



# Agenda

Meeting: **Cabinet**  
Date: **19 December 2012**  
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. **Declarations of interest**

Members of the Cabinet should declare any disclosable pecuniary interest or any other significant interests in any item/s on this agenda.

2. **Minutes (Pages 1 - 2)**

To consider and approve as a correct record the minutes of the meeting held on 21 November 2012.

3. **Annual Audit Letter 2011/12 - Non-key decision (Pages 3 - 28)**

**Report C/12/50** considers the Audit Commission's Annual Audit Letter which summarises the findings from the 2011/12 audit.

4. **New Pool Feasibility Study - Key decision (Pages 29 - 36)**

The section 106 planning agreement for the Nickoll's Quarry development contains provisions regarding a financial contribution towards a sports, leisure and community centre facility. The financial contribution includes funds for a feasibility study to be undertaken to determine the most suitable location for the new facility. **Report C/12/51** outlines the recommendations of Strategic Leisure, the consultants commissioned to

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Contact Shirlee Chatterton – Tel: 01303 853488  
Email: [committee@shepway.gov.uk](mailto:committee@shepway.gov.uk) or download from our website  
[www.shepway.gov.uk](http://www.shepway.gov.uk)

undertake the feasibility study.

5. **Princes Parade Project Initial Study - Key decision (Pages 37 - 44)**

**Report C/12/52** outlines the progress made regarding the Princes Parade project. It provides Cabinet with the results of the baseline environmental report by URS and the baseline consultation report prepared by GVA, URS and Allies & Morrison Urban Practitioners.

6. **Property Disposal - New Primary Care Centre - Non-key decision (Pages 45 - 60)**

**Report C/12/68** outlines the details of an offer to purchase the freehold of a section of the car park at the rear of the Civic Centre to enable a new primary care centre to be built.

7. **Urgent Decision - Land off Range Road - Non-key decision (Pages 61 - 64)**

**Report C/12/53** sets out the urgent decision taken by the Deputy Chief Executive to increase the capital budget by £20k to carry out unforeseen works associated with the Range Road site, in readiness for its disposal as part of a proposed redevelopment of the area.

8. **Community Right To Challenge - Non-key decision (Pages 65 - 78)**

**Report C/12/54** presents the community right to challenge under the Localism Act 2011, recommends an "annual window" for receipt of expressions of interest (EOI) and sets out a proposed process for considering EOIs.

9. **Triennial 2014 - Shepway DC Support - Non-key decision (Pages 79 - 84)**

**Report C/12/55** sets out information on the Folkestone Triennial, a public art exhibition of international importance, which is scheduled for Summer 2014. It highlights the level of resource from Shepway District Council that is being requested by the Creative Foundation to support the Triennial, and recommends that the council approve this level of support to enable the Creative Foundation to use this as match-funding towards various external funding applications.

10. **Freehold Transfer of the Rear Extension at the Guildhall High Street Lydd to Lydd Town Council - Non-key decision (Pages 85 - 90)**

**Report C/12/58** considers the proposed freehold transfer of the rear extension at the Guildhall, High Street, Lydd to Lydd Town Council ('the Town Council').

11. **HRA New Build Programme - Non-key decision (Pages 91 - 106)**

**Report C/12/57** provides an update on the council's Housing Revenue

Account new build programme. It sets out the proposed timeframe and required action to ensure that the first phase of the new build programme is on site by early 2014/15.

12. **Shepway Tenancy Policy and Tenancy Strategy - Key decision (Pages 107 - 142)**

Under the provisions on the Localism Act 2012, the council is required to review the types of tenancy that it provides to new tenants. It is also expected to develop and implement a clear Tenancy Policy document to confirm its policies for allocating new tenancies. In addition, the council is also required to publish a Tenancy Strategy to inform Housing Association Development Partners on the types of tenancy the council requires them to provide in the Shepway District details of these are set out in **Report C/12/56**.

13. **Guidlines/Procedures for Waste and Recycling Discretionary Fees and Charges - Non-key decision (Pages 143 - 150)**

Following the introduction of the new recycling services a set of fees and charges were introduced to cover the provision and sale of the new range of containers. **Report C/12/61** seeks Cabinet agreement to the adoption of guidelines for staff as to those limited circumstances where these charges should not be enforced and to agree the fees and charges for recycling and waste as attached at Appendix 2 of the report.

14. **Kent Joint Municipal Waste Management Strategy - Refresh of Policies - Non-key decision (Pages 151 - 168)**

The 13 Kent councils working together through the Kent Waste Partnership (KWP) adopted the first Kent Joint Municipal Waste Management Strategy (KJMWMS) in 2007. The KWP has been working over the past year to update the strategy and this report seeks Cabinet agreement to adopting the refreshed KJMWMS objectives and policies. This is a common report being considered by each of the Kent authorities. Details of this are set out in **report C/12/69**.

15. **Fees and Charges 2013/14 - Non-key decision (Pages 169 - 174)**

At the Cabinet meeting of 17 October 2012, members considered the fees and charges report for 2013/14. Arising from that report were some issues which required further clarification. **Report C/12/62** addresses those issues and seeks agreement to finalise the fees and charges for 2013/14.

16. **Localising Council Tax Support and Funding for Town and Parishes - Parish Funding - Non-key decision (Pages 175 - 182)**

The Government has recently confirmed that the council tax base, adjusted for the council's Council Tax Reduction Scheme, is to be used to determine town/parish council taxes. The Government is to provide funding within the Finance Settlement in respect of such local precepting authorities and expects the council, as the recipient billing authority, to

Cabinet - 19 December 2012

pass such funding onwards. **Report C/12/59** recommends a methodology to be used to determine the allocation of funding to the towns/parishes.



# Minutes

## Cabinet

Held at:	Boulogne Room - Civic Centre Folkestone
Date	Wednesday, 21 November 2012
Present	Councillors Hugh Barker, Robert Bliss, Miss Pamela Carr, Alan Clifton-Holt, Malcolm Dearden, Rory Love, David Monk, Stuart Peall and Russell Tillson
Apologies for Absence	Councillors Mrs Keren Belcourt
Officers Present:	Kathryn Beldon (Deputy Chief Executive), Shirlee Chatterton (Democratic Services Officer - Member Services) and Gary Whittaker (Chief Accountant)

NOTE: All decisions are subject to call-in arrangements with the exception of resolutions 3, 6 and 7 of decision number 12/050. The deadline for call-in is Friday 30 November 2012 at 5pm. Decisions not called in may be implemented on Monday 3 December 2012.

### 54. **Declarations of interest**

There were no declarations of interest.

### 55. **Minutes**

The minutes of the meeting held on 17 October 2012 were submitted, agreed and signed by the Leader of the council.

### 56. **Council Tax Reduction Scheme 2013/14 - Decision number 12/050**

Cabinet considered report C/12/30 on 1 August 2012 concerning a draft Council Tax Reduction Scheme for 2013/14. It was agreed to adopt the principles of the draft scheme with a standard reduction of 18.5% to working age claimants, subject to public consultation, and to feedback the results of the consultation.

**Report C/12/49** provides details of the public feedback and proposes a final Council Tax Reduction Scheme 2013/14 (an amendment to the Equal Treatment Assessment was tabled).

#### **RESOLVED:**

- 1. To receive and note report C/12/49.**

2. To consider the results of the public consultation exercise set out in appendix 1 to the report.
3. To recommend to full Council that the default Council Tax Reduction Scheme is adopted for 2013/14, with the following changes applied:
  - i) an 8.5% reduction to working age claimants' council tax net liability used to calculate and award local support.
4. To make an application to the Government for transitional grant towards its Council Tax Reduction Scheme.
5. To agree to be a party to the revised Kent wide agreement set out in section 5.6 of the report.
6. To recommend to Full Council, subject to final legislation, the introduction of a 100% council tax discount for up to 3 months for empty, unfurnished properties (ex Class C council tax exemption) effective for council tax bills due from 1 April 2013 onwards.
7. To recommend to Full Council, subject to final legislation, that the existing "Prescribed" Class C discount of 10% is removed effective for council tax bills due from 1 April 2013 onwards.

Reason for decisions

The Local Government Finance Act 1992, as amended by the Local Government Finance Act 2012, requires a local authority to have approved a scheme for the provision of council tax support in 2013/14 by 31 January 2013. In addition, a Kent wide agreement that will provide for the council's costs of its Scheme to be underwritten by the major preceptors requires changes to be made to the existing Class C empty home exemption/discount.

This Report will be made public on 11 December 2012

**Folkestone**

Hythe & Romney Marsh  
Shepway District Council



[www.shepway.gov.uk](http://www.shepway.gov.uk)

Report Number

**C/12/50**

**To:** Cabinet  
**Date:** 19 December 2012  
**Status:** Non-key Decision  
**Head of Service:** Tim Madden, Interim Head of Finance  
**Cabinet Member:** Councillor David Monk, Finance

**SUBJECT: ANNUAL AUDIT LETTER 2011/12**

**SUMMARY:** This report considers the Audit Commission's Annual Audit Letter which summarises the findings from the 2011/12 audit.

**REASONS FOR RECOMMENDATIONS:**

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

- a) The council is required to receive and note the findings and summaries of the Audit Commission's assessment of the council.

**RECOMMENDATIONS:**

1. To receive and note Report C/12/50.
2. To consider the Audit Commission's Annual Audit Letter 2011/12.

## **1. INTRODUCTION AND BACKGROUND**

- 1.1 The Annual Audit Letter 2011/12 summarises the findings from the Audit Commission's recent audit of the council. To help expand on the key messages contained within the Letter the Annual Governance Report 2011/12 is also included for reference. The Annual Governance Report was considered by the Audit and Standards Committee on 26 September 2012 (Report AuS/12/09 refers).
- 1.2 Cabinet is asked to consider the Audit Commission's Annual Audit Letter 2011/12.

## **2. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

### **2.1 Legal Officer's Comments**

Legal officer comments not required.

### **2.2 Finance Officer's Comments (GW)**

No further comment.

### **2.3 Diversities and Equalities Implications**

None arising directly from this report.

## **3. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

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

Gary Whittaker, Chief Accountant  
Tel: 01303 853238  
E-mail: [gary.whittaker@shepway.gov.uk](mailto:gary.whittaker@shepway.gov.uk)

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

None

### **Appendices:**

Appendix 1: Audit Commission's Annual Audit Letter 2011/12

Appendix 2: Audit Commission's Annual Governance Report 2011/12



23 October 2012

Members  
Shepway District Council  
Civic Centre, Castle Hill Avenue  
Folkestone  
Kent CT20 2QY

**Direct line** 0844 798 2846  
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commission.gov.uk

Dear Member

## Shepway DC - Annual Audit Letter 2011/12

I am pleased to submit my Annual Audit Letter which summarises my 2011/12 audit of Shepway District Council.

### Financial statements

On 26 September 2012, I presented my Annual Governance Report (AGR) to the Audit and Standards Committee outlining the findings of my audit of the Authority's 2011/12 financial statements. I will not replicate those findings in this letter.

On 28 September 2012 I:

- issued an unqualified opinion on the Authority's 2011/12 financial statements included in the Authority's Statement of Accounts;
- concluded that you have made proper arrangements to secure economy, efficiency and effectiveness in your use of resources;
- certified completion of the audit.

The Council has a strong process for preparing its annual accounts. The 2011/12 accounts were again produced to a high standard, and supported by clear working paper trails. Only a small number of amendments were required.

### Value for money

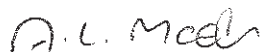
The Council continues to demonstrate effective arrangements for budget and financial management. It achieved its financial targets for 2011/12 and has delivered efficiency savings across a range of service areas. As a result it was able to increase General Fund and Earmarked Reserves by £2 million.

There is a robust Medium Term Financial Strategy in place which means that the Council is reasonably placed to meet the challenges of the next two to three years. Beyond 2015, however, the Council faces a range of uncertainties around its funding and income streams, as well as national cost pressures including local business rate retention and universal tax credit. The Medium Term Financial Strategy shows a cumulative budget gap of up to £9 million by 2017. To ensure the future financial viability of the Council, Members and officers will need to remain strongly focused on the delivery of the Council's efficiency agenda, potentially taking difficult decisions around spending priorities.

### Closing remarks

I have discussed and agreed this letter with the Chief Executive and S151 Officer. While this has been another challenging year for all in local government, I wish to thank the finance staff for their positive and constructive approach they have taken to my audit. I also wish to thank senior management and the Audit Committee for their support and co-operation during the audit.

Yours sincerely



Andy Mack  
District Auditor

# Annual governance report

Shepway District Council

Audit 2011/12



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# Key messages

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**This report summarises the findings from the 2011/12 audit which is substantially complete. It includes the messages arising from my audit of your financial statements and the results of the work I have undertaken to assess your arrangements to secure value for money in your use of resources.**

## Financial statements

As at 13 August 2012, I expect to issue an unqualified audit opinion. The draft accounts presented for audit were of a high quality and supported by good working papers. I identified only a small number of misstatements during the audit and these related to presentational and disclosure items only. Management have responded promptly to audit queries and amended the accounts for all misstatements identified.

## Value for money (VFM)

I expect to conclude that you have made proper arrangements to secure economy, efficiency and effectiveness in your use of resources.

- The Council continues to demonstrate effective arrangements for budget and financial management. It achieved its financial targets for 2011/12 and has delivered efficiency savings across a range of service areas. As a result it was able to increase General Fund and Earmarked Reserves by £2 million.
- There is a robust Medium Term Financial Strategy in place which means that the Council is reasonably placed to meet the challenges of the next two to three years. Beyond 2015, however, the Council faces a range of uncertainties around its funding and income streams, as well as national cost pressures including local business rate retention and universal tax credit. The Medium Term Financial Strategy shows a cumulative budget gap of up to £9 million by 2017. To ensure the future financial viability of the Council, Members and officers will need to remain strongly focused on the delivery of the Council's efficiency agenda, potentially taking some tough decisions around spending priorities.

# Before I give my opinion and conclusion

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**My report includes only matters of governance interest that have come to my attention in performing my audit. I have not designed my audit to identify all matters that might be relevant to you.**

## **Independence**

I can confirm that I have complied with the Auditing Practices Board's ethical standards for auditors, including ES 1 (revised) – Integrity, Objectivity and Independence.

I am not aware of any relationships that may affect the independence and objectivity of the Audit Commission, the audit team or me, that I am required by auditing and ethical standards to report to you.

The Audit Commission's Audit Practice has not undertaken any non-audit work for the Council during 2011/12.

## **I ask the Audit and Standards Committee to:**

- take note of the adjustments to the financial statements included in this report (appendix 2); and
- approve the letter of representation (appendix 3), on behalf of the Council before I issue my opinion and conclusion.

# Financial statements

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**The Council's financial statements and annual governance statement are important means by which the Council accounts for its stewardship of public funds. As elected Members you have final responsibility for these statements. It is important that you consider my findings before you adopt the financial statements and the annual governance statement.**

## **Opinion on the financial statements**

Subject to satisfactory clearance of outstanding matters, I plan to issue an audit report including an unqualified opinion on the financial statements. Appendix 1 contains a copy of my draft audit report.

## **Uncorrected errors**

I have not identified any errors which management have declined to amend.

## **Corrected errors**

I identified a small number of errors in the financial statements affecting disclosure notes. All amendments have been made in the revised financial statements presented to the Audit and Standards Committee. In my opinion, the errors are not significant and do not require detailed consideration by the Committee. However, for completeness and information, I highlight the amendments in appendix 2.

## **Significant risks and my findings**

I reported to you in my February 2012 Audit Plan the significant risks that I identified relevant to my audit of your financial statements. In table 1 I report to you my findings against each of these risks.

Table 1: **Risks and findings**

Risk	Finding
<p><b>HRA reform</b></p> <p>The government plans to reform local authority housing finance by adopting a self financing model from 1 April 2012. This will be through a one-off settlement payment to or from central government on or before 28 March 2012. This will adjust the HRA debt of the Authority. Payments from government will in most cases be used to redeem an equal percentage of all PWLB debt held by the Council. Due to the complexity, magnitude and timing of the HRA reform there is risk that the financial statements will be materially misstated.</p>	<p>I have evaluated management's oversight of HRA reforms and the transactions required by the Council. I have agreed the detail of the settlement payment to the DCLG notification.</p> <p>My testing has not identified any significant issues to bring to your attention.</p>
<p><b>Housing ALMO</b></p> <p>On 1 April 2011 the Council transferred its housing management services to a joint East Kent Housing ALMO. The ALMO will not have any significant assets, but will reflect any movements in the pension fund deficit post after 1 April 2011 in its balance sheet. It will also include all housing management staff cost expenditure in its accounting statements.</p> <p>There is a risk that the Council's share of the ALMO balance sheet entries and expenditure will not be correctly included in its accounting statements. There is a further risk that we cannot obtain sufficient assurance over the ALMOs accounting entries, which will not be recorded in the Council's financial ledger.</p>	<p>I reviewed the entries included in the Council's financial statements in respect of its share of the ALMO.</p> <p>My testing has not identified any significant issues to bring to your attention.</p>

**Significant weaknesses in internal control**

It is the responsibility of the Authority to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. My responsibility as your auditor is to consider whether the Authority has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.



I have tested the controls of the Authority only to the extent necessary for me to complete my audit. I am not expressing an opinion on the overall effectiveness of internal control. I have reviewed the Annual Governance Statement and can confirm that:

- it complies with the requirements of CIPFA/SOLACE Delivering Good Governance in Local Government Framework; and
- it is consistent with other information that I am aware of from my audit of the financial statements.

The following weaknesses in internal control are only those I have identified during the audit that are relevant to preparing the financial statements.

Table 2: Internal control issues and my findings

Description of weakness	Potential impact	Management action
<p>East Kent Housing Accruals: Our sample testing of accruals identified one case where the accrual was incorrectly overstated by £20,000. Extended testing did not identify any further errors.</p>	<p>We extrapolated the error across the population, noting an uncertainty that accruals could be overstated by £78,000.</p>	<p>Management will emphasise to key staff the guidance on accruals as part of their 2012/13 final accounts training. From next year, Shepway DC will be asking for back-up evidence for the accruals from East Kent Housing, before they are input into the ledger.</p>
<p>Leaver Access Controls: Our sample testing identified that 3/20 leavers did not have access to e-fin removed after they left. The Council subsequently completed a 100% check of leavers, identifying a further one case. None of these individuals had authorisation access.</p>	<p>The lack of removal of access can lead to inappropriate entries made within the system. We considered the potential impact for our opinion as low risk as none of these individuals had authorisation access.</p>	<p>Improvements have been made to the way the systems team work with HR on leaver notification. In addition, management undertake their own independent check on salary changes each month.</p>
<p>Sales Ledger Controls: Our audit identified a weakness in control over authorisation of invoices. Internal audit have subsequently completed their review of the sales ledger system, making a number of recommendations.</p>	<p>The lack of authorisation controls can lead to misstatements in the debtors figures within the financial statements. We completed additional substantive testing of these, in order to gain assurance for opinion purposes.</p>	<p>Management have agreed an action plan with Internal Audit to address the detailed recommendations in their report.</p>

## Other matters

I am required to communicate to you significant findings from the audit and other matters that are significant to your oversight of the Council's financial reporting process including the following.

- Qualitative aspects of your accounting practices
- Matters specifically required by other auditing standards to be communicated to those charged with governance. For example, issues about fraud, compliance with laws and regulations, external confirmations and related party transactions.
- Other audit matters of governance interest

I have set out other matters to bring to your attention in table 3 below.

Table 3: **Other matters**

Issue	Finding
Related Party Transaction Returns	I have evaluated the Council's arrangements for identifying and disclosing related parties within its financial statements. Although appropriate arrangements are in place, at the time of audit, two returns from members were outstanding. I am satisfied that this does not materially impact on my opinion. It is important however that all Members ensure that they comply with Council policy and disclosure on Related Party Transactions.

## Whole of Government Accounts

Alongside my work on the financial statements, I also review and report to the National Audit Office on your Whole of Government Accounts return. As at 13 August 2012, I have not completed the procedures specified by the National Audit Office. I expect to complete my report by 30 September 2012.

# Value for money

**I am required to conclude whether the Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is the value for money conclusion.**

I assess your arrangements against the two criteria specified by the Commission. In my February 2012 Audit Plan, I reported to you the significant risks that were relevant to my conclusion. I have set out below my conclusion on the two criteria, including the findings of my work addressing the risk I identified.

I intend to issue an unqualified conclusion stating that the Council has proper arrangements to secure economy, efficiency and effectiveness in the use of its resources. I include my draft conclusion in appendix 1.

Table 4: Value for money conclusion criteria and my findings

Criteria	Risk	Findings
<p><b>1. Financial resilience</b></p> <p>The organisation has proper arrangements in place to secure financial resilience.</p> <p>Focus for 2011/12:</p> <p>The organisation has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.</p>	<p><b>Financial Climate:</b> The external financial environment remains a very challenging one across local government.</p> <p>The need to maximise the efficient use of resources cuts across all of the Council's operations. Members and officers are continuing to explore new ways of working and to identify efficiencies in business planning and in service delivery.</p>	<ul style="list-style-type: none"> <li>■ The Council continues to demonstrate effective arrangements for budget and financial management. There is regular and effective in-year monitoring and an appropriate level of reporting to Members. The Council achieved its financial targets for 2011/12 and has delivered efficiency savings across a range of service areas. As a result it was able to increase General Fund and Earmarked Reserves by £2 million.</li> <li>■ The Council is well placed to meet financial challenges over the next two to three years. Beyond 2015, the Council faces a range of uncertainties around its funding and income streams, as well as cost pressures including those relating to the local business rates retention scheme and the local council tax support scheme. The Council has identified a potential cumulative budget gap of over £9 million between 2013/14 and 2016/17. Members and officers are beginning to consider means of closing the gap.</li> </ul>

Criteria	Risk	Findings
<p><b>2. Securing economy efficiency and effectiveness</b></p> <p>The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.</p> <p>Focus for 2011/12:</p> <p>The organisation is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.</p>		<p>These are likely to require difficult decisions around future spending. It is vital therefore that Members and officers remain focused on the delivery of the Medium Term Financial Strategy and the Council's efficiency agenda.</p> <p>The Council has sound arrangements for the prioritisation of resources with a clear budget and robust Medium Term Financial Strategy. These are underpinned by the 2012-2017 Corporate Plan which takes a strategic approach to matching spending to the needs of the population.</p> <p>There is a good alignment between the Corporate Plan and the Medium Term Financial Strategy, both of which are focused on identifying alternative ways of delivering services and reducing high spend areas without compromising on quality. Examples of action already taken include collaborative working such as East Kent Housing and the shared arrangement with Kent County Council and Dover District Council for waste services. The Council has also refreshed its ICT and customer contact arrangements. The Council received external recognition in May 2011 when the Customer Contact team achieved the Customer Service Excellence (CSE) Standard.</p>

# Fees

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## I reported my planned audit fee in the February 2012 Audit Plan.

I will complete the audit within the planned fee.

Table 5: Fees

	Planned fee 2011/12 (£)	Expected fee 2011/12 (£)
Audit	£129,500	£129,500
Claims and returns	£ 35,500	£ 35,500
<b>Total</b>		

The Audit Commission has paid a rebate of £10,622 to reflect attaining internal efficiency savings, reducing the net amount payable to the Audit Commission to £118,878.

# Appendix 1 – Draft independent auditor’s report

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## INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF SHEPWAY DISTRICT COUNCIL

### Opinion on the Authority financial statements

I have audited the financial statements of Shepway District Council for the year ended 31 March 2012 under the Audit Commission Act 1998. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement and Collection Fund and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2011/12.

This report is made solely to the members of Shepway District Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010.

### Respective responsibilities of the Chief Finance Officer and auditor

As explained more fully in the Statement of the Chief Finance Officer’s Responsibilities, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the accounting statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Finance Officer; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the explanatory foreword to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view of the financial position of Shepway District Council as at 31 March 2012 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2011/12.

### **Opinion on other matters**

In my opinion, the information given in the explanatory foreword for the financial year for which the financial statements are prepared is consistent with the accounting statements.

### **Matters on which I report by exception**

I report to you if:

- in my opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007;
- I issue a report in the public interest under section 8 of the Audit Commission Act 1998;
- I designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Authority to consider it at a public meeting and to decide what action to take in response; or
- I exercise any other special powers of the auditor under the Audit Commission Act 1998.

I have nothing to report in these respects.

### **Conclusion on Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources**

#### **Respective responsibilities of the Authority and the auditor**

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

I am required under Section 5 of the Audit Commission Act 1998 to satisfy myself that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

I report if significant matters have come to my attention which prevent me from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. I am not required to consider, nor have I considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

**Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

I have undertaken my audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2011, as to whether the Authority has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for me to consider under the Code of Audit Practice in satisfying myself whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2012.

I planned my work in accordance with the Code of Audit Practice. Based on my risk assessment, I undertook such work as I considered necessary to form a view on whether, in all significant respects, the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

**Conclusion**

On the basis of my work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2011, I am satisfied that, in all significant respects, Shepway District Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2012.

**Certificate**

I certify that I have completed the audit of the accounts of Shepway District Council in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Andy Mack, Officer of the Audit Commission  
Audit Commission,  
1st Floor, Millbank Tower,  
Millbank, London,  
SW1P 4HQ

Date:



# Appendix 2 – Corrected errors

I identified the following errors during the audit which management have addressed in the revised financial statements.

Item of account	Nature of error	Statement of comprehensive income and expenditure		Balance sheet	
		Dr £'000s	Cr £'000s	Dr £'000s	Cr £'000s
Note 8: Adjustments between accounting and funding basis under regulations	An adjustment of £27,000 for the write down of decent home loans was incorrectly shown as a reduction to the Capital Adjustment Account rather than the Capital Receipts Reserve.				
Note 13: Property, Plant and Equipment	Depreciation and impairment charges of £2.5 million were also disclosed as reversals in-year. This is inconsistent with CIPFA accounting code requirements. Similar errors of £2.6 million were also made for opening balances.				
Note 16: Financial Instruments	The financial instrument disclosure only included sundry debtors and creditors. This incorrectly excluded £4.177 million assets and £3.503 million liabilities. Similar omissions were also made in respect of prior year figures.				
Note 36: Related Party Transactions	As a result of officers consideration of potential items for non returned disclosures, 1 disclosure was added.				
HRA note 6: Depreciation and Impairment of non-current assets	Note 6 to the accounts (HRA) showed a revaluation of £2,120,000 in respect of Council dwellings. £74,000 of this should have been recorded against land and buildings.				

There is no net impact on the statement of comprehensive income and expenditure or the balance sheet.

There is no net impact on the statement of comprehensive income and expenditure or the balance sheet.

There is no net impact on the statement of comprehensive income and expenditure or the balance sheet.

There is no net impact on the statement of comprehensive income and expenditure or the balance sheet.

There is no net impact on the statement of comprehensive income and expenditure or the balance sheet.

# Appendix 3 – Draft letter of management representation

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## Shepway District Council – Audit for the year ended 31 March 2012

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other directors and officers of Shepway District Council, the following representations given to you in connection with your audit of the Authority's financial statements for the year ended 31 March 2012.

### **Compliance with the statutory authorities**

I have fulfilled my responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Accounts and Audit (England) Regulations 2011 and the Code of Practice on Local Authority Accounting in the United Kingdom which give a true and fair view of the financial position and financial performance of the Authority, for the completeness of the information provided to you, and for making accurate representations to you.

### **Supporting records**

I have made available all relevant information and access to persons within the Authority for the purpose of your audit. I have properly reflected and recorded in the financial statements all the transactions undertaken by the Authority.

### **Irregularities**

I acknowledge my responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud or error.

I also confirm that I have disclosed:

- my knowledge of fraud, or suspected fraud, involving either management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements;
- my knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others; and
- the results of our assessment of the risk the financial statements may be materially misstated as a result of fraud.

### **Law, regulations, contractual arrangements and codes of practice**

I have disclosed to you all known instances of non-compliance, or suspected non-compliance with laws, regulations and codes of practice, whose effects should be considered when preparing financial statements.

Transactions and events have been carried out in accordance with law, regulation or other authority. The Authority has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance.

All known actual or possible litigation and claims, whose effects should be considered when preparing the financial statements, have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

### **Accounting estimates including fair values**

I confirm the reasonableness of the significant assumptions used in making the accounting estimates, including those measured at fair value.

### **Related party transactions**

I confirm that I have disclosed the identity of the Authority's related parties and all the related party relationships and transactions of which I am aware. I have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the Code.

### **Subsequent events**

I have adjusted for or disclosed in the financial statements all relevant events subsequent to the date of the financial statements.

Signed on behalf of Shepway District Council

I confirm that the this letter has been discussed and agreed by the Audit and Standards Committee on 26 September 2012

Kathryn Beldon

Deputy Chief Executive

Date:

# Appendix 4 – Glossary

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## **Annual Audit Letter**

Letter issued by the auditor to the Authority after the completion of the audit that summarises the audit work carried out in the period and significant issues arising from auditors' work.

## **Annual Governance Report**

The auditor's report on matters arising from the audit of the financial statements presented to those charged with governance before the auditor issues their opinion [and conclusion].

## **Annual Governance Statement**

The annual report on the Authority's systems of internal control that supports the achievement of the Authority's policies aims and objectives.

## **Audit of the accounts**

The audit of the accounts of an audited body comprises all work carried out by an auditor under the Code to meet their statutory responsibilities under the Audit Commission Act 1998.

## **Audited body**

A body to which the Audit Commission is responsible for appointing the external auditor.

## **Auditing Practices Board (APB)**

The body responsible in the UK for issuing auditing standards, ethical standards and associated guidance to auditors. Its objectives are to establish high standards of auditing that meet the developing needs of users of financial information and to ensure public confidence in the auditing process.

**Auditing standards**

Pronouncements of the APB that contain basic principles and essential procedures with which auditors must comply, except where otherwise stated in the auditing standard concerned.

**Auditor(s)**

Auditors appointed by the Audit Commission.

**Code (the)**

The Code of Audit Practice for local government bodies issued by the Audit Commission and approved by Parliament.

**Commission (the)**

The Audit Commission for Local Authorities and the National Health Service in England.

**Ethical Standards**

Pronouncements of the APB that contain basic principles relating to independence, integrity and objectivity that apply to the conduct of audits and with which auditors must comply, except where otherwise stated in the standard concerned.

**Financial statements**

The annual statement of accounts that the Authority is required to prepare, which report the financial performance and financial position of the Authority in accordance with the Accounts and Audit (England) Regulations 2011 and the Code of Practice on Local Authority Accounting in the United Kingdom.

