

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

25 January 2019

Dear Councillor

NOTICE IS HEREBY GIVEN THAT a meeting of the **CABINET** will be held at these offices (Council Chamber) on Monday 4 February 2019 at 11.00 am when the following business will be transacted.

Members of the public who require further information are asked to contact Kate Batty-Smith on (01304) 872303 or by e-mail at democraticservices@dover.gov.uk.

Yours sincerely

A handwritten signature in black ink, appearing to read "Nicky", written over a white background.

Chief Executive

Cabinet Membership:

K E Morris	Leader of the Council
M D Conolly	Deputy Leader of the Council
J S Back	Portfolio Holder for Built Environment
T J Bartlett	Portfolio Holder for Property Management and Environmental Health
P M Beresford	Portfolio Holder for Housing and Homelessness
N J Collor	Portfolio Holder for Access and Licensing
M J Holloway	Portfolio Holder for Community Services
N S Kenton	Portfolio Holder for Environment, Waste and Health

AGENDA

1 **APOLOGIES**

To receive any apologies for absence.

2 **DECLARATIONS OF INTEREST** (Page 5)

To receive any declarations of interest from Members in respect of business to be transacted on the agenda.

3 **RECORD OF DECISIONS** (Pages 6-17)

The Decisions of the meeting of the Cabinet held on 14 January 2019 numbered CAB 69 to CAB 84 (inclusive) are attached.

ISSUES ARISING FROM OVERVIEW AND SCRUTINY OR OTHER COMMITTEES

To consider any issues arising from Overview and Scrutiny or other Committees not specifically detailed elsewhere on the agenda.

BUDGET AND POLICY FRAMEWORK - KEY DECISIONS

4 **COUNCIL BUDGET 2019/20 AND MEDIUM-TERM FINANCIAL PLAN 2019/20-2022/23** (Pages 18-106)

To consider the attached report of the Strategic Director (Corporate Resources).

Responsibility: Portfolio Holder for Corporate Resources and Performance

EXECUTIVE - KEY DECISIONS

5 **KENT COUNTY COUNCIL HIGHWAYS CONTRACT PARTNERSHIP** (Pages 107-108)

To consider the attached report of the Head of Inward Investment.

Responsibility: Leader of the Council

6 **WORKS TO DEAL PIER** (Pages 109-112)

To consider the attached report of the Strategic Director (Operations and Commercial).

Responsibility: Portfolio Holder for Property Management and Environmental Health

7 **REPAIRS AND IMPROVEMENTS TO CORPORATE PROPERTIES** (Pages 113-116)

To consider the attached report of the Strategic Director (Operations and Commercial)

Responsibility: Portfolio Holder for Property Management and Environmental Health

EXECUTIVE - NON-KEY DECISIONS

8 **WORKS TO ST JAMES'S CHURCH, DOVER** (Pages 117-124)

To consider the attached report of the Strategic Director (Operations and Commercial).

Responsibility: Portfolio Holder for Property Management and Environmental Health

9 **PERFORMANCE REPORT - THIRD QUARTER 2018/19** (Pages 125-145)

To consider the attached report of the Chief Executive.

Responsibility: Portfolio Holder for Corporate Resources and Performance

10 **APPOINTMENT TO LOCAL PLAN PROJECT ADVISORY GROUP** (Page 146)

To consider the attached recommendation.

11 **EXCLUSION OF THE PRESS AND PUBLIC** (Page 147)

The recommendation is attached.

MATTERS WHICH THE MANAGEMENT TEAM SUGGESTS SHOULD BE CONSIDERED IN PRIVATE AS THE REPORT CONTAINS EXEMPT INFORMATION AS DEFINED WITHIN PART 1 OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AS INDICATED AND IN RESPECT OF WHICH THE PROPER OFFICER CONSIDERS THAT THE PUBLIC INTEREST IN MAINTAINING THE EXEMPTION OUTWEIGHS THE PUBLIC INTEREST IN DISCLOSING THE INFORMATION

EXECUTIVE - KEY DECISIONS

12 **KEARSNEY ABBEY - APPOINTMENT OF LANDSCAPE CONTRACTOR** (Pages 148-150)

To consider the attached report of the Strategic Director (Operations and Commercial).

Responsibility: Portfolio Holder for Property Management and Environmental Health

13 **AWARD OF CONTRACT FOR UPGRADING CCTV INFRASTRUCTURE AND PROVISION OF TOWN CENTRE WI-FI** (Pages 151-158)

To consider the attached report of the Head of Community Services.

Responsibility: Portfolio Holder for Community Services

Access to Meetings and Information

- Members of the public are welcome to attend meetings of the Council, its Committees and Sub-Committees. You may remain present throughout them except during the consideration of exempt or confidential information.
- All meetings are held at the Council Offices, Whitfield unless otherwise indicated on the front page of the agenda. There is disabled access via the Council Chamber entrance and a disabled toilet is available in the foyer. In addition, there is a PA system and hearing loop within the Council Chamber.
- Agenda papers are published five clear working days before the meeting. Alternatively, a limited supply of agendas will be available at the meeting, free of

charge, and all agendas, reports and minutes can be viewed and downloaded from our website www.dover.gov.uk. Minutes will be published on our website as soon as practicably possible after each meeting. All agenda papers and minutes are available for public inspection for a period of six years from the date of the meeting.

- If you require any further information about the contents of this agenda or your right to gain access to information held by the Council please contact Kate Batty-Smith, Democratic Services Officer, telephone: (01304) 872303 or email: democraticservices@dover.gov.uk for details.

Large print copies of this agenda can be supplied on request.

Declarations of Interest

Disclosable Pecuniary Interest (DPI)

Where a Member has a new or registered DPI in a matter under consideration they must disclose that they have an interest and, unless the Monitoring Officer has agreed in advance that the DPI is a 'Sensitive Interest', explain the nature of that interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a DPI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation permitting them to do so. If during the consideration of any item a Member becomes aware that they have a DPI in the matter they should declare the interest immediately and, subject to any dispensations, withdraw from the meeting.

Other Significant Interest (OSI)

Where a Member is declaring an OSI they must also disclose the interest and explain the nature of the interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a OSI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation to do so or the meeting is one at which members of the public are permitted to speak for the purpose of making representations, answering questions or giving evidence relating to the matter. In the latter case, the Member may only participate on the same basis as a member of the public and cannot participate in any discussion of, or vote taken on, the matter and must withdraw from the meeting in accordance with the Council's procedure rules.

Voluntary Announcement of Other Interests (VAOI)

Where a Member does not have either a DPI or OSI but is of the opinion that for transparency reasons alone s/he should make an announcement in respect of a matter under consideration, they can make a VAOI. A Member declaring a VAOI may still remain at the meeting and vote on the matter under consideration.

Note to the Code:

Situations in which a Member may wish to make a VAOI include membership of outside bodies that have made representations on agenda items; where a Member knows a person involved, but does not have a close association with that person; or where an item would affect the well-being of a Member, relative, close associate, employer, etc. but not his/her financial position. It should be emphasised that an effect on the financial position of a Member, relative, close associate, employer, etc OR an application made by a Member, relative, close associate, employer, etc would both probably constitute either an OSI or in some cases a DPI.

Record of the decisions of the meeting of the **CABINET** held at the Council Offices, Whitfield on Monday, 14 January 2019 at 11.00 am

Present:

Chairman: Councillor K E Morris

Councillors: M D Conolly
J S Back
T J Bartlett
P M Beresford
N J Collor
M J Holloway
N S Kenton

Also Present: Councillor S S Chandler
Councillor M R Eddy
Councillor B Gardner
Councillor P M Hawkins
Councillor S J Jones
Councillor P D Jull
Councillor K Mills
Councillor A M Napier
Councillor M J Ovenden
Councillor P Walker

Officers: Chief Executive
Strategic Director (Corporate Resources)
Head of Commercial Services
Head of Assets and Building Control
Head of Finance and Housing
Head of Governance
Waste Services Manager
PR and Marketing Officer
Accountancy Assistant
Democratic Services Officer

The formal decisions of the executive are detailed in the following schedule.

Record of Decisions: Executive Functions

Decision Status	Record of Decision	Alternative options considered and rejected (if any)	Reasons for Decision	Conflicts of interest (if any) declared by decision maker(s) or consultees (if any)
CAB 69 14.1.19 Open Key Decisions No Call-in to apply Yes Implementation Date 22 January 2019	<u>APOLOGIES</u> It was noted that there were no apologies for absence.	None.	To note any apologies for absence.	

Decision Status	Record of Decision	Alternative options considered and rejected (if any)	Reasons for Decision	Conflicts of interest (if any) declared by decision maker(s) or consultees (if any)
CAB 70 14.1.19 Open Key Decisions No Call-in to apply Yes Implementation	<u>DECLARATIONS OF INTEREST</u> Councillor N S Kenton declared a Disclosable Pecuniary Interest in Issues Arising from Overview and Scrutiny or Other Committees (Private Landlords) by reason that he owned private rental properties.	None.	To note any declarations of interest.	

Date 22 January 2019				
--------------------------------	--	--	--	--

Decision Status	Record of Decision	Alternative options considered and rejected (if any)	Reasons for Decision	Conflicts of interest (if any) declared by decision maker(s) or consultees (if any)
CAB 71 14.1.19 Open Key Decisions No Call-in to apply Yes Implementation Date 22 January 2019	<u>RECORD OF DECISIONS</u> It was agreed that the decisions of the meeting of the Cabinet held on 3 December 2018, as detailed in decision numbers CAB 61 to CAB 68, be approved as a correct record and signed by the Chairman.	None.	Cabinet is required to approve the Record of Decisions of the Cabinet meeting held on 3 December 2018.	

Decision Status	Record of Decision	Alternative options considered and rejected (if any)	Reasons for Decision	Conflicts of interest (if any) declared by decision maker(s) or consultees (if any)
CAB 72 14.1.19 Open Key Decisions No Call-in to apply Yes Implementation	<u>ISSUES ARISING FROM OVERVIEW AND SCRUTINY OR OTHER COMMITTEES</u> It was agreed that the Scrutiny (Community and Regeneration) Committee's recommendation, made at its meeting held on 5 December 2018 (Minute No 67), be rejected since it was considered that the Council was addressing private sector landlord issues by other means (e.g. by engaging regularly with landlords). Furthermore, the Council would want to see more data and receive further information regarding government strategy before committing itself to the principle of a compulsory registration scheme.	To approve the Committee's recommendation.	At its meeting held on 5 December 2018, the Scrutiny (Community and Regeneration) Committee received a briefing on private sector landlords and made a recommendation to	Councillor N S Kenton declared a Disclosable Pecuniary Interest by reason that he owned private rental properties, and withdrew from the Chamber during consideration of

Date 22 January 2019			Cabinet.	this item.
--------------------------------	--	--	----------	------------

Decision Status	Record of Decision	Alternative options considered and rejected (if any)	Reasons for Decision	Conflicts of interest (if any) declared by decision maker(s) or consultees (if any)
CAB 73 14.1.19 Open Key Decisions No Call-in to apply Yes Implementation Date 22 January 2019	<u>ORDER OF BUSINESS</u> It was agreed that the order of business be varied in order to consider Agenda Item 6 (Review of On and Off-Street Parking Charges) as the first substantive item.	None.	The order of business was amended for operational reasons.	

Decision Status	Record of Decision	Alternative options considered and rejected (if any)	Reasons for Decision	Conflicts of interest (if any) declared by decision maker(s) or consultees (if any)
CAB 74 14.1.19 Open Key Decisions Yes Call-in to apply Yes	<u>REVIEW OF ON AND OFF-STREET PARKING CHARGES</u> It was agreed: (a) That the outcome of the annual review of parking charges be noted. (b) That parking charges continue to be frozen at their current levels as set out at Appendix 1 of the report.	Not to amend the report recommendations.	It was agreed in 2011 that the Council's off-street and on-street parking charges should be reviewed annually. Cabinet is asked to note the outcome of this year's review and	

Implementation Date 22 January 2019	(c) That the Transport and Parking Services Manager be authorised to set a maximum stay parking restriction at Tides Leisure, in consultation with the Portfolio Holder for Access and Licensing.		agree that parking charges for 2019/20 should be frozen.	
---	---	--	--	--

Decision Status	Record of Decision	Alternative options considered and rejected (if any)	Reasons for Decision	Conflicts of interest (if any) declared by decision maker(s) or consultees (if any)
CAB 75 14.1.19 Open Key Decisions No Call-in to apply No Implementation Date 31 January 2019	<u>TREASURY MANAGEMENT - SECOND QUARTER REPORT 2018/19</u> It was agreed to recommend to Council that the report be noted.	None.	In order to comply with CIPFA's (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management, Cabinet is updated on the Council's treasury management activities (i.e. in-house and externally managed investments) at least twice yearly. The report provides Cabinet with details of activities for the quarter ending 30 September 2018.	

Decision Status	Record of Decision	Alternative options considered and rejected (if any)	Reasons for Decision	Conflicts of interest (if any) declared by decision maker(s) or consultees (if any)
<p>CAB 76 14.1.19 Open</p> <p>Key Decisions Yes</p> <p>Call-in to apply Yes</p> <p>Implementation Date 22 January 2019</p>	<p><u>FEES AND CHARGES 2019/20</u></p> <p>It was agreed:</p> <p>(a) That the fees and charges for 2019/20, as set out at Appendices 2.1 to 2.6 and 5.1 and 5.3, be approved.</p> <p>(b) That any fees and charges will be adjusted by the Service Director, in consultation with the Portfolio Holder, to comply with any subsequently received government guidelines (when they are received) and any other minor changes, without being the subject of a further report unless they are materially different from current charges or have a material impact on the level of income.</p> <p>(c) That the general principle that fees are set at an appropriate inclusive level, irrespective of VAT status, and that the VAT element within the overall fee level is then determined, be approved.</p> <p>(d) That the fees and charges approved separately by the Licensing and Regulatory Committees, as set out at Appendices 3 and 4 of the report, be noted.</p>	<p>Not to amend the report recommendations.</p>	<p>The Council's Constitution stipulates that the Council's fees and charges should be reviewed annually. Cabinet is now required to set the level of these for 2019/20.</p>	

Decision Status	Record of Decision	Alternative options considered and rejected (if any)	Reasons for Decision	Conflicts of interest (if any) declared by decision maker(s) or consultees (if any)
<p>CAB 77 14.1.19 Open</p>	<p><u>RESTORATION OF MAISON DIEU (TOWN HALL), DOVER</u></p> <p>It was agreed:</p>	<p>None.</p>	<p>Last year the Council was awarded a Heritage Lottery Fund grant</p>	

<p>Key Decisions Yes</p> <p>Call-in to apply Yes</p> <p>Implementation Date 22 January 2019</p>	<p>(a) That the progress made to date with the development phase of the project be noted.</p> <p>(b) That authority be delegated to the Strategic Director (Operations and Commercial), in consultation with the Portfolio Holder for Property Management and Environmental Health, to appoint the lead consultant and architectural and contract administration.</p>		<p>to meet costs associated with developing a project for the restoration and development of the Maison Dieu (Dover Town Hall). Cabinet is now requested to delegate authority to Officers to appoint consultants who will prepare a second-round application seeking further funding for the delivery of the project.</p>	
--	---	--	--	--

Decision Status	Record of Decision	Alternative options considered and rejected (if any)	Reasons for Decision	Conflicts of interest (if any) declared by decision maker(s) or consultees (if any)
<p>CAB 78 14.1.19 Open</p> <p>Key Decisions Yes</p> <p>Call-in to apply Yes</p> <p>Implementation</p>	<p><u>MAISON DIEU CAR PARK: COMMUNITY FACILITY</u></p> <p>It was agreed:</p> <p>(a) That the proposals being developed by Dover Town Council, in partnership with the Dover Community Association, to provide a community facility including new public conveniences within Maison Dieu car park, be supported and noted.</p> <p>(b) That the principle of the Council leasing the land required to support the development to Dover Town Council be approved,</p>	<p>None.</p>	<p>Since the closure of the Biggin Hall lavatories some 12 months ago, Dover Town Council has been working with this Council and the Dover Community Association to bring forward proposals</p>	

<p>Date 22 January 2019</p>	<p>and the Strategic Director (Operations and Commercial) be authorised, in consultation with the Portfolio Holder for Property Management and Environmental Health, to conclude the details of the agreement.</p> <p>(c) That, in so far as the proposed leasing of the land involves the disposal of land forming part of an open space, public notice be given of the intention to grant the lease to Dover Town Council, pursuant to the requirements of section 123(2A) of the Local Government Act 1972.</p> <p>(d) That the provision of a financial contribution of £90,000 to Dover Town Council to support the project, pursuant to section 136 of the Local Government Act 1972, be approved.</p>		<p>for alternative facilities in this part of town.</p>	
--	--	--	---	--

Decision Status	Record of Decision	Alternative options considered and rejected (if any)	Reasons for Decision	Conflicts of interest (if any) declared by decision maker(s) or consultees (if any)
<p>CAB 79 14.1.19 Open</p> <p>Key Decisions No</p> <p>Call-in to apply Yes</p> <p>Implementation Date 22 January 2019</p>	<p><u>KENT JOINT MUNICIPAL WASTE MANAGEMENT STRATEGY REFRESH</u></p> <p>It was agreed that the refreshed Kent Joint Municipal Waste Management Strategy, as set out at Appendix 2 of the report, be approved for adoption by the Council.</p>	<p>None.</p>	<p>The first Kent Joint Municipal Waste Management Strategy (KJMWMS), which sets out how the county will manage its resource materials and household waste up to 2021, was adopted by 13 Kent councils in 2007. The strategy was last revised in 2012 and now requires</p>	

			updating.	
--	--	--	-----------	--

Decision Status	Record of Decision	Alternative options considered and rejected (if any)	Reasons for Decision	Conflicts of interest (if any) declared by decision maker(s) or consultees (if any)
CAB 80 14.1.19 Open Key Decisions No Call-in to apply Yes Implementation Date 22 January 2019	<u>AWARD OF GRANT FUNDING - TRIANGLES COMMUNITY CENTRE</u> It was agreed that the payment of a grant in the sum of £150,000 to St Radigund's Community Centre Company be approved, subject to: <ul style="list-style-type: none"> (i) Conditions being attached to the grant requiring it to be used to pay for repairs to the community centre building, to be agreed with the Council through the Strategic Director (Operations and Commercial), in consultation with the Portfolio Holder for Corporate Resources and Performance. (ii) The proposed development of interim housing on the Triangles land being granted planning consent; and (iii) The lease on the land shown hatched on the plan attached at Appendix 1 to the report being surrendered to the Council for £1. 	None.	The Council has recently approved a project to build interim housing on land adjacent to the Triangles Community Centre. In order to ensure that the community centre continues to operate for the use of new and existing residents, Cabinet is requested to approve a grant so that essential repairs can be carried out to the centre.	

Decision Status	Record of Decision	Alternative options considered and rejected (if any)	Reasons for Decision	Conflicts of interest (if any) declared by decision maker(s) or consultees (if any)
CAB 81 14.1.19 Open	<u>CHAIRMANSHIP OF HOMELESSNESS PROJECT ADVISORY GROUP</u> It was agreed that Councillor Pauline Beresford assume the chairmanship of the Homelessness Project Advisory Group.	None.	To reflect amendments made to Cabinet portfolio responsibilities, it is	

Key Decisions No Call-in to apply Yes Implementation Date 22 January 2019			recommended that the chairmanship of the Homelessness Project Advisory Group should be changed.	
---	--	--	---	--

Decision Status	Record of Decision	Alternative options considered and rejected (if any)	Reasons for Decision	Conflicts of interest (if any) declared by decision maker(s) or consultees (if any)
CAB 82 14.1.19 Open Key Decisions No Call-in to apply Yes Implementation Date 22 January 2019	<u>MEMBERSHIP OF PROJECT ADVISORY GROUPS</u> It was agreed that the following changes to Project Advisory Groups (PAG) be approved: Dover Town Centre & Waterfront PAG – Councillor A M Napier to replace Councillor M R Eddy Residential Investment PAG – Councillor P M Wallace to replace Councillor M R Eddy Investment Advisory Group – Councillors K Mills and M I Cosin (as Scrutiny Policy & Performance) Committee Chairman) to replace Councillors P M Wallace and K Mills (as Scrutiny (Policy & Performance) Committee Chairman)	None.	The Labour Group has requested that changes be made to seats allocated to the Group on three Project Advisory Groups.	

Decision Status	Record of Decision	Alternative options considered and rejected (if any)	Reasons for Decision	Conflicts of interest (if any) declared by decision maker(s) or consultees (if any)
CAB 83 14.1.19 Open Key Decisions No Call-in to apply Yes Implementation Date Immediate	<u>EXCLUSION OF THE PRESS AND PUBLIC</u> That, in accordance with the provisions of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the press and the public be excluded during consideration of the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A of the Local Government Act 1972.	None.		

Decision Status	Record of Decision	Alternative options considered and rejected (if any)	Reasons for Decision	Conflicts of interest (if any) declared by decision maker(s) or consultees (if any)
CAB 84 14.1.19 Exempt Key Decisions No Call-in to apply Yes Implementation Date 22 January 2019	<u>WORKS TO RETAIL UNITS AT MARKET SQUARE, AYLESHAM</u> It was agreed that the use of the Capital Contingency fund to cover the final cost of fitting out the retail units at Market Square, Aylesham be approved.	None.	The Council purchased four new retail units at Market Square, Aylesham in 2017 as a strategic investment. The cost of fitting out these units has risen since the original estimate, and Cabinet is requested to approve the use of	

			contingency funds to cover the shortfall.	
--	--	--	---	--

The meeting ended at 11.26 am.

Subject:	COUNCIL BUDGET 2019/20 AND MEDIUM-TERM FINANCIAL PLAN 2019/20–2022/23
Meeting and Date:	Cabinet – 5 February 2019 Scrutiny (Policy and Performance) Committee – 12 February 2019
Report of:	Mike Davis, Strategic Director (Corporate Resources)
Portfolio Holder:	Councillor Michael Conolly, Portfolio Holder for Corporate Resources and Performance
Decision Type:	Key
Classification:	Unrestricted

Purpose of the report: To progress approval of the 2019/20 Budget and the Medium-Term Financial Plan (MTFP) for 2019/20–2022/23

Recommendation: It is recommended that Cabinet:

- Consider the draft General Fund Revenue Budget, the Capital and Special Projects Programmes, the Housing Revenue Account budget, and the content of the Medium-Term Financial Plan (MTFP) as proposed in Appendix 1, and advise the Strategic Director (Corporate Resources) of any changes they require to be incorporated in the final version;
- Agree that a web-based consultation on the budget is undertaken;
- Note that the Council Tax Resolution and Treasury Management, Investment and Capital Strategies will be added to the MTFP and other minor adjustments made before being presented to Council in March.

1. Summary

1.1 This report has been produced to seek Cabinet approval to develop the 2019/20 budget and MTFP for 2019/20–2022/23 on the basis detailed in Appendix 1. The report will also be considered by Scrutiny (Policy and Performance) on 12 February.

1.2 If agreed by Cabinet, the document will be amended and finalised before being presented back to Cabinet, together with any Scrutiny recommendations, and then to Council in March, together with the specific recommendations for Cabinet and Council and the resolution to set the Council Tax. At this stage the resolution to set the Council Tax cannot be included because the precepts from Towns and Parishes, Kent County Council (KCC), Kent Police Authority and Kent and Medway Towns Fire Authority have not all been received.

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 Strategic Director (Corporate Resources), as 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 Medium Term Financial Plan report (Appendix 1).

- 2.2 The MTFP contains a number of recommendations. These are shown at the end of the sections within the MTFP and consolidated in Annex 12.

General Fund Budget

- 2.3 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 and the localisation of Business Rates.
- 2.4 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.
- 2.5 The 2019/20 settlement from Government is currently under consultation and the figures in Appendix 1 are based on the provisional settlement provided in December 2018. It is not anticipated that there will be significant changes to the settlement figures in the final version of the report.
- 2.6 The figures for Business Rates are also draft at this stage, based on the draft settlement. These figures will be reviewed further after the completion of the NDR1 return, and the MTFP will be revised if necessary.

Capital Programme

- 2.7 The Council holds limited capital resources (other than the capacity to borrow¹), but within these resources it has discretion over which projects to support. The Medium Term Capital Programme shows that resources have been applied to the regeneration projects in support of the Council's corporate objectives.
- 2.8 The funding for capital and revenue projects will be significantly reduced by the current programme. Future capital receipts are expected to come mainly from housing right to buy sales and amount to £1m per annum at current sales levels, so will not fully replenish capital funds and will not be sufficient to wholly maintain the current level of activity in the future. No other major receipts are currently expected. Revenue project resources will also be significantly used and no significant new resources are expected other than from contributions from the revenue budget.

Housing Revenue Account (HRA)

- 2.9 The DCLG has directed that Councils reduce rents by 1% per annum (in cash terms) from 2015/16 levels for each of the following 4 years and this is included in the budget and MTFP. The aggregated loss of this rent income over the 4 year period is estimated to be £6.9m.
- 2.10 The Council has to ensure that the HRA remains viable and the impact of the rent reduction is having an impact on the HRA position. This position is forecast to

¹ Borrowing can be undertaken for capital purchases but has a resultant impact on revenue budgets to finance the interest and repayment costs.

improve in future years due to the ability to return to rent increases² (from 2020/21) and the impact of additional housing properties to the HRA stock.

Future Budgets

- 2.11 The MTFP is a planning document, so approval of the budget for 2019/20 and adoption of the MTFP does not commit the Council to the forecast budgets for 2020/21 to 2022/23. These are for planning purposes and are likely to be adjusted in the light of new information or changes in the Council's circumstances.

Consultation

- 2.12 A web based consultation has been prepared to offer residents and businesses the opportunity to comment on the budget. It is proposed to launch the consultation following the Cabinet meeting for this report.

3. Identification of Options

- 3.1 Cabinet cannot change the financing received from government. They can recommend an increase in Council Tax, subject to the referendum conditions, and they can change budget allocations. Cabinet then recommend the budget and Council Tax level to Council.

- 3.2 The Council is required to set a budget, and so declining to do so is not an option. Council could choose to amend Cabinet's budget recommendations, but is subject to the same constraints concerning government funding and Council Tax. Council can change the allocation of resources between services, and that option remains open to the Council during the financial year.

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 equality implications however in discharging their duties members are required to comply with the public sector equality duty as set out in Section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>.

6. Appendices

Appendix 1 – DRAFT Budget for 2019/20 and Medium Term Financial Plan 2019/20 - 2022/23

7. Background Papers

² The Government announcement in the Autumn that the rent reduction policy won't continue beyond the end of March 2020 and that rent policy will revert back to rent increases capped at CPI +1%.

2019/20 budget working papers

Contact Officer: Helen Lamb, Head of Finance and Housing - ext.42063



**Draft
Budget 2019/20
and
Medium Term
Financial Plan
2019/20 – 2022/23**

CONTENTS

Executive Summary

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
1C	NDR Additional Information
2A	General Fund Service Expenditure by Cost Type
2B	General Fund Key Figures
3	Key Variances in General Fund Revenue Budgets To follow in the next circulation
4	Three Year General Fund Revenue Budget Projection
5A – 5D	Service Summaries and Budgets
6	Projection of General Fund Reserves
7	Housing Revenue Account Budget Summary
7A	Key Variances in Housing Revenue Account Budget
7B	Housing Revenue Account Four-Year Forecast
7C	Housing Revenue Account Schemes
8A	Capital Programme
8B	Capital Receipts
8C	Special Revenue Projects Programme
9A	Capital Strategy To follow in the next circulation
9B	Treasury Management Strategy To follow in the next circulation
9C	Investment Strategy To follow in the next circulation
10A	Council Tax Resolution To follow in the next circulation
10B	Town Council & Parish Precepts To follow in the next circulation
10C	Precepts & the NDR Multiplier To follow in the next circulation
11	Grants to Other Organisations
12	Summary of Recommendations To follow in the next circulation

EXECUTIVE SUMMARY

OVERALL POSITION

1. This section provides a summary of the main points of the budget and Medium Term Financial Plan (MTFP) covering the General Fund Revenue Budget, Housing Revenue Account (HRA) and Capital Programme.

BUDGET AND MEDIUM TERM PLANS

2. 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.
3. 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. This MTFP covers the period 2019/20 – 2022/23.
4. Year 1 (2019/20) is the formally approved budget for the coming year. Years 2 - 4 of the MTFP (2020/21 – 2022/23) 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.
5. Regard has been given to the resources required to deliver the Council's objectives and the budget has been prepared to reflect the anticipated service costs and pressures.
6. It is the view of the Strategic Director (Corporate Resources) (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 report the estimates are robust and the resources are adequate for the Council's spending plans in 2019/20.
7. However, current funding, in particular from Business Rates (BR), is volatile, difficult to predict and generally outside of the Council's control.
8. The Council was part of the Kent pilot scheme for 100% Business Rates Retention for 2018/19, which is estimated to generate an additional £750k - £800k for DDC ('Financial Sustainability Fund' element) and a further share of 'Growth Fund' monies attributed to the East Kent cluster (incl. Ashford). Kent was not successful in its Pilot scheme bid for 2019/20 and reverts to a 'pooling' arrangement for business rates with the other Kent authorities. While this does not generate as much income, it *does* mean that more growth is retained due to a reduction in the levy payable on growth from 50% on an individual authority basis to less than 5%, typically, on a pooling basis. The MTFP assumes the pooling arrangement continues in future years. Monitoring of the position will continue throughout the year and changes reported to Members through the quarterly budget monitoring reports.
9. Future projections are also subject to a greater margin of error. It is known that BR retention will be reduced from 100% in 2018/19 to 50% in 2019/20, and then become a 75% scheme from 2020/21 onwards. It is not clear how it will work beyond 2019/20, and projections are on the basis of 50% local retention only, with DDC's

share being 40% (or 80% of the locally retained amount). The 'tier splits' under the 75% scheme is not known (for example, DDC might still only receive 40% even on transition to the 75% local retention scheme, with the remainder going to County). Government hopes that the sector can propose its own splits with the potential for a default position if no agreement can be agreed. The current assumption of 40% being retained by DDC is therefore cautious.

10. Business Rates Growth retained by DDC is likely to reduce at each 're-set', although some growth is expected to be transferred to Baseline Need. This is not yet built into the projections, but won't impact 2019/20, as the first full re-set is scheduled for 2020/21.
11. The Government has also undertaken a consultation on future local government finance called the Fair Funding Review (FFR). At this stage it is not clear what impact this will have on the Council, and on the proportion of local government funding that is allocated to district council functions compared to that allocated to social services and other upper-tier functions.

BUDGET HEADLINES

GENERAL FUND

12. The General Fund headlines are:
 - Funded General Fund budget for 2019/20 ;
 - Prudent General Fund balances maintained at over £2.7m;
 - Council Tax increase of £4.95, below the full £5.47 (equivalent to 3%) permitted by Government. This maintains the lowest Council Tax in East Kent;
 - Overall net expenditure levels increased slightly, in line with inflation;
 - No significant reductions in funding for services and no major changes in staffing levels;
 - Pressure comes mainly from reduced funding streams:
 - Revenue Support Grant 90% reduction in 2019/20, and forecast to be nil for the future;
 - New Homes Bonus scheme retained at four years in 2019/20, forecast to reduce to nil by 2023/24;
 - The Business Rates (BR)¹ regime remains complex, volatile and is beyond simple explanation. For Dover, a large proportion of the Council's BR income is generated from a small number of properties;
 - Results of the fair funding review are awaited as well as the impact of any other changes. There may therefore be other changes to funding streams for future years which will be incorporated into future budgets.
 - Additional income has been generated and used to protect services. The main sources are from :
 - Increased Business Rates;
 - Increased Council Tax base and charge;
 - Treasury management investments;
 - Commercial property regeneration initiatives;
 - Externalisation of Revenues and Benefits and Customer Services to Civica.

¹ Business Rates (BR) and Non Domestic Rates (NDR) are terms which are now used interchangeably by Government and Local Government.

THE HOUSING REVENUE ACCOUNT

13. The Housing Revenue Account (HRA) headlines are:
- 2019/20 budget funded;
 - HRA balances maintained for 2019/20;
 - Major variances for 2019/20:
 - On-going 1 % rent reduction;
 - Increased capital works;
 - Rents set by Government, and have been reduced by a further 1% in 2019/20;
 - Rents have reduced by 1% per annum for the previous 3 years as required by Government;
 - By year 4 (2019/20) of the rent decrease the annual rent income is projected to have fallen 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;
 - The Council's ability to service the £76m debt, that the Government required it to incur, needs to be protected, and this should continue to be a priority;

THE CAPITAL AND REVENUE PROJECTS PROGRAMME

14. The capital and revenue projects programme headlines are:
- The current capital programme totals £253m and is fully funded (subject to the borrowing arrangements for the Dover District Leisure Centre and the Property Investment Strategy²);
 - The major projects in the programme are;
 - Property Investment Strategy;
 - Construction of Dover District Leisure Centre;
 - Development of a Bus Rapid Transit System (BRT);
 - Refurbishment of Dover Town Hall;
 - Refurbishment of Tides Leisure Centre; and
 - Street lighting works.
 - The resources for funding capital and revenue projects will be largely exhausted by the current programme.
 - Future capital receipts are expected to come mainly from one-off asset sales and on-going housing right to buy sales which amount to £300k per annum at current sales levels, so will not replenish capital funds and will not be sufficient to maintain the current planned level of activity in the future.
 - Revenue project resources will also be largely depleted and no significant new resources are expected other than from contributions from the revenue budget.
 - Borrowing for capital purposes can be undertaken but this will make business case proposals for projects more challenging.

