			1.00	-1.00
4	Chargeable Dwelling	7.00	13.00	97.00	88.00	68.00	42.00	68.00	5.00
5	Discounts - single	3.00	7.00	41.00	30.00	18.00	9.00	5.00	2.00
6	Discounts - double							1.00	
7	Discounts - 10%								
8	Total Discounts	3.00	7.00	41.00	30.00	18.00	9.00	7.00	2.00
9	Discount Deductions	0.75	1.75	10.25	7.50	4.50	2.25	1.75	0.50
10	Adjustments								
10a	50% premium		2.00	1.00	1.00	1.00	1.00		
11	Reduction Scheme	-1.25	-1.36	-12.48	-12.44	-0.82	-0.36	0.00	0.00
12	Net Dwellings	5.00	11.89	75.27	69.06	63.68	40.39	66.25	4.50
13	Band D Equivalents	3.33	9.25	66.91	69.06	77.83	58.34	110.42	9.00

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TAX BASE CALCULATION	
Total Band D equivalents	404.14
Collection Rate	97 %
	392.02
* Add MoD Contributions	
Tax Base	392.02

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area SELLINDGE

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	26.00	79.00	180.00	174.00	115.00	72.00	48.00	7.00
2	Exemptions	4.00	1.00	2.00	2.00	1.00	1.00	0.00	0.00
3	Disabled Relief	1.00			1.00	-2.00	2.00	-1.00	-1.00
4	Chargeable Dwelling	23.00	78.00	178.00	173.00	112.00	73.00	47.00	6.00
5	Discounts - single	15.00	31.00	55.00	56.00	26.00	8.00	4.00	0.00
6	Discounts - double						1.00	1.00	
7	Discounts - 10%								
8	Total Discounts	15.00	31.00	55.00	56.00	26.00	10.00	6.00	0.00
9	Discount Deductions	3.75	7.75	13.75	14.00	6.50	2.50	1.50	0.00
10	Adjustments								
10a	50% premium	1.00		1.00					1.00
11	Reduction Scheme	-5.60	-21.63	-20.39	-12.64	-4.56	-2.34	-0.82	0.00
12	Net Dwellings	14.65	48.62	144.86	146.36	100.94	68.16	44.68	7.00
13	Band D Equivalents	9.77	37.82	128.76	146.36	123.37	98.45	74.47	14.00

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TAX BASE CALCULATION	
Total Band D equivalents	633.00
Collection Rate	97 %
	614.01
* Add MoD Contributions	
Tax Base	614.01

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area STANFORD

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	3.00	1.00	31.00	26.00	38.00	33.00	31.00	0.00
2	Exemptions								
3	Disabled Relief			2.00	-1.00	-1.00	1.00	-1.00	
4	Chargeable Dwelling	3.00	1.00	33.00	25.00	37.00	34.00	30.00	0.00
5	Discounts - single	3.00	0.00	13.00	11.00	9.00	5.00	5.00	0.00
6	Discounts - double						1.00		
7	Discounts - 10%								
8	Total Discounts	3.00	0.00	13.00	11.00	9.00	7.00	5.00	0.00
9	Discount Deductions	0.75	0.00	3.25	2.75	2.25	1.75	1.25	0.00
10	Adjustments								
10a	50% premium		1.00						
11	Reduction Scheme			-1.22	-1.56	-2.19	-0.65	-0.42	0.00
12	Net Dwellings	2.25	2.00	28.53	20.69	32.56	31.60	28.33	0.00
13	Band D Equivalents	1.50	1.56	25.36	20.69	39.80	45.64	47.22	0.00

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TAX BASE CALCULATION	
Total Band D equivalents	181.77
Collection Rate	97 %
	176.32
* Add MoD Contributions	
Tax Base	176.32

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area STOWTING

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	5.00	10.00	6.00	11.00	17.00	19.00	31.00	2.00
2	Exemptions	1.00	0.00	1.00	1.00	1.00	0.00	0.00	0.00
3	Disabled Relief								
4	Chargeable Dwelling	4.00	10.00	5.00	10.00	16.00	19.00	31.00	2.00
5	Discounts - single	2.00	9.00	3.00	5.00	1.00	2.00	2.00	0.00
6	Discounts - double								
7	Discounts - 10%								
8	Total Discounts	2.00	9.00	3.00	5.00	1.00	2.00	2.00	0.00
9	Discount Deductions	0.50	2.25	0.75	1.25	0.25	0.50	0.50	0.00
10	Adjustments								
10a	50% premium								
11	Reduction Scheme		-1.82	-0.44	0.00	-0.33	-1.00	0.00	0.00
12	Net Dwellings	3.50	5.93	3.81	8.75	15.42	17.50	30.50	2.00
13	Band D Equivalents	2.33	4.61	3.39	8.75	18.85	25.28	50.83	4.00