**Group accounts**

Consolidated financial statements of an Authority and its subsidiaries, associates and jointly controlled entities.

**Internal control**

The whole system of controls, financial and otherwise, that the Authority establishes to provide reasonable assurance of effective and efficient operations, internal financial control and compliance with laws and regulations.

**Audit Commission**

## **Materiality**

The APB defines this concept as ‘an expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole. A matter is material if its omission would reasonably influence the decisions of an addressee of the auditor’s report; likewise a misstatement is material if it would have a similar influence. Materiality may also be considered in the context of any individual primary statement within the financial statements or of individual items included in them. Materiality is not capable of general mathematical definition, as it has both qualitative and quantitative aspects’.

The term ‘materiality’ applies only to the financial statements. Auditors appointed by the Commission have responsibilities and duties under statute, as well as their responsibility to give an opinion on the financial statements, which do not necessarily affect their opinion on the financial statements.

## **Significance**

The concept of ‘significance’ applies to these wider responsibilities and auditors adopt a level of significance that may differ from the materiality level applied to their audit of the financial statements. Significance has both qualitative and quantitative aspects.

## **Those charged with governance**

Those entrusted with the supervision, control and direction of the Authority. This term includes the members of the Authority and its Audit Committee.

## **Whole of Government Accounts**

A project leading to a set of consolidated accounts for the entire UK public sector on commercial accounting principles. The Authority must submit a consolidation pack to the department for Communities and Local Government which is based on, but separate from, its financial statements.

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**0844 798 7070**

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The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors, members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.



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This Report will be made public on 11 December 2012

**Folkestone**

Hythe & Romney Marsh  
Shepway District Council



www.shepway.gov.uk

Report Number

**C/12/51**

**To:** Cabinet  
**Date:** 19 December 2012  
**Status:** Key Decision  
**Head of Service:** Jeremy Chambers, Strategic Projects  
**Cabinet Member:** Councillor Bliss, Leader of the Council

## **SUBJECT: NEW POOL FEASIBILITY STUDY**

**SUMMARY:** The section 106 planning agreement for the Nickoll's Quarry development contains provisions regarding a financial contribution towards a sports, leisure and community centre facility. The financial contribution includes funds for a feasibility study to be undertaken to determine the most suitable location for the new facility. This report outlines the recommendations of Strategic Leisure, the consultants commissioned to undertake the feasibility study.

### **REASONS FOR RECOMMENDATIONS:**

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

- a) Strategic Leisure has carried out a thorough feasibility study for a new pool in the vicinity of Hythe;
- b) Strategic Leisure's recommendations are clear, particularly regarding the minimum facility mix and preferred site for the new facility.

### **RECOMMENDATIONS:**

1. To receive and note report C/12/51.
2. To support and endorse the recommendations contained in the feasibility study prepared by Strategic Leisure dated August 2012.

## 1. BACKGROUND

- 1.1 The current pool in Hythe was constructed during the mid 1970s under a 'turn key' contract. These contracts were a typical and popular method of procuring construction projects at that time. They were a quick method of developing a site but had some disadvantages. The building was constructed of basic quality materials, i.e. LBC bricks and the roof covering had to be replaced after approximately ten years.
- 1.2 The building has served its purpose well but it is now expensive to maintain and there is potential for a number of failures that would be expensive to remedy and require the pool to be closed for a relatively long period of time, e.g. boiler failure, pool structure failure and roof repairs. The pool building is now coming to the end of its economic and viable life.

## 2. NICKOLL'S QUARRY SECTION 106 PLANNING AGREEMENT

- 2.1 Under the s106 agreement there is a total developer contribution of £3,200,000 for what the agreement calls a sports, leisure and community centre. An initial £100,000 is available to the council for a study to determine feasibility of building a sports, leisure and community centre on land at Nickoll's Quarry. The council can require an additional £100,000 for the study if needed.
- 2.2 On completion of the feasibility study the council can either: -
  - a) utilise the balance of the £3,200,000 developer contribution for the improvement of sports, leisure and community facilities in the district **with priority given to Hythe**, or
  - b) submit a planning application for a sports leisure and community facility at Nickoll's Quarry provided the 100th dwelling is completed and sum for making the application does not exceed a further £200,000.
- 2.3 If planning permission is granted for the facility, the council must give the owner of Nickoll's Quarry notice if it intends to implement it or not. Upon being served a notice to implement the planning permission the owner must remediate, grade and compact the land and provide services and access to it within 18 months.
- 2.4 The owner of Nickoll's quarry would have to offer the land to the Council for £1 and pay the sports and leisure contribution in full, less amounts already paid to the Council.
- 2.5 If not implementing the planning permission, the Council can collect the contributions, less expenses already incurred as follows:
  - 20% prior to the completion of 50 dwellings;
  - A further 20% prior to the completion of 100 dwellings;
  - A further 20% prior to the completion of 150 dwellings;
  - A further 20% prior to the completion of 200 dwellings;
  - The balance prior to the completion of 250 dwellings.

2.6 The agent acting on behalf of the owners of the Nickoll's Quarry site is currently discussing with the Head of Planning potential variations to the section 106 legal agreement including the triggers for payment of the sports, leisure and community contribution. These discussions are part of a package of measures that would allow a viable scheme to be submitted for phase 1 of the site. Any proposed changes to the 106 agreement would be subject to a decision by the Development Control Committee.

### **3. THE SCOPE AND AIM OF THE FEASIBILITY STUDY**

3.1 The council's ability to utilise the funding available under the Nickoll's Quarry planning agreement is limited geographically by the wording 'priority given to Hythe'. With this in mind defining the geographical scope of the feasibility study was considered and a radius of 2½ miles from the current pool site was agreed. A 5 miles radius was considered but this took in most of the eastern extreme of the district and it was felt that this would be unlikely to satisfy the constraints of the planning agreement.

3.2 Within the 2½ miles radius of the existing pool site three sites were identified that were either owned by the council or available to the council at no cost. The sites are:

- The current pool site at South Road, Hythe;
- Princes Parade between Battery Point and the golf course adjoining the Hythe Imperial Hotel;
- The land identified and available at Nickoll's Quarry.

3.3 The brief also asked consultants to identify other potential sites (if any) within a 2½ miles radius of the existing pool site.

3.4 The aim was to undertake a feasibility study (nature, location, timescale, capital cost, management and potential funding and procurement routes) to develop a replacement Hythe Swimming Pool.

3.5 The brief to consultants confirmed the key drivers are:

- To release the council from an existing maintenance liability;
- To be cost neutral;
- To reflect demand within the district;
- To secure the most appropriate site for the new facility.

3.6 At the beginning of the year Sport England carried out an analysis of the unmet demand for swimming pool provision in the district using their 'Facility Planning Model'. The modelling shows that, even with the current pool open, there is an unmet demand in the west of the district in the New Romney vicinity.

3.7 The provision of a facility in the vicinity of New Romney remains an aspiration for when funding becomes available. The priority is a new facility for the Hythe area and the funding from Nickoll's Quarry restricts the area to the vicinity of Hythe, as detailed in paragraph 3.1 of this report.

#### **4. APPOINTMENT OF STRATEGIC LEISURE**

- 4.1 Eight tenders were received with costs ranging from £9,925 to £23,588. The tender appraisal process was carried out in two stages, namely a desk top appraisal of the written submissions and secondly further appraisal following presentations and interviews.
- 4.2 The consultant was requested to provide quotations for each of the identified activities and following submission of quotations attend an interview with the project team to discuss the quotation in more detail.
- 4.3 The tender was to be awarded in accordance with the Procurement Guidance Document for the appointment of Consultants and Contractors, published by HM Treasury with a quality/price split of 60%/40% respectively. The quality of the submission was assessed against the following criteria: -

Methodology	(10% weighting)
Experience of similar consultancy work	(25% weighting)
Personnel	(20% weighting)
References	(15% weighting)

The final 30% was awarded for innovation and flexibility following the presentation and interview process.

- 4.4 The tender list was compiled using a combination of known consultants that have a proven track record of working with public organisations and the Sport England framework of consultants.
- 4.5 The assessment concluded that Strategic Leisure submitted the most advantageous tender in terms of price and quality combined and as a result offered best value.

#### **5. STRATEGIC LEISURE'S FEASIBILITY STUDY**

- 5.1 Cabinet will receive a 10 minute presentation from a Strategic Leisure representative at the meeting.
- 5.2 Based on Strategic Leisure's analysis, the preferred site for the development of a replacement swimming pool in Hythe is Princes Parade, Hythe. The challenge will be overcoming the planning constraints identified in the report, and critically the timescale that may result from such constraints. The development of the new pool should be future proof i.e. provide for future need, not just current need, and this has been an important factor in the selection of Princes Parade as the recommended site. In addition, the location and current uses of the site i.e. seafront, adjacent to tourism attractions has significant potential in terms of future users. This is the only site which is likely to attract tourism use on a pay and play basis.
- 5.3 The existing pool site will not facilitate the development of a facility large enough to meet future demand; therefore it would be a false economy to develop on this site.

5.4 Although Nickoll's Quarry is a large enough site, its location, for a community facility is not ideal, unless a specific timeline can be identified for the development of new housing. Even then, whilst the site might provide a good and accessible location for community facilities for the new residents, it is not necessarily the ideally accessible site for existing residents of Hythe.

5.5 Set out below is a summary of the recommendations from the feasibility study.

#### 5.6 Recommendation 1

The minimum facility mix to be developed should be: -

- 1 x 25m x 6 lane competition equipped swim pool with competitor and spectator seating with moveable floor to overall depth of 3m. 150 spectator seats;
- 1 x 4 lane x 20m teaching pool with moveable floor to overall depth of 2m separated from sight and acoustically from the main pool. 30 spectator seats;
- Swim village changing/lockers plus club/school changing room;
- 1 x 2 badminton court sized multi-purpose hall or equivalent;
- 82 station fitness gym overlooking pools with own changing facilities and changing facilities for 2 court multi purpose hall;
- Sports fixtures / fittings / equipment throughout building;
- Small café /vending and seating area;
- Staff changing facilities;
- Staff management/admin suite;
- Adequate storage for all activity areas;
- First aid room;
- One car park space per 22m<sup>2</sup>, 8% of car parking for disabled spaces and 2 coach parking bays;
- Combined heat and power to service the building.

All facilities to meet Sport England Design Guidance 2011 and provide for swimming competition timing equipment

#### 5.7 Recommendation 2

The recommended site for the development of the new Swimming Pool is Princes Parade.

#### 5.8 Recommendation 3

Given the planning challenges on the Princes Parade site, it is recommended that the findings of this study are integrated with the separate, but linked masterplan study as soon as possible, and that early steps are taken to start to mitigate against the risks associated with the planning process e.g. through design and site layout.

## 5.9 Recommendation 4

A detailed project plan is developed setting out the project stages and timescales, as soon as these become clearer.

## 5.10 Recommendation 5

The Council gives early consideration to the operational management options for the new facility, to agree the future delivery model and direction.

## 5.11 Recommendation 6

The Council should take steps to: -

- Develop indicative revenue estimates (income and expenditure), for the new facility;
- Confirm the level and sources of all project capital funding;
- Confirm the location of the new leisure facility on Princes Parade;
- Develop detailed facility designs and layout;
- Undertake all necessary pre-development/planning surveys;
- Develop outline and detailed planning applications;
- Review and assess all procurement options for the facility development – construction and operational management;
- Confirm project timescales;
- Develop a detailed Project Plan to facilitate project progress and also monitoring of progress.

5.12 A copy of the full report can be accessed on the council's website at the following address: <http://www.shepway.gov.uk/content/view/201481/54/>

## **6. FINANCIAL IMPLICATIONS**

6.1 Whilst there are no direct financial implications the feasibility study has confirmed that the cost of a new pool will considerably exceed the balance of the £3,200,000 available as planning contributions from the Nickoll's Quarry section 106 agreement.

6.2 Strategic Leisure suggest that the cost of any new facility will be in the region of £11m - £12m. Should a new pool, as suggested, be built on Princes Parade, the council will need to find approximately £9m to fund the new facility. There is insufficient detail at this stage to comment further on how this gap could be bridged although the current pool site could contribute, as potentially could other developments, including Princes Parade itself.

## **7. CONCLUSION**

7.1 Strategic Leisure has carried out a thorough feasibility study for a new pool in the vicinity of Hythe. Strategic Leisure's recommendations are clear, particularly regarding the minimum facility mix and preferred site for the new facility.

7.2 The challenges for the sites are also equally clear and should not be underestimated.

7.3 Cabinet can choose to endorse and support the recommendations contained in the feasibility support. Alternatively, Cabinet is free to make a different decision. The results of the feasibility study do not bind the council or require it to take any steps.

## 8. RISK MANAGEMENT ISSUES

8.1 A summary of the perceived risks follows:

Perceived Risk	Seriousness	Likelihood	Preventative
Difficulty in overcoming Planning constraints causing delay to programme.	High	Medium	Ensure that a site specific risk register is developed that includes all relevant planning issues. Also ensure that regular updates with the local planning authority. Ensure the timetable for the project includes a contingency covering planning constraints.
Inappropriate facilities mix	Medium	Low	Ensure a robust needs assessment carried out by the consultant.
Inability to address funding gap.	High	Medium	All potential funding streams fully assessed.
Lack of support from Sport England.	High	Medium	Continue to involve representatives from Sport England in the project particularly at planning stage.

## 9. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

### 9.1 Legal Officer's Comments (PW)

All the legal issues that arise have been addressed in the main body of the report.

### 9.2 Finance Officer's Comments (MF)

Financial implications are considered in section 6 of the report.

### 9.3 Diversities and Equalities Implications (JC)

There are no diversity or equality implications within the report.

## 10. CONTACT OFFICER AND BACKGROUND DOCUMENTS

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

Jeremy Chambers, Head of Strategic Projects  
Tel: 01303 247385  
E-mail: [jeremy.chambers@shepway.gov.uk](mailto:jeremy.chambers@shepway.gov.uk)

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

Nickoll's Quarry Section 106 Planning Agreement

### **Appendices:**

None



This Report will be made public on 11 December 2012

**Folkestone**

Hythe & Romney Marsh  
Shepway District Council



www.shepway.gov.uk

Report Number

**C/12/52**

**To:** Cabinet  
**Date:** 19 December 2012  
**Status:** Key Decision  
**Head of Service:** Jeremy Chambers, Strategic Projects  
**Cabinet Member:** Councillor Robert Bliss, Leader of the Council

**SUBJECT: PRINCES PARADE PROJECT INITIAL STUDY**

**SUMMARY:** This report outlines the progress made regarding the Princes Parade project. It provides Cabinet with the results of the baseline environmental report by URS and the baseline consultation report prepared by GVA, URS and Allies & Morrison Urban Practitioners.

**REASONS FOR RECOMMENDATIONS:**

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

- a) It is an appropriate stage in the project for Cabinet to be updated;
- b) It is an appropriate stage in the project for Cabinet to confirm that the project should continue.

**RECOMMENDATIONS:**

1. To receive and note report C/12/52.
2. To authorise the Head of Strategic Projects to continue with the project as outlined in section 7 of this report;
3. That the Head of Strategic Projects provides a further report to Cabinet at the next appropriate stage in the project.

## **1. BACKGROUND**

- 1.1 Princes Parade comprises approximately 7.2 hectares (17.9 acres). It is approximately 1,250 metres long and varies in width between approximately 80 metres at the eastern end to 180 metres at the western end. The site is located between Princes Parade and the Hythe Royal Military Canal and is abutted by a children's play area to the east and the Hotel Imperial Golf course to the west.
- 1.2 Following successfully defeating a costly and time consuming village green application for the site, consideration was given to fencing the site in order to protect the site from further attempts to restrict its future use and potential value. The cost of fencing the site would have been considerable and officers were asked, as an alternative to fencing, to commission a study to clarify the potential for meeting community needs, including leisure facilities, education, the range of natural, formal and play related public open spaces and any housing or commercial activities at the site.
- 1.3 A budget of £160,000 was made available for the project study and approved by council as part of the budget on 22 February 2012 (report A/11/22 refers). Initially the budget was split as follows: -  
  
2011/12 = £60k  
2012/13 = £80k  
2013/14 = £20k
- 1.4 No expenditure was incurred against the budget in 2011/12. Consequently the £60k for 2011/12 was added to the 2012/13 budget meaning the total budget for the current year is now £140k. The £20k for 2013/14 remains unchanged.

## **2. THE PRINCIPAL OBJECTIVES OF THE PROJECT**

- 2.1 The council's vision is to link the coastal strip between Battery Point in the east and the Hythe Imperial golf course to the west, to the Royal Military Canal by providing a linear strip of parkland akin to the Coastal Park in neighbouring Folkestone. Additional community benefits for the redevelopment could include housing, a new swimming pool and a replacement school for Seabrook Primary. Additional community benefits include publicly accessible open space at other locations across the site.
- 2.2 The principle objectives of the project are as follows:
  - Secure an allocation for residential use in the Shepway Site Allocation DPD;
  - Improve the setting for the Royal Military Canal;
  - New public park;
  - New water sports facility;
  - Enhance the promenade and beach for public use;
  - Possible site for replacement public swimming pool;
  - Possible site for the relocation of Seabrook Primary School.

### **3. APPOINTMENT OF GVA LTD**

- 3.1 Three tenders were received with costs ranging from £33,893 to £87,298. The tender appraisal process was carried out in two stages, namely a desk top appraisal of the written submissions and secondly further appraisal following presentations and interviews.
- 3.2 The consultant was requested to provide quotations for each of the identified activities and following submission of quotations attend an interview with the project team to discuss the quotation in more detail.
- 3.3 The tender was to be awarded in accordance with the Procurement Guidance Document for the appointment of Consultants and Contractors, published by HM Treasury with a quality/price split of 60%/40% respectively. The quality of the submission was assessed against the following criteria:
- |  |                 |
|--|-----------------|
| Methodology                            | (10% weighting) |
| Experience of similar consultancy work | (25% weighting) |
| Personnel                              | (20% weighting) |
| References                             | (15% weighting) |

The final 30% was awarded for innovation and flexibility following the presentation and interview process.

- 3.4 The tender list was compiled by writing to known planning consultants (nine in total) who had provided a masterplanning service to public organisations (including Shepway District Council) in the recent past.
- 3.5 The assessment concluded that GVA Ltd submitted the most advantageous tender in terms of price and quality combined and as a result offered best value. GVA Ltd as lead consultant with expertise in town planning, regeneration and project delivery expertise, put together a consultant team with Allies and Morrison Urban Practitioners (with urban design, placemaking and consultation expertise) and URS (with environmental, technical and site conditions expertise).

### **4. INITIAL STUDIES**

- 4.1 Cabinet will receive a 10 minute presentation from representatives of the consultant team at the meeting.
- 4.2 Initial public consultations held over the summer have been linked to technical review and investigations. A baseline environmental report and a consultation report have been prepared. The baseline environmental report has gathered the most recent and available information regarding the site to establish a current and relevant basis for future scenario development and decision making.
- 4.3 Sections 5 and 6 of this report summarise the two consultation team reports. A copy of both reports in full can be accessed on the council's website at the following address:

<http://www.shepway.gov.uk/content/view/201481/54/>

## 5. BASELINE ENVIRONMENTAL REPORT

- 5.1 This report has been produced to document the understood and observable environmental conditions of the site at Princes Parade. It identifies the principal factors and constraints to any possible future development at the site, and is considered suitable for the purposes of assessing the potential for a site allocation by Shepway District Council.
- 5.2 **Ground Conditions.** Historic mineral extraction and use of the site as a landfill have led to the ground conditions at the site being a mix of natural and man-made materials. There is a presence of contaminated land, particularly at the centre of the site, which would require further investigation and treatment, although it is considered that addition of clean top soil could allow domestic or community infrastructure use, given the nature of these conditions. Historically the site was excavated for gravels. The site has also operated as a landfill for a variety of materials, and as a storage facility for highway maintenance. It has most recently hosted canal dredgings. The ground now includes a range of man made materials. Prior studies have included borings, excavations and analysis of 70 soil samples from across the site.
- 5.3 Potentially toxic material has been recorded in low concentrations at shallow depths close to the surface. More elevated concentrations were found at greater depths, particularly in the central area of the site.
- 5.4 Recommended responses to contamination include: passive gas control measures; the placement of clean imported topsoil in domestic gardens; installation of a sub-surface membrane and the application of standard health and safety measures during construction.
- 5.5 Therefore, presence of toxic material is limited but can be addressed.
- 5.6 The underlying geotechnical conditions suggest a robust piling approach to foundations would be required.
- 5.7 **Flood Risk and Drainage.** The Strategic Flood Risk Assessment (carried out in 2009) determines the site is in Flood Zone 1 (based on risk of breach of existing defences and extreme tide event), although the EA still designate the site as Flood Zone 3. This is based on an assumption of no defences and extreme tide event. It is likely that the sequential test will be applied to any future application. Work to reconcile the designations could proceed in advance. Waves overtopping the existing sea defences have been recorded locally in the past, so it is recommended at this stage to maintain a set back buffer along the coastal edge. Surface water flood risk management would be required should any development occur at the site, and it is recommended that Sustainable Drainage Systems (swales, etc.) be included within any future proposals. These are likely to require impervious linings to prevent spread of underlying contamination. The Royal Military Canal is 'a main watercourse' and therefore requires an 8m buffer along the canal from the top of its bank to be left.

- 5.8 **Ecology.** The site is not a statutorily designated ecological or wildlife conservation site, and there has been fairly recent establishment of mostly scrub vegetation across much of the site. The canal corridor provides diverse vegetation, and there is evidence of bird life and insects. No protected species have been observed during the Phase 1 habitat survey undertaken by URS, nor have they been recorded in previous known surveys. Any potential future development would be required to mitigate loss, enhance and manage the most valuable habitat. A wildlife corridor along the canal is suggested.
- 5.9 **Heritage.** The Royal Military Canal adjacent to the site is a Scheduled Monument, and potential development will be required to not adversely affect this, its setting, or other heritage assets. In particular, views along the canal, to the beach and to Martello Towers are considered particularly important. Any development would require enhancement of the use and setting of the Scheduled Monument, such as through lowering ground levels to reveal currently obstructed views (such as those to the beach), and improve public information and interpretation.
- 5.10 **Transport.** The site has a long extent of straight frontage along Princes Parade which is relatively unconstrained. Any potential development would need at least two points of access, and can be safely accommodated in accordance with the Design Manual for Roads and Bridges. The surrounding road network has been examined and it is recommended that 'ghost island' junctions be provided should development take place. The pedestrian environment is also important, and it is recommended that any potential development would have footpaths integrated within the wider framework and new pedestrian crossings on Seabrook Road.

## 6. CONSULTATION REPORT

- 6.1 The Council wishes to clarify the potential for meeting community needs, including leisure facilities, education, the range of natural, formal and play related public open spaces and any housing or commercial activities at the site. The consultant team was retained to bring together site information and to consult with key stakeholders and the community on the future of Princes Parade.
- 6.2 Key feedback has been:
- Enhance open space and public use
  - Improve access to site and landscape
  - Include a variety of open spaces
  - Leave the site as it is
  - Improve canoe club facilities
  - Swimming pool location – opposed and support
  - Potential for café or restaurant
  - Opposition to housing at site
  - Opposition to flats or high value homes
  - Focus on local residents for any homes
  - Low density and heights for any homes

- Respect the heritage setting
- High quality design and materials

## **7. POTENTIAL NEXT STAGES**

### 7.1 The next stages of the project are:

#### Initial Options Stage

- Scenarios that explore the range of possibilities for Princes Parade;
- Principles, components, and outcomes of each scenario identified and communicated through summary written description and clear planning diagrams;
- Consultation with stakeholders and the public via meetings and exhibitions.

#### Preferred Option Stage

- Identification of a preferred scenario by the consultant team and a recommendation to the council;
- Rationale for the recommendation;
- Further evolution of the proposal, with further information on relevant open space, community infrastructure, leisure, housing or commercial proposals;
- A further round of consultation with stakeholders and the public for comments on this direction.

#### Final Reporting

- A final report documenting the consultant team rationale and recommendation for the future of Princes Parade;
- Recommended next steps as they relate to the planning policy making process.

#### Outcome

- A clear base of current and relevant information regarding conditions, opportunities and constraints at Princes Parade
- Rationale for and description of a recommended scenario for future use and activities at the site
- Clear next steps for the council.

7.2 Scenarios would consider different options for new public open spaces, new public access, potential new swimming pool locations, and the potential for a new primary school on the site as well as options for housing and a café. Scenarios range from no change, to an open space strategy to various mixes of community infrastructure and, or housing. Scenarios also encompass different extents of the site being allocated for community infrastructure and, or, housing.

## 8. FINANCIAL IMPLICATIONS

8.1 Details of the project budget are detailed in sections 1.3 and 1.4 of this report. There is insufficient detail at this stage to comment further on the potential financial implications of this project. Further detailed financial work will be required as part of the project, if and when it advances.

## 9. CONCLUSION

9.1 This report is prepared to update Cabinet on the work carried out so far as part of the overall project.

9.2 Cabinet is asked to note the contents of this report and to confirm that work on the project continues to the next stage, as detailed in section 7 of this report.

## 10. RISK MANAGEMENT ISSUES

10.1 A summary of the perceived risks follows:

<b>Perceived Risk</b>	<b>Seriousness</b>	<b>Likelihood</b>	<b>Preventative measures</b>
Initial range of options not compatible with public opinion.	High	Medium	Further consultation with public to inform options appraisal. All possible options to be considered. Clear and robust decision making associated with each option.
Public opinion becomes entrenched in its opposition to any form of development on the site.	High	Medium	Known objectors to be actively involved during consultation.
Preferred option is not accepted by stakeholders.	High	Medium	Clear rationale and evidence base for preferred option.

One or more environmental conditions (ground conditions, flood risk, ecology, heritage and transport) are 'show stoppers' and prevent or significantly delay progress to the next stage.	High	Low	Detailed risk register (including mitigation measures required) to be produced covering all environmental conditions.
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## **11. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

### **11.1 Legal Officer's Comments (PW)**

All the legal issues that arise have been addressed in the main body of the report.

### **11.2 Finance Officer's Comments (MF)**

Financial implications are considered in section 8 of the report.

### **11.3 Diversities and Equalities Implications (JC)**

There are no diversity or equality implications within the report.

## **12. CONTACT OFFICER AND BACKGROUND DOCUMENTS**

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

Jeremy Chambers, Head of Strategic Projects  
 Tel: 01303 247385  
 E-mail: [jeremy.chambers@shepway.gov.uk](mailto:jeremy.chambers@shepway.gov.uk)

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

None

### **Appendices:**

None



This Report will be made public on 11 December 2012

**Folkestone**

Hythe & Romney Marsh  
Shepway District Council



www.shepway.gov.uk

Report Number

**C/12/68**

**To:** Cabinet  
**Date:** 19 December 2012  
**Status:** Non-Key Decision  
**Head of Service:** Jeremy Chambers, Strategic Projects  
**Cabinet Member:** Councillor Bliss, Leader of the Council

**SUBJECT: PROPERTY DISPOSAL – NEW PRIMARY CARE CENTRE**

**SUMMARY:** This report outlines the details of an offer to purchase the freehold of a section of the car park at the rear of the Civic Centre to enable a new primary care centre to be built.

**REASONS FOR RECOMMENDATIONS:**

Cabinet is asked to consider whether to accept the offer to purchase part of the Civic Centre staff car park.

**RECOMMENDATIONS:**

1. To receive and note report C/12/68.
2. To decide to either:
  - (a) Dispose of the land at the rear of the staff car park for the provision of a new primary care centre, or
  - (b) Not to dispose of the land.
3. If appropriate, to authorise the Head of Strategic Projects, following consultation with the Leader of the Council, to either (a) finalise the disposal in the best interests of the Council, or (b) withdraw from the negotiations should the indicative capital receipt be unlikely to be realised.

## **1. BACKGROUND**

- 1.1 The council owns the freehold of the Civic Centre, including the staff car park to the rear of the Council Chamber and Print Room. The car park has 126 spaces.
- 1.2 In October, the Head of Strategic Projects met with representatives from Haven Health Properties Ltd, a company selected by the PCT to find and oversee the provision of a new primary care centre for the General Practitioners of the Guildhall Street Surgery.

## **2. HAVEN HEALTH PROPERTIES LTD'S PROPOSAL**

- 2.1 A copy of Haven Health Properties Ltd's development proposal is attached to this report as Appendix 1. The key details are set out in this section of the report.
- 2.2 Haven Health Properties has been selected as the preferred development partner to deliver a primary care centre development in Folkestone via the third party developer scheme.
- 2.3 The Guildhall Practice is operating from old and inadequate premises that are too small to meet current service requirements or meet Care Quality Commission registration standards when these become mandatory. The Practice is expanding and needs to cater for the current and future needs of patients without falling into the trap of patching up the current surgery with short-term solutions.
- 2.4 The current surgery has been seeking a new site for nearly 10 years and it was only when the PCT confirmed support earlier this year that the GPs were able to proceed. The Practice selected Haven Health Properties Ltd as the development partner in August 2012. Haven had been in contact with the Practice for a good number of years on an informal basis prior to that. The site searches undertaken previously were then refreshed and a site options appraisal completed by the Practice in October 2012, to identify their preferred site from those that were available.
- 2.5 Haven Health carried out a rigorous site options appraisal which included 14 site options, which was eventually narrowed down to five potentially suitable sites. The Practice then undertook a site scoring exercise during October 2012 to identify their preferred site which was established to be the Shepway District Council site at Paltings Way which is currently used as a staff car park.
- 2.6 Attached to this report as Appendix 2 is a plan of the car park showing the area covered by the proposal.
- 2.7 Attached to this report as Appendix 3 is a site plan of the proposed facility and as Appendix 4 is a visual impression of the new facility.
- 2.8 Subject to (a) a development appraisal for the proposal being submitted to Boshier & Co (valuation advisors to the PCT); (b) a value for money report

being approved by the PCT and (c) planning permission being secured, Haven Health Properties Ltd is able to offer the sum of £250,000 for the purchase of the freehold of the site.

### **3. MATTERS FOR CABINET TO CONSIDER**

3.1 The following matters favour the proposed disposal:

- A new purpose built primary care centre will be provided for 8,700 patients of the current Guildhall Street Surgery;
- A one-off capital receipt in the region of £250,000 will be generated for the council.

