

Public Document Pack



Democratic Services
White Cliffs Business Park
Dover
Kent CT16 3PJ

Telephone: (01304) 821199
Fax: (01304) 872452
DX: 6312
Minicom: (01304) 820115
Website: www.dover.gov.uk
e-mail: democraticservices@dover.gov.uk

23 February 2016

Dear Councillor

I am now able to enclose, for consideration at the meeting of the **COUNCIL** on Wednesday 2 March 2016 at 6.00 pm, the following report that was unavailable when the agenda was printed.

13 **COUNCIL BUDGET 2016/17 AND MEDIUM TERM FINANCIAL PLAN 2016/17–2019/20** (Pages 2-144)

To consider the report of the Director of Finance, Housing and Community.

In accordance with Council Procedure Rule 16.6, a recorded vote will be held in respect of this item.

Yours sincerely

Chief Executive

Subject:	COUNCIL BUDGET 2016/17 AND MEDIUM TERM FINANCIAL PLAN 2016/17 – 2019/20
Meeting and Date:	Cabinet – 29 February 2016 Council – 2 March 2016
Report of:	Mike Davis, Director of Finance, Housing and Community
Portfolio Holder:	Councillor Michael Connolly, Portfolio Holder for Corporate Resources and Performance
Decision Type:	Key
Classification:	Unrestricted
Purpose of the report:	To seek approval for the 2016/17 budget and the Medium Term Financial Plan (MTFP) for 2016/17 – 2019/20.
Recommendation:	<p>It is recommended that Cabinet:</p> <ul style="list-style-type: none"> • Approve the grants to other organisations as set out in Annex 11 subject to Council approving the 2016/17 budget; • Approve the various Cabinet recommendations produced at the end of the sections within the attached budget and MTFP, and summarised in Annex 14 to Appendix 1. <p>It is recommended that Cabinet recommends to Council:</p> <ul style="list-style-type: none"> • That the General Fund Revenue Budget, the Capital and Special Projects Programmes, the Housing Revenue Account Budget, the Council Tax Resolution and the content of the MTFP be approved; • To note that it is the view of the Director of Finance, Housing & Community (Section 151 Officer) that the budget has been prepared in an appropriate and prudent manner and that based upon the information available at the time of producing this report¹ the 2016/17 estimates are robust and the resources are adequate for the Council's current spending plans in 2016/17; • That the various Council recommendations at the end of the sections within the attached budget and MTFP, and summarised in Annex 14 to Appendix 1, are approved.

1. Summary

- 1.1 This report has been produced to seek approval for the 2016/17 budget and the MTFP for 2016/17 – 2019/20.
- 1.2 If approved by Cabinet, the budget will be presented to Council, together with the resolution to set the Council Tax.

¹ The funding position is based on the draft settlement received from Government in December 2015 and the NDR1 return submitted on 29th January, 2016. A more comprehensive statement of the position and the changes in Business rates is provided in Appendix 1.

- 1.3 The MTFP also contains a number of other recommendations. These are shown at the end of the sections within the MTFP and summarised at Annex 14.

2. Introduction and Background

- 2.1 As part of its financial management process the Council is required to consider the MTFP and its implications for the Council's service objectives and financial management. The Director of Finance, Housing and Community (Section 151 Officer) is required to comment on the robustness of the budget and the adequacy of the reserves. These requirements are addressed in the attached budget and MTFP report.

General Fund Budget

- 2.2 The Council is required to approve a General Fund revenue budget having regard to net expenditure requirements, Government funding, available internal reserves and the yield from Council Tax.
- 2.3 The Council has discretion over allocation of resources to service priorities and its use of reserves, and can determine its Council Tax within the constraints as set by Government. The Council has no influence over the level of Government funding, but must have due regard to the capacity to set viable budgets in ensuing years.

Future Budgets

- 2.4 With regard to the rest of the MTFP, because this is a planning document, adoption of the MTFP does not commit the Council to the forecasts for 2017/18 - 2019/20. These are for planning purposes and are likely to be adjusted in the light of new information or changes in the Council's circumstances.

Changes to the Budget and MTFP

- 2.5 Since presentation to Cabinet the General Fund forecasts for 2015/16 has been updated to reflect changes identified in the December budget monitoring report. Some minor changes have also been made to the 2016/17 budget to reflect the completion of the 2016/17 NDR1 Return, submitted on 29th January 2016. These changes are included in the General Fund section and associated Annexes.
- 2.6 Other amendments made to the report include:
- All precepts have been received and the 2016/17 Council Tax Resolution has been completed and included;
 - The housing rents have been amended slightly to reflect the exclusion of sheltered housing properties from the 1% rent decrease;
 - The Treasury Management Strategy has been included; and
 - An Income & Expenditure Account and a Movement in Reserves Statement have been added to reflect the statutory format required for the Statement of Accounts.

3. **Identification of Options**

- 3.1 The Council is required to set a budget, and so declining to do so is not an option. Members could choose to change the allocation of resources between services, and that option remains open during the financial year.
- 3.2 Members could also decide to set a different Council Tax level. However consideration should be given to the risk and impact of triggering a Council Tax Referendum if a high level of Council Tax was proposed, or how any proposals to reduce the level would be financed in 2016/17 and future years, while ensuring the budget remains robust and reserves sufficient.

4. **Resource Implications**

- 4.1 The revenue budgets and capital plans determine the level of Council Tax and the utilisation of resources for the next year. The MTFP is a key element in the prudent use of resources over the medium term.

5. **Corporate Implications**

- 5.1 Comment from the Section 151 Officer: No further comments to add.
- 5.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.
- 5.3 Comment from the Equalities Officer: 'This report does not specifically highlight any equalities implications however, in discharging their responsibilities members are required to comply with the public sector duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>.'

6. **Appendices**

Appendix 1 – Budget for 2016/17 and Medium Term Financial Plan 2016/17-2019/20

7. **Background Papers**

Budget 2016/17 and Medium Term Financial Plan 2016/17 – 2019/20 (Cabinet 1 Feb 2015)

Contact Officers: Helen Lamb (x 2063)



Budget 2016/17 and Medium Term Financial Plan 2016/17 – 2019/20

CONTENTS

Executive Summary

Changes to Local Government Finance

General Fund Revenue Accounts

Housing and the Housing Revenue Account (HRA)

Asset Management Plan

Capital and Special Revenue Projects

Treasury Management and the Prudential Code

Key Assumptions & Ready Reckoner

Significant Budget Risks

Related Strategies and Plans

Joint Plans with Partners

Annexes

1	General Fund Revenue Budget Summary
1A	General Fund Net Expenditure & Financing Requirements
1B	Illustrative NDR forecasting
2A	General Fund Service Expenditure by Cost Type
2B	General Fund Key Figures – Expenditure
2C	General Fund Key Figures - Income
3	Key Variances in General Fund Revenue Budgets
4	Three Year General Fund Revenue Budget Projection
5A – 5D	Service Summaries and Budgets
6	Projection of General Fund Reserves
7 – 7B	HRA Budget, Variances and Housing Initiatives
8A	Capital Programme
8B	Capital Receipts
8C	Housing Revenue Account Schemes
8D	Projects financed from the Special Projects Reserve
8E	Priority Bids Summary
8F	Future Capital Proposals Not Currently Financed
9	Treasury Management Strategy Statement
10A	Council Tax Resolution
10B	Town Council & Parish Precepts
10C	Precepts & the NDR Multiplier
11	Grants to Other Organisations
12	Income and Expenditure Account
13	Movement in Reserves Statement
14	Summary of Recommendations

EXECUTIVE SUMMARY

OVERALL POSITION

1. This summary provides the main points of the budget and Medium Term Financial Plan in bullet point form below, covering the General Fund Revenue Budget, Housing Revenue Account (HRA) and Capital Programme. It is followed by additional narrative and more detailed chapters are provided within the body of the budget.
2. Changes in the local government finance settlement for 2016/17¹ and future years mean that this year's budget is more complex and future projections are subject to a greater margin of error.
3. In addition, changes to housing finance and proposals contained in the Housing and Planning Bill create more challenges and uncertainty for the Housing Revenue Account (HRA).
4. For the General Fund Revenue Budget the main points are:
 - Funded General Fund budget for 2016/17;
 - Prudent General Fund balances maintained in 2016/17;
 - Underlying net expenditure unchanged from 2015/16;
 - Council Tax increases continue to be capped (except by referendum) at 1.99% or £5 but the Council Tax base is forecast to continue growing;
 - Revenue Support Grant from government has been reduced by 30.5% in 2016/17, and is forecast to be (virtually) nil by 2019/20. The reduction in RSG accounts for the bulk of the on-going pressures;
 - New Homes Bonus maintained for 2016/17 but may be cut from 6 years to 4 (or even 2) from 2017/18, with a potential loss to the Council of £450k to £1,100k per annum from 2017/18 or 2018/19;
 - The Business Rates (BR)² regime remains extremely complex and unpredictable. A simplified model is provided at Annex 1B and a smoothing reserve as set out in the 2015/16 budget has been used to even out fluctuations in 2016/17;
 - The BR tax base is expected to grow in 2017/18, but income is subject to the eroding effect of appeals against valuations;
 - Enterprise Zone relief is declining and is only partially offset by Business Rates retained on the relevant properties;
 - There will be a BR revaluation in 2017, leading to an expected increase in BR appeals, and potentially significant changes in BR valuations since they generally track local rental values;
 - By 2019/20 100% of BR will be retained by local authorities, although a resource equalisation and safety net model will still be required;
 - Unexpected one-off significant reductions have also been approved through the appeal process³;
 - Significant appeals remain outstanding with the Valuation Office Agency (VOA), obtaining valuations on new builds is problematic and we are experiencing an annual reduction through appeals averaging £400k.

¹ The 2016/17 draft settlement is still subject to consultation at the time of writing.

² Business Rates (BR) and Non Domestic Rates (NDR) are terms which are now used interchangeably by Government and Local Government.

³ The appeal for purpose build Doctors Surgeries resulted in a refund of £2.6m and on-going losses of £600k pa in the Dover District.

- The BR baseline is due to be re-set by Government in 2020, but it is not clear how this will be co-ordinated with the 100% retention by local authorities and the revaluation;
- Reserves of £487k have been applied to offset the impact RSG and BR funding reductions;
- Forecast savings target of £1m per annum required to balance the budget for 2017/18 – 2019/20.

5. For the HRA Budget

- 2016/17 budget funded;
- Significant HRA balances maintained for 2016/17;
- Rents are now set by Government, and have been reduced by 1% in 2016/17 (sheltered housing properties are excluded and these rents have been increased by CPI + 1% = 0.9%);
- Further reductions of 1% per annum for 3 years are projected;
- By year 4 annual rent income is projected to fall by £2.4m per annum compared to the 2015/16 MTFP forecast;
- The aggregate loss of rent income over the 4 year period is projected to be £6.9m;
- “Higher income”⁴ tenants will pay higher rents, but the additional income is likely to go to the government;
- Lump sum payments will be demanded by the Secretary of State based on his estimate of vacant property sales by DDC in the coming year;⁵
- DDC will have less control over rents and housing assets, so until the impacts are understood the previously approved strategy to build 500 new Council homes cannot proceed;
- The Council’s ability to service the £84m debt, that the Government required it to incur, needs to be protected, so the Council needs to consider making this a priority;
- When more detail on the implementation of the Housing and Planning Bill is available, the implications will be reported to Members as appropriate.

6. For the Capital Programme

- The current capital programme is fully funded;
- There are two major new projects - Dover Town Hall and Dover Leisure Centre;
 - DDC’s share of the funding will be allocated from the Dover Regeneration & Economic Development Reserve.
 - Capital appraisals which will be presented to Members to consider these projects in the normal manner;
 - Consultation on the projects, and their management, may require arrangements which reflect their scale and importance.

7. Finally, local authority governance is in a state of flux. The Dover district currently has Towns and Parishes, Districts, the County Council, the Police and Crime Commissioner for Kent, Kent and Medway Fire and Rescue Authority and the Local Enterprise Partnership.

⁴ A couple, both in full time employment, earning £8 per hour would be regarded as high income for these purposes.

⁵ The Housing and Planning Bill proposes that the Council will also be required to pay to the Secretary of State, each year, a sum equal to the forecast capital receipts from the sale of vacant “high value” Council homes, in order to finance the Right to Buy extension to Housing Associations;

8. The Cities and Local Government Devolution Act 2016 has introduced the possibility of a Combined Authority and / or re-configuring local government arrangements and structures. Such changes could have significant or fundamental impacts on the assumptions underpinning the MTFP but cannot be modelled at this time.

BUDGET AND MEDIUM TERM PLANS

9. The MTFP is the Council's key financial planning tool and underpins the strategic approach to financial planning. Although it spans four years, it is reviewed at least annually, and is monitored during the year.
10. It should not be viewed in isolation but as part of the wider planning process and in conjunction with other plans and strategies, in particular with the Corporate Plan and the Asset Management Plan. The MTFP before Members today covers the period 2016/17 – 2019/20.
11. Years 2 - 4 of the MTFP (2017/18 – 2019/20) are included as indicative budgets for planning purposes. These will be rolled forward and amended in subsequent MTFPs and so approval of the overall plan does not set the budgets for the future years.
12. The budget is presented to Cabinet and Scrutiny (Policy and Performance) in February, before returning to Cabinet, and then being presented to Council for final approval at its meeting in March.
13. In compiling the budget regard has been given to the need to provide resources to deliver the Council's objectives and the budget has been prepared to reflect the anticipated service costs and pressures. The General Fund revenue budget is fully funded for 2016/17 (Annex 1) and savings targets of £1m per annum are required to balance the budget for the planning period.
14. The General Fund Balance at the end 2016/17 is forecast to be £2.992m, and so a transfer to earmarked reserves of £450k is proposed, leaving the General Fund balances at £2,542k.
15. It is the view of the Director of Finance, Housing & Community (Section 151 Officer) that the budget has been prepared in an appropriate and prudent manner and that based upon the information available at the time of producing this report⁶ the estimates are robust and the resources are adequate for the Council's spending plans in 2016/17. However, current funding streams, in particular NDR levels, are volatile, difficult to predict and generally outside of the Council's control. Monitoring of the position will continuously be undertaken throughout the year and changes reported to Members through the quarterly budget monitoring report and reports to the relevant committees if appropriate.

⁶ The funding position shown in this budget is based on the draft settlement received from Government in December 2015 and the NDR1 return submitted on 29th January, 2016. On 3rd February the Council received notification that the Valuation Office Agency appeals tribunal had approved a reduction in the on-going rateable values on a single appeal of circa £600k, and nationally NHS hospital trusts have made requests for mandatory charitable relief totalling over £1.5bn. The outcomes of these decisions do not impact upon the 2016/17 budget, but will impact upon the collection fund and our precepts in future years. The values cannot be determined at this time.

BUDGET PROCESS

16. In order to maintain firm downwards pressure on expenditure and recruitment, and to ensure budgets are directed to the Council's priorities the Council maintains a continuous Employment Management process. The Employment Management process provides a peer review and Chief Executive sign-off for all recruitment, so that all options are explored and tested before any recruitment is permitted.
17. The Council also operates a rolling efficiency and service review process, "Delivering Effective Services (DES)". The DES team's priority is to review digital opportunities for services to deliver efficiencies, savings, smarter working and improved customer experiences. In addition the DES team test the cost effectiveness and consider alternative delivery options for services under review.
18. The budget incorporates the work and recommendations of the Employment Management and DES processes, with appropriate staffing levels and budgets

THE GENERAL FUND

19. The Council's General Fund revenue budget for 2016/17 is shown in Annex 1. The budget is funded, and balances are forecast to be £2.5m. The net budget requirement for the Council's own purposes, after transfers to/from earmarked reserves is £13.99m.

	2015/16 Original Budget £m	2016/17 Original Budget £m
Budget Requirement:		
Gross Revenue Expenditure	69.441	68.487
Gross Revenue Income	(54.647)	(53.734)
Underlying Budget Requirement	14.794	14.753
Earmarked Reserve adjustments ⁷	1.279	(0.763)
Net Budget Requirement	16.073	13.990

20. As detailed above the underlying Budget Requirement has remained static between the financial years at £14.8m. This illustrates that the Council's spending commitments have been maintained at the 2015/16 levels and have absorbed the impact of inflationary increases. Variances in the net budget requirement are set out in detail in Annex 3.
21. Financing of the budget is set out below:

Financing of Net Requirement	2015/16 Original Budget	2016/17 Original Budget	Year on year change
	£m	£m	%
Revenue Support Grant	(2.529)	(1.758)	(30%)
Council Tax Grant.	(0.138)	0.000	100%
Business Rates Retained	(3.962)	(3.620)	(9%)

⁷ A breakdown of the earmarked reserve adjustments is provided at paragraph 157.

Financing of Net Requirement	2015/16 Original Budget	2016/17 Original Budget	Year on year change
Enterprise Zone Relief - in year	(1.000)	(1.040)	4%
Council tax	(5.947)	(6.251)	5%
New Homes Bonus	(1.571)	(1.899)	21%
Underlying Financing⁸	(15.146)	(14.521)	(4%)
Collection Fund Distribution			
NDR	(0.200)	0.724	
Council Tax	(0.112)	(0.145)	
Enterprise Zone Relief - prior year	(0.707)	0.000	
Total Financing	(16.165)	(13.943)	

22. Annex 4 shows the overview of the forecasts for 2017/18 - 2019/20, the corporate pressures from increased salary costs, pension funding and inflation and service pressures. It is currently forecast that to balance the 2017/18, 2018/19 and 2019/20 budgets, savings of £1m per year will need to be identified.

GOVERNMENT GRANTS

Revenue Support Grant

23. Revenue Support Grant received for 2016/17 is being reduced by £770k (30%) from the 2015/16 level, and is expected to fall away to (virtually) nil by 2019/20. Government are now consulting local authorities on a proposal to provide assurances over the settlement for the next 4 years, in exchange for the production by local authorities of efficiency plans. The details of how this will work, and whether it will be of benefit to this Council are not yet available.
24. The reductions in RSG account for the bulk of the future savings requirement.

Business Rates (Non Domestic Rates)

25. Business Rates growth is being achieved but this is significantly offset by the erosion due to appeals.
26. However, these projections are not certain. The localisation of BR, in operation from 2013/14, has made this a volatile and complex area to forecast, with a range of interdependent factors including:
- The business rates and funding baselines for an authority – these are set by Government;
 - Gross BR levels arising from the net effects of new developments and demolitions;
 - The net yield after allowing for BR collection rates, allowances, appeals determined (which may stretch back over several years);
 - Enterprise Zone Relief Grant and other s31 grants;
 - Collection fund surpluses and their distribution;

⁸ The underlying financing reflects the financing types received on an annual basis. The remaining financing items are one-off and so can vary significantly between years.

- Operation of the safety net and the levy;
- The complex accounting treatment and timing for the recognition of Business Rates income across accounting years.
- The impact of BR revaluation in 2017;
- The proposed move to 100% retention of BR by local authorities by 2020; and
- The resetting of the whole system planned for 2020. When the Council's new baseline is set, it is possible that growth achieved will be consolidated into the baseline and the benefit to the Council could be lost. This aspect remains uncertain.

27. Government determines the District's funding baseline each year and this has an impact on the resources available to the Council. Districts can then receive more than this figure by generating growth in business rates above the BR baseline, and normally 20% of this growth can be retained⁹ by the district after the 50% levy.
28. Districts can also enter into pooling arrangements to reduce the levy rate imposed by Government on BR growth. DDC did so for 2015/16, but has left the pool for 2016/17 due to the expected profile of its BR income and uncertainties over the pool's performance for 2016/17.
29. Despite growth in business rates from development in the district during 2015/16 (e.g. B&M, KFC, Pets at Home, and Bensons for Beds at Whitfield) and further growth anticipated in 2016/17¹⁰, the NDR income budgeted for 2016/17 of £3.6m is a decrease of £342k (8.6%) on the budgeted 2015/16 level. This is because growth is currently being outstripped by erosion from successful appeals.
30. Recent appeals against rateable values include GPs' surgeries, Tesco, Cable Connection to Thanet Wind Farm, and some Harbour Board deletions. These have an ongoing impact on business rates income of circa £650k p.a. before the further impact of smaller appeals. Further outstanding appeals will add to this where successful, and the impact is cumulative over the years.
31. The appeals process only applies downwards pressure. No one seeks an increase, and there are many agencies offering to submit appeals on behalf of businesses on a no-win/no-fee basis. There is also a risk that the VOA, already snowed under with a vast backlog of appeals nationally, may struggle to maintain their rigour when processing appeals in order to clear the backlog. In the meantime, progress on outstanding appeals is slow, with lingering uncertainty for councils as to the final levels of their gross business rates.
32. The estimates for retention of Non-Domestic Rates income for future years are shown in Annex 4.

COUNCIL TAX

33. A Council Tax increase of 2.96% for DDC purposes has been assumed for the 2016/17 budget which, if approved, will produce a Band D Council Tax of £172.44.

⁹ The first 50% of any BR growth goes to government, plus a further 50% of what is left as a "levy", leaving just 25% of the original growth. After passing over a small share to KCC and Fire, DDC is left with 20% of the original growth. The 50% levy can be reduced by setting up a Business Rates pool.

¹⁰ This projection cannot be certain, but is based on local knowledge of expected developments, actual and anticipated planning applications, the level of BR appeals and provision for those appeals, assumed occupancy dates, the estimated probability of individual schemes proceeding etc.

This will result in an increase of £4.95 per year on a Band D property, which is within the Government's revised capping requirements, limiting increases to 1.99% or £5.

34. For planning purposes a Council Tax increase of £4.95 per annum has also been assumed for future years.
35. The precepts from Kent County Council, The Police & Crime Commissioner for Kent, Kent Fire and Rescue Authority and Towns and Parishes have not yet been received and will be included in the Council Tax resolution in the March circulation of the MTFP.

COMPARISON WITH OTHER DISTRICTS' 2015/16 BAND D COUNCIL TAX

36. DDC has one of the lowest Council Tax rates in Kent. A comparison with the East Kent authorities' 2015/16 Council Tax rates is shown below. This shows the percentage that their 2015/16 Council Tax level exceeds DDC's and the extra income DDC would receive at their level of Council Tax:

	Band D Council Tax £	Difference to DDC %	Extra Income DDC would receive
Dover District Council	167.49		
Canterbury City Council	189.36	13%	£776k
Shepway District Council	226.80	35%	£2.1m
Thanet District Council	209.97	25%	£1.5m

COMPARISON WITH BUSINESS RATES

37. The levels of Council Tax, which local authorities set, within the overall constraints determined by central government, have increased modestly over recent years, compared to the increases in Business Rates directly set by central government themselves.
38. The table below compares increases between Council Tax within the Dover District, and the standard Business Rates multiplier.

Year	DDC Band D Council Tax £	Increase on previous year %	Small Business Rates Multiplier £	Increase on previous year %
2011/12	158.94	-	0.426	-
2012/13	164.43	3.45%	0.450	5.63%
2013/14	167.49	1.86%	0.462	2.67%
2014/15	167.49	0.00%	0.471	1.95%
2015/16	167.49	0.00%	0.480	1.91%
2016/17	172.44	2.96%	0.484	0.83%
Cumulative increase over the period		8.49%		13.62%

39. Business Rates have been increased by the Government at almost double the rate that Council Tax has been increased by DDC.

NEW HOMES BONUS

40. New Homes Bonus (NHB) is funded by the DCLG from a top slice of existing local government finance. Most of the NHB received is credited to the General Fund revenue budget and it is therefore an essential element in balancing the Council's budget. Reductions in NHB will largely result in offsetting savings being required.
41. The grant awarded to Dover was £294k in 2011/12 (the first year of the scheme), £449k in 2012/13, £927k in 2013/14, £1.296m in 2014/15, £1.57m in 2015/16 and is £1.899m in 2016/17.
42. Government proposes to maintain the current NHB regime for 2016/17, but is consulting on a range of possible changes for 2017/18 and beyond. These could lead to a reduction of 33%, or more, in NHB. This consultation ends in March 2016, and so the budget and MTFP will have to be approved before the outcome of the consultation is known. A significant reduction, or removal, of New Homes Bonus, would create a financial pressure on the Council, as it is forecast to be over £1.899m in 2016/17.
43. For the purposes of the MTFP it has been assumed that NHB will reduce to £1.6m in 2017/18 and £1.4m in 2018/19. To mitigate the impact on the revenue budget the small proportion that was transferred to reserves (£287k) will no longer be transferred. The net impact on the General Fund revenue budget has been assumed to be a reduction of £150k in 2018/19.

GENERAL FUND RESERVES AND BALANCES

44. Government have suggested that some Councils are holding excessive reserves. However, the uncertainty and volatility that has been introduced into the major income streams for Business Rates and NHB mean that a prudent approach would suggest holding more reserves rather than less.
45. The proposed General Fund balance in 2016/17 of £2.5m is above the Council's £2m "minimum preferred level". £2.5m represents 18% of the Council's budget requirement or just over 2 months net expenditure. It is prudent but not excessive.
46. The forecasts for future years show that to maintain a balanced General Fund budget for the planning period, savings or income generation of circa £1m each year need to be identified. This is the normal pattern of MTFP projections since future cost pressures are generally identified in advance of potential savings. It is considered that at this time there are sufficient other earmarked reserves, should they be needed, to support the Council in the short term whilst action is taken to address the forecast deficits.
47. The Council's earmarked reserves, and protocols for their use, are set out in Annex 6. Without these earmarked reserves the Council not plan effectively for anticipated future events and requirements and expenditure of a cyclical nature. Nor could the Council plan to smooth the impacts of the volatile income streams from Business Rates, New Homes Bonus etc. Therefore, the earmarked reserves are held at an appropriate level for the Council's future plans.

HOUSING AND THE HOUSING REVENUE ACCOUNT (HRA)

48. The Local Government and Housing Act 1989 (s74) requires that local housing authorities maintain a ring fenced Housing Revenue Account (HRA). The HRA's financial position can be summarised as follows:
- HRA balance at 31/03/15 £1.094m;
 - Projected deficit for 2015/16 £93k (after transfer of £3.75m to the Housing Initiatives Reserve);
 - Forecast surplus for 2016/17 £89k (after transfer of £2.4m to the Housing Initiatives Reserve);
 - HRA balance at 31/03/17 forecast at £1.09m.
49. In accordance with new government direction, rent reductions of 1% per annum have been included in the HRA budget.
50. The Housing and Planning Bill proposes measures that affect the HRA including the mandatory payment to the Secretary of State of a sum equal to his estimate of the receipt the Council will receive from the sale of its higher value properties as they may fall vacant during the financial year.
51. The Council also anticipates that it will be required to collect and pay to government higher rental income from "high income"¹¹ tenants. The impact of these measures cannot be forecast at this stage.
52. In April 2012 the Government's HRA self-financing initiative required the Council to borrow £90.5m and pay this to government, to be serviced from rental increases at 1% above inflation. The change in policy to rent reductions, and the forced sale of assets may start to challenge the Council's ability to service this debt, particularly if the policy of 1% rent reductions is sustained beyond 2019/20.
53. The Council's policy is to maintain an HRA balance of circa £1m with balances above this sum being transferred to a Housing Initiatives Reserve with this being used to fund a programme of new house building / acquisition. The balance is being maintained, and resources are still available to finance committed projects. However major new investment is now suspended. Once the implementation of the measures in the Housing and Planning Bill is understood Members may be asked to review the financial priorities of the HRA, with a view to making provision for the repayment of the HRA's £84m of debt while the resources are available, rather than investing in new stock.
54. The management & maintenance of the Council's housing stock is undertaken by East Kent Housing, and they will have a key role to play in delivering the savings that will be needed to maintain the HRA.

ASSET MANAGEMENT PLAN (AMP)

55. The AMP is used as a management tool to assist in ensuring that the Council's property assets meet the objectives set out in the Council's Corporate Property Strategy. It covers:

¹¹ Over £30k per annum income. For a married couple both in full employment this equates to £8 per hour.

- Revenue maintenance requirements;
 - Capital works programmes;
 - Data on performance of significant corporate assets; and
 - Properties identified for disposal.
56. Expenditure on repairs and maintenance forms a direct link with the revenue budget, which contains the resources to meet the programme of repairs and maintenance. The Director of Environment & Corporate Assets confirms that there are sufficient resources to keep General Fund properties generally wind and water-tight but it continues to be a challenge to maintain all buildings without deterioration. Continuing with this approach increases the risk, but it ensures that the limited budget targets only essential maintenance.
57. In 2013/14 an Urgent Works earmarked reserve was established and this is held to fund urgent works on corporate assets if required.

CAPITAL PROGRAMME AND SPECIAL REVENUE PROJECTS

58. The Medium Term Capital Programme is included at Annex 8A and details all the current projects in progress as well as new projects to be appraised and approved.
59. The capital programme operates on a cash funded position with no new projects being approved to commence unless financing for the whole project is in place through additional funding, capital receipts that have been banked or other savings in the programme have been identified.
60. General capital resources are extremely limited. The Council has limited assets which could be disposed of to generate receipts and the receipts from vacant high value Council housing will have to be paid over to the government.
61. However, the Council does have a significant Dover Regeneration & Economic Development Reserve which has been primarily earmarked for the renovation of Dover Town Hall, the Dover Leisure Centre and additional car parking in Dover.
62. In previous years the capital investment in existing HRA stock has largely been financed from rental income and HRA balances. This practice is expected to be maintained in 2016/17, but the changes to HRA rents and sale of stock may make this more difficult to maintain in future years.
63. The Special Revenue Projects Programme comprises significant projects that are not usually treated as capital but which are "one off" in nature. As a result the recurrent revenue budgets are insufficient to finance such projects and they are therefore generally funded from revenue reserves. Cancellation of any of these projects would free up resources that could be used to finance capital projects, other revenue projects, or used for other purposes.
64. Options for additional funding of projects will continue to be investigated, and the Council will continue to work with partners, including Homes & Communities Agency (HCA) and Kent County Council (KCC) to maximise the resources available.

TREASURY MANAGEMENT STRATEGY STATEMENT

65. The Treasury Management Strategy Statement, including the Prudential Indicators and Minimum Revenue Provision Statement will be included in the March circulation of the MTFP.

KEY ASSUMPTIONS AND SIGNIFICANT BUDGET RISKS

66. The budget and projections have been based on the best information available. However, there are always areas where there remains a degree of uncertainty or it has been necessary to make assumptions. The most significant of these assumptions, together with the significant budget risks, have been set out within the MTFP in order to ensure that Members are aware of the basis of the budget.
67. Periodic budget monitoring reports will continue to be produced and circulated to all Members, so that adverse variances can be identified and remedial action initiated as early as possible.

RELATED STRATEGIES AND PLANS AND JOINT PLANS WITH PARTNERS

68. Members' attention is drawn to the chart of related plans and strategies and details of joint plans with partners:
- Related strategies and plans – Members are asked to consider the MTFP in relation to the other key plans and strategies, in particular the Corporate Plan.
 - Joint plans with partners – delivery of the Corporate Plan cannot take place without partnership working. The more significant partnerships and joint plans are provided later in the report.

RECOMMENDATIONS

69. Recommendations are included in detail throughout the MTFP, and are consolidated in Annex 14.

CHANGES TO LOCAL GOVERNMENT FINANCE

INTRODUCTION

70. This section provides Members with more background on significant changes in local government finance. These changes are:

- Welfare Reform
- Changes to the Finance Settlement
- Changes to Housing Finance

Welfare Reform

71. The key elements of welfare reform are:

- Council Tax Reduction Scheme (CTRS),
- Benefits Cap,
- Social Sector Size Criteria (SSSC),
- Universal Credit (UC).

Council Tax Reduction Scheme

72. Dover District Council, working with Thanet, Canterbury, Kent County Council (KCC) and EK Services, has implemented a local CTRS where the former working age claimants of Council Tax Benefit have to pay 6% of the Council Tax bill for their properties. This level is significantly lower than the rest of Kent where, typically, claimants have to pay 18% of their Council Tax bill.

73. In order to fund the scheme the following additional changes were implemented:

- Empty homes discounts were reduced to 0% for Class C empty properties from 1 April 2013;
- The second home discount was removed from 1 April 2013.

74. The current CTRS was agreed with KCC for 3 years, and 2015/16 was the last year of operation. However, KCC and Kent districts have agreed to continue the current scheme for one more year. The current scheme has seen Council Tax collection rates maintained, and with the falling numbers of claimants, the scheme has remained affordable.

75. Research is now being undertaken to establish whether there should be changes to the scheme to secure a long term sustainable solution.

Benefits Cap

76. When introduced, the intention of the Benefits Cap was to prevent anyone in receipt of benefit receiving an income that is greater than the national average wage of circa £26k for families. In the July 2015 Budget the Chancellor announced his intention to reduce the Benefits Cap to £20k (£23k in London). Local authorities will be responsible for administering the cap for claimants in receipt of Housing Benefit until that claim is migrated to Universal Credit.

77. If the total amount of benefits in payment (including Housing Benefit) exceeds the cap then the excess is deducted from Housing Benefit by the local authority. When

the claim transfers to Universal Credit the Department for Work and Pensions (DWP) will be responsible for applying the cap.

78. DWP identified approximately 31 households within the Dover district affected by the £26k cap. As of January 2016 there are currently 20 households affected by the cap (6 are council tenants, 5 are housing association and 9 are in private rented accommodation). The average annual loss for these households is around £2,500 but this can vary significantly with a minimum weekly loss of £5pw and a maximum of £150pw. The number of families expected to be affected by the lower £20k cap will not be known until the DWP analyses the benefit caseload although it seems likely that there will be a considerable increase in the number of households affected.

Social Sector Size Criteria (SSSC)

79. SSSC applies to Housing Benefit claimants in social housing. Those claimants deemed to have one bedroom more than they require have their Housing Benefit reduced by 14%. For claimants with 2 or more excess bedrooms the reduction is 25%. As of January 2016 in the Dover district there are 506 households that are known to be under-occupying, 438 by one bedroom, and 68 by two or more bedrooms. This results in an average weekly loss in Housing Benefit of £12.94 for one bedroom and £24.95 for two or more bedrooms.
80. EK Services continue to work with East Kent Housing to identify affected tenants and proactively support property moves and transfers where possible and appropriate. The Council can also use Discretionary Housing Payments (DHP) to mitigate the impact of the SSSC. As the funding for DHP is finite, it is generally used as a short term measure where the tenant's circumstances will become viable in the near future, for example, when a down-size is imminent, or if someone is about to re-join the household, thus eliminating the SSSC.
81. DHP cannot, generally, provide a long term solution where a tenant incurs the SSSC.

Universal Credit (UC)

82. UC is being rolled out nationally. EKS's Benefit Fraud team transferred to the DWP in December 2015. The launch of UC for the "simple single" claimants took place in January 2016. DDC is working with the DWP and the Citizen's Advice Bureau (CAB) to support these new claimants where necessary. At this stage the volume of claimants receiving UC in the district remains low.
83. The key elements of UC are:
- "Digital as appropriate" – it is assumed that 80% of claims will be on-line, and that there will be minimal personal contact or intervention;
 - In the majority of cases, benefit will be paid on a monthly basis, direct to the claimant's bank account, rather than to landlords, as is currently the case with Housing Benefit. This is to re-acustom claimants to the pattern of salary payments when they return to work;
 - The change in payment patterns will require East Kent Housing to focus on maintaining rent collection rates;
 - For those in work, the system will require monthly data transfers from their employers to the HMRC, and then from HMRC to DWP systems, in order to adjust benefit for changes in income;

- Claims from homes within a “House in Multiple Occupation” (HMO) are currently checked to property records by DDC to ensure the total number of claims from the HMO is consistent with (or does not exceed) the number of homes it contains, and so reduce the risk of fraud. It is not yet clear how this check will be replicated by the DWP as they do not have access to our property database.

84. The latest information on UC is that:

- The rollout is now planned to last until 2021;
- The rollout of the digital service will start in May 2016 and run until June 2018 ;
- All residual legacy benefit caseloads will move onto UC by 2021 ;
- The Minimum Income Floor, the level of earnings that a self-employed person has to earn in order to be entitled to UC, will rise in line with the National Living Wage rather than the National Minimum Wage.

CHANGES TO THE FINANCE SETTLEMENT

85. The key elements of the finance settlement are:

- Revenue Support Grant
- Business Rates
- Council tax
- New Homes Bonus

Revenue Support Grant

86. Revenue support grant has been reduced by 30% for 2016/17, and is expected to reduce to virtually nil by 2019/20.
87. The current settlement includes consultation on a number of other changes. The main elements are explained below.
88. It is proposed to incorporate Council Tax Freeze Grant, Council Tax Reduction Scheme Grant and other grants that are currently separately identified, into RSG. Although this does simplify the presentation, if this proposal is adopted it will mean that as RSG moves to nil, so will these other grants that are included within it.
89. The calculation of the RSG is complex and not transparent. The Government’s proposals include incorporation of Council Tax increases into the formulae. This disadvantages low CT authorities who may have, in the past, increased Council Tax, compared to high Council Tax authorities who froze Council Tax.
90. The settlement also takes 15 Councils into negative RSG through an additional Business Rates tariff. This means that although the worst case for RSG might have been assumed to be nil, in fact it can become negative and there is no practical limit to the “worst case” for any Council.
91. DDC do not expect to go into negative RSG before the system changes to 100% BR retention – but unless local authorities can agree how the new system will work, it is likely to continue to require significant government intervention and resource redistribution, so its impacts remain uncertain.

92. Government have also included in their consultation the proposal that Councils can opt in to a 4 year settlement which will (subject to unforeseen circumstances) constitute a guaranteed settlement. However, this does require the production and publication of an efficiency plan for the next 4 years. More detail on how this will work is awaited – but it will also be affected by the various unknowns in the budget projections.

Business Rates (BR)

93. The BR to be paid by businesses are determined by the Valuation Office Agency (VOA), who set the rateable value (RV) of premises, and by central government, who set the multiplier (rate in the pound) that is to be applied to the rateable value. Government have been increasing the multiplier at approximately double the rate of Dover's Council Tax over the last 5 years.
94. Local authorities have no role in setting the BR, and are mainly responsible just for the collection of the due amount, and promoting economic regeneration to grow the tax base.
95. The Government's policy of localisation of BR focuses on how the income generated from BR is to be shared between central and local government. Businesses have seen no difference in the way they pay BR or the way the tax rate continues to be set by Government, and the rateable values will continue to be determined by the Valuation Office.
96. However the financing of local government is radically altered by the new arrangements for sharing the income generated by BR. The system includes a complex arrangement, with :
- Tariffs and top-ups;
 - The safety-net and levy;
 - Pooling BR with other Kent districts;
 - A number of uncertainties including:
 - Projections of future BR levels (NDR1 and NDR3);
 - Appeals by businesses against their rateable values;
 - Accounting arrangements and determining the 2015/16 performance and the 2016/17 budget;
 - The impact of reliefs;
 - The extension of the Small Business Rates Relief and the £1,000 discount;
 - Setting the multiplier.
 - Future issues and changes include:
 - The BR revaluation in 2017;
 - The 100% localisation of BR from 2020;
 - Slow progress by the VOA in settling outstanding BR appeals;
 - Unexpected and significant class reductions in BR by the VOA (primarily £2.3m refund to the NHS for doctors surgeries in Dover);
 - The eroding effect on the tax base in the appeals being settled by the VOA;
 - Obtaining strategic information from the VOA.

97. In addition to the complexity of explaining the above factors for any one financial year, the new system makes it extremely difficult to explain how finances have changed between financial years, especially in comparison to the periods before 2013/14.
98. A full explanation of these arrangements was provided in the MTFP presented to Council in March 2013 and therefore is not repeated here. However, at its most basic, the new system results in 50% of BR collected by a council being allocated to government, with 40% retained by the Council, 9% going to KCC and 1% to Kent Fire and Rescue.
99. If the amount that remains with the council is greater than the council's baseline budget requirement, then the council pays the excess to government in the form of a "tariff". Once the tariff is set, a district will have to pay this to government. If actual collection is lower (for example, due to demolition at Discovery Park) the council has to continue to pay the tariff, and bear the loss itself.
100. If the amount is less than the council's baseline budget requirement, then the council receives the shortfall from government, in the form of a "top-up".
101. For district councils who collect all the BR in their area, but who have much lower budgets than the upper tier counties, they are invariably "tariff" authorities, and this is the case for DDC.
102. Under these arrangements, if DDC manages to grow its income from BR, it will retain 20% of that growth itself. So for every additional £1m in BR in the DDC area, DDC will retain £200k.