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TAX BASE CALCULATION	
Total Band D equivalents	118.04
Collection Rate	97 %
	114.50
* Add MoD Contributions	
Tax Base	114.50

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area SWINGFIELD

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	10.00	47.00	91.00	168.00	140.00	43.00	25.00	0.00
2	Exemptions	4.00	1.00	1.00	4.00	3.00	2.00	0.00	0.00
3	Disabled Relief				2.00	-1.00	1.00	-2.00	
4	Chargeable Dwelling	6.00	46.00	90.00	166.00	136.00	42.00	23.00	0.00
5	Discounts - single	5.00	8.00	25.00	40.00	36.00	8.00	2.00	0.00
6	Discounts - double				1.00		1.00		
7	Discounts - 10%								
8	Total Discounts	5.00	8.00	25.00	42.00	36.00	10.00	2.00	0.00
9	Discount Deductions	1.25	2.00	6.25	10.50	9.00	2.50	0.50	0.00
10	Adjustments								
10a	50% premium								
11	Reduction Scheme		-8.45	-8.82	-9.13	-6.68	-2.12	-1.57	0.00
12	Net Dwellings	4.75	35.55	74.93	146.37	120.32	37.38	20.93	0.00
13	Band D Equivalents	3.17	27.65	66.60	146.37	147.06	53.99	34.88	0.00

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TAX BASE CALCULATION	
Total Band D equivalents	479.72
Collection Rate	97 %
	465.33
* Add MoD Contributions	
Tax Base	465.33

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area HYTHE

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	649.00	1,559.00	2,154.00	1,119.00	892.00	585.00	294.00	11.00
2	Exemptions	18.00	25.00	53.00	12.00	36.00	19.00	0.00	0.00
3	Disabled Relief	6.00	9.00	-13.00	7.00	-3.00	1.00	-3.00	-5.00
4	Chargeable Dwelling	637.00	1,543.00	2,088.00	1,114.00	853.00	567.00	291.00	6.00
5	Discounts - single	438.00	732.00	760.00	373.00	236.00	128.00	42.00	1.00
6	Discounts - double	0.00	1.00	3.00	1.00	1.00	6.00	8.00	1.00
7	Discounts - 10%								
8	Total Discounts	438.00	734.00	766.00	375.00	238.00	140.00	58.00	3.00
9	Discount Deductions	109.50	183.50	191.50	93.75	59.50	35.00	14.50	0.75
10	Adjustments								
10a	50% premium	4.00	4.00	3.00	1.00			1.00	
11	Reduction Scheme	-194.06	-304.07	-185.42	-62.29	-28.25	-6.09	-1.75	0.00
12	Net Dwellings	337.44	1,059.43	1,714.08	958.96	765.25	525.91	275.75	5.25
13	Band D Equivalents	224.96	824.00	1,523.63	958.96	935.31	759.65	459.58	10.50

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TAX BASE CALCULATION	
Total Band D equivalents	5,696.59
Collection Rate	97 %
	5,525.69
* Add MoD Contributions	64.78
Tax Base	5,590.47

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area NEW ROMNEY

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	192.00	575.00	904.00	884.00	368.00	181.00	85.00	5.00
2	Exemptions	8.00	6.00	7.00	11.00	4.00	0.00	1.00	0.00
3	Disabled Relief	1.00	6.00	5.00	-8.00		-1.00		-3.00
4	Chargeable Dwelling	185.00	575.00	902.00	865.00	364.00	180.00	84.00	2.00
5	Discounts - single	116.00	249.00	272.00	217.00	62.00	24.00	16.00	0.00
6	Discounts - double	1.00	0.00	4.00	4.00	10.00	6.00	4.00	1.00
7	Discounts - 10%								
8	Total Discounts	118.00	249.00	280.00	225.00	82.00	36.00	24.00	2.00
9	Discount Deductions	29.50	62.25	70.00	56.25	20.50	9.00	6.00	0.50
10	Adjustments								
10a	50% premium	3.00	5.00	1.00	1.00				
11	Reduction Scheme	-59.99	-112.03	-101.38	-66.20	-13.83	-5.59	0.00	0.00
12	Net Dwellings	98.51	405.72	731.62	743.55	329.67	165.41	78.00	1.50
13	Band D Equivalents	65.67	315.56	650.33	743.55	402.93	238.93	130.00	3.00