3.2 The following matters do not favour the proposed disposal:

- The proposal will result in the loss of 51 staff car parking spaces leaving 75 available to the Civic Centre. It should be noted that as part of the lease of the former social club to Morrison 8 permits are issued for the car park. There is also a lease currently being negotiated for the 8<sup>th</sup> floor of the Civic Centre that will result in 6 dedicated spaces being provided;
- The proposal will result in a freehold disposal. This will reduce the size of the council's overall ownership of the site, which would in turn reduce the council's ability to carry out an holistic development of the site in future, should, for example, the retail market improve;
- Initial discussions with KCC Highways have concluded that the proposed site is superior to the existing site - it will provide more parking spaces than those at the current site and has better accessibility, links to public transport and public car parks. Also, having looked at the plan it may also be possible to squeeze in a couple more than the 19 currently shown in the proposal. However, the 19 spaces shown are well below the maximum parking standard of 40-45 spaces for a surgery of this size.
- KCC Highways has also indicated that they will require a detailed study of the council's car park over a number of days to see whether there is sufficient remaining capacity for council purposes, i.e. is there space in the car park to accommodate the loss of 51 spaces. This study may lead to travel plan requirements for the council as well as the proposed surgery to justify the loss of spaces and attract more people to walk/cycle to work and use public transport. If KCC Highways do require measures to be put in place there is the possibility that the potential capital receipt could be reduced.

### **4. CONCLUSION**

4.1 It's the view of the Head of Strategic Projects that the proposal would potentially generate a satisfactory level of capital receipt and would provide a much improved facility for 8,700 patients. However, this disposal may not generate the best possible receipt for the site in the longer term.

4.2 Cabinet is asked to consider the advantages and disadvantages of the proposal outlined in section 3 of this report and decide whether a freehold disposal would be in the best interests of the council at this time.

## 5. RISK MANAGEMENT ISSUES

5.1 A summary of the perceived risks follows:

Perceived Risk	Seriousness	Likelihood	Preventative
The requirements of the highways authority have an unacceptable impact on the capital receipt the council is likely to receive.	Medium	Medium	If Cabinet is minded to authorise the disposal, the Head of Strategic Projects will either finalise the disposal in the best interests of the Council, or withdraw from the negotiations should the indicative capital receipt be unlikely to be realised.

## 6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

### 6.1 Legal Officer's Comments (PW)

There are no legal issues arising from this report.

### 6.2 Finance Officer's Comments (MF)

The financial implications are contained in the body of the report.

### 6.3 Diversities and Equalities Implications (JC)

There are no diversity or equality implications within the report.

## 12. CONTACT OFFICER AND BACKGROUND DOCUMENTS

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

Jeremy Chambers, Head of Strategic Projects

Tel: 01303 247385

E-mail: [jeremy.chambers@shepway.gov.uk](mailto:jeremy.chambers@shepway.gov.uk)

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

None

**Appendices:**

Appendix 1: Haven Health Properties Ltd development proposal

Appendix 2: Plan showing area covered by proposed development

Appendix 3: Site Plan

Appendix 4: Visual impression of new facility





## **SCHEME SUMMARY:**

### **1. Objective**

Haven Health Properties has been selected as the preferred development partner to deliver a primary care centre development in Folkestone via the third party developer (3PD) scheme, an explanation of which can be found on page 4 of this proposal.

The proposed new development is for the Guildhall Street Practice, a leading teaching and training PMS Practice in the town, with a current patient list of 8,700, who need urgently to relocate to new premises.

The Guildhall Street Practice has been seeking to relocate to new premises for many years, and obtained agreement from the PCT earlier this year to proceed with the scheme. On the basis of this, they selected Haven as their development partner in August 2012 and have since selected a suitable site after an extensive site search. The development partner will undertake the new scheme on the GPs' behalf, bearing nearly all the risks from planning application through construction to completion, before renting the completed building to the GPs (alongside any other agreed occupiers, including Pharmacy).

### **2. Proposal**

The floorspace area for rental reimbursement was set by the Trust at 616 sq.m. (GIA). While the GPs would have preferred to have more space to deliver core-additional-enhanced services under their PMS contracts, they are prepared to proceed with the agreed surgery area for rental reimbursement on the basis that they will take an element of additional space at their own risk to make the overall development slightly larger. The additional rooms can be used for other services, including accommodating outpatient and daycase activity as part overall services shifts from secondary care to primary care settings.

The result will be the provision of seamless healthcare services for patients, while making optimum use of the limited resources available.

In terms of cost calculations, this proposal is focussed on the agreed surgery area for which Rent & Rates reimbursement will be paid. This underpins the development and the provision of other services, pharmacy and other clinical activity is included as part of the overall approach to providing a fully integrated primary care service.

### **Case of Need**

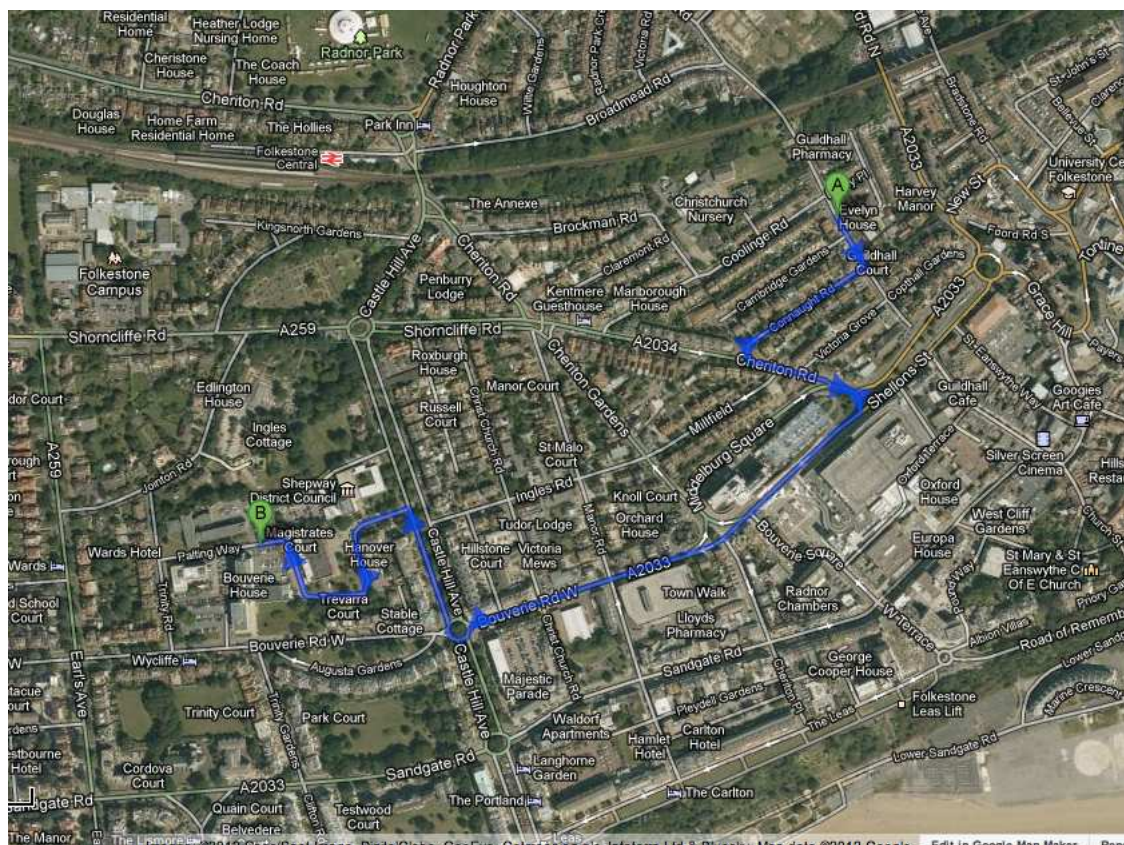
The Guildhall Practice is operating from old and inadequate premises that are too small to meet current service requirements or meet Care Quality Commission registration standards when these become mandatory. The Practice is expanding and needs to cater for the current and future needs of patients without falling into the trap of patching up the current surgery with short-term solutions.



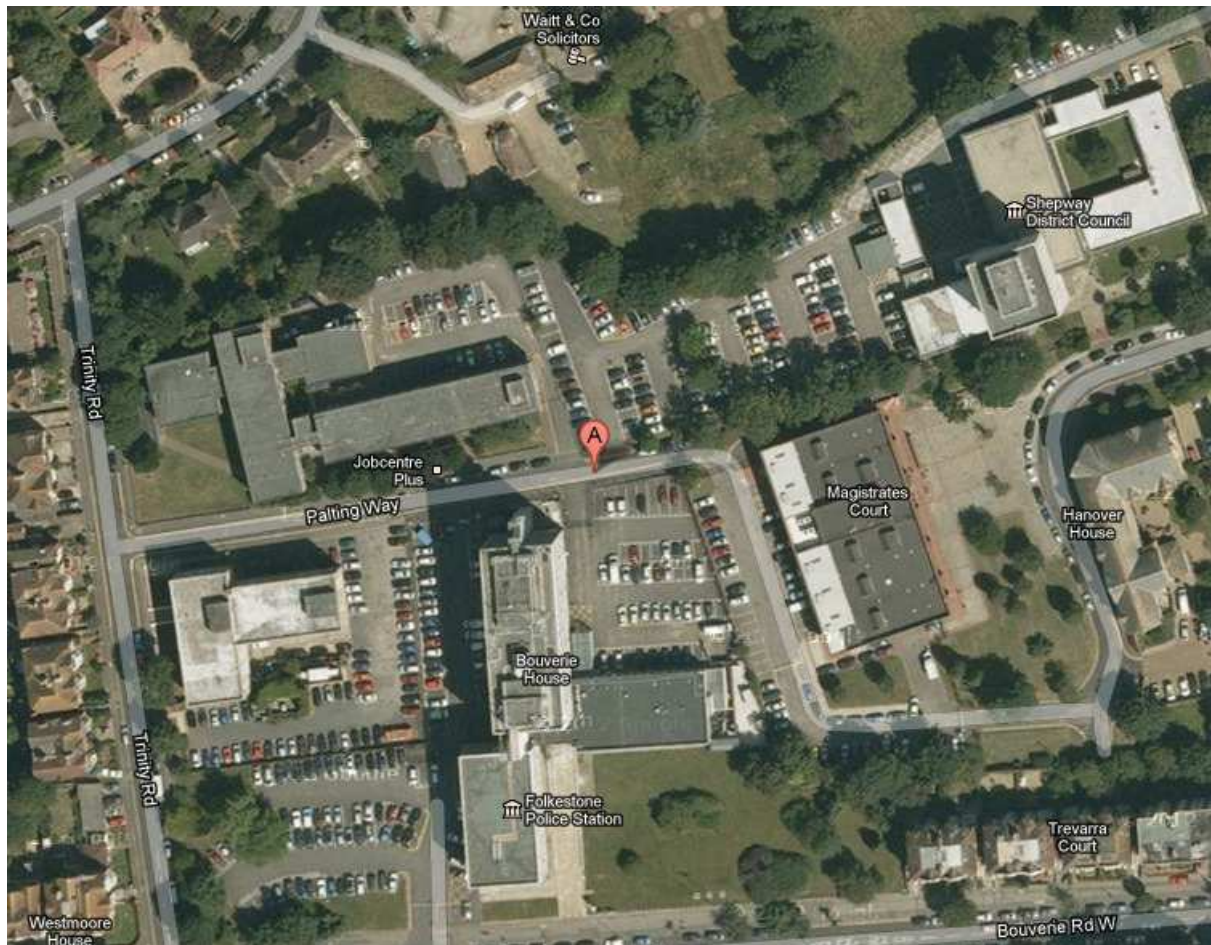
They have been seeking a new site for nearly 10 years and it was only when the PCT confirmed support earlier this year that the GPs were able to proceed. The Practice selected Haven Health Properties Ltd as the development partner in August 2012. Haven had been in contact with the Practice for a good number of years on an informal basis prior to that. The site searches undertaken previously were then refreshed and a site options appraisal completed by the Practice in October 2012, to identify their preferred site from those that were available.

### Site Options Appraisal

Haven Health carried out a rigorous site options appraisal which included 14 site options, which was eventually narrowed down to five potentially suitable sites. The Practice then undertook a site scoring exercise during October 2012 to identify their preferred site which was established to be the Shepway District Council site at Paltings Way which is currently used as a staff car park. We understand that The Council may consider disposal of the site since the requirement for car parking for Council offices and related buildings is now reduced with fewer staff working from the offices and more being home-based. The location of the current surgery is illustrated on the map below as (A), with the new site at Palting Way as (B), showing the car journey distance of 0.8 miles between the two.



A more detailed view of the Palting Way site is provided below, with the parking area to be used for the new scheme shown just north and east of the (A) marker. (c) Googlemaps.



#### **Timeframe - Proceeding with Selected Site:**

With the imminent changes to the NHS Structure and the current approving body, the Medway & Kent PCT will cease to exist from April 2013, there is therefore considerable urgency to progress this Folkestone scheme without delay. A full business case will be submitted to the PCT by the end of 2013 to ensure funding approval for the reimbursable rent on the scheme.

Haven Health has been in dialogue with Jeremy Chambers, the Council's Estates Director and has already established that this timeframe can be met and this proposal is to be submitted to the Members' Committee Meeting on 19<sup>th</sup> December 2012.

A planning application is currently being prepared alongside the submission of this proposal and will be submitted early in January if the Council agrees to sell the site.

The indicative timetable and next steps are listed in the table below:

Estimated Date	Key Stage
October 2012	Site identified as preferred option & discussions held with the Council confirming that a commitment could be made in December subject to Council Members approval.
October / November 2012	Business Case developed with Trust & Practice to be put forward.
November 2012	Proposal submitted to Shepway District Council
November / December 2012	Design finalised and planning application prepared.
December 2012	Shepway Council Committee approve the disposal of the site
December 2012 / January 2013	Patient / public liaison and engagement including information sessions and project open day
January 2013	Planning application submitted
January 2013	Agreement for lease(s) and lease documentation agreed and signed
Spring 2013	Construction contract tendered and contractor appointed
Spring 2013	Project commences on site (less than 12 month programme)
Early 2014	Practical completion of building
Early 2014	Completion of lease documentation and GPs take up occupation

### Explanation of Third Party Development (3PD)

- Haven Health Properties is a specialist development company delivering high quality healthcare buildings for NHS Trusts and GPs via the third part development (3PD) scheme.
- 3PD is a well established procurement method for new build GP and NHS primary care and community care premises. The scheme which is underpinned by the rent re-imburement system, has enabled the delivery of numerous new GP Surgeries and larger Primary Care Centres throughout England and Wales over the last 20 years. Value for money rents are negotiated with and agreed by the DVO acting on behalf of the NHS; they also have to meet the Trust's own "affordability" criteria.
- 3PD arose from the need for GPs to have a structure that allowed them access to modern purpose built and fully DDA compliant premises without having to own the building themselves.

- The 3PD partner, on behalf of the GPs and/or NHS Trust undertakes all of the development from concept to completion including:-
  - » Site search & site options appraisal
  - » Securing the site
  - » Architectural specialist design service
  - » Site surveys & reports
  - » Structural & highways engineering
  - » M&E design
  - » Environmental modeling
  - » Planning consultant & application
  - » Business Case preparation
  - » Quantity surveyor
  - » Contract tendering process
  - » Project management
  - » Management company set up
  - » Legal documentation
  
- High Quality Building meeting BREEAM and CQC Standards  
 The 3PD Partner is responsible for ensuring that the building meets with all the latest NHS HBN specification and guidance, that it is fully DDA and CQC compliant and that (in the case of new build), it achieves a BREEAM Excellent rating.
  
- Value for Money Rents  
 The role of the DVO has been crucial throughout the development of 3PD, in that the DVO (or other appointed PCT advisor) undertakes a Value for Money report and sets the rental level as Current Market Rent, which sets the level of reimbursement to be paid by the NHS to the Practice for the agreed surgery space for GMS/PMS services.

The DV's Value for Money report provides the required information for the PCT in terms of confirming that the rental level is value for money as well as being affordable, and the 3PD lease structure was developed to ensure that the rent paid by the GPs to the developer was never more than the amount reimbursed by the NHS.

### **Development Appraisal**

The developer's financial appraisal is submitted to the DVO and rents are negotiated based on the following:-

- » Site purchase price
- » Any demolition /site abnormal costs
- » Professional and legal costs
- » Developer margin

- » Rental level for the completed development that is in line with current market levels.

Clearly, every element of the appraisal is important as, if any one item was to be too high, the whole scheme would not meet the NHS Value for Money and Criteria.

For this reason, when acquiring sites from Local Authorities, NHS Trust or other Public Sector bodies, the DVO agreeing the final rent will also be engaged in valuing the site as this needs to be assessed on a residual value basis.

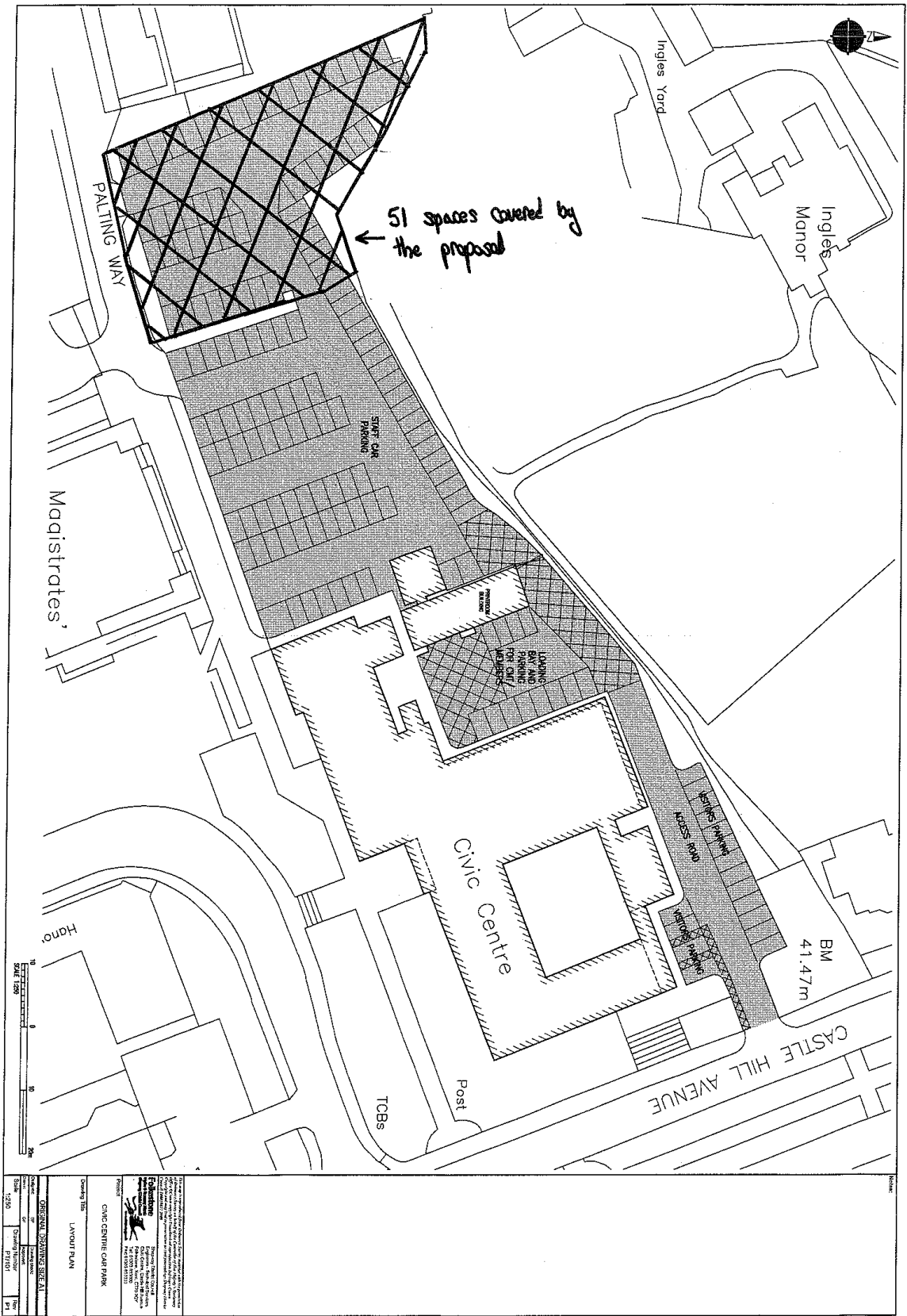
The site is particularly appropriate for the new medical centre, not just because of its central location next to public buildings, and access is good. The site is also next to an area of open land that will be developed as housing over the next few years, which will provide a residential neighbourhood for the new centre, as well as new patients from the residents moving into the new housing.

### **Site Value**

A Development Appraisal for the scheme will be submitted to Boshier & Co, advisors to the PCT (in the role of VO). From this, a Value for Money report will be prepared and submitted to the PCT in support of the funding approval for the rent reimbursement on the scheme.

In accordance with this, Haven Health Properties Ltd is able to offer the sum of **£250,000 (two hundred and fifty thousand pounds)** for the purchase of the freehold of the site.

**APPENDIX 2**  
**Plan showing area covered by proposed development**



<b>Engineering</b> Planning, Design & Construction 100, Castle Hill Avenue, Castle Hill, Newcastle Tel: 0191 275 1100 Fax: 0191 275 1101 Email: info@engineering.co.uk	
Project: <b>CIVIC CENTRE CAR PARK</b>	Drawing Title: <b>LAYOUT PLAN</b>
Drawing No: <b>1/10</b>	Date: <b>15/10/10</b>
Scale: <b>1:1250</b>	Drawing Number: <b>1/10</b>
Sheet: <b>1/1</b>	Total Sheets: <b>1</b>

**APPENDIX 3**  
**Site plan**



**APPENDIX 4**  
**Visual impression of new facility**





This Report will be made public on 11 December 2012

**Folkestone**

Hythe & Romney Marsh  
Shepway District Council



[www.shepway.gov.uk](http://www.shepway.gov.uk)

Report Number **C/12/53**

**To:** Cabinet  
**Date:** 19 December 2012  
**Status:** Non-Key Decision  
**Head of service:** Jeremy Chambers, Strategic Projects  
**Cabinet Member:** Councillor Robert Bliss, Leader of the Council

**SUBJECT: URGENT DECISION – LAND OFF RANGE ROAD**

**SUMMARY:** This report sets out the urgent decision taken by the Deputy Chief Executive to increase the capital budget by £20k to carry out unforeseen works associated with the Range Road site, in readiness for its disposal as part of a proposed redevelopment of the area.

**REASONS FOR RECOMMENDATIONS:**

Cabinet is asked to agree the recommendations because delegated powers under part F paragraph 2.1 of the Constitution requires the Chief Executive to report urgent action taken in the interests of the Council to the next available meeting of the executive.

**RECOMMENDATIONS:**

1. To receive and note report C/12/53.
2. To note the urgent decision taken by the Deputy Chief Executive pursuant to her delegated powers.

## **1. BACKGROUND**

1.1 The original capital budget of £453k was provided in 2012/13 to prepare the Range Road development site for disposal and included for the following works.

- refurbishment and conversion of the listed former lifeboat buildings;
- construction of new fisherman's huts;
- mitigation of 'blue billy' contamination on the beach associated with the former gas works; and
- general site clearance.

1.2 Since Cabinet received its last Capital Budget Monitoring report on 17 October 2012, it has been identified that a further £20k for urgent unforeseen work is required for the refurbishment and conversion of the former lifeboat buildings. The contractor undertaking the work is entitled to compensation for every day lost in awaiting a decision for approval to undertake the necessary additional works.

## **2. DECISION**

2.1 To mitigate the cost of the additional work, urgent approval was given by the Deputy Chief Executive to increase the budget by £20k and to fund this increase from capital receipts ring-fenced for Asset Development projects.

2.2 On 21 November 2012 Full Council approved the increase of the budget for this scheme from £453k to £473k as part of an update to the Medium Term Capital Programme.

2.3 Part F paragraph 2.1 of the Constitution requires the Chief Executive to report urgent decisions taken in the interests of the Council to the next available meeting of the executive.

2.4 All council expenditure associated with preparing the site for disposal is underpinned by the anticipated capital receipt from the sale of the site.

## **3. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

### **3.1 Legal Officer's Comments (EC)**

There are no legal implications arising directly from this report.

### **3.2 Finance Officer's Comments (LW)**

The financial implications are covered within the report.

### **3.3 Diversities and Equalities Implications (RJ)**

There are no implications arising directly from this report.

#### **4. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

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

Jeremy Chambers, Head of Strategic Projects

Telephone: 01303 247385.

Email: [jeremy.chambers@shepway.gov.uk](mailto:jeremy.chambers@shepway.gov.uk)

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

None

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This draft report will be made public on 8 January 2013

**Folkestone**

Hythe & Romney Marsh  
Shepway District Council



Report number **C/12/54**

**To:** Cabinet  
**Date:** 16 January 2013  
**Status:** Non-Key Decision  
**Head of service:** Peter Wignall, Administration  
**Cabinet members:** Councillor Russell Tillson, Localism  
Councillor David Monk, Finance

## **SUBJECT: COMMUNITY RIGHT TO CHALLENGE**

**SUMMARY:** This report presents the community right to challenge under the Localism Act 2011, recommends an “annual window” for receipt of expressions of interest (EOI) and sets out a proposed process for considering EOIs.

### **REASONS FOR RECOMMENDATIONS:**

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

- a) The council needs to adopt an annual window for receipt of expressions of interest
- b) A process needs to be in place to deal with EOIs.

### **RECOMMENDATIONS:**

1. To receive and note report C/12/54.
2. That the Council adopts an annual window in June and July, commencing in 2013 for receipt of Expressions of Interest July,
3. To approve the process set out in appendix 2 of this report.

## **1. INTRODUCTION**

- 1.1 The Localism Act includes a new 'Community Right to Challenge', which came into force on 27 June 2012. The Right to Challenge will allow voluntary and community bodies, charities, parish councils, and groups of two or more local authority staff to express an interest in the running of services that the Council currently provides.
- 1.2 This report sets out a proposed process for responding to Expressions of Interest (EOIs) from relevant bodies. There is limited scope for local flexibility in implementing the Right to Challenge, other than in setting a 'window' when the authority will accept the submission of EOIs.

## **2. BACKGROUND**

- 2.1 The Localism Act became law in November 2011. The Act includes a new 'Community Right to Challenge', which will allow voluntary and community bodies, charities, parish councils, and groups of two or more local authority staff to bid to express an interest in the running of services that the Council currently provides.
- 2.2 The right came into force on 27 June 2012. On the same date the government published statutory guidance and laid regulations Parliament, which define key aspects of the scheme.
- 2.3 Under the Right to Challenge, relevant bodies can submit a written Expression of Interest (EOI) in running a service, which the local authority is required to consider and respond to. If the local authority accepts the EOI, it must run an open procurement exercise, which the challenging body can participate in, alongside other organisations, including private companies. This procurement exercise must comply with existing legislation and requirements regarding procurement.
- 2.4 The Right to Challenge applies to both services that a local authority delivers directly itself and those which it delivers through contracts with external providers. The Right to Challenge applies to all local authority services, with the exception of:
- services provided by the authority for named individuals with complex individual health or social care needs;
  - services commissioned in conjunction with the health service; and
  - services commissioned by an NHS body on behalf of the local authority, which are excluded until April 2014 to allow NHS commissioners to become operational.
- 2.5 The statutory guidance draws a distinction between services provided by local authorities, which are subject to the right, and statutory decision-making functions, which are not. It gives the example of the determination of planning applications as a function that would be excluded, but suggests that the processing of planning applications would not be.

- 2.6 The legislation permits challenges relating to whole services or elements of existing services. Challenges could therefore relate to parts of a service, services delivered within a specific geographical area, or services accessed by particular user groups.
- 2.7 The regulations specify a number of grounds under which a local authority can reject an EOI, and defines the information that must be provided in an EOI to enable the Council to reach a decision. These are listed at Appendix 1.
- 2.8 If the local authority believes it would otherwise reject an EOI, it can ask for further information to inform its decision or seek to agree a modification to the EOI with the challenging body. For example, if the EOI includes an element of a service that the Council has already agreed to stop, the Council may wish to modify the EOI so that it relates to those elements of the service that will be continued.
- 2.9 The Council has also historically chosen to invite tenders from the open market, i.e. generally from commercial providers for the delivery of selected services. EOIs under the right to challenge have the potential to trigger a process of open-market tendering in the same way, but only if the instigating organisation (which must be a parish council, voluntary or community body, charity or group of local authority employees) has the necessary capacity and financial resources to deliver the service, which will require careful evaluation first.
- 2.10 Further to this, the right to challenge regulations require EOIs to include details of how the proposal will "promote the social, economic or environmental wellbeing of the authority's area", which must be taken into account both in considering whether to accept an EOI, and as part of any procurement process which may follow. Local authorities are already obliged to consider social, environmental and economic impacts under the existing Best Value Duty and the Public Services (Social Value) Act 2012 allows Councils to include these benefits in tender specifications.
- 2.11 As has been the case in the past, the Council will carefully consider the potential impact of an EOI on its ability to achieve Best Value, taking into account the council-wide costs that could result from any fragmentation of individual services or operations.

### **3. A PROCESS FOR RESPONDING TO THE RIGHT TO CHALLENGE**

- 3.1 The provisions relating to the right to challenge are very prescriptive and there is limited scope for local flexibility in implementing the scheme. One area where the legislation allows the Council discretion is in specifying periods when it will accept the submission of EOIs. If a local authority does not specify such a 'window', then it must consider challenges whenever they are submitted. The Council can specify a single window for all services, or different windows for different services.