TREASURY MANAGEMENT STRATEGY STATEMENT

15. The Treasury Management Strategy Statement, including the Prudential Indicators and Minimum Revenue Provision Statement is included at Annex 9.

² The borrowing approvals for the Leisure Centre and Property Investment Strategy total £185m and so the underlying capital programme is £68m.

KEY ASSUMPTIONS AND SIGNIFICANT BUDGET RISKS

16. 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 this MTFP in order to ensure that Members are aware of the basis of the budget.
17. 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

18. Members are asked to consider the MTFP in relation to the other key plans and strategies, in particular the Corporate Plan.

THE GENERAL FUND REVENUE ACCOUNTS

INTRODUCTION

19. All the Council's services, other than housing, are provided through the General Fund (GF). The GF is mainly financed by Council Tax (CT), Business Rates (BR) and Enterprise Zone Relief, Revenue Support Grant (RSG, received from government), and New Homes Bonus (NHB, also received from government).

FINANCIAL OBJECTIVES

20. The main financial objectives for the GF Revenue Account³ are as follows:
- Produce a fully funded GF 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.

BUDGET DISCIPLINE

21. Corporate Management Team, in consultation with Members, have reviewed their service areas in order to support delivery of efficient and effective services within the budgets available.
22. 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.
23. The Council also has the facility to undertake efficiency and service reviews, "Delivering Effective Services (DES)". The DES team's role is to review services to deliver efficiencies, savings, alternative delivery methods, digital improvements, smarter working and improved customer experiences.
24. 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. Accordingly, managers are given the opportunity to carry forward unused elements of their budget, subject to approval by the Strategic Director (Corporate Resources).

THE GENERAL FUND BUDGET SUMMARY

25. The Council's GF revenue budget for 2019/20 is shown in Annex 1. The budget is funded, and the GF balance is forecast to be £2.72m. The net budget requirement for the Council's own purposes, after transfers to/from earmarked reserves is £14.27m.

³ The Revenue Account funds day to day recurrent expenditure. There are separate financing arrangements for capital expenditure where the benefit of the expenditure lasts for more than one year.

Movement of budget requirement between 2018/19 and 2019/20	2018/19 Original Budget £000	2019/20 Original Budget £000
Budget Requirement:		
Gross Revenue Expenditure	68,930	62,486
Gross Revenue Income	(54,992)	(48,212)
Underlying Budget Requirement	13,938	14,276
Earmarked Reserve adjustments ⁴	0,451	1,287
Net Budget Requirement	14,389	15,561
Budget Financing	(14,488)	(15,491)
(Surplus) / Deficit	(99)	70

26. The gross expenditure and income figures have both moved significantly (approx. £6m) due to the implementation of Universal Credit and the resulting reduction in Housing Benefits payments to claimants and offsetting reduction in Government funding. The underlying Budget Requirement has increased slightly between the financial years representing the impact of inflationary increases.
27. The Council's GF revenue budget for 2019/20 is shown in Annex 1. The budget is funded, and the GF balance is forecast to be £2.7m.

KEY VARIANCES / SIGNIFICANT ISSUES

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

	£000	£000
2018/19 Original Budget Forecast		(99)
<u>Variances in Funding</u>		
Decrease in Revenue Support Grant	512	
Increase in Enterprise Zone Relief Grant	(481)	
Increase in Renewable Energy Retained	(153)	
Increase in NNDR Funding	(233)	
Decrease in NNDR Deficit	(171)	
Increase in Council Tax – tax base & charge	(293)	
Decrease in Collection Fund Surplus (Council Tax)	29	
Increase in New Homes Bonus	(213)	
Total Variances in Funding		(1,003)
<u>Variances in Corporate and Service Budgets</u>		
Inflationary pressures, contracts, salaries, etc.	600	
Reduction in car parking income	150	
Homelessness expenditure reduced	(100)	
Boundary review savings	(60)	
Additional investment in Enforcement	30	
Additional investment in Tourism	50	

⁴ Earmarked reserves are used to offset agreed expenditure within services in accordance with the protocols detailed in Annex 6.

	£000	£000
NDR Deficit offset by reserve transfer	171	
Increased apprenticeship budget	25	
Additional digital support	50	
Reduction in staff charges to projects	150	
Reduction in staff charges to HRA	90	
Numerous miscellaneous variances	16	
Total Variances in Corporate and Service Budgets		1,172
2019/20 Budget Forecast		70

GENERAL FUND KEY ELEMENTS

29. The main factors impacting the General Fund budget are detailed below.

Staff Salaries

30. Independent advice on the cost of living increase is received to form the basis of negotiations for the 2019/20 pay settlement and is factored into the budget.

Vacancy Allowance and Organisational Savings

31. The vacancy allowance (savings from staff turnover) has been set at £200k. It is proposed to continue an employment management process to maintain the link between approved service standards and the approval of posts to be filled.

Pension Fund

32. 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 "2016 valuation") of the KCC pension fund started in April 2016, and was implemented from April 2017.
33. 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 14.6% to 15.5%.
34. The annual calculations in respect of pension benefits as at 31 March 2018 estimated an increase in the pension fund deficit for Dover. Dover is paying this deficit off over the next 17 years as agreed with the actuary. As a result the fixed sum to finance the deficit was increased from £1.91m to £1.96m (for all staff, including HRA) in 2018/19.
35. It should be noted that changes to the pension fund deficit are 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

36. Setting a guideline level of inflation introduces a risk of “over budgeting”. Instead, all managers are asked to consider the specific quantity and price of services they will actually need in the coming year and to reduce expenditure where possible.
37. The other significant area of potential inflation pressures relates to major term contracts. In 2019/20 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 £100k variance in costs.

Contingency Provision

38. Contingency provision of £120k has been included to meet any unexpected expenditure commitments, if they cannot be contained within other budgets. 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

39. 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

40. East Kent Services manage the ICT and Human Resources functions on behalf of Dover, Canterbury and Thanet Councils. They also manage the revenues & benefits and customer services contract with Civica (which started on 1st February 2018) on behalf of the East Kent Councils. Thanet are the accountable body for these arrangements and they will continue to handle the accounting arrangements and be billed by Civica, and they in turn will charge management fees to Dover, as at present.
41. The Council 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 Folkestone and Hythe District Council (FHDC) 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. As the contract is due to end in

January 2021 the process has started to look at outsourcing a joint waste contract with FHDC and to consider bringing the street cleansing elements back in house.

42. East Kent Audit partnership (EKAP), hosted by Dover, provides internal audit services to Dover, Folkestone and Hythe, Canterbury and Thanet (including East Kent Services) Councils and East Kent Housing.

Interest on Investments

43. The overall interest rates achieved in 2019/20 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.
44. The Bank of England increased the base rate in August 2018 for only the second time in ten years to 0.75%, but it is still very low. Uncertainty remains in the financial markets due to the on-going process of how the UK will leave the EU.
45. As of the 31st December 2018 the Council has a total of £40m invested in pooled investment funds. These are forecast to generate an income return of between 4-5% per annum. An additional £10m will be placed into pooled investment funds in 18/19.
46. The MTFP assumes that the Council's investments overall will earn the General Fund £1,806k (an additional £827k on the level budgeted for 2018/19), mainly due to the higher returns being received from the pooled investment funds and a change in the split between General Fund and HRA.
47. Changes to accounting requirements under IFRS9 may require fluctuations in the capital value of investments to be charged to the Income & Expenditure Account from 1st April 2018, even though these are not realised unless investments are sold. MHCLG have confirmed that they will be introducing a statutory override to mitigate the volatility caused by changes in the fair values of pooled funds. This will be in place for five years.
48. 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.

Regeneration and Property Investment

49. On 30 November 2016 Council approved the Property Investment Strategy. This approved investing up to £200m in commercial and residential property, either directly or through a property company, primarily in order to increase economic regeneration and also to generate returns.
50. Transfer of Garages

- In March 2017 Cabinet approved the transfer of garages, shops and land from the HRA to the General Fund, the transfer was forecast to deliver circa £286k net income for the General Fund.
- For the financial year 2017/18 a net income of £295k was achieved, this level is forecast to be exceeded in 2018/19 once the letting of the Aylesham shops is completed.

51. B&Q Whitfield

- The B&Q property is a modern purpose built retail warehouse constructed in 2008 providing 62,180 sq. ft. with external garden centre and builder's yard. The site extends to approximately 8.8 acres (3.56 hectares) and is situated in a highly prominent position, adjacent to and visible from the A2. The property is let entirely to B&Q plc until May 2028.
- In September 2017 the purchase of the freehold was completed for £16.29m resulting in a total cost, including Stamp Duty, external fees, internal recharges, etc., of £17.25m.
- The lease income is £1.1m per annum, increasing to £1.2m from 2023. Based on funding this purchase from PWLB borrowing over 40 years annual costs, including borrowing and management, were forecast at £800k per annum, resulting in a retained income of £268k. This equates to a gross return of 6.2% and a net return of 1.6%.

52. Whitfield Court

- Whitfield Court is a modern multi-let business park comprising of 14 office and light industrial units totalling 45,636 sq. ft. Situated on the established White Cliffs Business Park and easily accessible from the A2. The freehold is currently let to seven tenants with an average unexpired lease term of 8.15 years to expiry and 5.26 years to break.
- In December 2017 the purchase of the freehold was completed for £4.25m, resulting in a total cost, including Stamp Duty, external fees, internal recharges, etc., of £4.5m.
- The total lease income (based on all units being let) is £337k per annum. Annual costs, including borrowing and management, were forecast at £217k per annum, resulting in a retained income of £120k. This equates to a gross return of 7.47% and a net return of 2.65%.

53. Former Co-op Building, Castle Street, Dover

- The site was previously occupied by the Co-op retail store and remains partially occupied by Action Carpets on a secure tenancy. It is considered that the site has longer term development potential for retail, residential or mixed used development (all subject to financial evaluation and appropriate planning consent).
- In April 2018 the purchase of the freehold was completed for £625k, resulting in a total cost, including Stamp Duty, external fees, internal recharges, etc., of £660k. At that time the site was proposed to be demolished and converted into car parking for the area, with a forecast net income after costs of £12k per annum (if funded from internal resources).

- In July 2018 Cabinet approved a proposal to bring into temporary use the former Co-op building as a Mean-While space to provide an area to support community activities and to enable entrepreneurs and new businesses to market test their products/services.
- This project is now in progress; officers worked closely with Dover Big Local (DBL) over the summer to ensure all suitability and governance checks were conducted, the building passed all necessary health and safety inspections and the building lease was agreed and signed in August 2018.
- Since signing the lease DBL has been in occupation of the building with its various contractors and designers developing the space. The first Maker/Seller shop opened early December and has been followed by three more during January. There are firm plans to have three more shop units open during February. Negotiations are proceeding with two further businesses – one existing, looking for expansion, and the other a start-up. Additionally two office based businesses are up and running and two additional units will be occupied by the end of January. Current plans are for a further unit to open during March. The proposed Refreshment area operator has brought equipment onto site and plans to be operational shortly.
- Further events and activities are planned for the coming months and DDC continues to work with DBL to provide support and assistance where required.
- Options for the long term future of the site continue to be developed by officers for future consideration by Members.

54. Future Investments

- The 2019/20 budget includes a £100k target to achieve additional income from further projects to be identified through the Property Investment Strategy.

Other Income Streams and Fees and Charges Made by DDC

55. 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;
 - Appropriate price points – it is more sensible to increase by rounded 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.
56. The only Fees and Charges that are not included in this process are for car parking, which are the subject of a separate report.
57. The main sources of income and relevant issues are summarised below.

- Car Parking

The 2018/19 gross income (before costs) for parking fees and penalty charge notices is currently forecast to be less than the original budget of £2.6m at £2.4m. This is mainly due to the St James's development car park being free of charge for the first eight months of the financial year and the resultant impact on parking in DDC owned car parks.

There will be no increase in fees for 2019/20 in order to continue the support for the high street. Accordingly, the income for 2019/20 is anticipated to stay at £2.4m. The income is unlikely to increase in 2019/20 due to the new leisure centre having free car parking, Tides car park becoming a free car park, and the closure of several car parks in the district.

The Council expects a small deficit from on-street parking in 2019/20 (the deficit is forecast to be £3k in 2019/20 compared to a deficit of £42k in 2018/19). In accordance with Section 55 of the Road Traffic Act 1984 (and subsequent updates), the deficit will be funded from the On-Street Parking Reserve (which is the surplus from on-street parking from previous years which has been set aside to carry out permitted activities as specified in the Road Traffic Act). Any surplus over £100k would be remitted to KCC. In 2018/19 it is anticipated that £37k of the surplus will be spent.

- Rental Income

The 2019/20 budget forecasts rental income of over £2.1m. This consists of the rent (excluding any costs) for the Property Investment purchases as detailed above as well as existing rental streams from corporate properties, including the letting of space at DDC's Whitfield offices.

- Development Management

The original budget for Development Management fee income in 2018/19 was £715k incorporating £650k for planning application fees and £65k for pre-application fees. Planning application fee income is standing at £438k as at 30/11/18. Whilst it is always difficult to predict Development Management fee income, it is anticipated that the planning application fee income should rise to £656k approx. by the end of the financial year. There has also been a continued improvement in the level of pre-application advice with a circa £5k increase anticipated by the end of year.

The income budget for 2019/20 has decreased to £660k to reflect the Fees and Charges report estimates. The anticipated reduction in income reflects the mix of application types and also a lower take-up of pre-application advice.

With effect from January 2018 regulations introduced a 20% increase in planning fees. This additional income is not included in the above figures and has been retained in a separate budget for planning related functions yet to be decided.

- Licensing

This includes Alcohol, Public Entertainment, Taxis, Gambling and other miscellaneous licences. The original budget for 2018/19 was set at -£209k; the 2018/19 forecast has been increased to -£267k as a result of increased income

from new premises licences, animal establishment licences, family entertainment centres and hackney carriage / private hire vehicle licences.

The 2019/20 budget has increased slightly to -£216k most significantly due to the increase in veterinary and animal establishment inspections following introduction of The Animal Welfare (Licensing of Activities Involving Animals (England) Regulations 2018 that offsets an anticipated reduction in income from private hire vehicles licences as reflected in the Fees and Charges report estimates.

- Land Charges

The original 2018/19 budget of £196k is expected to be achieved based on the number of search requests expected. The 2019/20 budget however has been reduced and set at £180k due to free data accessibility and the availability of data elsewhere impacting on income.

Statutory Instrument 2018 No.273 came into force on 6 April 2018 which allows for HM Land Registry to take over responsibility for the Local Land Charges Register. The CON29 charge is to remain the responsibility of the Local Authority. Phase 1 of the HMLR data migration project commenced in July 2018. Up to 26 local authorities are expected to transfer to HM Land Registry by March 2019 – Dover is not part of Phase 1. The timing of future phases has not been decided yet and will be subject to decisions by Ministers. Because of the scale and complexity of the service change, the entire data migration for all 326 local authorities could take up to seven years.

- Green Waste Subscription Service

The Green Waste subscription service original budget for 2018/19 was set at £248k. The 2018/19 forecast has been increased to £300k to reflect the actual level of take up in the year. The 2019/20 budget has been set at £300k based on an estimate of approximately 6,600 subscribers and an increase in the cost of the service.

- Building Control

The Building Control (BRFE) income is largely dependent upon construction activity. Assumptions about the level of activity combined with the economic forecasts led to a budget of £315k being set for 2018/19. The year-to-date receipts are in line with the forecast budget. Trends suggest increasing construction activity locally (if not nationally) and there will be a modest increase in fees and charges. Hence the budget for 2019/20 has been set at £320k.

58. In total the major fees and charges generate approximately £6.52m gross towards the General Fund budget.

Grants to Organisations

59. The Council makes grants to organisations in two ways; by concessionary rental and by cash payments. The value of grants proposed for 2019/20 totals £348k comprising concessionary rental of £38k and payments of £310k. The individual grants with the organisation names and the grant purposes are set out in Annex 11.

FINANCING THE BUDGET

60. Financing of the net 2019/20 requirement is shown below.

2019/20 General Fund Revenue Financing	£000	%
Non-Domestic Rates Income – baseline	3,643	
Non-Domestic Rates Income - growth, S31 grant, less levy, etc.	1,587	
NNDR Collection Fund Deficit – relating to prior years' appeals/appeals erosion of income	(434)	
Enterprise Zone Relief Grant	1,100	
Renewable Energy Retained	484	
Total NNDR Funding	6,380	41.2
Revenue Support Grant	56	0.4
New Homes Bonus	1,729	11.1
Council Tax	7,216	46.6
Collection Fund Surplus (Council Tax)	112	0.7
Total Financing	15,493	100.0

61. The year on year changes in financing are detailed at Annex 1C. The following sections provide further explanation of the Council's main funding streams.

REVENUE SUPPORT GRANT

62. RSG (from Government) has been reduced by significant amounts every year since 2012/13. In order to provide certainty for the future settlements the council (in common with all but 10 other English Councils) accepted the Government's offer of a 4 year settlement and 2018/19 is the third year.
63. The cash settlements are shown in the table below. RSG is expected to fall away to nil from 2019/20. The reductions in RSG account for the bulk of the Council's future savings requirement.

Revenue Support Grant Settlement	Grant £000	Reduction £000	Reduction %	Cumulative £000	Cumulative %
2012/13 ⁵	5,112				
2013/14 ⁶	4,699	413	8.1	413	8.1
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	1,758	771	30.5	3,354	65.6
2017/18	1,027	731	41.6	4,085	79.9
2018/19	568	459	44.7	4,544	88.9
2019/20	57	511	90.0	5,055	98.9
2020/21 Onwards	0	57	100.00	5,122	100.0

64. For financial planning purposes it has been assumed that RSG remains at zero for the remainder of the MTFP planning period.

⁵ 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.

⁶ 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.

BUSINESS RATES (BR)

65. There are a number of significant aspects to the current business rates regime:
- “Real” Growth
 - The DDC BR Profile
 - The Business rates Pilot and Pool
 - Forecast BR Income for 2019/20
 - Complexity and Volatility
 - The cost to businesses
 - “Real” retention
 - The impact on DDC funding
 - BR retention as a system of local government finance
 - Future Changes
 - An overview of Business Rates for the Dover District
66. Because of the complexity of BR these are explained in more detail in Annex 1C, and the main points are provided below.

Real Growth

67. The Dover District has been successful in generating significant real growth in developments in the district during 2016/17 – 2018/19 including:
- St. James Retail & Leisure Park, Dover
 - Dover District Leisure Centre
 - Combined Heat and Power Plant at Discovery Park
 - Supermarket (Lidl) at White Cliffs Business Park
 - Lok’nStore self-storage facility at White Cliffs Business Park
 - Maritime Skills Academy
 - Betteshanger Park
 - Discovery Park
 - Two new restaurants on Beach Street, Deal
 - The new Dover Leisure Centre, White Cliffs Business Park
 - Further units at White Cliffs Business Park
 - Business Rates Incentive Scheme providing grants to improve high street premises.
68. The district also benefits from an Enterprise Zone (EZ) at Discovery Park which has major benefits to businesses in terms of BR relief (generally at £55k per annum per business for five years) and the employment and economic activity this brings locally and regionally.
69. All of these projects will have a positive impact on the tax base of the district and therefore on the total income collected by DDC and the amount retained by the Council for its own purposes.
70. This level of growth is vital to the Council since it helps to offset the erosion of the tax base and BR income from BR appeals, or from unexpected downward revisions by the VOA.

DDC BR Profile

71. The BR profile for DDC is unusual in three main respects. First, a very high proportion of the income is concentrated at a small number of sites (hereditaments). That means that a change at just one site can have a significant effect on DDC's income.
72. Second, some of these, including the Channel Tunnel, Dover Port and the Enterprise Zone (EZ)/ Discovery Park are unique and their RVs are very hard to predict when revaluations are underway.

Dover's Rateable Values	Rateable Value ⁷ £000	%
Channel Tunnel	28,000	26
Discovery Park	9,382	9
Dover Harbour Board	2,720	2
Tesco, Whitfield	2,390	2
Sub Total	42,492	39
Remainder ⁸	65,650	61
Total	108,142	100

73. Third, the table below shows the volatility in DDC's share of BR since the local retention of BR was introduced. The majority of this volatility is due to how the BR retention scheme operates, and is not due to "real" changes.

NNDR/Business Rates (exc. EZ Grant)	DDC Share of Income £000	Reduction/ (Increase) £000	Reduction/ (Increase) %	Cumulative Change £000	Cumulative Change %
2012/13 ⁹	3,348				
2013/14	2,994	354	10.6	354	10.6
2014/15	4,682	(1,688)	(56.4)	(1,334)	(39.8)
2015/16	4,296	386	8.2	(948)	(28.3)
2016/17	2,805	1,491	34.7	543	16.2
2017/18	4,097	(1,292)	(46.1)	(749)	(22.4)
2018/19 Projected ¹⁰	5,664	(1,567)	(38.2)	(2,316)	(103.0)
2019/20 Estimated	5,281	383	6.8	(1,933)	(57.7)

74. Despite the extreme volatility, the estimated outcome for 2019/20 is still favourable for the Council compared to prior years, with the exception of 2018/19 which included additional one-off income while in the '100% growth retention' pilot scheme.

The Business Rates Pilot and Pool

75. For 2018/19 DDC was included, with KCC and all other Kent districts, in the Kent BR Pilot. Government has not renewed the Kent BR pilot for a second year and so the Kent BR Pool will resume operation.

⁷ Note – These figures are based on 2017 valuations. Rateable Value is not the same as the Business Rates paid. RV is multiplied by a government set multiplier (47.9p in 2017/18 increasing to 49.3p in 2018/19 for the standard multiplier) to determine the amount payable and this may be subject to BR reliefs.

⁸ The next largest site is just 1% of the total.

⁹ Split for 2012/13 based on proportion of RSG: NNDR for 2013/14 excl. Council Tax Support Funding.

¹⁰ Includes £810k est. additional income from '100% growth retention' pilot scheme in 2018/19 ('Financial Sustainability Fund' element only).

76. DDC is not a full Member of the BR pool, as it is advantageous to all pool members, including DDC, to minimise the BR levy we pay, by giving DDC “shadow” pool member status and this has been assumed for 2019/20.

Forecast Business Rates Income for 2019/20

77. A simplified illustration of the mechanism for the “50%” BR retention system is set out in the table below, based on draft 2019/20 data (before adjustment for S31 grant funding of reliefs).

Attribution of BR Income (Indicative)	£m
Dover district net rate yield	(41.2)
Less	
50% to Government	20.6
9% to KCC and 1% to Fire	4.1
Retained balance of 40%	(16.5)
Less: tariff to Government	12.1
Balance retained by DDC	(4.4)

78. From the 40% retained, if the baseline 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”. For Dover this means the bulk of the 40% is also paid to government. Once the tariff is set, a district will have to continue to pay this amount to government. If actual collection is lower (for example, due to demolition at Discovery Park, successful appeals by doctors surgeries, etc.) the council has to continue to pay the tariff, and bear the loss itself, as well as bearing the costs of the appeals refunds, which may stretch back over many years and may even pre-date the current system.

COUNCIL TAX

79. A Council Tax increase of 2.7% for DDC purposes has been assumed for the 2019/20 budget which, if approved, will produce a Band D Council Tax of £187.29. This will result in an increase of £4.95 per year on a Band D property, which is 52p within the Government’s capping requirements, which limit increases to 3%.
80. The increase in the tax base from 37,962.69 Band D equivalent properties in 2018/19 to 38,526.26 equivalent properties in 2019/20, which is a rise of 1.5% approx., is mainly due to new properties being registered for Council Tax (incl. estimates of new builds) and reduced claimant counts for Council Tax Reduction Scheme (CTRS) discounts, offset by a small increase in single person discounts.
81. The combined impact of the Council Tax increase and the tax base increase is forecast to generate total Council Tax income of £7.2m. For planning purposes a Council Tax increase of 3% per annum has been estimated for future years.

COMPARISON WITH OTHER DISTRICTS' 2018/19 BAND D COUNCIL TAX

82. DDC has one of the lowest Council Tax rates in Kent. A comparison with the East Kent authorities’ 2018/19 Council Tax rates is shown below. This shows the percentage that their 2018/19 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	182.34	-	-
Canterbury City Council	205.20	13%	£881k
Folkestone and Hythe District Council	244.53	34%	£2.40m
Thanet District Council	226.24	24%	£1.69m

NEW HOMES BONUS

83. New Homes Bonus (NHB) was funded by the MHCLG¹¹ from a top slice of existing local government finance. 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 results in offsetting savings being required.
84. The grant awarded to Dover since the start of the scheme is detailed below:

Year of Scheme	Financial Year	Annual Grant £000	Cumulative Grant £000	Cumulative Years Included
1	2011/12	294	294	1
2	2012/13	155	449	2
3	2013/14	450	899	3
4	2014/15	396	1,296	4
5	2015/16	275	1,570	5
6	2016/17	328	1,899	6
7	2017/18	415	1,865	5
8	2018/19	497	1,515	4
9	2019/20	488	1,729	4
10 (Estimated)	2020/21	400	1,385	3
11 (Estimated)	2021/22	400	800	2
12 (Estimated)	2022/23	400	400	1

85. The Government implemented changes to the scheme from 2017/18 resulting in a reduction in the number of years grant in payment from 6 years in 2016/17 to 5 years in 2017/18 and further reducing to 4 years in 2018/19. In addition Government has introduced a minimum growth level of 0.4%, below which no NHB will be paid. The growth delivered by DDC for the 2019/20 NHB calculations was sufficient to receive NHB of £488k.
86. For the purposes of the MTFP it has been assumed that NHB will be achieved at a rate of £400k per year as detailed in the table above. However, it is also assumed that a further reduction to the scheme will be implemented, reducing the payments by a year every financial year, resulting in nil payment by 2023/24. There may be changes to other areas of funding, for example from the results of the Fair Funding Review, that could offset this reduction but at this stage not enough information is available to incorporate other changes into the forecasts.

¹¹ Ministry of Housing, Communities and Local Government

COLLECTION FUNDS

87. The Collection Funds (CF) are statutory funds. They sit entirely outside of the General Fund and the Council budget.
88. The Council manages Collection Funds for Council Tax and Business Rates. Every year the CF is credited with the income from CT and BR (c. £65.4m and £43.8m respectively).
89. The CF is also debited with the precepts from DDC, KCC, Fire, Police etc. These precepts are based on the forecast of income based on assumptions about the tax base, collection rates, etc. So if income is below forecast the collection fund will show a deficit at the year end. If it is above forecast it will show a surplus.
90. This surplus (or deficit) is owed to (or by) the preceptors and will be added to (or deducted from) the following year's precept in order to distribute the surplus available in the CF or contribute the projected deficit back to the CF to top it up. This is a continuous rolling process.
91. It is forecast that there will be a surplus for Council Tax of £786k by the end of 2018/19 (Dover's share being £112k for recognition in 2019/20) and a deficit for NNDR of £1,086k by the end of 2018/19 (Dover's share being £434k approx. for contribution to the fund in 2019/20), but thereafter there should be no further deficit on the collection fund for NNDR. Dover's contribution of its share of the NNDR deficit in 2019/20 is funded from prior safety net and other adjustments set aside within the Business Rates & Council Tax Reserve.

GENERAL FUND RESERVES AND BALANCES

92. The uncertainty and volatility that has been introduced into the major income streams for Business Rates and NHB suggest that maintaining or increasing reserves would be prudent.
93. The proposed General Fund balance in 2019/20 of £2.7m is above the Council's £2m "minimum preferred level". £2.7m represents 18% of the Council's budget requirement or just over 2 months net expenditure. It is prudent but not excessive.
94. The forecasts for future years show a requirement to identify savings or income generation of circa £700k in 2020/21 followed by further savings or income of £1.1m in 2021/22 and an additional £600k in 2022/23. The main cause for the savings requirements, over and above the normal inflationary pressures, is the forecast reduction in New Homes Bonus and the estimated impact of significant contract renewals to be undertaken in the period. This is the normal pattern of MTFP projections since future cost pressures are generally identified in advance of potential savings.
95. The Council's earmarked reserves, and protocols for their use, are set out in Annex 6. Without these earmarked reserves the Council cannot 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.

96. Further supporting information on the GF budget is provided in the following Annexes:
- 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 1C includes further information on NDR financing;
 - Annex 2A shows the net service expenditure analysed by categories of expenditure and income;
 - Annex 2B shows the key expenditure and income figures and patterns for the General Fund;
 - Annex 3 provides a detailed variance analysis between the original budget for 2018/19 and the proposed budget for 2019/20 – to follow for the next circulation;
 - Annex 4 provides the General Fund Revenue Budget projection for the period to 2021/22;
 - Annexes 5A – 5C 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.

Recommendations from this Section

97. It is recommended that Cabinet:
- Approve the grants to organisations detailed at Annex 11.
98. It is recommended that Council:
- Approve the General Fund Revenue Budget for 2019/20 and the projected outturn for 2018/19;
 - 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

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

HRA FINANCIAL OBJECTIVES

101. 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;
 - 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;
 - Transfer the HRA balances in excess of the agreed adequate level to the Housing Initiatives Reserve (HIR) to be used for investment in 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 additional properties.
102. At the time of writing, the HRA has 4,288 dwellings, made up of 2,686 houses and 1,602 flats.
103. East Kent Housing is responsible for the management & maintenance of the Council's housing stock.

2019/20 DRAFT BUDGET AND MEDIUM TERM FORECAST

104. The HRA's financial position, detailed at Annex 7, can be summarised as follows:
 - HRA balance to be maintained for the period at £1m;
 - Projected surplus of £2.455m for 2018/19 to be transferred to the HIR for investment in additional properties;
 - Projected surplus of £2.485m for 2019/20 to be transferred to the HIR for investment in additional properties;
 - HIR balance fully committed to housing development projects (as detailed in paragraph 122) for the planning period.
105. The major variances between the 2018/19 budget and the 2019/20 proposed budget are:

- On-going 1% rent reduction;
 - Increase in major capital works, to include significant building of new properties
106. The future year projections show a reducing income stream from rents due to the Government requirement to reduce rents in cash terms 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. During 2019/20 the funding for the major HRA projects is forecast to reduce the balance on the HIR to nil. We are expecting to bring back 18 apartments in Norman Tailyour House along with 59 interim housing units, 65 units at William Muge and Snelgrove, and 9 at Capel-le-Ferne.
107. Annex 7 provides a draft HRA budget summary & Annex 7A provides an explanation of the main variations from the original 2018/19 budget to the 2018/19 projected outturn and from the 2018/19 projected outturn to the 2019/20 proposed budget. Annex 7B details the 4 year forecast position for the HRA.
108. The planned capital spend on existing council owned stock was supplied by EKH.

BACKGROUND

109. 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.
110. Government have also determined that:
- Local authority housing rents should reduce by 1% in cash terms for 4 years from 2016/17. 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 previously being accrued.
111. The HRA budget is in surplus 2019/20 and continues to contribute to the Housing Investment Reserve. However it is forecast that the HIR will be fully committed during 2019/20 as we embark on major building projects. It is likely that the Council will need to consider options to undertake borrowing to support the on-going programme of housing development.
112. A stock condition survey was undertaken in 2017, to inform the on-going maintenance and investment requirements. The 2019/20 budget is based on the work programme provided by East Kent Housing incorporating the results of the survey. .
113. In May 2017 Dover District Council Jobcentre Plus went live with the Universal Credit Full Service. There has been a significant increase in HRA rent arrears during the period since. The situation is being closely monitored and bad debt provisions of £250k are included within the 2018/19 and 2019/20 budgets to allow for this

increase. The debt appears to be mainly a cash flow issue rather than a bad debt due to the timing delays associated with payment of Universal Credit. However, tenants now directly receive the Universal Credit payment, whereas with Housing Benefit payments are made direct to the landlord. This is resulting in some cases of higher debt levels from tenants not paying their rent and we are beginning to see some evictions due to this.