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TAX BASE CALCULATION	
Total Band D equivalents	2,549.97
Collection Rate	97 %
	2,473.47
* Add MoD Contributions	
Tax Base	2,473.47

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area BRENZETT

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	5.00	31.00	70.00	26.00	16.00	17.00	5.00	0.00
2	Exemptions	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00
3	Disabled Relief	1.00			-1.00				
4	Chargeable Dwelling	5.00	31.00	70.00	25.00	15.00	17.00	5.00	0.00
5	Discounts - single	1.00	15.00	23.00	7.00	1.00	1.00	1.00	0.00
6	Discounts - double								
7	Discounts - 10%								
8	Total Discounts	1.00	15.00	23.00	7.00	1.00	1.00	1.00	0.00
9	Discount Deductions	0.25	3.75	5.75	1.75	0.25	0.25	0.25	0.00
10	Adjustments								
10a	50% premium			1.00					
11	Reduction Scheme	-1.81	-12.48	-19.45	-1.90	-0.24	0.00		
12	Net Dwellings	2.94	14.77	45.80	21.35	14.51	16.75	4.75	0.00
13	Band D Equivalents	1.96	11.49	40.71	21.35	17.73	24.19	7.92	0.00

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TAX BASE CALCULATION	
Total Band D equivalents	125.35
Collection Rate	97 %
	121.59
* Add MoD Contributions	
Tax Base	121.59

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area BROOKLAND

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	9.00	41.00	73.00	29.00	28.00	13.00	9.00	1.00
2	Exemptions	1.00							
3	Disabled Relief					1.00	-1.00		
4	Chargeable Dwelling	8.00	41.00	73.00	29.00	29.00	12.00	9.00	1.00
5	Discounts - single	2.00	23.00	27.00	5.00	2.00	0.00	0.00	0.00
6	Discounts - double					1.00			
7	Discounts - 10%								
8	Total Discounts	2.00	23.00	27.00	5.00	4.00	0.00	0.00	0.00
9	Discount Deductions	0.50	5.75	6.75	1.25	1.00	0.00	0.00	0.00
10	Adjustments								
10a	50% premium			1.00					
11	Reduction Scheme	-0.61	-13.25	-19.40	-1.76	-1.18	-0.77	0.00	0.00
12	Net Dwellings	6.89	22.00	47.85	25.99	26.82	11.23	9.00	1.00
13	Band D Equivalents	4.59	17.11	42.53	25.99	32.78	16.22	15.00	2.00

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TAX BASE CALCULATION	
Total Band D equivalents	156.22
Collection Rate	97 %
	151.53
* Add MoD Contributions	
Tax Base	151.53

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area BURMARSH

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	6.00	14.00	51.00	25.00	29.00	7.00	3.00	0.00
2	Exemptions								
3	Disabled Relief	1.00		-1.00					
4	Chargeable Dwelling	7.00	14.00	50.00	25.00	29.00	7.00	3.00	0.00
5	Discounts - single	3.00	6.00	8.00	3.00	6.00	2.00	0.00	0.00
6	Discounts - double								
7	Discounts - 10%								
8	Total Discounts	3.00	6.00	8.00	3.00	6.00	2.00	0.00	0.00
9	Discount Deductions	0.75	1.50	2.00	0.75	1.50	0.50	0.00	0.00
10	Adjustments								
10a	50% premium								
11	Reduction Scheme	-2.22	-3.19	-9.89	-2.69	-1.29	0.00	0.00	0.00
12	Net Dwellings	4.03	9.31	38.11	21.56	26.21	6.50	3.00	0.00
13	Band D Equivalents	2.69	7.24	33.88	21.56	32.03	9.39	5.00	0.00

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TAX BASE CALCULATION	
Total Band D equivalents	111.79
Collection Rate	97 %
	108.44
* Add MoD Contributions	
Tax Base	108.44