- 3.2 Relevant authorities may choose to specify periods during which expressions of interest can be submitted in relation to a particular relevant service. They must publish details of any periods specified in a manner as they think fit, including on the authority's website. Specifying such periods will help authorities to manage the flow of expressions of interest and allow this to be synchronised with any existing commissioning cycles for services. Where authorities choose not to set periods, expressions of interest can be submitted at any time.
- 3.3 In specifying periods for submission of expressions of interest, the local authority needs to have regard to the following factors:
- The need to provide relevant bodies with sufficient time to prepare and submit expressions of interest. In considering this, authorities may take account of how much notice they are giving relevant bodies ahead of the period;
  - The nature, scale and complexity of the relevant service for which a period is being specified. For example, it may take relevant bodies longer to prepare expressions of interest for larger, complex services than smaller more straightforward ones; and
  - The timescale for any existing commissioning cycle relevant to the service for which a period is being specified, or any other relevant authority processes.
- 3.4 It is recommended that the Council should specify an annual window for all services, because this would:
- provide clarity for challenging bodies and Council services on when EOIs will be accepted;
  - allow the Council to manage the flow of EOIs that it receives and ensure that it has the capacity to respond to them;
  - ensure that the decision-making timetable for EOIs is aligned with the Council's budget setting, decision-making and procurement cycles;
  - allow services to consider the merits or impact of all the EOIs alongside one another. This would be particularly important in the event that a number of EOIs are submitted for the same service, or different elements of the same service.
- 3.5 It is recommended that the annual window should be in June and July, as this would align best with existing budgetary, procurement and decision-making cycles. It is proposed that the first 'window' would be in June and July 2013, and this will give the Council and challenging bodies an opportunity to prepare.
- 3.7 More detailed proposals for a process for responding to EOI are shown in the procedure note in appendix 2, A flow chart is shown in appendix 3. It is recommended that the key stages would include:
- An annual two-month window for submission of EOIs in June and July.



- Decisions to be reached on EOIs by the cabinet in the following January. For simpler EOIs, it may be possible to reach a decision sooner than this, potentially in the October. This decision-making timetable would allow consideration of an EOI to be factored into the budget process during the autumn.
- If an EOI is accepted in the January for a service which is currently delivered directly by the Council, the procurement exercise would begin in the following April. Where the Council has an existing contract with a third party to deliver the service on its behalf, the procurement exercise would begin at an appropriate date before the end of the contract. Depending on the length of the contract, there might be a period of a number of years between the decision to accept an EOI and the commencement of a procurement exercise.

3.8 In the event that a procurement process is triggered for a service that the Council currently provides directly, the existing service will not be able to submit a legal tender or enter into a contract with the council because it is not an independent legal entity. However, in this situation, Council services will be advised to submit a proposal setting out how they would meet the criteria in the tender specification for the new service. This will enable tenders from other providers to be compared with the cost and standards of service offered by the existing Council-run service.

#### 4. RISK MANAGEMENT ISSUES

4.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
The council will be inundated with numerous Expressions of Interest.	High	Low	The procedure sets out a manageable process and limits when the Eols can be submitted.

#### 5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

##### 5.1 Legal Officer's Comments (ES)

There are no legal comments on this report.

##### 5.2 Finance Officer's Comments (GW)

There are no direct financial implications arising from this report and its recommendations. However any Expression of Interest that is acted on could result in financial implications that would have to be assessed as part of the procurement process.

##### 5.3 Diversities and Equalities Implications

There are no specific Diversities and Equalities Implications arising from this report.

## 6. CONTACT OFFICER AND BACKGROUND DOCUMENTS

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

Peter Wignall, Head of Administration  
Tel: 01303 853253  
Email: peter.wignall@shepway.gov.uk

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

None

### **Appendices:**

Appendix 1: Key regulations governing Expressions of Interest

Appendix 2: Shepway District Council "Community Right to Challenge"  
Process

Appendix 3: Flow chart - process

### KEY REGULATIONS GOVERNING EXPRESSIONS OF INTEREST

#### Grounds for rejecting an Expression of Interest (EOI)

- The local authority considers that the EOI is frivolous or vexatious.
- The service is integrated with a service provided by the NHS and the continued integration of the service is critical to the well-being of service users.
- The service is already the subject of a procurement exercise (i.e. the procurement process has already begun, even if this is the pre-tender stage)
- The local authority has entered into negotiations with a third party to provide a service, and at least part of these negotiations has been conducted in writing.
- The service has been stopped, or a decision has been taken in writing to do this.
- The local authority considers, based on the information in the EOI that the relevant body or any sub-contractors are not suitable to provide or assist in the provision of the service.
- The relevant body provides inadequate or incorrect information in the expression of interest.
- The local authority considers that accepting the EOI would contravene the rule of law or a breach of a statutory duty.

#### Information that must be contained in an EOI

- Information about the financial resources of the relevant body submitting the expression of interest.
- Evidence that demonstrates that by the time of any procurement exercise the relevant body submitting the EOI will be capable of providing or assisting in providing the relevant service.
- Information about the relevant service and the geographical area that the EOI relates to.
- Information about the outcomes to be achieved by the relevant body, including:
  - How the provision will promote or improve the social, economic or environmental well-being of the relevant authority's area;
  - How it will meet the needs of the users of the relevant service.
- Where the relevant body consists of local authority employees, how the relevant body proposes to engage other employees of the local authority who are affected by the EOI.



**Shepway District Council  
Procedure for the Community  
Right to Challenge**

## **1 Introduction and definitions**

- 1.1 The 2011 Localism Act introduces a duty for council to consider an expression of interest by a 'relevant body' to run a council service. Should the council accept the expression of interest, then a full procurement process will be triggered following EU and UK procurement law.
- 1.2 An 'expression is interest' is when a relevant body submits a proposal to the council
- 1.3 Relevant bodies are defined as:
  - Voluntary and community bodies
  - Charitable bodies
  - Parish Councils
  - Employees of the relevant authority (in the for of a mutual body)
- 1.4 The council will adhere comprehensively to the statutory guidance introduced by the Department of Communities and Local Government<sup>1</sup>. This policy broadly sets out how the council will respond and process any expressions on interest, and who will be involved in the decision making process. At all stages of the process, the council will aim to be as transparent as possible; however the detail of the exact process to be followed will be determined by nature of the expression of interest, so there may be slight variations between this policy and how the process occurs.

## **2. Duty and council obligations**

- 2.1 The council is obliged to consider any expression of interest from a relevant body for the running of a council service. The statutory guidance differentiates between a local authority function, and a local authority service. For example, within housing services, it would be possible for the council to hold a procurement exercise for the administration of housing applications, however decision on whether to accept or reject a housing application can only be taken by the council.
- 2.2 When an expression of interest is submitted, the council is required to inform the individual or group the timescale required to assess the expression and reach a final decision. Shepway must make this notification in writing and it must be done within 30 days of receiving the expression of interest.

A diagram of the process can be found as Appendix 1.

## **3. Process**

- 3.1 When an expression of interest is received, the relevant head of service will make the initial assessment to determine the best approach for the expression to be considered. A working group will be formed to assess the

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<sup>1</sup> <http://www.communities.gov.uk/documents/localgovernment/pdf/2168126.pdf>

expression of interest. The membership will be determined by the nature of the expression, but it is likely to include:

- The relevant head of service
- Senior officer(s)/ manager(s) from the relevant service
- Independent senior manager
- Legal advisor
- Procurement advisor
- The portfolio holder for the service

3.2 The group will initially decide how long it should take for the expression of interest to be considered (and will notify the individual or organisation who submitted the expression of interest accordingly). The factors that influence this are:

- a. The need to notify relevant bodies of a decision within a reasonable period;
- b. The nature, scale and complexity of the service to which expressions of interest relate;
- c. The complexity of the expressions of interest received;
- d. The timescales for any existing commissioning cycle relevant to the service which an expression of interest relates to, or any other relevant authority processes.

3.3 **Modifying** – While assessing the expression the group may decide that the expression has merit, but more information is required to allow for a formal decision to take place. In this instance, the individual or organisation who submitted the expression will be contacted, and asked to resubmit the expression with additional information so that a final decision can be made.

3.4 **Presentation to overview and scrutiny committee** – The group's conclusions will be presented to the relevant overview and scrutiny committee. That committee, after considering the matter will set out their views for cabinet to consider.

3.5 **Decision by cabinet** – Cabinet will make a decision on the expression of interest after considering a report and the conclusions of the overview and scrutiny committee.

#### 4. **Accepting / rejecting**

4.1 **Accepting** – Should the expression of interest be accepted, then a full procurement process will be triggered for the service, following EU and UK procurement guidelines. When the procurement exercise starts will be dependent on several factors, but the relevant groups or individuals will be informed. The council is not obliged to select the body who submitted the original expression of interest, or give them preferential treatment in the procurement process.

4.2 **Rejecting** – The legislation dictates that an expression can only be rejected on the following terms:

- The expression of interest does not comply with any of the requirements specified in the Act or regulations.
- The information provided the expression of interest is inadequate or inaccurate.
- The authority considers, based on the information in the expression of interest, that the relevant body, or member of the consortium or any sub-contractor referred to in the expression, is not suitable to provide the service.
- The expression relates to a service which the authority has already decided to stop providing.
- The expression of interest relates to care services provided for an individual.
- The service is already the subject of a procurement exercise.
- The authority and a third party have entered into negotiations for provision of the service.
- The authority has published its intention to consider the provision of the service by a body that two or more employees of that authority propose to establish.
- The authority considers that the expression of interest is frivolous or vexatious.
- The authority considers that acceptance of the expression of interest is likely to lead to contravention of a rule of law or a breach of statutory duty.

## **5 Transparency**

- 5.1 The council will keep the individual or organisation informed of how the expression is being processed at every stage.
- 5.2 If an expression is rejected the council will provide, in writing, the individual or organisation with a full explanation of how the decision was reached.
- 5.3 In accordance with the guidance, the council will publish on its website a full list of all rejected expressions of interest.

## **6 Contracts and windows for expressions of interest**

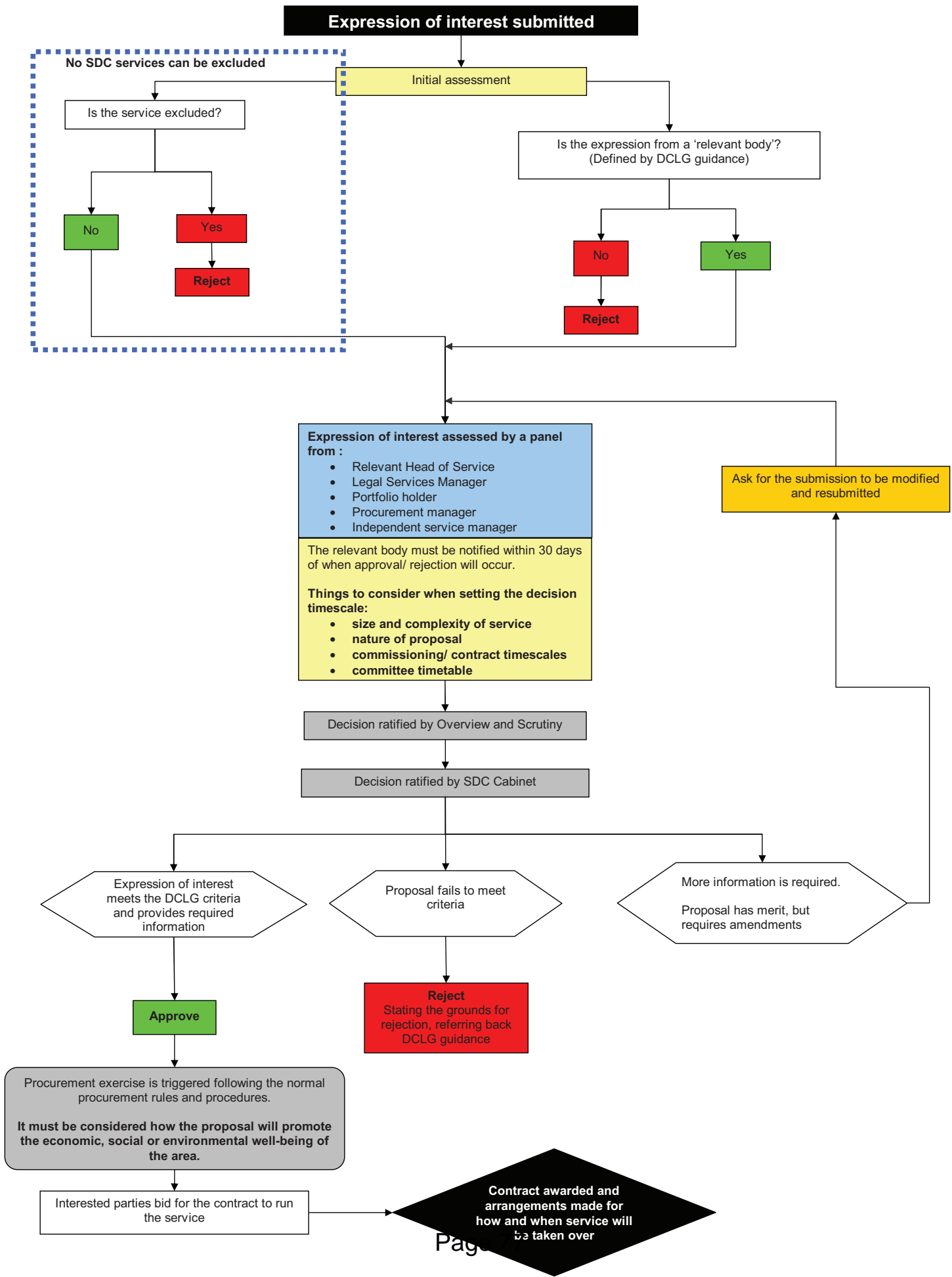
- 6.1 Any service that is under contract. Please consult the contract register on the council website for a full list of all contracts the council has signed.
- 6.2 Expressions of interest not relating to a specific contracted service, will only be accepted annually between **1<sup>st</sup> June and 31<sup>st</sup> July**. This allows Shepway to ensure it can effectively manage the process and meet its statutory duties.

## **7. Alternative methods**

- 7.1 Any individual or groups considering submitting an expression of interest is encouraged to contact the council for an informal discussion. It may be preferable to avoid the formal procurement process that the 'right to challenge' requires the council to initiate.



**Window for expressions of interest is open**



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This Report will be made public on 8 January 2012

**Folkestone**

Hythe & Romney Marsh  
Shepway District Council



Report Number **C/12/55**

**To:** Cabinet  
**Date:** 16 January 2013  
**Status:** Non-Key Decision  
**Head of Service:** Chris Lewis, Planning  
**Cabinet Member:** Councillor Alan Clifton-Holt

**SUBJECT: TRIENNIAL 2014 – SHEPWAY DC SUPPORT**

**SUMMARY:** This report sets out information on the Folkestone Triennial, a public art exhibition of international importance, which is scheduled for Summer 2014. It highlights the level of resource from Shepway District Council that is being requested by the Creative Foundation to support the Triennial, and recommends that the council approve this level of support to enable the Creative Foundation to use this as match-funding towards various external funding applications.

**REASONS FOR RECOMMENDATION:**

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

- a) The 2014 Triennial will raise the profile of the district and involve local residents in a unique and exciting cultural event.
- b) The event is predicted to bring in over 120,000 visitors, with an expected value to the local economy in excess of £3 million.
- c) The initiative will build upon the positive working relationship between the Council and the Creative Foundation, which in turn will help to ensure that the Triennial meets the strategic objectives of the Council.

**RECOMMENDATIONS:**

1. To receive and note report C/12/55.
2. To support the Folkestone Triennial 2014, and its aims of creating a national and international visitor attraction in the district.
3. To approve the level of resource required from Shepway District Council towards the Folkestone Triennial 2014 as set out in this report.
4. To agree that any financial contribution is made subject to a formal funding agreement, the terms of which are to be approved by the Head of Administration.

## **1. BACKGROUND**

- 1.1 Over the past decade, Folkestone has seen significant investment in council-led initiatives such as the Coastal Park, upgraded Streets and Squares, the development of Shearway Business Park and more recently the development of a new shopping centre – Bouverie Place. In tandem with this, the town is enjoying a cultural transformation via the establishment of the Creative Quarter and the Quarterhouse performing arts space, an initiative spearheaded by the Creative Foundation. The Folkestone Triennial spans both aspects of Folkestone's regeneration by taking exciting and unique public art into the streets, parks and shopping areas of the town and inviting residents and visitors alike to explore it.
- 1.2 In the summer of 2008, the first Triennial gained significant national and international positive media coverage, raising the profile of Folkestone. Independent research carried out by consultant Richard Ings estimated that 51,000 visitors came to Folkestone between June and September expressly for the purpose of visiting the Folkestone Triennial. Considerably more than this saw one or more of the Triennial works as part of an already planned visit to Folkestone.
- 1.3 The 2011 Triennial built upon its predecessor, not only by providing additional permanent works for the town, but also in building upon visitor numbers. In total, 103,000 visitors came to the town to see Triennial.

## **2. TRIENNIAL 2014**

- 2.1 Following the delivery of two successful Triennials under the aegis of Andrea Schlieker, Lewis Biggs has been appointed as the curator for the 2014 Triennial. For the past 10 years, Lewis Biggs has been the Artistic Director of the Liverpool Biennial Festival – an event which sees around 500,000 visitors.
- 2.2 Detail of the content of the 2014 Triennial is understandably very limited at this stage, however the Creative Foundation is looking for support in the following areas:
  - Help with the Contemporary Collection
  - Assistance with permissions and planning applications
  - Maintaining artwork sites during the Triennial itself
- 2.3 The 2014 Triennial will run for a three-month period and incorporate a series of new works by world-renowned artists. These will be in addition to the 16 permanent works (2 of which are multi-works) that remained in situ following the previous two events.

## **3. QUANTIFYING THE COUNCIL'S SUPPORT**

- 3.1 In developing the Triennial 2014, a number of external funding applications are being made by the Creative Foundation. As part of these bids, there is a requirement from funders to set out and quantify the level of match funding

confirmed from partner organisations. This includes “in kind” and financial support from the Local Authority.

3.2 The Triennial 2014 is still at project development stage. This report summarises the anticipated level of support that will be sought from the council in two stages. The **Development Stage** covers the calculated level of support to assist with the evolution of the Triennial, including bid writing, information about the suggested locations of artworks and general advice and support to be provided to the Creative Foundation, for example, on legal and licensing implications. The **Delivery Stage** will focus on services and assistance that the council could provide to support the Triennial and visitor centre once the building has been developed and the artworks are in situ. This will include activities such as adapting street cleaning schedules, information within public car parks and amended maintenance programmes for Parks & Open Spaces.

3.3 Following meetings with the Creative Foundation, a breakdown of the anticipated support has been calculated for both the Development and Delivery Stages. **It should be caveated that the figures supplied in this report are a best estimate based on the information available at the time of writing.** However, this information is a good illustration of the level of support anticipated as it is based on the level of support provided by the council for the 2008 and 2011 Triennials. For the purposes of clarity, the support has been broken down into individual teams within the council and how it is anticipated they will support this project.

3.4 **Development Stage:** An average of £35.75 p/h (including on-costs) has been applied.

<b>Team Support</b>	<b>Activity</b>	<b>Staff Time/Costs</b>	<b>Total Cost</b>
Community Safety and Engagement.	<ul style="list-style-type: none"> <li>- First point of contact for the Triennial within SDC.</li> <li>- Support up-date meetings between CF and council departments.</li> <li>- Liaise on community activities.</li> <li>- Events licences.</li> <li>- Support cooperation with other partners.</li> </ul>	85 days x 7.5 hrs x £35.75 p/h (including on-costs)	£22,790
Economic Regeneration	<ul style="list-style-type: none"> <li>- Support in bid writing.</li> <li>- Help with links into the business community.</li> <li>- Links with European Initiatives (BOSCO) and with other partners.</li> </ul>	55 days x 7.5hrs x £35.75 p/h (including on-costs)	£14,747
Parks & Recreation	Discussions with CF regarding their proposals. Management of the Coastal Park, Leas and other Open Spaces as venues for artwork	50 days x 7.5hrs x £35.75 p/h (including on-costs)	£13,406

Planning	Pre-application advice and handling of applications for visitor centre and artworks. Advice and support from Conservation Architect.	35 days x 7.5 hrs x £35.75 p/h (including on-costs)	£9,384
Communications	Setting up and implementing a joint information package/marketing policy	20 days x 7.5 hrs x £35.75 p/h (including on-costs)	£5,363
Property Services	Pre-application advice for site-specific licences and agreements.	20 days x 7.5 hrs x £35.75 p/h (including on-costs)	£5,363
Legal Services	Legal advice and processing of licences and agreements.	20 days x 7.5 hrs x £35.75 p/h (including on-costs)	£5,363
Street Cleansing/Street Scene	Development of a sympathetic cleaning/maintenance regime for appropriate areas	12 days x 7.5 hrs x £35.75 p/h	£3,218
Transportation /Car Parks	Assist in the development of a parking policy and transportation plan for the Triennial.	10 days x 7.5hrs x £35.75 p/h (including on-costs)	£2,681
Licensing	Support and advice with applying for licenses as required.	5 days x 7.5 hrs x £35.75 p/h (including on-costs)	£1,341
		<b>TOTAL</b>	<b>£83,656</b>

4.1 From the above information, the anticipated level of staff resource requested of Shepway District Council by the Creative Foundation towards the Triennial 2014 is in the region of £84,000 revenue for the Development Stage.

4.2 **Delivery Stage.**

<b>Team Support</b>	<b>Activity</b>	<b>Cost</b>
Community Safety and Engagement	Complimentary programmes of activity with community groups etc. across the district.	£5,000
Street Cleansing	Focused maintenance activities on high profile areas associated with the Triennial.	£20,000
Communication	Two pages of editorial in each copy of Shepway Today for three years. 6 issues x £800 per issue	£4,800

Physical Property Work	Contribution towards minor works to accommodate art installations.	£5,000
Parks & Recreation	Revised and focused maintenance programme for Triennial sites.	£12,000
	<b>TOTAL</b>	<b>£46,800</b>

- 4.3 The anticipated cost for the Delivery Stage is around £47,000.
- 4.4 The total level of support is therefore estimated to be approximately **£131,000**.
- 4.5 It is anticipated that the majority of the **Development Stage** work will take place during 2013/14 up to the launch of the Triennial in 2014. The Delivery Stage work will probably commence in early 2014 and will continue for the duration of the Triennial.
- 4.10 The overall likely contribution towards the Triennial from all partners can be set out as follows:

<b>Organisation</b>	<b>Triennial 2014</b>
Roger De Haan Charitable Trust	£1,500,000
Arts Council England	£500,000
Shepway DC	£131,000
Others	£400,000
Total	£2,531,000

## 5. RISK MANAGEMENT ISSUES

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

<b>Perceived Risk</b>	<b>Seriousness</b>	<b>Likelihood</b>	<b>Preventative Action</b>
That the Council is unable to fully support the Triennial due to resource constraints.	High	Medium	Agree workloads in association with the appropriate Service Plans and continued dialogue with CF regarding event management
That the level of resource required towards this initiative increases.	Medium	Medium	These figures are based on the experience of the 2008 and 2011 Triennials. The key is to maintain

			dialogue with the Creative Foundation on the support they require and monitor actual time incurred accordingly.
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**6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

**6.1 Legal Officer’s Comments (EC)**

There are no legal issues arising from this report.

**6.2 Finance Officer’s Comments (MF)**

The financial implications of this report have been addressed in the main body of the report.

**6.3 Diversities and Equalities Implications (JW)**

I have no comments to make on this report as the project seems to be aimed at reaching all members of the community.

**6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

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

Jeremy Whittaker, Economic Development Team Leader  
 Telephone: 01303 853375  
 Email: [jeremy.whittaker@shepway.gov.uk](mailto:jeremy.whittaker@shepway.gov.uk)

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

None





To be made public on 8  
January 2013

Report Number **C/12/58**

**To:** Cabinet  
**Date:** 16 January 2013  
**Status:** Non-Key Decision  
**Head of Service:** Chris Lewis, Planning  
**Cabinet Member:** Councillor Alan Clifton-Holt, Economic Development

**SUBJECT: FREEHOLD TRANSFER OF THE REAR EXTENSION AT THE GUILDHALL, HIGH STREET, LYDD TO LYDD TOWN COUNCIL**

**SUMMARY:** This report considers the proposed freehold transfer of the rear extension at the Guildhall, High Street, Lydd to Lydd Town Council ('the Town Council').

#### **REASON FOR RECOMMENDATIONS:**

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

- a) Help the Council meet the following of its Strategic Objectives: 'serving customers and the community' and 'performing effectively';
- b) Support Lydd Town Council in financially challenging times.

#### **RECOMMENDATIONS:**

1. To receive and note report C/12/58.
2. To agree to the proposed freehold transfer of the rear extension at the Guildhall, High Street, Lydd to Lydd Town Council for nil consideration.
3. To authorise the Head of Planning Services to agree and conclude any necessary agreements to transfer the freehold ownership of the rear extension at the Guildhall High Street Lydd to Lydd Town Council and to safeguard the position of the Council.

## **1. INTRODUCTION**

- 1.1 The District Council owns the single-storey rear extension to the Guildhall in Lydd which for the purposes of identification is shown shaded grey on the location plan in Appendix A.
- 1.2 The rear extension generally consists of four small rooms with a link corridor to the Guildhall. An old agreement permitted the Town Council to use two of the rooms in the rear extension in return for the District Council using rooms in the Guildhall as a District Office. Although this agreement was terminated and the District Council vacated the Guildhall in 2010, the Town Council together with the community group, Friends of Lydd continue to informally occupy the majority of the rear extension.
- 1.3 The rear extension is now surplus to the District Council's requirements but remains useful to the Town Council.

## **2. FINANCIAL CONSIDERATIONS**

- 2.1 A valuation of the rear extension based on open market value was obtained in 2010 (for the District Council's accounting purposes) and was in the sum of £18,500.
- 2.2 Any valuation of the rear extension would need to reflect a very limited market and the building being land-locked (save as to rights of entry and rights in respect of services) with limited potential unless used in conjunction with the Guildhall.

In recognition of these issues regarding value and as a means of supporting the Town Council in these financially challenging times, the District Council has offered to the Town Council the freehold transfer of the rear extension for nil consideration, subject to Cabinet approval. The Town Council responded favourably to this proposal.

- 2.3 It is proposed that the District Council's legal fees in relation to the freehold transfer will be met by the Town Council.

## **3. CONCLUSION**

- 3.1 The recommendations set out in this report would help the Council meet the following of its Strategic Objectives: 'serving customers and the community' and 'performing effectively'. They would also support the Town Council in these financially challenging times.

## **4. RISK MANAGEMENT**

- 4.1 There are no perceived risks relating to the transfer.

## **5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

### **5.1 Legal Officer's Comments (BD)**

The Local Authority may dispose of land held by them in any manner they wish, although not for an amount less than the best that can reasonably be obtained, except with the consent of the Secretary of State, which has been given as a general consent for disposals under £2 million, ss123 Local Government Act 1972 (LGA 1972).

The disposal would fall below the limit of £2 million so the Council can dispose of the land at an undervalue provided there are genuine reasons for doing so. Generally the advice is that land should be sold at the best consideration possible but the guidance recognises that there may be circumstances where an authority considers it appropriate to dispose of land at an undervalue. Councillors should consider whether this is one of the circumstances. The factors that may influence the decision include:

- a) The minor nature of the premises; and
- b) The fact that it is being sold to another public authority.

### **5.2 Finance Officer's Comments (MF)**

The financial implications of this report have been addressed in the main body of the report.

### **5.3 Diversity and Equalities Implication (PM)**

No implications arising directly from this report.

## **6. CONTACT OFFICER AND BACKGROUND DOCUMENTS**

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

Chris Lewis, Head of Planning Services  
Tel: 01303 853456  
E-mail: [chris.lewis@shepway.gov.uk](mailto:chris.lewis@shepway.gov.uk)

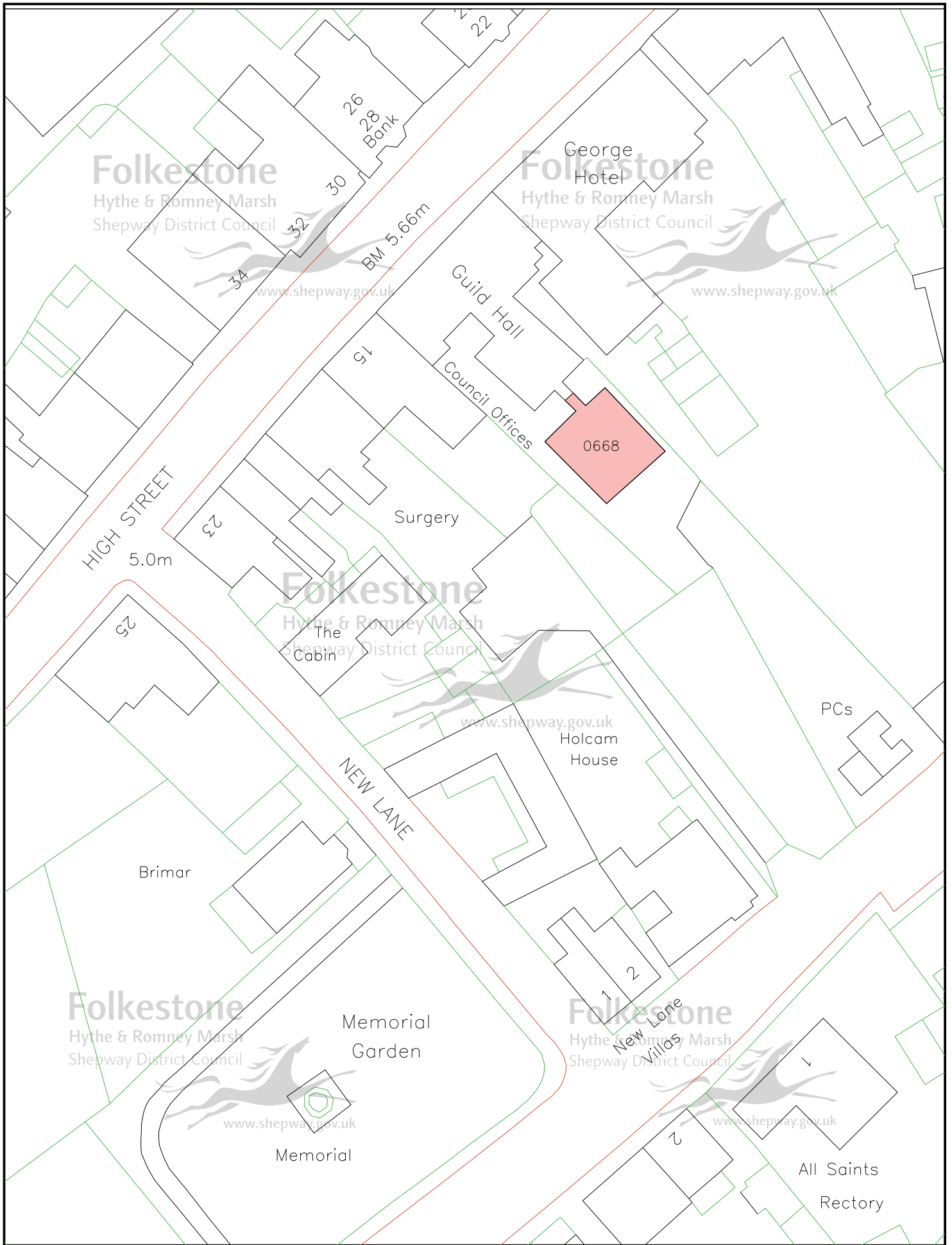
The following background documents have been relied upon in the preparation of this report:

None

### **Appendices:**

Appendix A: Location plan for the rear extension to the Guildhall in Lydd.