Rent Setting

114. Council house rents used to be set using a complex model based on a formula provided by the Ministry for Housing, Communities and Local Government (MHCLG). 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.
115. In previous years rents were uplifted by the Consumer Price Index (CPI) +1%. Starting from 2016/17 the Government directed that housing rents should reduce by 1% in cash terms each year for 4 years. This has resulted in an estimated shortfall in rental income of £2.4m per annum by year 4 and £6.9m cumulatively against previous projections.

Rent Levels

116. The average decrease has been explained above. Rent levels are calculated on an individual property basis using rent formulas previously prescribed by MHCLG.
117. 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 2018/19 average weekly rent across all properties is £84.08;
 - The 2019/20 average weekly rent is forecast to be £83.22;
 - The decrease in the average weekly rent is £0.86 or 1%; and
 - Three bedroom houses have rents (for 2019/20) ranging from £83.96 per week to £104.50 per week with an average of £94.23
118. Determination of rent levels is an executive function that has been delegated to the Head of Finance and Housing in consultation with the Portfolio Holder responsible for Housing on the basis of the model described above.

Capital Receipts

119. Dover has entered into an agreement with Government to retain 100% of the receipts from right-to-buy sales above the anticipated trend 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 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’ that may be used for other capital purposes if repayment of debt is funded from an alternative source.

120. As at the end of December 2018 there had been 19 RTB sales in the financial year. It is estimated that retained 'excess receipts' will be in excess of £1m by the end of the financial year. This has to be used within 3 years of receipt, or else it must be repaid to MHCLG, and, when applied to a capital scheme, it cannot comprise more than 30% of the scheme costs.
121. In order to comply with these rules and avoid claw back by the MHCLG, this funding is normally applied to HRA housing projects, before any other sources are used. In October 2018 Government undertook a consultation on the current scheme. This included options to extend the time limit for spending the retained receipts as well as increasing the percentage of scheme costs that could be funded. The outcome of this consultation is awaited.

Service Charges

122. 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.

EAST KENT HOUSING

123. East Kent Housing (EKH) was formed in 2011 to provide housing management services for Canterbury City Council, Dover District Council, Folkestone and Hythe District Council and Thanet District Council.
124. Since its formation the basic management fee for EKH has been fixed in cash terms and it has not received any inflationary increases in its funding. EKH has helped to reduce the overall cost of housing management and performed well in a number of areas, including rent collection and re-let times.
125. However, the additional work involved in collecting rent following the roll out of Universal Credit has seen rent collection performance fall and the four councils and EKH have identified that a number of urgent improvements are needed. Therefore all four partners have agreed to an increase in the fee on the same basis which is circa £200k pa for DDC. This will take the total management fee to £2.397m for DDC for 2019/20. In exchange for this increase in funding an improvement plan has been agreed, covering:
- Better management of contracts with key suppliers;
 - Adapting the way they work following the introduction of Universal Credit;
 - New people and processes to ensure council homes are improved more quickly;
 - Continued investment in complaints handling and EKH staff.

EKH Single System

126. EKH are implementing a single system. This was originally to replace the separate housing systems operated by Dover DC, Canterbury CC, Folkestone & Hythe DC and Thanet DC and, on the basis of a business case approved by each of the Councils in 2015, all four councils have made loans to EKH of £223k each (totaling £892k), to finance the system.

The system has been partially implemented in Folkestone & Hythe DC and Canterbury CC and at the time of writing Dover DC has been testing the rents module and Thanet DC will be the last authority to implement the rents module. Work will then commence on the repairs and leasehold modules. EKH have received a further £370k in loans (£92.5k from each council) to complete the implementation.

HOUSING DEVELOPMENT AND INVESTMENT

127. 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
 - Commercial housing developments
 - Homelessness strategy
128. These are discussed in more detail below.

HRA INVESTMENT

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

129. The HIR is funded by the transfer of surpluses whilst maintaining a £1m balance in the HRA. The HIR was established to fund a programme of new house building / acquisition. During 2017/18 HIR funding enabled the re-purchase of 10 former Council properties which have been added to the HRA stock. To date a further 16 properties have been purchased and this is expected to increase by the end of the year. The refurbishment of properties in Folkestone Rd to provide 9 flats has also been completed. Further projects are being developed to continue to directly provide additional affordable housing in the district; these include:
- Nine new build properties in Capel-Le-Ferne;
 - A mixed tenure re-development of 65 units at the former William Muge and Snelgrove sheltered housing sites, Dover;
 - The refurbishment of Norman Tailyour House, Deal to provide 18 self contained flats; and
 - The development of interim housing on sites in Dover and Deal.
130. Further opportunities are being considered and the business case for each examined prior to a formal a project approval being sought.
131. After allowing for the 2018/19 capital bids the balance in the HIR at the end of 2018/19 is projected to be around £12m of which £5.2m is required for “matched” funding against £1.65m 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. The four year HRA forecast (Annex 7C) projects an on-going ability to contribute to

the HIR, however the balance will have reduced to nil by the end of 2019/20 due to the major investment programme to deliver new Council stock, particularly in William Muge and Snelgrove site. The forecast of the HIR balance is included at Annex 7B.

Investment in Existing Stock

132. The HRA budget and projects take account of the need to invest in existing stock before establishing a surplus for the HIR. A stock condition survey was undertaken in 2017, to inform the on-going maintenance and investment requirements. The 2019/20 budget is based on the work programme provided by East Kent Housing incorporating the results of the survey and the work required for Decent Homes standards.

Recommendations from this Section

133. It is recommended that Cabinet:
- Delegate to the Strategic Director (Corporate Resources), in consultation with the portfolio holder for Performance and Resources, power to acquire freehold or leasehold residential properties and to agree terms and conditions in connection therewith.
134. It is recommended that Council:
- Approve the 2018/19 Projected Outturn and the 2019/20 HRA budget at Annex 7.
 - Delegate to the Strategic Director (Corporate Resources), 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.

ASSET MANAGEMENT PLAN (AMP)

135. 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.
136. 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 Strategic Director (Operations and Commercial) 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 focuses mainly on essential maintenance.
137. There is a growing backlog of planned maintenance required to "Operational Assets". Significant expenditure is needed at:
- Tides Leisure Centre, because of its age, needs work to the external envelope of the wet side buildings. Extensive renewal of worn out and inefficient heating plant for the wet side completed in January 2019. Survey work has indicated that more extensive repairs and replacements than were originally thought are also necessary. Further work is being undertaken to establish the route to achieve a sustainable future for the complex over the next 30-40 years.
 - During 2018 Dover District Council secured stage 1 HLF funding for Dover Town Hall, to support a scheme which will provide a sustainable future for the priceless Burgess heritage assets and the Stone Hall.
 - Repairs to Deal Pier, including resurfacing of the stem to protect the structure beneath, were undertaken in 2018 however significant cyclical concrete repairs and works to the lower deck are again becoming necessary and investigative work to ascertain the extent and cost of such repairs will be undertaken during 2019.
138. 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 Strategic Director (Operations and Commercial) 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

139. 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

140. 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;
 - Prudential Borrowing;
 - Revenue resources; and
 - Leasing.
141. 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

142. 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.
143. 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.

144. 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 Strategic Director (Corporate Resources).
145. 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 Strategic Director (Corporate Resources) in consultation with the Portfolio Holder responsible for Finance.
146. In addition, a contingency has been included on the MTCP and Special Revenue Programme 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 Strategic Director (Corporate Resources) in consultation with the Portfolio Holder responsible for Finance.
147. 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.
148. 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 or under the agreed delegated authority, 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 Cabinet or delegated approval before they commence.
 - HRA Programme
Proposed level of expenditure and allocation of funding for HRA Capital 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 Superseded Projects

149. Existing projects within the programmes are sometimes superseded in order to reflect changing circumstances and to finance new Capital and Special Revenue projects. These will be reported in the budget monitoring report circulated to Members during the year. The following projects have been superseded:-

- Temporary Exhibition Cases – £115.5k;
- Market Square Public Realm Enhancements - £100k;
- Leisure Centre Contingency - £20.6k;
- Dover Town Centre Improvements - £300k;
- Corporate Property Maintenance Contingency - £100k;
- Western Heights Trust - £50k;
- Cemetery Provision Consultancy - £15k;
- Utilities Management - £20k.

Content of the Special Revenue Projects Programme

150. The Special Revenue Projects Programme (Annex 8C) comprises significant projects which are not, in the main, capital, but which are still one-off revenue expenditure in nature and are therefore to be funded from reserves as annual recurrent revenue budgets are insufficient to finance them. As one-off projects they are generally managed with the same disciplines and controls as capital projects. As 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

151. 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 Strategic Director (Corporate Resources), in consultation with the portfolio holder responsible for Finance, and 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 Special Revenue projects within both the General Fund and HRA according to the priority of the projects and the availability of financing.
152. 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.
153. 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 new long term borrowing has not yet been undertaken, it is intended that new borrowing, when 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

154. 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. MHCLG have recently consulted on proposed changes to the Prudential Code. Any impact of these changes will be advised in future reports.

Capital Receipts

155. 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.
156. Right-to-Buy (RTB) sales in 2018/19 have been lower than levels in 2017/18. Although the level of receipts available for general capital purposes is capped additional funding is available from the element of excess RTB retained for debt repayment that may be used for other capital purposes.
157. The Council generally retains 100% of non-HRA capital receipts and non-RTB HRA capital receipts, subject to capital allowance regulations.
158. Annex 8B details the level of capital receipts held, expected, committed to projects proposed and to be used for new projects. The balance of receipts after these anticipated receipts and commitments is shown as £1.9m. Future capital receipts are expected to come mainly from housing right to buy sales and amount to circa £300k per annum at current sales levels, so will not replenish capital funds and will not be sufficient to maintain the current level of activity in the future. No other major receipts are currently expected.

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, external borrowing is approved or other savings in the programme have been identified. The new projects in the programme have been approved subject to the completion of a Project Appraisal for approval by Cabinet, or the Strategic Director (Corporate Resources) in consultation with the Portfolio Holder responsible for Finance under delegated powers;
- The Capital Programme is partly financed from HRA Right-to-Buy sales. The level of RTB sales in 2017/18 was similar to 2016/17 however the level of sales for 2018/19 is currently showing a reducing trend. The level of receipts available for general capital purposes remains limited.
- The detailed financing of the Capital and Special Revenue Projects Programmes is delegated to the Strategic Director (Corporate Resources) 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 and large projects will need to be funded from external borrowing where revenue savings can be identified to offset the borrowing costs (such as the Leisure Centre and Property Investment Strategy projects).

RECOMMENDATIONS FROM THIS SECTION

159. It is recommended that Council:

- Approve the Capital and Special Revenue Projects Programmes;
- Approve that capital resources required to finance new projects are secured before new projects commence.

TREASURY MANAGEMENT AND THE PRUDENTIAL CODE

160. 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.
161. 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.
162. Annexes 9A – 9C will be provided for the second circulation of the budget and MTFP and will set out estimates for each of the relevant Prudential Indicators in each of the financial years 2019/20 to 2022/23, and include the latest estimates for 2018/19 aligned with the revised forecast budget. Approval will be sought for the proposed indicators for 2019/20 – 2022/23.
163. 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 and internal borrowing. Significant projects, including the Dover District Leisure Centre and Property Investment Strategy, will ultimately be financed by borrowing; however no borrowing has been undertaken at this time. Approval levels for borrowing will be included in annex 9.

TREASURY MANAGEMENT

164. The Council's Treasury Strategy complies with the requirements of the CIPFA Code of Practice on Treasury Management, which was adopted by the Council in September 2002 and the CIPFA Code of Practice on Treasury Management (revised November 2011) that was adopted by this Council in March 2012.
165. Approval of the strategy is a Council decision.

RECOMMENDATIONS FROM THIS SECTION

166. It is recommended that Council:
- Approve the Capital, Treasury Management and Investment Strategies, including the Prudential Indicators and Minimum Revenue Provision statement.

KEY ASSUMPTIONS & READY RECKONER

Background

167. 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

168. Salary inflation will be based on the results of the Collective Bargaining process. Contract inflation for 2018/19 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

169. The 2018/19 budget includes 284 full time equivalent posts directly employed for DDC plus a further 32 employed by DDC as part of the East Kent Audit Partnership (working for Canterbury, Thanet, Folkestone and Hythe 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-5C.

Triennial Valuation of the Pension Fund by the Fund Actuaries

170. The triennial valuation took effect from April 2016. It has been assumed that the DDC backfunding contribution will increase by 5% above the 2019/20 level of £1.96m for the planning period.

Interest Rates

171. It is assumed that DDC will maintain the 2019/20 level of income from investments for the remainder of the planning period. Any additional income generated will be transferred to reserves to support future projects.

Revenue Support Grant

172. The current draft settlement provides figures for 2018/19 – 2019/20. 2019/20 is forecast to reduce by 90.1% when the value of the grant will be £57k.

Business Rates Retention

173. The current draft settlement covers 2019/20 only and proposes an increase in NDR inflation of 2.29%.

Council Tax

174. Council tax increases have been assumed at £4.95 for 2019/20 and for the remainder of the planning period.

New Homes Bonus

175. New Homes Bonus is a scheme that provides incentives and rewards for councils and communities who support delivery of new homes in their area. It is assumed that the current level of funding (4 years) will be reduced by a year every financial year for the MTFP period, resulting in a nil payment by 2022/23.

Capital Projects

176. There are no material revenue pressures expected from current capital projects as they go live.

Ready Reckoner

- Payroll - 1% increase costs the General Fund approximately £80k;
- Council tax - 1% raises £70k;
- RSG – assumed to be nil for the future;
- NDR – 1% growth in BR income equals £82k (DDC's share @ 40%, less 50% levy, but will be higher under pooling due to reduced levy rates);
- Investment Income - 1% equals approximately £400k (based on investment balances of £40m);
- Contract inflation – 1% equals £100k;
- 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 £273k approx.;
- Business Rates Levy – Every £100k received above the NDR baseline results in £20k additional income, before levy reductions from pooling and pilot schemes.

SIGNIFICANT BUDGET RISKS

177. 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	Mitigation	Budget Sensitivity
1	<p>NDR Localisation</p> <p>The operation of Business rates is set out in the main body of the report with further detail at Annex 1C.</p> <p>The significant risks to the Collection Fund and hence to DDC are :</p> <ul style="list-style-type: none"> • Loss of income through reduction in the tax base and collection rates. • Significant individual appeals by occupiers. • Class action appeals (see notes below regarding hospitals and ATM machines). • Recent unexpected changes to the rating list (particularly the 2010 list) initiated by the VOA have had a £60k+ annual impact on DDC, and a repayment of past BR of £600k+. • Insufficient detail on the nature of outstanding appeals and therefore insufficient appeals provision. • Adverse changes to DDCs baseline as part of the Fair Funding review. <p>BR 'localisation' produces some counter intuitive outcomes. Significant government changes to the regime may reduce the funding for DDC.</p>	<p>DDC works closely with CIPFA & HMCLG to influence and moderate adverse changes to the system.</p> <p>The NDR1 return to MHCLG takes into account the likely scenario for the future year's business rates and that 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 district has benefitted from an increase in gross rates arising from the 2017 revaluation. Higher reliefs to small businesses, increased appeals allowances, and a £1.2m increase in DDC's tariff (18/19) reduce its share of the BR income to a similar level to under the 2010 valuation (the previous revaluation of all businesses' base RVs).</p> <p>The Council will operate alongside the Kent BR pool with KCC and the districts in 2019/20, with the pool paying a reduced levy on growth at circa 4%, enabling more growth to be retained locally.</p> <p>While pooling reduces levy rates, 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. While outside the pool, if Dover exceeds its baseline and has to pay a levy, it will pay it at a higher rate than under pooling.</p> <p>DDC discusses and agrees methodology for providing for appeals with the other Kent authorities, particularly against the 2017 RV list. The appeals against the 2010 RV list will tend to be individually determined to reflect actual appeals lodged by the time of closure of the list.</p>	<p>Impact of appeals on income not possible to accurately quantify across all businesses.</p> <p>For 2018/19 and 2019/20, allowance has been made for further possible appeals success by Channel Tunnel and other businesses to mitigate this risk.</p> <p>Impact of BR income being below the baseline is up to £273k loss of funding until the safety net kicks in.</p> <p>40% of any levy saving is held by the pool (10% as contingency) or KCC (30%), without whom the pooling mechanism would not work.</p>

Ref	Description	Mitigation	Budget Sensitivity
2	<p>A class action by NHS trusts/foundations regarding applications for mandatory relief for their premises is underway, to treat them as if they are charities, and is currently being contested by local authorities nationally. It is not thought that this will be successful, but no allowance is built into the MTFP should the NHS Trusts succeed in their claim, which would entitle them to 80% mandatory relief.</p> <p>It is described as a “Landmark case”. A hearing window is allocated between 1 October 2019 and 31 December 2019, with a time estimate of 3-4 days to include 1 day’s judge’s pre-reading time. This creates further delays in resolving the position.</p> <p>Trusts could then apply for a further 20% discretionary relief, potentially reducing their bills to nil.</p> <p>If they are successful, the impact could be significant in terms of back-dated refunds and reduction in ongoing rates payable.</p>	<p>The impact of mandatory charitable relief at 80% on NHS Trust accounts is approximately £265k p.a. but, with backdating of claims to 2010, this could result in a total one-off cost of £1.6m in 2019/20 and £265k p.a. thereafter. Dover would bear 40% of these amounts based on the current ‘tier split’ (but this percentage could change from 2020/21).</p> <p>The additional 20% relief would only be given if required under the local authorities’ discretionary relief policy.</p>	<p>£265k p.a. after backdating of claims resolved, based on current 2017 valuations (x DDC share, currently 40%)</p>

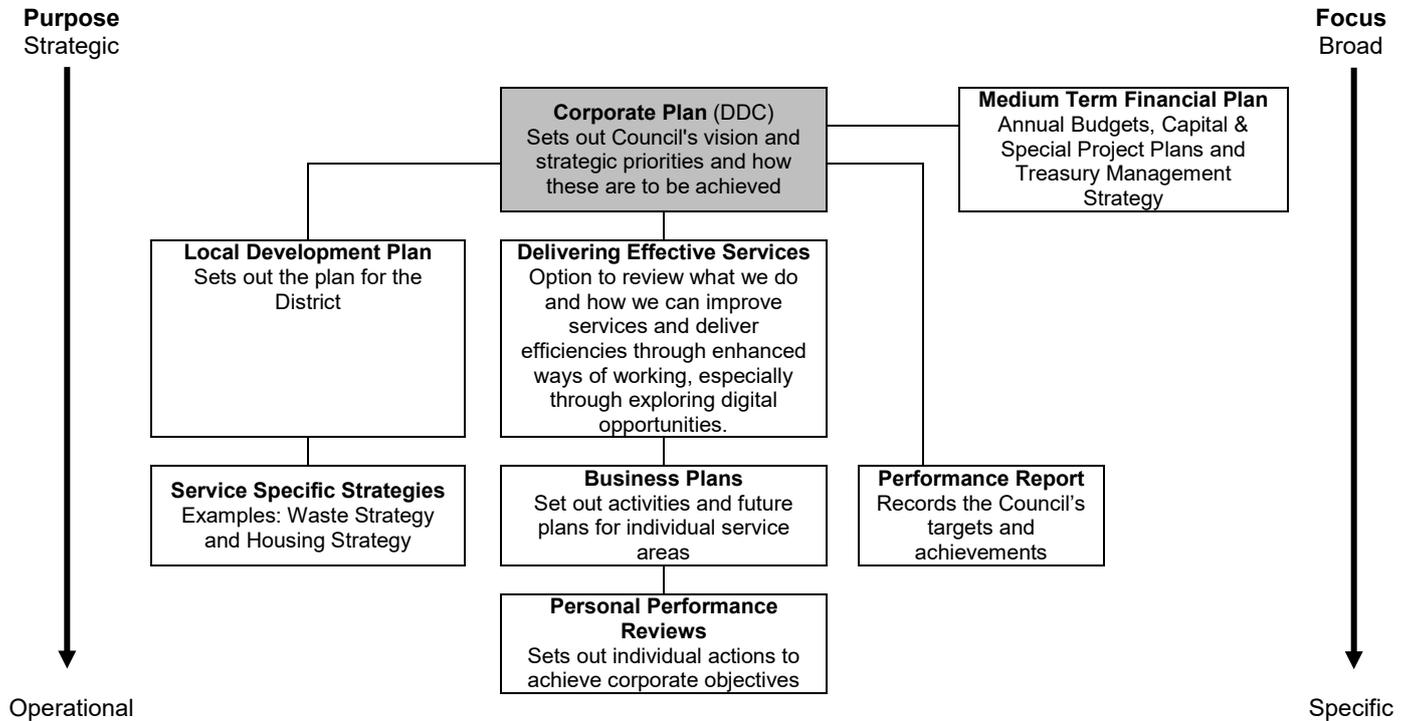
Ref	Description	Mitigation	Budget Sensitivity
3	An Appeal Court ruling means supermarkets will no longer have to pay business rates for cash machines outside their shops. The charge has applied since 2010, but the court ruled that about £300m they have already been charged (nationwide) will now have to be refunded. Part of that money will have to come from the Government, and part from local authorities. The ruling leaves a question mark over how the money raised from cash machines will be replaced, which for 2018/19 is likely to amount to £44.54m, according to the business rates consultancy Altus. The Appeal Court also rejected an attempt by the Valuation Office to get retailers to pay business rates on machines inside their shops as well.	<p>VOA are contesting the decision.</p> <p>We are discussing treatment of ATMs on a Kent-wide basis, with a view to possibly excluding these from the appeals provision until the case is settled, and treating them instead as a contingent liability in the 18/19 accounts.</p> <p>However, if successful, there will be a backdated impact when the appeal outcome is known, as well as a cost for future years.</p> <p>Central Govt. may contribute towards this cost, but they haven't previously done so, therefore we can't guarantee any support from Govt. We currently only have allowed £17k in our appeals provision for ATMs as at 31/03/18.</p>	We estimate DDC's backdated liability to be £450k - £500k up to 2018/19, with an ongoing impact of circa £65k p.a. from 2019/20 max. This means if resolved in 2019/20 the cost will be up to £550k in 19/20 and £65k p.a. thereafter (but DDC's share will be 40% of these amounts)
4	Council Tax Base / Collection Rates – reduced collection rates could impact on the resources available to the Council.	<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>	1% reduction in the total collection rate costs £74k.
5	Reduced capital receipts from housing and other asset sales leading to reduced resources available to complete projects.	<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>	
6	The level of resources for repairs and maintenance to properties may result in asset deterioration and potential service failure.	A corporate budget is held for repairs and maintenance of assets enabling the Strategic Director (Operations and Commercial) to allocate the resources appropriately according to need.	

Ref	Description	Mitigation	Budget Sensitivity
7	The government has consulted on a Fair Funding review which will re-calibrate the local government settlement. Pressure from upper tier and unitary authorities may reduce the resources available to district councils.	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.	Unable to forecast at the time of writing.
8	Brexit – Macro Economic	<p>The Brexit position is dynamic and, at the time of writing (12/12/18) there is considerable uncertainty. Four main scenarios have been identified:</p> <ul style="list-style-type: none"> • Accept the current deal • Hard Brexit • No Brexit • A general election <p>Each of these options will have a mix of favourable and adverse impacts upon the value of the £, inflation, gilt yields, interest rates, employment and economic growth.</p> <p>Where possible the Council is mitigating these impacts through measures to make the budget and treasury management as robust as possible, but the Council's scope for action is limited.</p>	Cannot be determined.
9	Brexit – Port and East Kent impact	We continue to work with our partners on the Kent Resilience Group to plan for a range of eventualities.	Unable to forecast the full impact at the time of writing.
10	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.	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 £87k
11	Fees and Charges – some sources of income may be affected if there is a reduction in overall economic activity.	Income assumptions are made at a conservative level based on historic performance and other known influencing factors. Active monitoring of income levels is carried out throughout the year.	
12	The budgeted level of vacancy savings may not be achieved.	The current employment management 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 £200k are forecast

Ref	Description	Mitigation	Budget Sensitivity
13	Homeless expenditure may increase due to the impact of the Homeless Reduction Bill and the continued implementation of Universal Credit in the district	Close monitoring of the impact of the Bill and the in-year budget. Investigating innovative options to support homeless requirements in the district.	Unable to forecast at the time of writing.
14	The increase in HRA rent arrears continues following roll out of Universal Credit	A bad debt provision is included within the budget and arrears levels are being monitored and reported to EKH to support their collection plans. An increase in the EKH management fee has been included in the 2019/20 budget to fund additional income officers.	1% rent loss equates to £180k
15	Housing Benefits subsidy reduction	Due to the transfer of Housing Benefit cases to Universal Credit there may be some reduction in the subsidy level which the Council is able to claim due to the reducing Housing Benefit caseload and the Local Authority Error subsidy.	Included in the 2019/20 budget a reduction in subsidy of £125k. As describe this reduction may need increasing if the caseload reduces more.
16	Housing Benefit Administration Subsidy	DWP have suggested that the Administration Subsidy would be cut due to the reduction in UC caseloads. There have been 2 notifications of potential cuts but only the first gave a full calculation and the budget for 2019/20 has been adjusted for this and it is currently unclear if this is an additional 10% reduction or confirmation of the previous cut.	2019/20 Budget Core Allocation of £395k is reduced by £62k for UC & efficiency but is subject to £16k add back for transitional protection. A further 10% reduction could be up to £45k.
17	Car parking income may be less than anticipated due to the unknown impact of St James car park on DDC car parks, potential car park closures in year and other factors outside of DDC's control (e.g. weather conditions)	Maintaining parking rates at existing prices to encourage use of DDC car parks. Supporting local high streets to encourage footfall.	The budget allows for some elements of change in parking levels, however initial modelling suggests the risk could be up to £150k.

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.

GENERAL FUND BUDGET SUMMARY

2017/18 Actual		2018/19 Original Budget	2019/20 Projected Outturn (30 Sep 18)	2019/20 Budget
£000		£000	£000	£000
	Directorate			
1,166	Chief Executive	1,466	1,355	1,118
4,133	Operations & Commercial Services	4,456	4,491	4,221
9,520	Corporate Resources	10,598	10,356	11,525
172	Shared Services (DDC hosted)	213	186	176
516	Special Revenue Projects	1,324	1,066	13
0	Vacancy Allowance/Delivering Effective Services	(220)	0	(150)
0	Homelessness - Service Delivery Target Saving	(200)	0	0
0	EKS - Target Saving	(150)	0	0
15,507	Net Direct Expenditure	17,487	17,454	16,903
	Other Operating Income & Expenditure:			
0	Property Investment Strategy	0	0	(100)
0	Contingency	227	147	120
70	River Stour Drainage Board	71	71	74
39	Council Tax Support Funding to Towns & Parishes	0	0	0
(1,424)	Recharge Income from HRA & Capital Projects	(2,029)	(2,044)	(1,295)
14,192	Net Operating Expenditure	15,756	15,628	15,702
	Financing Adjustments:			
(665)	Revenue Expenditure Funded by Capital Under Statute	(950)	(950)	(1,042)
(507)	Interest Receivable	(979)	(1,068)	(1,806)
236	Interest Payable	238	238	354
9	Loan Principal Repayments/Borrowing Allowance	949	949	1,959
(927)	Total Financing Adjustments	(742)	(831)	(535)
	Contribution to/(from) Reserves:			
(353)	- Special Projects & Events Reserve	(629)	504	738
1,467	- Periodic Operations Reserve	334	316	(426)
130	- Regeneration Reserve	160	99	403
0	- District Regeneration & Economic Development Reserve	0	0	0
55	- IT Equipment Reserve	115	115	115
466	- Business Rates & Council Tax Reserve	(605)	(552)	(434)
1,765	Net Contribution to/(from) Reserves	(625)	482	396
15,030	Total Budget Requirement	14,389	15,279	15,563
	Financed by:			
4,741	Business Rates - Share of NDR	4,999	5,939	5,231
1,153	Business Rates - Enterprise Zone Relief Grant	618	724	1,099
84	Business Rates - Renewable Energy Retained	330	330	484
(728)	Business Rates - Collection Fund Surplus/(Deficit)	(605)	(605)	(434)
1,027	Revenue Support Grant	568	568	56
6,600	Council Tax	6,922	6,922	7,216
236	Council Tax - Collection Fund Surplus	141	141	112
7	Council Tax - Other S31 Grants	0	0	0
1,874	New Homes Bonus	1,515	1,515	1,729
30	New Burdens	0	0	0
15,024	Total Financing	14,488	15,534	15,493
6	General Fund Deficit/(Surplus) for the Year	(99)	(255)	70
(2,533)	General Fund Balance at Start of Year	(2,412)	(2,527)	(2,782)
(2,527)	Leaving Year End Balances of	(2,511)	(2,782)	(2,712)

BUDGET SUMMARY - FUNDING ANALYSIS

<u>2017/18 Actual</u>		<u>2018/19</u> <u>Original</u> <u>Budget</u>	<u>2019/20</u> <u>Projected</u> <u>Outturn</u> <u>(30 Sep 18)</u>	<u>2019/20</u> <u>Budget</u>
£000		£000	£000	£000
	Financed by:			
	Business Rates (NDR):			
3,460	Baseline	3,564	3,564	3,643
474	Growth over baseline	1,763	1,610	1,871
(237)	Levy on Growth	(881)	(805)	(935)
0	Levy Saving from Pooling - 2018/19 onwards	423	444	516
(374)	Growth above budget-recognition deferred (non-S31 element)	0	153	0
219	Adjustment to Growth/Decline for S31 element not deferred	0	37	0
1,137	Tariff Adjustment (Channel Tunnel impact)	0	0	0
0	Additional saved levy/retained income from Pilot Scheme	0	810	0
62	Section 31 Grant for impact of multiplier cap	130	126	136
4,741	Share of NDR	4,999	5,939	5,231
(728)	Collection Fund (Deficit)/Surplus - NDR (as declared)	(605)	(605)	(434)
4,013	NDR Funding Level	4,394	5,334	4,797
	Enterprise Zone Relief Grant:			
1,176	Share of Enterprise Zone relief for current year	609	940	768
(115)	Amount of EZ Relief in current year above NDR1 18/19 estimated value, required to be recognised in following year	0	(331)	0
92	Amount of EZ Relief in prior year above NDR1 17/18 estimated value, permitted to be recognised in current year	9	115	331
1,153	Total Enterprise Zone Relief Grant	618	724	1,099
	Renewable Energy Retained:			
61	Share of Renewable Energy for current year	309	273	501
(21)	Amount of Renewable Energy in current year above NDR1 18/19 estimated value, required to be recognised in following year	0	36	0
44	Amount of Renewable Energy in prior year above NDR1 17/18 estimated value, permitted to be recognised in current year	21	21	(17)
84	Total Renewable Energy Retained	330	330	484
	RSG:			
1,027	Revenue Support Grant (incl. C. Tax Support Funding)	568	568	56
1,027	RSG per Settlement	568	568	56
6,600	Council Tax	6,922	6,922	7,216
236	Collection Fund Surplus - C Tax	141	141	112
7	Council Tax - Other S31 Grants	0	0	0
1,874	New Homes Bonus	1,515	1,515	1,729
30	New Burdens	0	0	0
15,024	Total Financing	14,488	15,534	15,493

Summary of General Fund Budget & Financing Requirements

	2018/19 Original Budget £m		2019/20 Draft Budget £m	Year on year change %
Budget Requirement:				
Gross Revenue Expenditure	68.930		62.486	
Gross Revenue Income	(54.992)		(48.212)	
Underlying Budget Requirement	13.938		14.274	
Earmarked Reserve adjustments	0.306		1.287	
Net Budget Requirement	14.245		15.561	9%
Financing Requirement:				
Revenue Support Grant	(0.568)		(0.056)	-90%
Business Rates Retained	(4.998)		(5.230)	5%
EZ Relief & Renewable Energy- in year	(0.918)		(1.269)	38%
Council tax	(6.922)		(7.216)	4%
New Homes Bonus	(1.515)		(1.729)	14%
Underlying Financing	(14.922)		(15.500)	4%
One-off Financing:				
Collection Fund Distribution				
NDR	0.605		0.434	
Council Tax	(0.141)		(0.112)	
EZ Relief & Renewable Energy- prior year	(0.031)		(0.314)	
Total Financing	(14.488)		(15.491)	7%
(Surplus) / Deficit for the year	(0.244)		0.070	