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area DYMCHURCH

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	102.00	185.00	777.00	433.00	167.00	77.00	10.00	0.00
2	Exemptions	4.00	0.00	6.00	12.00	1.00	1.00	0.00	0.00
3	Disabled Relief		8.00	-3.00	-6.00	3.00		-3.00	
4	Chargeable Dwelling	98.00	193.00	768.00	415.00	169.00	76.00	7.00	0.00
5	Discounts - single	56.00	83.00	235.00	116.00	27.00	13.00	0.00	0.00
6	Discounts - double	1.00	1.00	1.00	3.00	0.00	3.00	1.00	0.00
7	Discounts - 10%								
8	Total Discounts	58.00	85.00	237.00	122.00	27.00	19.00	2.00	0.00
9	Discount Deductions	14.50	21.25	59.25	30.50	6.75	4.75	0.50	0.00
10	Adjustments								
10a	50% premium	2.00	2.00	3.00	2.00	1.00	1.00		
11	Reduction Scheme	-33.97	-56.60	-109.05	-37.25	-12.51	-4.47	0.00	0.00
12	Net Dwellings	51.53	117.15	602.70	349.25	150.74	67.78	6.50	0.00
13	Band D Equivalents	34.35	91.12	535.73	349.25	184.24	97.90	10.83	0.00

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TAX BASE CALCULATION	
Total Band D equivalents	1,303.42
Collection Rate	97 %
	1,264.32
* Add MoD Contributions	
Tax Base	1,264.32

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area IVYCHURCH

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	2.00	19.00	26.00	8.00	23.00	15.00	6.00	0.00
2	Exemptions	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00
3	Disabled Relief								
4	Chargeable Dwelling	2.00	19.00	25.00	8.00	23.00	15.00	6.00	0.00
5	Discounts - single	2.00	1.00	8.00	1.00	7.00	0.00	0.00	0.00
6	Discounts - double								
7	Discounts - 10%								
8	Total Discounts	2.00	1.00	8.00	1.00	7.00	0.00	0.00	0.00
9	Discount Deductions	0.50	0.25	2.00	0.25	1.75	0.00	0.00	0.00
10	Adjustments								
10a	50% premium			1.00					
11	Reduction Scheme	-1.10	-0.06	-3.30	0.00	0.00	0.00	0.00	0.00
12	Net Dwellings	0.40	18.69	20.70	7.75	21.25	15.00	6.00	0.00
13	Band D Equivalents	0.27	14.54	18.40	7.75	25.97	21.67	10.00	0.00

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TAX BASE CALCULATION	
Total Band D equivalents	98.60
Collection Rate	97 %
	95.64
* Add MoD Contributions	
Tax Base	95.64

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area NEWCHURCH

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	4.00	16.00	48.00	25.00	19.00	17.00	9.00	0.00
2	Exemptions								
3	Disabled Relief		1.00			-1.00	1.00	-1.00	
4	Chargeable Dwelling	4.00	17.00	48.00	25.00	18.00	18.00	8.00	0.00
5	Discounts - single	2.00	8.00	6.00	5.00	4.00	2.00	1.00	0.00
6	Discounts - double								
7	Discounts - 10%								
8	Total Discounts	2.00	8.00	6.00	5.00	4.00	2.00	1.00	0.00
9	Discount Deductions	0.50	2.00	1.50	1.25	1.00	0.50	0.25	0.00
10	Adjustments								
10a	50% premium	1.00							
11	Reduction Scheme		-6.08	-4.35	-1.99	0.00	-1.42	0.00	0.00
12	Net Dwellings	4.50	8.92	42.15	21.76	17.00	16.08	7.75	0.00
13	Band D Equivalents	3.00	6.94	37.47	21.76	20.78	23.23	12.92	0.00

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TAX BASE CALCULATION	
Total Band D equivalents	126.10
Collection Rate	97 %
	122.32
* Add MoD Contributions	
Tax Base	122.32