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This Report will be made public on 8 January 2012

**Folkestone**

Hythe & Romney Marsh  
Shepway District Council



Report Number **C/12/57**

**To:** Cabinet  
**Date:** 16 January 2013  
**Status:** Non-Key Decision  
**Head of Service:** Bob Porter, Communities  
**Cabinet member:** Councillor Mrs Keren Belcourt, Housing

**SUBJECT: COUNCIL HRA NEW BUILD PROGRAMME**

**SUMMARY:** This report provides an update on the council's Housing Revenue Account new build programme. It sets out the proposed timeframe and required action to ensure that the first phase of the new build programme is on site by early 2014/15.

#### **REASONS FOR RECOMMENDATIONS:**

Cabinet is asked to agree the recommendations below because:

- a) Housing Need in the district remains high.
- b) Self-financing provides the council with an opportunity to delivery new affordable homes in the district.

#### **RECOMMENDATIONS**

1. To receive and note report C/12/57.
2. To note the proposed HRA new build project process set out in this report and time the project table set out in this report Appendix 1 of this report.
3. To note the proposed site feasibility process timetable set out in Appendix 2 of this report.
4. To note the list of sites to be included within the initial feasibility exercise as set out in Appendix 3 of this report.

## **1. BACKGROUND**

- 1.1 The introduction of HRA self-financing has provided opportunities for the council to implement its own new build programme within the HRA from April 2014. A review of the council's HRA agreed by Cabinet in February of this year (Decision 11/084) , prior to the introduction of self-financing indicated that there is likely to be capacity to provide a new build programme of up to 30 units per year from 2014. Work is under way to fully update the council's HRA Business Plan for consideration by Cabinet in April 2013.
- 1.2 The update of the HRA Business Plan will provide a clearer picture of the capacity of the HRA to deliver new homes and improve the council's existing stock in the district. The update will take account of any changes that may impact on the ability of the HRA to fund a new build programme.
- 1.3 The proposed detailed timetable for the delivery of the HRA new build programme is set out in Appendix 1 of this report.

## **2. PREPARATORY WORK**

- 2.1 The identification of appropriate council owned sites to enable the delivery of the new build programme is a key requirement of the project. To enable the development potential of the council's land resources to be fully assessed, it will be necessary to complete a comprehensive site appraisal of each identified site. The issues that will be considered as part of this review are:
  - The potential development options of each individual site, including potential unit numbers, types and sizes.
  - Any onsite and related development constraints and issues.
  - The likely cost of any development options.
  - Planning issues in respect of each individual site, including an initial development potential discussion with the council's planning service.
  - Options for procuring the development services needed to deliver the council's build program
  - The provision of an initial outline site plan to show how each site could be effectively developed.
  - Any other relevant information or issues likely to affect the development potential of each site (including any covenants, onsite services and public access issues).
- 2.2 The council's Housing Service and the Engineering and Property Service has identified a list of potential sites to be considered during the site appraisal exercise. The list of proposed sites indicates whether sites are currently held within the HRA or the General Fund. The list of sites is attached at Appendix 2 of this report.
- 2.3 The HRA for 2012/13 includes an allocation of £60K to cover the cost of the proposed site feasibility exercise. The council's Engineering and Property Services Team has confirmed that it has sufficient capacity to complete the



feasibility exercise in line within the timeframe set out in Appendix 3 of this report

### **3. FURTHER WORK REQUIRED**

3.1 On completion of the initial appraisal work, the council will have a detailed list of the sites that could be used to deliver the new build affordable housing programme. It will then be necessary to agree which sites should be progressed into the initial phases of the programme. It is proposed that the agreed list of sites be reported to Cabinet in April 2013. Once the list of sites has been agreed it will be necessary to progress the sites through to a full planning consent and deal with any additional onsite factors that may need to be resolved to enable them to be brought forward for development.

3.2 The new homes could be delivered through a variety of mechanisms. These include a design and build contract, or a build only contract with the project management and other preparatory work being completed separately. Options for the provisions of architectural and project management services include:

- In-house through the Engineering and Property services team.
- Private consultancy.
- East Kent Housing.

These issues will need to be explored in more detail and a decision taken about how to proceed once the site feasibility exercise has been completed.

3.3 An in-house Project Team has already met and considered the proposed project delivery plan and proposed actions. The project team includes representation from Housing Services, Financial Services, Planning Services and Engineering and Property Services and the Head of Strategic Projects. The team considers that the project is deliverable within the proposed timeframe.

3.5.1 While the council's own land holdings are likely to deliver sufficient capacity to deliver an HRA new build programme of up to 30 units per year during the early years of the programme, further options may be needed in future years. These may include:

- The use S106 affordable housing contributions to supplement resources from the HRA.
- The acquisition of additional sites for use within the programme or of units from larger private housing developments.
- The potential use of Homes and Communities Agency (HCA) Grant to supplement resources from the HRA. Discussions are currently underway with the HCA to explore the benefits for the council registering as delivery partner.

3.6 Discussions are also underway with neighbouring authorities to explore the opportunities for joint working to deliver the new build programme. It may be

possible to achieve economies during the more detailed site preparation and constructions works.

#### 4. RISK MANAGEMENT ISSUES

Perceived risk	Seriousness	Likelihood	Preventative action
Failure to identify sufficient sites to deliver the HRA development programme.	High	Low	Work is underway to identify suitable sites within the council's ownership.  Affordable housing contributions received through S106 agreements could be used to acquire suitable sites for development.

#### 5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

##### 5.1 Legal Officer's Comments (EC)

There are no legal issues arising from this report.

##### 5.2 Finance Officer's Comments (LH)

Financial Services are part of the HRA New Build Project Team. £60K has been available within the Housing Revenue Account to cover the costs associated with the viability assessment. The update of the detailed Housing Revenue Account Business Plan will provide a clearer picture of the capacity of the HRA to deliver new homes and improve the council's existing stock in the district.

##### 5.1 Diversities and Equalities Implications (SS)

A comprehensive equalities impact assessment will be completed as the initiative is more fully developed.

#### 6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

None

**Appendices**

Appendix 1: Proposed HRA new build project timetable.

Appendix 2: Proposed feasibility exercise timetable.

Appendix 3: Proposed sites to be considered through the feasibility exercise.

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**Proposed SDC New Build Process 2012-2014**

Action	Timeframe
<ul style="list-style-type: none"> <li>• Develop and agree SDC Potential Sites for development.</li> </ul>	September/October 2012
<ul style="list-style-type: none"> <li>• Develop and agree consultant specification for site feasibility work.</li> </ul>	September/October 2012
<ul style="list-style-type: none"> <li>• Identify additional professional services required to deliver SDC new build programme.</li> <li>• Develop appropriate specifications and procurement processes.</li> </ul>	September/December 2012
<ul style="list-style-type: none"> <li>• Commission consultant to complete site feasibility exercise.</li> </ul>	November 2012
<ul style="list-style-type: none"> <li>• Consultant feasibility exercise completed.</li> </ul>	December 2012 – March 2013
<ul style="list-style-type: none"> <li>• Agree Key sites for inclusion in development programme.</li> </ul>	March 2013
<ul style="list-style-type: none"> <li>• Report key sites and project progress to Cabinet.</li> </ul>	17 April 2013
<ul style="list-style-type: none"> <li>• Procure additional professional services to delivery new build program.</li> </ul>	March- June 2013
<ul style="list-style-type: none"> <li>• Development proposals for each site completed (including obtaining planning consents).</li> </ul>	April 2013 - January 2014
<ul style="list-style-type: none"> <li>• Start on site</li> </ul>	April 2014

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## APPENDIX 2

### Potential Sites for HRA New build Programme

<b>SITE NAMES</b>	<b>LOCATION</b>	<b>HRA/GF</b>	<b>APPROXIMATE NO OF UNITS</b>
Land on The Green Lydd	TN29 9EZ	HRA	5
Land at Brooks Way Lydd	TN29 9HD	HRA	3
2 Land Areas at West Place, Brookland	TN29 9RG	HRA	2-4
Land Salthouse Close	TN29 9SD	HRA	2-3
Land Dallas Brett Crescent	CT19 6ND (access between 59 and 61)	HRA	5
Land Canterbury Road Recreational ground	CT19 5NL to rear of garages between 21 and 23 Eastfields	HRA	3-5
Land on Creteway Estate, Folkestone	To side of and above Montgomery Way CT19 6LL and round to Brabner Close (left-hand side of 75 and 53 Brabner Close) CT19 6LP	HRA	15+
Land behind Ingoldsby Road	CT19 6JJ (access via Tennyson Place) between 4 and 5	HRA	4
Land behind Tyson Road	CT19 6JW (access via Tennyson Place) between 8 and 9	HRA	10
Land Hollands Avenue	CT19 6PP (east side) land	HRA	3

	adjacent to 101,123 and 124		
Land Canada Close	CT19 4JN (fronting Nos.2 to 8)	HRA	2-4
Land Naseby Avenue Shorncliffe	CT20 3SJ (side of No.15)	HRA	1-2
Land in Densole Way Densole	CT18 7BQ	HRA	3-6
Land Deeds Close Hythe	CT21 5HZ in front of No.8	HRA	1-2
Land to the rear of Hampton Vale and Paraker Way Seabrook	CT21 5SG and CT21 5 SQ	HRA	15+
Land on Spring Lane, Seabrook, Hythe	CT21 5SG Note may have to allow access to wooded area to rear	HRA	4
Land in Sutherland Close	CT21 6JT	HRA	1-2
Land in Lyell Close	side of No.1 CT21 5JB	HRA	1-2
Land in Lyell Close	Between play area and rear of No.9 CT21 5JB	HRA	3
<b><u>Existing Developments</u></b>			
Mittell Court Vinelands, Lydd	TN29 9BJ	HRA	15+
Green Court, Green Lane Folkestone	CT19 6QS	HRA	15
Glenlee, Cheriton Gardens, Folkestone	CT20 2AP	HRA	10
<b><u>Garage Sites</u></b>			
Garages between 21 and 23 Eastfields,	CT19 5NL	HRA	3



Folkestone			
Montgomery Way, Folkestone	CT19 6LL	HRA	2-3 plus access to land site above
Page Place Folkestone	CT19 6HX access between 6 and 7	HRA	6-8
Wood Avenue Folkestone	CT19 6HS	HRA	3
Canada Close, Cheriton	Access between CT19 4JN and CT19 4JL	HRA	3
Tudor Road, Cheriton	CT19 4HJ to rear of	HRA	1-2
St Georges Place Hythe	CT21 6NE	HRA	1-2
Millfield, Hawkinge	3 blocks of garages, all under CT18 7DQ	HRA	2-3
Peene	CT18 8BE	HRA	1-2
Brook Lane Sellindge	TN25 6HG to the rear	HRA	6
Marine Avenue Dymchurch	TN29 0TR	HRA	1-3
Grassmere, St Mary's Bay	TN29 0HD	HRA	3
Meads Way, St Mary's Bay	TN29 0HE	HRA	3
Newlands, St Mary's Bay	TN29 0EU access to side of	HRA	3
Mittel Court, Vinelands, Lydd	To the side/rear of TN29 9BJ (access off Copperfields)	HRA	2
<b>PROPERTY SERVICES</b>			
<b>FOLKESTONE</b>			
Land, Dover Hill	0004	GF	To be advised (TBA)
Open space, Coniston Road	0031.04(part)	GF	TBA
Car park,	00.42.01	GF	TBA

Broomfield Road			
Car Park, Digby Road	0064	GF	TBA
Land, Romney Avenue	0065	GF	TBA
2 Pleydell Gardens (flat above public toilets)	0101	GF	TBA
Radnor Park Lodge, Radnor Park Road	0120	GF	TBA
Car Park, Wilberforce Road	0125	GF	TBA
Parking area, Enbrook Valley	0276	GF	TBA
Parking area, Shorncliffe Road	0278	GF	TBA
Open space, Channel Close (possibly after 1/1/2020)	0851	GF	TBA
<b>HYPHE</b>			
Allotments, Green Lane	0503.06 (part)	GF	TBA
Open space, Finch Grove	0816	GF	TBA
Open space, Herons Way	0817	GF	TBA
Open space, adjacent to 60 Kingfisher Avenue	0818	GF	TBA
Open space, adjacent to 18 Robins Close	0820	GF	TBA
<b>RURAL</b>			
Land, Fernfield Lane, Hawkinge	0611	GF	TBA
Land, Botolphs Bridge Road, Dymchurch	0616	GF	
Agricultural land, off Mountfield Road (identified in Local Plan as employment land)	0648	GF	TBA
Land, north of	0684	GF	TBA

Kitewell Lane, Lydd (ADP site)			
Land, south of Kitewell Lane, Lydd (ADP site)	0685	GF	TBA
Open space, Skinner Road, Lydd	0696	GF	TBA
Open space, Brissenden Close, New Romney	0768	GF	TBA
Open space, Countrys Field, Dymchurch	0780	GF	TBA
Open space, junction of Lydd Road/Swamp Road, Old Romney	0796	GF	TBA

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**Proposed Feasibility Project Timetable****Appendix 3**

<b>Date</b>	<b>Action</b>
October 2012	Project specification agreed.
November 2012	Inception meeting to be held by Friday 2 <sup>nd</sup> November 2012.  Monthly output meetings to be agreed.
November 2012 – 31 March 2013	Project completion phase  Including monthly output feedback sessions.
15 March 2013	First draft final report and supporting paper work to be delivered.
31 March 2013	Final draft report agreed.

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This Report will be made public on 11 December 2012

**Folkestone**

Hythe & Romney Marsh  
Shepway District Council



Report Number **C/12/56**

**To:** Cabinet  
**Date:** 19 December 2012  
**Status:** Key decision  
**Head of Service:** Bob Porter, Communities  
**Cabinet Member:** Councillor Mrs Keren Belcourt, Housing

## **SUBJECT: SHEPWAY TENANCY POLICY AND TENANCY STRATEGY**

**SUMMARY:** The Localism Act 2011 has introduced a number changes to the types of tenancies that councils and registered providers (RPs also known as housing associations) are able to offer to new tenants. Existing tenants are not affected. The council is required to publish a Tenancy Strategy early in 2013, to provide guidance to our RPs on the types of tenancy that we expect them to provide in the district.

The council is also required to publish a Tenancy Policy which provides information for housing applicants on the types of tenancy that the council is able to offer to new tenants. The draft documents also propose a number of changes to the council's current housing allocations and tenancy policies, as well as the council's approach to the use of the private rented sector for homeless households.

### **REASONS FOR RECOMMENDATIONS**

The recommendations are made because:

- a) The council is required to have a Tenancy Strategy and Tenancy Policy in place.
- b) Further changes are required to council's housing allocations policy, to take account of recent guidance issued by the Government.
- c) The changes proposed will ensure that the council is able to make the best possible use of the affordable housing stock in the district.

### **RECOMMENDATIONS**

1. To receive and note report C/12/56.
2. The draft Shepway Tenancy Strategy and Tenancy Policy documents set out in Appendices 1 and 2 of this report, subject to public consultation.
3. That a thorough review of the Shepway Housing List, based on the principles set out in the Tenancy Strategy and Tenancy Policy documents, is completed early 2013 and that the outcome is subject to a further report to Cabinet.

- 4. To delegate authority to the Cabinet Member for Housing to make any minor changes necessary to the Tenancy Strategy and Tenancy Policy documents following the period of public consultation.**



## **1. BACKGROUND**

- 1.1 Local Housing Authorities are required to develop and implement a Tenancy Strategy and Tenancy Policy for their area under the provisions of the Localism Act 2011.
- 1.2 The two documents are closely linked, but aimed at different audiences. The Tenancy Strategy provides guidance to RP's operating in this area. The Tenancy Policy document is aimed at housing applicants and the wider community and is required to set out the council's policies for allocating tenancies to council homes in the district.
- 1.3 The Government has also introduced new freedoms which allow councils to determine the priority given to different categories of housing applicant and the criteria about who qualifies for council and housing association homes. In addition, the new freedoms include powers which enable local housing authorities to make more use of the private rented sector to discharge its homelessness duties.

## **2. KEY ISSUES COVERED BY THE TENANCY STRATEGY/TENANCY POLICY**

- 2.1 The Government has introduced new policy enabling local authorities and other providers of affordable rented homes to grant fixed term tenancies. This represents a considerable change from current policy arrangements whereby households are generally offered life-time tenancies when moving into council and registered provider homes in Shepway.

The draft Tenancy Strategy and Tenancy Policy documents propose the following policy changes:

- All new council and RP general needs tenancies to normally be offered for a period of 4 years, including any current introductory period (the council provides all new tenants with a 1 year introductory tenancy).
  - Applicants with a long-term history of anti-social behaviour to be offered 2 year fixed term tenancies.
  - Applicants with serious support needs to be offered a long-term tenancy (usually 10 years)
  - Members of the British Armed Forces (including members of their household) who have sustained life-changing injuries during the course of their service should also receive long-term tenancies.
  - A robust tenancy review process will be completed for each tenancy, six months prior to the end of the tenancy period. The outcome of this review will determine whether a further fixed term tenancy is offered.
- 2.2 Funding arrangements for new affordable homes have also changed, and new homes provided by RPs are required to be provided at affordable rents, rather than the lower social rents that have been provided in the past. The draft documents therefore also propose the following policy changes:
    - Support for the Government's new affordable rent regime for all new build registered provider and council homes.

- No more than 20% of existing RP homes to be re-let at affordable rents.
- All existing family sized 3 and 4 bed homes provided by RPs and all council homes to continue to be let at lower social rent levels.

2.3 The Localism Act provides the council with more flexibility to determine local priorities for the Shepway Housing List. Although there is a continued requirement to provide priority to reasonable preference groups (homeless households, overcrowded households, households with serious medical conditions or living in homes with serious disrepair), councils are able to determine their own local priorities. The draft documents propose the following:

- A thorough review of the council's Housing Allocations Policy to be completed in early 2013.
- In line with Government guidance, the document proposes that more priority should be given to households in low-paid employment and to former and current members of the British Armed Forces.
- A move away from the current points based housing assessment process to a banding priority and date order scheme.
- Provisions to enable the council to discharge its duty to homeless households through the provision of good quality accommodation in the private rented sector.
- The increased use of Local Lettings Plans for new affordable housing schemes to help to create more sustainable communities.
- A review of local connection arrangements.

2.4 Under the provisions of the Localism Act 2011, the entitlement of individuals to take over an existing council or registered provider tenancy has changed. The legal right to succeed to any tenancy is currently limited to a spouse or civil partner only. While this provision excludes other close relatives living with an existing tenant (at the time of the tenant's death), the council is able to adopt and implement its own discretionary succession policy. The draft policy proposes:

- That close family members (siblings, parents and children) and carers who have lived with a tenant (for at least 12 months prior to the tenant's death) should be able to succeed to the tenancy.

### **3. THE WAY FORWARD**

3.1 If approved by Cabinet, it is proposed that the draft Tenancy Strategy and Tenancy Policy documents will be subject to a comprehensive consultation period, prior to the documents being fully adopted by the council.

3.2 Some initial consultation work has been completed with East Kent Housing and tenant members of the Shepway Area Board and to date the proposals have been well received.

3.3 The proposed review of the Shepway Housing List will commence early in 2013. Any proposals developed during the review will be reported to Cabinet prior to any public consultation being completed.

#### 4. Risk Management Issues

Perceived risk	Seriousness	Likelihood	Preventative action
Failure to adopt an effective Shepway Tenancy Strategy and Tenancy Policy.	High	Low	Adoption of draft Shepway Tenancy Strategy and Tenancy Policy.
Failure of the Shepway Housing List to respond properly to local need and Government Policy.	High	Low	Review of Shepway Allocations Policy to be completed early in 2013.

#### 5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

##### 5.1 Legal Issues (EC)

There are no legal issues arising from this report.

##### 5.2 Finance Officer's Comments (LH)

There are no specific financial implications identified at this time. However any future financial implications which are identified as a result of the proposed policy changes will need to be fully incorporated into the HRA Business Plan and be approved by Cabinet.

##### 5.3 Diversities and Equalities Implications (SS)

An initial Equal Treatment Assessment (ETA) has been completed and is attached Appendix 3 of this report. The ETA will be reviewed following the completion of the public consultation period. A further comprehensive Equal Treatment Assessment will be completed as part of the Allocations Policy Review.

#### 6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

None

**Appendices:**

Appendix 1: Draft Shepway Tenancy Strategy

Appendix 2: Draft Shepway Tenancy Policy

Appendix 3: Draft Equal Treatment Assessment document

### Shepway District Council Tenancy Strategy

#### 1. Introduction

- 1.1 Local Housing Authorities (LHA) are required to develop and implement a Tenancy Strategy for their area under the provisions of the Localism Act 2011. The Tenancy Strategy provides guidance for registered providers (also known as housing associations) operating in the Shepway District on the local strategic housing priorities for the district.
- 1.2 This document sets out the council's draft Tenancy Strategy Proposals for the Shepway District. Our local partners and customers are asked to give their feedback on the proposals set out in this document.

#### 2. Overview

- 2.1 The Government has introduced policy changes which mean it is possible for the council and other providers of affordable rented homes to grant fixed term tenancies. This represents a considerable change from current policy arrangements whereby households are generally offered a life-time tenancy when moving into council and registered providers (housing associations) homes in Shepway.
- 2.2 Funding arrangements for new affordable homes have also changed, and new homes provided by registered providers (housing associations) are now required to be provided at affordable rents, rather than the social rents that have been provided in the past.
- 2.3 The council will also be able to consider using the private rented sector more widely than it currently does to meet the long-term housing need for homeless households in the district. In meeting its obligations to homeless households the council will be able to offer private rented tenancies for a minimum of 12 months, provided the accommodation meets the household's needs.

#### 3. Housing Need in Shepway

- 3.1 Housing Need in Shepway continues to remain at a very high level. This is evidenced by the high number of households currently registered on the Shepway Housing Register and the number of homeless households requesting assistance from the council. There are currently approximately 3,000 registered on the housing list. In addition to this, the council's Strategic Housing Market Assessment has shown that in excess of 1,000 additional affordable homes are required each year to meet the identified housing needs of the district.

- 3.2 In view of the high identified levels of need in the district, it is vital that the council and its partner housing providers make the best possible use of the affordable housing stock available within the district.
- 3.3 It is also essential that the local community is aware that the private housing sector will meet the majority of Shepway households' housing needs.

#### **4. The Purpose of this Document**

- 4.1 This Strategy is the council's response to the requirements of the Localism Act. It sets out how the council would like registered provider (housing associations) partners with affordable housing stock in the district to respond to these changes.
- 4.2 The strategy covers the following areas:
1. The use of flexible tenancies (Section 5, 6 and 7).
  2. The introduction of the affordable rent regime (Section 8).
  3. Tenancy Succession Rights (Section 9).
  4. Changes to the way the council uses accommodation within the private rented sector to house homeless households for which it accepts a rehousing duty (Section 12).
  5. The strategy also considers possible changes to the council's allocations policy that will be considered by the council, in consultation with our customers and partner agencies (Section 10 and 11).

Each of these areas is considered in depth in this Strategy.

#### **5. Flexible/Fixed Term Tenancies**

- 5.1 The Localism Act enables the council and its registered providers (housing associations) partners to let affordable housing on flexible/fixed term tenancies to new tenants, rather than the current lifetime assured and secure tenancies that are offered.
- 5.2 The council embraces the principle of providing fixed term tenancies in most circumstances as it believes this change will make a significant contribution toward ensuring that the best possible use is made of the affordable housing stock in the district. However, we also recognise that excessive tenancy turnover within particular communities can have a negative impact in terms of community balance, cohesion and sustainability. We also recognise that some members of the community with particular life-time support needs and vulnerable older people may benefit from the continued offer of life-time tenancies.
- 5.3 To implement flexible/fixed term tenancies, the council proposes the following elements to its Tenancy Strategy:
- Flexible/fixed term tenancies should normally be offered for a period of 4 years, including any tenancy probation period implemented by landlords.

- In some circumstances, where housing applicants have a previous track record of anti-social behaviour, landlords may wish to allocate 2 year tenancies, including any tenancy probation period. If the tenancy is renewed after the initial 2 year period, the tenancy period could be extended to the usual 4 year flexible/fixed tenancy period.
- Applicants with a serious lifelong support need should continue to be offered a long-term tenancy (usually 10 ten years). This provision applies to tenants with serious support needs requiring both general needs and specialist supported accommodation (including sheltered housing provision).
- The council also supports the principle that former members of the British armed forces (including members of their household), who have sustained life-changing injuries during the course of their service, should also receive long-term tenancies (usually 10 years).

## **6. Reviewing Flexible/Fixed Term Tenancies**

6.1 In the majority of cases, the council is of the view that flexible/fixed term tenancies will be renewed at the end of the agreed fixed term period. However, to enable an effective review of the tenancy and the needs of the household in the accommodation, it is essential that the council and partner agencies have a robust review process in place\*. The review should also allow for an appropriate amount of time to enable a tenant household to identify and move to suitable alternative accommodation.

\* Six months before the end of the fixed term, the landlord will review the tenancy and decide whether a tenant can stay there or have to move on.

6.2 The council believes that the following factors should be reviewed and taken into account during the tenancy review process:

- The current accommodation needs of the household and their need for a property of the type and size that they currently occupy.
- The income of the household and its level of savings and their ability to access alternative appropriate accommodation through the private housing market.
- The conduct of the tenant and other household members during the tenancy period.
- The contribution of household to the overall vitality of the community and potential impact on the community if they were to move out of the area.
- The council believes that any lump sum received by a member of the Armed Forces as compensation for an injury or disability sustained on active service should be disregarded in the review assessment.

6.3 The council will implement its own internal appeals process, to enable tenants to review a decision made by the council where it intends to end and not renew a flexible/fixed term tenancy. The council will ensure that all tenants are aware of this review process and expect all social landlords working in the district to implement their own tenancy review and appeals processes.

## **7. Facilitating Appropriate Move-on Accommodation**

- 7.1 Where the council and other landlords decide not to renew a tenancy it is essential that the tenant is made fully aware of their landlord's decision regarding the future of their tenancy.
- 7.2 As part of this process they should be actively sign-posted to enable them to identify and access alternative housing accommodation. In some circumstances this may include providing assistance to enable households to access accommodation within the private rented and owner-occupation sectors. In some circumstances this may include the provision of suitable alternative accommodation.
- 7.3 The council expects that decisions not to renew a tenancy should not result in the tenant making a homelessness application to the council.

## **8. Our Approach to Affordable Rents**

- 8.1 Affordable housing now includes social rented, affordable rented and intermediate housing. Affordable housing is required to be made available to households whose needs are not met by the local housing market. Prior to 2011 all affordable rented homes were let at social rents.
- Social Rented Housing is rented housing owned and managed by local authorities and registered providers (housing associations) of social housing, which are let at targets rents which have been determined by the national rent regime.
  - Affordable Rented Housing is provided by registered providers of social housing on the same basis as social rented housing, but rent levels are outside of the national rent regime. Instead, the accommodation is required to be made available to eligible households at rental levels of up to 80% of the local housing market rent.
  - Intermediate housing is housing provided at prices and rent levels above those of social rents, but below market prices or rents. This can include shared equity products (e.g.: Homebuy), other low cost homes for sale and intermediate rent, but not including affordable rented housing.
- 8.2 All new affordable rented homes provided by registered providers with the assistance of Homes and Communities Agency Grant Funding are required to be let at Affordable Rents (rents of 80% of the local housing market rate). The Affordable Rent should also include any service charge for the property. The council expects that all Affordable Rented Homes will be advertised through Kent Homechoice (Choice Based Lettings).
- 8.3 The council fully supports the use of Affordable Rents; however, we do expect Affordable Rents to be set at a level which is below the housing benefit cap to ensure that households who are eligible for Local Housing Allowance will be able to claim the full rental amount. We also expect



registered provider partners to take account of the other planned changes to the benefits system, which will impact on the affordability of rents for low income households.

- 8.4 Some registered providers have also stated that they wish to explore the possibility of converting a proportion of their existing Social Rented homes to Affordable Rent levels in order to assist them to fund the development of future new affordable homes. Although the council recognises that this may be necessary in some circumstances, it also recognises that Social Rented Homes are particularly important for low income households living in larger homes and can affect the ability of a household to move into low-paid employment. Overall, the council requires that no more than 20% of the existing stock of social rented homes in the district owned by registered providers (housing associations) should be converted from Social Rents to Affordable Rent levels on re-letting. We also require that all 3 and 4 bedroom affordable homes should continue to be let at Social Rents. Prior to any conversion being made we also expect housing providers to have fully considered the potential impact the conversion will have on the supply of affordable housing in the district as a whole and in specific areas of the district.

## **9. Tenancy Succession Rights**

- 9.1 Under the provisions of the Localism Act 2011, the entitlement of individuals to take over an existing council or registered providers (housing associations) tenancy has been changed.
- 9.2 The legal right to succession will be limited to a spouse or civil partner only. While this provision excludes other close relatives living with an existing tenant (at the time of the tenant's death), social landlords will be able to adopt and implement their own local discretionary succession policies permitting a wider range of agreed household members to succeed to a tenancy.
- 9.3 Landlords providing affordable homes are expected to where possible, assist other household members affected by such circumstances (who have lived with the late tenant for at least the 12 months pre-ceding the tenants death). Where the property is a suitable size and type, the household member may be granted a normal fixed term tenancy for the property. Where under-occupation or suitability of a property is an issue, a household may be assisted with a move to suitable alternative accommodation. Household members that may be considered under these provisions are:
- Close family members (siblings, parents, children)
  - Carers
- 9.4 Any succession to a Flexible/Fixed Term Tenancy should only be for the remaining period of that tenancy, and should be subject to the normal tenancy review set out in this document.