	A	B	K	N	R	U	X
1							ANNEX 1B
2	DOVER - NDR MONITORING - SUMMARY						
3			Updated Forecast	Budget Estimate	Budget Estimate	Budget Estimate	Budget Estimate
4			2018/19	2019/20	2020/21	2021/22	2022/23
5	Number of hereditaments		4,038	4,038	4,038	4,038	4,038
6	Aggregate RV		107,654,698	109,669,238	109,870,476	109,871,105	109,869,661
7	Calculated gross rate yield		51,674,255	53,808,773	55,045,108	56,144,134	57,351,963
8							
9	Estimated gross rate yield for full year - <i>before EZ & TP Relief</i>		51,156,942	52,291,560	53,395,000	54,461,000	55,633,000
10	Net Additions (i.e. Growth)		517,313	1,517,212	1,650,108	1,683,134	1,718,963
11	Change in yield for previous years		60,713	0	0	0	0
12	Less:						
13	Enterprise Zone Relief		2,350,000	1,921,000	1,563,000	1,285,000	960,000
14	Transitional Protection Rates Relief		-859,860	-439,000	0	0	0
15	Mandatory reliefs (current & previous years)		7,132,715	7,206,233	7,361,298	7,501,614	7,664,513
16	Discretionary reliefs (current & previous years)		167,990	171,700	175,400	178,900	182,800
17	Discretionary Reliefs funded from S31 Grant		208,159	95,900	57,900	51,900	15,700
18	Losses in collection		300,000	307,000	313,000	319,000	326,000
19	Interest on refunds (offset in gross rate yield on NDR3)		0	0	0	0	0
20	Cost of collection		159,573	163,000	166,000	169,000	173,000
21	Deferral Scheme + or - (<i>exclude for now!</i>)		0	0	0	0	0
22	Enterprise Zone BR to be retained		0	0	0	0	0
23	New Development Deal BR to be retained		0	0	0	0	0
24	Renewable Energy Schemes BR to be retained		292,069	500,940	511,510	521,720	532,950
25	Net yield before rate retention adjustments		41,984,322	43,882,000	44,897,000	46,117,000	47,497,000
26							
27	Rate retention adjustments		0	0	0	0	0
28	Estimated provision for loss on future appeals		1,684,462	2,303,000	2,307,000	2,307,000	2,307,000
29	Collectible Rates, less cost of collection allowance		40,299,860	41,579,000	42,590,000	43,810,000	45,190,000
30	Add back: Transitional Protection Rates Relief		-859,860	-439,000	0	0	0
31	Net Rate Yield for Sharing		39,440,000	41,140,000	42,590,000	43,810,000	45,190,000
32							
33	Allocation of net rate yield	%					
34	Central share - before EZ and Transition Relief settlement	0.50	19,720,000	20,570,000	21,295,000	21,905,000	22,595,000
35	District/Unitary(0.49)	0.40	15,776,000	16,456,000	17,036,000	17,524,000	18,076,000
36	Kent County Council	0.09	3,549,600	3,702,600	3,833,100	3,942,900	4,067,100
37	Kent Fire and Rescue	0.01	394,400	411,400	425,900	438,100	451,900
38			39,440,000	41,140,000	42,590,000	43,810,000	45,190,000
39							
40	District tariff		11,802,664	12,064,438	12,319,030	12,564,918	12,835,395
41	District Funding (District share above, <i>less</i> tariff)		3,973,336	4,391,562	4,716,970	4,959,082	5,240,605
42	Adjustment for reliefs covered by S31 Grant		1,148,729	1,121,322	1,128,834	1,148,344	1,158,179
43	<i>Sub-total - Adjusted district share for levy/safety net</i>		<i>5,122,065</i>	<i>5,512,884</i>	<i>5,845,804</i>	<i>6,107,426</i>	<i>6,398,784</i>
44	District Baseline		3,563,943	3,642,989	3,719,866	3,794,115	3,875,789
45	Safety Net level	0.925	3,296,648	3,369,764	3,440,876	3,509,556	3,585,105
46	Safety Net payment		0	0	0	0	0
47	Levy payment if applicable	0.5	779,061	934,948	1,062,969	1,156,656	1,261,498
48							
49	District Income from NNDR (excl. CF Surplus):						
50	District funding - rates (as above)		3,973,336	4,391,562	4,716,970	4,959,082	5,240,605
51	District S31 Grant - Actual, incl. for 2% cap on multiplier		1,274,330	1,257,642	1,269,908	1,292,538	1,305,742
52	Safety net/levy		-779,061	-934,948	-1,062,969	-1,156,656	-1,261,498
53	<i>Sub-total</i>		<i>4,468,605</i>	<i>4,714,256</i>	<i>4,923,909</i>	<i>5,094,965</i>	<i>5,284,849</i>
54	Enterprise Zone Relief - District Share of Grant		940,000	768,400	625,200	514,000	384,000
55	Renewable Energy retained		292,069	500,940	511,510	521,720	532,950
56	Levy saving while in pool - 30% direct saving returned, less 5% levy		0	0	0	0	0
57							
58	Total Income From NNDR (excl CF surplus)		5,700,674	5,983,596	6,060,619	6,130,685	6,201,799
59							
60							
61							

	A	B	K	N	R	U	X
3			Updated Forecast	Budget Estimate	Budget Estimate	Budget Estimate	Budget Estimate
4			2018/19	2019/20	2020/21	2021/22	2022/23
62	RV of last list of appeals (2010 RV list only)		27,268,950				
63	Top 10 appeals total RV		25,556,000				
64	Top 50 appeals RV		27,189,700				
65	Total number of appeals		75				
66							
67							
68	Completion Notes:						
69	Spreadsheet Rows 13, 14 & 15 show the total amount of relief granted in the year in respect of current and previous years						
70							
71	COLLECTION FUND MOVEMENT:						
72	Balance B/Fwd - Surplus/(Deficit)		-1,933,430	-1,085,929	0	0	0
73							
74	In-year performance:						
75	Net yield for sharing before bad debts & appeals		41,424,462	43,750,000	45,210,000	46,436,000	47,823,000
76	Change in appeals provision		-1,684,462	-2,303,000	-2,307,000	-2,307,000	-2,307,000
77	Change in bad debts provision		-300,000	-307,000	-313,000	-319,000	-326,000
78			39,440,000	41,140,000	42,590,000	43,810,000	45,190,000
79	Total distributed:						
80	(Surplus)/deficit (distributed)/contributed per NNDR1		1,513,500	1,085,929	0	0	0
81	NDR shares paid per NNDR1		-40,106,000	-41,140,000	-42,590,000	-43,810,000	-45,190,000
82			-38,592,500	-40,054,070	-42,590,000	-43,810,000	-45,190,000
83							
84	Balance C/Fwd - Surplus/(Deficit)		-1,085,929	0	0	0	0
85							
86	DDC share of Surplus/(Deficit)		-434,372	0	0	0	0
87							
88							
89	Appeals Provision:						
90	Balance B/Fwd		4,976,000	6,660,462	8,963,462	11,270,462	13,577,462
91	Charged to provision		-76,287	0	0	0	0
92	Increase/(Decrease) in provision		1,760,749	2,303,000	2,307,000	2,307,000	2,307,000
93							
94	Balance C/Fwd		6,660,462	8,963,462	11,270,462	13,577,462	15,884,462
95							
96	Increase in appeals as % of gross rates		3.41%	4.28%	4.19%	4.11%	4.02%

NDR Additional Information

1. There are a number of significant aspects to the current business rates (BR) regime:
 - “Real” Growth
 - The DDC BR Profile
 - The Business rates Pilot and Pool
 - Forecast BR Income for 2019/20
 - Complexity and Volatility
 - The cost to businesses
 - “Real” retention
 - The impact on DDC funding
 - BR retention as a system of local government finance
 - Future Changes
 - An overview of Business Rates for the Dover District

2. Because of the complexity of BR the first four points above are explained in the main body of the MTFP. The rest are explained below.

Complexity and Volatility

3. Explaining the full complexity of BR retention is beyond the scope of the MTFP and would, in reality, require a lengthy training course. However, as the regime has been and is likely to continue to be subject to continual change, any detailed training would quickly become out of date.

4. Information on the salient complexities, issues and concerns was provided at Annex 1C in the 2018/19 MTFP and is therefore not repeated again in this 2019/20 MTFP. These complexities include:
 - A system of tariffs and top-ups, safety-nets and levies;
 - Pooling and “shadow” pooling of BR with other Kent districts to produce levy savings;
 - The 2018/19 pilot scheme to retain 100% growth locally (i.e. no share of growth to Central Govt., and no levy on growth);
 - A number of uncertainties including:
 - Projections of future BR levels (NNDR1 and NNDR3);
 - Appeals by businesses against their rateable values;
 - Reductions in rateable values agreed by VOA for other reasons;
 - Accounting arrangements and the timing of the recognition of growth and reduction in Business Rates;
 - The on-going impact of the BR revaluation for 2017;
 - The impact of reliefs, including the extension of the Small Business Rates Relief by altering thresholds, and related compensation by way of S31 grant;
 - Setting the multiplier.
 - Future issues and changes include:
 - The potential change to a 75% localisation scheme from 2020/21;

- Slow progress by the VOA in settling outstanding BR appeals on the 2010 list;
- The new “Check, challenge, appeal” system introduced by VOA in 2017/18, which is not easy for businesses to use and may create delays in appeals arising against the 2017 revaluation (few appeals registered so far);
- The potential encouragement of appeals by ratings agents, with fees based on a fixed percentage of refunds, which may lead to delays in appeals challenges until a few years into the ‘2017 revaluation’ period to maximise % fees on backdated refunds;
- Unexpected and significant class reductions in BR by the VOA (previously £2.3m refunded to the NHS for purpose built doctors surgeries in Dover, and a current nationwide appeal by NHS hospitals to be treated as charities in order to secure 80% mandatory relief, which is subject to legal proceedings but not yet agreed);
- The continuous on-going eroding effect on the tax base in the appeals being settled by the VOA;
- Obtaining strategic information from the VOA;
- Inaccuracies in figures provided by VOA.

The Cost to Businesses

5. The BR to be paid by businesses are determined by the Valuation Office Agency (VOA), who set the rateable value (RV) of commercial premises, and by central government, who set the multiplier (rate in the pound) that is to be applied to the rateable value. Local authorities do not have a role in setting or appealing valuations, nor do they have access to much of the VOA’s information.
6. Local authorities are mainly responsible for the collection of the due amount, and promoting economic regeneration to grow the tax base.
7. 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 VOA.

Real Retention

8. The current and future regimes have been referred to as 50%, 100% and 75% Business rates Retention. This is misleading. There has / will be 50%, 100% and 75% retention of business rates growth, but that is fundamentally different from retention of all business rates. Additionally, the growth is subject to a levy that goes back to Central Govt., except while in a pilot scheme, and is even payable while in an agreed BR pool, albeit at a reduced rate.
9. Unless Counties and less well-off areas are to be deprived of resources, there will always have to be resource re-allocation between tiers (i.e. between the districts as “billing authorities” and counties) and between areas with very high business rates income (and often lower social pressures on expenditure) and areas with lower business rates income.

BR retention as a system of local government finance

10. The current system of BR retention has a number of significant defects including extreme complexity, opacity and volatility, difficulty in forecasting future income, continual change and adjustments in the system, unreliable data from the VOA and perverse outcomes that appear to punish growth and reward reductions in tax base.
11. For Dover there is the additional complication of an Enterprise Zone (EZ), which is classified as a “Case B” EZ, and therefore requires a separate system of government grants.
12. The system contains a complex web of tariffs and top-ups, safety nets, levies, baseline “resets”, BR pools, pilot schemes, periodic revaluations, transition periods, appeals and frequently changed BR relief schemes.
13. The dynamic nature of the system, the elements of which can all be moving in different directions at the same time, can produce perverse outcomes, and makes it very difficult to develop a stable and robust budget, which therefore raises questions about its longer term fitness for purpose.
14. In the shorter term, DDC joined the Kent pilot scheme in 2018/19, which increased the retention rate on BR growth from 50% to 100% for that year. Although the Kent authorities applied to become a pilot scheme in 2019/20 (with 75% retention of growth), their bid was unsuccessful, so we will work alongside other Kent authorities in a ‘pool’ for 2019/20 which allows 50% retention by Local Government and the benefit of significantly reduced levies on growth. The national retention rate is expected to move to 75% in 2020/21 but the split between upper and lower tiers is not yet determined.

Future Changes

15. The Hudson Review into Business Rates recommended that government stopped tinkering with the system, at least without working through the impacts. Within days of the publication of the review the government introduced more changes.
16. In addition to the changes from 50% retention to 100% for the pilot in 2018/19, then back to 50% in 2019/20 then probably up to 75% in 2020/21, there are a number of other potential changes upon which the government is consulting. The deadline for responses to the consultations is late February 2019, and so the outcomes of these consultations will not be known at the point that Members consider this MTFP. However, significant points under consultation include:
 - Introduction of a floating baseline for each Council based upon its NDR1 estimate of Business Rates;
 - Three-yearly revaluations of BR;
 - Three-yearly resets at which point the benefits of some / all growth will be lost in the re-set;
 - Moving major properties to the “Central List” so that local authorities are not advantaged or disadvantaged by movements in their value. In the past this included assets that were of national importance that crossed local authority boundaries such as telecoms networks. In the future this could include assets such as the Port of Dover and the Channel Tunnel.

An overview of Business Rates for the Dover District

17. From the 40% retained by the District, if the baseline 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". For Dover this means the bulk of the 40% is also paid to government. For example, if Dover's share (40%) is approximately £16.5m, a tariff of £11.1m is paid straight to Central Govt., and an element of the remainder that is deemed to exceed Dover's district baseline is subject to a further levy. Once the tariff is set, a district will have to continue to pay this amount to government. If actual collection is lower (for example, due to demolition at Discovery Park, successful appeals by doctors surgeries, etc.) the council has to continue to pay the tariff, and bear the loss itself, as well as bearing the costs of the appeals refunds, which may stretch back over many years and may even pre-date the current system.
18. The system is also asymmetric. If the amount collected grows above baseline need, then the Council has to pay a levy on the growth, at 50%, but if BR reduces below baseline need, DDC would itself bear the full loss (until a safety net kicks in at 92.5% of baseline need). So for growth of £1/2m, DDC would retain only an additional £100k (being its 40% share, but then halved by the levy). If growth reduces by £1/2m, DDC would bear the loss of £200k @ 40%.
19. The total BR collected by DDC for 2019/20 (first draft) is forecast to be c.£41.2m so, with a fixed tariff to pay, a proportionately small movement in this large number will have a very significant effect upon the Council's budget. Growth is rewarded at only half the rate that reductions are penalised, until the safety net kicks in (after the council has borne a reduction of c. £273k beneath its district baseline).
20. The estimate of BR collectable by DDC for 2019/20 is c. £41.2m¹. After its expected tariff and S31 grant adjustment, the permitted amount for retention before levy or safety net adjustments is £5.51m approx., which is £1.87m above its BR baseline (need) for 2019/20. Ordinarily, a 50% levy would apply to the £1.87m excess, being £935k approx. However, DDC has joined a 'pool' with the other Kent authorities, for 2019/20 which should enable the levy payable to be reduced further, to about 4%, enabling more growth to be retained locally.
21. We have incorporated savings based on working alongside the Kent pool in 2019/20 (rather than under the pilot scheme arrangements for 2018/19), as if we had joined the existing Kent pool with the other Kent Authorities. This effectively reduces our levy rate from 50% to, say, about 4% across Kent, and we are reimbursed by the pool for the overpaid levy, so that we retain an additional 30% of the levy saving directly, and a further 30% is transferred to the 'KCC & Dover Growth Fund' reserve pending allocation to projects requiring KCC approval. We would not be entitled to further savings, as pooling arrangements stipulate that KCC would retain the first 30% of levy savings and a further 10% is set aside for contingency purposes. Therefore, instead of paying a £935k levy, Dover would only need to pay a net £419k levy (after pool reimbursement), being a saving to DDC of £516k. This saving is split, representing a 30% direct saving of £258k and 30% Growth fund element of £258k which is transferred to the 'KCC & Dover Growth Fund' reserve pending allocation to projects requiring KCC approval. These savings are built into the 2019/20 budget.

¹ This figure is based on the NNDR1 return submitted on 29th January 2018. It is stated after the offset of appeals adjustments and the reversal of transitional relief granted.

22. The arrangements are different to 2018/19 when the Kent Authorities formed a Government-approved '100% growth retention pilot scheme' enabling them to retain all growth locally and without payment of any levy. The pilot scheme arrangements for splitting growth between the Kent partners are subject to a separate complex model. However, these pilot scheme arrangements are expected to have created a one-off favourable impact for Dover in the region of £750k - £800k (being the 'Financial Sustainability Fund' element) as well as leaving an additional 'Growth Fund' amount available to be split amongst the "East Kent cluster" (Ashford, Canterbury, Dover, Folkestone and Hythe, Thanet) subject to agreement among the partners in conjunction with KCC. The Financial Sustainability Fund element is included within the 2018/19 comparative figures for the 2019/20 budget, and the additional income from the pilot will be transferred to earmarked reserves to support future projects.

General Fund Service Expenditure by Cost Type

	2018/19 Original Budget	2018/19 Projected Outturn as at 10 Jan 2019	2019/20 Proposed Budget
	£000	£000	£000
Direct Expenditure			
Employees	13,935	13,741	14,720
Premises	1,644	1,649	1,482
Transport	205	218	226
Supplies and services	8,310	7,925	8,107
Third parties	9,558	9,694	10,111
Shared services	2,721	2,506	2,581
Transfer payments	35,293	35,293	28,907
Total Direct Expenditure	<u>71,666</u>	<u>71,026</u>	<u>66,134</u>
Direct Income			
Government Grants	(36,705)	(36,677)	(29,935)
Sales	(63)	(63)	(69)
Fees and Charges	(9,935)	(9,948)	(10,335)
Other Income	(7,924)	(7,613)	(8,538)
Total Direct Income	<u>(54,627)</u>	<u>(54,301)</u>	<u>(48,877)</u>
Central Support reallocation of costs	(519)	(523)	(393)
Special Revenue Projects	1,324	1,066	13
Vacancy Allowance & Employment Stability	(220)	-	(150)
Homelessness - Service Delivery Target	(200)	-	-
Shared services (DDC Hosted)	213	186	176
EKS Savings Target	(150)	-	-
Net Service Expenditure	<u>17,487</u>	<u>17,454</u>	<u>16,903</u>

GENERAL FUND KEY FIGURES - EXPENDITURE

	2017/18 Outturn	2018/19 Original Budget	2018/19 Projected Outturn	2019/20 Draft Budget	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast
Key Expenditure Figures:	£000	£000	£000	£000	£000	£000	£000
Employees:							
Basic	8,907	9,886	9,670	10,318	10,524	10,735	10,950
NI	933	1,019	991	1,046	1,067	1,088	1,110
Current year pension	1,340	1,502	1,473	1,551	1,582	1,614	1,646
Backfunding	1,572	1,610	1,610	1,648	1,730	1,817	1,908
	12,752	14,017	13,744	14,563	14,903	15,254	15,614
Major contracts:							
Refuse Collection	1,147	1,077	1,087	1,110	1,143	1,178	1,213
Recycling	1,014	1,066	1,066	1,098	1,131	1,165	1,200
Street Cleansing	1,500	1,588	1,588	1,634	1,683	1,734	1,786
Total Waste	3,661	3,731	3,741	3,842	3,957	4,077	4,199
Landscape maintenance	225	235	249	211	217	224	230
Balance of Third Party Payments ¹	1,257	1,832	1,878	1,543	1,589	1,637	1,686
	5,143	5,798	5,868	5,596	5,763	5,938	6,115

Notes

¹ Excludes EKS Management Fees & WCLP

GENERAL FUND KEY FIGURES - INCOME

	2017/18 Outturn	2018/19 Original Budget	2018/19 Projected Outturn	2019/20 Draft Budget	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast
Key Income Figures:	£000	£000	£000	£000	£000	£000	£000
Car Parking	(2,470)	(2,600)	(2,410)	(2,437)	(2,437)	(2,559)	(2,559)
Rent Income	(1,560)	(2,342)	(2,326)	(2,297)	(2,297)	(2,343)	(2,343)
Development Management	(696)	(715)	(715)	(660)	(660)	(673)	(673)
Building Control	(286)	(315)	(315)	(320)	(320)	(326)	(326)
Licensing	(272)	(210)	(210)	(216)	(216)	(220)	(220)
Green Waste	(223)	(248)	(301)	(300)	(300)	(306)	(306)
Land Charges	(93)	(98)	(98)	(90)	(90)	(90)	(90)
	(5,600)	(6,528)	(6,375)	(6,320)	(6,320)	(6,517)	(6,517)
Total Financing:							
Non-Domestic Rates	5,978	5,947	6,993	6,814	6,648	6,770	6,899
Revenue Support Grant	1,027	568	568	56	0	0	0
Council Tax	6,600	6,922	6,922	7,216	7,505	7,800	8,104
New Home Bonus	1,874	1,515	1,515	1,729	1,801	1,785	1,688
Other	(455)	(464)	(464)	(322)	(357)	(383)	(412)
Total Financing	15,024	14,488	15,534	15,493	15,597	15,972	16,279

FOUR YEAR REVENUE BUDGET FINANCIAL PROJECTION

Notes	2018/19 Projected Outturn £000	2019/20 Proposed Budget £000	2020/21 Forecast £000	2021/22 Forecast £000	2022/23 Forecast £000
1	15,279 Net Budget Requirement	15,563	15,563	15,563	15,563
	Corporate Adjustments				
2	- Salary inflation and increments including impact on National Insurance and Pensions		292	589	891
3	- Pension Backfunding (Triennial Valuation from 17/18)		82	169	260
4	- Contract inflation @ 3% plus allowance for renewals		265	576	897
5	- Average expenditure inflation impact from non-specifically budgetted income item		176	375	558
6	- Average income inflation impact		(207)	(653)	(902)
7	Total Inflation Adjustments		609	1,056	1,703
8	- Property Investment Income Target		(100)	(200)	(300)
9	- Homeless Savings Target		(100)	(100)	(100)
10	- Reduced transfers to earmarked reserves		(250)	(250)	(250)
11	- Estimated impact of significant contract renewals		200	800	800
12	0 Total Corporate Adjustments	0	(250)	250	150
	15,279 Total Forecast Budget Requirement	15,563	15,922	16,869	17,416
	Financed By :-				
	Non-Domestic Rates Income				
	Detailed modelling of forecasts undertaken				
	Collection fund deficit one-off in 2018/19 only				
	Business growth in the district				
13	5,939 Non-Domestic Rates Income	5,231	5,511	5,734	5,982
14	(605) Collection Fund Distribution	(434)			
15	Collection Fund Distribution reserve offset removed		(434)	(434)	(434)
16	Kent Pool contribution to KCC/DDC joint reserve		(35)	(61)	(90)
17	1,054 Enterprise Zone Relief & Renewable Energy Retained	1,583	1,137	1,036	917
18	568 Revenue Support Grant (reduced by 45% & 90% as per 4 year settlement. Assumed "negative" from 2020/21)	56	0	0	0
19	141 Collection Fund Surplus	112	112	112	112
	Council Tax Income				
	Tax rate increase (3% annual increase)				
	Base increase (1% per annum)				
20	6,922 Total Council Tax Income	7,216	7,505	7,800	8,104
21	1,515 New Homes Bonus (reducing from 4 years to nil over the period 2020/21 to 2023/24)	1,729	1,385	800	400
	15,534 Total Financing	15,493	15,181	14,988	14,991
22	(255) NET (SURPLUS) / DEFICIT	70	741	1,882	2,426
23	- Target Savings & Income Growth		(700)	(1,800)	(2,400)
24	(255) NET (SURPLUS) / DEFICIT AFTER SAVINGS	70	41	82	26
	Impact on Reserves :-				
	Projected General Fund Reserves				
	(2,527) Opening balance	(2,782)	(2,712)	(2,671)	(2,589)
25	(2,782) Closing Balance	(2,712)	(2,671)	(2,589)	(2,563)

**THREE YEAR REVENUE BUDGET FINANCIAL
PROJECTION**

Notes

- 1 The net budget is taken from the 2019/20 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 Total adjustments due to inflation and associated costs.
- 8 Target increased income from Property Investment Strategy.
- 9 Target expenditure savings Homeless service changes.
- 10 Reduced transfer to earmarked reserves.
- 11 Potential impact of major contract renewals anticipated in the planning period.
- 12 Total corporate adjustments.
- 13 Forecast NDR funding, including impact of inflation & assumptions for business growth.
- 14 Redistribution of NDR Collection Fund year-end balances.
- 15 The 2019/20 budget includes one-off reserve funding to offset the impact of the NDR Collection Fund deficit, this has been removed from future years.
- 16 Under the Kent NDR Pooling arrangements an element of the additional retained NDR growth is allocated for projects to be jointly agreed with DDC & KCC.
- 17 Enterprise Zone relief & renewable energy grant anticipated based on current forecasts.
- 18 The draft settlement as indicated in Dec 2016 by DCLG for future years.
- 19 The collection fund surplus is distributed to the precepting authorities pro rata to their share of the precepts.
- 20 Council Tax is forecast to increase by 3% per annum for the rest of the planning period. A 1% per annum increase in the tax base has also been assumed.
- 21 New Homes Bonus reduced to 4 year payments from 2018/19, with a minimum delivery of 0.4% growth. Assumes will further decrease by 1 year payment pa from 2020/21.
- 22 Forecast (surplus) / deficit.
- 23 Target savings required.
- 24 Revised (surplus) / deficit after target savings.
- 25 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.

INWARD INVESTMENT

The Inward Investment Service is responsible for attracting funding and private sector investment into the district to aid and support the growth and regeneration agenda identified in the Council's Corporate Plan.

LEADERSHIP SUPPORT

Leadership Support

This team is mainly concerned with the formulation of policy and strategy, including Health and Wellbeing, strategic Public Health liaison, corporate projects, corporate planning, supporting strategic and operational consultations and engagement and production of the annual State of the District.

Design, Print and Postal Services

Provision of in house design, photography, video, print unit and mail services plus ensuring the Council's brand and corporate identity are adhered to in all communications.

Corporate Services

This section is responsible for a number of corporate services of which the main areas are procurement of insurance and risk management, Category 1 responder role for emergency planning, corporate business continuity, performance measurement and monitoring, FOI and data protection requests, managing the Council's complaints process, administering RIPA and SPOC processes and advising on equality issues.

Budget 2019/2020

Service Summary		Costs controlled by Head of Service						Recharges and Other Adjustments	Total
		FTE	Employees	Other Costs	Income	Sub-total			
C3300	CHIEF EXEC ADMIN TRADING ACCT	1.80	208,830	5,750	-	214,580	(214,580)	-	
A1170	NON SERVICE SPECIFIC WORK	0.00	205,540	60,130	-	265,670	828,240	1,093,910	
Total Chief Executive		1.80	414,370	65,880	-	480,250	613,660	1,093,910	
C3745	HEAD OF INWARD INVESTMENT	0.68	78,170	2,590	(2,650)	78,110	(78,110)	-	
L5000	ECONOMIC DEVELOPMENT	0.00	-	3,800	-	3,800	85,300	89,100	
L5060	DTIZ-DEVELOPER FUNDED COSTS	0.00	-	50,000	(50,000)	-	-	-	
Total Inward Investment		0.68	78,170	56,390	(52,650)	81,910	7,190	89,100	
A1040	CORPORATE PLANNING	0.00	-	-	-	-	124,730	124,730	
A1171	HEALTH PROJECTS	0.00	-	-	-	-	22,370	22,370	
A5001	UNAPPORTIONABLE OVERHEADS	0.00	-	2,760	-	2,760	-	2,760	
B1500	EMERGENCY PLANNING	0.00	17,500	18,600	-	36,100	101,180	137,280	
C3030	MAIL ROOM TRADING ACCOUNT	2.00	80,370	20,160	(42,370)	58,160	(58,160)	-	
C3050	PRINT UNIT TRADING ACCOUNT	0.00	-	49,150	(31,000)	18,150	(18,150)	-	
C3331	DESIGN STUDIO	2.00	92,840	6,700	-	99,540	(99,540)	-	
C3335	CORPORATE SUPPORT TRADING ACCT	4.00	204,210	6,390	-	210,600	(210,600)	-	
C3336	POLICY & LEADERSHIP SUPPORT	2.00	141,340	1,350	-	142,690	(142,690)	-	
C5020	PHOTOCOPIERS HOLDING ACCOUNT	0.00	-	32,080	(43,860)	(11,780)	11,780	-	
C5060	MAIL ROOM POSTAGE ACCOUNT	0.00	-	55,000	(55,000)	-	-	-	
Total Leadership Support		10.00	536,260	192,190	(172,230)	556,220	(269,080)	287,140	
		12.48	1,028,800	314,460	(224,880)	1,118,380	351,770	1,470,150	

STRATEGIC DIRECTOR OF CORPORATE RESOURCES

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

GOVERNANCE & LEGAL SERVICES

Monitoring Officer

The Monitoring Officer, (who is the Solicitor to the Council) advises members and officers about vires, maladministration, probity and compliance with the Council's budget and policy framework, and promotes and maintains of the ethical standard of councillors serving on the District Council and the 35 town and parish councils in the district.

Data Protection Officer

The minimum tasks of the Statutory Data Protection Officer are to advise and monitor compliance on GDPR and other data protection laws, managing internal data protection activities, other data protection impact assessments, to train staff and conduct internal audits and to be the first point of contact for supervisory authorities and for individuals whose data is processed (employees, customers etc).

Legal Services

Provision of a full legal service to the Council including corporate and service specific legal advice, planning law, conveyancing, employment law and support for the Council's regulatory functions (including both civil and criminal court work).

Democratic Services

The section provides support to all Members and committees of the Council and for the scrutiny function. This includes secretarial and administrative support for the Leader of the Council and the Chairman of the Council and organisation of civic and commemorative events.

Electoral Services

This section are responsible for the organisation and conduct of Parliamentary, County Council, District Council and Parish Council elections and by-elections within the district and has responsibility for the Police and Crime Commissioner Elections for Kent. They are also responsible for the compilation and maintenance of the Register of Electors including special category electors and absent voters, an annual household canvass to ensure that the register is up to date, boundary review work and the implementation of boundary changes.

FINANCE AND HOUSING

Financial Administration

The Strategic Director of Corporate Resources is responsible, inter alia, for the Council's financial administration.

Accountancy

The Accountancy team is responsible for the Council's budgets and accounts, providing financial advice and support and managing technical financial matters such as VAT and Treasury Management.

Financial Services

The team provides procurement support to the Council in achieving best value, complying with its constitution, EU and other legislation, managing the procurement infrastructure and ensuring procurement best practice.

The team are also responsible for the accurate and timely processing and management of invoices and the management and reconciliation of income.

Housing Strategy

Strategic housing includes housing strategy and enabling, the provision of affordable housing in the district, housing needs and homelessness prevention. The service is also responsible for monitoring and client side management of East Kent Housing, the Council's Arms-Length Management Organisation.

Community Housing Programme

The Community Housing Programme provides information and capacity building for our communities to support them in delivering new affordable homes via community led development projects.

Housing Needs

The Housing Needs team is responsible for the allocation of social housing in accordance with statutory guidance, providing advice on housing options and dealing with homelessness in accordance with statutory duties.

REGULATORY SERVICES

Public Protection

This encompasses food safety and hygiene (visits and inspections of food establishments), health and safety at work (investigating accidents, including fatalities, and dangerous occurrences in premises such as offices, shops, warehouses and clubs), infectious disease control and port health. Dover District Council is the Port Health Authority for Dover Port and the Channel Tunnel.

Licensing

The Council is responsible for the issuing and enforcement of local licences including alcohol, public entertainment and late night refreshments, temporary events, gambling, private hire /hackney carriages vehicles, drivers and operators, animals boarding and breeding establishments, riding establishments, zoo's, pet shops, dangerous wild animals, beauty treatments, street trading and scrap metal.

Environmental Protection

The team leads on air quality management, contaminated land, drinking and bathing water quality. The team also responds to potential statutory nuisances including noise (from commercial and domestic premises, burglar and car alarms etc.), dust, smoke (e.g. bonfires), odours, fumes, animals, etc, as well as service requests relating to matters such as drainage, pest control, accumulations on private land, filthy and verminous premises and dark smoke from industrial/commercial premises. The team also oversee the provision of burials undertaken under relevant Public Health legislation.

Environmental Crime

The team undertake enforcement and educative activities to tackle environmental crimes such as littering, dog fouling, stray dogs, fly tipping, trade waste and accumulations of rubbish.

Planning Enforcement

The team investigate breaches of planning control and take formal and informal enforcement action to ensure compliance. This may include issuing notices, taking prosecutions and / or undertaking direct action, as well as responding to appeals to the planning inspectorate against enforcement notices.

Private Sector Housing

The Private Sector Housing team work to improve the private rented sector. Their work includes undertaking formal and informal action, licencing Houses in Multiple Occupation (HMO's) and caravan sites, providing mandatory disabled facilities grants and assistance to vulnerable owner occupiers living in substandard homes, as well as bringing empty homes back into use.

COMMUNITY SERVICES

Community Development

The Community Development Team strive to build social capacity throughout the Dover District by providing support for the district-wide community in the delivery of a wide range of community based projects.