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area OLD ROMNEY

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	6.00	11.00	23.00	17.00	12.00	14.00	8.00	0.00
2	Exemptions								
3	Disabled Relief	1.00	-1.00	1.00	-1.00	1.00	-1.00	0.00	0.00
4	Chargeable Dwelling	7.00	10.00	24.00	16.00	13.00	13.00	8.00	0.00
5	Discounts - single	3.00	6.00	8.00	4.00	1.00	2.00	1.00	0.00
6	Discounts - double								
7	Discounts - 10%								
8	Total Discounts	3.00	6.00	8.00	4.00	1.00	2.00	1.00	0.00
9	Discount Deductions	0.75	1.50	2.00	1.00	0.25	0.50	0.25	0.00
10	Adjustments								
10a	50% premium					1.00			
11	Reduction Scheme	-1.22	-6.48	-4.59	-0.59	-1.63	0.00	0.00	0.00
12	Net Dwellings	5.03	2.02	17.41	14.41	11.12	13.50	7.75	0.00
13	Band D Equivalents	3.35	1.57	15.48	14.41	13.59	19.50	12.92	0.00

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TAX BASE CALCULATION	
Total Band D equivalents	80.82
Collection Rate	97 %
	78.40
* Add MoD Contributions	
Tax Base	78.40

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area ST MARY IN THE MARSH

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	47.00	142.00	864.00	253.00	85.00	14.00	7.00	1.00
2	Exemptions	5.00	2.00	18.00	3.00	0.00	0.00	1.00	0.00
3	Disabled Relief	2.00	5.00	-3.00	1.00	-4.00		-1.00	
4	Chargeable Dwelling	44.00	145.00	843.00	251.00	81.00	14.00	5.00	1.00
5	Discounts - single	21.00	58.00	293.00	70.00	16.00	1.00	1.00	0.00
6	Discounts - double								
7	Discounts - 10%								
8	Total Discounts	21.00	58.00	293.00	70.00	16.00	1.00	1.00	0.00
9	Discount Deductions	5.25	14.50	73.25	17.50	4.00	0.25	0.25	0.00
10	Adjustments								
10a	50% premium	1.00	1.00	1.00		1.00			
11	Reduction Scheme	-12.55	-44.08	-135.08	-25.23	-4.37	-0.40	-0.73	0.00
12	Net Dwellings	27.20	87.42	635.67	208.27	73.63	13.35	4.02	1.00
13	Band D Equivalents	18.13	67.99	565.04	208.27	89.99	19.28	6.70	2.00

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TAX BASE CALCULATION	
Total Band D equivalents	977.40
Collection Rate	97 %
	948.08
* Add MoD Contributions	
Tax Base	948.08

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area SNARGATE

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	9.00	11.00	5.00	8.00	13.00	8.00	5.00	0.00
2	Exemptions	2.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Disabled Relief								
4	Chargeable Dwelling	7.00	10.00	5.00	8.00	13.00	8.00	5.00	0.00
5	Discounts - single	5.00	2.00	1.00	1.00	1.00	2.00	1.00	0.00
6	Discounts - double								
7	Discounts - 10%								
8	Total Discounts	5.00	2.00	1.00	1.00	1.00	2.00	1.00	0.00
9	Discount Deductions	1.25	0.50	0.25	0.25	0.25	0.50	0.25	0.00
10	Adjustments								
10a	50% premium								
11	Reduction Scheme	-1.49	0.00	-1.46	-0.40	-0.49	0.00	0.00	0.00
12	Net Dwellings	4.26	9.50	3.29	7.35	12.26	7.50	4.75	0.00
13	Band D Equivalents	2.84	7.39	2.92	7.35	14.98	10.83	7.92	0.00

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TAX BASE CALCULATION	
Total Band D equivalents	54.23
Collection Rate	97 %
	52.60
* Add MoD Contributions	
Tax Base	52.60

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area LYDD

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	459.00	701.00	1,085.00	597.00	139.00	46.00	7.00	3.00
2	Exemptions	14.00	5.00	23.00	12.00	3.00	1.00	0.00	1.00
3	Disabled Relief	2.00	2.00		-4.00	-1.00	2.00	-3.00	
4	Chargeable Dwelling	447.00	698.00	1,062.00	581.00	135.00	47.00	4.00	2.00
5	Discounts - single	169.00	267.00	316.00	143.00	30.00	9.00	1.00	0.00
6	Discounts - double	1.00	1.00	0.00	3.00	4.00	3.00	0.00	1.00
7	Discounts - 10%								
8	Total Discounts	171.00	269.00	316.00	149.00	38.00	15.00	1.00	2.00
9	Discount Deductions	42.75	67.25	79.00	37.25	9.50	3.75	0.25	0.50
10	Adjustments								
10a	50% premium	1.00	2.00	1.00	2.00				
11	Reduction Scheme	-74.54	-138.06	-132.02	-66.50	-10.43	-1.22	-0.18	0.00
12	Net Dwellings	330.71	494.69	851.98	479.25	115.07	42.03	3.57	1.50
13	Band D Equivalents	220.47	384.76	757.32	479.25	140.64	60.71	5.95	3.00