## **10. Changes to the Shepway Housing List**

- 10.1 The Localism Act has also introduced new freedoms which allow the council to set the rules which determine the categories of applicants who qualify to be considered for social housing in the district. However, the Government has recently issued new guidance which continues to set out which applicants should receive priority for social housing known as reasonable preference categories.
- 10.2 There are currently approximately 3,370 households registered on the Shepway housing list. With only 370 lettings made to social housing in the district during 2011/12, it is clear that social housing is unable to provide a long-term housing solution for the vast majority of the households registered for housing.
- 10.3 In view of these issues and policy changes, the council will complete a thorough review of its Housing Allocations Policy. This process will commence in early 2013.

## **11. Local Lettings Plans**

- 11.1 In some circumstances the council recognises that the use of a local lettings plan will help to create more sustainable local communities and provide a better living environment for local residents. Local Lettings Plans will be used in the following circumstances and will be clearly communicated to housing applicants through Kent Homechoice:
- Where it is appropriate to give priority to a particular client group.
  - Where it is appropriate to give priority to individual with a strong link to a particular community.
  - Where a community is experiencing serious community safety issues.

## **12. Choice Based Lettings**

- 12.1 The introduction of choice based lettings in Shepway has helped to ensure that the allocations process for affordable homes in the district is much more transparent and open for households seeking accommodation.
- 12.2 The council expects that all affordable homes in the district will continue to be let through Kent Homechoice.

## **13. Reviewing the Effectiveness of this Policy**

- 13.1 The council recognises that it is vital that it keeps this policy under ongoing review to ensure that it fully meets the needs of the local community.
- 13.2 As part of this review we will actively seek the views of our partner agencies and customers. The council will publish any proposed changes to this policy and enable partners and customers to let us know their views on the proposals. We will ensure that the feedback we received is used to inform future changes to this policy and our wider allocations policies.

## Appendix 2

### Shepway Tenancy Policy

#### 1. Introduction

- 1.1 Local Housing Authorities are required to develop and implement a Tenancy Policy for their area under the provisions of the Localism Act 2011. The Tenancy Policy is required to set out the council's policies for allocating tenancies to council homes in the district. The policy is required to be made available to tenants and housing applicants in the district.
- 1.2 Although the council's homes in the district are managed by East Kent Housing on behalf of the council, the council retains responsibility for the following activities:
- Setting the council's Allocations Policy
  - The assessment of housing need.
  - Determining the level of priority awarded to housing applicants
  - The allocation of council homes to applicants identified as having the highest level of housing need.
  - Determining the types of Tenancy the council will offer to new tenants under the provisions of the Localism Act and other related policy changes
- 1.3 This document sets out the council's draft Tenancy Policy proposals for the Shepway District. Our local partners and customers are asked to give their feedback on the proposals set out in this document.

#### 2. Overview

- 2.1 The Government has introduced policy changes which mean it will be possible for the council and other providers of affordable rented homes to grant flexible/fixed term tenancies. This represents a considerable change from current policy arrangements whereby households are generally offered a life-time tenancy when moving into council and registered providers (also known as housing associations) homes in Shepway.
- 2.2 Housing Need in Shepway continues to remain at a very high level. This is evidenced by the high number of households currently registered on the Shepway Housing List and the number of homeless households requesting assistance from the council.
- 2.3 In view of the high identified levels of need in the district, it is vital that the council makes the best possible use of the affordable housing stock available within the district.

### **3. Flexible/Fixed Term Tenancies**

- 3.1 The Localism Act enables the council and other affordable housing providers to let affordable housing on flexible/fixed term tenancies to new tenants, rather than the current lifetime assured and secure tenancies that are offered.
- 3.2 The council embraces the principle of providing fixed term tenancies in most circumstances as it believes this change will make a significant contribution toward ensuring that the best possible use is made of the affordable housing stock in the district. However, we also recognise that excessive tenancy turnover within particular communities can have a negative impact in terms of community balance, cohesion and sustainability.
- 3.3 We also recognise that some members of the community with particular life-time support needs and vulnerable older people may benefit from the continued offer of life-time tenancies.
- 3.4 To implement flexible/fixed term tenancies, the council proposes the following elements to its Tenancy Policy:
- Flexible/fixed term tenancies should normally be offered for a period of 4 years, including the council's introductory tenancy period.
  - In some circumstances, where a housing applicant has a previous track record of anti-social behaviour, the council may wish to allocate 2 year tenancies, including the council's introductory tenancy period.
  - Applicants with a serious long term support need, including any accommodation based support needs, will continue to be offered a long term tenancy (usually 10 years). This provision applies to applicants with serious support needs who are applying for general needs accommodation and specialist long-term supported accommodation (including sheltered housing provision).
  - The council also supports the principle former members of the British armed forces (including members of their household) who have sustained life-changing injuries during the course of their service, should also receive long-term tenancies.

### **4. Reviewing Flexible/Fixed Term Tenancies**

- 4.1 In the majority of cases, the council is of the view that flexible/fixed term tenancies will be renewed at the end of the agreed fixed term period. However, to enable an effective review of the tenancy and the household's needs, it is essential that the council should implement a robust review process\*. The review should also allow for an appropriate amount of time to allow a tenant household to identify and move to suitable alternative accommodation should the council decide not to renew a tenancy.

\* Six months before the end of the fixed term, the landlord will review the tenancy and decide whether a tenant can stay there or have to move on.

4.2 The council believes that the following factors should be reviewed and taken into account during the tenancy review process:

- The current accommodation requirements of the household and their need for a property of the type and size that they currently occupy.
- The income of the household and its level of savings and their ability to access alternative appropriate accommodation through the private housing market.
- The conduct of the tenant and other household members during the tenancy period.
- The contribution by the household to the overall vitality of the community and potential impact on the community if they were to move out of the area. This will include current involvement in a positive community initiative for a current duration of at least 6 months (the council would particularly like to have views on how this criteria could be applied). (This does not include evidence from ex-offenders who have been involved in Community Service Sentence).

4.3 Applicants with sufficient income to enable them to address their own housing needs should be signposted to enable them to obtain alternative housing solutions.

Section 167 (2A) of the Housing Act 1996, allows the council to give less priority to an applicant who has financial resources available to them to meet their own housing need. This is because they have the financial resources to purchase a property, rent privately or access shared ownership for a period of two years or more.

Income and resources to be taken into consideration are:

- A single or joint income which falls within the criteria of one of the Homebuy schemes, taking into account the ability to obtain a mortgage and the mix and type of property required
- Savings, sufficient to pay for private rented accommodation for a period of two years (if an applicant has owned a property in the last 5 years and has sold it, the council will ask for proof of sale and any proceeds from the sale will be taken into account).
- Sufficient equity in an applicant's current home to enable them to repurchase a suitable home.

However, the council will disregard any lump sum received by a member of the Armed Forces as compensation for an injury or disability sustained on active service

4.4 The council will implement an internal appeals process, to enable tenants to review a decision made by the council where it intends to end and not renew a flexible/fixed term tenancy. The council will ensure that all tenants are aware of this review process. Appeals against the council's decisions not to renew a tenancy will be considered as a final stage by the council's Appeals sub-committee. The appeals process will be clearly promoted to all tenants in council accommodation.

## **5. Facilitating Appropriate Move-on Accommodation**

- 5.1 Where the council decides not to renew a tenancy it is essential that the tenant is made fully aware of the council's decision regarding the future of their tenancy.
- 5.2 As part of this process the council will actively signpost tenants to enable them to identify and access alternative housing accommodation. In some circumstances this may include providing assistance to enable households to access accommodation within the private rented and owner-occupation sectors.

## **6. Tenancy Succession Rights**

- 6.1 Under the provisions of the Localism Act 2011, the entitlement of individuals to take over an existing council or registered provider (housing association) tenancy has been changed.
- 6.2 The legal right to succession will be limited to a spouse or civil partner only. While this provision excludes other close relatives living with an existing tenant (at the time of the tenant's death), the council is able to adopt and implement their own local discretionary succession policies permitting a wider range of agreed household members to succeed to a tenancy.
- 6.3 Landlords providing affordable homes are expected to where possible, assist other household members affected by such circumstances (who have lived with the late tenant for at least the 12 months preceding the tenant's death). Where the property is a suitable size and type, the household member may be granted a normal fixed term tenancy for the property. Where under-occupation or suitability of a property is an issue, a household may be assisted with a move to suitable alternative accommodation. Household members that may be considered under these provisions are:
- Close family members (siblings, parents, children)
  - Carers
- 6.4 The council fully supports the proposals to assist close family and carers who have been living with a tenant for at least 12 months prior to the death of an existing tenant. Any succession to a flexible/fixed term tenancy should only be for the remaining period of that tenancy, and should be subject to the normal review set out in this document.

## **7. Mutual Exchanges**

- 7.1 All requests for permission to mutual exchange must be made to the landlord. Landlords will provide information to the assignee of the implications of exchanging with a tenant who has a fixed term tenancy. Where any tenant wishes to exchange their property for a home with another landlord, then the tenant and the assignee must be made aware if the tenancies are different. For example, if a tenant attempts to exchange a secure transfer tenancy for an affordable rent tenancy with another

registered provider then they must be made aware that they will lose the protected rights and the benefit of social rent if the tenancy is exchanged with another non-protected transferring tenant.

## **8. Changes to the Shepway Housing List**

8.1 The Localism Act has also introduced new freedoms which allow the council to set the rules which determine the categories of applicants who qualify to be considered for social housing in the district. However, the Government has also recently issued new guidance which continues to set out which applicants should receive priority for social housing known as reasonable preference categories.

8.2 There are currently approximately 3,370 households registered on the Shepway housing list. With only 370 lettings made to social housing in the district during 2011/12, it is clear that social housing is unable to provide a long-term housing solution for the vast majority of the households registered for housing.

8.3 In view of these issues and policy changes, the council will complete a thorough review of its Housing Allocations Policy. This process will commence in early 2013.

8.4 At this time the council is proposing to make a number of changes to its existing Allocations Policy as these are considered to be vital to ensure that our policies are fully in line with the provisions of the Localism Act. The following changes are proposed to our allocations policy and the priority awarded to certain applicants groups:

- Extra priority should be given to households who are in paid employment\*.
- Extra priority should be given to former members of the armed forces/current members of the armed forces (including members of their household) who are imminently due to be discharged from the services.
- The council will also actively explore the options for replacing its current points based housing allocations scheme, with a scheme based on band priority. Applicants with the highest level of housing need will be placed in a high priority band and will be housed in date order of the application.
- A review of local connection arrangements.
- Extra priority should be given to households who have made a positive contribution to the community through their involvement in local community initiatives that benefit the local Shepway Community+.

+ Evidence of involvement in a positive community initiative for a current duration of at least 6 months or more will be sought. This can not include evidence from ex-offenders who have been involved in Community Service type projects (the evidence will be verified prior to any allocation being made).

\* Paid employment will be any paid employment of 16 hours per week or more for a current duration of at least 6 months or more. Documentary evidence will be required. The evidence will also be verified prior to any allocation being made to an applicant.

These issues will be fully considered during the comprehensive Housing Allocations Policy review in early 2013.

- 8.5 Applicants with sufficient income to enable them to address their own housing needs should be signposted to enable them to obtain alternative housing solutions.

Section 167 (2A) of the Housing Act 1996, allows the council to give less priority to an applicant who has financial resources available to them to meet their own housing need. This is because they have the financial resources to purchase a property, rent privately or access shared ownership for a period of two years or more.

Income and resources to be taken into consideration are:

- A single or joint income which falls within the criteria of one of the Homebuy schemes, taking into account the ability to obtain a mortgage and the mix and type of property required
- Savings, sufficient to pay for private rented accommodation for a period of two years (if an applicant has owned a property in the last 5 years and has sold it, the council will ask for proof of sale and any proceeds from the sale will be taken into account).
- Sufficient equity in an applicant's current home to enable them to repurchase a suitable home.

However, the council will disregard any lump sum received by a member of the Armed Forces as compensation for an injury or disability sustained on active service

## **9. Local Lettings Plans**

- 9.1 In some circumstances the council recognises that the use of a local lettings plan will help to create more sustainable local communities and provide a better living environment for local residents. Local Lettings Plans will be used in the following circumstances and will be clearly communicated to housing applicants through Kent Homechoice:

- Where it is appropriate to give priority to a particular client group.
- Where it is appropriate to give priority to individuals with a strong link to a particular community.
- Where a community is experiencing serious community safety issues.



## **10. The council's Approach to Affordable Rents in its own Housing Stock**

- 10.1 Under the new self-financing regime for council housing introduced by the Government, the council is required to continue to let its existing homes at social rent levels.
- 10.2 The council is committed to delivering new council owned homes in the district, with construction of the first units commencing in 2014/15. In order to maximise the impact of this new affordable housing programme, the new homes will be let at affordable rather than social rents.

## **11. Homelessness Provisions**

- 11.1 Under the provision of the Localism Act, local authorities are permitted to discharge their duty to homeless households by providing them with appropriate good quality affordable accommodation within the private rented sector. The council will ensure that any accommodation provided is free from Category 1 hazards under the HHSRS.
- 11.2 When offering households' accommodation within the private sector, the council will ensure that the accommodation offer meets the needs of the household and the tenancy offered will be for a minimum period of 12 months.
- 11.3 The council welcomes this new provision. The private sector must play a major role in meeting the housing needs of the local community.

## **12. Reviewing the Effectiveness of this Policy**

- 12.1 The council recognises that it is vital that it keeps this policy under ongoing review to ensure that it fully meets the needs of the local community.
- 12.2 As part of this review we will actively seek the views of our partner agencies and customers. The council will publish any proposed changes to this policy and enable partners and customers to let us know their views on the proposals. We will ensure that the feedback we receive is used to inform future changes to this policy and our wider allocations policies.

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# **Appendix**

## **Equal Treatment Assessment**

### **Shepway Tenancy Strategy 2012**

## Contents

- General Guidance
- Assessment Cover Sheet
- Assessment Framework
- Improvement Action Plan

## General Guidance

This section of the corporate framework gives brief guidance in a simple question and answer format to help you understand what the rest of the document is all about. For more detailed guidance you should refer to the Council's Corporate Diversity Policy.

### What is an Equal Treatment Assessment?

An Equal Treatment Assessment (ETA) is a formal method of examining what the Council does and the way it does it to ensure that it treats people equally and that, as far as possible, its actions put no-one at a disadvantage. The Council has adopted this framework document to promote a consistent approach to assessment across the authority and over time.

### Why are we doing ETAs?

As part of its commitment to improve service to customers and be a well managed Council, the authority has pledged to ensure equal treatment across a diverse customer base. It cannot be sure how successfully it is fulfilling this commitment until it has formally assessed all of its current services and any new ones that are being developed.

### What is diversity?

Because no two people are exactly the same, everyone that the Council deals with can be said to have diverse characteristics and needs. As far as possible, the Council seeks to reflect this diversity in its services. The law however, provides a narrower definition and requires that no-one should be placed at a disadvantage by reason of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

### What do ETAs cover?

ETAs are to be carried out on any service or function which the Council provides, or any policy or strategy which affects how a service is provided. Similarly any new services, policies or strategies that are about to be introduced will be the subject of an ETA. For simplicity, they are referred to in this framework document as 'services'. It makes no difference whether a service is provided directly to the public (e.g. waste collection) or within the Council (e.g. staff training and development).

### What is meant by discrimination?

Direct discrimination involves treating one person less favourably than another on grounds of race, disability, gender, religion and belief, sexual orientation or age. This is against the law.

Indirect discrimination involves the application of an apparently neutral provision, criterion or practice which has the effect of disadvantaging people on the grounds of race, disability, gender, religion and belief, sexual orientation or age. This is also against the law unless it can be objectively justified by a legitimate aim.

Positive action to overcome unequal treatment (e.g. flexible working hours to help employees with childcare responsibilities) is not unlawful.

### What happens once the ETA is finished?

It is very likely that each ETA will identify action that needs to be taken to minimise the risk of people being disadvantaged by the service in question. Such actions will go into an improvement plan which will be implemented and managed through the usual service planning and performance management processes.

Remember that the outcome of the ETA, as recorded in this framework document, is available to the public.

**Equal Treatment Assessment – Cover Sheet**

<b>Directorate</b> Communities	<b>Service</b> Housing Strategy	<b>Lead Officer for Assessment</b> Sandra Sainsbury
<b>Name of Service/Policy Assessed</b> Shepway Tenancy Strategy and Policy	<b>New or Existing</b> New	<b>Date of Assessment</b> November 2012

### About the Service

1 Describe the service and identify its aims and objectives.

Housing is a fundamental need of every member of the district's community. Homes that are decent, affordable, accessible, secure and in well managed neighbourhoods make a critical contribution to the well-being and quality of life of the district's residents and to the sustainability of its communities. The service works extensively in partnership with other organisations and agencies to improve the services we provide to our customers.

The Communities (Housing) Service contributes to meeting the housing needs of the district through the services that it provides. Our service activities include:

#### **Aims**

- Researching the housing and related needs of the district and developing strategies that co-ordinate the effects of the council, other statutory and partner agencies, as well as the private sector in meeting these needs. This includes enabling the construction of new affordable homes in the district.
- Delivering an effective Housing Options Service – assisting Housing Applicants and Homeless Households
- Acting as client to the East Kent ALMO, which manages Shepway's housing stock.
- Delivering a capital programme to exceed the government's decent homes standard to meet tenant's aspirations in their homes and improve the quality of the neighbourhoods within which people live.
- Involving residents in decisions that affect their homes and lives.
- Meeting our statutory responsibilities to provide homelessness and housing needs services, and delivering services that help prevent homelessness and housing



	<p>problems.</p> <ul style="list-style-type: none"> <li>• Supporting vulnerable people and promoting social inclusion through services that help disadvantaged groups and people with support needs to access and maintain homes to meet their needs and to live independently.</li> </ul> <p><b>The Key Service Objectives are as follows:</b></p> <p>Serving customers and the community:</p> <ul style="list-style-type: none"> <li>• Providing support vulnerable people</li> <li>• Providing advice to those in housing need</li> <li>• Overall high quality customer service provision</li> <li>• Providing an effective Private Sector Housing Service.</li> </ul> <p>Creating places where people want to live and work:</p> <ul style="list-style-type: none"> <li>• Effective management of our housing assets</li> <li>• Housing supply to meet local needs</li> <li>• To ensure that the local private sector housing sector is high quality.</li> </ul> <p>Performing Effectively</p> <ul style="list-style-type: none"> <li>• Progressing and developing our multi-agency partnerships</li> <li>• Continuous improvement of the service.</li> </ul>
<p><i>The relevant service plan should be a useful starting point for describing what the service does and what it is trying to achieve.</i></p>	
<p>2</p>	<p>How do the Tenancy Strategy/Tenancy Policy aims and objectives link with other functions and priorities of the Council?</p> <p>Under the provisions of the Localism Act 2011 Local Housing Authorities (LHA) are required to develop and implement a Tenancy Strategy and Policy for their area. The Tenancy Strategy and Policy is the council’s response to the requirements of the Localism Act. They set out how the council would like registered provider (housing associations) partners with affordable</p>

housing stock in the district to respond to these changes.

The documents set out the council's draft Tenancy Strategy and Policy proposals for the Shepway District.

The Government has introduced policy changes which mean it is possible for the council and other providers of affordable rented homes to grant fixed term tenancies. This represents a considerable change from the current policy arrangements whereby households are generally offered a life-time tenancy when moving into council and registered providers (housing associations) homes in Shepway.

Funding arrangements for new affordable homes have also changed, and new homes provided by registered providers (housing associations) are now required to be provided at affordable rents, rather than the social rents that have been provided in the past.

The Council will also be able to consider using the private rented sector more widely than it currently does to meet the long-term housing need for homeless households in the district. In meeting its obligations to homeless households the council will be able to offer private rented tenancies for a minimum of 12 months, provided the accommodation meets the household's needs.

- The provision of new affordable homes to meet the needs of the local community.(Creating places where people want to live and work)
- Improving the condition of the existing stock. (Improve the appearance of the district)
- Supporting vulnerable people (Serving customers and the community)
- Making the best use of the existing housing stock. (Creating places where people want to live and work)
- In view of the above issues and policy changes, the council will complete a thorough review of its Housing Allocations Policy. This process will commence in early 2013.

*Make sure that the service is not being assessed in isolation and that the process takes account of the impact that the service has elsewhere. For instance, the benefits service may impact on*

*homelessness; a play strategy may affect crime and disorder etc.*

3 Who 'owns' the Tenancy Strategy and Policy; whose responsibility is it?

Housing Strategy and Enabling Section of Communities are responsible for the development of the Shepway Tenancy Strategy/Policy. Once agreed the policies will be implemented by the council's Housing Options Team. The council recognises that it is vital that it keeps the policies under ongoing review to ensure that it fully meets the needs of the local community.

*Does only one service department take responsibility for designing the Tenancy Strategy, or are others involved. Are the relevant stakeholders involved in the ETA?*

4. Who delivers the Tenancy Strategy/Policy and how?

- Housing Strategy and Enabling Section of Communities, please see response to 3 above
- The Housing Options Team
- Registered provider (housing associations) partners with affordable housing stock in the district, and
- the East Kent ALMO, which manages Shepway's housing stock.

*Is it provided directly by the Council or by another agency on its behalf, if so, how is this governed?*

5	<p>At whom is the Tenancy Strategy/Policy aimed; who should benefit from it?</p> <p>All members of the local community who are seeking affordable homes through the council and RP providers. The council's RP partners</p>
<p><i>Are there clearly defined groups of people that the service is aimed at, or is it for everyone's benefit?</i></p>	
6	<p>What information is available about the customers of the service; how accurate and reliable is it?</p> <p>The qualitative and quantitative data on the housing and related needs of the district has been gathered from a range of primary and secondary sources including the East Kent Strategic Housing Market Assessment, the Kent Housing Group Tenancy Strategy; the Shepway Housing Waiting List, and secondary data including that made available by Kent County Council.</p> <p>In view of the comprehensive nature of the data underpinning this Strategy, we are fully satisfied that we have an accurate picture of the needs of our customers and the wider community.</p>
<p><i>Is there qualitative data about the customers (their characteristics, needs, preferences etc) as well as quantitative data (how many service users, how frequently etc). Is the information recorded or just anecdotal?</i></p>	
7	<p>What consultation has been carried out with customers or potential customers and when?</p> <p>A working group has initially been set up with East Kent Housing, comprising of officers and tenants from the Shepway area board; SDC Councillors and officers from Housing Strategy.</p>
<p><i>How effective was the consultation (e.g. response rates to surveys etc)? Were different methods of consultation used to boost the range of customer involvement and reach more inaccessible groups?</i></p>	
8	<p>Is further consultation with customers or potential customer needed?</p>

	<p>The draft Strategy and Policy has been informally presented to Cabinet. Once the drafts have been agreed by Cabinet they will be subject to a period of public consultation with our local partners and customers who will be asked to give their feedback on the proposals set out in these documents.</p>
	<p><i>Should further consultation be focused just on service users or should it include potential customers as well? What methods of consultation would be most appropriate and are there any barriers to communication that need to be overcome?</i></p>
9	<p>Are there likely to be any specific marginalised groups who might have difficulty using the Tenancy Strategy and Policy?</p> <p>The documents have been developed in line with the Government's reasonable preference groups requirements.</p> <p>As part of this review we will actively seek the views of our partner agencies and customers. The council will publish any proposed changes to these policies and enable partners and customers to let us know their views on the proposals. We will ensure that the feedback we receive is used to inform future changes to this Strategy and Policy and our wider allocations policies</p>
	<p><i>Again, is further consultation or investigation needed? Could the experience of other authorities delivering a similar service be helpful?</i></p>

### **Differential Impacts**

- |    |   |
|----|---|
| 10 | <p>Taking each of the 8 protected characteristics as outlined in the Equality Act 2010, does the service have the potential to have a differential impact on particular groups of people that could put them at a disadvantage?</p> |
|----|---|

- Age
- Disability
- Gender reassignment
- Pregnancy and Maternity
- Race
- Religion and belief
- Sex
- Sexual orientation

The Policies will be kept under ongoing review. In line with good practice, the policies propose to provide longer-term tenancies to members of the local community with a long-term support need.

**Note:** *It also applies to marriage and civil partnership, but only in respect of the requirement to have due regard to the need to eliminate discrimination.*

However, we will further consider the potential impact of the documents during the consultation process.

*This is the core question of the assessment. It should be thoroughly explored and discussed before any conclusions are reached. Make sure that the question is explored from the customers' point of view as well as the Council's.*

11 Does the service have the potential to give the impression that it has a differential impact on particular groups of people that could put them at a disadvantage?

None have been identified. However, the Strategy and Policy do have a particular focus on addressing the housing and related needs of vulnerable groups within the community, including people with disabilities - but this does not put them at disadvantage. It is recognised that it is vital that the Strategy and Policy are kept under ongoing review to ensure that they fully meet the needs of the local community.

*Answering this question should ensure that the assessment does examine the service from another point of view.*

12 If there is a differential impact that causes disadvantage, can it be overcome or at least reduced?

None identified, however, please see the response to 11 above.

*What are the reasons for the difference; what can realistically be done to address them; how long will it take; how much will it cost?*

13 If nothing can be done, how can this be justified?

**Please see the response to 11 above.**

*Any such justification must be fully discussed and its implications fully explored and understood. This is an area which could be subject to challenge.*

14 What consideration has been given to piloting or phasing in improvements that might reduce any differential impact?

**Once approved, the documents will be subject to a period of public consultation. It is also proposed that the review of the council's Housing Allocations Policy will be completed as part of a separate process, commencing in early 2013.**

*Responding to this question will help challenge any justification given at question 13.*

#### **Improvement and Monitoring**

15 What actions are needed to overcome or reduce any differential impacts of the service causing disadvantage to particular groups?

- Age
- Disability
- Gender reassignment

	<ul style="list-style-type: none"> <li>• Pregnancy and Maternity</li> <li>• Race</li> <li>• Religion and belief</li> <li>• Sex</li> <li>• Sexual orientation</li> </ul> <p>The policies take full account of the Government’s reasonable preference groups and will be subject to a comprehensive period of consultation and ongoing review.</p>
<p><i>These actions should be recorded along with responsibility for implementation, timescales etc, in the action plan below.</i></p>	
<p>16</p>	<p>How is progress against the ETA action plan going to be monitored?</p> <p><b>The policies will be subject to ongoing review. The review will also take account of the actions set out in this ETA.</b></p>
<p><i>Is it to be the responsibility of one officer? Is the ETA group going to keep a watching brief? Is responsibility to be referred elsewhere?</i></p>	
<p>17</p>	<p>What plans are in place to monitor the impact of any improvements to the service and to report back on their effectiveness?</p> <p><b>The council’s corporate performance management system will be used to monitor our key actions. We will produce an annual review of our performance toward our action plan targets, which will be published and distributed so that the local community and our partners are clearly able to see the progress that has been made.</b></p>
<p><i>Completion of the ETA is not the end of the process. The service and any revisions to it will need to be kept under review and it will require further fine tuning to reflect changes in circumstances, different customer expectations etc.</i></p>	



## Action Plan

Function	Description of Concern	Action Required	Date Due	Responsible Officer
Ongoing Review of the outcomes and impact of the Tenancy Strategy/policy	To ensure that the strategic objectives and targets are properly addressing the needs of the whole community, including the groups outlined in Section 10 above.	An ongoing review of the Shepway Tenancy Strategy and Policy and the ongoing outcomes against the Action Plan.	Review to be completed annually	Housing Strategy Manager and Housing Strategy and Partnerships Officer
Review of the Housing Allocations Policy	To take account of the needs of the Government's reasonable preference groups in it's policies	Review of the Shepway Housing Allocation Policy	Early 2013	Housing Strategy Manager and Housing Strategy and Partnerships Officer
Public consultation	The draft Tenancy Strategy and Policy will be subject to a comprehensive 8 week consultation period, to enable customer and partner agencies to fully comment on the document and raise any potential concerns with the council.	Public Consultation period	February 2013	Housing Strategy Manager and Housing Strategy and Partnerships Officer

*S. Mansbury*

Signed .....

04 December 2012

Date.....

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This Report will be made public on 11 December 2012

**Folkestone**

Hythe & Romney Marsh  
Shepway District Council



Report Number **C/12/61**

**To:** Cabinet  
**Date:** 19 December 2012  
**Status:** Non Key Decision  
**Head of service:** Roger Walton, Environmental Services  
**Cabinet Member:** Councillor Rory Love, Environment

**SUBJECT: GUIDELINES/ PROCEDURES FOR WASTE AND RECYCLING DISCRETIONARY FEES AND CHARGES**

**SUMMARY:** Following the introduction of the new recycling services a set of fees and charges were introduced to cover the provision and sale of the new range of containers. This report seeks Cabinet agreement to the adoption of guidelines for staff as to those limited circumstances where it may be in the Authority's interests to waive some of these charges, and to agree the fees and charges for recycling and waste as attached at Appendix 2.

**REASONS FOR RECOMMENDATIONS:**

Cabinet is asked to agree the recommendations set out below to ensure that staff are able to follow a consistent approach when applying charges for the provision and sale of recycling and waste containers.

**RECOMMENDATIONS:**

1. To receive and note report C/12/61.
2. To confirm agreement to the proposed Guidelines/ Procedures for the application of the discretionary Fees and Charges with regard to recycling and waste collections.
3. To agree the fees and charges attached at Appendix 2 of this report.

## 1. INTRODUCTION AND BACKGROUND

1.1 Members will recall that the new recycling services have been delivered in partnership with Dover District Council and Kent County Council (KCC) with the costs of the new containers required in order to deliver the new service met in full by KCC. Whilst the new services have now been operating within Shepway for almost 12 months, the roll out in Dover was not completed until early 2012 and KCC have continued to meet the costs of providing containers to properties missed as part of the initial roll out. So the costs of many of the new and/ or replacement containers provided during this period have either been paid for by KCC or recharged to Veolia where they have been damaged during collections.

1.2 The Fees and Charges Policy does of course expect that in all other instances containers being provided at customers will only be supplied upon receipt of payment. However, it is quickly becoming clear that there are some practical difficulties associated with taking such a rigid approach. Examples of such circumstances have included;

- Where customers claim that they never received a particular container as part of the initial roll out
- Where customers claim that Veolia damaged the container although this is denied by Veolia
- Where customers have been provided with alternative container arrangements at their previous property and wish to be supplied with the same arrangements at their new property
- Where the property has been provided with alternative container arrangements and the new householder wishes to be supplied with the standard arrangements
- Where a customers' circumstances have changed leading to them requesting a smaller container
- Where there is a clear risk to the Council's recycling performance if a suitable container is not provided, even though there would be no apparent breach of the Environmental Protection Act 1990
- Where the container has apparently failed owing to age or poor manufacture
- Where a different container is required to suit large families or for medical reasons

1.3 In these and other circumstances it can be difficult to justify charges being levied. This situation requires customer contact staff to take ad-hoc decisions on these matters and therefore there will be significant benefit in adopting clear internal management guidance as to how the Fees and Charges Policy should be applied.