Community Safety

The Council facilitates the Dover District Community Safety Partnership (CSP), a group of agencies including Dover District Council, Kent Police, Kent County Council, Kent Fire and Rescue Service, the Probation Service (encompassing National Offender Management and Community Rehabilitation Company) and the Clinical Commissioning Groups. The Kent Police and Crime Commissioner provides the funding for this partnership.

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

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 to tackle anti-social

behaviour and community safety issues across the District. The division is also responsible for DDC's approach to Safeguarding issues (Child and Adult Protection) and the Disclosure and Barring Service policy.

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.

Digital Services

The Digital Services Team lead on the shift to digital provision of the Council's services and the Head of Community Services also acts as the East Kent Services ICT Client Officer.

Communications, PR & Marketing

The Communications Team handles all press and media enquiries, promotes Council services and is responsible for website content, press releases, social media, the Council's Keep Me Posted e-mail alert service, and the DDC e-newsletter.

External Funding

The team supports bids for external funding for corporate projects including bids to major national funders, such as the various National Lottery funds, and central government and also works with local community groups to build their capacity to secure funding.

SHARED SERVICES

EAST KENT HOUSING

EKH is an Arms-length Management Organisation set up jointly with Shepway, Thanet and Canterbury councils to manage the Council's stock of over 4,250 dwellings.

EAST KENT AUDIT PARTNERSHIP

The Council hosts the East Kent Audit Partnership which provides an internal audit service to Dover Shepway, Thanet and Canterbury councils.

EAST KENT SERVICES (EKS)

EKS were formed by Dover, Canterbury and Thanet Councils and provides them with revenue services (collection of Council Tax and Business Rates), benefits services (payment of Housing Benefit and provision of the Council Tax Reduction Scheme), customer services (provision of on-line, telephone, and face to face service delivery for all customers) and a comprehensive range of ICT services.

EAST KENT HUMAN RESOURCES (EKHR)

The Council is the host Authority for the East Kent HR Service, which is a service shared with Canterbury and Thanet Councils and HR services to East Kent Housing. The service is responsible for advising on all HR matters. EKHR also provides and manages a full payroll provision for the Council and the other partner councils. The employer's pension function is administered in conjunction with the administering body, Kent County Council.

Budget 2019/2020

Service Summary		Costs controlled by Head of Service						
		FTE	Employees	Other Costs	Income	Sub-tot	Recharges and Other Adjustments	Total
Corporate Resources								
C3310	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	1.00	124,880	4,070	-	128,950	(128,950)	-
B2100	COUNCIL TAX-COST OF COLLECTION	0.00	-	1,004,290	(569,660)	434,630	17,210	451,840
B2300	NNDR - COST OF COLLECTION	0.00	-	150,220	(178,000)	(27,780)	10,110	(17,670)
B7000	BENEFITS & SUBSIDIES	0.00	-	30,065,320	(29,554,800)	510,520	43,400	553,920
C3376	DDC @ YOUR SERVICE	0.00	-	163,380	-	163,380	(163,380)	-
C3388	CORPORATE INCOME COLLECTION	0.00	-	155,450	-	155,450	(155,450)	-
C3520	AUDIT TRADING ACCOUNT	0.00	-	450	-	450	(450)	-
Total Strategic Director (Corporate Resources)		1.00	124,880	31,543,180	(30,302,460)	1,365,600	(377,510)	988,090
A1070	SPECIAL FEES AND PAYMENTS	0.00	-	76,500	(5,000)	71,500	9,730	81,230
A1075	TREASURY MANAGEMENT	0.00	-	14,500	-	14,500	27,350	41,850
A5000	BCKFNDNG & OTHER PENSION COSTS	0.00	2,141,250	750	(78,900)	2,063,100	(2,167,510)	(104,410)
B1600	GRANTS TO VOLUNTARY ORGS	0.00	-	251,160	-	251,160	3,290	254,450
C3020	PROCUREMENT, CREDITORS & INCOME	6.68	247,920	24,040	(94,090)	177,870	(177,870)	-
C3360	HEAD OF STRATEGIC HOUSING	1.00	73,790	1,700	(5,000)	70,490	(70,490)	-
C3500	ACCOUNTANCY TRADING ACCOUNT	9.58	414,060	63,060	(42,870)	434,250	(434,250)	-
C3505	HEAD OF FINANCE & HOUSING	1.00	100,090	-	-	100,090	(100,090)	-
C3507	CORPORATE PROJECTS MANAGER	1.00	54,250	-	-	54,250	(54,250)	-
C3855	HOUSING NEEDS TRADING ACCOUNT	15.03	545,540	5,760	-	551,300	(551,080)	220
C3857	KENT HOME CHOICE	1.00	51,130	143,110	(216,980)	(22,740)	22,740	-
C5010	OFFICE TELEPHONES HLDG ACCOUNT	0.00	-	28,000	(53,930)	(25,930)	25,930	-
M1000	HOMELESSNESS	0.00	-	1,013,900	(460,610)	553,290	527,550	1,080,840
M1050	RENT DEPOSIT SCHEME	0.00	-	10,000	(10,000)	-	-	-
M1401	HOUSING STRATEGY	0.00	-	7,000	-	7,000	10,540	17,540
M1405	COMMUNITY HOUSING FUND	4.00	118,300	69,500	-	187,800	12,600	200,400
M1410	CHOICE BASED LETTINGS	0.00	-	11,040	-	11,040	-	11,040
Total Finance & Housing		39.29	3,746,330	1,720,020	(967,380)	4,498,970	(2,915,810)	1,583,160
A1100	COUNCIL, CABINET & COMMITTEES	0.00	-	-	-	-	367,060	367,060
A1161	CHAIRMAN'S ACCOUNT	0.00	-	10,000	-	10,000	36,020	46,020
A1165	MEMBERS ACCOUNT	0.00	15,390	238,490	(3,250)	250,630	119,600	370,230
A1167	BOUNDARY REVIEW	0.00	-	-	-	-	1,380	1,380
B4030	DISTRICT ELECTIONS	0.00	-	120,000	-	120,000	-	120,000
B4070	ELECTIONS - ADMIN	0.00	-	-	-	-	137,510	137,510
B4090	POLICE & CRIME COMM'R-LOCAL RO	0.00	-	50	-	50	-	50
B4500	ELECTORAL REGISTRATION	0.00	750	96,750	(1,500)	96,000	190,010	286,010
C3000	HUMAN RESOURCES TRADING ACCT	0.00	106,980	9,960	-	116,940	(116,940)	-
C3301	DEMOCRATIC SERVICES	4.00	180,050	13,390	-	193,440	(193,440)	-
C3304	ELECTORAL SERVICES	5.50	230,140	1,460	(53,810)	177,790	(177,790)	-
C3540	LEGAL TRADING ACCOUNT	8.61	445,580	41,220	(79,740)	407,060	(407,060)	-
C3545	HEAD OF GOVERNANCE & LEGAL SER	3.81	218,080	-	-	218,080	(218,080)	-
C5045	LEGAL FEES HOLDING ACCOUNT	0.00	-	30,000	-	30,000	-	30,000
Total Governance & Legal Services		21.92	1,196,970	561,320	(138,300)	1,619,990	(261,730)	1,358,260

		Costs controlled by Head of Service					Recharges and Other Adjustments	Total
		FTE	Employees	Other Costs	Income	Sub-tot		
C3940	REGULATORY SERVICES	1.41	112,740	6,110	-	118,850	(118,850)	-
C3945	CORPORATE HEALTH & SAFETY	1.00	54,350	11,920	-	66,270	(66,270)	-
C3946	PLANNING ENFORCEMENT	4.86	219,220	5,800	-	225,020	(225,020)	-
C3960	LICENSING ADMIN TRAD ACCOUNT	5.00	179,910	7,870	-	187,780	(187,780)	-
C3980	ENVIRONMENTAL PROTECTION	4.47	235,790	15,350	-	251,140	(251,140)	-
C3983	PUBLIC PROTECTION	6.54	345,550	12,250	-	357,800	(357,800)	-
C3990	ENVIRONMENTAL CRIME	4.59	175,040	20,930	-	195,970	(195,970)	-
E1000	FOOD SAFETY AND HYGIENE	0.00	-	18,350	(240)	18,110	189,940	208,050
E1100	HEALTH AND SAFETY AT WORK	0.00	-	500	-	500	85,660	86,160
E1300	PEST CONTROL	0.00	-	100	-	100	28,900	29,000
E1430	ENV PROTECTION ENFORCEMENT	0.00	5,500	27,520	(20,160)	12,860	371,340	384,200
E1435	PLANNING ENFORCEMENT	0.00	-	10,900	-	10,900	-	10,900
E1500	PORT HEALTH	0.00	7,000	4,520	(58,250)	(46,730)	164,220	117,490
E2010	LICENSING	0.00	-	-	(95,450)	(95,450)	150,380	54,930
E2015	MISCELLANEOUS LICENSING	0.00	-	10,000	(27,430)	(17,430)	58,880	41,450
E2020	GAMBLING ACT 2005	0.00	-	-	(18,660)	(18,660)	27,140	8,480
E2030	HACKNEY CAR & PRIVATE HIRE	0.00	-	13,350	(74,640)	(61,290)	143,220	81,930
E2100	DOG CONTROL MEASURES	0.00	-	11,500	(2,050)	9,450	78,360	87,810
E2190	ENVIRONMENTAL CRIME	0.00	-	97,830	(102,630)	(4,800)	664,430	659,630
M1100	PRIVATE SECTOR HOUSING	6.15	293,600	1,065,420	(9,150)	1,349,870	125,660	1,475,530
Total Regulatory Services		34.02	1,628,700	1,340,220	(408,660)	2,560,260	685,300	3,245,560
A1050	CORPORATE PRESS & PUBLICITY	0.00	-	36,820	-	36,820	183,510	220,330
C3010	COMPUTER SERVICES TRADING ACCT	0.00	-	495,350	-	495,350	(495,350)	-
C3991	COMMUNITY SAFETY & CCTV	2.00	94,950	-	-	94,950	(94,950)	-
C3992	DIGITAL SERVICES	5.00	183,540	37,740	-	221,280	(221,280)	-
C3993	COMMUNITY DEVELOPMENT TEAM	4.72	160,390	-	-	160,390	(160,390)	-
C3995	COMMUNITY AND ENGAGEMENT	1.50	122,710	17,130	-	139,840	(139,840)	-
C3998	FUNDING & COMMUNICATIONS	2.00	122,420	-	-	122,420	(122,420)	-
E2200	CCTV	3.00	109,980	75,840	(3,500)	182,320	88,000	270,320
E8700	CRIME AND DISORDER	1.00	38,220	1,960	(22,000)	18,180	41,590	59,770
M1500	COMMUNITY DEVELOPMENT	0.00	-	-	-	-	272,420	272,420
M1501	SE STRATEGIC PRTRNP MIGRATION	0.00	-	-	-	-	3,660	3,660
M1520	AYLESHAM COMMNTY DEVLPMNT OFF	0.00	28,050	4,500	(22,880)	9,670	-	9,670
M1575	INSPIRE FUND	1.00	13,130	-	-	13,130	1,840	14,970
M1576	AYLESHAM GARDEN VILLAGE	0.57	3,200	120	(3,320)	-	5,360	5,360
M1580	DOVER COASTAL COMMUNITY TEAM	0.00	-	-	-	-	4,210	4,210
M1585	DEAL+SANDWICH COASTAL COM TEAM	0.00	-	-	-	-	3,850	3,850
M2600	SPORTS STRTGY, IMPLMTN & GRNTS	0.00	-	4,500	-	4,500	24,460	28,960
M4000	ANTI-SOCIAL BEHAVIOUR	0.00	-	11,000	(30,000)	(19,000)	87,460	68,460
Total Community Services		20.79	876,590	684,960	(81,700)	1,479,850	(517,870)	961,980
		117.02	7,573,470	35,849,700	(31,898,500)	11,524,670	(3,387,620)	8,137,050

STRATEGIC DIRECTOR (OPERATIONS AND COMMERCIAL)

The Strategic Director (Operations and Commercial) is responsible for a number of service areas, the most significant of which are those summarised below:

COMMERCIAL SERVICES

Refuse and Recycling Collections

Weekly segregated collection of food / kitchen waste, alternate weekly collections of recyclables and residual waste, 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 has been awarded in partnership with Folkestone & Hythe District Council and Kent County Council (as the disposal authority). Dover is the lead authority within this partnership and manages the contract.

The Council also provides other related services such as, for example, the bulky waste collection service.

Street Cleansing

The section is responsible for the cleansing of the highways and Council owned land in accordance with standards set by Government, including litter, detritus, dog fouling and leaves. The section also arranges the emptying of litter and dog waste bins and the removal of fly tipping. Environmental Health then deals with the investigation and enforcement element.

Parking Services

The Parking Services team is responsible for the management and operation of parking both on and off street across the District. The Council provides a number of car parks spread across the district including maintenance and enforcement operations. The Council also manages some car parks on behalf of other owners.

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 in 2001.

Parks & Open Spaces

The in-house parks & open spaces staff manage the maintenance of the Council's parks, open spaces and sports grounds throughout the district which include facilities such as skateboard parks, multi-use games areas, play areas, sports pitches, bowling greens and tennis courts.

Cemeteries - There are six cemeteries in the district managed by the Council's in-house parks & open spaces staff, located in Dover, Deal, Sandwich and Aylesham, presently used for earth burials.

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 by the in-house parks & open spaces staff.

White Cliffs Countryside Partnership

The Council is the host authority for the White Cliffs Countryside Partnership, which helps conserve and enhance the coast and countryside of Dover and Folkestone & Hythe Districts in a partnership which includes Dover District Council, Folkestone & Hythe 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 supported by financial contributions from the European Regional Development Fund, the Big Lottery and the Heritage Lottery Fund.

ASSETS & BUILDING CONTROL

This service is divided into a number of key areas:

Asset Management

The Council maintains / operates / manages a range of facilities including public conveniences, service depots, local markets, beaches and foreshores, the Council's leasehold properties, beach huts, boat plots and its operational and other properties.

The Council is also responsible for coast protection and responding to oil pollution incidents.

Facilities Management

The Council is responsible, either directly or through third parties, for the facility management of significant properties including Dover Town Hall (Maison Dieu), Deal Pier and the Council's Leisure Centres.

Building Control

The main role is implementation of the Building Regulations 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. In addition there are certain Building Regulations work, for which no fees can be charged, for example, building work to adapt a house for someone with a disability. The service also undertakes additional functions such as dealing with dangerous structures.

MUSEUM & TOURISM SERVICES

Dover Museum provides three floors of exhibitions on the history of Dover including its award winning Bronze Age Boat Gallery and is free to the public. It also operates a successful schools educational programme.

The Council also acts as co-ordinator for the district's tourism industry and the White Cliffs Country marketing brand. The service works in partnership with KCC, Visit Kent, other districts and town councils, and is actively engaged in promoting the district during events such as the Open Golf tournament at Sandwich. It directly runs the Dover Visitor Information Centre and the welcome desk for the Cruise Partnership.

REGENERATION AND DEVELOPMENT

Development Management (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)

The main functions of the team are processing of planning and other formal applications, resolving conflicts between applications and policies, reporting applications and providing advice to Planning Committee, providing pre-application advice, protecting heritage and environment, promoting good urban design, responding to appeals and supporting regeneration delivery.

Local Land Charges

The team's role includes 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 and liaison with departments for replies associated with personal searches. The Land Charges team maintains comprehensive background records of charges recorded within the Land Charges Register.

Development Plan and Implementation

This Section brings together the required development plans, Core Strategy, Land Allocations Local Plan, Heritage Strategy District Local Plan and the Council's regeneration activities as a landowner, to meet statutory requirements and to enable the council to both promote and control development.

Landowner Projects

The section also has responsibility for assisting with developing and promoting regeneration projects where the Council has a land interest (for example the Commonwealth War Memorial). This will involve negotiating, agreeing and overseeing development agreements with the Council's developer partners and helping to steer projects through either the Local Plan or planning application processes.

Service Summary		Costs controlled by Head of Service								
		Operations and Commercial							Recharges and Other Adjustments	Total
		FTE	Employees	Other Costs	Income	Sub-tot				
C3600	STRATEGIC DIRECTOR (OPERATIONS & COMMERCIAL)	1.00	124,660	4,550	-	129,210	(129,210)	-		
	Total Strategic Director (Operations & Commercial)	1.00	124,660	4,550	-	129,210	(129,210)	-		
A1162	CIVIC CAR	0.00	5,100	2,180	-	7,280	390	7,670		
C3715	PROPERTY SERVICES	21.49	956,230	61,220	(156,460)	860,990	(860,990)	-		
C3725	ASSET MAINTENANCE TEAM	4.00	111,150	(111,150)	-	-	42,410	42,410		
C3954	MAISON DIEU PREMISES	0.00	-	9,910	(3,500)	6,410	(6,410)	-		
C3957	THE DOVER GATEWAY (CASTLE ST)	0.00	-	69,960	(5,000)	64,960	(64,960)	-		
C5001	CORPORATE MAINTENANCE	0.00	-	425,000	-	425,000	-	425,000		
C5200	OFFICE ACCOMMODATION-WHITFIELD	2.22	58,240	466,980	(1,200)	524,020	(524,020)	-		
E4100	PUBLIC CONVENIENCES	0.00	-	173,670	(93,920)	79,750	59,870	139,620		
E8000	COAST PROTECTION	0.00	-	200	(43,940)	(43,740)	319,630	275,890		
H1000	BUILDING CONTROL	5.43	269,360	29,270	(322,000)	(23,370)	216,240	192,870		
K1020	SECTION 38	0.00	-	1,240	-	1,240	930	2,170		
K2015	STREETLIGHTING AND NAMING	0.00	-	173,800	(70,000)	103,800	73,360	177,160		
K2020	COUNTRYSIDE AND WATERWAYS	0.00	-	-	-	-	3,640	3,640		
K2040	BUS SHELTERS	0.00	-	18,770	-	18,770	9,410	28,180		
K3000	PRECINCTS-DEAL AND DOVER	0.00	-	990	-	990	11,230	12,220		
K5000	ENVIRONMENTAL IMPROVEMENTS	0.00	-	-	-	-	4,360	4,360		
L1350	GARAGES - GF	0.00	-	62,900	(425,000)	(362,100)	183,310	(178,790)		
L1360	SHOPS & SHOWROOMS - GF	0.00	-	25,090	(69,500)	(44,410)	23,010	(21,400)		
L1395	55-61 CASTLE ST (FORMER CO-OP)	0.00	-	34,680	(13,000)	21,680	18,440	40,120		
L1396	WHITFIELD COURT BUSINESS PARK	0.00	-	54,490	(390,800)	(336,310)	13,560	(322,750)		
L1397	B&Q RETAIL WAREHOUSE DOVER	0.00	-	99,360	(1,067,970)	(968,610)	1,980	(966,630)		
L1399	MISC PROPERTIES-GENERAL	0.00	-	25,490	(269,470)	(243,980)	564,610	320,630		
L1800	RELOCATION OF TRAVELLERS	0.00	-	-	-	-	1,060	1,060		
L2010	HALLS-TOWN HALL DOVER	0.00	-	409,070	(291,400)	117,670	383,190	500,860		
L3000	TIMEBALL TOWER, DEAL	0.00	-	500	(540)	(40)	3,080	3,040		
L3630	PUBLIC CLOCKS AND MEMORIALS	0.00	-	420	-	420	2,250	2,670		
L4030	DOLPHIN HOUSE	0.00	-	63,220	(100,500)	(37,280)	37,280	-		
M1200	ENERGY EFFICIENCY GRANTS	0.00	-	-	-	-	3,680	3,680		
M2100	BEACHES AND FORESHORES	0.00	-	23,030	(62,680)	(39,650)	56,920	17,270		
M2200	DEAL PIER	2.94	88,360	61,270	(53,830)	95,800	415,040	510,840		
M2210	SANDWICH QUAY	0.00	-	5,770	(16,800)	(11,030)	14,500	3,470		
M2500	DOVER LEISURE CENTRE	0.00	-	13,590	(458,000)	(444,410)	1,220,370	775,960		
M2510	DEAL LEISURE POOL-TIDES	0.00	-	128,140	-	128,140	1,993,930	2,122,070		
M2520	DEAL TENNIS CENTRE	0.00	-	1,490	-	1,490	57,140	58,630		
M2610	PROPERTY SERVICES EVENTS	0.00	-	5,000	(21,000)	(16,000)	24,870	8,870		
	Total Assets & Building Control	36.08	1,488,440	2,335,550	(3,936,510)	(112,520)	4,303,310	4,190,790		

		Costs controlled by Head of Service					Recharges and Other Adjustments	Total
		FTE	Employees	Other Costs	Income	Sub-tot		
C3390	PARKING SERVICE ADMINISTRATION	2.80	101,190	24,100	-	125,290	(125,290)	-
C3392	PARKING OPERATIONS & ENFORCMT	14.51	436,980	39,570	-	476,550	(476,550)	-
C3395	TRANSPORT AND PARKING MANAGER	1.00	66,720	-	-	66,720	(66,720)	-
C3610	WASTE SERVICES TRADING ACCOUNT	4.86	234,580	23,380	(85,000)	172,960	(172,960)	-
C3680	HEAD OF PARKS AND OPEN SPACES	1.00	92,670	580	-	93,250	(93,250)	-
C3685	PARKS AND OPEN SPACES ADMIN	2.76	113,250	-	-	113,250	(113,250)	-
C3690	GROUNDS MAINTENANCE TEAM	26.86	748,660	(1,118,410)	-	(369,750)	369,750	-
E4200	REFUSE COLLECTION	0.00	-	1,209,850	(115,000)	1,094,850	154,280	1,249,130
E4210	RECYCLING	0.00	-	1,124,930	(926,090)	198,840	129,430	328,270
E4230	SHEPWAY WASTE CONTRIBUTION	0.00	-	4,500,000	(4,500,000)	-	-	-
E4240	KCC WASTE CONTRIBUTION	0.00	-	1,000,500	(1,000,500)	-	-	-
E4260	SOUTHERN WATER PROJECT	0.00	-	-	-	-	660	660
E4300	STREET CLEANSING	0.00	-	1,656,280	(63,500)	1,592,780	96,010	1,688,790
E5000	DEPOTS	0.00	-	9,230	(1,070)	8,160	32,000	40,160
E6000	CEMETERIES	0.00	-	246,370	(155,000)	91,370	76,430	167,800
E6100	CLOSED CHURCHYARDS	0.00	-	55,810	-	55,810	17,740	73,550
K4000	FREE CAR PARKS	0.00	-	12,690	(50)	12,640	56,390	69,030
K4010	OFF STREET CAR PARKS	0.00	-	426,310	(1,744,190)	(1,317,880)	353,510	(964,370)
K4030	ON-STREET PARKING	0.00	-	55,200	(700,420)	(645,220)	648,620	3,400
L3642	WCLP-BE PART OF IT (B)	0.00	-	620	-	620	-	620
L5050	A/C BODY RCHG-SRB,S/START,WCCP	0.00	-	-	-	-	64,950	64,950
L6000	WHITE CLIFFS COUNTRYSIDE PROJ	3.50	117,470	34,310	(251,930)	(100,150)	100,150	-
L6002	WCCP-SAMPHIRE HOE	2.00	73,440	5,920	(104,360)	(25,000)	25,000	-
L6003	WCCP-ROMNEY MARSH PROJECT	1.00	26,160	3,930	(25,490)	4,600	(4,600)	-
L6005	WCCP-WILDLIFE/SITE SURVEY	0.00	-	300	(10,000)	(9,700)	9,700	-
L6010	OFFICE MANAGER & ADMIN	2.00	106,730	13,420	16,750	136,900	(136,900)	-
L6011	DOVER SITES MANAGEMENT	0.00	-	(14,160)	14,160	-	-	-
L6012	SHEPWAY SITES MANAGEMENT	0.00	-	3,560	(3,560)	-	-	-
L6018	FOLKESTONE DOWNS	0.00	-	16,730	(16,730)	-	-	-
L6020	RIVER DOUR	0.00	-	450	-	450	(450)	-
L6025	DUNGENESS (EDF ENERGY)	2.00	47,170	7,020	(77,190)	(23,000)	23,000	-
L6026	FORT BURGOYNE	0.60	21,240	3,300	(31,740)	(7,200)	7,200	-
L6030	OUR FINEST DOUR PROJECT	0.50	18,920	13,500	(32,420)	-	-	-
M2300	PARKS AND OPEN SPACES	0.00	-	711,410	(74,040)	637,370	236,200	873,570
M2305	PARKS FOR PEOPLE-KEARSNEY	5.70	191,670	2,026,630	(2,218,300)	-	-	-
M2315	ARTS COUNCIL FUND-KEARSNEY PRK	0.00	-	7,500	(7,500)	-	-	-
Total Commercial Services		71.09	2,396,850	12,100,830	(12,113,170)	2,384,510	1,211,050	3,595,560

		Costs controlled by Head of Service					Recharges and Other Adjustments	Total
		FTE	Employees	Other Costs	Income	Sub-tot		
B5000	LOCAL LAND CHARGES	0.00	620	13,300	(180,000)	(166,080)	133,400	(32,680)
C3760	REGENERATION DELIVERY TRADING	10.41	579,550	28,150	-	607,700	(607,700)	-
C3770	DEVELOPMENT MANAGEMENT TRADING	22.15	960,150	36,560	(12,650)	984,060	(984,060)	-
C5240	PLANNING DELIVERY GRANT	0.00	-	3,000	-	3,000	2,450	5,450
H2030	CONSERVATION & HERITAGE	0.00	-	470	-	470	162,750	163,220
H3000	DEVELOPMENT MANAGEMENT	0.00	-	141,420	(790,200)	(648,780)	1,604,320	955,540
H3070	FARTHINGLOE PROJECT	0.00	-	160,000	-	160,000	26,200	186,200
H3100	BROWNFIELD REGISTER	0.00	-	-	-	-	13,650	13,650
H4000	DOVER DISTRICT DEVELOPM'T PLAN	0.00	-	4,300	-	4,300	402,540	406,840
L4010	OTHER REGENERATION PROJECTS	0.00	-	50	-	50	219,880	219,930
L4095	AYLESHAM DEVELOPMENT	0.00	-	50,000	(50,000)	-	-	-
L5640	WATERFRONT DEVELOPMENT	0.00	-	30,000	(10,000)	20,000	5,040	25,040
Total Regeneration & Development		32.56	1,540,320	467,250	(1,042,850)	964,720	978,470	1,943,190
C3735	MUSEUM HERITAGE & TOURISM ADMIN	11.14	467,870	-	-	467,870	(467,870)	-
L3020	DOVER MUSEUM	0.00	38,210	199,520	(60,070)	177,660	1,046,320	1,223,980
L3022	MUSEUMS-BRONZE AGE BOAT-EXHIBT	0.00	-	17,870	(100)	17,770	59,710	77,480
L3025	DOVER MUSEUM SCHOOLS	0.00	-	22,800	(19,000)	3,800	34,260	38,060
L3027	MUSEUM - BEQUEST WORK	0.00	-	2,610	(1,000)	1,610	-	1,610
L3030	CHANNEL SWIMMING	0.00	-	270	-	270	-	270
L3031	MUSEUM COLLECTION STORAGE	3.00	56,880	5,000	-	61,880	3,160	65,040
L3600	GRAND SHAFT-WESTERN HEIGHTS	0.00	-	2,070	-	2,070	2,420	4,490
L5601	TOURISM DEVELOPMENT	0.00	-	71,530	-	71,530	217,610	289,140
L5610	VIC GRANTS & HISTORIC PANELS	0.00	-	10,250	-	10,250	43,580	53,830
L5614	CRUISE WELCOME OPERATION	0.00	4,000	280	(4,280)	-	-	-
L5617	OPEN GOLF EVENT	0.00	-	40,000	-	40,000	7,110	47,110
Total Museum & Tourism		14.14	566,960	372,200	(84,450)	854,710	946,300	1,801,010
		154.87	6,117,230	15,280,380	(17,176,980)	4,220,630	7,309,920	11,530,550

Earmarked General Reserves (2019/20 Budget Forecast)

	Balance	Contrib- ution	Application	Balance	Contrib- ution	Application	Balance	Contrib- ution	Application	Balance
	2017/18 £000	2018/19 £000	2018/19 £000	2018/19 £000	2019/20 £000	2019/20 £000	2019/20 £000	2020/21 £000	2020/21 £000	2020/21 £000
General Fund Balance	-2,527	-255	0	-2,782	0	70	-2,712	0	41	-2,671
Special Projects & Events Reserve	-4,011	-1,788	1,492	-4,307	-270	1,378	-3,199	-270	80	-3,389
Periodic Operations Reserve	-5,604	-415	3,323	-2,696	-410	982	-2,124	0	150	-1,974
Regeneration Reserve	-1,222	-335	611	-946	-405	475	-875	0	0	-875
ICT Equipment & Servers	-756	-115	669	-202	-115	202	-115	-115	115	-115
Business Rates & Council Tax Support	-1,804	0	905	-898	0	0	-898	0	0	-898
District Regen & Economic Dev Reserve	-12,507	0	7,558	-4,948	0	100	-4,848	0	2,800	-2,048
Earmarked Reserves Total	-25,903	-2,653	14,559	-13,998	-1,200	3,137	-12,061	-385	3,145	-9,301
Total Revenue Reserves	-28,430	-2,908	14,559	-16,780	-1,200	3,207	-14,773	-385	3,186	-11,972

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 2019/20. The forecasts for future years show the General Fund Balance being maintained above £2m if action is taken to deliver the target budget reductions. It is considered that at this time there are sufficient other earmarked reserves to support the council while the Council continues to address future budget pressures.

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 8C).

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. 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.

5. ICT Equipment & Servers

The 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.

6. 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 to annual budgets, as required, to offset the anticipated pressures 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.

7. 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 the new Dover District Leisure Centre and improvements to Dover Town Hall.