The Position for Dover

103. DDC is in a relatively unusual position in that its BR income is heavily concentrated in its largest sites, with 37% of its BR income from the top 5 sites.

Dover's Rateable Values	Rateable Value ¹² £000	%
Top 5		
Channel Tunnel	15,400	17
Discovery Park	8,791	10
Dover Harbour Board	5,250	6
Tesco, Whitfield	2,670	3
Thanet Offshore Wind Farm-Cable Link	1,000	1
Sub Total	33,111	37
Remainder	56,481	63
Total	89,592	100

104. For the future, the coming changes and issues in BR are:
- The 2017 Business rates revaluation could lead to a significant change in the Business Rates tax base. It is not yet clear what impact this will have and how Government may adjust the regime to compensate.

¹² Note – Rateable Value is not the same as the Business Rates paid. RV is multiplied by a government set multiplier (48.0p in 2015/16), to determine the amount payable, and this may be subject to BR allowances.

- Appeals continue to accumulate. There have been some surprising appeal outcomes. The VOA appears to be overloaded so it is hoped that they maintain their rigour and do not allow appeals in order to clear the backlog.
- The revaluation is intended to track rental income when setting the tax base. Dover rent levels have not always performed strongly in the period since the last valuation.
- In 2020 the system is due for a re-set. This could mean that the benefits of increased growth in the taxbase that DDC has generated will be lost or reduced.
- The continued payment and funding of EZ relief, which has a significant impact on the budget, depends upon the level of EZ relief claimed at Discovery Park which, in turn, depends upon the extent to which occupancy at DP remains focused on smaller firms and units.

Council Tax

105. Government are permitting Councils to increase CT by up to 1.99% or £5 on their Band D rates. They are also permitting upper tier / unitary Councils to increase CT by up to 4% to fund social care requirements.
106. DDC are therefore proposing to increase Council Tax (CT) by 2.96% (equivalent to £4.95 on a Band D property).

New Homes Bonus

107. The Council receives circa £1.9m in NHB per annum, the bulk of which supports the revenue budget. The payments are based on “the average Band D Council Tax x the increase in the tax base for the year”. The amount awarded is currently paid for 6 years, so at the moment 6 year’s worth of awards are in payment.
108. The NHB for 2016/17 is confirmed, but the government is consulting on reducing the number of years in payment to 4, 3 or even 2 years from 2017/18. This would mean reductions in the annual NHB of 33%, 50% or 66% generating an annual reduction of between £600k and £1.2m.
109. For the budget it has been assumed that NHB will reduce to 5 years in 2017/18 and 4 years thereafter. As some of the current NHB is paid into a reserve, we can decide to stop this arrangement, thus protecting the revenue budget to some extent. In addition, the years being lost were the early “low performing” years, and we are seeing increases in new house building, so the net impact on the General Fund has assumed to be circa £150k from 2018/19.

The Housing Revenue Account

110. The HRA was established as a ring-fenced account under the Local Government and Housing Act 1989 (s74).
111. With effect from 1st April 2012 the government replaced the existing subsidy based system of HRA financing with “Self Financing”. For DDC this resulted in the replacement of the subsidy that we were paying to Government (£6.3m in 2011/12) with a single payment to them of £90.5m. This was facilitated by DDC borrowing the required sum from the PWLB. Government direction was to plan for long term rent increases of 1% above inflation. Servicing the loan, over 30 years, cost less than the

negative subsidy, and so the HRA started to accrue a surplus which could be invested in new housing.

112. Government's social housing strategy would now appear to be to favour home ownership where ever possible over social housing, through the delivery of affordable housing for purchase, the promotion of more right to buy for local authorities, and the extension of right to buy to Housing Associations.

113. Government have now directed that:

- Local authority housing rents should reduce by 1% in cash terms for the next 4 years. With an assumed inflation rate at 2%, this means a 12% reduction against Dover's planned rental income. On a rent roll of £20m, that is a shortfall of £2.4m by year 4 or £6.9m against previous projections. By year 4 the reduction offsets the annual surplus that was being accrued.
- The Housing and Planning Bill, as drafted, proposes that Councils will pay the Secretary of State a sum equivalent to the Secretary of State's forecast of the capital receipts that the authority will make from the sale of vacant high value HRA houses in the coming year. These funds will be used to compensate the Housing Associations for losses they will make on RTB sales. "High value" has not been defined and so it is not possible to asses to what extent this will impact on DDC housing stock.
- The Housing Associations will be expected to replace the sold properties, but it is not clear if that will be in the area where they were sold.
- The combined effect of these changes is that the Council cannot currently proceed with the proposed 500 new homes initiative previously approved.
- A further proposal of the Housing and Planning Bill is that high income households with over £30k annual income (that would include a married couple, both in full time work on the living wage) will be required to pay a higher rent, with the additional income passed to Government.
- The HRA budget is balanced for 2016/17, and the Council still has significant balances in its Housing Investment Reserve, but once the implementation of the measures in the Housing and Planning Bill are understood, then the Council will need to consider how, with falling rents and a reducing housing stock, it can:
 - Continue to balance the HRA in future years;
 - Maintain investment in existing stock;
 - Invest in new stock;
 - Service the remaining HRA debt, about £84m;
 - Collect the additional income from higher income tenants.

THE GENERAL FUND REVENUE ACCOUNTS

FINANCIAL OBJECTIVES

114. The main financial objectives for the General Fund Revenue Account are as follows:
- Produce a funded General Fund Budget;
 - Maintain general balances over the medium term at an appropriate level (considered to be a minimum of around 10% of the net budget requirement or £1.5m, and a preferred level at or above £2m);
 - Use earmarked reserves to finance one-off items;
 - Support the Council's corporate priorities and agreed service standards; and
 - Undertake appropriate consultation.

SUPPORTING INFORMATION

115. The following annexes are provided:
- Annex 1 contains the budget summary for the General Fund;
 - Annex 1A summarises the net expenditure and financing requirements;
 - Annex 1B is a summary version of the NDR forecasting model;
 - Annex 2A shows the net service expenditure analysed by categories of expenditure and income;
 - Annex 2B shows the key expenditure figures and patterns for the General Fund;
 - Annex 2C shows the key income figures and patterns for the General Fund;
 - Annex 3 provides a detailed variance analysis between the original budget for 2015/16 and the proposed budget for 2016/17;
 - Annex 4 provides the General Fund Revenue Budget projection for the period to 2017/18;
 - Annexes 5A – 5D contain summaries of the services managed by each Director and the associated budgets; and
 - Annex 6 contains details of the General Fund balance and earmarked reserves.

GENERAL FUND SUMMARY

116. For 2016/17, the most significant variances in the budget are in funding. Revenue Support Grant has been reduced by 30% from the 2015/16 level of £2.53m to £1.76m and the Council Tax Freeze Grant (£138k in 2015/16) has been rolled into RSG resulting in a combined effect of a 34% reduction in grant funding. In addition the NDR Collection Fund deficit from 2014/15 is due to be redistributed, and this redistribution results in a charge to the General Fund of £724k in 2016/17. As the movement in the Collection Fund surplus is anticipated to be a one-off pressure it has been offset by releasing funding from the Business Rates & Council Tax Support reserve, where a safety net receipt from Government was credited in the 2014/15 year.
117. The net budget requirement for the Council's own purposes is £13.99m as shown in Annex 1. This is to be met mainly by Revenue Support Grant of £1.8m and

distribution of Non-Domestic Rates of £2.9m¹³, Council Tax income of £6.25m and New Homes Bonus of £1.9m.

118. For 2016/17 to 2019/20 Annex 4 shows the overview of the forecasts, the corporate pressures from increased salary costs, pension backfunding, inflation, service pressures and the impact of funding reductions. The Annex also incorporates prudent assumptions on the future development in the district and the resulting anticipated increase in BR.
119. To balance the 2017/18, 2018/19 and 2019/20 budgets, based on the assumptions made, annual savings / income generation of £1m will need to be identified, leaving small deficits that will be met from the General Fund Balance. The on-going DES processes, identification of digital opportunities and review of all expenditure and income streams will form some of the approaches used to identify options towards addressing the required savings.

KEY VARIANCES / SIGNIFICANT ISSUES

120. The table below summarises the main variances. Additional information is provided in the notes that follow, and also at Annex 3.

	£000
2015/16 Original Budget Forecast	(92)
<u>Variances in Funding</u>	
Decrease in Revenue Support Grant (incl. for CT Freeze)	909
Decrease in Enterprise Zone Relief Grant (one-off)	668
Decrease in NNDR Funding	341
Increase in NNDR Deficit (prior year impact of appeals)	924
Increase in Council Tax – increase in tax base & charge	(305)
Increase in Collection Fund Surplus (Council Tax)	(33)
Increase in New Homes Bonus	(329)
<u>Total Variances in Funding</u>	2,175
<u>Variances in Corporate and Service Budgets</u>	
Use of Business Rates & Council Tax Reserve to cover NNDR Collection Fund distribution	(724)
Use of Business Rates & Council Tax Reserve to cover reduced NNDR Income and RSG reduction	(487)
Special Projects Reserve – no contribution in 16/17 (15/16 contribution funded from one-off extra Enterprise Zone Relief)	(707)
IT Equipment Reserve – reduced transfer in 2016/17	124
EKS – Target savings in management fees payable	(125)
Finance, Housing & Community – Target savings	(55)
Council Tax Support Funding to Towns & Parishes - reduction	(29)
Other Corporate and Service Variances – see Annex 3	(80)
<u>Total Variances in Corporate and Service Budgets</u>	(2,083)
2016/17 Budget Forecast	0

¹³ Based on the 2016/17 settlement received December 2015, adjusted for NDR growth, levy and collection fund deficit (NDR element)

Staff Salaries

121. The decision for the level of cost of living increases for 2016/17 will be undertaken through the Collective Bargaining agreement that is in place with the Unions. The process will be activated shortly and independent advice on the cost of living increase will be received to form the basis of these discussions.
122. Known and committed adjustments for the impact of pay protection and increments under the current job evaluation scheme are included in the budgeted figures. If the cost of living increase assumed in the salary estimates proves to be different from that recommended by the independent advice and approved by Members, it is proposed to delegate to the Director of Finance, Housing and Community in consultation with the Portfolio Holder for Performance and Resources, to adjust the proposed transfers to reserves by an offsetting sum in order to correct the budget.

Vacancy Allowance and Organisational Savings

123. The vacancy allowance (savings from staff turnover) has been set at £100k.
124. The budget also includes a target saving of £22k for “Delivering Effective Services” to allow for a review of staff resources to identify appropriate savings within the authority.
125. It is proposed to continue the updated Employment Management process to maintain the link between approved service standards and the approval of posts to be filled.

Pension Fund

126. The Council's Pension Fund (part of the countywide fund administered by Kent County Council) is subject to actuarial valuation on a three yearly cycle. The last triennial valuation (the “2013 valuation”) of the KCC pension fund started in April 2013, and was implemented from April 2014.
127. DDC pays two contributions to the pension fund; these are “current service rate” (the additional pension earned in year) and a lump sum to finance the existing pension deficit. The actuarial report advised that due to lower discount rates the current contributions required to meet the cost of pensions being earned today should increase from 14.2% to 14.6%.
128. The 2013 valuation also estimated an increase in the pension fund deficit for Dover. Dover is paying this deficit off over the next 21 years. This rate has been agreed with the actuary and is slightly faster than the average rate for districts in Kent.
129. As a result the fixed sum to finance the deficit was increased from £1.71m to £1.82m (for all staff, including HRA) in 2014/15, and then continued to increase by £80k in each of 2015/16 and 2016/17.
130. It should be noted that the increase in the pension fund deficit is largely a result of factors outside of the Council's control including increases in pensions payable, increased life expectancy and lower asset values. There has also been an impact due to the creation of EKS and EKH, and the transfer of staff on a fully funded basis. However, this would only become a “real” effect if EKS and EKH were to move away from the Council into wholly separate and independent organisations.

General Inflation

131. Setting a guideline level of inflation runs the risk that this will be used by budget managers as the "norm" to set budgets even when the inflation rate for their services is less. When setting their proposed budgets all managers are asked to consider the specific quantity and price of services they will actually need in the coming year and reduce expenditure where necessary in order to avoid an overall inflationary increase.
132. The other significant area of potential inflation pressures relates to major term contracts. In 2016/17 the assumed level of contract inflation is based on the details of the specific contracts, the state of the market for the specific services and any other relevant factors. For future years it is not realistic to attempt to model contract renewal costs and so for planning purposes a 3% increase in the cost of major term contracts has been assumed. Each 1% variance in contract inflation leads to approximately £90k variance in costs.

Contingency Provision

133. Contingency provision of £92k has been included to meet any unexpected expenditure commitments, if they cannot be contained within other budgets. In addition, as part of the budget setting process managers and directors were asked to identify any budgets held for items such as legal or consultants' fees that would only be required if certain circumstances occurred. These budgets have been removed from individual budgets and will be funded from this provision if required for the items identified.

Grants to Organisations

134. The Council makes a number of grants to organisations for services across the district, including contributions to the Citizens Advice Bureau and Your Leisure; these are detailed in Annex 11.

Shared Services

135. East Kent Services discharge revenues & benefits, customer services, ICT and Human Resources functions on behalf of Dover, Canterbury and Thanet Councils. Management fees under the EKS arrangements for Dover are forecast to be reduced by £125k (4.1%) from the 2015/16 level for the planning period.
136. The Council has awarded a 10-year contract to carry out recycling and waste collections, the processing of recycle collected and street cleansing operations to Veolia Environmental Services (UK), which commenced in January 2011. The contract has been awarded in partnership with Shepway District Council and Kent County Council (as the disposal authority). Dover is the lead on this partnership and manages the client team who oversee the contract from the Dover District Council offices on behalf of the three authorities.
137. In addition an internal audit partnership, hosted by Dover, is in place working with Dover, Shepway, Canterbury and Thanet (including East Kent Services) Councils and East Kent Housing.

Interest on Investments

138. The overall interest rates achieved in 2016/17 will depend on the combination of the LIBID rate and the margin it maintains above base rate, the rates for current investments, the prevailing market rates when current investments are renewed, as well as the permissible deposit durations which change according to updated credit rating criteria.
139. The MTFP assumes that the Council's investments overall will earn an average of 0.62% on its investments in 2016/17 and 2017/18, followed by 1% for future years (split approximately 75/25 between General Fund and HRA pro rata to estimated cash balances).
140. Members should note that the localisation of Business Rates places a significant potential risk on DDC's cash flow. If there is a significant reduction in Business Rates collection through revaluation, demolition or major business failure in the district, this would reduce the funds available for investment and therefore reduce the interest earned.

Other Income Streams and Fees and Charges Made by DDC

141. Fees and Charges are reviewed and set annually, with reports approved by Licensing and Regulatory Committees and Cabinet. When setting Fees and Charges managers consider:
 - Cost of providing the service;
 - General market rate for the service;
 - Charges levied by neighbouring authorities;
 - Government guidelines;
 - The last time the fee / charge was increased;
 - Sensible price points – it is more sensible to increase by sensible amounts every two or three years rather than a few odd pence every year;
 - Impact of the fee upon service use and upon different sections of the community;
 - Impact of service use upon corporate objectives; and
 - Overall income the service generates.
142. The only Fees and Charges that are not included in this process are for car parking which are the subject of a separate report.
143. The main sources of income and relevant issues are summarised below.
 - Development Management

The original budget for Development Management fee income in 2015/16 was £568k incorporating £538k for planning application fees and £30k for pre-application fees. Planning application fee income is currently standing at £576k. The increase in fee income has risen largely due to an unexpected planning application for Phase II of the Whitfield Urban Expansion (£86K). Whilst it is always difficult to predict Development Management fee income, it is anticipated that the planning application fee income should rise to £620k by the end of the financial year. There has also been an improvement in the level of pre-application advice with a circa £10k increase anticipated by

the end of year. The budget for 2016/17 has increased to £605k to reflect the Fees and Charges report estimates.

- Building Control

The Building Control (BRFE) income is largely dependent upon construction activity. Assumptions about the level of activity combined with the economic forecasts lead to a budget of £295k being set for 2015/16. However the wider than expected increased level in construction activity locally has not yet materialised and the forecast for the year has been reduced to £255k. Allowing for assumptions about increased construction activity locally and nationally, the budget for 2016/17 has been set at £275k.

- Licensing

This includes Alcohol, Public Entertainment, Taxis, Gambling and other miscellaneous licences. The original budget for 2015/16 was set at £241k, the 2015/16 forecast has been increased slightly to £245k as a result of the receipt of court costs. The 2016/17 budget has been increased slightly to £248k to reflect the Fees and Charges report estimates.

- Land Charges

The original 2014/15 budget of £180,000 has not been altered throughout the year and has also been set as the 2015/16 budget due to the uncertainty of the housing market.

The Government is changing the delivery method of some search information. This would involve moving part of the work to HM Land Registry. The primary legislation was made in 2015 and consultation on the secondary legislation is expected early in 2016.

- Car Parking

Overall, the Council makes a small surplus from car parking and associated activities. The 2015/16 gross income (before costs) for parking fees and penalty charge notices is currently forecast to be slightly above the original budget of £2.00m at £2.05m. From January 2016, the parking charges for the district have been increased by 10%. Therefore a 10% increase in income (from the original 2015/16 budgeted income) has been forecast for 2016/17.

The Council expects to make a small surplus from on-street parking (forecast to be £10k in 2015/16 and £25k in 2016/17). In accordance with Section 55 of the Road Traffic Act 1984 (and subsequent updates), the surplus from on-street parking will be set aside to carry out permitted activities as specified in the Road Traffic Act. Any surplus over £100k would be remitted to KCC.

- Green Waste Subscription Service

The Green Waste subscription service original budget for 2015/16 was set at £192k. The 2015/16 forecast has been increased to £214k to reflect the actual level of take up in the year. The 2016/17 budget has been set at £200k based on an estimate of approximately 5000 subscribers.

144. In total the major fees and charges generate approximately £3.69m gross towards the General Fund budget.

Financing the Net Requirement

145. The net requirement is financed mainly by Government grant and Council Tax. The total financing for 2016/17 is:

2016/17 General Fund Revenue Financing	£000	%
Non-Domestic Rates Income – baseline	3,391	
Non-Domestic Rates Income - growth, S31 grant, less levy, etc.	230	
NNDR Collection Fund Deficit – relating to prior years' appeals/appeals erosion of income	(724)	
Revenue Support Grant (incl. For CT freeze)	1,758	
Enterprise Zone Relief Grant	1,040	
Total Government Grant	5,694	40.7
Council Tax	6,251	44.7
Collection Fund Surplus (Council Tax)	145	1.0
New Homes Bonus	1,899	13.6
Total Financing	13,990	100.0

146. In the past, Government grant was relatively simple to identify, comprising RSG and NDR. The position for RSG continues, but the basis for NDR is now fragmented and more complex.
147. Key elements of Government grant are fixed (i.e. Revenue Support Grant and the baseline for business rates before levies apply) and these constitute a high proportion of DDC funding within the 40.7% above. Any shortfall in grant not offset by savings, other income or retained growth, etc. in business rates (after levies) must be financed substantially from Council Tax or additional New Homes Bonus (if it is generated), or reserves.

Government Grant

148. The combined Revenue Support Grant and NNDR settlements are a significant income stream for the Council. The tables below have been produced to provide comparable data across the years, but have been adjusted to reflect the changes in the bases for Local Government settlements in relation to RSG and NNDR. The government grant settlement is detailed below:

Revenue Support Grant Settlement	Grant £000	Reduction £000	Reduction %	Cumulative £000	Cumulative %
2012/13 ¹⁴	5,112				
2013/14 ¹⁵	4,699	413	8.1	413	8.1

¹⁴ Split for 2012/13 based on proportion of RSG:NNDR for 2013/14 before Council Tax Support Funding, with an adjustment to add to the 2012/13 RSG the level of CTS funding of £1,218k awarded in 13/14 for comparability across the years.

Revenue Support Grant Settlement	Grant £000	Reduction £000	Reduction %	Cumulative £000	Cumulative %
2014/15	3,698	1,001	21.3	1,414	27.7
2015/16	2,529	1,169	31.6	2,583	50.5
2016/17 Provisional	1,758	771	30.5	3,354	65.6
2017/18 Provisional	1,027	731	41.6	4,085	79.9
2018/19 Provisional	568	459	44.7	4544	88.9
2019/20 Provisional	57	511	90.0	5055	98.9

149. RSG has reduced significantly, in cash terms, over recent years, and if the reductions were adjusted for inflation, they would be higher than those shown above. For financial planning purposes it has been assumed that RSG will have disappeared entirely by 2020/21.

NNDR/Business Rates (exc. EZ Grant)	Grant £000	Reduction/ (Increase) £000	Reduction/ (Increase) %	Cumulative Change £000	Cumulative Change %
2012/13 ¹⁶	3,348				
2013/14	2,994	354	10.6	354	10.6
2014/15	4,682	(1,688)	(56.4)	(1,344)	(40.1)
2015/16 Draft	4,163	519	12.5	(815)	(24.3)
2016/17 Estimated	2,897	1,266	30.4	451	13.5
2017/18 Estimated	3,784	(887)	(30.6)	(436)	(13.0)

150. The position for NDR is less clear since it is affected by the safety net in bad years (such as 2013/14 and 2014/15), and by increased income from growth (or release of surplus appeals provision) in good years, as well as the volatility of the system. The NNDR/Business Rates figures above include DDC's funding baseline amounts determined by Government, and estimates for future BR income, taking into account expected increases in retained growth (after levy). Collection fund deficits and surpluses are also included. The results are skewed, such that apparent good performance in 2014/15 is largely due to safety net income, as actual income was poorer than budget due to substantial appeals, but we are expected to show the budgeted amount + safety net receipt. The reality is that there was an underlying deficit for 2014/15 and, to the extent that the deficit needs covering, we recognise and pay back the estimated remaining deficit in 2016/17 (but then cover it from safety net receipt relating to 2014/15 that was transferred to reserve).
151. Businesses within the Discovery Park Enterprise Zone receive Business Rates relief (typically the first £55k of their BR each year, for up to five years). Government compensates DDC for its loss of BR income with a separate EZ Relief Grant. Regulations govern when the EZ Relief can be recognised. The apparent decrease in EZ Relief Grant for 2016/17 is in fact just the grant returning to its normal level, whereas 2015/16 had a much higher figure due to additional grant being recognised in 2015/16 that actually related to 2014/15. Eventually, as EZ discount ceases to be given (and therefore grant to DDC representing 40% of the total diminishes), the BR

¹⁵ Council Tax Support Funding added by Govt. to RSG from 2013/14 onwards, replacing subsidy for council tax benefit previously shown in service costs. This effectively covers reduced income from Council Tax due to discounts being applied against tax base/council tax bills instead of being awarded as Benefit. CTS Funding not disclosed separately by Government from 14/15 onwards.

¹⁶ Split for 2012/13 based on proportion of RSG:NNDR for 2013/14 excl. Council Tax Support Funding.

income itself will increase by an equivalent amount (because the discount has ceased). However, the additional BR income generated will only earn Dover 20% of the total value (versus 40% when it was given as grant to cover the discount) because Dover's 40% share above its baseline will attract a 50% levy.

152. Regulations require that only the proportionate share of grant relating to the amount of relief declared on the NNDR1¹⁷ for a particular year can be recognised as grant received in that year. Any adjustment for actual relief awarded is recognised as additional grant income in the immediately following year. As a result of this technical accounting issue, in 2015/16 we had an estimate of £1.0m EZ Relief Grant being due for the 15/16 year (being 40% of £2.5m approx. relief expected to be declared on the NNDR1 for 2015/16) as well as an additional amount of grant of £707k¹⁸ relating to underestimated relief for 2014/15, due to the success of Discovery Park. An adjustment of this size is one-off in nature, now that Discovery Park is more fully occupied and the relief entitlement of its occupants is understood under the Business Rates Retention Scheme. Therefore the 2016/17 figure of circa £1m more closely matches the NNDR1 figure from 2015/16 before the prior year adjustment.
153. Turning to BR income itself, forecasts project DDC achieving a £321k surplus over its baseline (9.3% above baseline) in 2016/17. This will be subject to a levy of 50% by Central Govt., amounting to £160k. In 2015/16 a higher surplus was forecast (£814k) and therefore DDC joined the "pool" with KCC and other Kent authorities, a mechanism that enables the 50% levy rate on growth to be reduced (to closer to 10%) with separate arrangements for distributing any saving between KCC, DDC and the LEP (Local Enterprise Partnership). The LEP amount will be held in the "pool" by Maidstone (as lead authority for pooling) for joint regeneration initiatives in the DDC area, to be agreed between DDC and KCC. However, DDC has exited the pool in 2016/17, partly due to lower BR growth forecasts, partly due to volatility within its own business rates area, and partly due to concern that the pooling partners may not have fully factored in the eroding effect of successful appeals on annual ongoing income, which potentially could jeopardize the success of the pool and its intent to reduce levies going forward.

Council Tax

154. DDC's Council Tax (for its own use – i.e. excluding town and parish councils) for 2015/16 was £167.49 for Band D. This means DDC has one of the lowest Council Taxes in Kent (see table in Executive Summary).
155. Having due regard to the indications from Government regarding capping and the current economic climate, proposed increase in council tax has been set at 2.96% for the 2016/17 budget. This gives a Band D council tax for 2016/17 of £172.44, an increase of £4.95 per annum or less than 10p per week. The MTFP assumes increases of £4.95 for future years. These increases are unlikely to change DDC's position in relation to other authorities.

¹⁷ NNDR1 is a DCLG form which all authorities are required to complete, predicting the coming years BR income, reliefs etc. It is a key element in the system of localised BR, and generally payments from Government in the year are based on the NNDR1, even if actual performance is known to be significantly different.

¹⁸ Which has been transferred to the Special Projects Reserve.

Budget Requirement

156. For 2015/16 the original budget requirement was £16.07m. The 2016/17 requirement of £13.99m reflects a decrease of £2.08m. Inter-year comparisons are distorted by transfers to and from earmarked reserves as detailed below.

	2015/16 Original Budget £000	2016/17 Original Budget £000
Net Budget Requirement	16,073	13,990
Additional 2014/15 EZ Relief Grant transferred to reserves	(707)	-
Transfer to ICT Reserve to support on-going organisational requirements	(182)	(58)
New Homes Bonus transferred to Regeneration Reserve	(279)	(279)
Business Rates & Council Tax Support reserve use to offset NDR Collection Fund distribution	-	724
Business Rates & Council Tax Support reserve use to offset NDR & RSG funding reductions	-	487
Other Earmarked Reserve adjustments	(111)	(111)
Underlying Budget Requirement	14,794	14,753

157. The underlying budget requirement is in fact fairly stable, remaining at £14.8m across both years. This illustrates that overall spending has remained static between the years, however, there are a number of offsetting favourable and adverse variances, which are shown at point 121 above and in more detail on Annex 3.

"Carry Forward" of Unspent Budgets

158. A key element of financial management is the treatment of unspent budgets. The Council has sought to promote a culture whereby budget managers have the flexibility to manage their budgets responsibly.
159. If budget managers were unable to carry forward balances they would be placed in a position of "use it or lose it", and this could lead to unnecessary expenditure at the year-end.
160. To avoid this managers are given the opportunity to carry forward unused elements of their budget. This has been applied using the broad guidelines that:
- The carry forward should be for a planned purpose;
 - The carry forward should be sustainable – it is not appropriate to create an on-going commitment (such as employing additional permanent staff) from a one-off saving; and
 - The Director of Finance, Housing and Community reviews the carry forwards requested and approves them as appropriate.
161. In order to ensure that the carry forward can be integrated into the following year's budgets as soon as possible, it is proposed that the current practice of the Director of Finance, Housing and Community having delegated authority to approve the carry forward, and the carry forwards being reported in the outturn report and budget monitoring reports continues.

Recommendations from this Section

162. It is recommended that Cabinet:

- Continue the practice of delegating authority to the Director of Finance, Housing and Community to approve revenue budget carry forwards within the guidelines set out; and
- Approve the grants to organisations detailed at Annex 11.

163. It is recommended that Council:

- Approve the General Fund Revenue Budget for 2016/17 and the projected outturn for 2015/16;
- Approve the policies and protocols regarding the General Fund balances and earmarked reserves, and transfers between reserves as set out in Annex 6.

HOUSING AND THE HOUSING REVENUE ACCOUNT

OVERVIEW

164. This section addresses two separate, but related, aspects of housing within the district. The first concerns housing development and investment, and includes developments by the HRA, Registered Providers (RPs) and by the private sector.
165. The second concerns the financial standing of the HRA, its budget and balances, and the rent levels for the coming year.

HOUSING DEVELOPMENT AND INVESTMENT

166. Housing development and investment within the district is taking place on a number of fronts, of which the most significant are:
- HRA Investment
 - Housing Initiatives Reserve (HIR)
 - 1:4:1 Right to Buy Replacement
 - Acquisition and new build
 - Investment in existing stock
 - Registered Providers Investment
 - Private Sector Housing
 - Reducing the number of empty homes
 - Bringing unused properties back into use
 - Commercial housing developments
 - Homelessness strategy
 - Homelessness prevention
 - Rent deposit guarantee schemes
167. These are discussed in more detail below.

HRA INVESTMENT

Housing Initiatives Reserve (HIR) & 1:4:1 Right to Buy Replacement

168. The HIR is funded by the transfer of balances from the HRA whilst maintaining a £1m balance in the HRA. The HIR was established to fund a programme of new house building/acquisition. By the end of 2015/16 HIR funding will have assisted in the addition of 5 new houses and 17 flats to the HRA stock. Further projects included in the proposed capital program for 2016/17 could provide another 35 units although this is subject to a number of factors including planning requirements and viability.
169. The Housing and Planning Bill proposes measures that affect the HRA including the forced sale of high value vacant properties (with the payment of the resulting receipts to government), and the collection and payment to government of higher rent from “high income” tenants. The impact cannot be forecast at this stage.

170. Other than the capital bids included in this report the programme of new build/acquisition has been suspended until the measures in the Housing and Planning Bill are understood, Members may be asked to review the financial priorities of the HRA, with a view to making provision for the repayment of the HRA's £84m of debt while the resources are available, rather than investing in new stock.
171. After allowing for the 2016/17 capital bids the balance in the HIR is projected to be around £5m of which circa £2.4m would be required for "matched" funding against circa £1m of excess right to buy receipts retained under the governments 1:4:1 replacement scheme. If the excess right to buy receipts are not used within 3 years of their retention they are repayable to government with interest.
172. The four year HRA forecast projects an on-going ability to contribute to the HIR, however this is at an annually reducing rate due to the required reduction in rent income. The plans for use of the HIR will be reviewed following the assessment of the Housing and Planning Bill due to the need to consider allocating funds to repay the £84m debt based on a decreasing asset base.

Investment in Existing Stock

173. The HRA budget and projects take account of the need to invest in existing stock before establishing a surplus for the HIR. Investments completed, or provided for in the HRA plan include:
 - "Decent homes plus" achieved and continuing investment in kitchens, bathrooms, re-wiring, double glazing, energy efficiency improvements, alarm and door entry systems, etc.
 - Energy efficiency improvements to the Dorlonco houses, £700k;
 - Remodelling of Norman Tailyour House to provide self-contained flats;
 - New properties at Elvington completed December 2014;
 - 91, 93 and 95 Folkestone Road purchase being completed;
 - 6 x 1 bed flats & 2 x 3 bed houses purchased at Mill Road, Deal;
 - Purchase of land for affordable housing in Whitfield and Preston;
 - 8 new units constructed in Castle Street;
 - Lease and refurbishment of 3 empty flats in King Street.

Registered Providers Investment

174. The Council's strategy is to work with Registered Providers where possible in order to maintain a choice of providers and in order to ensure that the Council's own resources are preserved where possible.
175. The sites currently being worked on with Registered Providers, or anticipated to become active in the near future, include:
 - Harold Street, Dover (former William Muge)
 - Whitfield Phase 1A
 - Aylesham
 - Station Road, Walmer
 - Church Lane, Sholden
 - St Giles Road, Aycliffe
 - St Margarets

Private Sector Housing

176. The Council has a strong track record of bringing empty homes back into use. This has generated additional New Homes Bonus and Council Tax receipts. Our current target is to bring 40 long term empty homes (empty more than 6 months) back into use per annum. In 2014/15 a total of 32 empty homes were brought back into use. KCC “No Use Empty” loans totaling £300,000 were made available to property owners during this year which helped deliver property improvements with an overall value of £716,000. Thirty properties have been brought back into use so far this year and with schemes currently in progress we are hopeful that we will achieve our annual target.

Commercial housing developments

177. A number of commercial housing developments are also underway in the district. These generate additional Council Tax and New Homes Bonus. Property values in the Dover district tend to generate viability issues which in turn can threaten the delivery of affordable housing. Although the Council maintains its objective of 30% affordable housing this continues to be a challenge and will inevitably become harder to achieve especially as the Government is currently consulting on widening the definition of ‘affordable housing’ to include starter homes. Where the opportunity arises alternative approaches have been sought, including the acceptance of land from the developers, for a nominal sum, which enables the Council, or a RL, to undertake the affordable housing development.
178. Current and anticipated significant commercial housing developments in the district include:
- Aylesham
 - Whitfield
 - Preston
 - Hammil Brickworks
 - Connaught Barracks
 - Farthingloe
 - Sholden
 - Sholden Fields
 - South Deal
 - Station Road, Walmer

The number of housing completion in the District for the Authority Monitoring Report (AMR) period (1st April 2014 – 31st March 2015) is 344 dwellings. This is the highest completion figure since 2006/07 and is a very encouraging sign of the recovery in the housing market and will assist with additional Council Tax and New Homes Bonus revenue. Whilst this build rate is below the District’s housing target (505 dwellings per year) there are currently 508 dwellings in the District under construction which, providing they are all completed, will significantly add to the Council’s housing completions in the next AMR reporting period.

Homelessness Strategy

179. The Council continues to see an increase in the number of homeless households requiring assistance and this combined with an increasing difficulty in securing alternative housing in the private rented sector has resulted in an increased use of

temporary accommodation including Bed & Breakfast. The cost of providing B&B is funded from a combination of housing benefit and a top up payment from the homelessness prevention grant received from government.

180. It is important that we try to contain the use of B&B as much as possible. The Council is continuing to explore the possible acquisition of properties to provide an alternative to B&B and continues to work closely with partners to find new ways it can tackle this problem.
181. Helping households access the private rented sector as becoming more difficult and while we continue to provide assistance through rent deposit guarantees we will also consider other initiatives such as setting up a Social Lettings Agency.

THE HRA

182. The Local Government and Housing Act 1989 (s74) requires that local housing authorities maintain a ring fenced Housing Revenue Account (HRA). This account contains the revenue expenditure and income from provision of council dwellings and associated services and is ring fenced from the rest of the authority's expenditure and income.
183. The HRA's financial position, detailed at Annex 7, can be summarised as follows:
- HRA balance at 31/03/15 £1.09m;
 - Projected deficit for 2015/16 £93k (after transfer of £3.75m to Housing Initiatives Reserve);
 - Projected HRA balance at 31/03/16 £1.0m; Forecast surplus for 2016/17 £89k (after transfer of £2.4m to Housing Initiatives Reserve);
 - Forecast HRA balance at 31/03/17 £1.1m.
184. At the time of writing, the HRA has 4,389 dwellings, made up of 2,773 houses and 1,616 flats.
185. East Kent Housing is responsible for the management & maintenance of the Council's housing stock.

FINANCIAL OBJECTIVES

186. The main strategic financial objectives of the Housing Revenue Account are as follows:
- Maintain a Housing Revenue Account that is self-financing and reflects the requirements of residents;
 - Comply with the Decent Homes Standard;
 - Maximise the recovery of rental incomes;
 - Minimise the number of void properties and minimise the level of rent arrears and debt write offs; and
 - Provide sufficient investment in the current stock to maintain its condition and implement upgrades as necessary;
 - Maintain an adequate level of HRA balances and reserves consistent with the HRA Business Plan;
 - Transfer the HRA balances in excess of the agreed adequate level to the Housing Initiatives Reserve to be used for investment in the procurement of additional properties;

- Undertake prudential borrowing, in accordance with the Council's treasury management policies, where appropriate and there is a business case to do so, for investment in the procurement of additional properties.

NATIONAL BACKGROUND

Rent Setting

187. Council house rents used to be set using a complex model based on a formula provided by the Department of Communities and Local Government (DCLG). This was intended to achieve “rent convergence” and the model took into account a number of factors such as:
- Relative property values;
 - Local earning levels; and
 - Number of bedrooms.
188. In recent years rents have been uplifted by the Consumer Price Index (CPI) +1%. Starting from 2016/17 the Government has directed that housing rents should reduce by 1% in cash terms each year for 4 years. This will result in a forecast shortfall in rental income of £2.4m per annum by year 4 and £6.9m cumulatively against previous projections. The reduction excludes supported housing for 2016/17, which will continue to be increased by CPI plus 1%, it is understood that Government have permitted this to reflect the fact that supported housing is more expensive to manage and provide.

Rent Levels

189. The average decrease has been explained above. Rent levels are calculated on an individual property basis using rent formulas previously prescribed by DCLG.
190. It is not, therefore, possible to report on the rent to be set for, say, a standard 2 bedroom flat or a standard 3-bedroom house. However, for Members' information the following figures may be helpful:
- The 2015/16 average weekly rent across all properties is £86.70;
 - The 2016/17 average weekly rent is forecast to be £85.71;
 - The decrease in the average weekly rent is £0.99 or 1.1%; and
 - Three bedroom houses have rents (for 2016/17) ranging from £86.53 per week to £116.68 per week with an average of £93.73.
191. Determination of rent levels is an executive function that had been delegated to the Head of Strategic Housing in consultation with the Portfolio Holder responsible for Housing on the basis of the model described above.

LOCAL BACKGROUND

General

192. Dover has entered into an agreement with Government to retain receipts above the anticipated level. These excess receipts (known as “1:4:1 replacement”) are ring fenced to provide part funding of the cost of new affordable/social housing. This means that there is a cap (£118k in 2015/16) on the receipts that can be used for general capital purposes. This can be supplemented by the element of excess RTB

receipts retained for 'debt repayment' (£1.3m at 30/9/15) that may be used for other capital purposes if repayment of debt is funded from an alternative source.

193. As of the end December 2015 there have been 32 RTB sales in the financial year and Dover had retained 'excess receipts' in year in excess of £1m (estimated). This has to be used within 3 years of receipt, or else it will be taken by the DCLG, and, if applied to a capital scheme, it cannot comprise more than 30% of the scheme costs.
194. In order to comply with these rules and avoid claw back by the DCLG, this funding is normally applied to housing projects, before any other sources are used.

Service Charges

195. The Council currently levies service charges to tenants and leaseholders based on the costs of the specific services received by the two groups. Service charges to tenants are made in addition to their weekly rent. Service charges and charges for insurance are made to leaseholders in addition to the ground rent charged.