1.4 It is therefore proposed that the guidelines as set out in Appendix 1 be adopted and introduced with effect from January 1<sup>st</sup> 2013.

## **2. IDENTIFICATION OF OPTIONS**

- 2.1 Option 1. To confirm agreement to the proposed guidelines as set out at Appendix 1 and the fees and charges set out in Appendix 2. This is the preferred option.
- 2.2 Option 2. To decline to adopt guidelines/ procedures and set fees and charges. This is not the preferred option.

## **3. EVALUATION OF OPTIONS**

- 3.1 The preferred option is Option 1.
- 3.2 Option 2 is not recommended as this would result in staff having to continue to take ad-hoc decisions and potentially lead to the inconsistent application of the Council's Fees and Charges policy.
- 3.3 Attached at Appendix 2 is the proposed schedule of fees and charges for recycling and waste.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 No risk management issues have been identified.

## **5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

### **5.1 Legal Officer's Comments (LM).**

Section 45 of the Environmental Protection Act 1990 imposes a statutory duty upon the council to collect household waste. The council can make a charge for providing the containers used for the collection and waste and recycling. By adopting a framework for the waiving of fees for replacement waste containers, more consistent decisions will be made by the council.

### **5.2 Finance Officer's Comments (TM)**

As part of the council's budget strategy which was agreed by Cabinet at its meeting of 17 October 2012, (report C/12/41), a growth item of £17,500 was built into the 2013/14 revenue budget for the purchase of boxes and kerbside caddies and the provision of containers. It is difficult to assess the overall level of demand for the replacement of containers which would need to be funded as a result of this protocol being put into place. The estimated number of containers issued in 2012/13 totals 2,477 with a total estimated cost of £35,424 based on current trends. There is no analysis at present as to the numbers which would fall into the categories set out in this report. This will need to be subject to stringent monitoring of the effect of this during the 2013/14 financial year.

### **5.3 Diversities and Equalities Implications**

The guidelines proposed aim to ensure a consistent approach is taken in the application of the fees and charges for the Council's recycling and

waste collection services, which should ensure that there are no equality issues.

## **6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

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

Roger Walton, Head of Environmental Services  
Telephone: 01304 872420  
Email [roger.walton@shepway.gov.uk](mailto:roger.walton@shepway.gov.uk)

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

None

### **Appendices:**

Appendix 1: Guidelines/ Procedures for the application of Recycling and Waste Discretionary Fees and Charges

Appendix 2: Discretionary Fees and charges 2013/14; Recycling & Waste

## **Appendix 1: Guidelines/ Procedures for the application of Recycling and Waste Discretionary Fees and Charges**

1. The Council provides kerbside collection services for dry-recyclables, kitchen waste, and residual waste and to subscribers only for garden waste.
2. The collection of waste and recyclable materials, their frequency, segregation and the containers used for collection are undertaken in accordance with the provisions of the Environmental Protection Act 1990: Sections 45 and 46.
3. Containers provided by the Council include;
  - Mixed Recyclables (Glass/ Cans/ Plastic etc)
    - Purple lidded wheeled bin (Various sizes)
    - 56 litre purple box
  - Paper/ Card
    - 56 litre black box
  - Food Waste
    - 23 litre Kerbside caddy
    - 7 litre kitchen caddy
  - Residual Waste
    - Green lidded wheeled bin (Various sizes)
  - Garden Waste
    - 180 litre wheeled bin
4. All containers supplied remain the property of Shepway District Council and should remain with the property to which they were issued and not be removed when residents move house.
5. In order to be collected by Shepway District Council, all wheeled bins and other containers used must comply with the Council's specifications, dimensions, colouring, marking and (where appropriate) electronic serial numbering. Fully compliant wheeled bins will be supplied by the Council upon request and receipt of payment. Any bins presented by residents, developers or managing agents for collection must meet this specification and will be subject to the payment of an authorisation fee as set out in the fees and charges schedule.
6. Developers and managing agents, responsible for the sale or letting of new and/or refurbished properties are responsible for the provision of containers for recycling and waste and will be charged in accordance with the fees and charges schedule, which includes a reduced rate for the provision of a 'full set' of containers.
7. Containers either damaged or lost as a result of collection operations will be replaced by the Council at no charge to the occupier.
8. Where a container/ containers is/are lost or damaged by the householder/ occupier, including loss by theft or vandalism, the fees and charges policy requires that the cost to the Council of the provision of a replacement

container/ containers will be charged in accordance with the fees and charges schedule.

9. Shepway District Council's Head of Environmental Services shall have delegated authority to waive some of these charges in certain limited circumstances where it may be in the Authority's interests to do so. The cost of such waivers shall remain within budget, and shall take place within a framework established following consultation with the Cabinet Member for the Environment. The framework shall be communicated to customer contact staff through appropriate briefings.
10. Where customers are requesting the provision of a container for storage purposes only, containers will be supplied subject to payment of the requisite charge in accordance with the fees and charges schedule.



## Appendix 2; Discretionary Fees and charges 2013/14; Recycling & Waste

Service	VAT Category	Charges for 2012/13 Net of VAT if applicable	Charges for 2012/13 with VAT if applicable	Proposed Charges for 2013/14 Net of VAT if applicable	Proposed Charges for 2013/14 with VAT if applicable
<b>Waste &amp; Recycling</b>					
Bulky household collection (1 item)	OS	21.95	21.95	21.95	21.95
Additional items	OS	5.00	5.00	6.00	6.00
Abortive visits	OS	27.30	27.30	27.80	27.80
Garden waste sacks individual	OS	1.10	1.10	1.15	1.15
Garden waste sacks (pack/roll of 10 sacks)	OS	10.00	10.00	10.35	10.35
Purple sacks (restrictions apply) - individual	OS	2.20	2.20	2.25	2.25
Purple sacks (restrictions apply) - roll of 13 sacks	OS	27.30	27.30	27.95	27.95
Supply & delivery of 140 litre wheeled bin	OS	33.30	33.30	33.30	33.30
Supply & delivery of 180 litre wheeled bin	OS	43.00	43.00	45.00	45.00
Supply & delivery of 240 litre wheeled bin	OS	43.00	43.00	44.30	44.30
Supply & delivery of 360 litre wheeled bin		66.00	66.00	69.99	69.99
Supply & delivery of 660 litre green (residual) wheeled bin	OS	220.00	220.00	235.00	235.00
Supply & delivery of 660 litre wheeled bin (recyclables)				239.00	239.00
Supply & delivery of 1100 litre green (residual) wheeled bin	OS	250.00	250.00	252.00	252.00
Supply & delivery of 1100 litre wheeled bin (recyclables)				262.00	262.00
Bin authorisation fee (2 wheeled bin)				5.00	5.00
Bin authorisation fee (4 wheeled bin)				10.00	10.00
Black box recycling container	OS	7.95	7.95	7.95	7.95
Purple box recycling container	OS	6.60	6.60	7.95	7.95
Red bag recycling container	OS	3.80	3.80	N/A	N/A

## Appendix 2; Discretionary Fees and charges 2013/14; Recycling & Waste

Service	VAT Category	Charges for 2012/13 Net of VAT if applicable	Charges for 2012/13 with VAT if applicable	Proposed Charges for 2013/14 Net of VAT if applicable	Proposed Charges for 2013/14 with VAT if applicable
Blue bag recycling container	OS	3.75	3.75	3.95	3.95
Food Waste Collections, Kerbside Container	OS	7.95	7.95	7.95	7.95
Food Waste Collections, Kitchen Caddy	OS	4.50	4.50	4.50	4.50
New Property Container Offer (Up to 2WB, 2 Food + Box) Price capped at	OS	69.00	69.00	71.95	71.95
Green Waste Collection - Contribute towards purchase	OS	24.00	24.00	24.95	24.95
Green Waste Collection - Annual Subscription	OS	37.50	37.50	37.50	37.50

This Report will be made public on 11 December 2012

**Folkestone**

Hythe & Romney Marsh  
Shepway District Council



Report Number **C/12/69**

**To:** Cabinet  
**Date:** 19 December 2012  
**Status:** Non Key Decision  
**Head of service:** Roger Walton, Environmental Services  
**Cabinet Member:** Councillor Rory Love  
Cabinet Member for Environment

**SUBJECT: KENT JOINT MUNICIPAL WASTE MANAGEMENT STRATEGY  
REFRESH OF POLICIES**

**SUMMARY:** The 13 Kent councils working together through the Kent Waste Partnership (KWP) adopted the first Kent Joint Municipal Waste Management Strategy (KJMWMS) in 2007. The KWP has been working over the past year to update the strategy and this report seeks Cabinet agreement to adopting the refreshed KJMWMS objectives and policies. This is a common report being considered by each of the Kent authorities.

**REASONS FOR RECOMMENDATIONS:**

The effectiveness of the Kent Waste Partnership relies upon the support of each partner to the objectives and targets contained within the Kent Joint Municipal Waste Management Strategy (KJMWMS) as at Annex 1.

**RECOMMENDATION:**

1. To receive and note report C/12/69.
2. That Members consider the refreshed KJMWMS objectives and policies 2012/13 to 2020/21 contained in Annex 1 of this report and adopt these as being the policies for this Council.

## 1. REVIEW OF PROGRESS IN ACHIEVING THE 2007 KJMWMS TARGETS

- 1.1 The Kent Waste Partnership (KWP), comprising all 13 Kent councils, has been in place since 2007 and is now recognised as a national peer leader in deriving firm benefits from partnership working between councils and wider stakeholders. The 13 portfolio holders with responsibility for recycling and waste services form the KWP Members Board. Directors and heads of service form the KWP Officers Advisory Group. Each group meets three times a year to take forward all policies and issues relating to the 13 councils' recycling and waste functions.
- 1.2 The first KJMWMS was adopted by all 13 Kent councils in 2007. It amounts to some 1,000 pages of technical data and supporting information but the crux of it was to put in place a range of policies and targets that all 13 councils adopted as a whole. These are at **Annex 2** for Members' information. The original KJMWMS remains extant and is publicly available at [www.kent.gov.uk/kwp](http://www.kent.gov.uk/kwp)
- 1.3 Since 2007 the KWP and its constituent councils have worked very hard to achieve the key targets set out in the KJMWMS. These were to achieve a 40% recycling and composting rate across Kent (as a whole) by 2012/13 and for Kent County Council's (KCC's) Household Waste Recycling Centres (HWRCs) to reach a 60% recycling and composting rate. Both of these targets were achieved a year early in 2011/12.
- 1.4 In addition, and this is where the KWP is fast becoming a leader among peers, the amount of waste sent to landfill has reduced dramatically from around 72% in 2005/06 to 22% in 2011/12. Avoidance of waste to landfill is a major contributor to avoiding costs for the Waste Disposal Authority (WDA – Kent CC), and has been a key factor in re-using funds to support the East and Mid Kent projects<sup>1</sup> involving Waste Collection Authorities (WCAs – the district councils).
- 1.5 To achieve the potential for avoiding substantial future costs, the KWP has focused on a two-strand strategy to, firstly, raise its recycling and composting rates (and generating recyclates income) and, secondly, make good use of the Allington Energy from Waste facility to deliver better financial and environmental value from tackling residual waste. Whilst this description simplifies what is often a very challenging and exhaustive process, the value of these two strands to the 13 councils' financial and performance achievements should be recognised as crucial.
- 1.6 The narrative for the KWP's achievements has been set-out in KWP Annual Reports in 2010 and 2011. These are publicly available at [www.kent.gov.uk/kwp](http://www.kent.gov.uk/kwp)

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<sup>1</sup> The East Kent Project involves Canterbury, Dover, Kent, Shepway and Thanet councils. The Mid Kent Project involves Ashford, Kent, Maidstone and Swale councils. Together, it is estimated that avoided costs in excess of £100 million over ten years may be achievable through the advanced partnership working by councils.

1.7 There is wide stakeholder praise of the KWP's achievements, which reflects entirely on the activities of the 13 councils to work in partnership.

## **2. REFRESH OF THE KJMWMS**

2.1 Given the achievement of the KJMWMS targets a year early, the significant improvement to infrastructure, and the need to focus on the next set of aims for the 13 councils, the KWP Members Board agreed in 2011 to carry out a refresh of the policies. This refresh would build on the 2007 KJMWMS rather than review or replace it. Thus, the exercise at hand was to consult widely with stakeholders to assess their view of the KWP's direction. It was also to decide for ourselves a reasonable and measured set of ambitions up to 2020 that protected the KWP's (and, hence, the 13 councils) interests.

2.2 Since the major district council elections of May 2011, the KWP Members Board has met on five occasions to take forward the refresh of the KJMWMS, among other things. In July 2012, Members decided to 'hit the ground running' by approving an open dialogue with stakeholders on policies and targets.

2.3 A consultation exercise took place from 29 August 2011 to 14 November 2011. Stakeholders whom were approached and encouraged to provide comments included:

- The 13 Kent councils
- Kent Waste Forum
- Kent Association of Local Councils
- National Waste Partnerships
- London and south east Councils
- Government Departments
- Waste Companies
- Retailers and Reprocessors
- Civil Society
- Umbrella Bodies
- Public access to the consultation online<sup>2</sup>

2.4 The details of the consultation, and the issues the KWP sought engagement on from stakeholders, was contained in the KWP Annual Report 2011. Details were published online in August 2011 and also sent to many hundreds of organisations and individuals within the list above.

2.5 The KWP Members Board considered the responses to the consultation in November 2012. This enabled the policy suggestions published in August

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<sup>2</sup> It should be noted that the major public consultation on the KJMWMS took place in 2006/07. There were some 2,700 contributions at that time, which influenced the development of the KJMWMS. On this occasion, and because the exercise was a refresh of policies to build on the existing KJMWMS, the main focus was on industry, government, and supply chain stakeholders. The consultation was also publicly available online to any interested parties. However, the implementation of policies would take place at local level, as has happened since 2007, and would continue. Existing practice has been for the 13 councils to carry out public consultations on practical changes to services at the times those changes are proposed.

2011 to be amended in the lights of responses received. In early 2012, Members decided to reform the policies to reduce the number; to focus outwardly from the councils on the supply chain; and to ensure the overall objectives represented a clear statement of the KWP's ambitions up to 2020.

- 2.6 As a result of the changes, Members decided to engage with stakeholders one more time on the reformed policies. This exercise took place in April/May 2012. The feedback from the exercise was extremely favourable.
- 2.7 The KWP Members Board agreed the objectives and policies set-out in **Annex 1** on 12 July 2012. These would be considered by all 13 councils individually and recommended for adoption in accordance with local Constitutions.
- 2.8 In accordance with (and subject to) local practices, the Council's portfolio holder for recycling and waste services, the Council's senior officer, and the KWP Manager will be available to Members to answer questions on this report. A 15-minute presentation at your meeting is also planned with the opportunity for questions.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 Adopting the policies at **Annex 1** does not oblige any of the 13 Kent councils to commit specific funding. Nor is there expected to be an adverse financial impact as a result of adoption. Quite the reverse, the local implementation of the refreshed policies is designed to create opportunities for councils to avoid future costs as a result of partnership working between the WCAs and/or with the WDA. Local implementation of policies will require negotiation on a case-by-case basis, and where business cases merit examination.
- 3.2 In respect of the recycling and composting target of 50% by 2020, a financial implication could arise if the country as a whole does not meet the target. This is because the Government has legalised the passporting of any EU fines direct to those councils whom do not, themselves, achieve the 50% target. More information on this is contained in the 'Legal Implications' section below. Suffice to say that the purpose of the 50% target is as much about protecting taxpayers' financial interests as it is about environmental performance.

### **4. LEGAL IMPLICATIONS**

- 4.1 The requirement for councils to produce 'joint waste management strategies' is contained in the Waste & Emissions Trading Act 2003. This applies especially to councils in two-tier areas such as Kent. That said, the KWP Members Board has designed policies that are right for Kent taxpayers and right for the 13 councils.
- 4.2 All Members States of the EU are required to achieve recycling and composting rates of 45% by 2015 and 50% by 2020 as contained in the revised Waste Framework Directive (rWFD) 2008. Failure to achieve these levels of performance as a nation may give rise to EU fines. The Government

has legalised the passporting of such fines to local authorities as contained in the Localism Act 2011. Whilst the Local Government Association achieved a better outcome in the drafting of the Act than had been originally proposed by the Government, financial risks remain for those councils whom do not achieve the targets. The levels of potential fines are unknown.

## **5. BEST VALUE IMPLICATIONS**

5.1 The KWP Members Board recommends adoption of the refreshed policies as an excellent demonstration of the 13 councils' collective desire to derive the best possible value for Kent taxpayers in the delivery of WCA and WDA functions.

## **6. EQUALITIES IMPLICATIONS**

6.1 During the development of the refreshed policies, two Equalities Impacts Assessments (EIAs) have been taken forward to ensure the public's interests are taken into account. These were in February and August 2011. The decision to carry out two EIAs was taken as the policies evolved as a result of stakeholder consultation and input from Members and officers.

6.2 The EIAs were carried out by the KWP with expert support from corporate colleagues at KCC. On both occasions, the results were satisfactory and that Full EIAs were not required. The second EIA result is attached at **Annex 3** for Members' information.

6.3 Local implementation of the refreshed policies may prompt some changes to some services in some areas, in accordance with decisions taken by each sovereign council. Local EIAs would be taken forward at the appropriate times accord with councils' own policies, practices and legal obligations.

## **7. SUSTAINABILITY IMPLICATION**

7.1 Implementation of the refreshed policies in the period up to 2020 is likely to deliver substantial sustainability benefits. The focus on deriving value from discarded organics (principally food, paper and cardboard, and garden waste) is considered to be a major means of councils fulfilling their sustainability obligations. In addition, capturing increased amounts of discarded packaging for recycling purposes reduces the need for industry to use raw materials.

## **8. ECONOMIC IMPLICATIONS**

8.1 The KWP Members Board has a specific desire to ensure the refreshed policies support Kent taxpayers, local jobs, and the 'green economy'. The policies are deliberately framed to focus outwardly to the supply chain so that Kent's ambitions in relation to the economy can be supported.

## **9. RISK MANAGEMENT ISSUES**

9.1 No risk management issues have been identified.

## **10. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

### **10.1 Legal Officer's Comments**

The Waste and Emissions Trading Act 2003 requires waste authorities to produce a joint waste management strategy. The council has complied with its statutory obligation by adopting the Kent Joint Municipal Waste Management Strategy in 2007. As recycling and composting rates have changed as a result of the Waste Framework Directive 2008, the strategy should be updated to reflect the new rates and the ways in which the minimum levels will be achieved. Local authorities who fail to meet the required standards could be fined so it is important that the council ensures it makes the appropriate arrangements, in conjunction with other waste authorities in the county, to achieve the required standards. (LM)

### **10.2 Finance Officer's Comments**

The financial implications of this report have been addressed in the main body of the report. The recycling targets should be carefully monitored and performance against this target together with any potential financial liability to the Council should be reported back to members. (MF)

### **10.3 Diversities and Equalities Implications**

The report includes at paragraph 6 details of the equalities implications. There are no other issues to raise.

## **11. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

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

Roger Walton, Head of Environmental Services  
Telephone: 01304 872420  
Email [roger.walton@shepway.gov.uk](mailto:roger.walton@shepway.gov.uk)

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

None

#### **Appendices:**

Annex 1: Kent Joint Municipal Waste Management Strategy (KJMWMS)  
2012/13 to 2020/21 Policies

Annex 2: Kent Joint Municipal Waste Management Strategy: 2007 Policies

Annex 3: Kent Joint Municipal Waste Management Strategy (KJMWMS)  
Equalities Impacts Assessment (2012)



**Kent Joint Municipal Waste Management Strategy (KJMWMS)  
2012/13 to 2020/21 Policies**

<b>Objectives</b>	
<b>1</b>	Deliver the best possible outcomes on materials handled by the KWP from household and other appropriate sources.
<b>2</b>	Deliver the best possible value for money to Kent taxpayers taking account of whole-service costs paid through Council Tax.
<b>3</b>	Secure the best possible outcomes through effective partnership working among the 13 Kent councils, through the SE7 Project, with government, and across the supply chain.

<b>Policies</b>	
<b>1. Materials Security and Resource Efficiency</b>	
<b>1a</b>	By 2015/16 the KWP will reduce household waste arisings by at least 5% (based on 2010/11 levels); recycle/compost at least 45%; and send no more than 10% to landfill.
<b>1b</b>	By 2020/21 the KWP will reduce household waste arisings by at least 10% (based on 2010/11 levels); recycle/compost at least 50%; and send no more than 5% to landfill. Our ambition is to get as close to zero untreated waste to landfill as possible.
<b>1c</b>	The KWP will work with the government, the SE7 Project, and others to develop and deliver a waste reduction plan including practical measures to help achieve policies 1a and 1b. [Added context: In practice this includes national programmes such as the Love Food Hate Waste campaign, 'take back' schemes for bulky items, and re-use in the home.]
<b>1d</b>	The KWP will take account of the need for the right quality of recyclates for the right end uses as included with the revised Waste Framework Directive and transposition into UK legislation. [Added context: In practice this includes co-ordinated activities with the supply chain and Kent residents to ensure quality; encouraging initiatives to improve outcomes on recycling of plastics including HDP, PET and PP; supporting changes to legislation, such as on Packaging & Packaging Export Recovery Notes (PRNs/PERNs) to create a level playing field for domestic reprocessors; and flows of materials to be auditable through to end destinations.]
<b>1e</b>	The KWP will continue its high performance in minimising the use of landfill. The KWP will assist householders to maximise the amounts they recycle and re-use, and avoid putting the following items into residual waste bins: paper, cardboard, glass, metals, wood, plastics, textiles, waste electricals, batteries, and food.

<b>2. Value for Money for Kent Taxpayers</b>	
<b>2a</b>	The KWP will continue its existing efforts to deliver value for money to Kent residents by means of: optimising services financially and environmentally; joint service delivery opportunities between councils; cross-boundary working; economy of scale through procurement exercises; and securing funding from external bodies.
<b>2b</b>	The KWP aspires to put in place separate collections of discarded food for composting on a weekly basis in all districts by 2020; and in at least 8 of the 12 districts by 2015/16 (separate weekly collections) and 10 of the 12 districts (including existing fortnightly collections).
<b>2c</b>	Communications and operational activities will be co-ordinated so that Kent taxpayers gain the best possible value from the investment of their Council Tax payments into local services. [Added context: In practice this includes balancing financial, environmental, and social outcomes wherever possible.]
<b>2d</b>	All eligible Kent councils will sign up to the new generation of household and business 'Recycling & Waste Collection Commitments' and seek to uphold these continually.

<b>3. Supporting Kent's Interests</b>	
<b>3a</b>	The KWP will seek innovations to ensure future services provide the Kent taxpayer with the best value for money. These include exploring the feasibility of collections from commercial premises (particularly SMEs); cross-county working on HWRC's, materials and infrastructure (such as the SE7 Project); and cross-sector working with retailers, brands, reprocessors and others.
<b>3b</b>	The KWP will continue its record of influencing the government's policies and laws to protect Kent taxpayers' interests whether by means of responses to consultations; development of Responsibility Deals and appropriate legislation; and securing support from wider audiences on issues of importance to us.
<b>3c</b>	The KWP will promote good practice in relation to health and safety; streetscene effectiveness (including enforcement and behavioural change); and value for money (including unit costs and asset effectiveness).
<b>3d</b>	The KWP will maintain a publicly-available Operating Framework that defines its scope, remit and procedures; and review its continued operation at least in 2015 and 2019.
<b>3e</b>	The KWP will continue to produce an Annual Report that outlines the work of the previous financial year in delivering the Kent Joint Municipal Waste Management Strategy and any other activities within its remit.
<b>3f</b>	The Kent Joint Municipal Waste Management Strategy will be refreshed in 2016/17 and 2021/22; or at any other times as agreed by the KWP; or in accordance with any changes in legislation relating to such strategies.

This Annex is for information only.

## Kent Joint Municipal Waste Management Strategy: 2007 Policies

Note: The 2007 objectives below are replaced by the refreshed objectives in Annex 1.

Objective Number	Objective
1	Deliver high quality services to the people of Kent, including an emphasis on waste reduction, recycling and diversion from landfill.
2	Meet the statutory targets set for Kent, and exceed them in areas where this is a locally agreed priority.
3	Support, where possible, other related policy aims of the Kent authorities (e.g. regeneration).

Note: The 20 policies below from 2007 are replaced by the 15 policies in Annex 1.

Policy Number	Policy
<b>Heading: Resource Management</b>	
1	The KWP will encourage the conservation of resources through the use in Kent of materials and energy recovered from wastes produced in Kent. It will aim to influence other areas of public policy and service delivery to support this agenda.
<b>Heading: Partnership</b>	
2	To deliver the Strategy, the County, District and Borough Councils will work proactively as the Kent Waste Partnership within a formal joint committee structure; they will actively seek the views of stakeholders, and their contribution to achieving the strategy's objectives.
<b>Heading: Education and Engagement</b>	
3	All stakeholders, including elected Members, will be kept informed and consulted on waste management issues affecting Strategy implementation.
4	Targeted and co-ordinated campaigns will be run across Kent to inform, to educate and to work towards changing behaviours of residents, consumers and the wider community.
5	The authorities will work jointly and individually to encourage the Community and Social Enterprise Sector to reach its full potential in delivering cost-effective and sustainable waste management services.
<b>Heading: Waste Minimisation and Re-use</b>	
6	Waste minimisation and re-use will be prioritised and the KWP will seek, through its wider policy aims, to break the link between waste production and economic growth.
7	The KWP will lobby for measures to combat waste growth in areas such as product design, packaging and other producer responsibility issues, which are most effectively pursued at the national and international levels.

<b>Heading: Recycling and Composting</b>	
8	The KWP will achieve a minimum level of 40% recycling and composting of household waste by 2012/13 and will seek to exceed this target.
9	The KWP will work to develop, to maintain and to improve schemes that secure the best recycling and composting performance for Kent authorities as a whole.
10	The KWP will secure higher rates of performance from existing services through education and awareness-raising.
11	The KWP will strive to make waste and recycling services accessible and easy to use for all householders, across all housing types and sectors of the community.
12	The KWP will work to secure composting capacity including in-vessel in the County to enable the authorities in the east of Kent to provide an efficient and cost-effective service for managing compostable wastes.
13	The recycling and composting performance of HWRCs will be improved, reaching 60% by 2012/13, while maintaining high standards of customer service.
<b>Heading: Residual Waste Management, Energy Recovery</b>	
14	A timely procurement programme will be implemented to provide sufficient capacity for Kent to continue to meet its statutory targets for the diversion of biodegradable municipal waste.
15	The procurement programme for additional capacity will take account of the opportunities for co-management with other waste streams, but will discourage facilities of a scale that will attract imports of waste to the County.
16	Procurement of additional capacity will keep technical options open and flexible in terms of the number and scale of facilities to be provided but will need to emphasise deliverability.
17	Kent County Council will take a pragmatic approach to trading landfill allowances, being willing to trade, but not reliant on trading for compliance or essential income.
<b>Heading: Residual Waste Management, Disposal to Landfill</b>	
18	Kent will procure landfill capacity to meet the need for the disposal of residual waste for which recovery capacity is not contracted.
19	Where it is cost-effective, Kent will exceed its statutory targets for diversion of biodegradable municipal waste from landfill in order to preserve landfill void space in the County.
<b>Heading: Residual Waste Management, Waste Transfer Facilities</b>	
20	The transfer station network will be improved across Kent to promote the efficient transport of wastes for treatment, recovery and disposal.

**Kent Joint Municipal Waste Management Strategy (KJMWMS)  
Equalities Impacts Assessment (2012)**

**KENT COUNTY COUNCIL  
EQUALITY IMPACT ASSESSMENT**

**Directorate:**

Enterprise and Environment (Kent Waste Partnership)

**Name of policy, procedure, project or service**

The Kent Waste Partnership (KWP) is refreshing the Kent Joint Municipal Waste Management Strategy which was originally implemented in April 2007.

**What is being assessed?**

The 15 policies currently included in the Kent Joint Municipal Waste Management Strategy which set out how the Kent Waste Partnership intends to manage municipal solid waste arising up until 2020.

**Responsible Owner/ Senior Officer**

Paul Vanston, KWP Manager.

**Date of Initial Screening**

Friday 8<sup>th</sup> August 2012



### Screening Grid

Characteristic	Could this policy, procedure, project or service affect this group less favourably than others in Kent? YES/NO If yes how?	Assessment of potential impact HIGH/MEDIUM LOW/NONE UNKNOWN		Provide details: a) Is internal action required? If yes what? b) Is further assessment required? If yes, why?	Could this policy, procedure, project or service promote equal opportunities for this group? YES/NO - Explain how good practice can promote equal opportunities
		Positive	Negative		
Age	No	Unknown		No	<p>As an overview of potential EIA needs in the future, the outworking of the policies is likely to mean changes in some services managed by Kent's Waste Collection Authorities (i.e. the 12 district councils in Kent) and also the Waste Disposal Authority (Kent County Council).</p> <p>Such changes may include: -</p> <ul style="list-style-type: none"> <li>▪ the frequencies of recycle and residual collections;</li> <li>▪ the range of recyclables collected;</li> <li>▪ the range of bins needed to support better collections;</li> <li>▪ the need to reduce waste, particularly organics;</li> <li>▪ changes at Household Waste Recycling Centres;</li> <li>▪ the need to support the waste hierarchy; and</li> <li>▪ any other impacts to ensure the Strategy policies deliver the financial, environmental and social improvements for a better Kent.</li> </ul>
Disability	No			No	
Gender	No			No	
Gender Identity	No			No	

Race	No		No	<p>The 13 sovereign councils have the legal responsibility to ensure Equalities Impacts Assessments relating to their populations are carried out as part of their usual day-to-day business activities. This is particularly the case when any major service changes that happen from time-to-time are proposed (often at the time of contract renewals every seven to ten years).</p> <p>The need for updating Strategy policies to ensure the 13 Kent councils meet EU and national laws relating to their recycling/waste functions is understood.</p> <p>Thus, whilst this document confirms there is no requirement to undertake a full impact assessment in respect to the Strategy policies, it is acknowledged the 13 Kent councils will continue to carry out local EIAs as appropriate when implementing local changes that impact on residents, including (and especially) the nine protected characteristics.</p>
Religion or Belief	No		No	
Sexual Orientation	No		No	
Pregnancy and Maternity	No		No	
Marriage and Civil Partnerships	No		No	

## **Part 1: INITIAL SCREENING**

### **Context**

The Kent Waste Partnership is a two tier partnership consisting of 12 district and borough councils, which collect domestic waste in Kent and Kent County Council, who dispose of it.