Housing Revenue Account - Draft Budget 2019/20 as at 07/01/19

	<i>Original Budget</i>	<i>Latest Approved Budget</i>	<i>Budget Variance</i>	<i>Notes</i>	<i>Projected Outturn</i>	<i>Variance of Projected to Approved</i>	<i>2019/20 Proposed Budget</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>		<i>£000</i>	<i>£000</i>	<i>£000</i>
INCOME							
Dwelling Rents	(18,650)	(18,650)	0		(18,565)	85	(18,700)
Non-dwelling Rents	(21)	(22)	0		(21)	0	(19)
Tenant Charges for Services and Facilities	(414)	(414)	0		(494)	(81)	(584)
Leaseholder Charges for Services and Facilities	(317)	(317)	0		(238)	79	(277)
Conts. towards Expend. - Grants for Supporting People	0	0	0		0	0	0
TOTAL INCOME	(19,402)	(19,402)	0		(19,318)	83	(19,580)
EXPENDITURE							
Repairs and Maintenance	3,581	3,416	(165)		3,311	(105)	3,347
Supervision and Management	4,242	4,242	0		4,265	23	4,152
Rents, Rates, Taxes and Other Charges	24	24	0		26	2	23
Negative Subsidy Entitlement (Incl MRA)	0	0	0		0	0	0
Self Financing Settlement Determination	0	0	0		0	0	0
Depreciation of Fixed Assets	1,991	1,991	0		1,991	0	2,044
Impairment of Fixed Assets	0	0	0		0	0	0
Revaluation Gain - rev of pr yr loss	0	0	0		0	0	0
Debt Management Expenses	38	38	0		38	0	35
Bad Debt Provision	250	250	0		165	(85)	165
Rent Rebate Subsidy Limitation	0	0	0		0	0	0
TOTAL EXPENDITURE	10,126	9,961	(165)		9,796	(165)	9,766
NET COST OF HRA SERVICES PER AUTHORITY INCOME AND EXPENDITURE ACCOUNT	(9,276)	(9,441)	(165)		(9,522)	(82)	(9,814)
HRA Share of Corporate and Democratic Core	746	746	0		746	0	667
HRA share of other amounts not allocated to specific services	0	0	0		0	0	0
NET COST OF HRA SERVICES	(8,529)	(8,694)	(165)		(8,776)	(82)	(9,147)
(Gain)/Loss on Sales of HRA Fixed Assets	0	0	0		0	0	0
Interest Payable and Similar Charges	2,646	2,646	0		2,646	0	2,574
Amortisation of Premiums & Discounts	0	0	0		0	0	0
Interest and Investment Income	(20)	(20)	0		(20)	0	(18)
Pension Int Costs and expected return on pensions assets	393	393	0		393	0	363
(SURPLUS)/DEFICIT FOR THE YEAR ON HRA SERVICES	(5,510)	(5,675)	(165)		(5,757)	(82)	(6,227)
Amount required by statute to be credited to the HRA Balance for the year (as per the Note to the Statement of Movement below) **	5,254	5,254	0		3,302	(1,952)	18,153
Net (Increase)/Decrease in the Housing Revenue Account Balance before transfers to or from reserves	(255)	(420)	(165)		(2,455)	(2,034)	11,926
Transfer (from) reserves							(14,413)
Transfer to reserves	250	420	170		2,455	2,205	2,485
(Increase)/decrease in year on the HRA balance	(5)	(0)	5		0	6	(2)
Impact of Deficit / (surplus) on balances							
Housing Revenue Account surplus brought forward	(1,012)	(1,012)	0		(1,012)	0	(1,012)
Housing Revenue Account surplus carried forward	(1,017)	(1,012)	5		(1,011)	6	(1,014)

**** 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**

	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Net Charges made for retirement benefits in accordance with IAS19	467	467	0	467	476
	467	467	0	467	476

**Items not included in the HRA Income and Expenditure
Account but included in the movement on HRA Balance**

Transfer to/(from) the Major Repairs Reserve	2,666	2,666	0	2,406	(260)	2,616
Employer's contributions payable to the Pension Fund and retirements benefits payable direct to pensioners	(393)	(393)	0	(393)	0	(363)
Capital expenditure funded by the HRA	2,514	2,514	0	822	(1,692)	15,424
	4,788	4,788	(1,371)	2,835	(1,952)	17,677
Net additional amount required by statute to be debited/(credited) to the HRA Balance for the year	5,254	5,254	0	3,302	(1,952)	18,153

Housing Revenue Account Variance Analysis
2018/19 Original Budget to 2018/19 Projected Outturn & Projected Outturn to 2019/20 Estimates

Housing Revenue Account Variation Statement - as at 31 December 2018

		£000's
2018/19 Original Budget		(5)
Tenant service charges	Sheltered alarm unit price unknown at budget	(194)
Repairs and Maintenance	Reworking of revenue programme	(234)
Supervision and Management	Tenants incentive scheme	16
Corporate and Democratic Core	Recalculation of internal recharges	(296)
Transfer to or (from) Major Repairs Reserve	Accounting adjustment	(260)
Transfer to or (from) reserves	Increase in transfer to HIR	2,170
Capital expenditure funded by the HRA	Decrease in capital programme spend	(1,197)
Miscellaneous	Minor variances	(4)
Projected Outturn 2018/19 as at 31 December 2018		(4)
	Reduction of rents by 1% as advised by Government, part offset by impact of property buy backs	(135)
Dwelling Rents		
Tenant Charges for Services and Facilities	Tenant service charge increase	(170)
Leaseholder charges for Services and Facilities	Leaseholder contributions	40
Repairs & Maintenance	Reduced cost of revenue works programme	(234)
Supervision and Management	Increase in EKH management fee	267
Supervision and Management	Reduction in internal recharges relating to management of properties	(357)
HRA Share of Corporate and Democratic Core	Recalculation of internal recharges	(79)
Interest Payable and Similar Charges	Interest payable reduction	(72)
	Increase in transfer to Housing Initiative Reserve	2,235
Transfer to or (from) reserves		
Capital expenditure funded by the HRA	Decrease in capital programme spend	(1,503)
Miscellaneous	Other minor variances	15
2019/20 Budget Estimate		3

FOUR YEAR REVENUE BUDGET FINANCIAL PROJECTION

Notes	2018/19 Projected Outturn £000	2019/20 Forecast £000	2020/21 Forecast £000	2021/22 Forecast £000	2022/23 Forecast £000
1	(19,318) Income	(19,580)	(19,580)	(19,580)	(19,580)
	Income Adjustments				
2	Rent increases at CPI + 1% from 2020/21		(561)	(1,139)	(1,734)
3	Impact of Right to Buy sales on rental income		32	66	100
4	Forecast rent from new stock		(263)	(540)	(610)
5	Inflation on leasehold & service charges		(26)	(52)	(80)
	(19,318) Total	(19,580)	(20,397)	(21,245)	(21,904)
6	10,543 Expenditure	10,433	10,433	10,433	10,433
	Expenditure Adjustments				
7	Repairs and Maintenance (3% inflation)		100	204	310
8	Supervision and Management (3% inflation)		125	253	385
9	Other Misc expenditure inflation		22	44	67
	10,543 Total	10,433	10,680	10,934	11,196
10	6,321 Other Charges	21,072	21,072	21,072	21,072
11	Reduction of capital spend based on current projects		(11,563)	(14,063)	(14,063)
12	Pension backfunding increase		24	49	75
13	Annual borrowing allowance for capital projects		150	300	450
	6,321 Total	21,072	9,683	7,358	7,534
14	0 Transfer from Housing Initiatives reserve	(14,413)	(2,850)	(350)	(350)
15	2,455 Transfer to Housing Initiatives reserve	2,485	2,850	3,300	3,500
16	0 NET (SURPLUS) / DEFICIT	(2)	(34)	(3)	(24)
	Impact on Reserves :-				
	Projected HRA Balance				
	(1,012) Opening balance	(1,012)	(1,015)	(1,049)	(1,052)
17	(1,012) Closing Balance	(1,015)	(1,049)	(1,052)	(1,076)
	Projected Housing Initiatives Reserve Balance				
	14,695 Opening balance	11,928	0	0	0
	2,455 Contribution to reserve	2,485	2,850	3,300	3,500
	(5,223) Proposed application of reserve to projects	(14,413)	(2,850)	(3,300)	(3,500)
18	11,928 Closing Balance	0	0	0	0

THREE YEAR REVENUE BUDGET FINANCIAL PROJECTION

Notes

- 1 The gross income budget is taken from the 2019/20 budget at Annex 7.
- 2 Following the rent reduction period the Government has advised that rent increases will return to levels of CPI plus 1%.
- 3 Right to Buy sales have a negative impact on rent income. Based on current levels this has been assumed to reduce rent income by 0.2% per annum.
- 4 Additional income forecast as a result of the proposed increases in stock from the Housing Initiatives projects.
- 5 It is assumed that tenant service charges will increase in line with inflation.
- 6 The gross expenditure budget is taken from the 2019/20 budget at Annex 7.
- 7 It is assumed that repairs & maintenance expenditure will increase in line with inflation.
- 8 It is assumed that supervision & management expenditure (including charges from East Kent Housing) will increase in line with inflation.
- 9 Inflationary increases on other expenditure areas.
- 10 Other charges are taken from the 2019/20 budget at Annex 7. These include, capital works, interest payable & receivable & pension charges.
- 11 The 2019/20 budget includes the Housing Initiatives capital projects based on the current programme. The current commitments result in a reduction in spend in future years, this will be reviewed and updated on an on-going basis.
- 12 The HRA share of the Authority's pension deficit is assumed to increase by 5% per annum in line with the Actuary's forecasts.
- 13 The current level of proposed budget for Housing Initiatives projects is above the forecast level of the HIR so there is forecast to be a requirement to borrow for future projects. The increase is based on £3.5m over 40 years at 3%.
- 14 The level of funding of projects from the Housing Initiatives reserves based on the current programme & forecasts.
- 15 The annual transfer to the Housing Initiatives reserves to support future projects.
- 16 Forecast (surplus) / deficit.
- 17 Forecast HRA Balance.
- 18 Forecast Housing Initiatives Reserve Balance.

COST CENTRE	REVENUE WORKS PROGRAMME	PROJECTED OUTTURN 2018/19	PROPOSED BUDGET 2019/20	PROPOSED BUDGET 2020/21
N1000	Term Maintenance	1400	1,300	1,300
N1100	External Decorations	0	220	220
N1116	Cesspool Drainage Replacement	5	2	2
N1119	Communal TV Aerials Installation	6	6	6
N1173	Elderly Persons Redecorations	20	25	25
N1181	Estates Paths, Pavings, Floor Resurfacing	25	70	70
N1200	Insurance Excess/Storm Damage	10	5	5
N1210	Vandalism	10	5	5
N1220	Electrical Safety Inspections	75	90	90
N1230	Health and Safety Water Inspections	18	25	25
N1300	Voids Properties	750	700	700
N1310	Void Security	0	0	0
N1400	Heating Servicing	620	650	650
N1410	Lift Maintenance	11	11	11
N1421	Disabled Hoists & Lifts	10	10	10
N1422	Fire Alarm Servicing	60	80	80
N1423	Door Entry	13	15	15
N1600	Tenant Compensation	3	3	3
N1700	Tenants Compact - Dover / Deal/Sandwich & Rural	70	0	0
N1705	Environmental Improvements -EKH initiated	100	0	0
N1710	Environmental Improvements -DDC initiated	100	100	100
	TOTAL REVENUE WORKS PROGRAMME	3,306	3,316	3,316

COST CENTRE	CAPITAL WORKS PROGRAMME	PROJECTED OUTTURN 2018/19	PROPOSED BUDGET 2019/20	PROPOSED BUDGET 2020/21
	HOUSING REVENUE ACCOUNT SCHEMES			
	IMPROVEMENTS			
P3011	Reroofing	275	415	415
P3013	Replacement Doors and Windows	650	335	335
P3018	Door Entry Systems	50	49	49
P3019	Fire Precaution Works	300	300	300
P3042	Renewal Heating	450	378	378
P3043	Thermal Insulation	10	10	10
P3045	Asbestos Programme	160	160	160
P3046	Structural Repairs	100	120	120
P3049	Rewiring	55	270	270
P3051	Kitchen Programme	640	550	550
P3052	Lift Refurbishment	40	40	40
P3054	Bathroom Programme	565	350	350
P3604	Adaptations for Disabled Persons	398	398	398
	Capital Works Programme Total	3,693	3,375	3,375
P3604	Adaptations for Disabled Persons - Internal Fees	2	2	2
P3691	Sheltered Upgrade Norman Tailyour	750	1,598	
P3698	Folkestone Rd Properties	110		
	Whitfield 1A	0	3,500	
	Proposed new developments	2,464	14,851	5,135
	Property projects ie buy backs	4,000		
	Provision for ICT	28		
	Social Housing prelim costs	55		
	Interim units	100	4,300	2,356
	TOTAL HRA CAPITAL PROGRAMME	11,202	27,626	10,868
	Financed By:			
	Capital Receipts			
N9004	Major Repairs Reserve	2,406	2,366	2,366
N4300	Direct Revenue Financing (HRA)	1,317	1,011	1,011
	Internal borrowing	0	3,960	3,025
	Excess Right to Buy	1,679	4,939	1,220
	Grant & S106 Funding	576	937	396
V7466	Housing Initiatives Reserve	5,223	14,413	2,850
	TOTAL CAPITAL WORKS FUNDING	11,202	27,626	10,868

FULL PROGRAMME TOTAL	14,508	30,942	14,184
-----------------------------	---------------	---------------	---------------

MEDIUM TERM CAPITAL PROGRAMME (GENERAL FUND) - DECEMBER 2018 OUTTURN

APPROVED BUDGET		PROPOSED BUDGET					
Projects included in the programme	Total	Previous	Estimate	Estimate	Estimate	Future	Total
	£000	years	2018/19	2019/20	2020/21	years	£000
	£000	£000	£000	£000	£000	£000	£000
Committed General Fund Projects							
Dover Regeneration Projects							
DTIZ - Waterfront	1,048	885	64	100	0	0	1,048
DTIZ Growth Point - Unallocated Grant Funding	7	0	7	0	0	0	7
Dover Pride - Dover Priory Ph 1 & 2	220	107	113	0	0	0	220
Sub total	1,276	992	184	100	0	0	1,276
Other Regeneration Projects							
Aylesham Regeneration Project	1,604	1,536	18	50	0	0	1,604
Aylesham retail units - fit out	130	10	120	0	0	0	130
Discovery Park - Grant no.2 (100% grant funded)	2,722	0	0	2,722	0	0	2,722
Building Foundations for Growth Grant - unallocated funding	21	0	0	21	0	0	21
Sub total	4,477	1,546	137	2,793	0	0	4,477
ICT Projects							
E-Procurement implementation / servers	31	22	8	0	0	0	30
GIS ESRI server upgrade	13	0	13	0	0	0	13
Purchase Telephony Equipment (Handsets / Headsets)	47	37	5	0	0	0	42
Sub total	90	59	26	0	0	0	85
Other projects							
Disabled Facilities Grants:-							
Mandatory Disabled Facilities Grants	1,675	N/A	1,675	0	0	0	1,675
Winter Warmth Grants	50	N/A	50	0	0	0	50
Renovation Grants	9	N/A	9	0	0	0	9
Renovation/PSH Loans	388	N/A	147	241	0	0	388
Empty Homes Loans	300	N/A	300	0	0	0	300
Leisure Centre Contingency - delete unspent bdat wef 19/20	79	62	17	0	0	0	79
Tides LC refurbishment	790	30	760	0	0	0	790
Beach Hut Project	38	37	1	0	0	0	38
Dover Museum & Bronze Age Boat - Essential Works	306	35	271	0	0	0	306
Whitfield Offices - Capital Works	220	161	59	0	0	0	220
Disabled WC - Marine Rd Walmer	45	45	0	0	0	0	45
Dover Town Hall-Urgent Repairs	150	52	98	0	0	0	150
Sandwich Quay - dredge & install fenders	50	0	50	0	0	0	50
Deal Pier - Capital Works	755	42	758	0	0	0	800
DTIZ enhancement works	230	0	230	0	0	0	230
Purchase new beach huts	100	0	100	0	0	0	100
Sandwich Historical Boatyard - land & building purchase	88	0	88	0	0	0	88
Our Finest Dour - Capital Works	30	0	30	0	0	0	30
Maison Dieu restoration (Dover Town Hall)	627	0	100	527	0	0	627
Deal Beach Management 2015-20 (100% grant funded)	1,750	113	150	787	350	350	1,750
Parks for People - Kearsney Abbey & Russell Gardens	3,100	326	1,734	1,040	0	0	3,100
Dover Leisure Centre - new facility provision	26,600	10,297	16,303	0	0	0	26,600
Property Investment Acquisition - 3 - 55-61 Castle St	1,382	12	680	690	0	0	1,382
Sub total	38,762	11,212	23,610	3,285	350	350	38,807
Sub total of Committed General Fund Projects	44,604	13,809	23,956	6,179	350	350	44,644
General Fund Projects - Proposed Projects							
Capital Contingency	124	0	124	0	0	0	124
Leisure Centre Contingency	21	0	0	0	0	0	0
Victoria Park-Play Area (S106 funded)	37	0	0	37	0	0	37
Dover Museum - Gallery Refurbishment	69	0	69	0	0	0	69
Dover Town Centre Regeneration	500	0	500	0	0	0	500
Market Sq public realm enhancements	100	0	0	0	0	0	0
Beach Huts - replacements & refurbishments	125	0	0	0	0	0	0
DDC CCTV improvements	90	0	90	0	0	0	90
CCTV upgrade & relocation	110	0	110	0	0	0	110
Dover Museum - temporary exhibition cases for Zeebrugge event	116	0	0	0	0	0	0
Dover Museum storage facilities	500	0	0	0	500	0	500
Middle & Upper Danes reinstatement works	100	0	100	0	0	0	100
Deal Pier - phase 3	600	0	0	200	400	0	600
Cowdray Square play area refurbishment	68	0	0	0	68	0	68
Victoria Park-outdoor facilities improvements (S106 funded)	100	0	0	100	0	0	100
St Margarets Bay coast protection works (grant funded)	150	0	150	0	0	0	150
Kearsney Abbey / Russell Gardens - play area / disabled facilities access	200	0	200	0	0	0	200
Upgrade commercial properties	50	0	0	50	0	0	50
Strategic land purchase for redevelopment / regeneration	2,000	0	2,000	0	0	0	2,000
Tides Leisure Centre Refurbishment	5,262	0	0	140	3,800	1,322	5,262
Street-lighting works	2,435	0	935	0	0	1,500	2,435
Dover Town Hall - DDC contribution to major refurbishment works	2,800	0	0	0	0	2,800	2,800
Bus Rapid Transport Route (BRT)	15,900	0	100	0	0	15,800	15,900
Property Investment Strategy (note 4)	176,876	0	50,000	50,000	50,000	26,876	176,876

MEDIUM TERM CAPITAL PROGRAMME (GENERAL FUND) - DECEMBER 2018 OUTTURN

Annex 8A

Projects included in the programme	APPROVED BUDGET		PROPOSED BUDGET				
	Total	Previous years	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21	Future years	Total
	£000	£000	£000	£000	£000	£000	£000
19/20 New Proposed:-	0	0	0	0	0	0	0
New Financial System	0	0	0	200	200	0	400
Empty Homes Loans	0	0	0	300	0	0	300
Public toilets refurbishment	0	0	0	100	0	0	100
Old Dover Leisure Centre demolition	0	0	0	200	0	0	200
CCTV upgrade & relocation	0	0	0	80	0	0	80
Replacement coin sorter & counter	0	0	0	12	0	0	12
Capital Contingency	0	0	0	80	0	0	80
Disabled Facilities Grants	0	0	0	1,040	0	0	1,040
Dolphin House - balconies	0	0	0	200	0	0	200
Sub total of General Fund Proposed Projects	208,331	0	54,378	52,739	54,968	48,298	210,382
General Fund Projects Total	252,935	13,809	78,334	58,918	55,318	48,648	255,026
Financed by:							
Capital projects financed in previous financial years	13,809	13,809	0	0	0	0	13,809
Capital receipts - General Fund	11,324	N/A	6,604	570	968	2,822	10,963
Capital receipts - General Fund - 19/20 new	0	N/A	0	972	200	0	1,172
Capital receipts - General Fund (Dover Regeneration)	250	N/A	250	0	0	0	250
Capital receipts - General Fund (Developer contingencies)	0	N/A	0	0	0	0	0
Capital receipts - DFG Grant Repayments	39	N/A	39	0	0	0	39
Capital receipts - PSH Loan receipts	688	N/A	447	241	0	0	688
Direct Revenue Financing:-							
General Fund	26	N/A	61	10	0	0	71
General Fund - 19/20 new	0	N/A	0	200	0	0	200
Heritage Lottery Fund Grant (Parks for People-Kearsney)	2,301	N/A	1,501	800	0	0	2,301
Heritage Lottery Fund Grant (Maison Dieu restoration - Dover Town Hall)	427	N/A	68	359	0	0	427
Section 106 Funding	137	N/A	0	137	0	0	137
Grants:-							
Growth Point - Unallocated Grant Funding	7	N/A	7	0	0	0	7
Growth Point (Dover Priory Multi-Storey Car Park)	100	N/A	100	0	0	0	100
KCC Better Care Fund (Disabled Facilities Grant)	1,686	N/A	1,686	0	0	0	1,686
KCC Better Care Fund (Disabled Facilities Grant) - 19/20 estimate	0	N/A	0	1,040	0	0	1,040
Environment Agency (Deal Beach Management 2015-20)	1,637	N/A	150	787	350	350	1,637
Environment Agency (Sandwich Quay)	15	N/A	15	0	0	0	15
Environment Agency (St Margarets Bay coast protection works)	150	N/A	150	0	0	0	150
MHCLG Building Foundations for Growth Grant (Discovery Park)	2,743	N/A	0	2,743	0	0	2,743
Performance Reward Grant (Telephony)	10	N/A	5	0	0	0	5
Sport England - (new Dover Leisure Centre)	773	N/A	773	0	0	0	773
Housing Infrastructure Fund (BRT)	15,800	N/A	0	0	0	15,800	15,800
Other reserves:-							
- Cluster Prep (Rev Reserve)	48	N/A	48	0	0	0	48
- Special projects (Rev reserve)	214	N/A	14	200	0	0	214
- ICT Reserve	21	N/A	20	0	0	0	20
- District Regeneration & Economic Development Reserve	10,458	N/A	7,490	168	0	2,800	10,458
- SEEDA-Dover Regeneration	150	N/A	150	0	0	0	150
PWLB borrowing - Property Investment Acquisition	1,370	N/A	680	690	0	0	1,370
PWLB borrowing - estimated (new Dover Leisure Centre)	7,576	N/A	7,576	0	0	0	7,576
PWLB borrowing - Tides Leisure Centre refurb	3,800	N/A	0	0	3,800	0	3,800
Salix loan - Street-lighting works	500	N/A	500	0	0	0	500
Unsupported borrowing	0	N/A	0	0	0	0	0
Property Investment Strategy (note 5)	176,876	N/A	50,000	50,000	50,000	26,876	176,876
Total	252,935	13,809	78,334	58,918	55,318	48,648	255,026
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) Property Investment Strategy £200m approved by Council and Cabinet in November 2016; financing of each proposal to be determined on a case-by-case basis. Authority to approve property investments delegated to Portfolio Holder for Corporate Resources and Performance, advised by Project Advisory Group as required							
5) Delegate authority to the Director of Finance, Housing and Community, in consultation with the Portfolio Holder responsible for Finance, to: Authorise project overspends up to a maximum of 10% or £100k (whichever is lower); and apply relevant financing resources to cover.							

Capital Receipts Summary as at 31/12/18

Capital Receipt Category	2017/18 Opening Balance £000	Receipts in year £000	Allocated to Projects £000	2018/19 Opening Balance £000	Anticipated future income £000	MTCP Project Funding £000	New Bids 2019/20 MTFP £000	Available funding £000
Ring Fenced for 1:4:1 Affordable Housing	(3,475)	(1,665)	533	(4,606)	(3,232)	1,679	6,159	0
Ring fenced for Private Sector Housing	(559)	(241)	112	(688)	0	688	0	0
Ring fenced for Dover Regeneration	(250)	0	0	(250)	0	250	0	0
Ring fenced for Aylesham contractual commitments	(839)	0	63	(776)	0	0	776	0
Ring fenced for DFGs	0	(39)	0	(39)	(11)	39	11	0
Un-ringfenced capital receipts	(12,189)	(879)	170	(12,898)	(1,255)	10,963	1,173	(2,017)
Total	(17,312)	(2,824)	878	(19,257)	(4,498)	13,620	8,118	(2,017)

SPECIAL REVENUE PROJECTS - 2018/19 OUTTURN

SPECIAL REVENUE PROJECTS	Capital / Revenue	Total	Prior	Revised	Estimate	Estimate	Future	Total
		Approved	Years	Estimate	Estimate	Estimate	years	Revised
		Budget	Exp	2018/19	2019/20	2020/21	£000	Budget
		£000	£000	£000	£000	£000	£000	£000
Committed Special Revenue Projects								
Corporate Property - Planned Maintenance	R	1,051	1,042	9	0	0	0	1,051
Control of Asbestos Regulations Works - Corporate Buildings	R	44	41	2	0	0	0	44
Dover Town Hall - consultancy/funding bid	R	195	194	1	0	0	0	195
Dover Transportation Study	R	149	124	0	25	0	0	149
Duke of York Roundabout Design	R	39	30	0	9	0	0	39
Parking Services Software Upgrade & Devices	R	27	19	8	0	0	0	27
Commonwealth War Memorial-Dover	R	500	466	34	0	0	0	500
Property Investment Strategy-external support	R	200	24	76	50	50	0	200
Property Investment Strategy-ext supp re Snelgrove & Wm Muge sites redevelopment	R	39	54	(15)	0	0	0	39
Recycling & Refuse Storage Areas	R	15	0	15	0	0	0	15
Food Waste Promotion	R	47	15	32	0	0	0	47
Dover Tourism Signage Scheme	R	20	10	10	0	0	0	20
LDF Plan	R	300	41	117	142	0	0	300
Dover Regeneration - enabling costs	R	186	6	130	50	0	0	186
Sandwich Walled Town Conservation Area - consultancy	R	20	0	0	20	0	0	20
Guildhall Sq Sandwich - support for external funding bids	R	30	27	3	0	0	0	30
North Deal Land Study	R	300	87	77	136	0	0	300
Resurfacing Car Parks & DDC owned access roads	R	240	8	232	0	0	0	240
Clarendon Field - safety boundary fence	R	30	0	30	0	0	0	30
Big Bins - Deal Promenade	R	41	0	41	0	0	0	41
Marines Memorial Gardens Refurbishment	R	15	0	15	0	0	0	15
Butts - access bridge works	R	16	0	16	0	0	0	16
Contribution to development of Dover Town archaeological plan	R	12	0	0	12	0	0	12
Contribution to Open Golf event	R	100	0	80	20	0	0	100
Sandwich Historic Boatyard - electricity supply	R	0	0	25	0	0	0	25
East Kent Waste 2021	R	0	0	25	0	0	0	25
Property Renovations grant scheme	R	0	0	50	200	200	50	500
Parks - General Repairs (walls, fences, lakes, structures etc)	R	85	25	60	0	0	0	85
Sub total		3,702	2,215	1,073	663	250	50	4,252
ICT Infrastructure Investment Projects								
Payment Card Industry (PCI) Compliance	R	45	20	25	0	0	0	45
eFinancials System Improvements	R	18	11	7	0	0	0	18
IDOX Upgrade - Planning, Building Control & Property Services	R	85	59	26	0	0	0	85
Regulatory Services - purchase IDOX Uniform database	R	65	11	54	0	0	0	65
Upgrade of Mobile Iphones	R	17	15	(1)	0	0	0	14
Windows 2008 Servers & SQL 2008 Databases upgrade	R	18	0	18	0	0	0	18
Feature Manipulation Engine (FME)	R	20	0	20	0	0	0	20
AIM upgrade	R	11	0	11	0	0	0	11
Civica/Citrix Project	R	0	0	37	0	0	0	37
ICT Reserve funded - small projects	R	37	6	31	0	0	0	37
Sub total		315	121	228	0	0	0	349
Capital projects in capital programme financed from reserve:								
Provision allocated to capital programme to finance capital projects	C	214	n/a	14	200	0	0	214
		4,231	2,336	1,315	863	250	50	4,814
Proposed Projects								
Special Revenue Contingency - overspends	R/C	70	0	70	0	0	0	70
Special Revenue Contingency - urgent projects	R/C	165	0	115	0	0	0	115
Corporate Property Maintenance	R	160	0	0	0	0	0	0
Corporate Property Maintenance - Contingency	R	259	0	109	110	50	50	319
Cemetery Provision - consultancy	R	15	0	0	0	0	0	0
Utilities Management for all Corporate Properties	R	20	0	0	0	0	0	0
Connaught Park Tennis Courts Improvements	R	31	0	31	0	0	0	31
Dover Regeneration - enabling costs	R	80	0	0	80	0	0	80
Old St James Church works	R	70	0	70	0	0	0	70
Walmer Green railing refurbishment	R	45	0	0	45	0	0	45
Sandwich Parks project (Phase 1) - enabling design & survey work	R	24	0	24	0	0	0	24
Gazen Salts - nature reserve works - plus £35k 19/20 new bid	R	15	0	15	0	0	0	15
Dover Town Centre improvements	R	300	0	0	0	0	0	0
Western Heights - establish heritage trust	R	50	0	0	0	0	0	0
Connaught Park - strategic review	R	25	0	0	0	0	0	0
Sandwich Town place-making - plus £200k 19/20 new bid	R	50	0	50	0	0	0	50
Guildhall Sq Sandwich - support for external funding bids	R	25	0	25	0	0	0	25
Kearsney Abbey / Russell Gdns pond repair - plus £48k 19/20 new bid	R	52	0	52	0	0	0	52
Public realm works	R	60	0	60	0	0	0	60
Project feasibility costs	R	50	0	50	0	0	0	50
Sub total - proposed projects		1,564	0	669	235	50	50	1,004
ICT Infrastructure Investment - Proposed Projects								
Corporate Digital Projects	R/C	448	0	422	0	0	0	422
Confirm Software Purchase	R	7	0	0	0	0	0	0
Regulatory Services - handheld systems	R	20	0	20	0	0	0	20
Sub total - ICT proposed projects		476	0	442	0	0	0	442
19/20 new proposed:-								
Sandwich Town Centre enhancements - add to existing £50k for Sandwich Town place-making	R	0	0	0	200	0	0	200

SPECIAL REVENUE PROJECTS	Capital / Revenue	Total	Prior	Revised	Estimate	Estimate	Future	Total
		Approved	Years	Estimate	Estimate	Estimate	years	Revised
		Budget	Exp	2018/19	2019/20	2020/21		Budget
East Kent Waste 2021 - consultancy - add to existing project; full £100k approved 05/11/18	R	0	0	0	75	0	0	75
Contribution to new public toilet	R	0	0	0	90	0	0	90
Football pitch renovations	R	0	0	0	75	0	0	75
Closed churchyard repairs	R	0	0	0	70	0	0	70
Beach Huts refurbishments	R	0	0	0	55	0	0	55
Russell Gardens - pond repair - add to existing £52k	R	0	0	0	48	0	0	48
Deal cemetery - depot/storage works	R	0	0	0	40	0	0	40
Gazen Salts & Town Walks works - add to existing £15k	R	0	0	0	35	0	0	35
Paths & Structures in Parks & Open Spaces	R	0	0	0	45	30	40	115
Purchase compactor bins for Sandwich Quay	R	0	0	0	25	0	0	25
Astor Theatre repair	R	0	0	0	20	0	0	20
Corporate Property Maintenance contingency	R	0	0	0	0	0	50	50
Corporate Digital Projects	C/R	0	0	0	315	0	0	315
Sub total - new proposed projects		0	0	0	1,093	30	90	1,213
Total Projects Subject to Approval/Appraisal		2,040	0	1,111	1,328	80	140	2,659
GRAND TOTAL		6,271	2,336	2,426	2,191	330	190	7,473
Special Projects Financing								
Special Projects financed in previous years		2,336	2,336	0	0	0	0	2,336
Funded from Special Project Reserve		2,182	0	1,196	636	250	100	2,182
Funded from Special Project Reserve - 19/20 new		0	0	778	0	30	90	898
Funded from ICT Reserve		648	0	648	0	0	0	648
Funded from ICT Reserve - 19/20 new		0	0	0	315	0	0	315
Funded from On-Street Parking Reserve		52	0	52	0	0	0	52
Funded from Periodic Operations Reserve		8	0	8	0	0	0	8
Funded from Regeneration Reserve		420	0	178	192	50	0	420
Funded from Dover Regeneration Reserve		65	0	0	65	0	0	65
Funded from SEEDA-Dover Regen Reserve		154	0	95	59	0	0	154
Funded from HCA-Dover Regen Reserve		35	0	35	0	0	0	35
Funded from KCC & Dover Growth Fund Reserve		0	0	0	0	0	0	0
Funded from Major Events Reserve		100	0	80	20	0	0	100
Funded from HM Treasury grant		34	0	34	0	0	0	34
Funded from KCC contribution		72	0	19	53	0	0	72
Funded from Developer contribution		106	0	39	68	0	0	106
Funded from Southern Water contribution		20	0	20	0	0	0	20
Funded from HRA		12	0	12	0	0	0	12
Funded from LDF revenue		6	0	0	6	0	0	6
Funded from Planning revenue		10	0	10	0	0	0	10
Funded from Street Cleansing revenue		1	0	1	0	0	0	1
TOTAL		6,260	2,336	2,426	2,191	330	190	7,473

Remaining balance in Special Projects reserve	
Balance at 1 April 2018	2,159
Allocation to projects in 18/19	-1,196
Allocation from General Fund for 18/19	1,460
Balance at 31 March 2019	2,424
Proposed allocation to projects in 19/20 & future years	-986
Proposed allocation to new projects in 19/20 & future years	-898
Allocation from General Fund for 19/20	850
Balance after future years allocations	1,390

Remaining balance in Major Events Reserve	
Balance at 1 April 2018	103
Allocation to projects in 18/19	-80
18/19 Allocation to Reserve	20
Major Events balance as at 31 March 2019	43
Proposed allocation to projects in 19/20 & future years	-20
19/20 Allocation to Reserve	20
Major Events balance	43

Remaining balance in ICT Reserve	
Balance at 1 April 2018	756
Allocation to Spec Rev projects in 18/19	-648
Allocation to Capital projects in 18/19	-20
Reduction re funding for Data Capture officer	TBA
Allocation from General Fund for 18/19	115
Balance at 31 March 2019	203
Proposed allocation to Spec Rev projects in 19/20 & future years	0
Proposed allocation to Capital projects in 19/20 & future years	0
Proposed allocation to new projects in 19/20 & future years	-315
Allocation from General Fund for 19/20	115
Balance after future years allocations	3

GRANTS TO CONCESSIONARY RENTALS 2019-20**2018/19 2019/20**

£	£		
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
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
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
0	3,250	Cross Links	9 Sheridan road
35,105	38,355	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**2018/19 2019/20 Change**

£	£	%	
132,500	111,500	-16%	Your Leisure 2019/20 Dover Leisure Centre no longer managed by Your Leisure (YL). £111.5k agreed as a grant payment linked to a revised funding agreement with lease for Tides Leisure Centre. 2018/19 Dover Leisure Centre will no longer be managed by Your Leisure (YL). £132.5k has been agreed by Cabinet Members as a grant payment linked to a revised funding agreement with lease for Tides Leisure Centre.
5,000	5,000	0%	Your Leisure A grant of £5k to YL for Walmer Paddling Pool is to be provided from 2018/19.
95,000	0	-100%	Places For People 2018/19 one off payment to Places for People for managing the old Dover Leisure Centre site.
1,500	1,500	0%	Pegasus Playscheme Provision of a playscheme for children with disabilities
1,500	1,500	0%	Age Concern Provision of area office services.
3,000	3,000	0%	Kent County Council Contribution to Sports Partnership
4,500	4,500	0%	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.
10,000	10,000	0%	Dover Outreach Centre Grant towards the Winter Shelter costs.
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
8,000	6,000	-25%	Dover Bowling Club Grant towards grounds maintenance at Dover Bowling Green. Covered by savings within the grounds maintenance budget. Reducing scale as per agreement letter dated 01 April 2017.
105,000	105,000	0%	Dover Citizen's Advice Bureau £97k CAB Core Funding grant, plus £3,500 service charge contribution
22,500	22,500	0%	Neighbourhood Forums Grant to support voluntary and community organisations.
8,000	8,000	0%	Home Improvement Agency "Intouch" Housing Improvement Agency funding
5,000	5,000	0%	Deal Town Council Astor Theatre
3,500	3,500	0%	Actions with Communities in Rural Kent Contribution to rural housing
428,000	310,000		

Subject:	KENT COUNTY COUNCIL HIGHWAYS CONTRACT PARTNERSHIP
Meeting and Date:	Cabinet – 4 February 2019
Report of:	Tim Ingleton, Head of Inward Investment
Portfolio Holder:	Councillor Keith Morris, Leader of the Council
Decision Type:	Key
Classification:	Unrestricted

Purpose of the report: To seek approval to join the Kent Highways Contract.