2016/17 DRAFT BUDGET AND MEDIUM TERM FORECAST

196. The HRA balance is forecast to be circa £1m at the end of 2015/16. The 2016/17 forecasts a £89k surplus, after a transfer of £2.4m to the Housing Initiatives Reserve, which will result in a HRA balance at 31/03/16 of £1.1m. The future year projections show a reducing income stream from rents due to the Government requirement to reduce rents by 1% per annum for the period 2016/17 – 2019/20 and also from the impact of increased Right to Buy levels. Alongside the rent reductions the HRA is also facing general inflationary pressures on its expenditure. These pressures are significantly reducing the funding available to transfer to the HIR in future years. The forecast shows that to maintain a balanced budget for the planning period, until 2019/20, the transfers to the HIR need to be reduced from £2.4m in 2016/17 to £800k in 2019/20.
197. Annex 7 provides a draft HRA budget summary & Annex 7A provides an explanation of the main variations from the original 2015/16 budget to the 2015/16 projected outturn and from the 2015/16 projected outturn to the 2016/17 proposed budget. Annex 7B details the 4 year forecast position for the HRA.
198. The capital spend on existing council owned stock will be in accordance with the agreed plan supplied by EKH and to be signed off by s151 officer and EKH.

Recommendations from this Section

199. It is recommended that Council:
 - Approve the 2015/16 Projected Outturn and the 2016/17 HRA budget at Annex 7.
 - Delegate to the Director of Finance, Housing and Community, in consultation with the portfolio holder for Performance and Resources, the setting of the level of the on-going HRA minimum balance, the transfer of balances to the HIR, the use of prudential borrowing, and adjustment of the resources of the HIR accordingly.
 - Delegate to Cabinet the approval of individual projects to be financed by the HIR.

- Delegate to the Director of Finance, Housing and Community, in consultation with the portfolio holder for Performance and Resources, approval of offers, tenders or bids for the purchase of properties on the open market or at auction, in order to respond to market opportunities.

ASSET MANAGEMENT PLAN

200. The AMP is used as a management tool to assist in ensuring that the Council's property assets meet the objectives set out in the Council's Corporate Property Strategy. It covers:
- Revenue maintenance requirements;
 - Capital works programmes;
 - Data on performance of significant corporate assets; and
 - Properties identified for disposal.
201. Expenditure on repairs and maintenance forms a direct link with the revenue budget, which contains the resources to meet the programme of repairs and maintenance. Standards of maintenance, and therefore of required expenditure, are to some extent subjective. The Director of Environment & Corporate Assets confirms that there are sufficient resources to keep properties generally wind and water-tight but it continues to be a challenge to maintain all buildings without deterioration. Continuing with this approach increases the risk, but it ensures that the limited budget targets only essential maintenance.
202. There is an estimated backlog of planned maintenance required to "Operational Assets" in the region of £600k.
203. In 2013/14 an Urgent Works earmarked reserve was established and this is held to fund urgent works on corporate assets if required.

Summary

The key points for Members to note are:

- There are sufficient resources to maintain the Council's General Fund properties in a basic state of repair but it is a significant challenge to maintain all the buildings without deterioration and this does carry a risk of service failure or an increase in the overall maintenance backlog;
- The Director of Environment and Corporate Assets is reviewing opportunities for realising capital receipts from surplus assets to support financing of the capital programme.

CAPITAL PROGRAMME & SPECIAL REVENUE PROGRAMME

Purpose of the Capital Programme

204. The primary objectives are to:

- Maintain an achievable, affordable capital programme;
- Ensure capital resources are aligned with corporate priorities;
- Identify any requirement for Prudential Borrowing, and ensure that it is only undertaken if it is affordable; and
- Maximise available resources by actively seeking external funding and disposing of surplus assets.

Definition of Capital

205. Capital expenditure is expenditure which increases the capital value, performance, use or life of an asset. It can be financed by a number of means including:

- Capital receipts;
- Capital grants;
- Revenue resources;
- Prudential Borrowing (see Prudential Code below); and
- Leasing.

206. With the exception of revenue resources and the use of external leasing, none of the sources above can be applied to meet revenue requirements.

Content of the Capital Programme

207. Members are referred to the draft Medium Term Capital Programme (MTCP) at Annex 8A. This is a dynamic programme and a formal bidding process is operated every year to identify and plan future projects.

208. However, the speed of developments in relation to major projects such as DTIZ, Aylesham, etc has shown that if formal approval is required for every minor change in the programme, this will generate delays. In order to manage this it is proposed that the current practice, as set out below, is continued:

- The programme be continuously updated to reflect the latest position;
- The latest programme will be included in the budget monitoring report (or a summary of changes will be provided) circulated to Members during the year;
- The latest version of the programme will be displayed on the intranet and internet;
- Whenever changes are required which exceed the overall spend of the programme, Member approval will be required – in effect, approval will be required if officers cannot find savings within existing resources to accommodate changes, or cannot finance them from external sources; and
- Any changes which are expected to have significant policy implications will be discussed with the Leader and relevant portfolio holder and will be reported to Members.

209. To simplify the management of regeneration budgets it has been agreed that they are treated as one major project and virements between them can be authorised by the Director of Finance, Housing & Community.
210. To facilitate efficient decision making, final approval for projects up to £50k that are included on the capital and special revenue programmes are delegated to the Director of Finance, Housing & Community in consultation with the Portfolio Holder responsible for Finance.
211. In addition a capital contingency has been included on the MTCP in order to allow progression of small projects without significant policy implications. It is proposed that the approval of such projects continues to be delegated to the Director of Finance, Housing & Community in consultation with the Portfolio Holder responsible for Finance.
212. All projects will continue to require reports for approval of a Project Appraisal and at evaluation, design and tender stages, where appropriate, in accordance with the Constitution.
213. The structure of the programme is reflected in the format of Annex 8A and is explained below:
- Committed General Fund Projects
These are live General Fund projects that have been approved by Cabinet through the Project Appraisal process and are committed or in progress.
 - Proposed General Fund Projects
New projects are shown in the programme for approval of funding to the projects. These projects will be subject to the completion of a Project Appraisal for approval before they commence.
 - HRA Programme
Proposed level of expenditure and allocation of funding for HRA projects, as detailed at Annex 8C.
 - Financed by
This table provides a summary of the financing of the proposed capital programme. Members will note that there are sufficient resources to finance the projects included in the table. However, Members should also note that:
 - If Members wish to include additional projects in the programme, these can only be resourced by removal of the equivalent value in new bids;
 - Removal of projects financed by specific grants, or within the HRA, will not generate additional resources for other projects in the General Fund programme;

Proposed Deleted Projects

214. In order to reflect changing circumstances for projects and to finance new capital projects it will sometimes be necessary to delete existing projects on the programme. These will be reported in the budget monitoring report circulated to Members during

the year. The following projects are proposed to be deleted from the current programmes:-

- Dover Fountain - £150k – Special Project Reserve Funded;
- Kingsdown Emergency Beach Recycling - £75k – Environment Agency Grant (project superseded by the Deal Beach Management Plan);
- Urban Renewal - £730,833 – Housing Initiative Reserve funded (superseded by £3.9m new bid to respond to market opportunities to purchase land and buildings for affordable housing);
- Roman Painted House works - £60k – capital receipt funded;
- Parks General Repairs - £56k – Special Project Reserve funded;
- Environmental Enhancements - £40k – Special Project Reserve funded.

215. The £60k allocation from the Special Project Reserve to refurbish railings at St Margarets Bay Promenade is proposed to be reduced to £30k in 2016/17.
216. The £150k allocation for the replacement of flat roof coverings at Dover Town Hall is proposed to be used for urgent works at Dover Town Hall in 2016/17.
217. The £200k contribution to repair the sea defences at Kingsdown is proposed to be used as the Capital Contingency in 2016/17 if the funding is not required for the sea defence works.

Content of the Special Projects Programme

218. The Special Projects Programme (Annex 8D) comprises significant projects which are not, in the main, capital, but which are still one-off in nature and are therefore to be funded from reserves since annual recurrent budgets could not finance them. As one-off projects they are generally managed with the same disciplines and controls as capital projects. Because they are financed from revenue reserves cancellation of any of these projects would free up resources which could be used to finance capital projects, other revenue projects, or for other purposes.

Financing of the Capital and Special Revenue Projects Programmes

219. In order to maximise the capital resources available to the Council, the detailed decision to apply capital receipts, revenue resources, grants, s106 monies etc to finance the approved Capital and Special Revenue Projects programmes is delegated to the Director of Finance, Housing and Community, in consultation with the portfolio holder responsible for Finance, and that capital receipts from particular sources will not be hypothecated to specific projects. Instead they will be treated as one overall stream to finance capital and revenue projects within both the General Fund and HRA according to the priority of the projects and the availability of financing.
220. The financing of the capital programme will be reported to Members as part of the Outturn Report. This is produced annually and accompanies the final accounts.
221. In addition to financing of capital expenditure, the Council also has to consider what provision, if any, should be made for the repayment of debt. Although no new long term borrowing is currently proposed, it is intended that any new borrowing, should it

be required, will be repaid by making revenue provisions based, inter alia, on the life of the asset as set out in the Treasury Management Strategy Statement, Annex 9.

Prudential Code

222. The “Prudential” regime was introduced on 1 April 2004, and since then local authorities have had the freedom to borrow monies that are judged affordable, sustainable and prudent. This enables local authorities to fund new borrowing from savings in revenue expenditure or the generation of additional revenue income. At the outset of the Prudential regime this Council decided that it would generally be imprudent to undertake borrowing which is not supported by revenue grant from the Government for financing the capital programme. The Council keeps this policy under review and may, at a future date, undertake new borrowing if it is affordable.

Capital Receipts

223. In 2004/05 the Government introduced the pooling of housing capital receipts, from Right-to-Buy sales, for distribution to authorities where there is greatest need. From 1 April 2012 new Right-to-Buy regulations apply. The main change from previous regulation is that receipts in excess of those allowed for under the Housing Finance Reform Debt Settlement may be retained by an authority for 1:4:1 replacement of Affordable Housing.
224. Right-to-Buy (RTB) sales have shown an upturn in 2015/16 although the level of receipts available for general capital purposes is capped (£118k for 2015/16). Additional funding is available from the element of excess RTB retained for debt repayment that may be used for other capital purposes (balance £1.3m at 30/9/15).
225. The Council generally retains 100% of non-HRA capital receipts and non-RTB HRA capital receipts, subject to capital allowance regulations.
226. Annex 8B details the level of capital receipts held, committed to projects proposed to be used for new projects. The balance of receipts after these commitments is shown as £468k.

Additional Projects and Future Year Requirements

227. Annex 8F includes details of projects that have been identified requiring future capital expenditure. These projects are outlined to provide details of forthcoming pressures on capital resources. As financing becomes available through relevant grants or disposal of assets these will be reviewed for inclusion in the MTCP based on the corporate priorities.

Property Development Opportunities

228. The Council is currently experiencing low returns on its investment of cash balances due to the current economic climate. Alongside this the district is experiencing growth and investment through its regeneration programme. Therefore consideration will be given during the financial year to any suitable opportunities for investment or development through redevelopment of existing assets or acquisition of new. In making any investments the balance of the portfolio will be taken into account, and

the requirements for security of the asset, liquidity and return will be primary considerations. Any proposals will be reported to Members during the year as appropriate.

Summary

The key points for Members to note are:

- The capital programme operates on a cash funded position with no new projects being approved to commence unless the whole project costs can be financed through additional funding, sufficient capital receipts have been banked or other savings in the programme are identified. The new projects in the programme have been approved subject to the completion of a Project Appraisal for approval by the Director of Finance, Housing & Community in consultation with the Portfolio Holder responsible for Finance or Cabinet;
- The Capital Programme is partly financed from HRA Right-to-Buy sales. The level of sales has increased in 2015/16 although the level of receipts available for general capital purposes is limited.
- The detailed financing of the capital and special projects programmes is delegated to the Director of Finance, Housing and Community in consultation with the portfolio holder responsible for Finance;
- There is no provision for making capital grants to other organisations, other than those grants already approved; and
- The lack of headroom in the capital programme for additional projects is a significant constraint. However, it is still considered imprudent to change the "no borrowing" strategy adopted in 2004/05 to finance capital projects unless revenue resources to service the borrowing and repayments can be identified, for example borrowing for housing may be affordable within the HRA.

RECOMMENDATIONS FROM THIS SECTION

229. It is recommended that Cabinet:

- Continue the practice of delegated authority to the Director of Finance, Housing and Community, in consultation with the Portfolio Holder responsible for Finance, to:
 - Apply capital receipts, revenue resources, grants, s106 monies, etc. to finance the approved Capital and Special Revenue Projects programmes;
 - Authorise projects up to £50k that are included in the capital and special revenue programmes;
 - Authorise projects funded from the Capital Contingency;
 - Authorise virements between Regeneration projects;
 - Draw down Growth Point reserves in order to apply them to regeneration projects.

230. It is recommended that Council:

- Approve the capital and special projects programmes;
- Approve that capital resources required to finance new projects are secured before new projects commence.

TREASURY MANAGEMENT AND THE PRUDENTIAL CODE

231. The Local Government Act 2003 introduced new capital accounting regulations, which required Councils to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code when setting their budgets.
232. The new capital system promotes a Council framework to ensure:
- (a) That the authority maintains a balanced budget;
 - (b) That the impact of capital investment decisions is reflected in the revenue budget; and
 - (c) That performance measurement is implemented in managing and controlling the impact of capital investment decisions.
233. Annex 9 to this report sets out estimates for each of the relevant Prudential Indicators in each of the financial years 2016/17 to 2018/19, and includes the latest estimates for 2015/16 aligned with the revised forecast budget. Approval is sought for the proposed indicators for 2016/17 – 2018/19. The indicators have been grouped into the five categories defined within CIPFA's Prudential Code.
234. The capital programme has been financed to date within existing resources, which include capital receipts, specific capital grants, the Major Repairs Allowance, and useable reserves.

TREASURY MANAGEMENT

235. The Council's Treasury Strategy complies with the requirements of the CIPFA Code of Practice on Treasury Management, which was adopted by the Council on 2 September 2002 and the CIPFA Code of Practice on Treasury Management (revised November 2009) that was adopted by this Council on 2 March 2011.
236. Approval of the strategy is a Council decision.

RECOMMENDATIONS FROM THIS SECTION

237. It is recommended that Cabinet:
- Delegate to the Director of Finance, Housing and Community, in consultation with the portfolio holder responsible for Finance, the amendment of the level and period of investment in property funds.
238. It is recommended that Council:
- Approve the Treasury Management Strategy, including the Prudential Indicators and Minimum Revenue Provision statement

KEY ASSUMPTIONS & READY RECKONER

Background

239. In order to complete the budget and MTFP in accordance with the timetable it is necessary to make various assumptions. These are based on the most realistic information available at the time of production, but it is important that Members are aware of these assumptions and their implications.

Inflation

240. Salary inflation will be based on the results of the Collective Bargaining process. Contract inflation for 2015/16 is based on the details of the specific contracts, the state of the market for the specific services and any other relevant factors. Contract inflation is assumed to be 3% for future years. Inflation on all other expenditure will aim to be limited to the current budget level; however a small allowance of 2% has been forecast to allow some limited growth.

Staff Numbers

241. The 2015/16 budget includes 229 full time equivalent posts directly employed for DDC plus a further 30 employed by DDC as part of the East Kent Audit Partnership (working for Canterbury, Thanet, Shepway and Dover and recharged accordingly) and East Kent HR (working for Canterbury, Thanet and Dover and recharged accordingly) allocated across services as detailed in Annexes 5A-5D.

Triennial Valuation of the Pension Fund by the Fund Actuaries

242. The triennial valuation took effect from April 2014. It has been assumed that the DDC backfunding contribution will increase by £80k per annum above the 2016/17 level of £1.9m for the planning period.

Interest Rates

243. It is assumed that DDC will earn an average of 0.62% on its investments in 2016/17 and 2017/18 followed by 1% for future years.

Revenue Support Grant

244. The current draft settlement provides figures for 2016/17 – 2019/20. Future years are forecast to reduce by 41.6%, 44.6% and then 90.1% in 2019/20 when the value of the grant will be £57k.

Business Rates Retention

245. The current draft settlement covers 2016/17 – 2019/20 and proposes an increase in NDR inflation of 0.83% for 2016/17, 1.86% for 2017/18, 3.04% for 2018/19 and 3.2% for 2019/20.

Council Tax

246. Council tax increases have been assumed at 1.99% for 2016/17 and then at 1.99% for the remainder of the planning period.

Second Homes Monies

247. Second Homes income from KCC is assumed to be reduced by 50% in 2016/17 compared to last year, and to be entirely removed thereafter.

New Homes Bonus

248. New Homes Bonus is a scheme that provides incentives and rewards for councils and communities who wish to build new homes in their area. Government is consulting on reducing the grant paid to Local Authorities. For planning purposes it is assumed that the grant will reduce by £300k in 2017/18 and a further £150k in 2018/19.

Capital Projects

249. There are no material revenue implications of current capital projects as they go live.

Ready Reckoner

- Payroll - 1% increase costs the General Fund approximately £80k
- Council tax - 1% raises £63k
- RSG – 1% change equals £17k
- NDR – 1% growth in BR income equals £70k (DDC's share, including gross-up for S31 Grant)
- Investment Income - 1% equals £420k (split approx 75/25 GF/HRA)
- Contract inflation – 1% equals £90k
- Business Rates Tariff - Every £100k reduction below the NDR baseline results in £40k reduced income for DDC to a maximum of the safety net value of £252k
- Business Rates Levy – Every £100k received above the NDR baseline results in £20k additional income, before levy reductions from pooling.

SIGNIFICANT BUDGET RISKS

250. Budgets, by their nature, involve an element of forecasting which entails uncertainty and hence risk. The schedule below highlights the main budget risks identified.

Ref	Description	Impact	Likelihood	Mitigation	Sensitivity	Residual Impact	Residual Likelihood
1	Council Tax Base / Collection Rates – reduced collection rates could impact on the resources available to the Council.	H	M	<p>Realistic performance targets for collection of Council Tax have been set to reflect the system of local Council Tax Support now in place.</p> <p>EKS undertake regular monitoring of collection rates, trends on non payments and bad debt analysis.</p> <p>The collection rate for new payers is being monitored very closely and collection is in line with projections. Reasonable arrangements to pay are put in place by staff where appropriate.</p> <p>There are no changes proposed to the Council Tax Support scheme for 2016/17.</p>	1% reduction in the total collection rate costs £63k.	M	M
2	<p>NDR Localisation</p> <ul style="list-style-type: none"> The localisation to Business Rates transfers some of the impact of growth or reduction in the tax base and collection rates to the billing authority. Dover receives 40% of business rates income, but after deduction of a tariff of £10.6m which does not change regardless of performance for the year. This reduces Dover's share to a baseline of £3.4m approx. of BR income If there is a shortfall of income, Dover bears 	H	H	<p>The NDR1 return to DCLG takes into account the likely scenario for the future year's business rates and that adequate provision has been made for the impact of BR appeals.</p> <p>Regular monitoring of the position is undertaken in conjunction with East Kent Services.</p> <p>The Council was in a Kent BR pool with KCC and 10 districts in 2015/16 but has withdrawn from the pool in 2016/17 due to volatility and uncertainty over its likely BR income pending resolution of significant appeals. The ongoing eroding effect of appeals</p>	<p>Impact of appeals on income not possible to accurately quantify.</p> <p>Impact of BR income being below the baseline is up to £254k loss of funding until the safety net kicks in.</p> <p>Impact of being outside the Kent pool on reducing</p>	H	H

Ref	Description	Impact	Likelihood	Mitigation	Sensitivity	Residual Impact	Residual Likelihood
	<p>the first £254k before receiving a safety net payment to limit its loss of funding.</p> <ul style="list-style-type: none"> If there is growth above the baseline, Dover receives its 40% share, but after a 50% tariff reducing the amount retained to 20% of any growth. There is a pooling mechanism that reduces the levy payable on growth from 50% to, say, 10% approx., but the saving from pooling is not entirely retained by Dover, but governed by the pool's sharing mechanism. The future sustainability of the scheme is questionable and the outcomes are sometimes perverse. 			<p>on ongoing income and the timing of significant growth, which is not expected until 2017/18 (DTIZ), means that gross rates is likely to be lower in 2016/17 than 2015/16, with less being "growth" above the baseline, and therefore a reduced levy amount being payable to Government. While pooling reduces the levy rate, which is beneficial, if Dover's BR income falls beneath its baseline, the pool would have to fund any safety net payment, making Dover a drain on the pool. If Dover exceeds its baseline and has to pay a levy, it will pay it at a higher rate than under the pooling arrangements</p>	levy payable, is loss of £12k direct saving per £100k of growth and a further £12k that would have gone into a Kent/Dover LEP for agreed projects		
2A	On 20/1/15 NHS Trusts lodged requests to be treated as charities and receive mandatory charitable relief on their premises.	M	M	The impact is currently being determined. The impact is likely to be greatest in those districts with large hospitals. If upheld the applications would represent a significant further resource shift from local government to the NHS.	Not yet known.		
3	Neighbourhood Development Plans may be produced by a number of Town or Parish Councils, for which the cost items such as a referendum and examination is the responsibility of the District Council.	H	H	<p>Planning advice is provided to towns and parishes to help ensure a good process is followed which would help to minimise costs.</p> <p>Government grants are currently available to offset the costs to districts however it is not known whether this will continue into future years.</p>	£20-30K per annum.	H	H
4	Reduced level of commitment by partners in	H	M	The Chief Executive and the Head of Inward Investment are in frequent		H	L

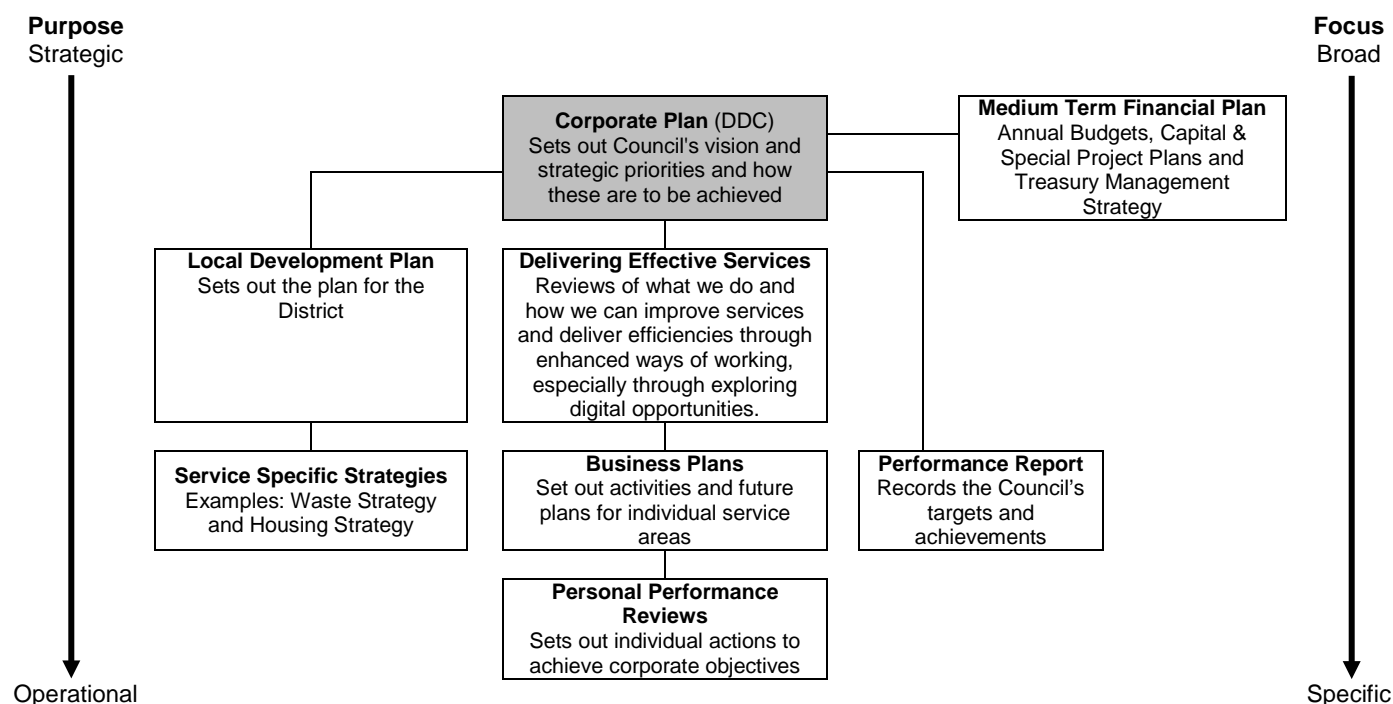
Ref	Description	Impact	Likelihood	Mitigation	Sensitivity	Residual Impact	Residual Likelihood
	regeneration projects leading to reduced resources available to complete the projects.			contact with our major partners. Our partners have also started to invest their own resources in the regeneration projects and have become identified with the projects' success.			
5	Reduced capital receipts from housing and other asset sales leading to reduced resources available to complete projects.	H	M	<p>The reduced receipts could arise from lower sales, lower prices or both.</p> <p>We cannot mitigate against market movements or reduced levels of sales. To some degree lower values may increase the level of interest, but this will also be dependant on interest rate movements.</p>		H	M
6	The level of resources for repairs and maintenance to properties may result in asset deterioration and potential service failure.	H	M	A corporate budget is held for repairs and maintenance of assets enabling the Director of Environment and Corporate Assets to allocate the resources appropriately according to need.		H	M
7	There is a risk that the Government settlement for future years will be less than the forecast included in this plan.	H	M	As with the current settlement, the Council can take part in Kent wide lobbying on the settlement, but has limited ability to influence the settlement.	Every 1% reduction in RSG costs the Council approx. £17k.	H	M
8	Pension Funding – increased deficit, demographic change, reduced asset values and interest rates may lead to additional contribution rates, at future triennial valuations, to meet backfunding requirements.	H	H	Instead of paying a contribution rate based on a % of salaries, DDC pays a fixed sum.	A 1% increase in contribution rates costs the General Fund approximately £80k	H	M
9	Your Leisure may request additional funding from the Council	M	M	The merger between Vista Leisure and Thanet Leisure Force have given greater resilience to the new organisation, Your Leisure.		M	M
10	Fees and Charges – some sources of income may be	M	M	Income assumptions are made at a conservative level based on historic		M	M

Ref	Description	Impact	Likelihood	Mitigation	Sensitivity	Residual Impact	Residual Likelihood
	affected by a reduction in overall economic activity.			performance and other known influencing factors. Active monitoring of income levels is carried out throughout the year.			
11	Land charges - there is currently a risk to the Land Charges income stream.	M	M	Personal Search Fees were discontinued following a change in legislation in 2010. Charging prior to this change is currently the subject of litigation as is the charges regime for Land Charges Search information. This is a national issue and is not yet wholly resolved.	Land charges income is forecast to be £180k	M	M
12	The budgeted level of vacancy savings may not be achieved.	M	M	The current Employment Stability process challenges the replacement of all vacancies and temporary staff requests. In addition, active monitoring of vacancy savings is carried out throughout the year.	Vacancy savings of £100k are forecast	M	M
13	New Homes Bonus may not be achieved through if levels of new homes completions are not to target. The scheme changes currently under consultation may be implemented at a different level to that currently forecast.	H	M	The New Homes Bonus assumed in the MTFP is based on the DCLG projection for DDC and includes assumptions for the proposed changes.	2016/17 NHB income of £1.9m included as a key element of the General Fund budget.	M	M
14	The impact of Housing and Planning Bill could be significant	H	H	The essence of the proposals are included in this document. The implications will only be known when the implementation proceeds. The bulk of this is subject to regulation by the Secretary of State.	Unable to forecast at the time of writing.	H	H
15	Economic downturn			Recent financial market activity may be the precursor of an economic downturn, or simple a re-adjustment. The UK is generally regarded as being well placed	Potential slowing of economic activity could place pressure on income		

Ref	Description	Impact	Likelihood	Mitigation	Sensitivity	Residual Impact	Residual Likelihood
				economically. Nonetheless, western economies have not yet fully normalised following the previous crash so room for manoeuvre by governments and central banks is limited.	streams and expenditure.		

RELATED STRATEGIES AND PLANS

The relationship between the Council's major plans and strategies is set out below. Members are reminded to consider these plans when approving the allocation of resources as set out in the MTFP.



Notes: The Corporate Plan sets out the vision and strategic priorities of the Council and provides the context for other strategies and plans that we may produce. The outcomes contained in this Plan are cascaded throughout the organisation, with targets to keep us on track. Each service has its own Business Plan, which sets out the service specific activity carried out and plans for delivering the services into the future.

JOINT PLANS WITH PARTNERS

251. Partnership working is an important element in service delivery and achievement of our corporate objectives. The Council's major partnerships are described below.

Partner / Project	Commentary
Dover Town Investment Zone (DTIZ) St. James's	We have signed Development Agreements with Bond City Limited in relation to the DTIZ/St. James's scheme and continue to work with the Homes and Communities Agency (HCA) who have taken on the responsibility for the obligations contained in the earlier SEEDA Funding Agreement. Planning consent has been agreed for a revised retail/leisure scheme and a successful Compulsory Purchase Order has been progressed following a Public Inquiry. The site has been vested in the Council's ownership and demolition of the remaining properties is nearing completion and a range of pre-construction works are now in progress. Separate archaeological investigations have also been undertaken across the site. A separate residential element at the corner of Castle Street/Maison Dieu Road been completed on site. The remainder of the scheme, comprising the retail and leisure elements, will now be undertaken as part of a comprehensive scheme. Beyond the site, the former Centurion House has been demolished and temporary car parking has been provided.
Aylesham Regeneration	The development has now moved to the delivery stage and works started on site in 2014. The Council continues its landowner responsibilities working with Ward Homes and Hillreed Homes and Southern Housing Group in respect of affordable housing provision.
Connaught Barracks	A Memorandum of Understanding has been entered into with the Homes and Communities Agency, the current site owners. The HCA has been working with the District Council and liaising with English Heritage to secure a sustainable solution for the site, which has seen Fort Burgoyne transferred to the Land Restoration Trust, supported by a dowry to enable ongoing maintenance and the development of a sustainable end use to be achieved. Proposals were brought forward in during 2015 to initiate the first part of the housing on the former Officer's Mess site on the western side of the site. Planning consent is due to be issued in early 2016. The Government also announced on 4 January that the Connaught site will form part of a five site programme of accelerated development which will see direct investment in the demolition and infrastructure which will de-risk the site for smaller builders. The Land Restoration Trust is expected to commence consultations and bring forward proposals on Fort Burgoyne during 2016.

Hadlow College at Betteshanger	A Memorandum of Understanding has been entered into with Hadlow College who now own the site. We continue to work with Hadlow College and the HCA to bring forward and enable a comprehensive development of the former business park and adjacent country park. The Council has worked with Hadlow on the preparation of Grant Funding bids under the Coastal Communities Fund and Heritage Lottery Fund which have recently been approved. Development commenced on the country park during Autumn 2015 and is due for completion during 2016. Proposals for the business park are also expected in 2016.
Western Heights and Farthingloe	A Planning Performance Agreement has been completed with the main land owner in the locality, CGI Limited. Planning Consent has been granted following the completion of prior legal agreements with English Heritage and KCC. The Council's Decision has been the subject of a judicial challenge from the Campaign for Protection for Rural England (CPRE). Despite a successful defence prior to Christmas, the CPRE is continuing to seek leave to appeal. Cabinet has also authorised the necessary land owner agreements which are progressing in parallel. We continue to work with CGI and other bodies and key agencies such as Historic England, the Town Council and others to explore the significant investment interest for this area.
East Kent Spatial Development Company	The Council is a member of the Company, which is being restructured following the proposed withdrawal by the Homes and Communities Agency, to explore and bring forward investment opportunities in the District.
South East Local Enterprise Partnership (SELEP)	The Council is contributing actively as a member of the SELEP Board and as part of the Kent Federated Model to ensure that the strategic and local interests of East Kent and the District are fully represented. Furthermore, the Council is also participating actively as part of the wider Network of Coastal Communities and ensuring that their interests are taken into account as part of the SELEP work streams.
Discovery Park Enterprise Zone, Sandwich	The Council is engaging fully in the Enterprise Zone Programme at both a national level, regular liaison with the Department for Communities and Local Government, and as part of the local Enterprise Zone Board. Significant progress has been made at Discovery Park, which is recognised as one of the flagship EZ's, towards the target of 3000 jobs by 2017. Currently, there is a total of around 2400 jobs secured or retained, comprising some 125 companies, with people employed on site or in the pipe-line moving there. The DCLG target is 3,000 jobs by 2017. The foundations for future investment in the site are also being put in place through the submission and resolution to approve a comprehensive site wide Masterplan together with an application for a supermarket, funding further essential infrastructure. DDC has also worked actively with Discovery Park on the successful submission of Grant Funding bids. Planning Consent has been issued for the site wide masterplan, which enables a mixed-use development around the retained buildings. Further detailed planning applications are imminent and will be received during 2016. DDC has also participated with Government and others, using Discovery Park as part of a case study route map to assist with opportunity developments where the need arises elsewhere.

Dover Harbour Board	Following the decision by Government not to privatise the Port of Dover, the Council has engaged with Dover Harbour Board and others as part of the recently established Port of Dover Community Forum. Regeneration remains a key requirement going forward. The Port of Dover is commencing the scheme known as the Western Docks Revival in spring 2015, with the construction of two new junctions on the A20 forming the first phase of activity. A further Harbour Revision Order is being advertised to modernise the Harbour Board's constitution whilst strengthening the links between the Port and community.
Kearsney Parks for People	In 2014 DDC submitted a successful Round One bid for the Heritage Lottery Fund/Big Lottery Fund 'Parks for People' programme for a major scheme of restoration and improvement works at Russell Gardens and Kearsney Abbey. The project is now in the development phase for a Round Two submission of detailed proposals in February 2016. We have received HLF development funding of £274,100 for this part of the project. A successful Round Two submission would secure £3.1 million in funding for the project.
White Cliffs Countryside Partnership	The White Cliffs Countryside Partnership is a partnership between Dover District Council, Shepway District Council, Kent County Council, Eurotunnel, Natural England and many other local organisations with financial contributions from the Heritage Lottery Fund, which was established in 1989 to help conserve and enhance the special coast and countryside of Dover and Shepway districts, and make it accessible to all. Dover DC is the host authority for the partnership.
'Up on the Downs' Partnership	'Up on the Downs' is a £2.5 million Heritage Lottery funded Landscape Partnership Scheme that aims to make a significant difference to the easily recognisable and iconic landscape of the Dover and Folkestone area. The scheme will operate until 2017 and by working with our partners and local communities the team aim to conserve and celebrate the landscape and heritage of the scheme area. Dover DC is the host authority for the partnership.
Waste and Recycling	The Council has awarded a 10 year contract to carry out recycling and waste collections, the processing of recyclate collected and street cleansing operations to Veolia Environmental Services (UK), which commenced in January 2011. The contract has been awarded in partnership with Shepway District Council and Kent County Council (as the disposal authority). Dover is the lead on this partnership and manages the client team who oversee the contract from the Dover District Council offices on behalf of the three authorities.
East Kent Housing	EKH has been established as an Arms Length Management Organisation jointly owned by Dover, Canterbury, Shepway and Thanet districts to deliver a range of delegated housing management services.
Choice Based Lettings	A Choice Based Lettings service delivered by Kent Homechoice the organisation set up in partnership with other Kent local authorities and Registered Providers.
Housing PFI	A partnership project between KCC and districts which has secured PFI funding that has already delivered extra care housing schemes across Kent, including Dover district under Phase 1, and which is planned to deliver a further scheme in Dover in 2016.
East Kent Audit Partnership	The partnership is hosted by Dover working with Canterbury, Thanet and Shepway councils and includes providing the internal audit service to East Kent Services and East Kent Housing.

East Kent Services	EKS discharge revenues & benefits, customer services, ICT and Human Resources functions on behalf of Dover, Canterbury and Thanet. Council has approved Work is currently underway to implement the successor body to EKJAC, the East Kent Services Committee which from 11 February 2015 will oversee the work of EKS.
South Kent Coast Health and Wellbeing Board	<p>The South Kent Coast Health and Wellbeing Board covers the Dover district (with the exception of some GP practices in Dover district that are part of the Canterbury and Coastal HWBB) and Shepway district (following the boundary of the South Kent Coast Clinical Commissioning Group) and Cllr Paul Watkins is the chair of the Board.</p> <p>The local-level board complements the county-wide Board and will feed local views into the overarching Kent strategy and ensure local issues are determined locally.</p> <p>The aim of the South Kent Coast Health and Wellbeing Board is to ensure a "local" voice and to identify, at the appropriate level, district-wide and neighbourhood-level health needs, priorities and gaps in service provision.</p>
Sandwich Town	<p>Participation as a key stakeholder in the KCC led Working Group tasked with developing a traffic management plan for Sandwich, and overseeing its implementation. Sandwich is recognised by English Heritage as one of the country's most important heritage assets. Funded by Sandwich Town Council (STC), KCC are implementing in the short term measures to restrict HGV access to the town and conservation zone. In addition, a KCC commissioned and STC funded holistic traffic review by consultants is now underway and will report in July 2016 with recommendations which will form the basis of a bid to the Heritage Lottery Fund amongst others. The aim of all this work is to protect the heritage of Sandwich, improve the visitor experience, enhancing the tourism sector and increasing employment.</p>

GENERAL FUND BUDGET SUMMARY

2014/15 Actual		2015/16 Original Budget	2015/16 Projected Outturn (31 Dec 15)	2016/17 Proposed Budget
£000		£000	£000	£000
	Directorate			
3,763	Chief Executive	2,446	2,534	2,692
2,043	Governance	2,763	2,872	2,841
2,996	Finance, Housing & Community	2,418	2,504	2,708
6,607	Environment & Corporate Assets	7,599	8,051	8,362
434	Special Revenue Projects	392	825	16
0	Shared Services (DDC hosted)	0	1	0
0	Vacancy Allowance	-100	0	-100
0	Delivering Effective Services/Apprenticeships	100	62	-22
0	Removal of Employers NI Cap for LGPS Employees	0	0	135
-113	Council Tax Second Homes	-113	-113	-57
0	Contingency	123	105	92
0	Target Saving - EKS	0	0	-125
15,730	Directorate Service Costs	15,628	16,841	16,542
-1,205	Depreciation	-1,628	-2,592	-2,535
907	Pension Adjustments	1,064	588	561
-6	Annual Leave Adjustment	0	0	0
66	River Stour Drainage Board	67	67	68
142	Council Tax Support Funding to Towns & Parishes	96	96	67
15,634	Service Costs Before Transfers to / from Reserves	15,227	15,000	14,703
	<u>Contribution to/(from) Reserves:</u>			
798	- Special Projects & Events Reserve	335	142	4
458	- Periodic Operations Reserve	-97	-58	47
299	- Urgent Works Reserve	0	0	0
63	- Dover Regeneration Reserve	266	137	188
98	- IT Equipment Reserve	182	142	58
-123	- Revenue Grants in Advance Reserve	0	39	0
1,233	- Business Rates & Council Tax Reserve	0	0	-1,211
18,460	Net Service Expenditure	15,913	15,402	13,789
	<u>Financing Adjustments:</u>			
-206	Interest Receivable	-242	-228	-247
237	Interest Payable	237	237	237
12	Loan Principal Repayments	0	0	0
-2,471	Revenue Expenditure Funded by Capital Under Statute	0	0	0
372	Direct Revenue Financing of Capital	165	669	211
-62	Soft Loan Adjustments	0	0	0
16,342	Total Budget Requirement	16,073	16,080	13,990
	Financed by:			
4,682	Non-Domestic Rates	4,163	4,047	2,897
975	Enterprise Zone Relief Retained	1,707	1,841	1,040
3,698	Revenue Support Grant	2,528	2,528	1,758
5,874	Council Tax	5,947	5,947	6,251
68	Council Tax Freeze Compensation	138	138	0
20	Council Tax Collection Fund Surplus	112	112	145
1,307	New Homes Bonus	1,570	1,570	1,899
22	New Burdens	0	0	0
16,646	Total Financing	16,165	16,183	13,990
-304	General Fund Deficit/(Surplus) for the Year	-92	-103	0
-2,585	General Fund Balance at Start of Year	-2,470	-2,889	-2,992
0	Transfer to Earmarked Reserves	0	0	450
-2,889	Leaving Year End Balances of	-2,562	-2,992	-2,542

BUDGET SUMMARY - FUNDING ANALYSIS

<u>2014/15 Actual</u>		<u>2015/16 Original Budget</u>	<u>2015/16 Projected Outturn (31 Dec 15)</u>	<u>2016/17 Proposed Budget</u>
£000		£000	£000	£000
	Financed by:			
	Business Rates - Share of NDR, S31 Grant, etc:			
2,624	Net Funding Retained up to Baseline	3,363	3,363	3,391
0	Business Rates over Baseline	814	814	321
1,381	Safety Net Receipt	0	0	0
0	Levy Payment	-407	-407	-160
0	DDC Direct Share of Levy Saving through Pooling	116	0	0
712	Section 31 Grant from Govt. (cap grant only)	77	77	69
-35	Collection Fund (Deficit)/Surplus - NDR	200	200	-724
4,682	Gross NDR Income	4,163	4,047	2,897
	Business rates - Enterprise Zone Relief:			
1,149	Enterprise Zone Relief Retained for Current Year	1,000	1,016	1,024
-840	Amount of EZ Relief in current year above NDR1 15/16 estimated value, required to be recognised in following year	0	-16	0
666	Amount of EZ Relief in prior year above NDR 14/15 estimated value, permitted to be recognised in current year	707	841	16
975	Total Share of enterprise Zone Relief	1,707	1,841	1,040
	RSG:			
3,698	Revenue Support Grant (incl. C. Tax Support Funding)	2,528	2,528	1,758
3,698	RSG per Settlement	2,528	2,528	1,758
5,874	Council Tax	5,947	5,947	6,251
68	Council Tax Freeze Grant 2014/15 & 2015/16	138	138	0
20	Collection Fund Surplus	112	112	145
1,307	New Homes Bonus	1,570	1,570	1,899
22	New Burdens	0	0	0
16,646	Total Financing	16,165	16,183	13,990

Summary of General Fund Budget & Financing Requirements

	2015/16 Original Budget £m	2016/17 Original Budget £m	Year on year change %
Budget Requirement:			
Gross Revenue Expenditure	69.441	68.487	
Gross Revenue Income	(54.647)	(53.734)	
Underlying Budget Requirement	14.794	14.753	
Earmarked Reserve adjustments	1.279	(0.763)	
Net Budget Requirement	16.073	13.990	
Financing Requirement:			
Revenue Support Grant	(2.529)	(1.758)	-30%
Council Tax Grant	(0.138)	0.000	-100%
Business Rates Retained	(3.962)	(3.621)	-9%
Enterprise Zone Relief - in year	(1.000)	(1.040)	4%
Council tax	(5.947)	(6.251)	5%
New Homes Bonus	(1.571)	(1.899)	21%
Underlying Financing	(15.146)	(14.568)	-4%
One-off Financing:			
Collection Fund Distribution			
NDR	(0.200)	0.724	
Council Tax	(0.112)	(0.145)	
Enterprise Zone Relief - prior year	(0.707)	0.000	
Total Financing	(16.165)	(13.990)	
(Surplus) / Deficit for the year	(0.092)	(0.000)	
Transfers to Earmarked Reserves	0.000	0.450	
Opening General Fund Balance	(2.470)	(2.992)	
Closing General Fund Balance	(2.562)	(2.542)	

	A	B	I	J	K	L	M
1	DOVER - NDR MONITORING - SUMMARY		DOVER				ANNEX 1B
2			Update Forecast	Budget Estimate	Budget Estimate	Budget Estimate	Budget Estimate
3			15/16	16/17 Est.	17/18 Est.	18/19 Est.	19/20 Est.
4	Number of hereditaments		3,833	3,833	3,833	3,833	3,833
5	Aggregate RV		89,509,880	88,811,983	89,711,968	90,417,323	89,916,031
6	Calculated gross rate yield		42,964,742	42,985,000	44,228,000	45,932,000	47,116,000
7							
8	Estimated gross rate yield for full year - <i>before EZ & TP Relief</i>		42,498,837	42,853,000	43,650,000	44,978,000	46,395,000
9	Change in yield for previous years / Additions		-1,562,167	132,000	578,000	954,000	721,000
10	Less:						
11	Enterprise Zone Relief		2,539,287	2,560,000	2,608,000	2,015,250	1,386,000
12	Transitional Protection Rates Relief		98,373	0	0	0	0
13	Mandatory reliefs (current & previous years)		5,175,086	5,172,000	5,250,000	5,379,000	5,517,000
14	Discretionary reliefs (current & previous years)		197,559	199,000	203,000	210,000	217,000
15	Discretionary Reliefs funded from S31 Grant		693,016	32,000	32,000	33,000	34,000
16	Losses in collection		400,000	402,172	410,000	422,000	435,000
17	Interest on refunds (offset in gross rate yield on NDR3)		0	0	0	0	0
18	Cost of collection		156,088	157,828	161,000	166,000	171,000
19	Deferral Scheme + or - (<i>exclude for now!</i>)		0	0	0	0	0
20	Enterprise Zone BR to be retained		0	0	0	0	0
21	New Development Deal BR to be retained		0	0	0	0	0
22	Renewable Energy Schemes BR to be retained		0	0	0	0	0
23	Net yield before rate retention adjustments		31,677,261	34,462,000	35,564,000	37,706,750	39,356,000
24							
25	Rate retention adjustments		0	0	0	0	0
26	Estimated provision for loss on future appeals		-5,290,000	0	0	0	0
27	Collectible Rates, less cost of collection allowance		36,967,261	34,462,000	35,564,000	37,706,750	39,356,000
28	Add back: Transitional Protection Rates Relief		98,373	0	0	0	0
29	Net Rate Yield for Sharing		37,065,634	34,462,000	35,564,000	37,706,750	39,356,000
30							
31	Allocation of net rate yield	%					
32	Central share - before EZ and Transition Relief settlement	0.50	18,532,817	17,231,000	17,782,000	18,853,375	19,678,000
33	District/Unitary(0.49)	0.40	14,826,253	13,784,800	14,225,600	15,082,700	15,742,400
34	Kent County Council	0.09	3,335,907	3,101,580	3,200,760	3,393,608	3,542,040
35	Kent Fire and Rescue	0.01	370,656	344,620	355,640	377,068	393,560
36			37,065,634	34,462,000	35,564,000	37,706,750	39,356,000
37							
38	District tariff		10,516,896	10,604,537	10,801,729	11,130,382	11,480,945
39	District Funding (District share above, less tariff)		4,309,357	3,180,263	3,423,871	3,952,318	4,261,455
40	Adjustment for reliefs covered by S31 Grant		791,739	531,600	541,200	557,600	575,200
41	<i>Sub-total - Adjusted district share for levy/safety net</i>		<i>5,101,096</i>	<i>3,711,863</i>	<i>3,965,071</i>	<i>4,509,918</i>	<i>4,836,655</i>
42	District Baseline		3,362,746	3,390,769	3,453,820	3,558,906	3,670,998
43	Safety Net level	0.925	3,110,540	3,136,461	3,194,784	3,291,988	3,395,673
44	Safety Net payment		0	0	0	0	0
45	Levy payment if applicable	0.5	869,175	160,547	255,626	475,506	582,829
46							
47	District Income from NNDR (excl. CF Surplus):						
48	District funding - rates (as above)		4,309,357	3,180,263	3,423,871	3,952,318	4,261,455
49	District S31 Grant - Actual, incl. for 2% cap on multiplier		880,942	600,789	612,920	631,460	647,826
50	Safety net/levy		-869,175	-160,547	-255,626	-475,506	-582,829
51	<i>Sub-total</i>		<i>4,321,124</i>	<i>3,620,505</i>	<i>3,781,165</i>	<i>4,108,272</i>	<i>4,326,452</i>
52	Enterprise Zone Relief - District Share of Grant		1,015,715	1,024,000	1,043,200	806,100	554,400
53							
54	Total Income From NNDR (excl CF surplus)		5,336,839	4,644,505	4,824,365	4,914,372	4,880,852
55							
56	CF Surplus/(Deficit) - DDC Share per NNDR1		200,315	-723,689	0	0	0
57	Income from NNDR (excl. Savings from Pooling)		5,537,154	3,920,816	4,824,365	4,914,372	4,880,852
58							
59							
60	COLLECTION FUND MOVEMENT:						
61	Balance B/Fwd - Surplus/(Deficit)		-3,526,450	-1,809,223	0	0	0
62							
63	In-year performance:						
64	Net yield for sharing before bad debts & appeals		32,175,634	34,864,172	35,974,000	38,128,750	39,791,000
65	Change in appeals provision		5,290,000	0	0	0	0
66	Change in bad debts provision		-400,000	-402,172	-410,000	-422,000	-435,000
67			37,065,634	34,462,000	35,564,000	37,706,750	39,356,000
68	Total distributed:		66				

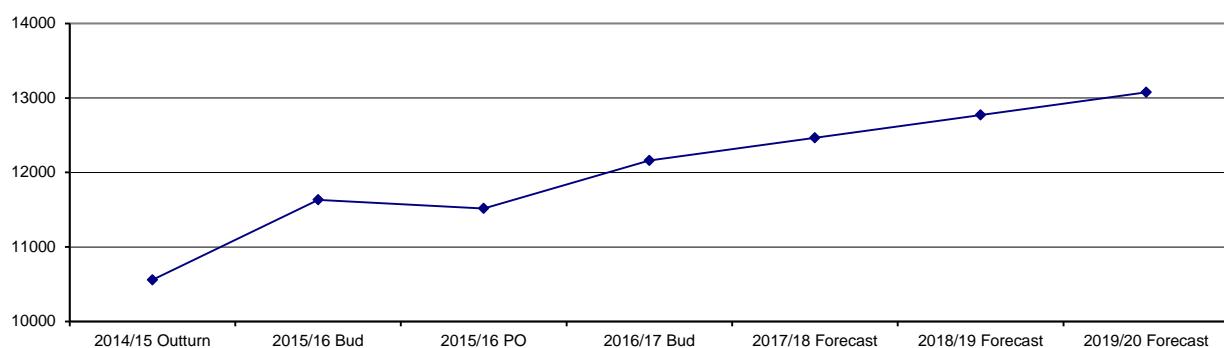
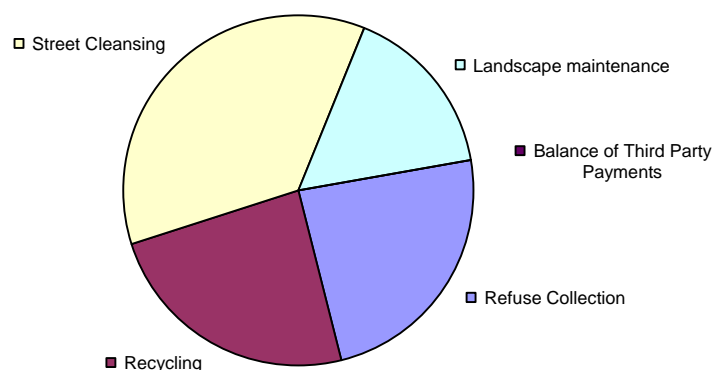
	A	B	I	J	K	L	M
2			Update Forecast	Budget Estimate	Budget Estimate	Budget Estimate	Budget Estimate
3			15/16	16/17 Est.	17/18 Est.	18/19 Est.	19/20 Est.
69	(Surplus)/deficit distributed/contributed per NNDR1		-500,787	1,809,223	0	0	0
70	NDR shares paid per NNDR1		-34,847,620	-34,462,000	-35,564,000	-37,706,750	-39,356,000
71			-35,348,407	-32,652,777	-35,564,000	-37,706,750	-39,356,000
73	Balance C/Fwd - Surplus/(Deficit)		-1,809,223	0	0	0	0
74							
75	DDC share of Surplus/(Deficit)		-723,689	0	0	0	0
76							
77							
78	Appeals Provision:						
79	Balance B/Fwd		8,089,000	2,799,000	2,799,000	2,799,000	2,799,000
80	Charged to provision		-2,478,016	0	0	0	0
81	Increase/(Decrease) in provision		-2,811,984	0	0	0	0
82							
83	Balance C/Fwd		2,799,000	2,799,000	2,799,000	2,799,000	2,799,000
84							
85							

General Fund Service Expenditure by Cost Type

	2015/16 Original Budget	2015/16 Projected Outturn as at 30 Sept 2015	2016/17 Proposed Budget
	£000	£000	£000
Direct Expenditure			
Employees	12,856	13,002	13,381
Premises	2,038	1,979	1,565
Transport	183	181	180
Supplies and services	4,302	5,109	4,895
Third parties	9,424	9,460	9,228
Shared Services	3,048	3,048	3,048
Transfer payments	39,405	39,405	37,955
Total Direct Expenditure	71,256	72,184	70,252
Direct Income			
Government Grants	(41,339)	(41,451)	(39,926)
Sales	(49)	(49)	(49)
Fees and Charges	(6,701)	(7,184)	(7,147)
Other Income	(6,963)	(7,592)	(6,981)
Total Direct Income	(55,052)	(56,276)	(54,103)
Central Support reallocation of costs	(1,543)	(1,543)	(1,520)
Depreciation	1,628	1,628	2,535
Pension Adjustment	(1,064)	(1,064)	(561)
Special Revenue Projects	392	498	16
Vacancy Allowance	(100)	(53)	(100)
Council Tax Second Homes	(113)	(113)	(57)
Contingency	124	112	92
Removal of Employers NI Cap for LGPS Employees	-	-	135
Delivering Effective Services	100	68	(22)
EKS Savings Target	-	-	(125)
Net Service Expenditure	15,628	15,441	16,542

GENERAL FUND KEY FIGURES - EXPENDITURE

	2014/15 Outturn	2015/16 Original Budget	2015/16 Projected Outturn	2016/17 Draft Budget	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast
Key Expenditure Figures:	£000	£000	£000	£000	£000	£000	£000
Employees:							
Basic	7,416	8,268	8,157	8,636	8,824	9,012	9,200
NI	622	684	671	698	714	729	744
Current year pension	1,029	1,123	1,131	1,199	1,225	1,251	1,277
Backfunding	1,490	1,557	1,557	1,627	1,703	1,779	1,856
	10,557	11,632	11,516	12,160	12,466	12,771	13,077
Major contracts:							
Refuse Collection	989	1,030	1,017	1,023	1,054	1,085	1,118
Recycling	1,010	1,032	1,016	1,030	1,061	1,093	1,126
Street Cleansing	1,489	1,480	1,500	1,550	1,597	1,644	1,694
Total Waste	3,488	3,542	3,533	3,603	3,711	3,822	3,937
Landscape maintenance	808	784	784	691	712	733	755
Balance of Third Party Payments ¹	50	46	45	0	0	0	0
	4,346	4,372	4,362	4,294	4,423	4,556	4,692

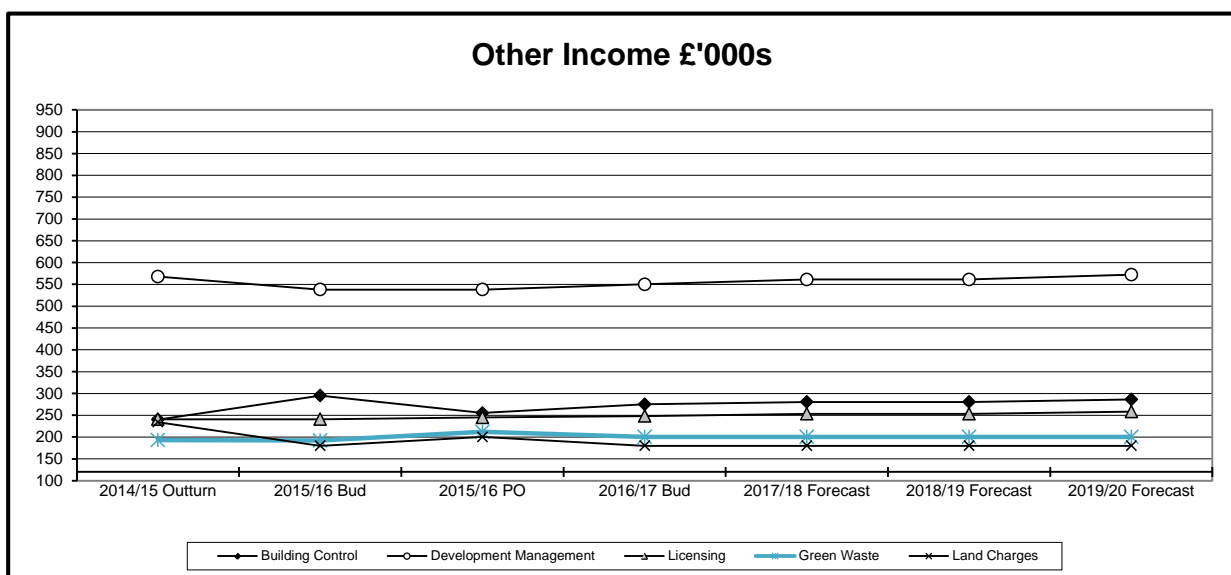
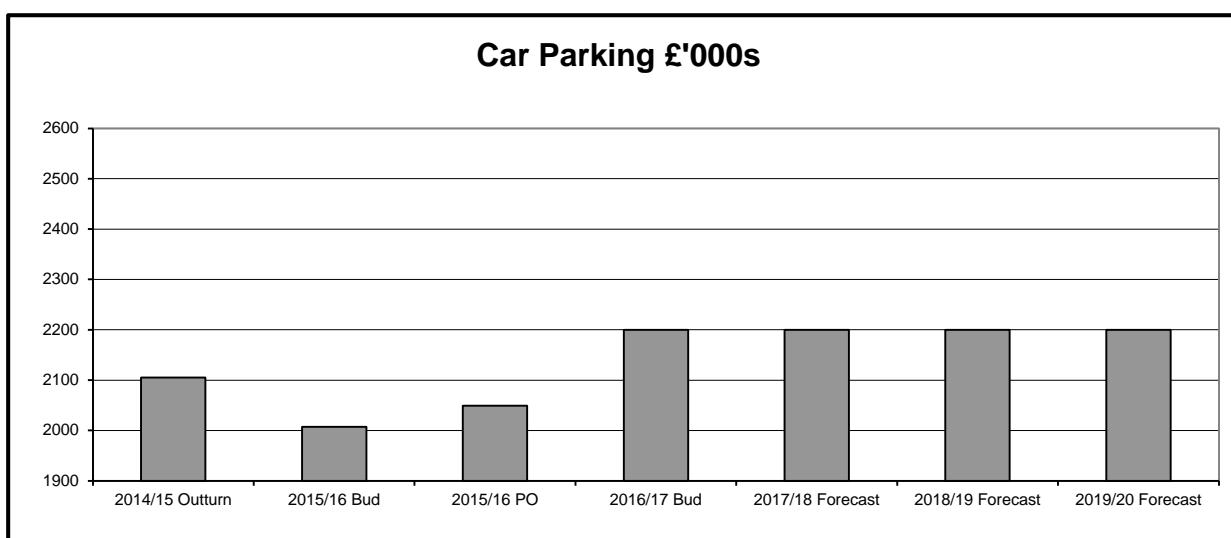
Notes¹ Excludes EKS Management Fees & WCLP**Total Salary Budgets Including Backfunding****Split of Major Contract Budgets 2016/17**

GENERAL FUND KEY FIGURES - INCOME

	2014/15 Outturn	2015/16 Original Budget	2015/16 Projected Outturn	2016/17 Draft Budget	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast
Key Income Figures:	£000	£000	£000	£000	£000	£000	£000
Car Parking	-2,105	-2,007	-2,049	-2,200	-2,200	-2,200	-2,200
Building Control	-240	-295	-255	-275	-281	-281	-286
Development Management	-568	-538	-538	-550	-561	-561	-572
Licensing	-241	-241	-245	-248	-253	-253	-258
Green Waste	-193	-192	-212	-200	-200	-200	-200
Land Charges	-234	-180	-200	-180	-180	-180	-180
	-3,581	-3,453	-3,499	-3,653	-3,674	-3,674	-3,696

Total Financing:

Non-Domestic Rates	5,657	5,870	5,888	3,948	4,854	4,929	4,929
Revenue Support Grant	3,698	2,528	2,528	1,758	1,027	569	57
Council Tax	5,874	5,947	5,947	6,193	6,379	6,565	6,627
New Home Bonus	1,307	1,570	1,570	1,899	1,605	1,450	1,450
Other	110	250	250	145	145	145	145
Total Financing	16,646	16,165	16,183	13,943	14,010	13,657	13,207



ANNEX 3

Major Variances - 16/17 Budget vs. 15/16 Budget

	£000	£000
<u>Movement in Budget Requirement:</u>		
Total Budget Requirement in 2016/17		13,990
Total Budget Requirement in 2015/16		16,073
Reduction in Budget Requirement for 2016/17		(2,084)

Adverse / (Favourable)

£ £

Major Variances:

Corporate:

DES Target - £(26k) Apprenticeships in place within services, £(46k) net FH&C target savings	(72)
Removal of Employers NI Cap for LGPS Employees - pressure	135
Council Tax Second Homes - estimated reduction in KCC Funding	57
Contingency - reduction in voluntary amounts, etc.	(32)
EKS Savings target in 2015/16	(125)
Council Tax Support Funding to Towns & Parishes - reduced	(29)
Interest Receivable - small increase expected	(5)
Recharges - net reduction in recovery from outside General Fund	38
	(33)

Reserve Transfers:

IT Equipment Reserve - reduced IT transfer required in 2016/17	124
Business Rates & Council Tax Reserve - use of reserve to cover recognition of collection fund deficit from 2014/15 and estimate for 2015/16	(724)
Business Rates & Council Tax Reserve - use of reserve to cover business rates & RSG funding shortfalls in 16/17	(487)
Special Projects Reserve - 15/16 Transfer of one-off Excess EZ Relief from prior year (£707k) not available for transfer in 16/17	(707)
	(1,794)
Total Corporate and Reserve Transfers	(1,827)

Chief Executive:

Postage costs - saving due to the ending (and non-renewal) of the Neopost contract	(10)
Head of Inward Investment Salaries reductions - reduced hours of post	(18)
Development Mgmt Salaries, reductions include end of two temp posts (Principal Renewable Energy Planner and Support Officer) and other restructured posts	(26)
Development Mgmt Contractor Panel - additional resource	60
	(53)
Use of PDG Reserve in 16/17 to cover Assistant Planner and Planning Conditions Officer	
Development Mgmt Planning Fee income - additional income expected from fees, enforcement, etc.	(43)
Economic Development - reduced marketing & publicity	(9)
	(99)

	Adverse / (Favourable)	
	£	£
Major Variances:		
Finance, Housing & Community:		
Treasury Management fees - reduction due to return of funds from previous investment manager, now managed in-house		(11)
Pensions backfunding - inflationary increase		66
Unfunded historic pension payments - reduction in costs		(10)
Net credit from benefits subsidy system (overpayments-related) - likely increase		(15)
Benefits Admin Subsidy - reduction in Government subsidies		115
Procurement Creditors & Income Salaries		11
Accountancy Salaries - salary increments, inflation, etc		14
Housing Needs Salaries - salary increments and inflation		13
Community & Engagement Salaries - including creation of Community Development Officer (Aylesham) on a 3 year contract and agreement for a second Apprentice post - net of additional funding received		39
Aylesham Community Development Officer - \$106 monies to cover post above		(38)
		30
Homelessness - Emergency Accommodation costs - £70k additional demand on service, plus £10k Porchlight Private Rented Sector Access Scheme, less £50k additional use of reserve		
Bank Charges - increased transaction charges (Visa, etc.)		20
		234
Environment & Corporate Assets:		
Corporate Maintenance & Asset Maintenance team - Saving proposed		(15)
Dover Gateway - reduced rental income and increased gas costs for separate boiler		7
CCTV Salaries - increase due to addition of 30% FTE of the CSU & CCTV Team Leader		15
Public Conveniences - reduced town council contributions, incl. for Maison Dieu toilets until transferred to DCA		15
Waste Variances:		
	(12)	
Refuse Collection - income from sales of bins, including from developers at new homes		
Refuse Collection & Recycling - contract reduction assumed re lower inflation than previously budgeted	(9)	
Recycling - contribution to outside bodies - Kent Resource Partnership Funding	17	
Recycling - increased green waste income	(8)	
Street Cleansing - contract costs increase, incl. additional A2/A20 cleansing	70	
Waste - Total Major Variances		59
Car Parking Variances:		
Car Parks - Off Street - Rent to Sandwich T.C. re increased P&D income, etc.	8	
Car Parks - Off Street - Business Rates increases	9	
Multi-Storey - no charges for rent, rates and insurance following demolition	(35)	
Car Parks - Off Street - increased income, including parking charge increase	(136)	
Car Parks - On Street - increased income, including parking charge increase	(56)	
On-street Parking Reserve - increased profit for transfer in 2016/17, after recharges	25	
Car Parking - Total Major Variances		(185)
Building Control Salaries - increments and inflation		19
Building Control - reduced income forecast		23
Street Lighting - reduced cost of electricity, repairs and maintenance		(26)
Increased rental Income from Corporate Properties		(21)
Museum - Salaries and Temp/Casuals - increase incl. increments and inflation		16
Beaches & Foreshores - Reduced income from beach hut and boat plot hire		13
Deal Pier Salaries - increase		20
Deal Pier - increased income, incl. fishing rights		(9)
One-off extra grant to Gazen Salts in 2015/16 only		(6)
Landscape Maintenance Contract - expected savings		(93)

	<u>Adverse / (Favourable)</u>
	£ £
<u>Major Variances:</u>	
	(68)
Premises Insurance - reductions for corporate properties, incl. Deal Pier, central offices, etc.	
Utilities - net decreases across Water, Gas and Electricity (excl. street lighting)	(15)
Parks & Open Spaces - additional sponsorship and related income, incl. roundabouts	(6)
Business Rates on Corporate Properties (excl. car park-related) - inflation	16
	<u>(243)</u>
<u>Governance:</u>	
Members' Training - year 2 following Parliamentary elections	(4)
Electoral Registration - increase in printing and postage due to extra statutory reminders under the Individual Electoral Registration process	13
Democratic Services Salaries - extension of Electoral and Local Land Charges Admin Assistant temp post and revision of the apprentice pay scale	15
	(59)
Democratic Services New Burdens Grant - funding applied for to cover ongoing costs of IER	
Corporate Support Salaries - includes inflation, increments and new Business Analyst post to support digital agenda	68
Legal Services Restructure - new posts and the re-grading of existing posts (less 15/16 restructure provision)	45
Licensing Admin Salaries - Licensing Admin Officer temp post finished	(17)
Environmental Health Salaries - increments and revised payscale for apprentice	17
Port Health - net increase in income offset by analysts fees	(9)
Gambling Act - Income from premises and gaming licences, etc. - net reduction	10
Hackney Car & Private Hire - net increase across income streams - includes impact of new 5-year licence	(21)
	<u>60</u>
<u>Shared Services:</u>	
New Payroll Project Costs (net of contribution from other partners) - saving following implementation	(14)
Audit Partnership - increased salary costs, etc. - increments and inflation only	7
Audit Partnership - increased contributions from other partners	(6)
Shared HR - net increased salary, backfunding & sundry costs	2
Shared HR - increased contributions from other partners/other income	(4)
	<u>(15)</u>
Total Major Variances	(1,889)
Minor Variances (numerous small variances) - net favourable	(194)
Total Variances	<u><u>(2,084)</u></u>

	<u>Adverse / (Favourable)</u>
	£ £
<u>Major Variances:</u>	
 <u>Changes in Funding:</u>	
<u>Business Rates:</u>	
Additional Funding from Baseline Movement	(28)
Reduction in Growth above Baseline	493
Decrease in Levy, if no pooling (50% x Growth)	(246)
DDC direct share of saving from pooling in 2015/16 only	116
Additional S31 Grant for Cap only (no cap in 16/17, hence reduction)	8
Collection Fund - change from 14/15 estimated surplus (recognised in 15/16) to 14/15 actual surplus (recognised in 16/17) - offset by estimated improvement in 15/16	924
	<hr/> 1,266 <hr/>
<u>Enterprise Zone Relief Grant:</u>	
Enterprise Zone Relief Grant - Decrease in EZ Relief (mainly due to prior year elements)	668
	<hr/>
<u>Other:</u>	
Revenue Support Grant - Reduction	771
Council Tax Freeze Grant - rolled in to RSG for 2016/17	138
Council Tax - Increase in tax base & rate charged	(305)
Council Tax Collection Fund Surplus - increased DDC share for 2016/17	(33)
New Homes Bonus - Increase	(328)
	<hr/> 242 <hr/>
Total Changes in Funding	<hr/> 2,176 <hr/>
 Net Change in Surplus	<hr/> 92 <hr/>

FOUR YEAR REVENUE BUDGET FINANCIAL PROJECTION

Notes	2015/16 Projected Outturn £000	2016/17 Proposed Budget £000	2017/18 Forecast £000	2018/19 Forecast £000	2019/20 Forecast £000
1	16,080 Net Budget Requirement	13,990	13,990	13,990	13,990
	Corporate Adjustments				
2	- Salary inflation and increments including impact on National Insurance and Pensions		230	459	689
3	- Pension Backfunding (Triennial Valuation from 14/15)		76	152	229
4	- Contract inflation @ 3%		238	510	781
5	- Average expenditure inflation impact from non-specifically budgetted income item		128	267	395
6	- Average income inflation impact		-189	-339	-546
7	- Reduction in Town & Parish grant funding in line with Government funding reductions		-30	-49	-72
8	- KCC removal of second homes grant funding		57	57	57
9	- Direct revenue funding one-off in 2016/17		-211	-211	-211
10	- Reserves - one-off in 2016/17 Collection Fund deficit reserve offset & removal of NHB contribution		937	937	937
11	Total Corporate Adjustments		1,236	1,784	2,259
12	0 Target Savings & Income Growth	0	-1,000	-2,000	-3,000
	16,080 Total	13,990	14,226	13,774	13,249
	Financed By :-				
	Non-Domestic Rates Income				
	Approx 3% annual increase on baseline funding				
	2014/15 deficit one-off in 2016/17 only				
	Business growth in the district				
13	3,847 Non-Domestic Rates Income	3,621	3,784	4,104	4,348
14	200 Collection Fund Distribution	-724	0	0	0
15	1,841 EZ relief retained	1,040	1,060	823	587
16	2,528 Revenue Support Grant (reduced by 42%, 45%, 90%, 100% so reduced to £0 by 2020/21)	1,758	1,027	569	57
17	138 Council Tax Freeze Compensation 2014/15 & 2015/16 (absorbed into RSG)	0	0	0	0
18	112 Collection Fund Surplus	145	145	145	145
	Council Tax Income				
	Tax increase (£4.95 annual increase)				
	Base increase (1% per annum)				
19	5,947 Total Council Tax Income	6,251	6,493	6,730	6,792
20	1,570 New Homes Bonus (reducing from 6 year to 4 year payment by 2017/18)	1,899	1,605	1,450	1,450
	16,183 Total Financing	13,990	14,113	13,820	13,379
21	-103 NET (SURPLUS) / DEFICIT	0	113	-46	-130
	Impact on Reserves :-				
	Projected General Fund Reserves				
	-2,889 Opening balance	-2,992	-2,542	-2,429	-2,475
	0 Transfer to Earmarked Reserves	450			
22	-2,992 Closing Balance	-2,542	-2,429	-2,475	-2,605

**THREE YEAR REVENUE BUDGET FINANCIAL
PROJECTION**

Notes

- 1** The net budget is taken from the 2016/17 budget at Annex 1.
- 2** Increased salary costs reflect assumed inflation at 2% pay settlement for the planning period.
- 3** Pension backfunding reflects the increases in backfunding required by the fund actuaries based on the current triennial valuation.
- 4** Inflation on major contracts has been assumed at 3% for the planning period.
- 5** Inflation on all other expenditure will aim to be limited to the current budget level, however a small allowance of 2% has been forecast to allow some limited growth.
- 6** Increases in general income received (excluding specifically budgetted items such as car parking) assumed at 2% inflation.
- 7** The reductions forecast for RSG have been applied to the funding for Towns & Parishes.
- 8** The grant provided by KCC back to districts from Second Homes Council Tax income has been reduced in 2016/17 by 50% and is proposed to be removed from 2017/18 onwards.
- 9** The 2016/17 budget includes one-off revenue funding for capital projects which is not required in future years.
- 10** The 2016/17 budget includes one-off reserve funding to offset the impact of the 2014/15 NDR Collection Fund deficit. In addition the element of NHB contributed to reserves will cease from 2017/18 to offset the forecast grant reduction.
- 11** Total corporate adjustments.
- 12** Target savings required.
- 13** Forecast NDR funding, including impact of inflation & assumptions for business growth.
- 14** Redistribution of NDR Collection Fund year-end balances.
- 15** Enterprise Zone relief grant anticipated based on current forecasts.
- 16** The draft settlement as indicated in Dec 2015 by DCLG for future years.
- 17** Council Tax Freeze compensation received in 2015/16 has been rolled into RSG.
- 18** The collection fund surplus is distributed to the precepting authorities pro rata to their share of the precepts.
- 19** Council Tax is forecast to be frozen for 2015/16 and then increase by £4.95 per annum for the rest of the planning period. A 0.5% per annum increase in the tax base has also been assumed.
- 20** New Homes Bonus assumed to reduce to 5 year payments in 2017/18 & 4 years in 2018/19.
- 21** Forecast (surplus) / deficit.
- 22** Forecast General Fund Balance.

OFFICE OF THE CHIEF EXECUTIVE

The Chief Executive is the Head of Paid Service and leads the Corporate Management Team. The main service areas within his cost centres are summarised below.

LEADERSHIP SUPPORT

This team is mainly concerned with the formulation of policy and strategy, in particular the development and delivery of the Health and Wellbeing agenda (and supporting other Districts to roll out the agenda) including Public Health liaison. It also includes corporate planning, supporting strategic and operational consultations and engagement and production of the annual State of the District. The team also supports the Corporate Management Team and the Executive, through project based work, CMT and Leadership Forum co-ordination and attendance.

In addition, the team includes Website Design and Management plus social networking for council services, Design Studio services enabling in house design, photography and video, Print Unit services for in-house printing and Mail Room services plus ensuring the Council's brand and corporate identity are adhered to in all communications. Both the Print Unit and Mail Room also support partner organisations.

DEVELOPMENT MANAGEMENT

The section's principal functions are:

Development Management (as applied to Regeneration Projects)

- Contribute to the realisation of major projects and other significant schemes, including resolution of any conflict between corporate aspirations and planning principles and policies, collaborative working and project management.

Development Management (general / other)

- Processing of planning and other formal applications submitted under the Town and Country Planning Acts and making determinations in accordance with policies and other material considerations and taking account of performance indicators;
- Negotiations to resolve conflict and secure better quality developments;
- Reporting applications to Planning Committee in accordance with the provisions of the Constitution;
- Responding to requests for fee-earning pre-application advice and discussion;
- Responding to other informal letters, e-mails or telephone enquiries about a wide range of matters and land charge enquiries;
- Seek to protect and enhance our heritage and environment, including settlements, buildings, and landscapes;
- Managing change so that it both complements and underpins the long term viability of the district;
- Promoting good urban design throughout the District;
- Responding to appeals against the refusal of applications, the imposition of conditions or the failure to determine applications, including the preparation and giving of evidence at informal hearings and public inquiries;

- Investigation of breaches of planning control and monitoring of development, including responding to concerns raised by interested parties, and the taking of formal enforcement action in appropriate cases; and
- Support the Regeneration Delivery Section's work on the Local Plans, Supplementary Planning Documents and other issues

The section seeks to meet Government performance indicators (NIs) relating to decision times on planning applications. There remains a heavy workload on corporate and other challenging applications and a delicate balance must be maintained between this and available staff resources.

REGENERATION DELIVERY

Development Plan and Implementation

This Section brings together the Development Plan work that sets out the future of the District which is increasingly moving towards the delivery phase, implementation of the District Council's Heritage Strategy and the Council's regeneration activities as a landowner.

Now that the Council has an Adopted Core Strategy and Land Allocations Local Plan the primary focus for the team is to promote and to facilitate the implementation of the Local Plan allocations in order to encourage investment and regeneration in the District.

The Council's Adopted Core Strategy establishes the Council's objectives and policies for the future pace, scale, location and quality of development over the next 20 years and is closely allied to the Corporate Plan and Community Strategy. The production of the Local Plans requires much information gathering, monitoring and research on the implementation of the Local Plan in the form of an Authority Monitoring Report. In order to continue with the momentum that is being generated from the St. James's redevelopment and the forthcoming Dover Western Docks Revival Project, a Brief is currently prepared with a view to appoint Consultants to undertake a masterplan for the Dover Waterfront area. Other work in the Section includes undertaking further work on the feasibility of introducing a Charging Schedule for the Community Infrastructure Levy and the implementation of the District Council's Heritage Strategy by empowering local groups to undertake Conservation Area Appraisals.

The Section promotes the Council's interests and is deeply engaged in the District regeneration agenda. It is also heavily involved in supporting the Council's major regeneration projects and related research, strategies and corporate priorities that are carried out by other services e.g. the delivery of strategic housing and the relocation of the Dover leisure centre provision.

The overall objective is to bring focus to the Council's regeneration activities and concentrate resources where they can be most effective in bringing success whilst being prepared to respond to appropriate opportunities where they arise outside the identified programme.

Landowner Projects

As a result of re-structure the section will have responsibility for developing and promoting regeneration projects where the Council has a land interest. This will involve negotiating, agreeing and overseeing development agreements with the Council's developer partners and helping to steer projects through LDF and planning application processes. The Section is developing systems to facilitate the delivery of Corporate major projects where the Council is involved as landowner, including monitoring and accounting systems.

Service Summary

Chief Executive

Budget 2016/2017

		Costs controlled by Head of Service									
		FTE	Employees	Other Costs	Income	Sub-tot	Recharges	Capital	Total Cost	Charge-outs	Total
C3300	CHIEF EXEC ADMIN TRADING ACCT	2.0	202,640	5,740	-	208,380	41,950	-	250,330	(250,330)	-
Total Chief Exec & Secretaries		2.0	202,640	5,740	-	208,380	41,950	-	250,330	(250,330)	-
A1040	CORPORATE PLANNING	0.0	-	500	-	500	224,710	-	225,210	-	225,210
A1170	NON SERVICE SPECIFIC WORK	0.0	10,000	58,320	-	68,320	627,670	-	695,990	-	695,990
Total Corporate Resource		0.0	10,000	58,820	-	68,820	852,380	-	921,200	-	921,200
A5001	UNAPPORTIONABLE OVERHEADS (Print Unit)	0.0	-	(7,690)	-	(7,690)	-	-	(7,690)	-	(7,690)
C3030	MAIL ROOM TRADING ACCOUNT	2.0	74,220	36,080	(3,000)	107,300	28,730	-	136,030	(136,030)	-
C3050	PRINT UNIT TRADING ACCOUNT	0.0	-	48,030	(33,400)	14,630	99,010	-	113,640	(113,640)	-
C3331	DESIGN STUDIO	3.0	125,410	17,710	-	143,120	28,000	-	171,120	(171,120)	-
C3336	POLICY & LEADERSHIP SUPPORT	2.0	120,110	1,220	-	121,330	22,390	-	143,720	(143,720)	-
C5020	PHOTOCOPIERS HOLDING ACCOUNT	0.0	-	35,740	(46,040)	(10,300)	10,300	-	-	-	-
C5060	MAIL ROOM POSTAGE ACCOUNT	0.0	-	102,360	(102,360)	-	-	-	-	-	-
M1501	SE STRATEGIC PRTPN MIGRATION	0.0	-	160	-	160	1,520	-	1,680	-	1,680
Total Policy & Leadership Support		7.0	319,740	233,610	(184,800)	368,550	189,950	-	558,500	(564,510)	(6,010)
C3745	HEAD OF INWARD INVESTMENT	0.8	82,600	4,820	-	87,420	69,200	-	156,620	(156,620)	-
C3760	REGENERATION DELIVERY TRADING	8.4	437,290	28,590	-	465,880	146,370	-	612,250	(612,250)	-
C3770	DEVELOPMENT MANAGEMENT TRADING	20.5	855,970	41,380	-	897,350	290,910	5,250	1,193,510	(1,193,510)	-
C5240	PLANNING DELIVERY GRANT	0.0	3,000	3,000	-	6,000	5,400	-	11,400	-	11,400
H2030	CONSERVATION & HERITAGE	0.0	-	470	-	470	132,680	-	133,150	-	133,150
H3000	DEVELOPMENT MANAGEMENT	0.0	-	140,800	(619,000)	(478,200)	1,562,970	-	1,084,770	-	1,084,770
H4000	DOVER DISTRICT DEVELOPM'T PLAN	0.0	-	46,100	-	46,100	252,090	-	298,190	-	298,190
L4010	OTHER REGENERATION PROJECTS	0.0	-	2,870	-	2,870	116,520	52,910	172,300	-	172,300
L5000	ECONOMIC DEVELOPMENT	0.0	-	12,030	-	12,030	46,930	-	58,960	-	58,960
L5640	WATERFRONT DEVELOPMENT	0.0	-	-	-	-	17,550	-	17,550	-	17,550
Total Regeneration & Development		29.7	1,378,860	280,060	(619,000)	1,039,920	2,640,620	58,160	3,738,700	(1,962,380)	1,776,320
		38.7	1,911,240	578,230	(803,800)	1,685,670	3,724,900	58,160	5,468,730	(2,777,220)	2,691,510

DIRECTOR OF GOVERNANCE

The Director of Governance is responsible for a number of service areas that help support strong governance across the Council. The significant service areas in terms of income and expenditure are summarised below.

MONITORING OFFICER

As Monitoring Officer, the Director of Governance is responsible for delivering his statutory responsibilities to the District Council under the Local Government and Housing Act 1989, supporting the Standards Committee and the District Council and 35 Town and Parish Councils in relation to Member Code of Conduct matters, including considering any complaints against District, Town and Parish Councillors.

DEMOCRATIC SERVICES

Members

The section provides support to all members of the Council. They service all committees of the Council, administer the councillors' remuneration and allowances scheme, co-ordinate training and development and arrange the catering for meetings, provide stationery, printing, reference materials and equipment to enable the councillors to carry out their democratic role as elected representatives of the community.

Electoral Services

Elections - The Elections Service is responsible for the organisation and conduct of European, Parliamentary, County Council, District Council and Parish Council elections within the district. The costs incurred in the conduct of elections are met by the body concerned except in the case of District Council Elections;

Electoral Registration - The section is responsible for the compilation and maintenance of the Register of Electors including special category electors and absent voters. This is carried out by way of an annual household canvass together with extensive promotion and updating through rolling registration during the year. New legislation introduced individual electoral registration from June 2014. Boundary reviews and the implementation of those changes are also carried out within the team. The Council is obliged to appoint an officer of the Council to act as Electoral Registration Officer and to meet costs properly incurred in undertaking their statutory duties. The officer then acts as Acting Returning Officer at Parliamentary Elections and the Local Returning Officer at European Parliamentary Elections.

Local Land Charges

The section is responsible for local land charges. Duties include the maintenance of the Local Land Charges Register, liaison with other departments regarding the correct registration and removal of charges, acceptance, compilation and return of local land charges searches within the PPI timescale and liaison with departments for replies associated with personal searches. In an effort to retain the income stream, the section also receives and returns searches as traditional paper-based or electronic transactions together with offering a variety of payment methods. The Land Charges team maintains comprehensive background records of charges recorded within the Land Charges Register.

ENVIRONMENTAL HEALTH

This service is fundamentally divided into two key areas each covering a broad range of functions:

Public Protection

The principal functions for this team include:

- **Food Safety and Hygiene Control** - the Council undertakes visits and inspections of food establishments on a programmed, risk rated basis to ensure that appropriate standards of food hygiene are maintained. It also operates the National Food Hygiene Rating Scheme throughout the area, investigates complaints of unsound food / unhygienic premises and applies infectious disease controls.
- **Health and Safety at Work** - the Council is responsible for investigating accidents (including fatalities) and dangerous occurrences in premises such as offices, shops, warehouses and clubs. A risk-based, targeted and proportionate approach to interventions and enforcement is utilised when ensuring compliance with the relevant Acts and Regulations.
- **Port Health** - the Port Health function includes inspections of vessels that enter the Port, such as cross channel ferries and cruise ships, to ensure that food hygiene standards are maintained. Certain imported foodstuffs are also identified, examined and sampled when necessary to ensure compliance with food safety regulations. Additionally ferries, cruise and cargo ships are inspected when requested to issue Ship Sanitation Certificates to demonstrate that such vessels are free from pests.

Environmental Protection

The principal functions for this team include:

- **Pollution Control** - the primary aim of the service is to facilitate acceptable standards for those living, working or visiting the district in respect of air, land and water quality. In particular, the team has a key role in fulfilling the Council's statutory duties in relation to Air Quality Management, Contaminated Land and Drinking and Bathing Water Quality.
- **Environmental Protection** - the team responds to service requests relating to a range of public health and environmental issues. There is a statutory duty to investigate potential statutory nuisances, which include noise (from commercial and domestic premises, burglar and car alarms etc), dust, smoke (e.g. bonfires), odours, fumes, animals, etc. In addition, service requests relating to matters including drainage, rodents, accumulations on private land, filthy and verminous premises and dark smoke from industrial/commercial premises are also responded to. The team also oversee the provision of burials undertaken under relevant Public Health legislation.
- **Pest Control** - the team manages the pest control service, which is provided by Cannon Pest Control who offer competitive rates for Dover District Council Residents.

ENVIRONMENTAL CRIME

The principal focus of this team area is to tackle environmental crimes including:

- | | |
|---------------|----------------------------|
| • Littering | • Fly tipping |
| • Dog Fouling | • Trade waste |
| • Stray Dogs | • Accumulations of rubbish |

A small team of uniformed and non-uniformed staff seek to promote behavioural change through a range of enforcement and educative activities with the aim of creating a cleaner, safer and greener environment. The work of the team is supplemented and enhanced by partnership working with Kent Police, KCC, Parish Councils etc.

LOCAL LICENSING AND REGISTRATION

The Council is responsible for the issuing and enforcement of local licences including:

- **Alcohol, public entertainment and late night refreshments,**
- **Gambling,**
- **Animals** - boarding and breeding establishments, Riding establishments, Zoo's, Pet Shops, Dangerous Wild animals
- **Beauty Treatments** – Tattooing, Piercing etc.
- **Hackney carriage (Taxis) and Private hire operators, drivers and vehicles.**

CORPORATE SERVICES

This section is responsible for a number of corporate services of which the main areas are:

Performance Reporting - monitoring and reporting the Council's performance and benchmarking with other authorities to measure efficiency and value for money;

Insurance – providing insurance cover for the Council's assets and liability risks and administer all claims;

Customer Complaints - investigating and resolving complaints which have not been agreed between the customer and the service department and liaising with the Local Government Ombudsman on any issues which have been referred to them;

Risk Management - identification and mitigation of key corporate and project risks;

Freedom of Information - responding to FOI requests within the time constraints laid down by the Information Commissioner

Business Continuity - development and maintenance of procedures to maintain the Council's key services during a disaster situation where the offices, systems or staff are not available;

Emergency Planning - working with KCC, fulfilling the Council's duty as a Category 1 responder to act with the emergency services to provide humanitarian support during an emergency situation;

Equalities - act as the central point of reference to promote and advise on equality issues throughout the Council's services;

Data Protection and RIPA - ensuring that any personal customer information held by the Council is protected and not passed to a third party and that any surveillance work is properly authorised in accordance with legislation

Corporate Business Analyst - Provide support and advice for a range of corporate and departmental IT systems projects

Job Evaluation – co-ordination of the process including providing the JE assessors with the necessary support to enable them to fulfil their role.

Delivering Effective Service Reviews - conduct internal business reviews of the Council's service departments to improve efficiency and work with external agencies during inspection periods.

LEGAL SERVICES

This section is responsible for providing a full legal service to the Council. This includes corporate and service specific legal advice, together with legal support to the Monitoring Officer and legal advice and support to the Executive and all Committees of the Council. Some of the specific areas of a legal practice are planning law, conveyancing, employment law and support for the Council's regulatory functions(including both civil and criminal court

work).The Legal team continues to be heavily involved in supporting the regeneration agenda and advising on numerous matters including ongoing development of shared services and housing across East Kent.

EAST KENT HUMAN RESOURCES PARTNERSHIP (EKHRP)

Human Resources – this Council is the host for the joint East Kent HR Partnership provided by East Kent Services. The East Kent Joint Arrangements Committee adopted the HR and payroll shared service and Canterbury and Thanet Councils subsequently delegated the delivery of the service to this Council and remain as partners. The service is responsible for advising on HR matters including recruitment, retention, absence management, and disciplinary and grievance matters.

Payroll - payroll provides a full payroll service that includes payment of staff, statutory and other deductions, production of interfaces to the general ledger, the production of statutory returns and liaison with statutory bodies. System security is managed within the team for all users. .

Pensions - the employer level pension function is administered in conjunction with the administering body, Kent County Council, developing employer scheme discretions and management and staff information.

Service Summary

Governance

Budget 2016/2017

		Costs controlled by Head of Service									
		FTE	Employees	Other Costs	Income	Sub-tot	Recharges	Capital	Total Cost	Charge-outs	Total
C3330	DIRECTOR OF GOVERNANCE	1.81	137,480	4,600	-	142,080	48,430	-	190,510	(190,510)	-
Total Director of Governance		1.81	137,480	4,600	-	142,080	48,430	-	190,510	(190,510)	-
C3940	HEAD OF REGULATORY SERVICES	1.81	115,450	2,790	-	118,240	35,490	-	153,730	(153,730)	-
C3960	LICENSING ADMIN TRAD ACCOUNT	4.00	145,860	10,130	-	155,990	117,610	-	273,600	(273,620)	(20)
C3980	ENVIRONMENTAL HEALTH	11.47	514,170	24,610	-	538,780	228,560	-	767,340	(767,340)	-
C3990	ENVIRONMENTAL CRIME	5.42	169,470	19,550	(500)	188,520	103,410	-	291,930	(291,930)	-
C5035	CALL OUT PYTS-NOISE POLLUTION	0.00	-	210	-	210	-	-	210	-	210
E1000	FOOD SAFETY AND HYGIENE	0.00	-	19,250	-	19,250	217,860	-	237,110	-	237,110
E1100	HEALTH AND SAFETY AT WORK	0.00	-	-	-	-	172,210	-	172,210	-	172,210
E1300	PEST CONTROL	0.00	-	50	-	50	27,440	-	27,490	-	27,490
E1400	POLLUTION CONTROL	0.00	-	32,240	(18,650)	13,590	82,990	2,350	98,930	-	98,930
E1430	ENV PROTECTION ENFORCEMENT	0.00	8,000	2,930	-	10,930	169,490	3,050	183,470	-	183,470
E1500	PORT HEALTH	0.00	7,500	12,420	(47,160)	(27,240)	100,070	-	72,830	-	72,830
E2010	LICENSING	0.00	-	100	(85,870)	(85,770)	160,460	-	74,690	-	74,690
E2015	MISCELLANEOUS LICENSING	0.00	-	4,400	(22,570)	(18,170)	46,610	-	28,440	-	28,440
E2020	GAMBLING ACT 2005	0.00	-	-	(16,180)	(16,180)	63,040	-	46,860	-	46,860
E2030	HACKNEY CAR & PRIVATE HIRE	0.00	-	11,900	(123,780)	(111,880)	195,560	-	83,680	-	83,680
E2100	DOG CONTROL MEASURES	0.00	-	19,350	(7,250)	12,100	90,400	-	102,500	-	102,500
E2120	FLYTIPPING & WASTE ENFORCEMENT	0.00	-	700	-	700	85,250	-	85,950	-	85,950
E2140	LITTERING ENFORCEMENT	0.00	-	1,230	(9,500)	(8,270)	149,010	-	140,740	-	140,740
E2160	ENV EDUCATION & CAMPAIGNS	0.00	-	-	-	-	29,460	-	29,460	-	29,460
E2180	MISC ENVIRONMENTAL ENFORCEMENT	0.00	-	-	-	-	23,030	-	23,030	-	23,030
Total Environmental Enforcmnt & Prot		22.70	960,450	161,860	(331,460)	790,850	2,097,950	5,400	2,894,200	(1,486,620)	1,407,580
B1500	EMERGENCY PLANNING	0.00	15,500	24,820	-	40,320	93,340	-	133,660	-	133,660
C3335	CORPORATE SUPPORT TRADING ACCT	6.00	317,690	10,660	(8,000)	320,350	180,040	-	500,390	(500,390)	-
Total Corporate Support		6.00	333,190	35,480	(8,000)	360,670	273,380	-	634,050	(500,390)	133,660
A1100	COUNCIL, CABINET & COMMITTEES	0.00	-	-	-	-	412,800	-	412,800	(61,920)	350,880
A1161	CHAIRMAN'S ACCOUNT	0.00	-	10,460	-	10,460	25,330	-	35,790	(5,370)	30,420
A1165	MEMBERS ACCOUNT	0.00	17,040	293,760	(3,250)	307,550	175,530	4,240	487,320	(72,950)	414,370
A1169	OTHER PUBLIC BODIES	0.00	-	17,860	-	17,860	17,090	-	34,950	-	34,950
B4030	DISTRICT ELECTIONS	0.00	-	-	-	-	2,240	-	2,240	-	2,240
B4070	ELECTIONS - ADMIN	0.00	-	-	-	-	115,000	-	115,000	-	115,000
B4100	POLICE & CRIME COMM-POLICE ARO	0.00	-	20	-	20	-	-	20	-	20
B4500	ELECTORAL REGISTRATION	0.00	600	74,800	(510)	74,890	191,210	-	266,100	-	266,100
B5000	LOCAL LAND CHARGES	0.00	120	11,440	(180,000)	(168,440)	224,320	-	55,880	-	55,880
C3301	DEMOCRATIC SERVICES	11.50	424,670	13,720	(58,830)	379,560	171,900	-	551,460	(551,460)	-
Total Democratic Services		11.50	442,430	422,060	(242,590)	621,900	1,335,420	4,240	1,961,560	(691,700)	1,269,860
C3540	LEGAL TRADING ACCOUNT	9.68	520,550	34,620	(2,500)	552,670	146,280	790	699,740	(699,740)	-
C5045	LEGAL FEES HOLDING ACCOUNT	0.00	-	30,000	-	30,000	-	-	30,000	-	30,000
Total Legal		9.68	520,550	64,620	(2,500)	582,670	146,280	790	729,740	(699,740)	30,000
C3000	HUMAN RESOURCES TRADING ACCOUNT	0.00	45,000	-	-	45,000	344,710	-	389,710	(389,710)	-
C3550	PAYROLL TRADING ACCOUNT	0.00	-	-	-	-	39,660	-	39,660	(39,660)	-
Total Human Resources (DDC)		0.00	45,000	-	-	45,000	384,370	-	429,370	(429,370)	-
		51.69	2,439,100	688,620	(584,550)	2,543,170	4,285,830	10,430	6,839,430	(3,998,330)	2,841,100

DIRECTOR OF FINANCE, HOUSING AND COMMUNITY

The Director of Finance, Housing and Community is responsible for the following main service areas.

FINANCE

Accountancy

The Accountancy team is responsible for the General Fund revenue accounts, the capital budget, the Housing Revenue Account and technical matters such as VAT and Treasury Management.

Although the team is responsible for a range of tasks, the main focus is on co-ordinating and consolidating the revenue and capital budgets, producing the Medium Term Financial Plan, producing budget monitoring reports, producing the final accounts, completing statutory and other returns (including VAT), treasury management and supporting value for money achievement. The team also supports budget managers, CMT and Members through the provision of financial advice in relation to budgets, service reviews, the Employment Management process, projects, reports with financial implications, partnership working and associated matters.

Procurement, Creditors and Income

The Procurement team provides support to the Council in achieving best value, complying with its constitution, EU and other legislation and procurement best practice. The team is responsible for the procurement infrastructure, including managing and upgrading the system for requisitioning and raising orders, negotiating of contracts and catalogues and updating guidance and contract standing orders. They also maintain the Contracts Register, publish Supplier Spend data on the Internet and administer the Procurement Card scheme.

The Creditors team are responsible for the accurate and timely processing of approved invoices, managing the payments process and producing the monthly returns to HMRC for the Construction Industry Scheme.

The Income team are responsible for the reconciliation of income receipts, updating the daily cash records and reconciling all entries to the bank statements. They also set up sundry income invoices for the Authority and manage rechargeable works.

East Kent Audit Partnership

This Council is the host of the East Kent Audit Partnership and therefore the team forms part of the directorate. The service delivers an agreed annual internal audit plan, undertakes special investigations and reports to the s151 Officer and also independently to the Governance Committee.

EAST KENT SERVICES

The Director of Finance, working with other DDC colleagues, acts as the lead for the following services which transferred to EK Services in February 2011 and are provided jointly for Dover, Thanet & Canterbury:

Revenues

Council Tax has to be calculated, billed and collected for over 51,000 dwellings within the district. Council Tax includes monies billed and collected for Dover District Council, Kent County Council, The Police & Crime Commissioner for Kent, Kent and Medway Fire and Rescue and the district's town and parish councils. The service target is to collect 97.65% of Council Tax in the year.

Business Rates (NDR) also have to be calculated, billed and collected for around 3,800 business properties in the district. NDR is distributed by the council to the Government, KCC, Police, Fire and Rescue.

The division has also targeted increasing collection levels for sundry income and reducing levels of aged-debt.

Benefits

The service anticipates that it will pay out benefits to nearly 3,000 council tenants, over 5,600 private tenants and more than 9,800 council tax payers.

Under the Universal Credits initiative, responsibility for Housing Benefit administration for working age customers will start to move to the Department for Work and Pensions (DWP) under a 5 year timetable between 2016 and 2021. The Benefits service will work closely with the council and DWP on this transfer. Responsibility for counter-fraud investigation was passed to DWP, in December 2015.

Customer Services

Customer Services (Dover District Council @ Your Service) provides on-line, telephone, and face to face service delivery for all customers.

The service is seeking to increase the level of electronic service provision and self-service by customers. Innovation around electronic service provision for the council as a whole, seeking to drive through efficiency and service transformation, will be integrated with coordination of the Local Land and Property Gazetteer. In addition, the service will continue to develop our website and further develop customer accounts to enable increased self-service and reduced paper transactions.

ICT

The ICT service provides a complete strategic and operational technology service to the council under an agreed service level agreement. This includes support to desktop facilities for officers and councillors by the provision of a service desk that is open 8am – 6pm during the working week, the provision and maintenance of the local and wider area network supporting the main council office and remote sites, and infrastructure in terms of the data centre and associated servers and storage. This service also supports existing business systems and the implementation of new business systems.

A Geographical Information Systems (GIS) service is provided that maintains the existing GIS platforms, the Local Land and Property Gazetteer, and provides a GIS development service. Software development, technical business analysis and system testing services are also provided.

New opportunities are assessed and a seven year technology renewal plan is in place. A project management service is provided and also support to the Dover SIRO for information governance and compliance matters. A procurement, contract management, ordering and invoicing service is also provided.

COMMUNITY ENGAGEMENT

The Communications & Engagement Team develops and manages relationships between Dover District Council, the community and external stakeholders. Taking a project/campaign based approach to the proactive delivery of Council services the department is responsible for Strategic Partnerships, Community Engagement, Public Relations & Marketing, Events, and External Funding to support social investment. The department has a cross-cutting agenda with other Council departments and services. There will be a clear entry and exit strategy with regards to the team's projects and campaigns, and these will be clearly aligned with DDC's Strategic Priorities.

STRATEGIC HOUSING

Housing Strategy

A key role of the Council's Strategic Housing service is to develop an effective strategic approach which will help meet the housing needs in the district and contribute to the development of sustainable communities.

Strategic housing includes housing strategy and enabling, housing options, including homelessness prevention, and the private sector housing functions (see below) as well as functions carried out by the Council's Planning service and its Property Services section.

The Strategic Housing service is also responsible for monitoring East Kent Housing, the Arms Length Management Organisation set up to provide landlord services delegated to it by the Council and three other East Kent councils.

Housing Strategy and Enabling

The strategic housing function plays an important role in enabling the provision of affordable housing in the district. In the past this had been solely through partnership working with other affordable housing providers such as Housing Associations. More recently, the positive financial impact of HRA financing reforms had enabled the Council to take a more direct role in the delivery of new affordable housing, however, its ability to sustain this will be impacted by recent government policy initiatives. The service plays an important role liaising with other Council services such as Development Management, Regeneration Delivery and Corporate Property Services as well as external agencies such as the Homes & Communities Agency so as to secure new affordable housing in the district.

The service also provides input into a number of key partnerships which aim to deliver improved housing services both county wide and locally. These include:

- Kent Housing Group

- Kent Joint Planning & Policy Board
- PFI housing projects: Better Homes Active Lives & Excellent Homes For All
- South Kent Coast Health & Wellbeing Board

Housing Options and Homelessness

The Housing Options team is responsible for ensuring social housing is allocated in accordance with statutory guidance, providing advice on housing options and dealing with homelessness in accordance with statutory duties.

The Council's strategic approach to addressing homelessness is set out in the East Kent Homelessness Strategy 20014-2019 developed in partnership with Shepway, Canterbury and Thanet District Councils which has also led to the establishment of a new Dover district Homelessness Forum. The Forum meets quarterly to share intelligence and good practice and monitor the delivery of the strategy.

Changes have been successfully implemented in relation to the rent deposit guarantee scheme so that households benefiting from the guarantee will make financial payments towards it, thereby enabling them to save for any future deposit and making the scheme more financially sustainable.

A revised Allocations Policy was adopted in 2013/14 and led to the introduction of a new banding system for prioritising housing applications. A review of the Allocations Policy has recently been carried out and it is expected that a number of relatively minor revisions will be formally recommended and, if accepted, implemented in 2015/16. Applicants are now able to make applications on-line and this has helped reduce the time taken to register applications. All applications are now being registered within the service standard target time.

Social rent homes are currently let through a 'choice based lettings' system and following a successful pilot the cycle for advertising vacant properties for applicants to "bid on" has been reduced from fortnightly to daily bidding.

Private Sector Housing

Services provided by the Private Sector Housing team comprise:

- Tackling rogue landlords and improving the private rented sector through legal/formal action to require owners/landlords meet the minimum Health and safety requirements laid down in the Housing Act 2004 and requirements of other regulations.
- The licensing of Houses in Multiple Occupation.
- The provision of Mandatory Disabled Facilities Grants
- The provision of financial housing assistance to vulnerable owner occupiers living in substandard homes.
- The licensing of Caravan Sites.
- Bringing empty homes back into use

In 2015/16 the service took on additional responsibilities related to the enforcement of the Smoke and Carbon Monoxide Alarm (England) Regulations 2015.

Most enforcement work relating to housing conditions takes place in Dover where a significant proportion of the housing stock is in poor condition due to its age and where there are relatively high numbers of privately rented properties.

Using recycled funds, the service can also provide financial assistance to vulnerable home owners, in the form of grants and loans, to help them improve their homes to meet minimum standards.

The service has been very successful over the years in bringing long term empty properties back into use. It works closely with external agencies on partnership projects which provide funding to bring empty derelict property back into use.

The service also works in partnership with other agencies and organisations to deliver projects aimed at improving the condition of the housing stock in the district. A recent example is the external wall insulation of privately owned homes in Aylesham paid for by grants from DEFRA and KCC.

The team is also engaged in working in partnership with KCC and the CCG to identify and address health issues associated with poor housing conditions.

EAST KENT HOUSING

Dover District Council is the major social landlord in the district. As at 6 January 2016 it owned a stock of 4,389 dwellings comprising 2,773 houses and bungalows and 1,616 flats and maisonettes.

On 1 April 2011 the Council delegated the provision of day to day housing management services to East Kent Housing, an Arms Length Management Organisation (ALMO), set up jointly with Shepway, Thanet and Canterbury councils.

Ownership of the stock remains with the Council and East Kent Housing manages and maintains the stock under the terms of a Management Agreement with the Council for which it receives a management fee funded from the Housing Revenue Account.

A primary aim behind the decision to set up East Kent Housing (EKH) was to improve the quality of services provided to tenants. EKH is required to produce an Annual Delivery Plan and to provide the Council with regular performance management reports.

EKH is currently involved in the implementation of a new single, housing management IT system which they have identified will enable them to deliver significant financial efficiencies and service improvements. The project is being funded by loans provided by the four council owners with the expectation that the loan will be repaid from the financial savings achieved.

Service Summary

Finance, Housing & Community

Budget 2016/2017

		Costs controlled by Head of Service					Budget 2016/2017				
		FTE	Employees	Other Costs	Income	Sub-tot	Recharges	Capital	Total Cost	Charge-outs	Total
C3310	DIRECTOR OF FINANCE, HSG & COM	1.00	116,260	3,780	-	120,040	45,800	-	165,840	(165,840)	-
Total Director Of Finance, Hsg & Com		1.00	116,260	3,780	-	120,040	45,800	-	165,840	(165,840)	-
C3500	ACCOUNTANCY TRADING ACCOUNT	9.60	481,260	46,540	-	527,800	163,210	-	691,010	(691,010)	-
C3020	PROCUREMENT, CREDITORS &INCOME	8.28	284,280	28,280	(3,100)	309,460	146,130	-	455,590	(455,590)	-
A1070	SPECIAL FEES AND PAYMENTS	0.00	-	47,800	(4,500)	43,300	1,220	-	44,520	-	44,520
A1075	TREASURY MANAGEMENT	0.00	-	4,000	-	4,000	43,690	-	47,690	(21,850)	25,840
A5000	BCKFNDNG & OTHER PENSION COSTS	0.00	2,055,210	-	-	2,055,210	(2,157,900)	-	(102,690)	-	(102,690)
B1600	GRANTS TO VOLUNTARY ORGS	0.00	-	244,910	-	244,910	2,530	-	247,440	-	247,440
Total Finance		17.88	2,820,750	371,530	(7,600)	3,184,680	(1,801,120)	-	1,383,560	(1,168,450)	215,110
C3995	COMMUNITY AND ENGAGEMENT	10.50	409,370	13,220	(35,790)	386,800	127,770	-	514,570	(514,570)	-
A1050	CORPORATE PRESS & PUBLICITY	0.00	-	25,480	-	25,480	119,650	-	145,130	-	145,130
M1500	COMMUNITY DEVELOPMENT	0.00	-	60	-	60	206,830	-	206,890	-	206,890
M1520	REGEN OFFICER AYLESHAM	0.00	-	4,500	(37,720)	(33,220)	33,220	-	-	-	-
M1580	DOVER COASTAL COMMUNITY TEAM	0.00	-	-	-	-	8,050	-	8,050	-	8,050
M1585	DEAL+SANDWICH COASTAL COM TEAM	0.00	-	-	-	-	8,050	-	8,050	-	8,050
M2600	SPORTS STRTGY, IMPLMTN & GRNTS	0.00	-	4,500	-	4,500	10,480	-	14,980	-	14,980
Total Community Engagement		10.50	409,370	47,760	(73,510)	383,620	514,050	-	897,670	(514,570)	383,100
C3360	HOUSING ADMIN TRADING ACCOUNT	1.00	76,400	2,210	-	78,610	62,400	-	141,010	(141,010)	-
C3855	HOUSING NEEDS TRADING ACCOUNT	9.00	329,800	6,270	-	336,070	111,160	-	447,230	(447,230)	-
C3857	KENT HOMECHOICE	1.00	42,700	242,100	(301,090)	(16,290)	16,290	-	-	-	-
M1000	HOMELESSNESS	0.00	-	374,700	(148,000)	226,700	295,300	-	522,000	-	522,000
M1050	RENT DEPOSIT SCHEME	0.00	-	15,000	(15,000)	-	-	-	-	-	-
M1100	PRIVATE SECTOR HOUSING (incl. Renov'n Gr	6.41	269,630	754,900	(733,050)	291,480	143,800	-	435,280	-	435,280
M1401	HOUSING STRATEGY	0.00	-	6,500	-	6,500	21,360	-	27,860	-	27,860
M1410	CHOICE BASED LETTINGS	0.00	-	11,040	-	11,040	-	-	11,040	-	11,040
Total Strategic Housing		17.41	718,530	1,412,720	(1,197,140)	934,110	650,310	-	1,584,420	(588,240)	996,180
C3376	DDC @ YOUR SERVICE	0.00	-	267,660	-	267,660	125,450	3,470	396,580	(396,580)	-
Total Customer Services (DDC Share)		0.00	-	267,660	-	267,660	125,450	3,470	396,580	(396,580)	-
C3010	COMPUTER SERVICES TRADING ACCT	0.00	-	453,520	-	453,520	27,560	16,930	498,010	(498,010)	-
C5010	OFFICE TELEPHONES HLDG ACCOUNT	0.00	-	33,790	(33,790)	-	-	-	-	-	-
		0.00	-	487,310	(33,790)	453,520	27,560	16,930	498,010	(498,010)	-
C3520	AUDIT TRADING ACCOUNT	0.00	-	560	-	560	173,050	-	173,610	(173,610)	-
Total Audit		0.00	-	560	-	560	173,050	-	173,610	(173,610)	-
B2100	COUNCIL TAX-COST OF COLLECTION	0.00	-	842,370	(300,000)	542,370	14,400	-	556,770	-	556,770
B2300	NNDR - COST OF COLLECTION	0.00	-	172,810	(176,090)	(3,280)	7,240	-	3,960	-	3,960
B7000	BENEFITS & SUBSIDIES	0.00	-	39,522,070	(39,003,740)	518,330	34,070	-	552,400	-	552,400
C3388	CORPORATE INCOME COLLECTION	0.00	-	148,920	-	148,920	13,410	-	162,330	(162,330)	-
Total East Kent Services		0.00	-	40,686,170	(39,479,830)	1,206,340	69,120	-	1,275,460	(162,330)	1,113,130
		46.79	4,064,910	42,790,180	(40,758,080)	6,097,010	(223,340)	3,470	5,877,140	(3,169,620)	2,707,520

DIRECTOR OF ENVIRONMENT AND CORPORATE ASSETS

The Director of Environment and Corporate Assets is responsible for a number of service areas, the most significant of which are those summarised below:

WASTE MANAGEMENT

Refuse and Recycling Collections

The Council introduced new service arrangements for refuse and recycling collections in 2011, which provide residents with:

- Weekly segregated collection of food / kitchen waste, collected in a 23l kerbside caddy, with householders also using a small kitchen caddy;
- Alternative weekly collections of recyclables and residual waste, with residual waste collected in a 180l wheeled bin (black lid), mixed dry recyclables collected in a 240l wheeled bin (blue lid) and paper & card collected in the black box. Alternative arrangements are available for those householders with limited storage space or difficult access. The materials collected through the doorstep recycling scheme now includes paper, card, plastic bottles, tetrapak cartons and plastic pots, tubs and trays, cans and glass which are collected fortnightly from all properties across the district;
- Fortnightly subscription service for the collection of garden waste; and
- Separate collection of clinical waste including needles.

The contract for the collection of refuse and recycling with Veolia Environmental Services (UK), which extends until January 2021, has been awarded in partnership with Shepway District Council and Kent County Council (as the disposal authority). Dover is the lead authority within this partnership and manage the client team, which comprises staff from both Dover and Shepway based at the Dover District Council offices who manage the contract and are also responsible for promoting waste reduction, re-use and recycling to residents across the district.

Paper and card from the recycling schemes is recycled into newsprint and packaging, cans into new metal items, plastic into food grade plastics or recycled products and glass is crushed and either used as roadside aggregates or melted down for reuse.

Garden waste collected fortnightly through the subscription green waste collection service, is composted on a local farm and ploughed back in as a soil improver. Food waste collected weekly as part of the new service is taken to an anaerobic digestion facility operated by Tamar Energy in Basingstoke.

The Council also supports the Salvation Army and Aylesford Newsprint by providing areas within car parks for the collection of textiles and paper, the materials are collected by these companies and taken for recycling or reuse.

In addition to the weekly recycling and waste collections, the Council offers other related services such as, for example, the bulky waste collection service. This is available for residents who wish to arrange for larger items of waste to be collected for a small fee from their homes. The removal of abandoned vehicles is also administered by this section in accordance with the Refuse Disposal Amenities Act (1978).

Street Cleansing

The section is responsible for the cleansing of the highways and Council owned land, in accordance with the provisions of the Environmental Protection Act 1990 and subsequent Code of Practice on Litter and Refuse (2006). This is carried out in accordance with standards set by Government, which define how quickly the Council has to clear such land. It covers litter, detritus (grit in the gutter), dog fouling and leaves. These items are collected either manually or by using mechanical sweepers. The section also arranges the emptying of litter and dog waste bins.

The removal of fly tipping also falls within the service provision; however Environmental Health deals with the investigation and enforcement element.

The service is provided as part of contract with Veolia Environmental Services, which extends until January 2021 and also forms part of the partnership working and joint contractual arrangement with Shepway District Council administered by the Waste Services Section.

PARKING SERVICES

The Parking Services team is responsible for the management and operation of parking both on and off street across the District.

With regard to off-street parking, the Council provides a number of car parks spread across the district including maintenance and enforcement operations. The Council also manages car parks on behalf of Sainsbury's and the Co-Op in Deal, and Eurotunnel at Samphire Hoe.

The management of on-street parking is carried out on behalf of KCC in accordance with the provisions set up within the Kent Parking agreement developed following the decriminalisation of parking operations within Kent some 15 years ago.

The work of the team involves both "back office" functions associated with parking enforcement, and dealing with all representations and challenges to the service of PCNs and debt recovery.

Cash collection from all Pay and Display machines and counting is carried out "in house" by a small team.

CCTV

The Council's CCTV system comprises a mixture of dome cameras and "shoe-box" type cameras with 23 cameras located in Dover, 17 in Deal and 9 in Sandwich.

The cameras are monitored and maintained by a team of CCTV operators based at a dedicated Control Centre, which is a restricted and secure centre, operated in accordance with Home Office Guidelines with access strictly controlled. All our CCTV Operators have undergone formal training and achieved a recognised qualification in the operation of CCTV.

The team works closely with the police, other law enforcement agencies, Dover/Deal/Sandwich Partnerships against Crime, the Town Centre Crime Reduction Group and DDC's Community Safety Unit to reduce crime, and the fear of crime throughout the district.

The performance of the unit is reported upon on an annual basis following an independent audit of the section's activities and this report is in the public domain.

COMMUNITY SAFETY

Dover District experiences low levels of crime and is consistently in the bottom quarter of reported crime levels in Kent. The Council manages the Dover District Community Safety Partnership (CSP), a group of agencies including Dover District Council, The Police & Crime Commissioner for Kent, Kent County Council, the Kent Fire and Rescue Service, the Probation Service and the local Primary Care Trust. The Kent Police and Crime Commissioner funds this partnership. The CSP has challenging targets for achieving reductions in reported crime and anti-social behaviour.

The Partnership also funds many initiatives across the district, tackling community safety issues identified by our communities.

ANTI-SOCIAL BEHAVIOUR (ASB)

The Council's Anti-Social Behaviour Unit was established in November 2004 to tackle anti-social behaviour across the district. This has now evolved into the Community Safety Unit run jointly with Kent Police and staffed by personnel from DDC, Kent Police and KCC. The Community Safety Unit works closely with other DDC departments, especially Environmental Health, East Kent Housing and other relevant agencies to tackle ASB and community safety issues across the district.

The Council is continuing to embed crime reduction activities in all its services (the Section 17 Project).

The division is also responsible for DDC's approach to Safeguarding issues (Child and Adult Protection), the Disclosure and Barring Service (previously known as CRB) policy and conducting DBS checks on behalf of the Licensing Section.

ASSETS & BUILDING CONTROL

This service is divided into a number of key areas:

Asset Management

Parks and Open Spaces - The Council has a substantial stock of parks, open spaces and sports grounds throughout the district including, for example, Kearsney Abbey and Connaught Park in Dover and Victoria Park in Deal. The areas provide for both active and passive leisure and include facilities such as skateboard parks, multi-use games areas, play areas, sports pitches, bowling greens and tennis courts in addition to areas for walking and quiet reflection. Grounds maintenance of the sites in recent years has been carried out by English Landscapes and the company has been awarded a 10-year contract that has been extended by a year until 31 March 2017.

Public Conveniences - The Council currently maintains and operates 21 facilities within the towns and villages across the district. Of these, 14 facilities are supported by 3 Town and 5 Parish Councils.

Depots - This budget includes costs associated with one operational depot at Dover, and the former depot at Deal, as well as several garages and stores. The depot in Dover is leased to Veolia Environmental Services as part of the Council's Waste Management Contract and includes the responsibility for their repair and maintenance. Other premises are leased to the Landscape Group as part of the contract for landscape maintenance.

Cemeteries - There are six cemeteries in the district managed by the Council, located in Dover, Deal, Sandwich and Aylesham, presently used for earth burials, covering a total of 19.25 hectares.

Closed Churchyards - The Council has a legal obligation for the upkeep of closed churchyards, which are no longer maintained by the church or parish councils. There are currently 21 closed churchyards maintained, covering 5.01 hectares.

Markets - Markets are currently held every Saturday in Dover and Deal. The Council manages the long established Saturday fruit and vegetable market in Market Square, Dover with the stallholder paying a set fee per pitch, while Dover Town Team and Deal Town Council operates the Dover (Tuesday) and Deal (Saturday) markets in partnership with Dover District Council.

Public Clocks and Memorials - The Council is responsible for the upkeep of various public clocks throughout the district. The Council also maintains Chillenden Windmill.

Beaches and Foreshores - The district's coastline extends between Dover and Sandwich. This budget maintains the beaches and foreshores in this area. Additional income is generated by leasing beach and boat plots at the following locations:

- Beach huts in St Margaret's Bay;
- Beach hut plots in Kingsdown;
- Commercial boat plots in Deal and Walmer; and
- Private boat plots in Deal, Walmer, Kingsdown and St Margaret's.

Oil Pollution - In accordance with the County of Kent Oil Pollution Response Scheme, the District Council has responsibility to deal with pollutions by oil on beaches and with the threat of oil to beaches and to sea up to a depth of 5.5 metres at low water mark of ordinary tides or to a distance of one mile from the shore, whichever is less. Areas beyond this extent are dealt with by Kent County Council.

Leasehold Properties – The Council has significant land holdings across the District, some of which are let for commercial and/or retail use. The Valuation team ensures these are managed in accordance with the Corporate Property Strategy and Asset Management Plan.

Coast Protection

Under the Coast Protection Act 1949 the Council has powers to provide and maintain coastal defences to protect the land from erosion. The Government provides financial support to coast protection authorities by grant aiding capital schemes, with the approval processes being managed by The Environment Agency, but will not grant aid routine maintenance. Shoreline Management Plans for the coastal frontage have been produced and work is also progressing on implementing the recommendations of the Pegwell Bay to Kingsdown Coastal Strategy. Funding has recently been allocated for works to the coast defences at Kingsdown/ Walmer, which are currently under construction.

Facilities Management

The service covers a number of properties;

Dover Town Hall (Maison Dieu), Dover - The main facilities at Dover Town Hall are the Stone Hall, Connaught Hall and the Council Chamber. There are also other smaller areas available for hire. The facilities are used for a variety of functions including wedding receptions, dinners, parties, dances, concerts, theatre, exhibitions, seminars, elections etc. The premises are managed by Your Leisure, who also operate the Winter

Gardens at Margate and lease the Council's leisure facilities, under a property lease for the Town Hall, supported by a funding agreement. Under the terms of the lease, most categories of expenditure are the responsibility of Your Leisure but some major areas remain as Council obligations. The Council is currently developing a funding bid as part of plans for major renovations to the building.