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TAX BASE CALCULATION	
Total Band D equivalents	2,052.10
Collection Rate	97 %
	1,990.54
* Add MoD Contributions	16.89
Tax Base	2,007.43

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area SANDGATE

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	197.00	574.00	745.00	337.00	188.00	163.00	127.00	4.00
2	Exemptions	8.00	13.00	22.00	2.00	0.00	2.00	4.00	0.00
3	Disabled Relief	3.00	-1.00		-2.00	2.00	-1.00	1.00	-2.00
4	Chargeable Dwelling	192.00	560.00	723.00	333.00	190.00	160.00	124.00	2.00
5	Discounts - single	118.00	324.00	225.00	105.00	41.00	34.00	22.00	1.00
6	Discounts - double							3.00	
7	Discounts - 10%								
8	Total Discounts	118.00	324.00	225.00	105.00	41.00	34.00	28.00	1.00
9	Discount Deductions	29.50	81.00	56.25	26.25	10.25	8.50	7.00	0.25
10	Adjustments								
10a	50% premium	2.00	1.00						
11	Reduction Scheme	-27.36	-110.56	-60.95	-18.16	-5.55	-1.30	-0.98	0.00
12	Net Dwellings	137.14	369.44	605.80	288.59	174.20	150.20	116.02	1.75
13	Band D Equivalents	91.43	287.34	538.49	288.59	212.91	216.96	193.37	3.50

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TAX BASE CALCULATION	
Total Band D equivalents	1,832.59
Collection Rate	97 %
	1,777.61
* Add MoD Contributions	21.44
Tax Base	1,799.05

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Area FOLKESTONE

Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	4,874.00	7,612.00	5,035.00	1,933.00	929.00	538.00	386.00	26.00
2	Exemptions	115.00	256.00	69.00	14.00	18.00	21.00	6.00	0.00
3	Disabled Relief	5.00	16.00	-9.00	-13.00	11.00	-7.00	-1.00	-12.00
4	Chargeable Dwelling	4,764.00	7,372.00	4,957.00	1,906.00	922.00	510.00	379.00	14.00
5	Discounts - single	3,121.00	3,209.00	1,655.00	455.00	202.00	105.00	63.00	1.00
6	Discounts - double	4.00	5.00	11.00	5.00	5.00	10.00	15.00	0.00
7	Discounts - 10%								
8	Total Discounts	3,129.00	3,219.00	1,677.00	465.00	212.00	125.00	93.00	1.00
9	Discount Deductions	782.25	804.75	419.25	116.25	53.00	31.25	23.25	0.25
10	Adjustments								
10a	50% premium	51.00	59.00	15.00	4.00	2.00		1.00	2.00
11	Reduction Scheme	-1,508.23	-1,511.69	-647.52	-137.48	-39.48	-5.27	-9.11	0.00
12	Net Dwellings	2,524.52	5,114.56	3,905.23	1,656.27	831.52	473.48	347.64	15.75
13	Band D Equivalents	1,683.01	3,977.99	3,471.32	1,656.27	1,016.30	683.92	579.40	31.50

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TAX BASE CALCULATION	
Total Band D equivalents	13,099.71
Collection Rate	97 %
	12,706.72
* Add MoD Contributions	164.78
Tax Base	12,871.50

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

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Line No.	Description	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
1	Dwellings	6,827.00	12,242.00	13,717.00	7,649.00	4,693.00	2,584.00	1,808.00	91.00
2	Exemptions	216.00	336.00	245.00	145.00	94.00	52.00	15.00	1.00
3	Disabled Relief	26.00	47.00	-16.00	-23.00	-1.00	-2.00	-22.00	-24.00
4	Chargeable Dwelling	6,637.00	11,953.00	13,456.00	7,481.00	4,598.00	2,530.00	1,771.00	66.00
5	Discounts - single	4,193.00	5,269.00	4,503.00	2,035.00	992.00	460.00	261.00	9.00
6	Discounts - double	7.00	14.00	19.00	20.00	22.00	34.00	33.00	3.00
7	Discounts - 10%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	Total Discounts	4,207.00	5,297.00	4,541.00	2,075.00	1,036.00	528.00	327.00	15.00
9	Discount Deductions	1,051.75	1,324.25	1,135.25	518.75	259.00	132.00	81.75	3.75
10	Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10a	50% premium	70.00	77.00	30.00	14.00	6.00	3.00	2.00	4.00
11	Reduction Scheme	-1,983.18	-2,484.01	-1,667.57	-542.60	-183.49	-48.01	-20.84	0.00
12	Net Dwellings	3,672.07	8,221.74	10,683.18	6,433.65	4,161.51	2,352.99	1,670.41	66.25
13	Band D Equivalents	2,448.02	6,394.69	9,496.18	6,433.65	5,086.29	3,398.77	2,784.04	132.50

TAX BASE CALCULATION	
Total Band D equivalents	36,174.14
Collection Rate	97 %
	35,088.92
* Add MoD Contributions	380.44
Tax Base	35,469.36

NB. All figures are number of properties and not £'s.

* Estimated number of Band D equivalent dwellings in respect of contributions which will be paid in lieu by the MoD.

BILLING AUTHORITY/PARISH VALIDATION

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Line No.	Description	Parish	Billing	Parish	Billing	Parish	Billing	Parish	Billing	Parish	Billing	Parish
		BAND A	BAND B	BAND B	BAND C	BAND C	BAND D	BAND D	BAND E	BAND E	BAND F	BAND F
1	Dwellings	6,630.00	6,827.00	11,668.00	12,242.00	12,972.00	13,717.00	7,312.00	7,649.00	4,505.00	4,693.00	2,421.00
2	Exemptions	208.00	216.00	323.00	336.00	223.00	245.00	143.00	145.00	94.00	94.00	50.00
3	Disabled Relief	28.00	26.00	37.00	47.00	9.00	-16.00	-17.00	-23.00	-27.00	-1.00	17.00
4	Chargeable Dwelling	6,445.00	6,637.00	11,393.00	11,953.00	12,733.00	13,456.00	7,148.00	7,481.00	4,408.00	4,598.00	2,370.00
5	Discounts - single	4,075.00	4,193.00	4,945.00	5,269.00	4,278.00	4,503.00	1,930.00	2,035.00	951.00	992.00	426.00
6	Discounts - double	7.00	7.00	14.00	14.00	19.00	19.00	20.00	20.00	22.00	22.00	34.00
7	Total Discounts	4,089.00	4,207.00	4,973.00	5,297.00	4,316.00	4,541.00	1,970.00	2,075.00	995.00	1,036.00	494.00
8	Discount Deductions	1,022.25	1,051.75	1,243.25	1,324.25	1,079.00	1,135.25	492.50	518.75	248.75	259.00	123.50
9	Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Net Dwellings	3,534.93	5,585.25	7,852.30	10,628.75	10,077.38	12,320.75	6,145.06	6,962.25	3,987.31	4,339.00	2,202.79
11	Band D Equivalent s	2,356.62	4,344.08	6,107.34	9,447.78	8,957.67	12,320.75	6,145.06	8,509.42	4,873.38	6,267.44	3,181.81

Line No.	Description	Billing	Parish	Billing	Parish
		BAND G	BAND G	BAND H	BAND H
1	Dwellings	2,584.00	1,681.00	1,808.00	87.00
2	Exemptions	52.00	11.00	15.00	1.00
3	Disabled Relief	-2.00	-29.00	-22.00	-11.00
4	Chargeable Dwelling	2,530.00	1,647.00	1,771.00	64.00
5	Discounts - single	460.00	239.00	261.00	8.00
6	Discounts - double	34.00	30.00	33.00	3.00
7	Total Discounts	528.00	299.00	327.00	14.00
8	Discount Deductions	132.00	74.75	81.75	3.50
9	Adjustments	0.00	0.00	0.00	0.00
10	Net Dwellings	2,398.00	1,554.39	1,689.25	64.50
11	Band D Equivalent s	3,996.67	2,590.65	3,378.50	129.00