Recommendation: To agree that the Council joins the Kent Highways Contract.

1. Summary

1.1 This report is to request that the Council joins a partnership with Kent County Council in order to use the services of its highway contractor, Amey Highways.

2. Introduction and Background

2.1 In June 2011 Kent County Council entered into a contract for Highways Services with Enterprise (AOL) Limited. In 2013 Enterprise (AOL) Limited was taken over by Amey UK plc who maintains the same contract.

2.2 The contract allows other public bodies within Kent to join the partnership, enabling them to procure highways services directly with Amey at the Kent County Council schedule of rates which were tested competitively in the original tender process. The contract covers all the services required to maintain and improve the highway network including professional design services.

2.3 A number of Local Authorities have joined the partnership including Tunbridge Wells, Swale and Sevenoaks with Dartford in the final stages.

2.4 Amey Highways carries out the majority of Kent County Council’s highway works and has carried out major refurbishment of the Tonbridge and Tunbridge Wells town centres.

2.5 By joining the partnership there is no commitment to using it.

3. Identification of Options

3.1 Join the partnership so that the agreement is in place to be utilised when needed.

3.2 Don’t join the partnership and go out to tender for highways services.

4. Evaluation of Options

4.1 By joining the partnership the Council would be able to procure highways services directly with Amey Highways, without going through a new tender process, at Kent County Council schedule of rates. The option to use a design and build service could produce further savings as there would be only one company for both services, with the Amey teams working together to advise of technical issues.

4.2 By going out to tender for highways services project time is increased and tenders could be awarded to companies that have less local knowledge than the current

contractor. Using separate companies for design and build could also result in communication issues and therefore project delays.

5. **Resource Implications**

5.1 Although joining the partnership has no cost to the Council and there is no obligation for using the services it provides, it would be useful to have the option available for use on projects such as public realm improvements and maintenance to Council owned roads/pathways.

- (a) An example project being the planned improvements to Dover Town Centre where a Coastal Communities Fund bid has been submitted, and successfully passed stage 1. The total anticipated cost for the project is £3m. The Coastal Communities Fund bid is for £2.5m and the remaining £0.5m as included in the MTFP capital programme, subject to approval in the budget in March 2019.

6. **Corporate Implications**

6.1 Comment from the Director of Finance: Accountancy has been consulted in the writing of this report and have no further comment to make (DC).

6.2 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.

6.3 Comment from the Equalities Officer: This report does not specifically highlight any equality implications however in discharging their duties members are reminded to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>.

Contact Officer: Jayne Miles, Corporate Projects Manager

Subject:	WORKS TO DEAL PIER
Meeting and Date:	Cabinet – 4 February 2019
Report of:	Roger Walton, Strategic Director (Operations and Commercial)
Portfolio Holder:	Councillor Trevor Bartlett, Portfolio Holder for Property Management and Environmental Health
Decision Type:	Key
Classification:	Unrestricted

Purpose of the report: To advise Cabinet of the work undertaken on Deal pier and to seek approval to continue with the next phase of refurbishment and enhancements.

Recommendation:

- (a) To note the work completed to date and approve the next phase of refurbishment and enhancements to Deal pier
- (b) To approve the next phase of works and to delegate authority to the Strategic Director (Operations and Commercial), in consultation with the Portfolio Holder for Property Management and Environmental Health, to take all actions required to deliver the next phase of refurbishment to Deal pier, including accepting the most economically advantageous tender for the work

1. Summary

- 1.1 The works to renew the gas main, refurbish the pumped drainage system, renew pier seating, replace the asphalt pedestrian surface and repaint metalwork have all been successfully completed. Following storms in 2018 which caused considerable damage, repairs to the lower deck originally planned for 2019/20 have been brought forward and are nearing completion.
- 1.2 The repairs carried out in this first stage of the pier refurbishment have addressed the most urgent and highest priority replacements as well as making the pier a more attractive place to visit. This report provides the details of the works carried out to date, identifies works that comprise the next phase of work and seeks approval to proceed with the next phase of work.
- 1.3 There is £600,000 identified in the Medium-Term Financial Plan (MTFP) for the next phase of the work, which will complement the recent successful refurbishment works to deliver a truly satisfying visitor experience to this iconic structure.

2. Introduction and Background

- 2.1 The pier is a substantial structure in a very austere environment, and has many components in need of repair or replacement. At its meeting held on 6 November 2017 Cabinet approved the business case to carry out refurbishment work to the pier commencing with the most urgent defects, such as replacing the seating, replacing the asphalt pedestrian surface and repairing the concrete structural members that were in most urgent need of attention.

- 2.2 Funds were set aside in the MTFP for the works to be carried over a three year period with the first phase commencing in 2018, a fitting tribute to the pier's Diamond anniversary on 19th November 2017. This report details the work carried out to date and provides the business case for the next refurbishment phases.

Phase One Works Completed

- 2.3 **Seating:** The pier stem and upper deck has had all of the seating renewed using Iroko timber to match the timber used on the restaurant. This amounts to more than one third of a mile of seating.
- 2.4 **Pier Railings:** The seating replacement also included repairing and painting the guardrails. The guard rails, which are located on the pier wall above the seats and on the pier apron, were found to be badly corroded in some locations and rusted sections were cut out and replaced prior to complete repainting.
- 2.5 **Asphalt Pedestrian Surface:** The existing asphalt pedestrian surface had reached end of life. It had lost its elasticity, had extensive cracking and numerous patch repairs. The work, which included replacement of the 85 drainage gullies and 18 movement joints as well as the replacement asphalt, despite challenges during construction, has produced an improved appearance as well as, crucially, providing weather protection to the concrete deck of the stem.
- 2.6 **Gas Main Replacement:** On the 5th June the boiler and gas installation to the Pier restaurant was serviced. Previously under the terms of the lease this was the responsibility of the restaurant tenant. The gas supply from the meter to the café which is 320M long was tested, found to be unsafe and the gas supply was disconnected.
- 2.7 The materials and methods used in the existing steel gas pipe were obsolete and as such the Gas Safety Regulations required for the gas pipe installation to be upgraded to current standards and so repairing the existing gas pipe was not permissible. The gas main has now been replaced in stainless steel, has been commissioned tested and declared as safe.
- 2.8 **Lower Deck Storm Damage:** The lower deck is made up of a mixture of solid timber planks and metal grills. In general the metal grills are resistant to the impact of waves as the water pressure dissipates through the gaps in the grills. However, the timber planks are regularly broken and or lost when impacted by wave action. To limit the damaging effect of the storms, when timber planks are broken, they are replaced with metal grills wherever possible.
- 2.9 Works to make the lower deck more resilient to storm damage and also to replace some of the perimeter guard rails were planned to take place under a future pier refurbishment phase. However, the storm damage which occurred early in 2018 had caused an abnormal amount of damage and the repair work was brought forward and is currently being undertaken.
- 2.10 Upon completion of the lower deck repairs (part paid for by insurance), 70% of the decking will consist of metal grills which should reduce future storm damage and lessen the period and frequency of lower deck closures. Subject to weather conditions these works will be completed in February 2019.
- 2.11 **Sewage Transfer Facility:** This is located under on the lower deck under the restaurant and public toilets. Waste water and sewage from these is retained in a

holding tank and then pumped along a 320m pipe located under the seating into the public sewers.

- 2.12 As its contribution to the “Beauty of the Beach” campaign, DDC has lined the steel sewage holding tank with fibreglass to prevent corrosion, refurbished the pumps and macerators and is in the process of installing a pump failure alarm so that it is almost impossible for a pollution incident to occur. Financial support from Southern Water Services aided the project.
- 2.13 **Landside Buildings and Apron:** The statue and front entrance lights to the steps which had not worked for many years have been rewired and the lamps renewed with LED. Defects within the old apron asphalt have been repaired and the landside buildings have been repointed as the mortar had severely eroded.

The Next Pier Refurbishment Phase

- 2.14 **Concrete Repairs:** The marine environment has an aggressive detrimental effect on the steel reinforcement encased within the pier concrete structural members. Steel corrosion has caused many structural members to crack and these must be repaired to stop further deterioration.
- 2.15 It was planned to repair the worst effected structural members within the first phase of the refurbishment work, however these repairs are located on the lower deck which has been made inaccessible by the storm damage.
- 2.16 Money previously set aside within the project was diverted to contribute towards the cost of the emergency gas main replacement and lower deck storm damage repairs. These concrete repairs now form a part of this next phase and are critical to the long term sustainability of the structure.
- 2.17 **Pier Lighting:** The pier deserves to be show-cased in the best possible way and this next phase will include replacing and enhancing the lighting in an imaginative way which honours the original design concepts, whilst also using light to frame the structure and minimising energy consumption.
- 2.18 **The Pier CCTV system**, which is an integral part of the health and safety measures, is now old technology and requires replacing.
- 2.19 **Landside Pier Buildings and Apron:** This work will include refurbishing the corroded clock and art sculpture above the pier entrance and also general painting and repairs. It is also proposed to install an electronic visitor counter and an electronic public information screen showcasing Deal and the wider district, advertising events and exploring the opportunity for marketing as a possible revenue stream. The system is likely also to provide information about visitor numbers which can be used to drive the tourism agenda for the district.
- 2.20 **Pier Shelters:** Work to enhance the appearance of the shelters along the stem will involve replacing the functional double glazed windows with units consistent with the original design concepts that also compliment the new seating.
- 2.21 **Sewage Transfer Facility:** Further works is proposed within this facility to make it more resilient. Work would include replacing the control panel within the sewage transfer facility is so that a pump failure alarm can be installed. The alarm will notify officers via a BT line both in and out of hours should which would enable an early intervention to prevent sewage spill.

3. Identification and Evaluation of Options

- 3.1 **Option 1:** Is to do nothing. This is not recommended as the pier is a significant asset and delaying the work or not carrying out these repairs could lead to further deterioration of particular elements, or even structural failure (in the case of concrete repairs). A delay in carrying out these repairs is likely to escalate costs of any remedial works which will inevitably have to be carried out anyway. More importantly the recent investment has greatly enhanced the visitor experience but, perversely brings those elements yet to be refurbished in to sharper focus.
- 3.2 **Option 2:** Is to undertake only essential further maintenance works, repairing just the concrete beams in most urgent need of repair, which are also easily accessed and therefore cost effective to repair. Work would also include further work within the sewage transfer facility to make it more resilient to failure. This option is likely to cost in the region of £170k. However, this option will not make Deal pier the asset showcases it could be. Inevitably the pier lighting, CCTV system and the landside buildings/entrance will require investment and delaying these works now will only lead to increased costs later.
- 3.3 **Option 3:** Is to undertake all the work described in paragraphs 2.14 to 2.21. This is the recommended option because it will deliver the enhancements that the asset needs to maximise the visitor experience, reinforcing the achievements of the first phase of refurbishment. The likely cost is estimated to be in the region of £600k

4. Resource Implications

- 4.1 There is £600,000 approved in the MTFP for the next phase of capital works to the pier.

5. Corporate Implications

- 5.1 Comment from the Section 151 Officer: Accountancy has been consulted and has no further comment. (DL)
- 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 equality implications however, in discharging their responsibilities members are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>.

6. Appendices

- 6.1 None.

7. Background Papers

- 7.1 None.

Contact Officer: Contact Officer: Martin Leggatt Head of Building Control and Assets - 42455
Martin.Leggatt@DOVER.GOV.UK or Frank Thompson, Asset Manager - 42237
frank.thompson@dover.gov.uk

Subject:	REPAIRS AND IMPROVEMENTS TO CORPORATE PROPERTIES
Meeting and Date:	Cabinet – 4 February 2019
Report of:	Roger Walton, Strategic Director (Operations and Commercial)
Portfolio Holder:	Councillor Trevor Bartlett, Portfolio Holder for Property Management and Environmental Health
Decision Type:	Key
Classification:	Unrestricted

Purpose of the report: To advise details of repairs and improvements undertaken to the Council’s corporate properties, and to seek approval to draw down on the Corporate Property Contingency included in the current Medium-Term Financial Plan.

Recommendation: To release Corporate Property Contingency monies from the Medium-Term Financial Plan for repairs and improvements to the Council’s Corporate Properties.

1. Summary

Corporate Property Maintenance

- 1.1 The Council's Corporate Assets are extensive and diverse in all respects, providing a broad range of facilities within the District that contribute to the delivery of corporate goals.
- 1.2 The Council’s prudent fiscal controls mean that the Corporate Maintenance budget is set at a level that only covers routine planned maintenance on the corporate assets to ensure their safe and continual operation. For 2018-19 the budget is £307k.
- 1.3 In addition to the Corporate Maintenance revenue budget, there is £318.k in the Medium Term Financial Plan for a “Corporate Property Contingency”. If needed, this is used to fund unforeseen and emergency “one off” large repairs/replacements
- 1.4 This year there have been a number of “one off” large repairs/replacements which have been successfully completed. This report details the work undertaken. It also identifies further play equipment that needs to be replaced before April.
- 1.5 The total amount sought in this report is £318.5k, including an allowance for projects in future years.

2. Background

- 2.1 The Council's Corporate Property Portfolio is extensive and diverse in all respects, providing a broad range of facilities within the District that play a vital role in achieving the Council's corporate goals. Ranging from historic structures to modern and well-equipped offices, from children's play areas and parks, the Corporate Portfolio can be divided into the following groups:

- (a) Bus Shelters
- (b) Car Parks
- (c) Children's Play Areas
- (d) Churchyards (including Cemeteries and Chapels)
- (e) Council Offices and Town halls
- (f) Deal Pier
- (g) Recreational Grounds and their buildings such as sport pavilions and sports grounds
- (h) Leisure and Recreational facilities i.e. sports centres and leisure pools.
- (i) Parks and Open Spaces
- (j) Public Conveniences
- (k) Shops
- (l) Tourism, i.e. the Visitor Information Centre, the Dover Museum and the Grand Shaft
- (m) Land
- (n) Miscellaneous, (beach huts, street furniture and signage etc, etc)

2.2 The 2018-19 Corporate Maintenance budget is **£307k** and is for planned routine maintenance on the corporate assets to ensure their safe and continual operation. Planned maintenance is work carried out to a pre-determined plan, intended to reduce the likelihood of an element in a building failing to meet an acceptable condition. Apart from day to day response repairs, this budget covers the cost for contractors to carry general servicing to electrical and mechanical installations such as lifts and equipment within plant rooms. Inspection and testing of access equipment, Legionella preventative measures, PAT testing and inspections and servicing of play equipment within the strategic play areas. The budget also covers the cost of all material used for repairs on the corporate assets carried out by the Councils Asset Maintenance Team. However in addition to the planned routine maintenance so far this year circumstances have arisen requiring additional works. These are detailed below:

2.3 **Public Toilets** This year a considerable amount of work has been carried out to Granville Road toilets. The Wallgate combined hand wash and dryer units broke and needed replacement as parts were no longer available. The external doors were being vandalised regularly hence the doors were strengthened and turned to open outwards increasing their resistance to vandalism. The opportunity was also taken to modernise the interior with a view to reducing future maintenance costs and providing facilities that are more robust.

2.4 **Deal Pier Restaurant:** The pier restaurant was vacated on 31st December 2017 and whilst the restaurant was vacant the opportunity has been taken to carry out repairs and improvements that enabled the new tenant to fit out the restaurant for a successful opening on 4th January 2019. The work included general repairs and replacements, removing and dismantling all of the kitchen equipment left by the previous tenant, (some of which had been "built in situ") renewing the kitchen and entrance lobby floor coverings. Renewing the fire-resisting kitchen ceiling, gas boiler and extensive deep cleaning to the kitchen and restaurant lobby.

2.5 **Zeebrugge Commemorative Event.** This year saw the 100th anniversary of the Zeebrugge Raid and services and events were held within the district at St James Cemetery and at Dover Town Hall and culminating in a parade through Dover Town Centre with VIP guests from Britain and Belgium in attendance. General works to

improve the entrance and access were carried to St James Cemetery and the town hall frontage was given a facelift in preparation for this event.

- 2.6 **Play Area Equipment.** There is a 3 year contract in place with a specialist contractor to inspect, service and repair the play equipment owned by the Council. When broken or damaged each item of play equipment is repaired where possible. This year there has been an increased number of large and expensive components to play equipment that have been replaced due to extensive wear. Others have been identified requiring replacement before the end of the year.
- 2.7 **Corporate Property Plant and Equipment.** Throughout the year timely replacements of equipment have been carried out within the Councils plant rooms and on other electrical mechanical installations. This has ensured that the facilities remain operational and in the long term will extend the life of the facility saving money on large scale refurbishments.
- 2.8 **Collapsed Drains:** This year has seen an unprecedented occurrence of blocked drains due to the drains being fractured. (Some of these may be attributed to the effect on ground conditions caused by the long dry summer). The drain fractures were located at the Council offices and across the district in the Council's Public toilets. Where the pipe fracture could not be repaired from the surface using a drain repair sleeving technique, these were successfully repaired by excavation over the drains which allowed the fractured pipe to be replaced.
- 2.9 **Costs:** The major repairs completed to date amount to £145k. The cost to replace/repair other play equipment amounts to £30k. It is proposed to draw down the whole corporate property contingency of £318.5k to cover the cost of the repairs identified in this report with the balance of £143.5k to be used to cover the costs of any other incidents which are likely to occur for the remainder of this year and in next year.

3. Evaluation of Options

- 3.1 **Option 1:** Is to draw down a total of £205k which will include £175k to cover the cost of the repairs identified in this report and £30k to cover the cost of unforeseen major repairs for the remainder of this year. This option is not recommended as although this will put enough money in the revenue corporate maintenance budget to last for the remainder of the year, it is likely that there will be other unforeseen urgent major repairs next year which would necessitate further reports to draw down the remainder of the corporate property contingency.
- 3.2 **Option 2:** Is to draw down the whole of the corporate property contingency in the sum of £318.5k. This is the recommended option as it will put enough money in the revenue corporate maintenance budget to last the remainder of the year. It will also ensure that funds are immediately available for urgent major repairs for the remainder of the year and next year which can be used to react quickly to breakdowns and major repairs to ensure that properties remain operational and safe.

4. Resource Implications

- 4.1 The current approved MTFP includes £318.5k for Corporate Property Contingency in the Special Projects programme to finance works for 2018/19 and future years. This report seeks to release that funding subject to individual projects over £25k being approved by the Head of Assets and Building Control, in consultation with the Portfolio Holder for Property Management and Environmental Health.

5. **Corporate Implications**

- 5.1 Comment from the Section 151 Officer: Accountancy has been consulted and has no further comment. (DL)
- 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 equality implications however, in discharging their responsibilities members are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>

6. **Appendices**

- 6.1 None.

7. **Background Papers**

- 7.1 None.

Contact Officer: Contact Officer: Martin Leggatt Head of Building Control and Assets - 42455
Martin.Leggatt@DOVER.GOV.UK or Frank Thompson, Asset Manager - 42237
frank.thompson@dover.gov.uk

Subject:	WORKS TO ST JAMES'S CHURCH, DOVER
Meeting and Date:	Cabinet - 4 February 2019
Report of:	Roger Walton, Strategic Director (Operations and Commercial)
Portfolio Holder:	Councillor Trevor Bartlett, Portfolio Holder for Property Management and Environmental Health
Decision Type:	Non-Key
Classification:	Unrestricted

Purpose of the report: To alert Cabinet to the present condition of St James's church in Dover; to advise on the work needed to stabilise and conserve the structure; and to seek approval to proceed with this work.

Recommendation:

1. To approve a project that undertakes essential works to safeguard the structure in the short to medium-term and introduces railings to protect the structure, the space within the structure and anyone in the vicinity.
2. To delegate to the Strategic Director (Operations and Commercial), in consultation with the Portfolio Holder for Property Management and Environmental Health, to take all necessary actions to deliver the project, including the awarding of relevant contracts.

1 Summary

- 1.1 The heritage and tourism value of St James church have been eroded by a combination of limited maintenance and abuse of both the structure and the space within it by a section of the public.
- 1.2 To arrest further deterioration of the building, safeguard the heritage value, and protect the public from the potential of falling objects a project that undertakes essential stabilising works and reintroduces railings is necessary.
- 1.3 The goal of this project is to arrest the deterioration of the fabric, to discourage further anti-social behaviour such as graffiti and inappropriate use of the space, thus allowing time for a long-term solution to emerge that will enhance this important heritage site and contribute to the positive visitor experience within the town.

2 Introduction and Background

- 2.1 St. James' Church dates from the 12th century, although some historians take its antecedents to before the Norman Conquest. In its original form it followed a simple, if unusual, plan, consisting of a nave with curved apse and central tower. The apse was extended to form a rectangular sanctuary at the east end at some point in the 13th or 14th centuries. In the 14th century an extension was added on the south side of the nave, and this was used as the courthouse for the Chancery, Admiralty and Lodemanage Courts of the Cinque Ports. It was last used as a court when the Duke of

Wellington presided over a Court of Lodemanage in 1851. The church was altered in 1783, and another extension to the south side of the nave added in 1825 to accommodate more parishioners. In 1854 the overcrowded churchyard was closed, being replaced by the new cemetery at Copt Hill. In 1862 a new church of St. James was opened on Maison Dieu Road, and this church began to be used by French Protestants. A further restoration of the church took place in 1868 supervised by the architect Talbot Bury. This restoration removed the 1825 extension and replaced the pointed-arched window over the west door with a rose window and two smaller windows that survive today. The church was damaged by a German bomb in 1916, and was hit by a German shell fired from France in 1942. Shelling in 1943 and 1944 did more damage and at the end of the war the church was a ruin. In 1948 it was decided that the church should not be restored, but preserved as a "Tidy Ruin" in memory of the shelling of Dover. In May 1950 a further collapse of the tower took place and the walls were reduced and capped. The church and churchyard were bought by the Dover Borough Council in 1970 and have been used as a public open space since then.

- 2.2 **Heritage Significance** St James Church is covered by two separate heritage designations: the standing remains of the building were listed at grade II in 1949, and the ground on which the remains sit was designated a scheduled monument in 1950. These early designations recognise the historic and architectural value of St James at a national level as a heritage asset. The approved Dover District Heritage Strategy 2013 identifies the ecclesiastical heritage of the district to be of outstanding significance, providing valuable evidence of the introduction and evolution of Christianity in the district. St James Church is particularly notable for its preservation as a ruin and is an eloquent reminder of the impact of WWII on the town of Dover.
- 2.3 The setting of the church has been somewhat degraded in the past but it retains a strong visual relationship with neighbouring historic buildings, including grade II White Horse Inn and Castle Hill House. The attractive aesthetic of the ruin of St James Church contributes both to its value as a heritage asset, and the character of the Dover Castle Conservation Area within which it is located. The church occupies a prominent position, particularly in relation to the new St James development, and its degrading condition is an unwelcome detraction for visitors to the development.
- 2.4 Due to the condition of the upstanding fabric St James Church was included in the Heritage at Risk Register for the first time at the end of 2018. The Register is compiled by Historic England, central government's heritage advisors, with the aim of identifying those high status heritage assets (scheduled monuments, grade I and II* listed buildings, etc.) that are most at risk of loss. Historic England provides advice, guidance and resources to owners including local authorities to assist in finding solutions. Ultimately it is the owner's responsibility to ensure the continued conservation of heritage assets, and in the case of local authorities there is an implied moral obligation to demonstrate appropriate care of historic structures within their care.

- 3 **Summary of Current State of Structure:** The standing fabric is a complex structure resulting from the substantial previous campaigns of repair that accompany the traumatic history of the Church. The surviving structure is generally self-supporting, even where elements are detached from one another. The majority of the structure is considered to be in a fair, if heavily weathered, condition but now requires a programme of targeted conservation followed by regular routine maintenance. The full report of September 2018, undertaken by Purcells, contains much fuller information and has been appended to this report
- 3.1 The structure is locally extremely poor and in places unstable. Local areas are in need of immediate intervention to repair, prop or support the fabric. Of particular concern are: the quoins and returns of the former North Tower; the Tower interior, and adjacent window mullion; the high level ashlar masonry of the West Front; and the quoins and returns of the West Front.
- 3.2 Proper repair will require substantial renewal of stone because, during the various campaigns of adaptation and repair that have gone before, parts of the fabric have become structurally disjointed. This, combined with natural material erosion, establishes parameters that do not readily lend themselves to the generally accepted monument repair methods, such as inserting wall ties, grouting and mortar consolidation. In order to achieve a long-lasting repair, it is likely to be necessary to replace a high proportion of masonry in key locations. The quoins to the North Tower and the North and South returns of the West elevation are in particular need of structural repair.
- 3.3 This report details proposed medium term stabilisation works. A later phase of repair and refurbishment to provide sustainable long term solution will be the subject of a further cabinet report.
- 3.4 The recommendations of the Purcell report of September 2018 are presented in terms of time lines for executing the particular works, split in to four categories: immediate works; works necessary within 12 months; works necessary within 24 months. The focus of this report
- 3.4.1 Purcells have identified works which are **immediately necessary** as being: Install temporary works (scaffold girdle) to the North Tower. The scaffold should be designed giving consideration to the other repairs identified, and should allow for further inspections and works to be undertaken with minimal alterations; Partner central mullion to the Tower window with a new timber prop; Patch repair cementitious cap where failed; Treat vegetative growth to retard further growth; Remove any loose fabric found at this time; Remove build-up of guano at the base of the North Tower and undertake environmental clean.
- 3.4.2 Purcells have also identified that the following works are necessary within 12 months of the date of the report: Clean out & re-point cracks to abutment of West elevation with North and South returns. Monitor for further cracking as a sign of continuing structural movement; Re-point all loose and open joints generally, including deep pointing to voids; Remove all remaining vegetation at high level; Re-bed all loose capping and high-level ashlar masonry to the North Tower and West elevation; Replace existing cementitious capping with new lime flashing or green capping as appropriate (note: green cappings are best installed at the onset of autumn). All work will be subject to obtaining scheduled monument consent and any necessary Planning consents.

- 3.5 The secluded interior of the Monument is utilised for shelter, and unfortunately as a toilet. An environmental clean is required inside the nave area. Within the past few months graffiti, in the form of spray paint, has appeared on the internal walls of the nave. The age and fragile nature of the stonework mean that specialist measures will need to be adopted to prevent damage to the stone whilst removing the graffiti.
- 3.6 In order to safeguard the building fabric from damage resulting from anti-social behaviour and to protect the public from the potential of falling objects in the future. It is proposed to reinstate metal railings. The design of the railings will be based on those shown in historic photographs of the building and include gates, both within the west door opening and to allow access for grounds maintenance on the land adjacent the church. All work will be subject to obtaining scheduled monument consent and any necessary Planning consents.

4 Identification of Options

- 4.1 Do nothing.
- 4.2 Undertake essential repairs only.
- 4.3 Undertake essential repairs and install railings.

5 Evaluation of Options

- 5.1 ***Do nothing:*** this is not recommended. Although overall the structure of the church has been classified as being in fair condition, specific localised repairs have been identified as needing immediate work. Delaying such work is very likely to lead to acceleration in the rate of deterioration and much more significant costs in future years. Further the structure abuts public highways on the west and north elevations and delaying work to stabilise the structure increases the risk of future falls of masonry. This is deemed to be an unacceptable risk.
- 5.2 ***Undertake essential repairs only:*** this is not recommended because, although the detrimental effects of weathering will be arrested damage to the structure and visual amenity by the anti-social actions of people is likely to continue.
- 5.3 ***Undertake essential repairs and install railings:*** this is the recommended option since it not only secures the future of the structure for the medium term, removing the risk of falling masonry in the process, but also creates an enhanced visual amenity that honours both the historic sacred place and the church remains which constitute a designated war memorial.

6 Resource Implications

- 6.1 A sum of £70k is identified in the current MTFP for the purposes of investigating the nature of the issues at St James, identifying measures to address these issues and implementing those measures. In addition it is proposed to use £25k from the public realm works allocation, included in the current MTFP, to fund the erection of the boundary railings.

7 Corporate Implications

- 7.1 Comment from the Section 151 Officer: Accountancy has been consulted and has no further comment to add. (KW 07/01/19)
- 7.2 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. (HR 7/1/19)
- 7.3 Comment from the Equalities Officer: This report does not specifically highlight any equality implications however in discharging their duties members are required to comply with the public sector equality duty as set out in Section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15> (KM 04/01/19)
- 7.4 Other Officers (as appropriate): None.

8 **Appendices**

Appendix 1 – Photos of structure and graffiti

Appendix 2 – HAR entry

9 **Background Papers**

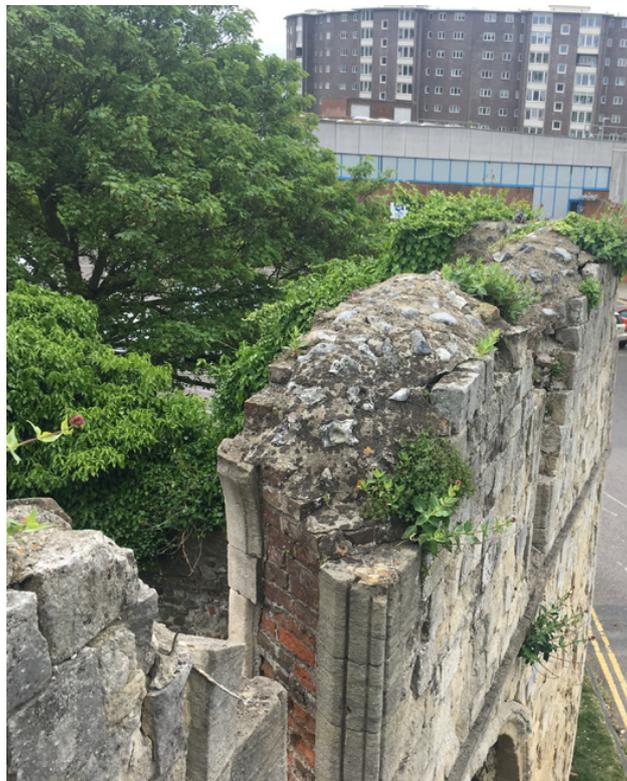
Purcell Report - September 2018

Contact Officer: Martin Leggatt

Appendix 1:



West Elevation: note cracking to right hand side of elevation



Typical view of damage to top of historic walls.



Corroding Ironwork Spalling Masonry

Appendix 2: Historic England Heritage at Risk Entry

The screenshot shows a web browser window displaying the Historic England website. The address bar shows the URL: <https://historicengland.org.uk/advice/heritage-at-risk/search-register/list-entry/2069351>. The page title is "Ruins of St James' Church, Dover - Dover".

The page layout includes a search bar at the top right, a navigation menu on the right side, and a main content area. The main content area features a large heading "Ruins of St James' Church, Dover - Dover" and a paragraph of text: "Ruins of former church in public park. The church was virtually destroyed in the Second World War. The ruins have been kept as a commemorative monument to the people of Dover. Emergency propping of some elements have been carried out by Dover District Council. A condition report has been published." Below the text is a photograph of the ruins, credited to "© Historic England".

The left sidebar contains a "Search the Register" section with links for "Selection Criteria", "Key to Terms and Abbreviations", "20 Years of Heritage at Risk", "Latest Findings", "What is the HAR Programme?", "Buildings", "Archaeology", "Landscapes", "Conservation Areas", and "Industrial Heritage at Risk".