Deal Pier - The present Pier took three years to build and was officially opened by the Duke of Edinburgh in 1957. It provides opportunities for walking and fishing, has a café at the seaward end and two small shops at the entrance. The Pier itself is managed directly by the Council and in recent years substantial funds have been spent on repairing the steel and concrete structure. The construction of the new café and sun lounge was completed during autumn 2008 and has significantly enhanced the facilities available. This has been recognised through the receipt of several architectural awards. These works have also seen improvements to the deck surface and the installation of new lighting together with other minor improvements.

Leisure Centres - The Council's leisure centres, Dover Leisure Centre, Tides and the Deal Indoor Tennis Centre provide a wide range of facilities. Dover has a traditional 25 metre swimming pool designed for lane and competitive swimming together with a learner pool, eight court sports hall, fitness and health suite, aerobics studio, squash courts, bar, cafeteria and other minor facilities. Tides consists of a beach effect leisure pool with waterslides, ancillary pools and other features, a four-court sports hall, fitness and health suite and cafeteria. The facility now includes the recently opened tennis centre which replaces the air hall, which was destroyed during severe storms in early 2007. The leisure centres have been leased to and managed by Your Leisure since April 2001. Your Leisure also manages the children's paddling Pool in Walmer. The Council is bringing forward plans to provide a new leisure centre for Dover recognising that the current centre has a limited residual life.

Corporate Properties – The Council operates from a number of properties such as the offices at Whitfield, Dover Gateway and other area offices within the District and the property services team are responsible for the effective management of each of the premises in terms of activities such as caretaking, cleansing and routine maintenance.

Building Control

The main functional area relates to Building Regulations Fee Earning (BRFE) work. The Section implements the Building Regulations, which are concerned with health and safety, access for all and conservation of fuel and power in and about buildings. Fees are set by Dover District Council to fully recover the costs of providing the service over any three-year period. The service is in full competition with the private sector.

The second area of activity is paid for from the General Fund. This area includes certain Building Regulations work, for which no fees can be charged, for example, building work to adapt a house for someone with a disability. Another example is building control has become a repository for information regarding self-certification of certain Building Regulations applications, relating to replacement windows and electricity etc. Central Government does not allow local authorities to charge for this function.

In addition, the section undertakes additional functions such as dealing with dangerous structures.

Capacity continues to be created through continuous reviews of staffing, procedures and practices in order to increase efficiency and effectiveness. Despite the recession, the level of building activity remained relatively stable but continual improvements in

efficiency are still being sought. Capacity to increase fees substantially may well be constrained through increased competition from the private sector but additional income is starting to come from the production of SAP energy ratings and Code for Sustainable Homes assessments. All applications received from 1st January 2016 are electronic.

MUSEUM & TOURISM SERVICES

Dover Museum

Dover Museum is one of the oldest museums in the UK, founded in 1836. Its three floors of exhibitions on the history of Dover and its award winning Bronze Age Boat Gallery attract over 35,000 visitors a year. It operates a successful schools programme attracting some 13,000 school children annually. Work continues with young people, traditionally a hard to reach group for museums, to make the museum more relevant to them, and a team of volunteers is implementing a new collections plan relating to the national museums accreditation scheme.

Tourism

The Council's role in tourism is as a co-ordinator for the district's tourism industry and the White Cliffs Country Marketing brand. It produces a successful annual tourism guide and website and associated marketing campaign, in partnership with the White Cliffs Country Tourism Association (WCCTA). The service, in partnership with other districts, KCC and Visit Kent is actively engaged in promoting the district during events such as the Olympic Torch Event in Dover, the torch relay through the District and the Open Golf tournament at Sandwich.

The section also operates one of the busiest visitor information centres (VICs) in the UK, the Dover Visitor Information Centre, co-located within Dover Museum and advises VICs in Deal and Sandwich.

WHITE CLIFFS COUNTRYSIDE PARTNERSHIP

The White Cliffs Countryside Partnership was set up 25 years ago to help conserve and enhance the special coast and countryside of Dover and Shepway districts, and make it accessible to all. It is a partnership between Dover District Council, Shepway District Council, Kent County Council, Eurotunnel, Natural England, Environment Agency, Kent Downs AONB Unit, Kent Wildlife Trust, National Trust, British Energy, British Nuclear Group, Affinity Water, Network Rail with financial contributions from the European Regional Development Fund, the Big Lottery and the Heritage Lottery Fund.

UP ON THE DOWNS

Up on the Downs is a £2.5 million Heritage Lottery funded Landscape Partnership Scheme that aims to make a significant difference to the easily recognisable and iconic landscape of the Dover and Folkestone area.

Over the next four years we will be working with our partners and local communities to conserve and celebrate the landscape and heritage of our scheme area. We will do this by:

- Investing in your heritage;
- Supporting communities;
- Enjoying the outdoors; and
- Working together.

The aims and objectives of Up on the Downs, including the full range of projects we will be delivering, are contained in the Landscape Conservation Action Plan. This document pulls together information gathered during the development of the scheme and analyses

what the needs of the landscape and communities are. It is effectively a management plan for the scheme area.

Service Summary											
Environment & Community Assets						Budget 2016/2017					
Costs controlled by Head of Service											
	FTE	Employees	Other Costs	Income	Sub-tot	Recharges	Capital	Total Cost	Charge-outs	Total	
C3600 DIRECTOR OF ENV & CORP ASSETS	1.00	115,610	4,070	-	119,680	49,790	-	169,470	(169,470)	-	
Head of Service	1.00	115,610	4,070	-	119,680	49,790	-	169,470	(169,470)	-	
A1162 CIVIC CAR	0.00	5,410	2,060	-	7,470	800	-	8,270	(1,240)	7,030	
C3715 PROPERTY SERVICES	18.05	767,640	60,070	(8,600)	819,110	311,960	-	1,131,070	(1,131,070)	-	
C3725 PROPERTY MAINTENANCE TEAM	2.00	55,190	(55,190)	-	-	38,510	-	38,510	-	38,510	
C3954 MAISON DIEU PREMISES	0.00	-	8,790	(3,500)	5,290	7,480	-	12,770	(12,770)	-	
C3956 DEAL AREA OFFICE TRADING ACCT	0.00	-	4,430	-	4,430	730	-	5,160	(5,160)	-	
C3957 THE DOVER GATEWAY (CASTLE ST)	0.00	-	63,960	(10,000)	53,960	13,820	830	68,610	(68,610)	-	
C3958 SANDWICH AREA OFFICE TRAD ACCT	0.00	-	-	-	-	-	330	330	(330)	-	
C5001 CORPORATE MAINTENANCE	0.00	-	385,000	-	385,000	-	-	385,000	-	385,000	
C5200 OFFICE ACCOMMODATION-WHITFIELD	2.82	62,800	431,250	(2,200)	491,850	28,530	52,730	573,110	(573,110)	-	
E4100 PUBLIC CONVENIENCES	0.00	-	189,930	(109,050)	80,880	37,210	23,090	141,180	-	141,180	
E5000 DEPOTS	0.00	-	830	(870)	(40)	6,930	6,890	13,780	-	13,780	
E6000 CEMETERIES	0.00	-	169,900	(158,000)	11,900	73,190	280	85,370	-	85,370	
E6100 CLOSED CHURCHYARDS	0.00	-	29,420	-	29,420	20,760	-	50,180	-	50,180	
E8000 COAST PROTECTION	0.00	-	550	(62,400)	(61,850)	44,550	259,600	242,300	-	242,300	
H1000 BUILDING CONTROL	9.61	328,390	41,140	(282,000)	87,530	182,800	-	270,330	(12,000)	258,330	
L1399 MISC PROPERTIES-GENERAL	0.00	-	22,440	(266,200)	(243,760)	329,440	24,950	110,630	-	110,630	
L1800 RELOCATION OF TRAVELLERS	0.00	-	-	-	-	240	-	240	-	240	
L2010 HALLS-TOWN HALL DOVER	0.00	-	113,060	-	113,060	44,700	180,060	337,820	-	337,820	
L3000 TIMEBALL TOWER, DEAL	0.00	-	400	(450)	(50)	4,340	-	4,290	-	4,290	
L3630 PUBLIC CLOCKS AND MEMORIALS	0.00	-	260	(100)	160	3,450	-	3,610	-	3,610	
L4030 DOLPHIN HOUSE	0.00	-	42,330	(70,000)	(27,670)	27,670	-	-	-	-	
L5050 A/C BODY RCHG-SRB,S/START,WCCP	0.00	-	-	-	-	73,810	-	73,810	-	73,810	
M1200 ENERGY EFFICIENCY GRANTS	0.00	-	290	-	290	9,060	-	9,350	-	9,350	
M2100 BEACHES AND FORESHORES	0.00	-	22,480	(62,390)	(39,910)	58,950	13,410	32,450	-	32,450	
M2200 DEAL PIER	2.85	98,360	36,690	(77,630)	57,420	79,630	233,510	370,560	-	370,560	
M2210 SANDWICH QUAY	0.00	-	4,740	(15,700)	(10,960)	18,360	-	7,400	-	7,400	
M2300 PARKS AND OPEN SPACES	0.00	-	574,370	(76,220)	498,150	143,670	73,310	715,130	-	715,130	
M2305 PARKS FOR PEOPLE-KEARSNEY	0.60	10,580	120,050	(255,000)	(124,370)	-	-	(124,370)	-	(124,370)	
M2306 PARADE IN THE PARK EVENT	0.00	-	9,850	(9,850)	-	-	-	-	-	-	
M2500 DOVER LEISURE CENTRE	0.00	-	277,140	-	277,140	32,900	483,620	793,660	-	793,660	
M2510 DEAL LEISURE POOL-TIDES	0.00	-	11,010	-	11,010	43,980	694,540	749,530	-	749,530	
M2520 DEAL TENNIS CENTRE	0.00	-	30,200	-	30,200	11,120	23,440	64,760	-	64,760	
M2610 PROPERTY SERVICES EVENTS	0.00	-	100	(29,000)	(28,900)	50,700	-	21,800	-	21,800	
Asset Management & Maintenance	35.93	1,328,370	2,597,550	(1,499,160)	2,426,760	1,699,290	2,070,590	6,196,640	(1,804,290)	4,392,350	
L3020 DOVER MUSEUM	10.35	392,830	157,310	(92,300)	457,840	142,860	347,750	948,450	-	948,450	
L3022 MUSEUMS-BRONZE AGE BOAT-EXHIBT	0.00	-	14,730	(150)	14,580	11,250	-	25,830	-	25,830	
L3025 DOVER MUSEUM SCHOOLS	0.00	4,000	25,650	(18,000)	11,650	9,660	-	21,310	-	21,310	
L3027 DOVER MUSEUM - BEQUEST WORK	0.00	1,500	6,800	(11,070)	(2,770)	2,770	-	-	-	-	
L3600 GRAND SHAFT-WESTERN HEIGHTS	0.00	-	1,730	-	1,730	2,890	-	4,620	-	4,620	
L5601 TOURISM DEVELOPMENT	0.00	-	35,740	-	35,740	21,670	1,250	58,660	-	58,660	
L5610 VIC GRANTS & HISTORIC PANELS	0.00	-	13,100	-	13,100	1,590	1,760	16,450	-	16,450	
Total Museum & Tourism	10.35	398,330	255,060	(121,520)	531,870	192,690	350,760	1,075,320	-	1,075,320	

Costs controlled by Head of Service										
	FTE	Employees	Other Costs	Income	Sub-tot	Recharges	Capital	Total Cost	Charge-outs	Total
C3390 PARKING SERVICE ADMINISTRATION	5.59	185,260	30,080	-	215,340	154,250	-	369,590	(369,590)	-
C3392 PARKING OPERATIONS & ENFORCEMENT	13.82	351,530	32,850	-	384,380	128,790	4,230	517,400	(517,400)	-
C3620 PARKING & COMM SAFETY MANAGER	1.00	76,400	640	-	77,040	48,260	-	125,300	(125,300)	-
E2200 CCTV	3.24	113,030	80,360	(3,340)	190,050	69,420	-	259,470	-	259,470
E8700 CRIME AND DISORDER	1.00	37,800	2,360	(29,000)	11,160	40,150	2,500	53,810	-	53,810
K1020 SECTION 38	0.00	-	340	-	340	110	-	450	-	450
K2015 TRANSPORTATION SERVICES	0.00	-	156,200	(61,950)	94,250	72,700	12,500	179,450	-	179,450
K2020 COUNTRYSIDE AND WATERWAYS	0.00	-	-	-	-	720	-	720	-	720
K2040 BUS SHELTERS	0.00	-	18,730	-	18,730	10,700	-	29,430	-	29,430
K3000 PRECINCTS-DEAL AND DOVER	0.00	-	6,710	-	6,710	17,540	-	24,250	-	24,250
K4000 CAR PARKS-SURFACE FREE	0.00	-	10,950	(60)	10,890	50,770	-	61,660	-	61,660
K4010 CAR PARKS-SURFACE PAYING	0.00	-	311,530	(1,569,630)	(1,258,100)	340,820	-	(917,280)	-	(917,280)
K4020 CAR PARKS-MULTI STOREY	0.00	-	-	-	-	1,470	-	1,470	-	1,470
K4030 CAR PARKS - ON STREET	0.00	-	41,790	(630,610)	(588,820)	563,890	-	(24,930)	-	(24,930)
K5000 ENVIRONMENTAL IMPROVEMENTS (DEPRECIATION)	0.00	-	-	-	-	-	4,360	4,360	-	4,360
M4000 ANTI-SOCIAL BEHAVIOUR	1.57	68,750	11,320	(30,000)	50,070	74,520	-	124,590	-	124,590
Total Parking & Community Safety	26.22	832,770	703,860	(2,324,590)	(787,960)	1,574,110	23,590	809,740	(1,012,290)	(202,550)
C3610 WASTE SERVICES TRADING ACCOUNT	5.00	219,780	17,750	(85,000)	152,530	109,360	-	261,890	(261,890)	-
E4200 REFUSE COLLECTION	0.00	-	1,108,900	(53,950)	1,054,950	123,550	-	1,178,500	-	1,178,500
E4210 RECYCLING	0.00	-	1,062,500	(819,840)	242,660	130,170	-	372,830	-	372,830
E4230 SHEPWAY WASTE CONTRIBUTION	0.00	-	3,500,000	(3,500,000)	-	-	-	-	-	-
E4240 KCC WASTE CONTRIBUTION	0.00	-	1,000,000	(1,000,000)	-	-	-	-	-	-
E4300 STREET CLEANSING	0.00	-	1,570,500	(58,400)	1,512,100	109,120	-	1,621,220	-	1,621,220
Total Waste Services	5.00	219,780	8,259,650	(5,517,190)	2,962,240	472,200	-	3,434,440	(261,890)	3,172,550
L6000 WHITE CLIFFS COUNTRYSIDE PROJ	5.81	236,340	21,070	(275,410)	(18,000)	18,000	-	-	-	-
L6002 WCCP-SAMPHIRE HOE	2.00	65,670	2,560	(68,230)	-	-	-	-	-	-
L6018 FOLKESTONE DOWNS	0.00	-	13,000	(13,000)	-	-	-	-	-	-
Total White Cliffs Countryside Project	7.81	302,010	36,630	(356,640)	(18,000)	18,000	-	-	-	-
L3632 WCLP-BRINGING BACK THE LANDSCAPE	0.00	-	178,000	-	178,000	-	-	178,000	-	178,000
L3634 WCLP-TAKING STOCK-PROG A	0.00	-	12,000	-	12,000	-	-	12,000	-	12,000
L3636 WCLP-GOING FOR BRONZE	0.00	-	6,500	-	6,500	-	-	6,500	-	6,500
L3638 WCLP-FRONTLINE BRITAIN	0.00	200	28,000	-	28,200	-	-	28,200	-	28,200
L3640 WCLP-LANDSCAPE HERITAGE GRANTS-PROG A	0.00	-	10,000	-	10,000	-	-	10,000	-	10,000
L3642 WCLP-BE PART OF IT	0.00	-	6,810	-	6,810	-	-	6,810	-	6,810
L3646 WCLP-DIFFERENT WAY OF SEEING	0.00	-	17,000	-	17,000	-	-	17,000	-	17,000
L3650 WCLP-LANDSCAPE HERITAGE GRANTS-PROG B	0.00	-	1,070	-	1,070	-	-	1,070	-	1,070
L3652 WCLP - A SPECIAL SENSE OF PLACE	0.00	-	13,600	-	13,600	-	-	13,600	-	13,600
L3654 WCLP - SCHOOLS OUT	0.00	-	10,000	-	10,000	-	-	10,000	-	10,000
L3656 WCLP - SAFER LANDSCAPES	0.00	-	10,000	-	10,000	-	-	10,000	-	10,000
L3658 WCLP - LANDSCAPE HERITAGE GRANTS - PROG C	0.00	-	5,530	-	5,530	-	-	5,530	-	5,530
L3662 WCLP - COUNTRYSIDE APPRENTICE	1.00	3,520	500	-	4,020	-	-	4,020	-	4,020
L3664 WCLP - TRAINING TO SUPPORT OTHER DELIVERY P	0.00	-	25,500	-	25,500	-	-	25,500	-	25,500
L3666 WCLP - TRAINING IN HERITAGE SKILLS	0.00	-	6,000	-	6,000	-	-	6,000	-	6,000
L3668 WCLP - PARTNER TRAINING	0.00	-	9,000	-	9,000	-	-	9,000	-	9,000
L3670 WCLP - STAFF TRAINING	0.00	5,000	1,000	-	6,000	-	-	6,000	-	6,000
L3674 WCLP - STAFF & OVERHEADS	4.50	141,200	9,300	-	150,500	3,320	-	153,820	-	153,820
L4015 LANDSCAPE PARTNERSHIP PROJECT (income only)	0.00	-	-	(578,790)	(578,790)	-	-	(578,790)	-	(578,790)
Total White Cliffs Landscape Partnership	5.50	149,920	349,810	(578,790)	(79,060)	3,320	-	(75,740)	-	(75,740)
	91.81	3,346,790	12,206,630	(10,397,890)	5,155,530	4,009,400	2,444,940	11,609,870	(3,247,940)	8,361,930

Earmarked General Reserves (2016/17 Budget Forecast)

Notes	Balance	Contrib- ution	Application	Balance	Contrib- ution	Application	Balance	Contrib- ution	Application	Balance
	2014/15 £000	2015/16 £000	2015/16 £000	2015/16 £000	2016/17 £000	2016/17 £000	2016/17 £000	2017/18 £000	2017/18 £000	2017/18 £000
1 General Fund Balance	-2,889	-103	0	-2,992	0	450	-2,542	0	113	-2,429
2 Special Projects & Events Reserve	-1,746	-727	548	-1,925	-20	743	-1,202	-20	75	-1,147
3 Periodic Operations Reserve	-1,692	-215	264	-1,643	-102	419	-1,326	-77	255	-1,148
4 Urgent Works Reserve	-1,766	0	200	-1,566	0	200	-1,366	0	200	-1,166
5 Dover Regeneration Reserve	-1,080	-317	145	-1,252	-294	222	-1,324	-15	93	-1,245
6 ICT Equipment & Servers	-455	-392	250	-596	-58	217	-437	-58	200	-295
7 Business Rates & Council Tax Support	-1,812	0	0	-1,812	-450	1,211	-1,051	0	0	-1,051
8 District Regen & Economic Dev Reserve	-12,500	0	0	-12,500	0	1,250	-11,250	0	4,750	-6,500
9 Earmarked Reserves Total	-21,052	-1,651	1,408	-21,295	-923	4,262	-17,956	-170	5,573	-12,553
10 Total Revenue Reserves	-23,941	-1,754	1,408	-24,288	-923	4,712	-20,498	-170	5,686	-14,982

EARMARKED RESERVES

The following earmarked reserves are held:

1. General Fund Balance

The General Fund Balance is forecast to remain above the £2m preferred level in 2016/17. The forecasts for future years show the General Fund Balance reducing significantly by the end of 2017/18 if no action is taken to address the forecast deficits. It is considered that at this time there are sufficient other earmarked reserves to support the council while the Council continues to address future projected deficits.

2. Special Projects & Events Reserve

This reserve is set aside to continue to fund one-off General Fund projects as they arise and to support major events in the district. The contributions and applications from this reserve are detailed in the Special Projects summary (Annex 8D).

3. Periodic Operations Reserve

This reserve is to cover costs of cyclical / periodic events such as elections, “carry forward requests” and to hold grants or other income streams for specific purposes, such as New Burdens grants and On-Street parking surpluses. Approval of expenditure from this reserve is delegated to the Section 151 Officer and the Portfolio Holder responsible for Finance.

4. Urgent Works Reserve

This reserve is set aside to fund urgent works on corporate assets and for other urgent business requirements, for example to fund a provision for claims from Municipal Mutual Insurance or for future restructures to meet likely on-going grant reductions. One-off opportunities will be taken to add to the balance in this reserve in the future to maintain the capacity to manage the Council’s ageing assets.

Approval of expenditure from this reserve is delegated to the Section 151 Officer and the Portfolio Holder responsible for Finance.

5. Regeneration Reserve

This reserve is set aside to support the Local Development Framework process and associated regeneration projects. Approval of expenditure from this reserve is delegated to the Section 151 Officer and the Portfolio Holder responsible for Finance.

6. ICT Equipment & Servers

The current ICT Equipment & Servers reserve is held in order to support the requirements of the current and future ICT Strategies. Approval of expenditure from this reserve is delegated to the Section 151 Officer and the Portfolio Holder responsible for Finance.

7. Business Rates & Council Tax Support Reserve

This reserve was set up to allow for the risk of unforeseen pressures from the Redistribution of Business Rates, the new Council Tax Support scheme and future changes for Universal Credit. In 2014/15 a contribution was made to the reserve from the safety net receipt received from Government in that year. That contribution has been applied in the 2016/17 budget to offset the anticipated one-off pressure from the movement in the Collection Fund surplus. As there are still many uncertainties around these areas, it is recommended that this reserve is retained and reviewed on an annual basis.

8. Dover Regeneration & Economic Development Reserve

The £12.5m transferred from the Housing Revenue Account to the General Fund in 2013 is held in this reserve. £10m of the reserve has been set allocated to fund Leisure Centre provision, improvements to Dover Town Hall & Dover Priory car park options.

Housing Revenue Account - Budget Forecast as at 31 December 2015

	2015/16 Original Budget	2015/16 Projected Outturn as at 31/12/2015	Variance to Original Budget	Notes	2016/17 Proposed Budget	Variance to 2015/16 Projected Budget	Notes
	£000	£000	£000		£000	£000	
INCOME							
Dwelling Rents	(19,435)	(19,880)	(445)	1	(19,119)	761	A
Non-dwelling Rents	(470)	(470)	0		(499)	(29)	B
Tenant Charges for Services and Facilities	(310)	(310)	0		(320)	(10)	C
Conts. towards Expend. - Grants for Supporting People	(177)	(177)	0		(178)	(1)	
Leaseholder Charges for Services and Facilities	(358)	(387)	(29)	2	(390)	(3)	
Other Misc	(48)	(65)	(17)	3	(74)	(9)	
TOTAL INCOME	(20,798)	(21,289)	(491)		(20,580)	709	
EXPENDITURE							
Repairs and Maintenance	3,152	3,042	(110)	4	3,286	244	E
Supervision and Management	3,851	3,973	122	5	4,078	105	F
Rents, Rates, Taxes and Other Charges	118	118	0		82	(36)	G
Depreciation of Fixed Assets	2,406	2,406	0		1,727	(679)	H
Debt Management Expenses	32	27	(5)		26	(1)	
Bad Debt Provision	125	125	0		250	125	I
Rent Rebate Subsidy Limitation	0	0	0		0	0	
TOTAL EXPENDITURE	9,684	9,692	7		9,448	(242)	
NET COST OF HRA SERVICES PER AUTHORITY INCOME AND EXPENDITURE ACCOUNT	(11,114)	(11,597)	(484)		(11,132)	467	
HRA Share of Corporate and Democratic Core	452	452	0		448	(4)	
HRA share of other amounts not allocated to specific services	0	0	0		0	0	
NET COST OF HRA SERVICES	(10,663)	(11,146)	(484)		(10,684)	463	
Interest Payable and Similar Charges	2,854	2,854	0		2,783	(71)	J
Interest and Investment Income	(87)	(87)	0		(78)	9	
Pension Int Costs and expected return on pensions assets	510	510	0		461	(49)	
(SURPLUS)/DEFICIT FOR THE YEAR ON HRA	(7,386)	(7,869)	(484)		(7,518)	352	
Amount required by statute to be credited to the HRA	5,437	4,212	(1,225)		5,030	818	
Net (Increase)/Decrease in the Housing Revenue Transfer to or (from) reserves	(1,949) 2,000	(3,657) 3,750	(1,708) 1,750	8	(2,489) 2,400	1,169 (1,350)	K
(Increase)/decrease in year on the HRA balance	51	93	42		(89)	(181)	
Impact of Deficit / (surplus) on balances							
Housing Revenue Account balance brought forward	(1,094)	(1,094)	0		(1,001)	93	
Housing Revenue Account balance carried forward	(1,043)	(1,001)	42		(1,090)	(89)	

** Note to the Statement of Movement on the HRA Account							
Items included in the HRA Income and Expenditure Account but excluded from the movement on HRA Balance for the year							
Difference between amounts charged to income and expenditure for the amortisation of premiums and discounts and the charge for the year determined in accordance with statute							
Net Charges made for retirement benefits in accordance with IAS19	460	460	0		474	14	
	460	460	0		474	14	
Items not included in the HRA Income and Expenditure Account but							
Transfer to/(from) the Major Repairs Reserve	2,619	2,765	146	6	2,740	(25)	
Employer's contributions payable to the Pension Fund and retirements benefits payable direct to pensioners	(510)	(510)	0		(461)	49	
Capital expenditure funded by the HRA	2,867	1,496	(1,371)	7	2,277	781	L
	4,976	3,751	(1,225)		4,556	805	
Net additional amount required by statute to be debited/(credited) to the HRA Balance for the year	5,437	4,212	(1,225)		5,030	818	

Housing Revenue Account Variance Analysis
2015/16 Original Budget to 2015/16 Projected Outturn & Projected Outturn to 2016/17 Estimates

Housing Revenue Account Variation Statement - as at 31 December 2015

		£000's
2015/16 Original Budget		51
1 Dwelling Rents	Increase in rents. Mainly due to decant of Norman Tailyour House not taking place, void loss not as anticipated, unknown number of new properties at budget setting time and unknown impact of Universal Credit (UC)	(445)
2 Leaseholder Charges for Services and Facilities	Leasehold insurance income due to new policy	(29)
3 Other Misc income	Administration charges for increase in RTB sales	(17)
4 Repairs and Maintenance	External decorations - no contract at beginning of year. Budget reduced to reflect expected year end spend	(110)
5 Supervision and Management	Mainly increase in EKH management fee, replacement bins for flats, computer software maintenance, surveyor costs working on HRA projects	122
6 Transfer to/(from) the Major Repairs Reserve	MMR figure changed due to increased RTB sales	146
7 Capital expenditure funded by the HRA	Mainly due to refurbishment of Norman Tailyour House taking place in 2016/17	(1,371)
8 Transfer to or (from) reserves	Removal of Norman Tailyour House from revenue programme	1,750
Miscellaneous		(4)
Projected Outturn 2015/16 as at 31 December 2015		93
A Dwelling Rents	Reduction of rents by 1% as advised by Government	761
B Non Dwelling Rents	Increase in garage rents	(29)
C Tenant Charges for Services and Facilities	Tenant service charge increase	(10)
E Repairs & Maintenance	Revenue works programme mainly external decorations (£100k) and boiler	244
F Supervision and Management	Reduction in EKH management fee	105
G Rents, Rates, Taxes and Other Charges	Reduction of liability of Norman Tailyour House council tax liability	(36)
H Depreciation of Fixed Assets	Depreciation estimate	(679)
I Bad Debt Provision	Increased for impact of Universal Credit	125
J Interest Payable and Similar Charges	Interest payable	(71)
K Transfer to or (from) reserves	No forecast of transfer to Housing Initiative Reserve	(1,350)
L Capital expenditure funded by the HRA	Capital expenditure funded by the HRA	781
Miscellaneous		(23)
2016/17 Budget Estimate		(89)

Projects included in the programme	Total	PROPOSED BUDGET					
		Previous years	Estimate 2015/16	Estimate 2016/17	Estimate 2017/18	Future years	Total
	£000	£000	£000	£000	£000	£000	£000
Committed General Fund Projects							
Dover Regeneration Projects							
Dover Pride - Dover Town Investment Zone	2,175	2,092	83	0	0	0	2,175
DTIZ - SEEDA funded projects	6,886	6,731	5	0	0	0	6,736
DTIZ/Waterfront (DDC/GP Funded)	720	584	136	0	0	0	720
DTIZ - HCA funded projects	2,542	2,530	13	0	0	0	2,542
DTIZ Growth Point - Unallocated Grant Funding	7	0	7	0	0	0	7
Bench St (Fishmonger Lane) Car Park Construction	394	118	277	0	0	0	394
Dover Pride - Dover Priory Ph 1 & 2	220	107	113	0	0	0	220
Waterfront (Yorkgate) - (Cluster Prep/GP Funded)	115	85	30	0	0	0	115
Waterfront - Planning (Cluster Prep funded)	150	0	150	0	0	0	150
Sub total	13,210	12,247	813	0	0	0	13,060
Other Regeneration Projects							
Aylesham Regeneration Project	1,491	1,445	11	35	0	0	1,491
Discovery Park - Grant (100% grant funded)	3,151	1,391	1,760	0	0	0	3,151
Discovery Park - Loan (100% grant funded)	2,578	0	2,578	0	0	0	2,578
Sub total	7,220	2,836	4,349	35	0	0	7,220
ICT Projects							
Purchase Burials System (BACAS)	6	0	6	0	0	0	6
Replacement Telephony Software	126	0	126	0	0	0	126
Purchase Telephony Equipment (Handsets / Headsets)	116	0	116	0	0	0	116
Sub total	248	0	248	0	0	0	248
Other projects							
Mandatory Disabled Facilities Grants	894	n/a	894	0	0	0	894
Small Works Adaptations Grants	50	0	0	50	0	0	50
Renovation Grants	9	n/a	9	0	0	0	9
Renovation/PSH Loans	760	n/a	150	610	0	0	760
White Cliffs Landscape Project-DDC Capital Expenditure (100% grant funded)	112	66	23	23	0	0	112
White Cliffs Landscape Project-Capital Grants (100% grant funded)	649	394	182	73	0	0	649
Dover Leisure Centre - Plant & Equipment Replacement	79	41	13	13	13	0	79
Tides - Plant & Equipment Replacement	108	40	38	30	0	0	108
Beach Hut Project	38	37	1	0	0	0	38
Deal Town Football Club - Pavilion Rebuild	192	9	183	0	0	0	192
Parks for People - Kearsney Abbey & Russell Gardens	456	0	161	15	280	0	456
Dover Museum & Bronze Age Boat - Essential Works	116	2	13	101	0	0	116
Party Wall Repair	40	0	31	9	0	0	40
Whitfield Offices - Capital Works	110	0	58	52	0	0	110
Dolphin House-new roof	65	0	65	0	0	0	65
Deal Youth Centre (S106 Funded)	200	0	200	0	0	0	200
Leisure Centres-Fitness Equipment Replacement	30	0	30	0	0	0	30
Kingsdown Timber Groyne Replacement (grant funded)	1,765	15	1,750	0	0	0	1,765
Sub total	5,674	605	3,801	976	293	0	5,674
Sub total of Committed General Fund Projects	26,352	15,688	9,211	1,011	293	0	26,202
General Fund Projects - Proposed Projects							
Capital Contingency	25	0	25	0	0	0	25
Dover Leisure Centre - Plant & Equipment Replacement	21	0	21	0	0	0	21
Leisure Centres Contingency - Repairs & Equipment	462	0	262	200	0	0	462
Dover Town Hall-urgent repairs	150	0	0	150	0	0	150
Repair Kingsdown Sea Defences-DDC contribution - use as Capital contingency if not required for sea defences	200	0	0	200	0	0	200
Museum - General Works & Replacements	70	0	0	50	0	0	50
William Pitt Ave-Play Area (S106 funded)	90	0	89	0	0	0	89
Victoria Park-Play Area (S106 funded)	37	0	0	37	0	0	37
Dover Town Investment Zone	100	0	100	0	0	0	100
Whitfield Offices - Capital Works	110	0	0	110	0	0	110
Pencester Gardens Play Area	32	0	30	0	0	0	30
Car Park Pay & Display Metering	280	0	0	180	100	0	280
Roman Painted House - proposal to delete	60	0	0	0	0	0	0
Dover Fountain - proposal to delete	150	0	0	0	0	0	0
Kingsdown Emergency Beach Recycling (100% grant) - delete	75	0	0	0	0	0	0
Parks for People-Kearsney Abbey & Russell Gardens (grant funded)	3,100	0	0	135	2,120	845	3,100
North Deal Playing Fields - Play Area	105	0	0	87	0	0	87
Cemetery Provision - Deal	65	0	65	0	0	0	65
Deal Beach Management 2015-20 Study (100% grant funded)	50	0	50	0	0	0	50
Disabled Facilities Grants - DDC Contribution	0	0	0	100	0	0	100
Museum - General Works & Replacements	0	0	0	20	5	5	30
Marine Road Disabled Toilet Facilities	60	0	0	60	0	0	60
Dover Museum - Gallery Refurbishment	0	0	0	69	0	0	69
Deal Pier - Phase 1 H&S Works	0	0	0	125	0	0	125
North Deal Playing Fields - Play Area	0	0	0	24	0	0	24
Pencester Gardens Play Area	0	0	0	10	0	0	10
Dover Leisure Centre - development works for new facility	0	0	0	150	0	0	150
Leisure Centres Contingency - Repairs & Equipment	0	0	0	40	0	0	40
Dover Town Hall - DDC contribution to major refurbishment works	0	0	0	0	1,000	1,000	2,000
Dover Leisure Centre - DDC contribution to new facility provision	0	0	0	750	3,250	3,000	7,000
Dover Priory Car Park - DDC contribution	0	0	0	500	0	0	500
Dover Museum - storage facilities	0	0	0	0	500	0	500
Deal Beach Management 2015-20 (100% grant funded)	0	0	0	350	350	700	1,400
DTIZ Enhancements	0	0	0	180	0	0	180
Disabled Facilities Grants - Grant Funding	0	0	0	600	0	0	600
Sub total of General Fund Proposed Projects	5,241	0	641	4,127	7,325	5,550	17,643
ICT Infrastructure Investment - Proposed Projects							
Burial Records On Line	9	0	0	9	0	0	9
Sub total of ICT Proposed Projects	9	0	0	9	0	0	9
Sub total of all Proposed General Fund Projects	5,251	0	641	4,136	7,325	5,550	17,653
General Fund Projects Total	31,602	15,688	9,852	5,147	7,618	5,550	43,854

Projects included in the programme	PROPOSED BUDGET						
	Total	Previous years	Estimate 2015/16	Estimate 2016/17	Estimate 2017/18	Future years	Total
	£000	£000	£000	£000	£000	£000	£000
HRA Programme							
Housing Revenue Account Property Projects - Committed Works	4,457	n/a	4,457	0	0	0	4,457
Aycliffe Play Area	41	0	41	0	0	0	41
Colton Crescent Play Area Refurbishment	37	0	37	0	0	0	37
DTIZ - Redevelop 12-14 Castle St Dover	1,400	445	955	0	0	0	1,400
Urban Renewal - Housing Development - proposed	1,100	370	0	0	0	0	370
Mill Rd, Deal - Purchase Affordable Homes	628	238	390	0	0	0	628
Empty Homes Project - 2 King St Dover	277	258	19	0	0	0	277
Folkestone Rd Property Purchases & Refurbishments	944	261	250	433	0	0	944
Sheltered Upgrade	1,800	0	50	1,750	0	0	1,800
Housing Revenue Account - Provisions for proposed projects	28	0	28	0	0	0	28
Play Areas - proposed HRA funding	10	0	10	0	0	0	10
Play Areas - additional proposed HRA funding	40	0	40	0	0	0	40
HRA Property Projects - 16/17 Capital Works estimate	0	0	0	4,915	0	0	4,915
Whitfield Development - Phase 1A	0	0	0	3,500	0	0	3,500
Play Areas - additional proposed HRA funding for 17/18	0	0	0	0	50	0	50
St Radigunds Play Area	0	0	0	100	0	0	100
Future projects to be funded from the Housing Initiatives Reserve - see note 4	400	0	400	0	0	0	400
HRA Total	11,161	1,572	6,676	10,698	50	0	18,995
Total	42,763	17,259	16,528	15,845	7,668	5,550	62,850
Financed by:							
Capital projects financed in previous financial years	17,259	17,259	0	0	0	0	17,259
Capital receipts - General Fund	3,046	n/a	1,415	1,249	383	0	3,046
Capital receipts - General Fund - 16/17 new bids	0	n/a	0	568	5	5	578
Capital receipts - HRA	0	n/a	0	0	0	0	0
Excess Right to Buy Receipts	734	n/a	604	130	0	0	734
Excess Right to Buy Receipts - 16/17 new bids	0	n/a	0	1,050	0	0	1,050
Major Repairs Allowance	2,765	n/a	2,765	0	0	0	2,765
Major Repairs Allowance - 16/17 new bids	0	n/a	0	2,740	0	0	2,740
Direct Revenue Financing							
HRA	3,475	n/a	1,725	0	0	0	1,725
HRA - 16/17 new bids	0	n/a	0	2,275	50	0	2,325
General Fund	352	n/a	332	0	0	0	332
General Fund - Heritage Lottery/Partnership Funding (White Cliffs Landscape Partnership)	302	n/a	205	97	0	0	302
General Fund - Heritage Lottery Fund Grant (Parks for People-Kearsney)	3,231	n/a	131	135	2,120	845	3,231
General Fund - SEEDA - DTIZ	155	n/a	5	150	0	0	155
Section 106 Funding	481	n/a	336	124	0	0	460
Grants							
Growth Point - Unallocated Grant Funding	7	n/a	7	0	0	0	7
Growth Point (Waterfront-Yorkgate)	13	n/a	13	0	0	0	13
Growth Point (Dover Priory Multi-Storey Car Park)	100	n/a	100	0	0	0	100
Growth Point (Parks for People-Kearsney)	25	n/a	0	15	10	0	25
Mandatory Disabled Facilities Grants	644	n/a	644	0	0	0	644
KCC Better Care Fund (Disabled Facilities Grant) - 16/17 new bid	0	n/a	0	600	0	0	600
Renovation/PSH Grant	760	n/a	150	610	0	0	760
Environment Agency (Kingsdown Timber Groyne Replacement)	1,750	n/a	1,750	0	0	0	1,750
Environment Agency (Kingsdown Emergency Beach Recycling)	75	n/a	0	0	0	0	0
Environment Agency (Deal Beach Management 2015-20 Study)	50	n/a	50	0	0	0	50
Environment Agency (Deal Beach Management 2015-20) - 16/17 new bid	0	n/a	0	350	350	700	1,400
DCLG Building Foundations for Growth Grant (Discovery Park)	4,338	n/a	4,338	0	0	0	4,338
Dept of Energy & Climate Change (DECC) (Thermal Insulation-HRA)	148	n/a	148	0	0	0	148
Other reserves							
- Cluster Prep (Rev Reserve) - Waterfront	167	n/a	167	0	0	0	167
- Special projects (Rev reserve)	215	n/a	65	0	0	0	65
- ICT (Rev reserve) - ICT Infrastructure Investment	154	n/a	154	0	0	0	154
- Housing Initiative (HRA Reserve)	2,443	n/a	1,410	303	0	0	1,713
- Housing Initiative (HRA Reserve) - 16/17 new bids	0	n/a	0	4,200	0	0	4,200
- Tenants Compact (HRA Reserve)	0	n/a	0	0	0	0	0
- HCA (was - English Partnerships) for DTIZ/mid-town centre	13	n/a	13	0	0	0	13
- District Regeneration & Economic Development Reserve - 16/17 new bids	0	n/a	0	1,250	4,750	4,000	10,000
Supported borrowing - HRA	0	n/a	0	0	0	0	0
Supported borrowing - General Fund	0	n/a	0	0	0	0	0
Unsupported borrowing	0	n/a	0	0	0	0	0
Total	42,703	17,259	16,528	15,845	7,668	5,550	62,850

Notes

1) **Dover Regeneration projects** comprise a single capital budget. Virement between the lines within this project are delegated to the Director of Finance to approve.

2) Authorisation of approved **projects up to £50k** included on the Programme delegated to Director of Finance, Housing & Community in consultation with the Portfolio Holder for Corporate Resources & Performance.

3) Authorisation of projects funded from the **Capital Contingency** delegated to Director of Finance, Housing & Community in consultation with the Portfolio Holder for Corporate Resources & Performance.

4) Housing Initiatives Reserve

To enable the HIR to be used in a responsive manner to new opportunities, the HIR is shown as a single line in the Capital Programme with delegation for:-

- Setting the level of the on-going HRA minimum balance and the use of prudential borrowing, and adjusting the resources of the HIR accordingly, delegated to the Director of Finance, Housing & Community in consultation with the Portfolio Holder for Performance & Resources;
- Approval of individual projects to be financed by the HIR delegated to Cabinet;
- Approval of offers, tenders or bids for the purchase of properties on the open market or at auction, delegated to the Director of Finance, Housing & Community in consultation with the Portfolio Holder for Performance & Resources.

<u>Capital Receipts Summary as at 14/1/15</u>	£000	£000
Capital Receipts as at 31/03/15		-4,148
Ring Fenced for 1:4:1 Affordable Housing		908
Subtotal		-3,240
<u>Receipts in year:</u>		
General Fund Capital Receipts	0	
HRA Non Poolable Receipts	-32	
Poolable HRA Capital Receipts Received	-2,053	
<u>Deduct:</u>		
Admin fees	31	
Ring Fenced for 1:4:1 Affordable Housing	946	
HRA Pooling to Qtr 3	224	
Total useable receipts received to 31.12.14	-852	
Total Unringenced Capital Receipts		-4,092
Allocated to existing GF Capital Programme		3,046
Balance after Existing Projects		-1,046
Proposed new projects		578
Balance available for future projects		-468

	PROJECTED OUTTURN 2015/16	DRAFT BUDGET 2016/17
REVENUE WORKS PROGRAMME	£000	£000
Term Maintenance	1,300	1,300
External Decorations	90	200
Cesspool Drainage Replacement	5	5
Communal TV Aerials Installation	10	15
Elderly Persons Redecorations	10	20
Estates Paths, Pavings, Floor Resurfacing	75	75
Insurance Excess/Storm Damage	10	10
Vandalism	30	30
Electrical Safety Inspections	75	75
Health and Safety Water Inspections	10	10
Voids Properties	750	750
Void Security	3	3
Heating Servicing	490	600
Lift Maintenance	5	7
Disabled Hoists & Lifts	13	13
Fire Alarm Servicing	55	55
Door Entry	15	18
Tenant Compensation	2	2
TOTAL REVENUE WORKS PROGRAMME	2,948	3,188

	PROJECTED OUTTURN 2015/16	DRAFT BUDGET 2016/17	
CAPITAL WORKS PROGRAMME	£000	£000	Number of schemes
<u>HOUSING REVENUE ACCOUNT SCHEMES</u>			
IMPROVEMENTS			
Reroofing	240	500	45 individual properties, 7 blocks
Replacement Doors and Windows	265	400	101 properties
Door Entry Systems	17	80	35 systems
Fire Precaution Works	220	185	670 properties
Renewal Heating	300	690	330 boilers
Thermal Insulation	672	70	
Asbestos Programme	70	80	
Structural Repairs	270	500	57 individual properties, 12 blocks
Kitchen & Bathroom Programme	1,463	1,500	291 kitchens, 266 bathrooms
Rewiring	150	150	
Major Lift Refurbishment	70	0	
Environmental Improvements -EKH initiated	100	100	
Environmental Improvements -DDC initiated	100	100	
Tenants Compact	100	100	
Adaptations for Disabled Persons	458	460	
Capital Works Programme Total	4,494	4,915	
Adaptations for Disabled Persons - Internal Fees	2	2	
Sheltered Upgrade	50	1,750	
HRA Play areas	77	0	
HRA Play areas not yet approved	50	190	
Empty home project - King St	19	0	
Castle Street	955	0	
Scholars Close (Mill Road) Deal	390	0	
Folkestone Rd Properties	250	433	
Whitfield 1A	0	3,500	
Amsterdam House	400	0	
Special revenue projects	42	0	
Provision for ICT Infrastructure (b/f from 12/13)	28	0	
TOTAL HRA CAPITAL PROGRAMME	6,757	10,790	
Financed By:			
Major Repairs Reserve	2,765	2,740	
Direct Revenue Financing (HRA)	1,807	2,277	
Excess Right to Buy	604	1,180	
Grant & S106 Funding	171	90	
Housing Initiatives Reserve	1,410	4,503	
TOTAL CAPITAL WORKS FUNDING	6,757	10,790	

FULL PROGRAMME TOTAL	9,705	13,978
-----------------------------	--------------	---------------

SPECIAL PROJECTS - 2016/17 MTFP

PROJECTS FINANCED FROM THE SPECIAL PROJECTS RESERVE	Capital / Revenue	Total Approved	Prior Years	Estimate	Estimate	Estimate	Future	Total
		Budget	Exp	2015/16	2016/17	2017/18	years	Revised
		£000	£000	£000	£000	£000	£000	£000
Committed Special Revenue Projects								
Corporate Property Maintenance	R	851	726	126	0	0	0	851
Play Areas - enhancements to strategic sites	R	50	35	15	0	0	0	50
Control of Asbestos Regulations Works - Corporate Buildings	R	44	27	17	0	0	0	44
Disability Discrimination Act Works - Corporate Buildings	R	109	99	10	0	0	0	109
Farthingloe/Western Heights - consultancy	R	45	35	10	0	0	0	45
Whitfield Office Lighting Replacement	R	69	69	0	0	0	0	69
Dover Town Hall - Consultancy / Funding Bid	R	151	33	78	40	0	0	151
Parking Strategy Review	R	45	7	20	18	0	0	45
Dover Leisure Centre Study	R	45	0	45	0	0	0	45
Affordable Housing - Professional Fees	R	25	0	25	0	0	0	25
Car Park works - Whitfield Offices	R	23	0	23	0	0	0	23
Dover Transportation Study	R	149	0	88	61	0	0	149
Duke of York Roundabout Design	R	35	0	35	0	0	0	35
Parking Services Software Upgrade & Devices	R	27	0	27	0	0	0	27
Parks - General Repairs (walls, fences, lakes, structures etc)	R	25	20	5	0	0	0	25
Sub total		1,693	1,050	524	119	0	0	1,693
ICT Infrastructure Investment Projects								
Install Wi-Fi - Whitfield Offices	R	19	14	5	0	0	0	19
Upgrade GIS & Replace Xmap Internet Server	R	60	20	20	20	0	0	60
Upgrade Windows Server & SQL Databases	R	83	58	25	0	0	0	83
Purchase HR & Payroll System	R	106	27	79	0	0	0	106
Upgrade Access Control System at Whitfield Offices	R	18	0	18	0	0	0	18
Payment Card Industry (PCI) Compliance	R	45	0	45	0	0	0	45
eFinancials System Improvements	R	18	0	18	0	0	0	18
Corporate Document Management System (IDOX)	R	42	0	42	0	0	0	42
Base Mapping System	R	8	0	8	0	0	0	8
Northgate - IDOX DMS Transfer	R	10	0	10	0	0	0	10
LLPG Module	R	3	0	3	0	0	0	3
Sub total		412	119	273	20	0	0	412
Capital projects in capital programme financed from reserve:								
Provision allocated to capital programme to finance capital projects	C	n/a	n/a	0	0	0	0	0
		2,105	1,169	796	139	0	0	2,105
Proposed Projects								
North Deal - Community based regeneration - Golf Rd/Cannon Str. Deal	R	60	0	60	0	0	0	60
DES Efficiency Projects	R	30	0	30	0	0	0	30
Parks - General Repairs (walls, fences, lakes, structures etc)	R	56	0	0	0	0	0	0
Cemetery Provision - consultancy	R	15	0	0	15	0	0	15
Corporate Property Maintenance	R	50	0	0	50	0	0	50
Corporate Property Maintenance - Contingency	R	15	0	15	0	0	0	15
Utilities Management for all Corporate Properties	R	20	0	0	20	0	0	20
Dover Tourism Signage Scheme	R	20	0	0	20	0	0	20
Connaught Park Tennis Courts Improvements	R	60	0	60	0	0	0	60
Street Lighting-Replacements & Repairs	R	30	0	30	0	0	0	30
Tree Safety Emergency Works (following quinquennial)	R	20	0	20	0	0	0	20
Marines Memorial Gardens Refurbishment	R	15	0	0	15	0	0	15
Environmental Enhancements	R	40	0	0	0	0	0	0
Walmer Paddling Pool Security	R	35	0	35	0	0	0	35
St Margarets Bay Promenade-Refurbish Railings	R	60	0	0	30	0	0	30
Resurfacing Car Parks	R	60	0	60	0	0	0	60
Special Revenue Contingency	R/C	0	0	0	0	0	0	0
Sub total - proposed projects		586	0	310	150	0	0	460
ICT Infrastructure Investment - Proposed Projects								
Sub total - ICT proposed projects		0	0	0	0	0	0	0
Proposed balance to transfer to capital projects	C	215	n/a	65	0	0	0	65
16/17 New Bids								
Special Revenue Contingency - overspends	R/C	0	0	0	20	0	0	20
Special Revenue Contingency - urgent projects	R/C	0	0	0	80	0	0	80
Union Rd Car Park Works	R	0	0	0	15	0	0	15
Woolcomber St Car Park Works	R	0	0	0	15	0	0	15
Resurfacing Car Parks	R	0	0	0	75	75	0	150
Food Waste Promotion	R	0	0	0	47	0	0	47
Recycling & Refuse Storage Areas	R	0	0	0	15	0	0	15
Private Sector Housing Condition Survey 2016	R	0	0	0	28	0	0	28
Mill Wall Repair (scheduled ancient monument)	R	0	0	0	30	0	0	30
Tree Safety Emergency Works (following quinquennial)	R	0	0	0	15	0	0	15
Corporate Property Planned Maintenance	R	0	0	0	135	0	0	135
Corporate Property Maintenance - Contingency	R	0	0	0	50	0	0	50
Kearsney Temporary Premises	R	0	0	0	20	0	0	20
Street lighting-Replacements & Repairs	R	0	0	0	30	0	0	30
Corporate Digital Projects	R	0	0	0	100	0	0	100
Confirm Software Purchase	R	0	0	0	60	0	0	60
E-Procurement Upgrade	R	0	0	0	37	0	0	37
16/17 new bids sub total		0	0	0	772	75	0	847
Total Projects Subject to Approval/Appraisal		801	0	375	922	75	0	1,372
GRAND TOTAL		2,906	1,169	1,172	1,061	75	0	3,477

Special Projects Financing								
Special Projects financed in previous years		1,169	1,169					1,169
Funded from Special Projects Reserve - 16/17 new bids		0	0	0	575	75	0	650
Funded from ICT Reserve - 16/17 new bids		0	0	0	197	0	0	197
Funded from Special Projects Reserve		716	0	548	168	0	0	716
Funded from ICT Reserve (ICT Infrastructure)		276	0	256	20	0	0	276
Funded from HRA		42	0	42	0	0	0	42
Funded from On-Street Parking Reserve		60	0	60	0	0	0	60
Funded from Periodic Operations Reserve		27	0	27	0	0	0	27
Funded from Regeneration Reserve		117	0	77	40	0	0	117
Funded from Coastal Revival Grant		39	0	39	0	0	0	39
Funded from KCC contribution		143	0	88	55	0	0	143
Funded from LDF revenue		6	0	0	6	0	0	6
Funded from SEEDA		35	0	35	0	0	0	35
TOTAL		2,630	1,169	1,172	1,061	75	0	3,477

Remaining balance in Special Projects reserve	
Balance at 1 April 2015	1,704
Allocation to projects in 2015/16	-548
Allocation from General Fund for 15/16	707
Balance at 31 March 2016	1,863
Proposed allocation to projects in 16/17 & future years	-168
Proposed allocation to projects in 16/17 & future years - new bids	-650
Allocation from General Fund for 16/17	0
Balance after future years allocations	1,045
Major Events opening position	43
15/16 Allocation to Reserve	20
Major Events commitments	0
Major Events balance	63
Special Projects & Events Reserve balance	1,107

JANUARY 2016
CAPITAL AND SPECIAL PROJECT SCHEMES - 16/17 & FUTURE YEARS PRIORITY BIDS FOR FUNDING

REF:	SCHEME	YEAR ONE 2016/17	YEAR TWO 2017/18	YEAR THREE 2018/19	FUTURE YEARS 2019/20- 2020/25	NOTES	Capital / Special Revenue	CONTACT OFFICER
		£	£	£	£			
CAPITAL RECEIPT FUNDED								
1	Disabled Facilities Grant Funding (on-going)	100,000				£100k annual DDC contribution to support grant funding to meet statutory requirements on Disabled Facilities. Estimate of £600k entered for 16/17 DFG grant funding (based on 15/16 grant received) as figure not available until possibly Jan 2016.	C	R Kennedy
2	Museum - General Works and Replacements	20,000	5,000	5,000		£20k funding requirement for current proposed project (already in MTCP for 16/17 for £70k total) due to no available Bronze Age Boat contribution. Building management system, M&E replacement and general works, on-going requirement.	C	M Leggatt
3	Dover Museum - refurbish gallery	69,000				Refurbishment of the ground floor gallery (upgrade display cases to meet specifications for the loans being housed).	C	J Iveson
4	Deal Pier - Phase 1 H&S Works	125,000				Health & Safety works including replacing lamp standards; replacing CCTV; resurfacing stem. Info provided by Prop Svs	C	M Leggatt
5	North Deal Playing Fields	24,000				Funding requirement towards total project cost of £110,500; £86,500 S106 funding is already secured. This will update the proposed project in the current MTCP for £105k (fully S106 funded).	C	L Corby
6	Pencester Gardens Play Area	9,956				Top-up required for proposed project in current programme (£32k)	C	L Corby
7	Walmer disabled toilet provision	60,000				Extension Of Toilets Facilities At Marine Road, Walmer To Provide Facilities For People With Disabilities	C	M Leggatt
8	DTIZ Enhancements	30,000				£180k project part funded by £150k DTIZ SEEDA grant funding and £30k Capital Receipt to improve the area adjacent to the Dover Town Regeneration site.	C	M Leggatt
9	Dover Leisure Centre - New Facility	150,000				Support the development of a new leisure centre for the Dover District	C	R Walton
10	Leisure Centres Contingency - repairs & equipment	40,000				£40k top-up (£261.5k still available in 15/16 & £200k provision in programme for 16/17)	C	M Leggatt
	TOTAL CAPITAL RECEIPT FUNDED	627,956	5,000	5,000	0			
SPECIAL PROJECTS RESERVE FUNDED								
11	Special Revenue Contingency - overspends	20,000				Contingency to cover overspends on work in progress special revenue projects that may be required during the financial year. Estimate to be reviewed each financial year.	SR	K Watts
12	Special Revenue Contingency - urgent projects	80,000				Contingency to cover urgent (unforeseen) special revenue projects that may be required during the financial year. Estimate to be reviewed each financial year.	SR	K Watts
13	Union Rd Car Park works	15,000				Removal of underground recycling to release 4 parking spaces (will achieve an estimated income of £4k pa). Info provided by Prop Svs. Funded from Special Projects Reserve.	SR	M Leggatt
14	Woolcomber St Car Park works	15,000				Work on width restrictions. Info provided by Prop Svs. Funded from Special Projects Reserve	SR	M Leggatt
15	Resurfacing car parks	75,000	75,000			Fund from Special Projects Reserve but use availability in Parking Reserve - £150k for Middle St Car Park; there is a £60k proposed project in the current programme for 15/16 - approval would be needed for both years.	SR	M Leggatt
16	Food Waste Promotion	47,000				Purchase supply of food waste bin liners (£32k) & 'no food waste' stickers & food waste leaflets (£15k). Funded from Special Projects Reserve. See Project Brief.	SR	M Pile
17	Recycling & Refuse Storage Areas	15,000				Providing recycling facilities/storage areas in Camden Cres & Ladywell. Funded by the Special Projects Reserve. See Project Brief.	SR	M Pile
18	Private Sector House Condition Survey 2016	27,980				Funded from Special Projects Reserve. See Project Brief.	SR	R Kennedy
19	Mill Wall repair (scheduled ancient monument)	30,000				Info provided by Prop Svs. Funded from Special Projects Reserve.	SR	M Leggatt
20	Tree Safety Emergency Works following quinquennial	15,000				Funded from Special Projects Reserve; there is £20k for a proposed project in 15/16 in the current programme.	SR	R Dryburgh
21	Corporate Property Planned Maintenance	135,000				£50k provision already in 16/17, further £135k required in 16/17 to fund works at Whitfield Offices including roof repairs (£50k); 2 x kitchen refurb (£15k); WC refurb (£20k); office moves (£50k); Funded by Special Projects Reserve. Info provided by Prop Svs.	SR	M Leggatt
22	Corporate Property Maintenance - Contingency	50,000				Funded from Special Projects Reserve.	SR	M Leggatt
23	Kearsney Temporary Premises	20,000				To provide temporary café facilities during major works to be undertaken at Kearsney Abbey Park.	SR	M Leggatt
24	Street Lighting Replacements & Repairs	30,000				Funded by Special Projects Reserve - larger project may be needed in future to enable responsibility to be passed to parish councils (KCC do not want lights back).	SR	K Watson
	TOTAL SPECIAL PROJECTS RESERVE FUNDED	574,980	75,000	0	0			
DISTRICT REGENERATION & ECONOMIC DEVELOPMENT RESERVE FUNDED								
25	Dover Town Hall - major refurbishment works		1,000,000	1,000,000		Discussion needed regarding DDC contribution to £10m refurbishment works - funded from District Regen & Economic Development Reserve - any info on external funding? Approval required for both years.	C	R Walton
26	New Leisure Centre provision	750,000	3,250,000	3,000,000		T Ingleton has requested a discussion regarding the DDC contribution to the project - £7-8m - funded from the District Regen & Economic Development Reserve. Approval required for all years.	C	R Walton
27	Dover Priory Car Park	500,000				DDC contribution to joint venture with Network SE - funded from the District Regeneration & Economic Development Reserve. Note - there is currently £100k allocated from Growth Point which was approved for the original DDC contribution to the multi-storey car park proposal.	C	T Ingleton
28	Dover Museum - storage facilities		500,000			Items currently stored in Maison Dieu (Dover Town Hall) - plan to share storage and apply for grant aid - cost without aid is £500k	C	J Iveson

	TOTAL DISTRICT REGENERATION & ECONOMIC DEVELOPMENT RESERVE FUNDED	1,250,000	4,750,000	4,000,000	0			
--	--	-----------	-----------	-----------	---	--	--	--

	ICT RESERVE FUNDED							
29	Corporate Digital Projects	100,000				Estimate to cover future projects that have not been fully identified or scoped but will be projects that enhance customer access to self-service and on-line services to reduce telephone calls, emails and face-to-face interviews to create efficiencies.	SR	C Cook
30	Confirm Software Purchase	60,000				Purchase & implement new software. Info provided by Prop Svs.	SR	M Leggatt
31	E-Procurement Upgrade	37,000				Purchase & implement new e-procurement module to replace current paper based process.	SR	E Morgan
	TOTAL ICT RESERVE FUNDED	197,000	0	0	0			
	REGENERATION RESERVE FUNDED							
	TOTAL REGENERATION RESERVE FUNDED	0	0	0	0			
	GRANT FUNDED							
32	Deal Beach Management 2015-2020	350,000	350,000	350,000	350,000	Beach recycling - funded by Environment Agency grant - added to programme for all years.	C	K Watson
	DTIZ Enhancements	150,000				£180k project part funded by £150k DTIZ SEEDA grant funding and £30k Capital Receipt to improve the area adjacent to the Dover Town Regeneration site.	C	M Leggatt
33	Disabled Facilities Grant	600,000				KCC Better Care Fund - Actual grant figure will not be available until possibly Jan 2016 - estimate entered based on 15/16 grant received.	C	R Kennedy
	TOTAL GRANT FUNDED	1,100,000	350,000	350,000	350,000			
	S106 FUNDED							
	TOTAL S106 FUNDED	0	0	0	0			
	OTHER FUNDING							
	TOTAL OTHER FUNDING	0	0	0	0			
	HRA FUNDED							
34	HRA Property Projects - Capital Works	4,915,000				HRA property projects - funded from HRA resources.	C	HRA Accountant
35	Whitfield Development - Phase 1A	3,500,000				30% funded from Excess Right to Buy Receipts & 70% funded from the Housing Initiative Reserve	C	HRA Accountant
36	HRA Play Area funding		50,000			Provision for sites under consideration (possibly Travers Rd)	C	L Corby
37	St Radigunds Play Area	100,000				Provision of new play facilities (see project brief)	C	L Corby
	TOTAL HRA FUNDED	8,515,000	50,000	0	0			
	TOTAL PROJECTS	12,264,936	5,230,000	4,355,000	350,000			

JANUARY 2016
CAPITAL AND SPECIAL PROJECT SCHEMES - UNFUNDED PROJECTS 16/17 & FUTURE YEARS
- TO BE REVIEWED IF ADDITIONAL FUNDING BECOMES AVAILABLE

REF:	SCHEME	YEAR ONE 2016/17 £	YEAR TWO 2017/18 £	YEAR THREE 2018/19 £	FUTURE YEARS 2019/20- 2020/25 £	NOTES	Capital / Special Revenue	CONTACT OFFICER
	CAPITAL RECEIPT FUNDED							
1	Disabled Facilities Grant Funding (on-going)		100,000	100,000	100,000	£100k annual DDC contribution to support grant funding to meet statutory requirements on Disabled Facilities. Estimate of £600k entered for 16/17 DFG grant funding (based on 15/16 grant received) as figure not available until possibly Jan 2016.	C	R Kennedy
2	Disabled Adaptations Assistance					£50k still available in 15/16 - Provide financial assistance for minor disabled adaptations to reduce the DFG waiting list and reduce the risk of a legal challenge to the Council.	C	R Kennedy
3	South St WC works	85,000				Demolition & conversion works to provide WC/concession. Info provided by Prop Svs	C	M Leggatt
4	Improvements to Elms Vale pitches		90,000	90,000		There may be some S106 funding available but no agreements have been signed yet.	C	L Corby
5	Victoria Park Outdoor Facilities Improvements			100,000		Future years contribution towards sports & outdoor facilities - to facilitate match funding - 18/19 but may be earlier	C	M Leggatt
6	Kearsney Abbey Play Area		50,000			L Corby to discuss possible funding contribution from HLF - decision on funding due Sept 2016?	C	L Corby
7	Russell Gardens Play Area		20,000			L Corby to discuss possible funding contribution from HLF - decision on funding due Sept 2016?	C	L Corby
8	Play Area refurbishments	100,000				£50k estimate for works at each site (sites under consideration are Cowdray Sq and Markewood).	C	L Corby
9	Pencester Skate Park Refurbishment		150,000			Refurbishment works including replacing equipment. Info provided by Prop Svs	C	M Leggatt
10	The Butts Skate Park Refurbishment	75,000				Refurbishment works including replacing equipment. Info provided by Prop Svs	C	M Leggatt
11	Parks and Open Spaces Strategy				300,000	Development of pitches and facilities-full project details yet to be determined.	C	M Leggatt / L Corby
12	Tides, Dover Leisure Ctrs, Whitfield offices and Dover museum				200,000	Technically feasible and financially viable energy efficiency measures to be considered as possible future capital schemes.	C	M Leggatt
13	Dover Fountain	150,000				Design & install a new fountain in Market Sq Dover	C	M Leggatt
14	DDC CCTV Improvements		89,800			Existing system is 20 years old, ageing equipment cannot be repaired as parts no longer available. Improvements to the control room, purchase & replacement of new cameras to improve service, up date of the system to allow expansion needed to cover Dover Regeneration area. Annual revenue operational cost £2,400. See project brief.	C	C Allen
	TOTAL CAPITAL RECEIPT FUNDED	410,000	499,800	290,000	600,000			
	DOVER REGENERATION - CAPITAL RECEIPTS (WHEN AVAILABLE)							
15	Purchase building adjacent to former Centurion Hse site	500,000				T Ingleton has requested a discussion regarding the purchase of this building - R Reid-Easton is commissioning valuations for the building; the current owner is requesting £500k.	C	T Ingleton
16	Public Realm/Place Making - Dover Town Centre	TBA				T Ingleton has requested a discussion regarding this proposal.	C	T Ingleton
17	Additional car parking for Dover & Deal	TBA				T Ingleton has requested a discussion regarding this requirement.	C	
18	Bus Rapid Transport Link	500,000				Contribution to link road to facilitate a rapid transport route for public transport.	C	T Ingleton
	DOVER REGENERATION - CAPITAL RECEIPTS FUNDED	1,000,000	0	0	0			
	SPECIAL PROJECTS RESERVE FUNDED							
19	Special Revenue Contingency - overspends					Contingency to cover overspends on work in progress special revenue projects that may be required during the financial year. Estimate to be reviewed each financial year.	SR	K Watts
20	Special Revenue Contingency - urgent projects					Contingency to cover urgent (unforeseen) special revenue projects that may be required during the financial year. Estimate to be reviewed each financial year.	SR	K Watts
21	Parks - General repairs to walls, fences, lakes, structures etc (Special Project Reserve)			25,000	25,000	Funded by Special Projects Reserve - £28k available as proposed in 15/16 and 16/17 (£56k total)	SR	M Leggatt
22	Tree Safety Emergency Works following quinquennial		10,000	5,000		Funded from Special Projects Reserve; there is £20k for a proposed project in 15/16 in the current programme.	SR	R Dryburgh
23	Corporate Property Planned Maintenance		50,000	50,000		£50k provision already in 16/17, further £135k required in 16/17 to fund works at Whitfield Offices including roof repairs (£50k); 2 x kitchen refurb (£15k); WC refurb (£20k); office moves (£50k); Funded by Special Projects Reserve. Info provided by Prop Svs.	SR	M Leggatt
24	Corporate Property Maintenance - Contingency		50,000	50,000		Funded from Special Projects Reserve.	SR	M Leggatt
25	Street Lighting Replacements & Repairs		30,000		250,000	Funded by Special Projects Reserve - larger project may be needed in future to enable responsibility to be passed to parish councils (KCC do not want lights back).	SR	K Watson
	TOTAL SPECIAL PROJECTS RESERVE FUNDED	0	140,000	130,000	275,000			

	DISTRICT REGENERATION & ECONOMIC DEVELOPMENT RESERVE FUNDED							
	TOTAL DISTRICT REGENERATION & ECONOMIC DEVELOPMENT RESERVE FUNDED	0	0	0	0			
	ICT RESERVE FUNDED							
	TOTAL ICT RESERVE FUNDED	0	0	0	0			
	REGENERATION RESERVE FUNDED							
	TOTAL REGENERATION RESERVE FUNDED	0	0	0	0			
	GRANT FUNDED							
	TOTAL GRANT FUNDED	0	0	0	0			
	S106 FUNDED							
	TOTAL S106 FUNDED	0	0	0	0			
	OTHER FUNDING							
	TOTAL OTHER FUNDING	0	0	0	0			
	HRA FUNDED							
	TOTAL HRA FUNDED	0	0	0	0			
	TOTAL PROJECTS	1,410,000	639,800	420,000	875,000			

TREASURY MANAGEMENT STRATEGY STATEMENT

1 INTRODUCTION

1.1 Background

Treasury management is concerned with planning cash flow, investing surplus cash and arranging borrowing if needed. CIPFA defines treasury management as:

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

1.2 Reporting requirements

Treasury management is reported to Council, Cabinet and Governance throughout the year as follows -

Prudential and treasury indicators and treasury strategy (this report) – Must be approved by Council, it covers:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

Quarterly management reports – Reports to Governance update the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

An annual treasury report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

1.3 Treasury Management Strategy for 2016/17

The strategy for 2016/17 covers two main areas:

Capital issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;

- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

1.4 Treasury management consultants

The Council uses Capita Asset Services as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2 THE CAPITAL PRUDENTIAL INDICATORS 2015/16 – 2018/19

2.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

	2014/15 Actual £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
Capital expenditure:					
General Fund	3,186	9,842	5,147	7,618	5,550
HRA	6,462	6,676	10,698	5,065	5,015
Total	9,648	16,518	15,845	12,683	10,565
Financed by:					
Capital receipts	743	2,019	2,997	388	5
Capital grants	3,104	7,536	1,806	2,480	1,545
Capital reserves	2,927	2,765	2,740	2,740	2,740
Other reserves	1,041	2,145	5,877	4,750	4,000
Revenue	1,833	2,063	2,425	2,325	2,275
Net financing need for the year	9,648	16,528	15,845	12,683	10,565

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the

Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life.

The Council is asked to approve the CFR projections below:

Capital Financing Requirement	2014/15 Actual £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
CFR – non housing	11,685	11,685	11,685	11,685	11,685
CFR – housing	80,406	78,375	76,279	74,116	71,884
Total CFR	92,091	90,060	87,964	85,801	83,569
Movement in CFR	-	(2,031)	(2,096)	(2,163)	(2,232)

2.3 Minimum revenue provision (MRP) policy statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

CLG regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be chosen from the most appropriate on a case by case basis:

- **Existing practice** - MRP will follow the existing practice outlined in former CLG regulations;

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be:

- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction);
- **Depreciation method** – MRP will follow standard depreciation accounting procedures.

These options provide for a reduction in the borrowing need over approximately the asset's life.

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made (although there are transitional arrangements in place).

2.4 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.).

2.5 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

2.6 Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Non-HRA	0.31%	0.33%	0.33%	0.33%	0.33%
HRA	17.93%	17.58%	17.23%	16.90%	16.90%

The estimates of financing costs include current commitments and the proposals in this budget report.

2.7 Incremental impact of capital investment decisions on Band D council tax

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support.

	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Council tax - band D	£0.86	£9.56	£4.48	£0.53	£0.41

2.8 Estimates of the incremental impact of capital investment decisions on housing rent levels

Similar to the council tax calculation, this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

£	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Weekly housing rent levels	£7.97	£7.67	£10.19	£10.37	£10.19

This indicator shows the revenue impact on any newly proposed changes, although any discrete impact will be constrained by rent controls.

2.9 Borrowing

The capital expenditure plans, set out within the MTFP, provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

2.10 Current portfolio position

The Council's treasury portfolio position at 31 March 2015, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

	2014/15 Actual £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
External Debt at 1 April	94,062	92,091	90,060	87,964	85,801
Expected change in Debt	1,971	2,031	2,096	2,163	2,232
Actual gross debt at 31 March	92,091	90,060	87,964	85,801	83,569
Capital Financing Requirement	92,082	90,060	87,964	85,801	83,569
Under / (over) borrowing	(9)	0	0	0	0

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2016/17 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Director of Finance, Housing & Community (Section 151 Officer) reports that the Council complied with this prudential indicator in the current year and is expected to do so in the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

2.11 Treasury Indicators: limits to borrowing activity

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

Operational boundary	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
Debt	108,000	108,000	108,000	108,000

The authorised limit for external debt - A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:

Authorised limit	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
General Fund Debt Limit	22,500	22,500	22,500	22,500
HRA Debt Limit	91,000	91,000	91,000	91,000
Total	113,500	113,500	113,500	113,500

2.12 Prospects for interest rates

The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives their central view.

Annual Average	Bank Rate	PWL B Borrowing Rates % (including certainty rate adjustment)		
	%	5 year	25 year	50 year
Mar-16	0.50	2.00	3.40	3.20
Jun-16	0.50	2.10	3.40	3.20
Sep-16	0.50	2.20	3.50	3.30
Dec-16	0.50	2.30	3.60	3.40
Mar-17	0.75	2.40	3.70	3.50
Jun-17	0.75	2.50	3.70	3.60
Sep-17	1.00	2.60	3.80	3.70
Dec-17	1.00	2.70	3.90	3.80
Mar-18	1.25	2.80	4.00	3.90
Jun-18	1.25	2.90	4.00	3.90
Sep-18	1.50	3.00	4.10	4.00
Dec-18	1.50	3.10	4.10	4.00
Mar-19	1.75	3.20	4.10	4.00

Economic Background (Extract from report provided by Capita Asset Services)

UK. UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and although the 2015 growth rate is likely to be a leading rate in the G7 again, it looks likely to disappoint previous forecasts and come in at about 2.2%. Quarter 1 of 2015 was weak at +0.4% (+2.9% y/y) though there was a slight increase in quarter 2 to +0.5% (+2.3% y/y) before weakening again to +0.4% (2.1% y/y) in quarter 3 followed by a slight recovery in quarter 4 to an initial reading of +0.5%. The February Bank of England Inflation Report included a forecast for growth to remain around 2.2% – 2.4% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero since February 2015. However, these forecasts are approximately 0.2% lower than those of the November Inflation Report. Investment expenditure is also expected to support growth. However, since the second half of 2015, most worldwide economic statistics have been weak and financial markets have been particularly volatile in early 2016. The November Inflation Report flagged up particular concerns for the potential impact of these factors on the UK and this theme was maintained in the February Inflation Report.

The February Inflation Report was notably subdued in respect of the forecasts for inflation in the near-term; this was expected to barely get back up to the 1% level within the next 12 months but was expected to marginally exceed the 2% target on the 2-3 year time horizon. The increase in the November Inflation Report forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon was the biggest since February 2013. However, the first round of falls in oil, gas and food prices over late 2014 and also in the first half 2015, will fall out of the 12 month calculation of CPI during late 2015 / early 2016 but a second, more recent round of falls in fuel and commodity prices will delay a significant tick up in inflation from around zero. There is, therefore, considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate. There is also the uncertain impact of the EU referendum which may take place as early as June 2016.

The weakening of UK GDP growth during 2015 and the deterioration of prospects in the international scene, especially for emerging market countries, have consequently led to forecasts for when the first increase in Bank Rate would occur being pushed back to quarter 1 of 2017. There is downside risk to this forecast i.e. it could be pushed further back and the markets are currently betting on a quarter 1 2018 increase.

USA. The American economy made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015, but then pulled back to 2.0% in quarter 3 and retreated to +0.7% in quarter 4. However, the uninterrupted run of strong monthly increases in non-farm payrolls figures for growth in employment in 2015 prepared the way for the Fed. to embark on its long awaited first increase in rates of 0.25% at its December meeting. However, the accompanying message with this first increase was that further increases will be at a much slower rate, and to a much lower ultimate ceiling, than in previous business cycles, mirroring comments by our own MPC.

EZ. In the Eurozone, the ECB fired its big bazooka in January 2015 in unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it was intended to run initially to September 2016. At the ECB's December meeting, this programme was extended to March 2017 but was not increased in terms of the amount of monthly purchases. The ECB also cut its deposit facility rate by 10bps from -0.2% to -0.3%. This programme of monetary easing has had a limited positive effect in helping a recovery in consumer and business confidence and a start to some improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.3% y/y) but has then eased back to +0.4% (+1.6% y/y) in quarter 2 and to +0.3% (+1.6%) in quarter 3. Financial markets were disappointed by the ECB's lack of more decisive action in December and it is likely that it will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

Greece. During July, Greece finally capitulated to EU demands to implement a major programme of austerity and is now cooperating fully with EU demands. An €86bn third bailout package has since been agreed though it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the resistance of the Syriza Government, elected in January, to EU demands. The surprise general election in September gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so Greek exit from the euro may only have been delayed by this latest bailout.

Portugal and Spain. The general elections in September and December respectively have opened up new areas of political risk where the previous right wing reform-focused

pro-austerity mainstream political parties have lost their majority of seats. An anti-austerity coalition has won a majority of seats in Portugal while the general election in Spain produced a complex result where no combination of two main parties is able to form a coalition with a majority of seats. It is currently unresolved as to what administrations will result from both these situations. This has created nervousness in bond and equity markets for these countries which has the potential to spill over and impact on the whole Eurozone project.

- *Investment returns are likely to remain relatively low during 2016/17 and beyond;*
- *Borrowing interest rates have been highly volatile during 2015 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. Gilt yields have continued to remain at historically phenomenally low levels during 2015. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt;*
- *There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.*

2.13 Borrowing strategy

The Director of Finance, Housing & Community will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in the anticipated rate to US tapering of asset purchases, or in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

- Although not anticipated, if we do have to undertake borrowing in advance of need the Council will:
- Ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need;
- Ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered;
- Evaluate the economic and market factors that might influence the manner and timing of any decision to borrow;
- Consider the merits and demerits of alternative forms of funding;
- Consider the impact of borrowing in advance on temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent

increase in exposure to counterparty risk, and other risks, and the level of such risks given the controls in place to minimise them.

2.14 Treasury management limits on activity

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

	2015/16	2016/17	2017/18
Interest rate exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	30%	30%	30%
Maturity structure of fixed interest rate borrowing 2015/16			
	Lower	Upper	
Under 12 months	0%	50%	
12 months to 2 years	0%	50%	
2 years to 5 years	0%	50%	
5 years to 10 years	0%	100%	
10 years and above	0%	100%	

2.15 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

2.16 Debt rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt, redeem or reschedule existing debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;

- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt. The Council periodically takes advice from Capita Asset Services on debt rescheduling options.

2.17 Municipal Bond Agency

It is likely that the Municipal Bond Agency, currently in the process of being set up, will be offering loans to local authorities in the near future. It is also hoped that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLb). This Authority intends to consider use of this new source of borrowing as and when appropriate.

3 ANNUAL INVESTMENT STRATEGY

3.1 Investment policy

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second and then return.

In accordance with guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using Capita Asset Services ratings service, potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Furthermore, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors, Capita Asset Services in producing its colour codings which show the varying degrees of suggested creditworthiness.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

The intention of the strategy is to provide security of investment and minimisation of risk.

Investment instruments identified for use in the financial year are listed below. Counterparty limits will be as set through the Council's treasury management practices. The in-house investment limits have been increased to recognise the withdrawal of Investec, the external fund manager, during 2015/16.

In House Investments

Institution	Type	Minimum Credit Criteria	% / Value	Max period
DMO	Deposit	N/A	100%	N/A
Local Authorities	Deposit	N/A	100%	N/A
UK part nationalised banks ¹⁹	Deposit	Green	£8m	1 year
NatWest	Deposit	Green	£20m	1 year
Other UK banks and building societies	Deposit	Green	£8m	1 year

Non Specified Investments

Type	Value	Max period
Property Funds ²⁰	£3m	5 years

Fund Manager Investments

(Limits for an external fund manager have been retained in the strategy to allow for the introduction of a fund manager in the future if appropriate.)

Institution	Type	Minimum Credit Criteria	% / Value	Max period
UK part nationalised banks	Deposit	Short-term F1 Long-term A Support 1	£3m	1 year
Other UK banks and building societies	Deposit	Short-term F1 Long-term A Support 1	£3m	1 year
Banks part nationalised by high credit rated countries non UK	Deposit	Short-term F1 Long-term A Support 3 Sovereign rating AA+	£1m	1 year

¹⁹ Due to the constraints in finding counter parties within the policy UK part nationalised banks will continue to be considered for investments of up to 1 year, on a case by case basis, so long as the credit criteria remains at least 6 months.

²⁰ These are indicative values to be reviewed if investment undertaken. Any changes to the limits to be delegated to the Director of Finance, Housing and Community, in consultation with the portfolio holder responsible for Finance.

Institution	Type	Minimum Credit Criteria	% / Value	Max period
Certificates of deposit issued by banks and building societies covered by UK government guarantee	Deposit	UK sovereign rating	100%	2 years
UK government gilts	Deposit	UK sovereign	Up to 50%	10 years
Bonds issued by multilateral development banks	Deposit	AAA	Up to 50%	10 years
Bond issuance issued by a financial institution which is explicitly guaranteed by the UK Government	Deposit	UK Sovereign rating	£1m	5 years
Sovereign bond issued in Sterling	Deposit	AAA	Up to 50%	10 years
Treasury Bills	Deposit	UK sovereign rating	£3m	1 year

3.2 Creditworthiness policy

This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

The Capita Asset Services creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings

but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through its use of Capita Assets Services' creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the credit ratings of that supporting government.

3.3 Country limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of *AA+* from Fitch . The list of countries that qualify using this credit criteria as at the date of this report are shown below:

AAA	AA+
<i>Australia</i>	<i>UK</i>
<i>Canada</i>	<i>US</i>
<i>Denmark</i>	<i>Finland</i>
<i>Germany</i>	
<i>Luxembourg</i>	
<i>Netherlands</i>	
<i>Norway</i>	
<i>Singapore</i>	
<i>Sweden</i>	
<i>Switzerland</i>	

This list will be added to, or deducted from, by officers should ratings change in accordance with this policy. The UK will be excluded from any stipulated minimum sovereign rating requirement.

3.4 Investment strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

In house investments are currently limited to the DMO, other Local Authorities, UK banks and those banks domiciled in the UK from the countries used by our investment managers, as listed above, where deposits may be made in sterling so long as they pass our UK credit-worthiness checks; a maximum of £8m can be invested per institution with

the exception of the Council's operational bank where the limit will be £20m to cover short term fluctuations in cash flow.

Investment treasury indicator and limit - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

Maximum principal sums invested > 364 days			
	2016/17	2017/18	2018/19
Principal sums invested > 364 days	£21m	£21m	£21m

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest.

3.5 Investment risk benchmarking

These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or Annual Report.

Security - The Council's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- 1.25% historic risk of default when compared to the whole portfolio.

Liquidity – in respect of this area the Council seeks to maintain:

- Bank overdraft - £0.50m
- Liquid short term deposits of at least £1m available with a week's notice.

Yield - local measures of yield benchmarks are:

- Investments – internal returns above the 7 day LIBID rate
- Investments – external fund managers - returns 110% above 7 day compounded LIBID.

3.6 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Treasury Management Year End Report.

3.7 External fund managers

The Council is not currently employing the services of an external fund manager. If an external fund manager is utilised in the future they will be required to comply with the Annual Investment Strategy. The agreement between the Council and the fund manager would additionally stipulate guidelines and duration and other limits in order to contain and control risk.

3.8 Treasury management scheme of delegation

(i) Full Council

- Receiving and reviewing reports on treasury management policies, practices and activities;
- Approval of annual strategy.

(ii) Cabinet

- Approval of / amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- Budget consideration and approval;
- Approval of the division of responsibilities;
- Receiving and reviewing regular monitoring reports and acting on recommendations;
- Approving the selection of external service providers and agreeing terms of appointment.

(iii) Governance Committee

- Receiving and reviewing reports on treasury management policies, practices and activities;
- Reviewing the treasury management policy and procedures and making recommendations to the responsible body.

The treasury management role of the Director of Finance, Housing & Community (section 151 officer):

- Recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- Submitting regular treasury management policy reports;
- Submitting budgets and budget variations;
- Receiving and reviewing management information reports;
- Reviewing the performance of the treasury management function;
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- Ensuring the adequacy of internal audit, and liaising with external audit;
- Recommending the appointment of external service providers.

Recommendations from this Section

It is recommended that Cabinet:

- Delegate to the Director of Finance, Housing and Community, in consultation with the portfolio holder responsible for Finance, the amendment of the level and period of investment in property funds.

It is recommended that Council:

- Approve the Treasury Management Strategy, including the Prudential Indicators and Minimum Revenue Provision statement.

Resolution to set the Council Tax

COUNCIL 2 MARCH 2016

The Council is recommended to resolve the following in relation to Council Tax for

2016/17

and these determinations are consequent upon the adoption of the budget recommended by Cabinet for that financial year:

(1) It be noted that on 27th January 2016 the Council calculated the Council Tax Base for

2016/17

(a) as 36,251.91 for the whole Council area [Item T in the formula in Section 31B(1) of the Local Government Finance Act 1992, as amended (the "Act")] and,

(b) for dwellings in those parts of its area to which a Parish precept relates, as follows:

Part of the Council's Area	Tax Base
Alkham	298.68
Ash	1,095.02
Aylesham	1,024.03
Capel-le-Ferne	617.71
Deal	6,477.35
Denton-with-Wootton	167.40
Dover	7,679.07
Eastry	754.48
Eythorne	771.20
Goodnestone	166.59
Great Mongeham	264.10
Guston	379.08
Hougham-without	179.88
Langdon	226.57
Lydden	247.63
Nonington	293.91
Northbourne	264.67
Preston	257.35
Ringwould-with-Kingsdown	1,018.35
Ripple	149.51
River	1,481.45
St Margarets-at-Cliffe	1,256.81
Sandwich	1,875.75
Shepherdswell-with-Coldred	731.93
Sholden	547.05
Staple	227.89
Stourmouth	110.80
Sutton-by-Dover	296.68
Temple Ewell	640.31
Tilmanstone	151.87
Walmer	3,261.05
Whitfield	1,821.38
Wingham	664.23
Woodnesborough	415.20
Worth	436.93
	36,251.91

(2) That the Council Tax requirement for the Council's own purposes (excluding Parish precepts) for

2016/17

is calculated as:

£6,251,279

- (3) That the following amounts be calculated by the Council for the year 2016/17

in accordance with Sections 31 to 36 of the Act:

- (a) £103,564,350 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
- (b) £95,070,383 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £8,493,967 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B(1) of the Act).
- (d) £234.30 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £2,242,688 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
- (f) £172.44 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates. (*Council Tax at Band D for District Excluding Parish Precepts*).

Town and Parish Councils	£
Alkham	197.10
Ash	233.02
Aylesham	252.21
Capel-le-Ferne	206.77
Deal	230.45
Denton-with-Wootton	241.22
Dover	263.99
Eastry	235.99
Eythorne	219.43
Goodnestone	210.79
Great Mongeham	205.71
Guston	276.75
Hougham-without	224.36
Langdon	227.24
Lydden	231.89
Nonington	202.65
Northbourne	208.85
Preston	225.81
Ringwould-with-Kingsdown	205.60
Ripple	201.61
River	212.48
St Margarets-at-Cliffe	235.28
Sandwich	256.76
Shepherdswell-with-Coldred	222.96
Sholden	222.47
Staple	201.40
Stourmouth	226.49
Sutton-by-Dover	205.63
Temple Ewell	209.66
Tilmanstone	216.17
Walmer	209.57
Whitfield	227.96
Wingham	260.61
Woodnesborough	213.05
Worth	215.37

being the amounts given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

(3) (h)

	Valuation Bands							
	A	B	C	D	E	F	G	H
Town and Parish Councils	£	£	£	£	£	£	£	£
Alkham	131.40	153.30	175.20	197.10	240.90	284.70	328.50	394.20
Ash	155.35	181.24	207.13	233.02	284.80	336.58	388.37	466.04
Aylesham	168.14	196.16	224.19	252.21	308.26	364.30	420.35	504.42
Capel-le-Ferne	137.85	160.82	183.80	206.77	252.72	298.67	344.62	413.54
Deal	153.63	179.24	204.84	230.45	281.66	332.87	384.08	460.90
Denton-with-Wootton	160.81	187.62	214.42	241.22	294.82	348.43	402.03	482.44
Dover	175.99	205.33	234.66	263.99	322.65	381.32	439.98	527.98
Eastry	157.33	183.55	209.77	235.99	288.43	340.87	393.32	471.98
Eythorne	146.29	170.67	195.05	219.43	268.19	316.95	365.72	438.86
Goodnestone	140.53	163.95	187.37	210.79	257.63	304.47	351.32	421.58
Great Mongeham	137.14	160.00	182.85	205.71	251.42	297.14	342.85	411.42
Guston	184.50	215.25	246.00	276.75	338.25	399.75	461.25	553.50
Hougham-without	149.57	174.50	199.43	224.36	274.22	324.08	373.93	448.72
Langdon	151.49	176.74	201.99	227.24	277.74	328.24	378.73	454.48
Lydden	154.59	180.36	206.12	231.89	283.42	334.95	386.48	463.78
Nonington	135.10	157.62	180.13	202.65	247.68	292.72	337.75	405.30
Northbourne	139.23	162.44	185.64	208.85	255.26	301.67	348.08	417.70
Preston	150.54	175.63	200.72	225.81	275.99	326.17	376.35	451.62
Ringwould-with-Kingsdown	137.07	159.91	182.76	205.60	251.29	296.98	342.67	411.20
Ripple	134.41	156.81	179.21	201.61	246.41	291.21	336.02	403.22
River	141.65	165.26	188.87	212.48	259.70	306.92	354.13	424.96
St Margarets-at-Cliffe	156.85	183.00	209.14	235.28	287.56	339.85	392.13	470.56
Sandwich	171.17	199.70	228.23	256.76	313.82	370.88	427.93	513.52
Shepherdswell-with-Coldred	148.64	173.41	198.19	222.96	272.51	322.05	371.60	445.92
Sholden	148.31	173.03	197.75	222.47	271.91	321.35	370.78	444.94
Staple	134.27	156.64	179.02	201.40	246.16	290.91	335.67	402.80
Stourmouth	150.99	176.16	201.32	226.49	276.82	327.15	377.48	452.98
Sutton-by-Dover	137.09	159.93	182.78	205.63	251.33	297.02	342.72	411.26
Temple Ewell	139.77	163.07	186.36	209.66	256.25	302.84	349.43	419.32
Tilmanstone	144.11	168.13	192.15	216.17	264.21	312.25	360.28	432.34
Walmer	139.71	163.00	186.28	209.57	256.14	302.71	349.28	419.14
Whitfield	151.97	177.30	202.63	227.96	278.62	329.28	379.93	455.92
Wingham	173.74	202.70	231.65	260.61	318.52	376.44	434.35	521.22
Woodnesborough	142.03	165.71	189.38	213.05	260.39	307.74	355.08	426.10
Worth	143.58	167.51	191.44	215.37	263.23	311.09	358.95	430.74

being the amounts given by multiplying the amounts at 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- (4) That it be noted for the year

2016/17

that the Kent County Council, the Police & Crime Commissioner for Kent and the Kent and Medway Fire and Rescue Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings as shown below:

	Valuation Bands							
	A	B	C	D	E	F	G	H
Precepting Authority:	£	£	£	£	£	£	£	£
Kent County Council	755.70	881.65	1,007.60	1,133.55	1,385.45	1,637.35	1,889.25	2,267.10
The Police & Crime Commissioner for Kent	101.43	118.34	135.24	152.15	185.96	219.77	253.58	304.30
Kent & Medway Fire & Rescue Service	48.00	56.00	64.00	72.00	88.00	104.00	120.00	144.00

- (5) That, having calculated the amounts at 3(h) and 4 above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the following aggregate amounts as the amounts of Council Tax for the year

2016/17

for each part of its area and for each of the categories of dwellings, as shown below:

	Valuation Bands							
	A	B	C	D	E	F	G	H
Town and Parish Councils	£	£	£	£	£	£	£	£
Alkham	1,036.53	1,209.29	1,382.04	1,554.80	1,900.31	2,245.82	2,591.33	3,109.60
Ash	1,060.48	1,237.23	1,413.97	1,590.72	1,944.21	2,297.70	2,651.20	3,181.44
Aylesham	1,073.27	1,252.15	1,431.03	1,609.91	1,967.67	2,325.42	2,683.18	3,219.82
Capel-le-Ferne	1,042.98	1,216.81	1,390.64	1,564.47	1,912.13	2,259.79	2,607.45	3,128.94
Deal	1,058.76	1,235.23	1,411.68	1,588.15	1,941.07	2,293.99	2,646.91	3,176.30
Denton-with-Wootton	1,065.94	1,243.61	1,421.26	1,598.92	1,954.23	2,309.55	2,664.86	3,197.84
Dover	1,081.12	1,261.32	1,441.50	1,621.69	1,982.06	2,342.44	2,702.81	3,243.38
Eastry	1,062.46	1,239.54	1,416.61	1,593.69	1,947.84	2,301.99	2,656.15	3,187.38
Eythorne	1,051.42	1,226.66	1,401.89	1,577.13	1,927.60	2,278.07	2,628.55	3,154.26
Goodnestone	1,045.66	1,219.94	1,394.21	1,568.49	1,917.04	2,265.59	2,614.15	3,136.98
Great Mongeham	1,042.27	1,215.99	1,389.69	1,563.41	1,910.83	2,258.26	2,605.68	3,126.82
Guston	1,089.63	1,271.24	1,452.84	1,634.45	1,997.66	2,360.87	2,724.08	3,268.90
Hougham-without	1,054.70	1,230.49	1,406.27	1,582.06	1,933.63	2,285.20	2,636.76	3,164.12
Langdon	1,056.62	1,232.73	1,408.83	1,584.94	1,937.15	2,289.36	2,641.56	3,169.88
Lydden	1,059.72	1,236.35	1,412.96	1,589.59	1,942.83	2,296.07	2,649.31	3,179.18
Nonington	1,040.23	1,213.61	1,386.97	1,560.35	1,907.09	2,253.84	2,600.58	3,120.70
Northbourne	1,044.36	1,218.43	1,392.48	1,566.55	1,914.67	2,262.79	2,610.91	3,133.10
Preston	1,055.67	1,231.62	1,407.56	1,583.51	1,935.40	2,287.29	2,639.18	3,167.02
Ringwould-with-Kingsdown	1,042.20	1,215.90	1,389.60	1,563.30	1,910.70	2,258.10	2,605.50	3,126.60
Ripple	1,039.54	1,212.80	1,386.05	1,559.31	1,905.82	2,252.33	2,598.85	3,118.62
River	1,046.78	1,221.25	1,395.71	1,570.18	1,919.11	2,268.04	2,616.96	3,140.36
St Margarets-at-Cliffe	1,061.98	1,238.99	1,415.98	1,592.98	1,946.97	2,300.97	2,654.96	3,185.96
Sandwich	1,076.30	1,255.69	1,435.07	1,614.46	1,973.23	2,332.00	2,690.76	3,228.92
Shepherdswell-with-Coldred	1,053.77	1,229.40	1,405.03	1,580.66	1,931.92	2,283.17	2,634.43	3,161.32
Sholden	1,053.44	1,229.02	1,404.59	1,580.17	1,931.32	2,282.47	2,633.61	3,160.34
Staple	1,039.40	1,212.63	1,385.86	1,559.10	1,905.57	2,252.03	2,598.50	3,118.20
Stourmouth	1,056.12	1,232.15	1,408.16	1,584.19	1,936.23	2,288.27	2,640.31	3,168.38
Sutton-by-Dover	1,042.22	1,215.92	1,389.62	1,563.33	1,910.74	2,258.14	2,605.55	3,126.66
Temple Ewell	1,044.90	1,219.06	1,393.20	1,567.36	1,915.66	2,263.96	2,612.26	3,134.72
Tilmanstone	1,049.24	1,224.12	1,398.99	1,573.87	1,923.62	2,273.37	2,623.11	3,147.74
Walmer	1,044.84	1,218.99	1,393.12	1,567.27	1,915.55	2,263.83	2,612.11	3,134.54
Whitfield	1,057.10	1,233.29	1,409.47	1,585.66	1,938.03	2,290.40	2,642.76	3,171.32
Wingham	1,078.87	1,258.69	1,438.49	1,618.31	1,977.93	2,337.56	2,697.18	3,236.62
Woodnesborough	1,047.16	1,221.70	1,396.22	1,570.75	1,919.80	2,268.86	2,617.91	3,141.50
Worth	1,048.71	1,223.50	1,398.28	1,573.07	1,922.64	2,272.21	2,621.78	3,146.14

- (6) That the Council's basic amount of Council Tax for
2016/17
is determined as not being excessive in accordance with principles approved under Section 52ZB of the Local Government Finance Act
1992.

Mike Davis

Director of Finance, Housing and Community

PARISH AND TOWN COUNCILS**2016/17**

Item No	Town and Parish Councils	2015/16					2016/17					Council Tax Increase
		Total Requirement £	DDC Grant £	Precept £	Tax Base	Council Tax £	Total Requirement £	DDC Grant £	Precept £	Tax Base	Council Tax £	
1	Alkham	7,500.00	-191.57	7,308.43	295.37	24.74	7,500.00	-133.70	7,366.30	298.68	24.66	-0.32%
2	Ash	68,429.22	-2,497.22	65,932.00	1,088.34	60.58	68,078.85	-1,742.85	66,336.00	1,095.02	60.58	0.00%
3	Aylesham	72,293.00	-3,478.76	68,814.24	862.66	79.77	84,114.89	-2,427.89	81,687.00	1,024.03	79.77	0.00%
4	Capel-le-Ferne	18,250.00	-605.25	17,644.75	616.81	28.61	21,628.00	-422.41	21,205.59	617.71	34.33	19.99%
5	Deal	393,306.67	-17,585.57	375,721.10	6,344.48	59.22	387,994.36	-12,273.26	375,721.10	6,477.35	58.01	-2.04%
6	Denton-with-Wootton	11,646.00	-190.65	11,455.35	168.76	67.88	11,646.00	-133.06	11,512.94	167.40	68.78	1.33%
7	Dover	744,133.44	-47,333.44	696,800.00	7,514.01	92.73	736,034.80	-33,034.80	703,000.00	7,679.07	91.55	-1.27%
8	Eastry	49,175.88	-2,270.14	46,905.74	752.72	62.31	49,531.37	-1,584.37	47,947.00	754.48	63.55	1.99%
9	Eythorne	37,784.38	-1,803.38	35,981.00	765.70	46.99	37,497.00	-1,258.61	36,238.39	771.20	46.99	0.00%
10	Goodnestone	6,400.00	-160.34	6,239.66	172.38	36.20	6,500.00	-111.90	6,388.10	166.59	38.35	5.94%
11	Great Mongeham	9,013.00	-263.52	8,749.48	263.00	33.27	8,970.91	-183.91	8,787.00	264.10	33.27	0.00%
12	Guston	37,050.00	-467.88	36,582.12	383.17	95.47	39,870.00	-326.54	39,543.46	379.08	104.31	9.26%
13	Hougham-without	8,887.00	-125.45	8,761.55	182.26	48.07	9,427.00	-87.55	9,339.45	179.88	51.92	8.01%
14	Langdon	12,645.00	-325.10	12,319.90	224.80	54.80	12,643.00	-226.89	12,416.11	226.57	54.80	0.00%
15	Lydden	14,372.00	-144.83	14,227.17	244.11	58.28	14,823.00	-101.08	14,721.92	247.63	59.45	2.01%
16	Nonington	9,000.00	-173.22	8,826.78	295.31	29.89	9,000.00	-120.89	8,879.11	293.91	30.21	1.07%
17	Northbourne	9,890.00	-364.05	9,525.95	265.29	35.91	9,890.00	-254.07	9,635.93	264.67	36.41	1.39%
18	Preston	14,132.00	-334.51	13,797.49	258.52	53.37	13,968.00	-233.46	13,734.54	257.35	53.37	0.00%
19	Ringwould-with-Kingsdown	34,020.00	-873.00	33,147.00	1,011.53	32.77	34,379.28	-609.28	33,770.00	1,018.35	33.16	1.19%
20	Ripple	4,442.87	-166.87	4,276.00	145.75	29.34	4,477.46	-116.46	4,361.00	149.51	29.17	-0.58%
21	River	58,218.00	-747.46	57,470.54	1,478.45	38.87	59,839.00	-521.66	59,317.34	1,481.45	40.04	3.01%
22	St Margarets-at-Cliffe	64,253.00	-1,142.27	63,110.73	1,241.27	50.84	79,775.21	-797.21	78,978.00	1,256.81	62.84	23.60%
23	Sandwich	156,500.00	-4,344.77	152,155.23	1,884.80	80.73	161,195.29	-3,032.29	158,163.00	1,875.75	84.32	4.45%
24	Shepherdswell-with-Coldred	36,620.00	-686.03	35,933.97	732.71	49.04	37,452.54	-478.79	36,973.75	731.93	50.52	3.02%
25	Sholden	23,468.00	-831.56	22,636.44	452.45	50.03	27,949.00	-580.36	27,368.64	547.05	50.03	0.00%
26	Staple	6,702.61	-105.23	6,597.38	227.81	28.96	6,673.44	-73.44	6,600.00	227.89	28.96	0.00%
27	Stourmouth	5,984.56	-54.19	5,930.37	109.72	54.05	6,026.56	-37.82	5,988.74	110.80	54.05	0.00%
28	Sutton-by-Dover	10,460.00	-319.69	10,140.31	298.00	34.03	10,069.00	-223.12	9,845.88	296.68	33.19	-2.47%
29	Temple Ewell	23,699.00	-314.68	23,384.32	628.25	37.22	24,049.62	-219.62	23,830.00	640.31	37.22	0.00%
30	Tilmanstone	6,685.00	-126.03	6,558.97	149.99	43.73	6,729.00	-87.96	6,641.04	151.87	43.73	0.00%
31	Walmer	128,260.00	-3,823.07	124,436.93	3,224.73	38.59	123,757.00	-2,668.18	121,088.82	3,261.05	37.13	-3.78%
32	Whitfield	96,250.00	-2,126.50	94,123.50	1,744.48	53.96	102,600.00	-1,484.12	101,115.88	1,821.38	55.52	2.89%
33	Wingham	57,417.30	-1,113.59	56,303.71	659.48	85.38	59,344.86	-777.19	58,567.67	664.23	88.17	3.27%
34	Woodnesborough	15,832.95	-563.12	15,269.83	383.49	39.82	17,254.01	-393.01	16,861.00	415.20	40.61	1.98%
35	Worth	19,000.00	-347.09	18,652.91	433.13	43.07	19,000.00	-242.24	18,757.76	436.93	42.93	-0.33%
		2,271,720.88	-96,000.03	2,175,720.85	35,503.73	61.28	2,309,688.45	-66,999.99	2,242,688.46	36,251.91	61.86	0.95%

T&P Average

T&P Average

2016/17 Precepts and the NDR Multiplier**The Council Tax Base**

The Council Tax base (in terms of the number of "Band D equivalent") has been resolved for the coming year at: 36,251.91

The District Council's Precept on the Collection Fund for it's Own Purposes

The District Council's precept upon the Collection Fund in 2016/17 for it's own purposes will be: £6,251,279.00

The Band D Council Tax for the District Council's own purposes will therefore be: £172.44

The Band D Council Tax for the District Council's own purposes last year was: £167.49

The increase in Council Tax for the District Council's own purposes is therefore: 2.96%

This is an annual increase of: £4.95

Or a weekly increase of: £0.10

Parish Council Precepts

The Parish Councils will, in total, precept: £2,242,688.46

Last year, Parish Councils precepted: £2,175,720.85

The ave. Band D Council Tax for the Parish Councils' own purposes will therefore be: £61.86

The ave. Band D Council Tax for the Parish Councils' own purposes last year was: £61.28

This is an increase of: 0.95%

The total precept, on the Collection Fund by the District Council, on behalf of itself and the Parish Councils will therefore be: £8,493,967.46

Kent County Council Precept

Excluding the Collection Fund Surplus, the precept upon the collection fund in 2016/17 will be: £41,093,353.00

Last year's precept was: £38,698,711.00

The Band D Council Tax will therefore be: £1,133.55

Last year's Band D Council Tax was: £1,089.99

The Band D Council Tax increase as a result of this precept is therefore: 3.996%

2016/17 Precepts and the NDR Multiplier**The Police & Crime Commissioner for Kent**

Excluding the Collection Fund Surplus, the precept upon the collection fund in 2016/17 will be:	£5,515,728.00
Last year's precept was:	£5,224,374.00
The Band D Council Tax will therefore be:	£152.15
Last year's Band D Council Tax was:	£147.15
The Band D Council Tax increase as a result of this precept is therefore:	3.40%

Kent Fire & Rescue Service Authority Precept

Excluding the Collection Fund Surplus, the precept upon the collection fund in 2016/17 will be:	£2,610,138.00
Last year's precept was:	£2,508,339.00
The Band D Council Tax will therefore be:	£72.00
Last year's Band D Council Tax was:	£70.65
The Band D Council Tax increase as a result of this precept is therefore:	1.91%

Non-Domestic Rates

Non-domestic rates are collected by billing authorities at a nationally prescribed rate in the pound, and are paid into a central pool for redistribution. The prescribed rate in 2016/17 for qualifying properties of less than £18,000:	£0.484
And for these properties the 2015/16 rate was:	£0.480
For all other properties the 2016/17 rate is:	£0.497
And for these properties the 2015/16 rate was:	£0.493

GRANTS TO CONCESSIONARY RENTALS 2016-17
2015/16 2016/17

0	0	Aylesham Parish Council	Lease Of Land At Spinney Wood, Aylesham
50	50	Sandwich Tennis Club	Lease Of Tennis Courts In Sandown Road, Sandwich
75	75	Aylesham Parish Council	Lease Of 1.82 Acres At Market Square, Aylesham
0	0	Aylesham Parish Council	Lease Of 1.95 Acres Of Land Adjoining Ratling Road, Aylesham
0	0	Aylesham Parish Council	Lease Of 4.94 Acres At Dorman Avenue North, Aylesham
225	225	Dover Bowling Club	Lease Of Pavilion In Maison Dieu Gardens, Dover
355	355	Victoria Park Bowling Club	Rent Of Pavilion, Victoria Park, Deal
150	150	Aylesham Parish Council	Lease Of 7.7 Acres Adjoining Hill Crescent, Aylesham
0	0	Deal Angling Club	Lease Of Angling Cabin On Deal Pier
325	325	Deal & Walmer Angling Club	Lease Of Angling Cabin On Deal Pier
450	450	Capel-Le-Ferne Parish Council	Lease Of Land In Lancaster Avenue For Use Of Playing Field
1,225	1,225	Dover Rugby Football Club	Rent Of Crabble Pavilion, River (Our Half Of The 7 Months @50% Of £4,200)
1,750	1,750	Dover Rugby Football Club	Rent Of Crabble Pavilion, River (We Pay The Remaining 5 Months @ 100% Of £4,200)
2,500	2,500	Dover Athletic Football Club	Orange Telephone Mast 50% Of Rental Fee (Dover Ath Keep All Income As Part Of Our Support For Them - Grant Reflects Payment To Code Instead Of Their Payment Of Our Half In Original Deal)
8,000	8,000	Dover Athletic Football Club	Lease Of Ground At Crabble Athletic, River
10,000	10,000	Dover Citizen's Advice Bureau	Rent Of 1st Floor Dover Area Office
10,000	10,000	Deal Citizen's Advice Bureau	Lease Of The Cedars, 26 Victoria Road, Deal
35,105	35,105	In most cases, the above shows a 50% grant or more reduction in the rental charges for DDC properties or income generating sites	

Financial Assistance Payments to Other Outside Bodies

2015/16 £	2016/17 £	Change %	
265,000	265,000	0%	Your Leisure
			Grant paid to Your Leisure £265k. In addition £35k funding is provided for Deal tennis Centre from which Your Leisure benefit from the additional income stream.
1,500	1,500	0%	Pegasus Playscheme
4,000	0	-100%	Sandwich Sports and Leisure Centre
			To assist with expenditure for the facility
3,000	3,000	0%	Kent County Council
			Contribution to Sports Partnership
10,000	4,500	-55%	Gazen Salts Nature Reserve
			To assist in managing and maintaining the reserve
10,000	10,000	0%	Sandwich Town Cricket Club
			To assist the Club in defraying its expenditure in managing, maintaining and improving the Recreation Grounds at The Butts & Gazen Salts.
12,000	12,000	0%	Dover Rugby Club
			For ground maintenance at Crabble Athletic Ground, covered by saving made in the Landscape maintenance contract.
1,000	1,000	0%	Victoria Bowls
			Contribution to running expenses of the Club
100,500	100,500	0%	Dover Citizen's Advice Bureau
			£97k CAB Core Funding grant, plus £3,500 service charge contribution
22,500	22,500	0%	Neighbourhood Forums
			Joint contribution with KCC for neighbourhood projects
7,700	7,800	1%	Home Improvement Agency
			"Intouch" Housing Improvement Agency funding
5,000	5,000	0%	Deal Town Council
			Astor Theatre
3,000	3,500	17%	Actions with Communities in Rural Kent
			Contribution to rural housing
445,200	436,300		

COMPREHENSIVE INCOME AND EXPENDITURE ACCOUNT

This Account includes both General Fund and Housing Revenue Account activities and summarises the resources that are generated and consumed in providing services and managing the Council during the year. It includes all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the real projected value of retirement benefits earned by employees in the year.

2014/15 Actual Net Expenditure £ 000's	2015/16 Mid-Year Forecast Net Expenditure £ 000's		2016/17 Gross Expenditure £ 000's	Gross Income £ 000's	Net Expenditure £ 000's
1,138	1,826	On its services the Council spent:-	2,750	(959)	1,791
2,679	4,067	Central Services to the Public	4,747	(649)	4,098
4,798	5,547	Cultural and Related Services	11,692	(6,155)	5,537
3,695	2,190	Environmental and Regulatory Services	4,226	(1,956)	2,270
(683)	(458)	Planning and Development Services	1,592	(2,262)	(670)
0	0	Highways and Transport Services	0	0	0
(19,274)	(11,145)	Exceptional item – revaluation (gain)/loss of GF stock	9,896	(20,580)	(10,684)
0	0	Local Authority Housing (HRA)	0	0	0
2,013	1,418	Exceptional item – revaluation (gain)/loss of HRA stock	42,344	(41,065)	1,279
1,591	1,837	Other Housing Services	2,096	(167)	1,929
5	12	Corporate and Democratic Core	0	0	0
498	408	Public Health	372	(61)	311
0	0	Non-distributed Costs	0	0	0
		Exceptional item – pension capitalised gain & settlements			
(3,540)	5,702	NET COST OF SERVICES	79,715	(73,854)	5,861
110	0	(Gain) or loss on disposal of fixed assets			0
(8)	0	Other capital receipts			0
		Amounts due to Precepting Authorities:			
2,126	2,176	- Town and Parish Councils			2,243
142	96	- Council Tax Support Funding to Towns & Parishes			67
66	67	- River Stour Drainage Board			68
261	300	Contribution of Housing Capital Receipts to Government Pool			300
		Financing & Investment Income & Expenditure:			
3,148	3,091	Interest payable and similar charges			3,020
(565)	(319)	Interest and investment income			(329)
		Income and expenditure in relation to investment properties			
(48)	0	and changes in their fair value			0
(101)	0	Financial Instruments Adjustments			0
(6,768)	(2,042)	Capital Grant Contributions			(1,373)
2,830	2,610	Pensions interest cost & expected return on assets			2,561
0	0	Exceptional item			0
(2,347)	11,681	NET OPERATING EXPENDITURE			12,418
		Demand on the Collection Fund:			
(5,890)	(5,947)	- Council Tax Income for DDC Purposes *			(6,251)
(2,126)	(2,176)	- Council Tax Income passed to Parishes			(2,243)
0	(138)	Council Tax Freeze Compensation			0
(20)	(112)	Collection Fund Surplus - Council Tax *			(145)
(1,307)	(1,571)	New Homes Bonus			(1,898)
(3,789)	(2,529)	Government Grants (not attributable to specific services)			(1,758)
(3,106)	(3,846)	Distribution from Non-Domestic Rates Pool			(3,621)
35	(200)	Collection Fund Deficit / (Surplus) - NDR *			724
(1,149)	(1,016)	Enterprise Zone Relief Grant			(1,024)
(19,699)	(5,854)	TOTAL: (SURPLUS) / DEFICIT FOR THE YEAR			(3,798)

* 2015/16 and 2016/17 elements not adjusted for SORP treatment of estimated *Collection Fund surplus* change

2014/15 Actual			This is the statutory format required to be produced for the Statement of Accounts and is included for completeness.	2015/16 Mid-Year Forecast			2016/17 Budget			ANNEX 13
General Fund	Housing Revenue Account	Total		General Fund	Housing Revenue Account	Total	General Fund	Housing Revenue Account	Total	
2,585	1,786	4,371	OPENING BALANCE	2,889	1,094	3,983	2,992	1,001	3,993	
3,704	15,995	19,699	Surplus or (deficit) on provision of services	(2,014)	7,868	5,854	(3,720)	7,518	3,798	
0	0	0	Other Comprehensive Income and Expenditure	0	0	0	0	0	0	
3,704	15,995	19,699	TOTAL COMPREHENSIVE INCOME AND EXPENDITURE	(2,014)	7,868	5,854	(3,720)	7,518	3,798	
			<u>Adjustments between accounting basis and funding basis under regulations</u>							
2,645	0	2,645	Depreciation	2,507	0	2,507	2,504	0	2,504	
73	0	73	Amortisation	85	0	85	31	0	31	
305	0	305	Impairments	0	0	0	0	0	0	
0	(3,321)	(3,321)	Major Repairs Reserve	0	(2,765)	(2,765)	0	(2,740)	(2,740)	
(6,776)	0	(6,776)	Capital Grants & Other Capital	0	0	0	0	0	0	
2,470	0	2,470	REFCUS	0	0	0	0	0	0	
0	0	0	Capital Grants Applied	(2,042)	0	(2,042)	(1,373)	0	(1,373)	
(48)	0	(48)	Investment Properties Revals	0	0	0	0	0	0	
30	80	110	Gain / Loss on Sale of Assets	0	0	0	0	0	0	
(1,818)	(8,042)	(9,860)	Revaluation Gain	0	0	0	0	0	0	
(328)	0	(328)	Financial Instruments Reserve	0	0	0	0	0	0	
0	0	0	Financial Impairment	0	0	0	0	0	0	
(12)	0	(12)	Loan principal repayments	0	0	0	0	0	0	
1,570	0	1,570	Pensions	1,512	50	1,562	1,539	(13)	1,526	
(16)	0	(16)	Council Tax Income regulatory adjustment	0	0	0	0	0	0	
1,611	0	1,611	NNDR Income regulatory adjustments	0	0	0	0	0	0	
(174)	0	(174)	Enterprise Zone Relief regulatory adjustment	825	0	825	16	0	16	
(373)	(2,626)	(2,999)	Capital Expenditure Funded from revenue	(668)	(1,496)	(2,164)	(211)	(2,276)	(2,487)	
6	0	6	Employee Benefits Reserve	0	0	0	0	0	0	
261	0	261	Capital Receipts Pooling	300	0	300	300	0	300	
(574)	(13,909)	(14,483)		2,519	(4,211)	(1,692)	2,806	(5,029)	(2,223)	
3,130	2,086	5,216	EARMARKED RESERVES	505	3,657	4,162	(914)	2,489	1,575	
			<u>Transfers to / from Earmarked Reserves</u>							
(2,826)	(2,778)	(5,604)	Earmarked Reserves	(402)	(3,750)	(4,152)	464	(2,400)	(1,936)	
0	0	0	Transfers to other organisations	0	0	0	0	0	0	
0	0	0	Earmarked HRA Balance to GF	0	0	0	0	0	0	
(2,826)	(2,778)	(5,604)		(402)	(3,750)	(4,152)	464	(2,400)	(1,936)	
304	(692)	(388)	INCREASE / DECREASE IN YEAR	103	(93)	10	(450)	89	(361)	
2,889	1,094	3,983	CLOSING BALANCE	2,992	1,001	3,993	2,542	1,090	3,632	

SUMMARY OF RECOMMENDATIONS (DRAFT)

Detailed below is a summary of all the recommendations included in the report:

General Fund Revenue Account

It is recommended that Cabinet:

- Continue the practice of delegating authority to the Director of Finance, Housing and Community to approve revenue budget carry forwards within the guidelines set out; and
- Approve the grants to organisations detailed at Annex 11.

It is recommended that Council:

- Approve the General Fund Revenue Budget for 2016/17 and the projected outturn for 2015/16;
- Approve the policies and protocols regarding the General Fund balances and earmarked reserves, and transfers between reserves as set out in Annex 6.

Housing Revenue Account

It is recommended that Cabinet:

- Delegate to the Director of Finance, Housing and Community, in consultation with the portfolio holder responsible for Finance, the setting of the level of the on-going HRA minimum balance, the transfer of balances to the HIR, the use of prudential borrowing, and adjustment of the resources of the HIR accordingly.
- Delegate to the Director of Finance, Housing and Community, in consultation with the portfolio holder responsible for Finance, approval of offers, tenders or bids for the purchase of properties on the open market or at auction, in order to respond to market opportunities.

It is recommended that Council:

- Approve the 2015/16 Projected Outturn and the 2016/17 HRA budget at Annex 7.
- Delegate to Cabinet the approval of individual projects to be financed by the HIR.

Capital & Special Revenue Programmes

It is recommended that Cabinet:

- Continue the practice of delegating authority to the Director of Finance, Housing and Community, in consultation with the Portfolio Holder responsible for Finance, to:
 - Apply capital receipts, revenue resources, grants, s106 monies, etc. to finance the approved Capital and Special Revenue Projects programmes;

- Authorise projects up to £50k that are included in the capital and special revenue programmes;
- Authorise projects funded from the Capital Contingency;
- Authorise virements between Regeneration projects;
- Draw down Growth Point reserves in order to apply them to regeneration projects.

It is recommended that Council:

- Approve the capital and special projects programmes;
- Approve that capital resources required to finance new projects are secured before new projects commence.

Treasury Management and the Prudential Code

It is recommended that Cabinet:

- Delegate to the Director of Finance, Housing and Community, in consultation with the portfolio holder responsible for Finance, the amendment of the level and period of investment in property funds.

It is recommended that Council:

- Approve the Treasury Management Strategy, including the Prudential Indicators and Minimum Revenue Provision statement

Council Tax Resolution

It is recommended that Council:

- Approve the Council Tax Resolution as set out at Annex 10A;
- Note that if the formal Council Tax Resolution at Annex 10A is approved, the total Band D Council Tax will be as follows:

	2015/16 £	2016/17 £	Increase ²¹ %
Dover District Council	167.49	172.44	2.96%
Kent County Council	1,089.99	1,133.55	4.00%
The Police & Crime Commissioner for Kent	147.15	152.15	3.40%
Kent & Medway Fire & Rescue Authority	70.65	72.00	1.91%
Sub-Total	1,475.28	1,530.14	3.72%
Town & Parish Council (average)	61.28	61.86	0.95%
Total Band D Council Tax	1,536.56	1,592.00	3.61%

²¹ The referendum rules permit social care authorities (KCC) to increase their precept by 2% plus an additional 2% to be ring-fenced for social care and for local authorities (DDC) & police authorities to increase their precept by the higher of 2% or £5. The increases proposed for 2016/17 all fall within these limits.

The Council Tax, by band, for the major preceptors will be as follows:

	<u>Valuation Bands</u>							
	A	B	C	D	E	F	G	H
Precepting Authority:	£	£	£	£	£	£	£	£
Kent County Council	755.70	881.65	1,007.60	1,133.55	1,385.45	1,637.35	1,889.25	2,267.10
The Police & Crime Commissioner for Kent	101.43	118.34	135.24	152.15	185.96	219.77	253.58	304.30
Kent & Medway Fire & Rescue Service	48.00	56.00	64.00	72.00	88.00	104.00	120.00	144.00
Dover District Council	114.96	134.12	153.28	172.44	210.76	249.08	287.40	344.88
Total (excl. T&P)	1,020.09	1,190.11	1,360.12	1,530.14	1,870.17	2,210.20	2,550.23	3,060.28