In April 2007 the Kent Waste Partnership developed a Kent Joint Municipal Waste Management Strategy (KJMWMS) which currently serves the purpose of providing a strategic approach to managing municipal solid waste arising over the next 20 years.

Reasons for the KJMWMS refresh are as follows;

- The economy, technologies and markets have changed dramatically since 2007.
- The European Union (EU) Waste Framework Directive was transposed into national law in March 2011. This impacts on the KWP in three main ways:-
  1. The 'waste hierarchy' is now law.
  2. A national 'waste prevention plan' must be put in place by 2014.
  3. All councils must provide recycling services for glass, metals, paper and plastics by 2015 – either at the kerbside or using bring banks.
- The government published the results of its own national review of waste policies in June 2011. This followed an exercise lasting a year where the Government sought views on its policies.

### **Aims and Objectives**

The Consultation on refreshing the KJMWMS was published on Friday 19 August 2011. The original deadline of Friday 28<sup>th</sup> October 2011 was extended to Monday 14<sup>th</sup> November 2011 due to following reasons;

- Extended from 10 weeks to 12 to permit extra time for some consultees whom had asked for it.
- As some consultees had asked for an extension, it was offered to everyone.
- An opportunity to encourage more responses as well as demonstrating support to stakeholders by offering an extension.

The Consultation compares the 20 original policies set within the KJMWMS with the KWP's 30 suggested ways forward up until 2020.

The target audience for this Consultation was the Kent Waste Forum. (Stakeholders of the Kent Waste Partnership.) This includes all Kent district councils, Kent County Council, retailers, reproprocessors, 'civil society' organisations, community sector and a host of other interested parties. The Consultation was sent to all stakeholders via email as well as being uploaded publicly on the Kent Waste Partnership's web pages. ([www.kent.gov.uk/kwp](http://www.kent.gov.uk/kwp))



Taking on board the feedback received, the KWP's 'suggested ways forward' were condensed into 15 policies and were agreed at the KWP Members Board on 12 July 2012. Changes made were subtle but it was felt an updated EIA was appropriate to ensure issues were appropriately examined again.

### **Beneficiaries**

By refreshing the KJMWMS in 2011/12 allows the Kent Waste Partnership to take stock of its current performance compared to the original aims and policies stated in the KJMWMS.

It also allows the Kent Waste Partnership to reassess its strategic position in terms of the European Union (EU) Waste Framework Directive and digesting the government's recent publication on the national review of waste policies in June 2011, updated technologies and other factors.

The 'KWP's suggested ways forward' addressed in the Consultation are with the intention of benefiting three key areas;

- The Kent taxpayer
- Environment
- KWP Performance

### **Consultation and data**

The target audience for the KJMWMS Consultation consisted of the following;

- Kent Councils
- Kent Waste Forum
- Kent Association of Local Councils
- National Waste Partnerships
- London and south east Councils
- Government Departments
- Waste Companies
- Retailers and Reprocessors
- Civil Society
- Umbrella Bodies
- Public access to the consultation online.

### **Potential Impact**

From the KWP's updated policies, it is considered there will be substantial financial benefits to all Kent taxpayers, as well as improved environmental performance by the councils. Achieving these benefits may require local changes to some services in some areas. Where this is required, equality impact assessments will be taken forward by each of the sovereign councils as part of their own activities in delivering high quality services to the public.

## JUDGEMENT

### Option 1 – Screening Sufficient

**YES**

Following this screening our judgement is that no further action is required in terms of the KJMWMS refresh of policies.

#### **Justification:**

Using the Equalities Impact Assessment tool allows the Kent Waste Partnership to calculate whether the suggested policies have any direct or indirect adverse/negative impacts to people.

From the evidence above, the Kent Waste Partnership's refreshed strategy will deliver substantial financial and environmental performance benefits to Kent taxpayers. Where local implementation of the policies requires some changes to some services in some areas, the sovereign councils will take forward equalities impacts assessments as appropriate as part of their usual activities.

### Option 2 – Internal Action Required

**NO**

*There is potential for adverse impact on particular groups and we have found scope to improve the proposal*

### Option 3 – Full Impact Assessment

**NO**

*Only go to full impact assessment if an adverse impact has been identified that will need to undertake further analysis, consultation and action*

#### **Equality and Diversity Team Comments**

Local implementation of the refreshed KJMWMS policies may require some changes to some services in some areas. Where this is required to meet EU and national laws relating to the delivery of recycling/waste services, equalities impacts assessments will be carried out by the sovereign councils as part of their normal activities to deliver high quality services to the public.

Therefore recognising this, no further action is required on the strategy itself, but EqIAs should be carried out locally as appropriate.

**Sign Off**

*I have noted the content of the equality impact assessment and agree the actions to mitigate the adverse impact(s) that have been identified.*

**Senior Officer**

Signed:



.....

Name: Paul Vanston

Job Title: Manager, Kent Waste Partnership; and Business Development  
Manager, South East 7 Waste Programme

Date: 30 August 2012

**DMT Member**

Signed:



Name: Caroline Arnold

Job Title: Head of Waste Management, Kent CC

Date: 06 September 2012

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This Report will be made public on 11 December 2012

**Folkestone**

Hythe & Romney Marsh  
Shepway District Council



Report Number **C/12/62**

**To:** Cabinet  
**Date:** 19 December 2012  
**Status:** Key Decision  
**Head of service:** Tim Madden, Interim Head of Finance  
**Cabinet Member:** Councillor David Monk, Finance

**SUBJECT: FEES AND CHARGES 2013/14**

**SUMMARY:** At the Cabinet meeting of 17 October 2012, members considered the fees and charges report for 2013/14. Arising from that report were some issues which required further clarification. This report addresses those issues and seeks agreement to finalise the fees and charges for 2013/14.

**REASONS FOR RECOMMENDATIONS:**

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

- a) The proposed fees and charges will provide income to the council and early projections are incorporated within the Medium Term Financial projections.
- b) Approval of the detailed fees and charges will contribute towards reaching the council's overall budget objectives.
- c) To take effect from 1 April 2013 a sufficient lead in period is required for public consultation where appropriate.

**RECOMMENDATIONS:**

1. To receive and note report C/12/62.
2. To approve the fees and charges as set out within the report.
3. To agree the weekly rental charge for replacement pendants of £1.00 per week until full recovery is achieved.

## **1. INTRODUCTION AND BACKGROUND**

1.1 Cabinet received a report on fees and charges for 2013/14 at its meeting of 17 October 2012. This set out the proposed fees and charges for 2013/14 and also confirmed the Council's fees and charges strategy. During discussion at the meeting, there were some issues raised which needed to be brought back to Cabinet for final ratification. This report sets out the issues raised and seeks final agreement of these to go with the remaining fees and charges for 2013/14.

1.2 The areas which need to be addressed are:

- Resubmission of Appendix 5 in particular clarifying the charges to the long term car parks in Dymchurch, Greatstone and Littlestone.
- Clarification of the lifeline charges and which reflect the new charges introduced
- A proposed protocol for Waste and Recycling discretionary charges. This report has now been produced as a separate item on the Cabinet's agenda and this contains the new waste and recycling charges.

These are discussed below.

## **2. ISSUES ARISING**

2.1 Appendix 5 – car parking fees and charges

The original Appendix 5 presented the long term car parking charges in such a way that it appeared that the long term car parks in Dymchurch (Martello, High Knocke and Central), Greatstone (Jolly Fisherman) and Littlestone (Coast Drive) did not have charges assigned to them. The actual charges which should have been indicated are the same as the long term car parks at Hythe and Sandgate which are set out immediately above. This was not clear on the original appendix and this has now been resubmitted as Appendix 1 of this report with a revised schedule. The fees themselves have not been altered however the revised appendix clarifies the charges which are in place.

2.2 Clarification of Lifeline charges and other new charges.

The original report sought to highlight those new charges within the strategy but was worded in a way which suggested all the new charges related to the Lifeline service. For clarity, the following charges are new discretionary charges across all services:

1. Care Assistant rental of £2.90per week.
2. A Charge for a GSM which is a mobile phone lifeline of £5.60 per week.
3. A mobile phone link for those existing clients whose telephones are faulty of £40 for a one off charge.
4. Hire of scooter store at £5.00 per week.
5. New football pitch fee for a  $\frac{3}{4}$  size pitch of £32.75 inclusive of VAT

## 6. Green burials at Hawkinge £930

A further explanation was given on these items within the body of the report.

In addition, Cabinet also considered an amendment to the lifeline charges so that the weekly rental of £1.00 per week would only be charged up to the point where full cost recovery is achieved. This has been set out in the recommendations for clarity.

Finally also included in the appendix are revised charges for hire of land (boot fairs and commercial events hire) which need to be amended and these have been included for approval.

### 3. RISK MANAGEMENT ISSUES

#### 3.1 A summary of the perceived risks follows

<b>Perceived Risk</b>	<b>Seriousness</b>	<b>Likelihood</b>	<b>Preventative Action</b>
The council fails to set revised fees and charges	Medium	Low	Cabinet approves the Fees and Charges Report which will contribute to the income of the Council.
The council fails to achieve a balanced Budget for 2013/14	High	Low	Cabinet agrees the Fees and Charges Report, which will contribute towards the overall Budget process.
The council fails to recover the full cost of services where it is feasible to do so.	Medium	Medium	On-going review of services in the medium term to ensure pricing arrangements are achieving full recovery.

### 4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

#### 4.1 Legal Officer's Comments ( )

There are no legal matters or issues arising directly from this report.

#### 4.2 Finance Officer's Comments (TM)

These are contained within the report.

#### 4.3 **Diversities and Equalities Implications (VR)**

Equality and Diversity implications should be considered against the following points contained within this report:

Private Lifeline Charges – The proposal to replace the £65.10 one off charge for replacement pendants with a weekly rental fee of £1.00 promotes fairer access to this service for vulnerable customers and it is recommended that this proposal is agreed.

#### **5. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

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

Mike Fitch, Group Accountant (General Fund)

Tel: 01303 853213

E-mail: [mike.fitch@shepway.gov.uk](mailto:mike.fitch@shepway.gov.uk)

Leigh Hall, Group Accountant (Housing Revenue Account)

Tel: 01303 853231

Email: [leigh.hall@shepway.gov.uk](mailto:leigh.hall@shepway.gov.uk)

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

None

#### **Appendices:**

Appendix 1: Fees and charges – Car Parking and Hire of Land



Car Parking Fees and Charges 2013/14 - Appendix 5

Car Park	Comments	VAT Category	Charges for 2012/13 Net of VAT if applicable	Charges for 2013/14 Net of VAT if applicable	Proposed Charges for 2013/14 with VAT if applicable
<i>Charges apply 8am - 8pm unless otherwise indicated</i>					
<b>Folkestone</b>					
<b>SHORT STAY Upper Payers Park, Shellons St., Foresters Way, Playdell Gardens</b>					
	Hourly charge with linear per minute charging				
	30 mins	S	£0.42	£0.50	£0.42
	1 hour	S	£0.83	£1.00	£0.83
	3 hour	S	£2.50	£3.00	£2.50
	Minimum Stay 30 minutes and maximum stay 3 hours				
<b>LONG STAY Tram Road, Harbourside and Leas Cliff Hail</b>					
	Hourly charge with linear per minute charging up to 5 Hours	S	£0.83	£1.00	£0.83
	Leas Cliff Hail Daily Rate more than 5 hours	S	£5.00	£6.00	£5.00
<b>Other Shepway Areas</b>					
<b>SHORT TERM</b>					
<b>Hythe:</b>					
	Up to 30 mins	S	£0.67	£0.80	£0.67
	Up to 1 hour	S	£1.00	£1.20	£1.00
	Up to 2 hours	S	£1.92	£2.30	£1.92
<b>New Romney:</b>					
	Up to 1 hour	S	£0.50	£0.60	£0.50
	Up to 2 hours	S	£1.92	£2.30	£1.92
	Up to 3 hours	S	£2.83	£3.40	£2.83
<b>Long Term</b>					
<b>Hythe:</b>					
	Up to 1 hour	S	£1.00	£1.20	£1.00
	Up to 2 hours	S	£1.92	£2.30	£1.92
	Up to 3 hours	S	£2.83	£3.40	£2.83
	Up to 4 hours	S	£3.75	£4.50	£3.75
	Up to 5 hours	S	£4.75	£5.70	£4.75
	Up to 6 hours	S	£5.58	£6.70	£5.58
	Up to 12 hours	S	£6.58	£7.90	£6.58
<b>Dymchurch: Martello *</b>					
	High Knocke *				
	Central *				
<b>Greatstone: Jolly Fisherman *</b>					
<b>Littlestone: Coast Drive *</b>					
	The above charges apply to all the long term car parks at Hythe, Sandgate, Dymchurch, Greatstone and Littlestone marked *				
<b>Cheriton: Broomfield Road</b>	ALL DAY - Free	S	£0.00	£0.00	£0.00
<b>Elham: Village Square</b>	ALL DAY - Free	S	£0.00	£0.00	£0.00
<b>Folkestone: East Cliff Pavilion, Golden Valley</b>	ALL DAY - Free	S	£0.00	£0.00	£0.00
<b>Lydinge: Station Road</b>	ALL DAY - Free	S	£0.00	£0.00	£0.00
<b>Lydd: Park Road, The Lade</b>	ALL DAY - Free	S	£0.00	£0.00	£0.00
<b>Sandgate: Gough Road, Wilberforce Road</b>	ALL DAY - Free	S	£0.00	£0.00	£0.00
<b>Coach Parking</b>					
<b>Littlestone: Coast Drive</b>	Up to 5 hours	S	£6.33	£7.60	£6.33
<b>Dymchurch: Central</b>	Up to 10 hours	S	£11.67	£14.00	£11.67
<b>Car Park Season Tickets</b>					
<b>All Long Stay Car Parks</b>					
Valid 7 days per week - annual		S	£547.50	£657.00	£547.50
- 6 months		S	£274.17	£329.00	£274.17
- 3 months		S	£137.50	£165.00	£137.50
Valid 6 days per week - annual		S	£466.67	£560.00	£466.67
- 6 months		S	£233.33	£280.00	£233.33

Comments	VAT Category	Charges for 2012/13 Net of VAT if applicable	Charges for 2012/13 with VAT if applicable	Proposed Charges for 2013/14 Net of VAT if applicable	Proposed Charges for 2013/14 with VAT if applicable
- 3 months	S	£116.67	£140.00	£116.67	£140.00
Valid 5 days per week - annual	S	£390.00	£468.00	£390.00	£468.00
- 6 months	S	£195.00	£234.00	£195.00	£234.00
- 3 months	S	£97.50	£117.00	£97.50	£117.00
Valid 4 days per week - annual	S	£311.67	£374.00	£311.67	£374.00
- 6 months	S	£155.83	£187.00	£155.83	£187.00
- 3 months	S	£78.33	£94.00	£78.33	£94.00
Valid 3 days per week - annual	S	£233.33	£280.00	£233.33	£280.00
- 6 months	S	£116.67	£140.00	£116.67	£140.00
- 3 months	S	£58.33	£70.00	£58.33	£70.00
Valid 2 days per week - annual	S	£155.83	£187.00	£155.83	£187.00
- 6 months	S	£78.33	£94.00	£78.33	£94.00
- 3 months	S	£39.17	£47.00	£39.17	£47.00
Valid 1 days per week - annual	S	£78.33	£94.00	£78.33	£94.00
- 6 months	S	£39.17	£47.00	£39.17	£47.00
- 3 months	S	£20.00	£24.00	£20.00	£24.00
Hotel guests permits	S	£0.83	£1.00	£0.83	£1.00
<b>PARK RESIDENT PERMITS</b>					
One-way District Car Park Resident Permits	S	£43.33	£52.00	£43.33	£52.00
One-way Street Parking Waiver	S	£5.17	£6.20	£5.42	£6.50
Temporary dispensation for parking on waiting restrictions and limited parking bays	S	£17.08	£20.50	£17.92	£21.50
Parking permissions for Window Cleaners, pharmacists,			£50.00		£52.50
<b>Folkestone Controlled Parking Zones</b>					
1st Residents permit	OS	£25.00	£25.00	£25.00	£25.00
2nd Residents permit	OS	£25.00	£25.00	£25.00	£25.00
Residents visitor permit	OS	£5.20	£5.20	£5.20	£5.20
Business permit	OS	£52.00	£52.00	£52.00	£52.00
Replacement permit (lost /stolen)	OS	£5.20	£5.20	£5.20	£5.20
Special permit - Free Health & Care Workers and Emergency services	OS	£0.00	£0.00	£0.00	£0.00
<b>On Street Car Parking</b>					
					per linear hour
Folkestone Town Centre CPZ A1 and A2	OS	£1.20	£1.20	£1.20	£1.20
Folkestone Seafront Zone C2	OS	£1.20	£1.20	£1.20	£1.20
<b>Other Fees and Charges - Hire of Land</b>					
Boot Fairs	E	£189.00	£189.00	£195.00	£195.00
Commercial Events Hire charge (per day)	E	£945.00	£945.00	£973.00	£973.00

This Report will be made public on 11 December 2012

**Folkestone**

Hythe & Romney Marsh  
Shepway District Council



**C/12/59**

Report Number

**To: Cabinet**  
**Date: 19 December 2012**  
**Status: Non-key Decision**  
**Head of Service: Tim Madden, Interim Head of Finance**  
**Cabinet Member: Councillor David Monk, Finance**

**SUBJECT: LOCALISING COUNCIL TAX SUPPORT AND FUNDING FOR TOWN AND PARISHES**

**SUMMARY:** The Government has recently confirmed that the council tax base, adjusted for the council's Council Tax Reduction Scheme, is to be used to determine town/parish council taxes. The Government is to provide funding within the Finance Settlement in respect of such local precepting authorities and expects the council, as the recipient billing authority, to pass such funding onwards. This report recommends a methodology to be used to determine the allocation of funding to the towns/parishes.

**REASONS FOR RECOMMENDATIONS:**

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

- a) Funding needs to be provided on a fair and equitable basis to towns/parishes recognising their share of the estimated costs of the council's Council Tax Reduction Scheme.
- b) Budget and tax setting timescales are tight, giving towns and parishes insufficient time to respond to any budget pressures that could be passed on as a result of the Government's decision.

**RECOMMENDATIONS:**

1. To receive and note Report C/12/59.
2. To approve that the District Council, for 2013/14 financial year, meets the cost falling on town and parish councils as a result of the introduction of its Council Tax Reduction Scheme.
3. To approve that the methodology set out in section 4.6 of the report is used to determine allocations of 2013/14 grant payments to town and parish councils.
4. To approve that the payment arrangements set out in section 6 of the report are applied for 2013/14.
5. To undertake a review of funding arrangements for the town and parish councils prior to making any decision over allocations for 2014/15 onwards.

## 1. INTRODUCTION AND BACKGROUND

- 1.1 On 21 November 2012 (Report C/12/49 refers) Cabinet resolved to recommend to Full Council the adoption of the default Council Tax Reduction Scheme with an 8.5% reduction to working age claimants' council tax liability used to calculate and award local support. This was duly approved by Full Council on the evening of 21 November.
- 1.2 In the report to Cabinet, reference was made to the fact that the council was waiting to hear from Central Government over its response to its consultation "Council Tax Base and Funding for Local Precepting Authorities".
- 1.3 On 26 November the Government published its response. It confirmed that the tax base used to determine town/parishes council tax rates and other special expenses is that adjusted for the council's Council Tax Reduction Scheme.
- 1.4 Within the council's Local Government Finance Settlement (due to be announced later this month) the Government plans to include a new element of funding to go some way towards offsetting the council tax revenue foregone through a reduced council tax base. An element of this funding is attributable to town and parish councils and the Government expects such funding to be passed on.
- 1.5 This report recommends a methodology to be used to determine allocations of funding to the district's town and parish councils and payment arrangements.

## 2. CENTRAL GOVERNMENT FUNDING DETAILS

- 2.1 At the time of writing this report, the council does not have specific details over the level of funding it is to receive from the Government in respect of the new Council Tax Reduction Scheme. The amount, including that in respect of town and parish councils, will not be confirmed until the publication of the provisional Local Government Finance Settlement due later this month.
- 2.2 An early, indicative amount was provided to the council by the Department for Communities and Local Government (CLG) over the summer, to assist with financial planning. CLG stressed though that these amounts were based on earlier historic data which would be updated. These amounts were:

Shepway District Council share	£1,475,000
<b>Town/parish share</b>	<b><u>£ 225,000</u></b>
<b>TOTAL SHEPWAY</b>	<b><u>£1,700,000</u></b>

- 2.3 With the council's agreed Reduction Scheme looking to meet the Government criteria, it is also eligible for additional transition funding as follows:

Shepway District Council share	£40,000
<b>Town/parish share</b>	<b>£ 6,000</b>
TOTAL SHEPWAY	<u>£46,000</u>

- 2.4 Potentially then, funding in respect of town and parishes could be in the region of £231,000.

### **3. ESTIMATED COST OF COUNCIL TAX REDUCTION SCHEME**

- 3.1 The council approved a Scheme with an 8.5% reduction on the back of an agreement with the major preceptors that would see any additional net cost of the Scheme being met by them. This agreement does not extend to the funding of the town/parish element.
- 3.2 In report C/12/49 an estimated cost of support amounted to £9,703,000. Assuming that half of the amount falling to be met by taxpayers was uncollectable then the cost could rise further to £9,975,000 say £10million.
- 3.3 In this example, the town/parish share in total is 2.44% ie £244,000. This is £13,000 above the estimated funding. Despite rough estimates only being available at this point it is very likely that the council's Scheme will cost more than any Government funding, meaning that a share of the cost would be passed on to towns and parishes.

### **4. OPTIONS**

- 4.1 In Report C/12/30 to Cabinet on 1 August on Council Tax Reduction Scheme 2013/14 it was mentioned that the council had four options over how any parish funding could be managed:
1. Do nothing – ie let the full parish share of the cost of the new scheme fall on the local preceptors in full to pick up within their own precept.
  2. The council meets the full cost of the new scheme falling on the local preceptors by using the Government grant and its own resources ie the council underwrites any shortfall landing on towns/parishes.
  3. Distribute the Government funding in proportion to how the tax base changes affect each parish. Any difference between the cost of the scheme and the funding would have to be managed by the town/parishes.
  4. Distribute the Government funding on an alternative basis eg fixed sum, precept level or based on bids.
- 4.2 Do nothing is not acceptable as it would be inequitable for the council to retain the Government funding and expect towns/parishes to manage the full cost.
- 4.3 Underwriting has the benefit of giving some certainty to the local precepting authorities. The delay in hearing of the Government's response to its consultation means that we are now actually in the period when the towns and parishes are setting their own budgets and making spending decisions for the next financial year. If they were expected to meet their share of the

net cost of the council's Reduction Scheme they would need sufficient time in which to respond. Realistically, such time is not available as we head towards setting the final budget and council tax levels.

- 4.4 Options 3 and 4 both concern how the Government funding could be allocated to towns and parishes. In the likely position that the Government funding is insufficient to cover the share of the Reduction Scheme the distribution of it will affect local precepting bodies' average tax rates in varying degrees, depending on the methodology applied.
- 4.5 **It is recommended that Option 2, council meets the full cost of the new scheme falling on the local preceptors, is adopted.** This is for the reasons, already mentioned above, over providing certainty to the town and parishes and recognising the timescales they have in which to set their precept. Although the example in section 3 quotes a cost of £13,000 it could be up to £20,000, depending on the final estimate of the Reduction Scheme included within the tax base. This cost will be accommodated within the council's final budget submitted to Cabinet and Full Council in February 2013.
- 4.6 The methodology to be used to determine the grant payment to each town and parish council is as follows:

**A x B**

Where:

A = Reduction in 2013/14 tax base, due to the council's 2013/14 Council Tax Reduction Scheme, (Band D equivalent properties) for that town/parish

B = 2012/13 Band D average Council Tax rate for that town/parish

Amounts will be determined in round pounds. Where a town/parish set no precept in 2012/13 there will be no grant payment.

*Example – Hawkinge Town Council sees a reduction of 200 Band D properties:*

**Current 2012/13**

2012/13 Precept = £121,400  
2012/13 Tax base = 2,914.05  
2012/13 Tax rate = **£41.66**

**Before grant 2013/14**

2013/14 Precept £121,400  
2013/14 Tax base = 2,714.05  
2013/14 Tax rate = £44.73

**With grant 2013/14**

Shepway pay a grant of 200 (A) x £41.66 (B) = £8,332

2013/14 revised precept = £121,400 - £8,332 = £113,068  
2013/14 Tax base = 2,714.05  
2013/14 Tax rate = **£41.66**

It is for each town and parish to determine how its grant is applied, meaning that it remains accountable to its local electorate for any changes in its Band D average rate. What the council's grant does is maintain the Band D average council tax at the 2012/13 level.

- 4.7 With 2013/14 being the first year of implementing Council Tax Reduction Scheme it is vital that a review is undertaken of funding arrangements prior to the next year's (2014/15) tax setting.
- 4.8 The council tax base remains to be determined at the time of writing this report, therefore the estimated cost of council tax support is not known. The council plans to give details of the tax base to the towns and parishes at the earliest opportunity along with indicative funding amounts to help with their budget setting.

## **5. CONSULTATION ON THE PROPOSALS**

- 5.1 Report C/12/49 to Cabinet on 21 November 2012 set out the full details of the public consultation that the council undertook over the summer in respect of the Council Tax Reduction Scheme 2013/14.
- 5.2 Town and parish councils were included within the consultation and were targeted with an additional statement "The council is considering whether funding should be distributed in proportion to the impact of the tax base reduction on each town/parish so that those most affected by the changes receive a greater proportion of grant".
- 5.3 The council had 3 responses to this statement with 2 agreeing and 1 disagreeing. In addition the council received the following comments:

Hythe Town Council

"The District Council be requested to meet the full cost of any burden falling on the Town Council as a result of any change in the Council tax base".

St Mary and the Marsh

"It would appear that the Government has reduced its grant to the district council which may cause a reduction in the council tax base. This is likely to have implications for the parish precept. Before this parish council can respond to your questionnaire it is requesting more information on how the implication of any shortfall may affect the parish's precept".

Dymchurch Parish Council

"Councillors are of a view that there is no value in completing the questionnaire as the Local Government Act states that the precept is set by the parish council and not district council".

- 5.4 The council's own response to the feedback is as follows:

i) This report is recommending that the council does actually meet the full cost of any burden falling on the local preceptors as a result of the change in tax base, due to the Council Tax Reduction Scheme.

ii) Notification of tax base and funding details will be supplied at the earliest opportunity to inform town/parish budget setting.

iii) Whilst a precept is set by the parish council the tax base is determined by the District Council, thus impacting on the average council tax rate that will be set by that body.

5.5 With the Government announcing the tax base impact on town/parishes on 26 November there is insufficient time to undertake further consultation on the changes without putting the budget setting timetable at risk. However, it is believed that the town/parishes will welcome the proposals.

## **6. PAYMENT ARRANGEMENTS**

6.1 Actual funding from the Government will be paid over the 2013/14 financial year to Shepway within the revenue support grant.

6.2 For purposes of simplicity it is proposed that any payment of the town/parish funding is made alongside their precept payment. That is, precepts of less than £5,000 are paid fully in April and with any precept over £5,000 paid in two instalments in April and September.

6.3 Therefore, grant will be paid in full in April to those authorities with precepts less than £5,000 and in two instalments in April and September for those authorities with precepts over £5,000.

## **7. SPECIAL EXPENSES – FOLKESTONE PARKS AND PLEASURE GROUNDS CHARITY**

7.1 In the Government's response to its consultation on council tax base and funding for local precepting authorities it also confirmed that any special expenses would be subject to a reduced council tax base, as a result of the introduction of the Council Tax Reduction Scheme. This affects then the average council tax that has to be levied to Folkestone and Sandgate payers in respect of the Folkestone Parks and Pleasure Grounds Charity.

7.2 As it stands, the 2012/13 Council tax for the special expense is £575,470 ÷ 17,248.76 = £33.36 average.

7.3 Should the budget be at the same level a reduced council tax base of say 13,466.00 would give an average tax of £42.74 an increase of 28%. (Every 1,000 reduction in base equals 6.2% increase). The remaining district tax element would reduce.

7.4 The council is limited in its response owing to the fact that the net cost of the Folkestone Parks and Pleasure Grounds Charity is already met by the



council, which forms the special expense. Any reduction to that funding would result in a deficit on the Charity.

7.5 Special expense is defined as any expense incurred by a billing authority and arising in connection with property which it holds in trust for a part of its area. Therefore, even if the council were to make a grant to the Charity, recognising the share of local council tax support falling on special expense, that very contribution would be deemed to be part of the special expense.

7.6 The final budget position regarding special expenses will be reported to Cabinet in February 2013.

## **8. CONCLUSION**

8.1 The Government is requiring district and town/parish councils to work together on how funding, in respect of the introduction of council tax reduction schemes, should be allocated.

8.2 Limited consultation was undertaken with the local precepting bodies over the summer and there is realistically no further opportunity to seek more feedback, owing to budget timetable constraints.

8.3 It is believed that the recommendation to meet the full cost of the new scheme falling on the local preceptors by using the Government grant and its own resources will be welcomed by the town and parish councils.

## **9. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

### **9.1 Legal Officer's Comments (LM)**

The government's document, "Localising Support for Council Tax", envisages that billing authorities and local preceptors will negotiate to determine how the cost of the council's council tax reduction scheme will be apportioned. It is therefore up to the council as the billing authority, in negotiation with town and parish councils, to determine how the costs of the scheme will be shared.

### **9.2 Finance Officer's Comments (GW)**

Estimated financial impact is set out in the report.

### **9.3 Diversities and Equalities Implications**

None arising directly from this report.

## **10. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

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

Gary Whittaker, Chief Accountant  
Tel: 01303 853238  
E-mail: gary.whittaker@shepway.gov.uk

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

DCLG – Localising Support for Council Tax – Council tax base and funding for local precepting authorities: Government response to the outcome of consultation