The right sidebar menu includes "Listing", "Advice", "Advice Finder", "Heritage at Risk", "Your Home", "Technical Guidance", "Planning", "Caring for Heritage", "Constructive Conservation", "Heritage Protection Guide", "Research", "Images & Books", "Services & Skills", and "Get Involved".

A cookie consent banner is visible at the bottom of the page, stating: "We use cookies to give you the best possible experience online. By using this website, you consent to cookies being used in accordance with our Cookie Policy." Below the banner, the "Designated Site Name: St James' Church" is displayed.

The Windows taskbar at the bottom shows various application icons and the system clock indicating 17:40 on 10/01/2019.

Subject:	PERFORMANCE REPORT – QUARTER 3, 2018/19
Meeting and Date:	Cabinet – 4 February 2019 Scrutiny (Policy and Performance) Committee – 12 February 2019
Report of:	Nadeem Aziz, Chief Executive
Portfolio Holder:	Councillor Mike Conolly, Portfolio Holder for Corporate Resources and Performance
Decision Type:	Non-Key Decision
Classification:	Unrestricted

Purpose of the report:	To monitor performance against key objectives.
Recommendation:	The Council's Performance Report and Actions for the 3rd Quarter 2018/19 be noted.

1. Summary

- 1.1 The Council's Performance Report for the 3rd Quarter 2018/19 reports on performance against key performance targets throughout the Council, East Kent Shared Services and East Kent Housing during the third quarter. It incorporates comments from each Director on performance within their directorate plus any key initiatives and concerns they may have.

2. Introduction and Background

- 2.1 Monitoring of performance against key targets is key to the achievement of the Council's aims and objectives. The Performance Report provides a summary of the Council's key performance figures for the 9 months to 31 December 2018.
- 2.2 The Performance Report contains information relating to the performance of the Council against key corporate indicators and considers the performance of a range of indicators against previous year's performance.
- 2.3 The Performance Report identifies areas where performance is on track throughout the third quarter of 2018/19, whilst recognising the need for further improvements in some areas. Each Director provides additional commentary focussing on areas of high or low performance.
- 2.4 A section is included to show performance within the Shared Services against key indicators. A more comprehensive set of indicators for EK Services, including Civica, and East Kent Housing are monitored through the monitoring structures established by the Agreements under which those services are delivered, with any areas of significant concern being capable of escalation into this quarterly monitoring report, if required.

3. **Identification of Options**

3.1 Not applicable.

4. **Resource Implications**

4.1 None.

5. **Corporate Implications**

5.1 Comment from the Section 151 Officer: The Director of Finance, Housing and Community has been consulted in the preparation of this report and has no additional comments to add. (HL)

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 equality implications however in discharging their duties members are reminded to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>.

6. **Appendices**

Appendix 1 – Q3 Performance Report

7. **Background Papers**

None.

Contact Officer: Michelle Farrow, Head of Leadership Support

Dover District Council Performance Report For the Quarter Ending – 31 December 2018

Introduction

- Summary of Performance Indicators

KEY

▲	Improved performance
▶	Maintained performance
▼	Decline in performance

Status	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Direction of Travel to previous Qtr
	No.	%	No.	%	No.	%	No.	%	
Green	21	64%	20	61%	23	70%			▲
Amber	8	24%	7	21%	5	15%			▲
Red	4	12%	6	18%	5	15%			▲
Total	33	100%	33	100%	33	100%			

Shared Services Performance

EK Services & DDC Digital

PI	Description	Outturn 2017/18	DDC Target 2018/19	Q1	Q2	Q3	Q4	Current Cumulative figure	Absolute Number of Cases this Qtr where applicable	Direction of Travel to previous Qtr	RAG Status
ACC011	Percentage of on-line payments to cash and cheque	89%	Data for information only	90%	90%	92%		91%		▲	N/A
EKS01d	Percentage of incidents resolved within agreed target response time - ICT	97.50%	95%	96%	99%	95%		97%		▼	Green
EKS02d.1	Percentage of incidents resolved within 1 working day	76%	60%	69%	90%	65%		75%		▼	Green

EK Services & DDC Digital

PI	Description	Outturn 2017/18	DDC Target 2018/19	Q1	Q2	Q3	Q4	Current Cumulative figure	Absolute Number of Cases this Qtr where applicable	Direction of Travel to previous Qtr	RAG Status
EKS02d.2	Percentage of incidents resolved within 3 working days	86.75%	80%	83%	96%	81%		87%		▼	Green
EKS04d	Percentage availability of email service	99.96%	97.50%	100%	100%	100%		100%		▶	Green
PLA005	Percentage of electronic planning applications received	82.05%	80%	76.79%	86.33%	89.4%		84.17%	305	▲	Green
WEB001	Percentage availability of the corporate website (DDC responsibility)	99.95%	99.50%	100%	100%	100%		100%		▶	Green
WEB002	Number of Keep me Posted subscriptions	74,413	N/A	8,264	8,691	9,207		9,207		▲	N/A
WEB003	Facebook subscribers	5,908	N/A	6,063	6,224	6,410		6,410		▲	N/A

EKS Director's Comments

Performance:

ICT performance met all Key Performance Indicators for Quarter 3 and continues the trend established in Quarters 1 & 2.

Key Initiatives/Outcomes:

Nothing to report for Q3

Concerns/Risks

Nothing to report for Q3

Civica

PI	Description	Outturn 2017/18	DDC Target 2018/19	Q1	Q2	Q3	Q4	Current Cumulative figure	Absolute Number of Cases this Qtr where applicable	Direction of Travel to previous Qtr	RAG Status
Benefits											
KPI01-D (was EKS13d)	Pay benefit quickly	6.27 days	8.5 days	5.96 days	5.42 days	5.94 days		5.49 days		▼	Green
KPI02-D (was EKS14d)	Percentage of correct Housing Benefit and Council Tax Benefit decisions	99.54%	96%	96.95%	99.25%	97.01%		96.89%		▼	Green
Council Tax											
KPI03-D (was EKS18d)	The percentage of council taxes due for the financial year which were received in year by the authority.	97.87%	97.80%	29.08%	56.80%	84.07%		84.07%		N/A	N/A
Business Rates											
KPI04-D (was EKS19d)	Percentage of Business Rates collected	99.02%	98.20%	30.60%	55.20%	84.92%		84.92%		▲	Green
Customer Services											
KPI06-D (was EKS026d)	Average call waiting time in seconds	1 minute 28 seconds	90 seconds	77 seconds	51 seconds	74 seconds		59 seconds		▼	Green

Civica Comments

Performance:

- Speed of processing benefit claims is ahead of target.
- Accuracy of HB processing is above target this month.
- Council Tax collection is below the profiled target this month and we are monitoring Civica's formal performance recovery plan (which was requested by the Client Team last month).
- Business Rates collection is above target.
- Call wait times remain under target, although staff release to the On Demand service is underway which is resulting in performance moving closer to the expected KPI levels.
- All customer feedback has been responded to within the required timescale and is within expected levels.

Key Initiatives/Outcomes:

Nothing to report this quarter

Concerns/Risks:

Nothing to report this quarter

EK Housing

PI	Description	Outturn 2017/18	DDC Target 2018/19	Q1	Q2	Q3	Q4	Current Cumulative figure	Absolute Number of Cases this Qtr where applicable	Direction of Travel to previous Qtr	RAG Status
EKHL1	Average time taken to re-let council dwellings	13.71 days	15 days	18.58 days	20.81 days	19.83 days		19.66 days		▲	Red
EKHC2	Rent arrears as % of annual debit	2.35%	2.50%	2.89%	3.08%	4.03%		4.03%		▼	Red
EKHC3	Former tenant arrears as % of annual debit	0.73%	0.50%	0.84%	0.99%	1.10%		1.10%		▼	Red
EKHD1	Total current tenant arrears (including court costs)	£466,344	N/A	£ 562,672	£ 599,821	£ 786,316		£ 786,316		▼	N/A
EKHD2	Average current tenant arrears per rented unit	£97.17	N/A	£118.96	£139.92	£179.73		£179.73		▼	N/A
EKHD3	Total former tenant arrears (including court costs)	£144,542	N/A	£ 163,813	£ 192,599	£ 213,812		£ 213,812		▼	N/A
EKHD4	Amount of former tenant arrears written off	£9,242	N/A	£0.00	£0.00	£0.00		£0.00		▶	N/A
EKHM1	Percentage of total responsive jobs completed on time	99.59%	98%	98.39%	97.33%	98.62%		98.14%	2572 of 2608	▲	Green
EKHM5	Percentage of properties with a valid gas safety certification	99.90%	100%	99.85%	99.98%	99.85%		99.85%	3960 of 3966	▼	Amber

East Kent Housing Director's Comments:

Performance:

- Void performance has improved, although still out of target
- Rent arrears have continued to rise as the roll out of Universal credit (UC) continues, with UC related cases currently relating to 45% of overall arrears.
- Responsive repairs performance has improved and is in target
- LGSRs have missed target with 6 properties overdue at the end of the quarter, although these have now either been completed or legal work is underway to ensure access.

EK Housing

Key Initiatives/Outcomes:

Of the overall £786,316 total arrears, £34,506 relate to court costs, and £344,625 are associated with UC cases, the move to UC increases dramatically the number of cases where active account management is needed by EKH. This is because in most cases those on Housing Benefit require little if no involvement, whilst for those households moving to Universal Credit they will usually receive the allowance directly and the household then manages their finances directly, which requires additional management by EKH.

The work required to manage an account on UC is at least 3 times that for a Housing Benefit recipient, although there continues to be revision made by the Government to the scheme these have a limited impact on the housing element of the allowance. We continue to work with the Council and DWP to ensure that we are effectively signposting households to the relevant advice and assistance and that appropriate resources are available.

Whilst void performance has improved slightly there have been a small number of voids where periods have been over target, which has been for a number of reasons including which has included nominated residents not taking up offers and extensive works required to some properties.

Concerns/Risks:

At 10 January, two properties were without a valid Landlord Gas Safety Record. A forced-entry has been booked for one; the other we are pursuing legal action to gain access.

Finance, Housing & Community

PI	Description	Outturn 2017/18	DDC Target 2018/19	Q1	Q2	Q3	Q4	Current Cumulative figure	Absolute Number of Cases this Qtr (where applicable)	Direction of Travel to previous Qtr	RAG Status
ACC004	Percentage of invoices paid on time	96.56%	91.50%	98%	98%	98%		98%	2113	▶	Green
CSU001	Percentage of ASB cases resolved within 30 days	100%	98%	100%	91.84%	93.88%		95.24%	49	▲	Amber
HOU010a	Number of households living in Temporary Accommodation including B&B	89	90	96	118	124		124		▼	Red
HOU010b	Number of households in bed & breakfast (The data provided in HOU010a and b shows the number of households on the last day of the quarter.)	24	20	27	37	35		35		▲	Red
HOU011	The number of households presenting as homeless where a duty to re-house is accepted	173	N/A	16	24	33		73		▼	N/A
HOU012	The number of children in B&B and nightly paid	131	N/A	134	175	167		167		▲	N/A
PSH007	Number of DFG applications completed (for information only)	66	N/A	30	14	33		77		N/A	N/A
PSH008	Percentage of completed DFG applications approved within 10 working days from receipt of application	91.30%	N/A	87%	70%	79%		79%		▲	N/A

Finance, Housing & Community Director's Comments:

Performance:

The level of homelessness and the pressures it generates continue to be an issue at local regional and national level. Homelessness presentations continue to stay at high levels as was anticipated with the new Homelessness Reduction Act (HRA) and is partly attributable to an ongoing number of private sector

Finance, Housing & Community

tenancies being brought to an end. While the number of households in all forms of temporary accommodation has increased marginally, there has been a reduction in the number in B&B which is positive as it is generally considered to be the least suitable form of temporary accommodation as well as having a significant cost implication for the Council. Trying to reduce the overall number of people in all the various forms of temporary accommodation remains a priority but is proving difficult due to the fact that the supply of permanent accommodation for people to move into, both in the social or private housing sector, doesn't currently meet the demand.

General Fund Revenue Budget

- As at 31st December 2018 the General Fund is projecting a surplus of £250k, an improvement of £151k on the original budgeted surplus of £99k, and a minor reduction of £5k on the surplus of £255k reported last quarter, as shown in the table below:

General Fund Budget Monitoring Summary to 31st December 2018	£000	£000
Original budget surplus		(99)
Recharges - Reduction in recharges to HRA and Projects, resulting in higher charges to General Fund, partly offset by salary vacancy provision below	444	
NNDR Income – additional income from Enterprise Zone Relief grant (prior year element), S31 Grant for other reliefs and reduced levy rate (on 'pooling' basis)	(167)	
Salary Vacancy Provision - over-achievement of vacancy provision	(109)	
Off-Street Parking income	196	
Investment income - additional income due to further investments in pooled funds and improved returns from those investments, less additional cost of treasury advice	(188)	
Homelessness - Temporary accommodation costs - reduction above target (£312k), less transfer to Periodic Ops Reserve (£150k) for potential SWEP costs	(162)	
Grounds Maintenance – additional income from works rechargeable to third parties	(100)	
Licensing - Increased income from cabs, private hire vehicles, premises, gambling, etc.	(68)	
Other net variances – adverse	3	
Total Variances – favourable		(151)
Projected budget surplus		(250)
Balances Brought Forward		(2,527)
Projected Year End Balances		(2,777)

Finance, Housing & Community

- Homelessness – the figures assume that savings arising from 18 HRA buy-back purchases in the first 9 months and a further 6 buy-back purchases being processed by legal, and a general reduction in B&B / nightly-paid numbers and durations will be sufficient to meet the £200k savings target included in the original budget. A further reduction in temporary accommodation costs of £312K is anticipated, of which £150k has been transferred to the Periodic Operations reserve for the probability of SWEP (severe weather emergency protocol) being implemented during the winter months. However, please also see the “Concerns/Risks” section below.
- The use of the Housing Initiatives reserve and the 1:4:1 monies (retained right-to-buy receipts) continues to increase the stock of properties within the HRA, particularly of properties that could be used to provide interim accommodation to homeless people.
- The Treasury Management returns are exceeding budget due to improved returns and further investments in pooled funds.
- Income from works rechargeable by the Grounds Maintenance team to external organisations is expected to generate £100k unbudgeted income
- Recharge income has reduced, leading to a £444k pressure, but partly offset by the over-achievement of vacancy savings by £109k. This pressure is mainly due to the reduction in charges to the HRA from Housing Needs (with the offsetting increase being allocated to Homelessness) and Property Services. There is also a further increase in charges to the General Fund due to reduced officer time spent on GF and HRA projects.
- In addition to the NNDR Income variance in the table above, we are estimating £770k extra income from the ‘100% retention pilot scheme’ (‘financial stability’ element), which has been transferred to the special projects reserve to fund the ‘property renovation grants scheme’ (£500k) and other projects to be agreed. There is also a separate share of ‘Growth Fund’ retention monies to be determined for inclusion.
- There is a reduction in subsidy income for benefit overpayments, due to the transfer of claimants to Universal Credit of £112k, which is fully covered by use of the Periodic Operations Reserve. There is a further reduction for DWP Admin Grant of £50k, which is not covered by reserve use.
- Please see the main Budget Monitoring report for Q3 for full details of all major variances.

Finance, Housing & Community

Housing Revenue Account

- The HRA balance at 31 December 2018 is forecast to be £1,016k.

HRA Budget Monitoring Summary to 31 December 2018	£000	£000
Original budget surplus		(5)
Reduction of external decoration budget due to termination of contract	(220)	
Reduction of paths and paving budget	(50)	
Increase on aerials and fire precaution budgets	36	
Adjustment on Major Repairs Reserve	(260)	
Direct revenue financing of capital spend	(1,197)	
Tenants incentive scheme increased	16	
Review of internal recharges	(296)	
Increase in tenant service charges	(194)	
Other net variances (favourable)	(4)	
Total Variances – favourable	(2,169)	
Projected budget surplus		(2,174)
Transfer to Housing Initiatives Reserve		2,170
Contribution to HRA Balance		(4)
Balances Brought Forward		(1,012)
Projected Year End Balances		(1,016)

Medium Term Capital Programme

- Within the capital programme, projects approved to proceed are fully financed; the main changes in the Medium Term Capital Programme are shown below:

Capital Budgets (31st December 2018)	Current year £000	Total Cost of Programme £000
Position as at 30th September 2018	81,494	252,935
Phasing changes to reflect the 2018/19 expected outturn.	(4,297)	-
Additional funding is expected as follows:- £134k additional 18/19 grant funding awarded by MHCLG for DFGs; and £45k insurance monies due re Deal Pier works.	45	179
£9k reduction following completion of projects under estimate, including the GIS ESRI server upgrade and telephony equipment.	(9)	(9)
Total Capital Programme – position as at 31st December 2018	77,233	253,105

Finance, Housing & Community

Concerns/Risks:

- The implementation of the new Homeless Reduction Act in April 2018 has resulted in an initial increase in homeless applications to the council and the new process has various stages of responsibilities that may result in changes to the figures moving forward. The position is being continuously monitored and will be reported further in future reports.
- Appeals and public inquiries against planning decisions are occurring more regularly and can be expensive and time-consuming to resolve. While money is set aside in reserves for the ongoing costs of prior year appeals, these may not be sufficient to fund new appeals arising or unexpected additional costs. It is currently proposed to use contingency to fund specialist planning and legal advice in relation to the resubmitted planning application for Western Heights, as well as a public inquiry re Abbey Homes, totalling £150k (est.). However, it is anticipated that there will be a possible further appeal in 2019/20 against any decision on the resubmitted Western Heights application, which could cost circa £160k and for which no provision has currently been made..
- Additional planning resource has been engaged, currently funded from reserves (including from excess planning income), which is likely to create a future pressure, as the specific earmarked reserves are now being depleted.
- Investment income remains under pressure from low interest rates and uncertainty following the Brexit vote. In 2017/18 the Council made investments in Diversified Income Funds (pooled funds) to offset the impact of reducing interest rates on bank deposits, money market funds and loans to other local authorities. Further investments have been made in Diversified Income funds during the year so far, which continue to enable us to increase returns for current and future years.
- Business Rates (BR) income remains volatile and complex to calculate, and is subject to changes arising from: the 2017 revaluation; the level of successful appeals; the profiling of Enterprise Zone relief given; the levels of claims for Small Business Rates Relief and other reliefs; and fluctuations in estimates of 'business rates growth' due to the scale or timing of regeneration projects.
- Additionally, VOA makes odd judgements that are largely beyond question by local authorities. While appeals backdating is meant to be limited and closed lists cannot be appealed against after the closure date (31st March 2017 for the 2010 list), loopholes and decisions by VOA seem to enable late appeals to be admitted with potentially significant losses of income. We have yet to include the impact of such a decision in relation to Dover Harbour Board's 2010 valuation adjustment, with £617k current year impact (incl. prior year element), but are expecting this to be partly offset by a Kent-wide approach to appeals provision calculations against the 2017 list.
- There are also upside risks in respect of business rates, such as the favourable impact of being in the pilot scheme (est. £770k additional 'Financial Stability Fund' share, plus further 'Growth Fund' monies to be determined), and the positive impact of changes to occupancy at Discovery Park, improving the levels of Enterprise Zone relief and its compensatory grant from Central Government (est. £331k favourable, but recognition deferred to 2019/20 under statutory rules). However, the final retained income from the pilot scheme is now interdependent on the results of the other Kent authorities.
- Please see the main Budget Monitoring report for further details of current issues and their mitigation.

Finance, Housing & Community

Key Initiatives/Outcomes:

Work continues to tackle the costs associated with homelessness, short term accommodation placements and the shortage of housing stock (see General Fund section above), and to identify additional funding for the potential costs of any appeal/inquiry against the eventual decision on the resubmitted Western Heights planning decision (see Concerns/Risks above). Otherwise, the projected outturns for General Fund, HRA and Capital Programme do not indicate the need for corrective action in 2018/19. Where appropriate the variances identified will be taken into account in the 2019/20 – 2022/23 MTFP and will continue to be monitored during subsequent years.

Governance

PI	Description	Outturn 2017/18	DDC Target 2018/19	Q1	Q2	Q3	Q4	Current Cumulative figure	Absolute Number of Cases this Qtr (where applicable)	Direction of Travel to previous Qtr	RAG Status
GOV001	Number of working days/shifts lost due to sickness absence per FTE	6.35 days	N/A	1.78 days	2.24 days	2.04 days		6.06 days		▲	compare to Q3 2017/18
GOV002	Number of working days/shifts lost due to long term sickness absence over 10 days per FTE	3.16 days	N/A	1.11 days	1.72 days	1.32 days		4.15 days		▲	compare to Q3 2017/18
LIC005	The percentage of licensed premises inspections completed by target date	49.50%	80%	100 %	97%	100%		99%	14	▲	Green
LIC006	The percentage of unopposed licensing and permit applications processed within 5 working days	97.50%	75%	99%	99%	100%		99%	456	▲	Green
ENH005	Percentage of complaints regarding nuisance responded to within 5 working days	98.50%	95%	99%	100%	99%		99%	127	▼	Green
ENH012	Number of Fixed Penalty Notices issued for litter	1781	N/A	296	72	19		387		N/A	N/A
ENH013	Percentage of stray dog enquiries responded to within target time.	99.75%	95%	100 %	100%	100%		100%	98	▶	Green
ENH015	Number of Fixed Penalty Notices issued for dog fouling	11	N/A	5	1	0		6		N/A	N/A
ENH016	Number of Envirocrime prosecutions completed	113	N/A	85	50	59		194		N/A	N/A

Governance Director's comments

Performance:

Regulatory Services are continuing to perform well although the number of Fixed Penalty Notices issued for littering offences remains low this quarter as a direct result of DDC's contractors terminating their agreement with DDC. A new contractor is due to commence on 4th February.

Governance

During the first 6 months of this financial year there have been a total of 4 applications made and approved for the use of Covert Surveillance in accordance with the Regulations of Investigatory Powers Act. All applications were relating to investigations into fly tipping incidents within the District. There have been no new applications made during the third quarter.

Both short term and long term sickness levels have fallen during Q3, although they remain slightly higher than the same time last year. Longer term sickness remains limited to a few particular cases.

Key Initiatives/Outcomes:

During Q3, the Governance team have continued to work on the ongoing implementation of requirements under GDPR, with 19 service specific privacy notices now on the website. An FOI Coordinator group has also been set up with neighbouring authorities to enable the sharing of good practice and to discuss issues.

Three apprentices have started with the Council in Q3, two in Accountancy, and one in Housing Needs. Three further apprentice posts were approved by the Employment Management Group in October, which will bring the total number of apprentice posts within the authority to 18.

The Polling District Review has now concluded and will be reported to Electoral Matter Committee and then to Council

Regulatory Services quarterly report will be available shortly outlining all of the activities undertaken by the department during quarter 3.

Concerns/Risks:

Preparations for the Port Health Service provision post Brexit are proving highly resource intensive and are likely to intensify further in the run up to 29th March.

Division	FTE @ 1 April 2018	(Leavers)/ Joiners/ Transfers	FTE @ 31 December 2018
Chief Executive	37.13	-1.24	35.89
Governance	46.3	+2.39	48.69
Finance, Housing and Community	45.10	+1.91	47.01
Environment and Corporate Assets	93.03	+8.28	101.31
HR & Audit	26.59	-0.15	26.44
Total Staff FTE	248.15	+11.19	259.34

Environment & Corporate Assets

PI	Description	Outturn 2017/18	DDC Target 2018/19	Q1	Q2	Q3	Q4	Current Cumulative figure	Absolute Number of Cases this Qtr (where applicable)	Direction of Travel to previous Qtr	RAG Status
PKG003	Number of PCNS issued	17,433	N/A	3794	2688	2975		9457		N/A	N/A
MUS002	The number of visits to the museum in person per 1,000 population	229.11	200	69.48	76.18	42.00		187.66		▼	Green
WAS003	Number of collections missed per 100,000 collections of household waste.	3.75	15	5	25.68	14.92		15		▲	Green
WAS010	Residual household waste per household	339kg	350kgs	365kgs	361kgs	357kgs		358kgs (Dec. data not available)		▲	Amber
WAS011	Household waste sent for reuse, recycling or composting	49.50%	50%	48%	48%	50%		49% (Dec. data not available)		▲	Green
WAS012	Environmental cleanliness: Percentage of streets containing litter	6.75%	5%	6%	6%	8%		6.66%		N/A	N/A
WAS013	Environmental cleanliness: Percentage of street containing detritus	14.25%	10%	23%	20%	14%		19%		N/A	N/A

Environment & Corporate Assets Directors comments

Performance:

Performance against targets during this quarter remains strong across service areas, with most measured targets being achieved.

The increased number of reported missed collections during quarter 2 was a direct result of the changes made to the food waste collections, where dedicated vehicles were introduced for food waste on refuse week. Working closely with the contractor and with additional promotion these levels are now decreasing and are almost back to previous figures.

Environment & Corporate Assets

Key Initiatives/Outcomes:

Parks & Open Spaces:

Following the successful completion of the restructure at the end of 2017 the team are now fully embedded and the service is performing well with no major impacts due to the restructure on the day to day service delivery. The winter works programme is going well with the GM team and this has assisted the Kearsney Parks project by saving money with works carried out by the in house team. The growing season 2018 went well and no major issues and with many positive comments received with regards to the bedding displays and the general appearance of the district demonstrate that the in house service is delivering as expected. There is much to do in 2019 and many areas being enhanced over the winter and during the year. An agreement has now been signed between Community Payback and DDC for placements across the district for those on community service.

Transport & Parking Services:

With the new Transport and Parking Services Manager now in post, supported by the Head of Service this area now has a stronger management structure and aligns with the normal reporting structures across the council. The annual review of the parking charge has been completed and the work programme for the coming months includes reviewing the effectiveness of existing controls and developing commercial opportunities for the Parking Team. Transport issues are absorbing significant staff resources at this time dealing with matters such as, BRT, Brexit, A2 dualling, Lower Thames Crossing and the renewal of the rail franchise. Continued lobbying at all levels is critical here and involves many officers and members at all levels.

Museum & Tourism:

The Strategic Tourism Manager has commenced work on the new Tourism Strategy, which will be considered by Cabinet in the Spring to enable it to mesh with the Local Plan work being undertaken by Planning. Work on the development phase of the HLF Maison Dieu project has begun leading to a Round 2 bid, with the consultant team now mostly appointed. An appointment has been made to the role of Collections Manager to oversee the review of the collection and the relocation of the museum stores currently housed in the Maison Dieu. Discussions with KCC about the development plans for the Discovery Centre continue.

Waste Services:

The team has been working with Sandwich Town Council as they explore the viability of a Town Sprucer; positive engagement work continues with Sandwich Town Team to address concerns in the Town and we are supporting Wingham PC as they look at the viability to move to a plastic free village.

The compaction bins were installed on Deal promenade just before Christmas which saw positive promotion of the authority on social media, a result of stakeholder engagement prior to their installation. The telematics are now working and notifications are being received when bins require emptying. Once the bins have been working for 3-6 months a review of their effectiveness will be carried out.

Christmas recycling and waste collections went well, with no major issues or concerns. Residents were aware of the changes which were minimal compared to the more complex changes undertaken by some other East Kent authorities.

Environment & Corporate Assets

Discussions are underway as to our priorities with regard to the Kent Joint Municipal Waste Management Strategy post 2020 when the current strategy expires; the Resources and Waste Strategy for England was released in December 2018.

Assets, Corporate Property & Building Control:

Construction of Dover District Leisure Centre progressed at pace through the quarter and the project is still on programme to open during February 2019, some weeks in advance of the end of March completion date, envisaged at the start of the project. The contractor is currently working week-ends in order to ensure the programme does not slip. Planning permission for the new housing scheme at William Muge and Snelgrove was granted in October and the tender return was submitted on 18th December 2018. The latter is within budget and the contract will be awarded in January, once the clarifications have been resolved, with a start on site during March. Installation of the replacement seating on Deal pier was completed just before Christmas, in time for the official opening of the café on 4th January, which is receiving very positive reviews. The railings to the lower deck have been replaced whilst the replacement steel grilles are being manufactured. The contract for the refurbishment of Norman Tailour House was awarded to Walker Construction in early December enabling them to start on site before Christmas, avoiding increases in materials costs. Work on this 40 week contract is already progressing well. Building Control applications and income this year are both running at a level not seen in recent years. Whilst the increased work is placing demands on the team, the team have done a sterling job in keeping pace with the demands for plan checking and site inspections.

Concerns/Risks:

Health & Safety concerns with regards to bank mowing within the district have been raised and a review is taking place prior to the start of the 2019 grass cutting season. It must be said there is not a major issue with what we currently do but assessments of specific sites is required and action taken on how we manage these risks. Visits by the HSE are becoming more frequent and they are looking at various areas of risk and we have a good working relationship with their officers and continue to be looked upon as a good organisation.

Securing external funding to support projects is a concern as we await the outcome of the HLF review of their grant programme. Many of our projects in the pipeline were relying on some form of funding coming from HLF so work is taking place to source other funding streams.

The start of the two main contracts for the Kearsney Parks project have been delayed due to the discovery of a significant bat population in the toilet block roof and this meant that the commencement of the main works was delayed until September 2018. The project is still due to complete by June 2020.

Parking income has dipped during 2019/20 and remains a concern for 2019/20.

The risks posed to services and the need to ensure that traffic continues to flow in Dover whatever the outcome of the Brexit negotiations after the 29th March is a major priority for the team and a significant amount of time and resources are being expended working with KRF on the development of plans to deal with this.

Chief Executive

PI	Description	Outturn 2017/18	DDC Target 2018/19	Q1	Q2	Q3	Q4	Current Cumulative figure	Absolute Number of Cases this Qtr	Direction of Travel to previous Qtr	RAG Status
GOV003	The number of second stage complaints referred to the Council's Complaints Officer	40	N/A	2	3	6		11		N/A	N/A
GOV004	The number of FOI requests received	899	N/A	272	272	232		776		N/A	N/A
PLA001	Percentage of major planning applications determined in 13 weeks (exc. section 106 agreements) or within an agreed extension of time or Planning Performance Agreement	89.52%	65%	83.33%	75%	92%		82%	13	▲	Green
PLA002	Percentage of non-major planning applications determined in 8 weeks (exc. Section 106 agreements)	87.50%	75%	88.83%	83.1%	88%		86%	203	▲	Green
PLA003	The percentage of decisions for major applications overturned at appeal (+)	2.70%	<10%	16%	5%	0%		5%	2	▲	Green
PLA004	The percentage of decisions for non-major applications overturned at appeal (+)	3.15%	<10%	0.87%	0.4%	0.1%		0.7%	7	▲	Green
PLA007	Number of new houses completed.	106 (Base at 31.03.18 = 52526)	N/A	70	200	120		+390		N/A	N/A
PLA008	Growth in Business Rates base (number of registered businesses)	25 (Base at 31.03.18 = 4012)	N/A	18	8	38		+64		N/A	N/A

Chief Executive

PLA009	% of appeals upheld by the Planning Inspectorate as a % of those submitted	N/A	N/A	23%	10.5%	33%		9%		N/A	N/A
---------------	--	-----	-----	-----	-------	-----	--	----	--	-----	------------

Regeneration & Development Director's comments:

Performance:

Performance continues to remain on target. The Government have recently issued their 24 month statistics up to the end of September 2018 – the period where designation is considered.

Dover's current position is

Major Development – Threshold for designation	60%
Dover's performance	78%

Non-Major Development Threshold	70%
Dover's performance	84%

Whilst this lifts us clear of possible designation, we still need to keep a close eye on these in the future. The criteria for designation in relation to appeals is across a different time period and will be assessed in April 2019

Key initiatives/Outcomes:

Investment in the district remains strong and a number of key sites are coming forward. A service review has highlighted a number of areas for consideration and these will be addressed through a Departmental Action Plan

A new Planning computer system is being implemented in January

Concerns/Risks:

Nothing to report for Q3

Appointment to Local Plan Project Advisory Group

Cabinet is requested to approve the appointment of Councillor Maggie Cosin, Chairman of the Scrutiny (Policy and Performance) Committee, to the Local Plan Project Advisory Group. This is in replacement of Councillor Kevin Mills who is no longer on the Committee.

DOVER DISTRICT COUNCIL

NON-KEY DECISION

EXECUTIVE

CABINET – 4 FEBRUARY 2019

EXCLUSION OF THE PRESS AND PUBLIC

Recommendation

That, in accordance with the provisions of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the public be excluded from the remainder of the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in the paragraph of Schedule 12A of the 1972 Act set out below:

<u>Item Report</u>	<u>Paragraph Exempt</u>	<u>Reason</u>
Kearsney Abbey – Appointment of Landscape Contractor	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
Award of Contract for Upgrading CCTV Infrastructure and Provision of Town Centre Wi-Fi	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda Item No 12

Document is Restricted

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted