

Public Document Pack



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30 August 2019

Dear Councillor

NOTICE IS HEREBY GIVEN THAT a meeting of the **OVERVIEW AND SCRUTINY COMMITTEE** will be held in the HMS Brave Room at these Offices on Monday 9 September 2019 at 6.00 pm when the following business will be transacted.

Members of the public who require further information are asked to contact Rebecca Brough on 01304 872304 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

Overview and Scrutiny Committee Membership:

L A Keen (Chairman)
C D Zosseder (Vice-Chairman)
S H Beer
T A Bond
D P Murphy
O C de R Richardson
J Rose
M Rose (Controlling Group Spokesperson)
C A Vinson
P Walker

AGENDA

1 **APOLOGIES**

To receive any apologies for absence.

2 **APPOINTMENT OF SUBSTITUTE MEMBERS**

To note appointments of Substitute Members.

3 **DECLARATIONS OF INTEREST** (Page 4)

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

4 **MINUTES** (Page 5)

To confirm the Minutes of the meeting of the Committee held on 6 August 2019.

5 **DECISIONS OF THE CABINET RELATING TO RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY COMMITTEE**

To consider the following decisions of the Cabinet relations to recommendations from the Overview and Scrutiny Committee:

- Consultation on Council Tax Support Scheme 2020/21
- Nominations to Project Advisory Groups
- Fire Precaution Works - Award of Contract
- Gas Servicing and Heating Installations - Interim Arrangements
- Gas Servicing and Heating Installations - Efficiency Contract 2019-2022

These will be published on Wednesday 4 September 2019.

6 **ISSUES REFERRED TO THE COMMITTEE BY COUNCIL, CABINET, OR ANOTHER COMMITTEE**

There are no items for consideration.

7 **NOTICE OF FORTHCOMING KEY DECISIONS** (Pages 6 - 8)

It is intended that Members should use the Notice of Forthcoming Key Decisions to identify topics within the remit of the Committee for future scrutiny.

8 **SCRUTINY WORK PROGRAMME** (Pages 9 - 12)

It is intended that the Committee monitor and prioritise its rolling work programme.

9 **PUBLIC SPEAKING**

Please note that in accordance with the agreed Protocol for Public Speaking at Overview and Scrutiny, the right to speak only applies to agenda items 10, 12 and 13.

Members of the public wishing to speak must register to do so by no later than 2.00 pm on the second working day before the meeting.

10 **LOCAL PLAN HOUSING POLICIES** (Pages 13 - 19)

To consider the attached report of the Policy and Projects Manager.

11 **EAST KENT HOUSING UPDATE**

To receive an update from East Kent Housing.

12 **TENANT ENGAGEMENT ON WITHDRAWAL FROM EAST KENT HOUSING ARM'S-LENGTH MANAGEMENT ORGANISATION** (Pages 20 - 29)

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

13 **PERFORMANCE REPORT - QUARTER 1 2019-20** (Pages 30 - 52)

To consider the attached report of the Chief Executive.

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 are normally published within five working days of 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 Rebecca Brough, Democratic Services Manager, telephone: 01304 872304 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.

Minutes – Item to follow as supplementary paper

Notice of Forthcoming Key Decisions which will be made on behalf of the Council

Key Decisions 2019/20	Item	Date of meeting at which decision will be taken by Cabinet (unless specified otherwise)	Head of Service	Brief Details of Item
1	Property Acquisitions	Ongoing (decisions to be taken by Portfolio Holder for Finance and Governance or Strategic Director (Corporate Resources))	Head of Finance & Housing	On 30 November 2016 the Council approved an Investment Property Strategy. This notice relates to decisions to be taken to acquire properties in pursuance of the adopted Strategy.
3	To consider proposed increase in Hackney Carriage fares	3 June and 7 October 2019	Head of Regulatory Services	To introduce, and seek approval to consult on, the variation to Hackney Carriage fares proposed by the Dover Federation of Licensed Taxi Operators
8	To approve the use of Building Foundations for Growth Funding and to authorise the completion of an appropriate legal agreement	October/November 2019	Head of Inward Investment	The Ministry of Housing, Communities and Local Government has provided a grant for Enterprise Zones under a programme called Building Foundations for Growth (BFG) which is being administered by Dover District Council. The BFG Grant can be allocated as either a grant or a loan depending on the implications for state aid, nature of use and level of investment to be made. A decision is required in respect of the next phase of development at Discovery Park
9	Approval of project to purchase land adjacent to The Ark, Noah's Ark Road, Dover and to develop affordable interim housing on the site	2 September 2019	Head of Strategic Housing	Report seeking Cabinet approval of a project to purchase land adjacent to The Ark for the development of a small number of affordable homes to be used as interim housing and to develop out said affordable homes.
10	Hackney Carriage and Private Hire Vehicles – access for wheelchair users	7 October 2019	Head of Regulatory Services	Sections 165 and 167 of the Equality Act 2010 are now in effect. This legislation states that local authorities may maintain a list of wheelchair accessible vehicles. A decision is required as to whether this authority should maintain such a list.
13	Approval for public consultation on draft Dover – Dour Street Conservation Area Character Appraisal	2 September 2019	Head of Planning, Regeneration & Development	The Council has a duty under the Planning (Listed Buildings and Conservation Areas) Act 1990 to review their conservation areas 'from time to time'. The Dover District Heritage Strategy has recognised that most of the District's conservation areas do not have an approved character appraisal, and it recommends that the Council should encourage local community groups

Key Decisions 2019/20	Item	Date of meeting at which decision will be taken by Cabinet (unless specified otherwise)	Head of Service	Brief Details of Item
				to carry out such appraisals in conjunction with the Council. The Dover Society has prepared a draft conservation area character appraisal for the Dover - Dour Street Conservation Area, and Cabinet's agreement is now sought to carry out a formal public consultation exercise on the draft document. The results of the consultation exercise will be reported back to Cabinet.
14	Review of catering provision at Kearsney Parks	2 September 2019	Head of Commercial Services	Following a review of the catering provision at Kearsney Abbey and Russell Gardens, Cabinet is requested to approve proposals for a revised catering offer at the parks. The construction programme for the Heritage Lottery and Council-funded project is due to be completed by June 2020. The cafe will be open prior to this, offering an enlarged café seating area, separate listed billiards room space, toilets and a terrace area.
15	Approval of budget for construction of Whitfield Phase 1A road for affordable housing	7 October 2019	Head of Planning, Regeneration & Development	Cabinet has previously approved a project for the provision of 26 units of affordable housing at Whitfield Phase 1a. The report seeks approval for the budget relating to the construction of an access road to the site.
16	Authority Monitoring Report	4 November 2019	Head of Planning, Regeneration & Development	The Planning and Compulsory Purchase Act 2004 (as amended) requires the District Council to prepare an Authority Monitoring Report containing information on the implementation of the Local Development Scheme and the extent to which the policies set out in the Council's Adopted Core Strategy and Land Allocations Local Plan have been achieved. The AMR can also be used to propose changes to the Local Development Scheme, capture levels of housebuilding across the District, report on progress of the delivery of the Council's Strategic Land Allocations and monitor levels of development funding received for infrastructure provision.

Note: (1) Key Decisions which have already been taken and do not appear in this updated version of the Notice of Forthcoming Key Decisions.

- (2) The Council's Corporate Management Team reserves the right to vary the dates set for consultation deadline(s) and for the submission of reports to Cabinet and Council in respect of Key Decisions included within this version of the notice. Members of the public can find out whether any alterations have been made by looking at the Council's website (www.dover.gov.uk).

OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME 2019/20

Month	Issue	Resource Implications for Scrutiny				Reason for Inclusion on the Work Programme (incl. any actions required)
		Members On-going or single item?	Officers (Corporate Expenditure unless otherwise stated)	Scrutiny Budget Expenditure		
				Projected	Actual	
August 2019	East Kent Housing Performance Indicator Update (Gas, Electricity & Fire Safety)	Single Item	East Kent Housing	£0	£0	Included by Chairman for special meeting of committee
	Consultation on Council Tax Support Scheme	Single Item	Strategic Director (Corporate Resources)	£0	£0	Included by Chairman for special meeting of committee
	Nominations to PAGs and Executive Committees	Single Item	Strategic Director (Corporate Resources)	£0	£0	Included by Chairman for special meeting of committee
	Fire Precaution Works – Award of Contract	Single Item	Strategic Director (Corporate Resources)	£0	£0	Included by Chairman for special meeting of committee
	Gas Servicing and Heating Installations – Interim Arrangements & Efficiency Contract 2019-22	Single Item	Strategic Director (Corporate Resources)	£0	£0	Included by Chairman for special meeting of committee
September 2019	Local Plan Housing Policies	Single Item	Strategic Director (Operations and Commercial)	£0		Identified for inclusion by Members
	East Kent Housing Update	On-going	East Kent Housing	£0		Identified for inclusion by Members
	Tenant Engagement on Withdrawal from EKH Arms-Length Management Organisation	Single Item	Strategic Director (Corporate Resources)	£0		Report scheduled to come to Scrutiny

Month	Issue	Resource Implications for Scrutiny				Reason for Inclusion on the Work Programme (incl. any actions required)
		Members On-going or single item?	Officers (Corporate Expenditure unless otherwise stated)	Scrutiny Budget Expenditure		
				Projected	Actual	
	Performance Report Q1 2019/20	Single Item	Chief Executive	£0		Standing Item
October 2019	To approve the use of Building Foundations for Growth Funding and to authorise the completion of an appropriate legal agreement		Head of Inward Investment	£0		Agreed for inclusion by the Committee at its meeting held on 6 August 2019. [Final Date to be confirmed]
	Approval of project to purchase land adjacent to The Ark, Noah's Ark Road, Dover for affordable interim housing		Strategic Director (Corporate Resources)	£0		Agreed for inclusion by the Committee at its meeting held on 6 August 2019. [Final Date to be confirmed]
	Approval for public consultation on draft Dover – Dour Street Conservation Area Character Appraisal		Strategic Director (Operations and Commercial)	£0		Agreed for inclusion by the Committee at its meeting held on 6 August 2019. [Final Date to be confirmed]
	Review of catering provision at Kearsney Parks		Strategic Director (Operations and Commercial)	£0		Agreed for inclusion by the Committee at its meeting held on 6 August 2019. [Final Date to be confirmed]
October/November 2019	Crime and Disorder Update	Scheduled Item	Strategic Director (Corporate Resources)			Constitutional Requirement
November 2019	Local Health Services	Single Item	External			Agreed for inclusion by the Committee [Final date still subject to confirmation]

Month	Issue	Resource Implications for Scrutiny				Reason for Inclusion on the Work Programme (incl. any actions required)
		Members On-going or single item?	Officers (Corporate Expenditure unless otherwise stated)	Scrutiny Budget Expenditure		
				Projected	Actual	
December 2019	Performance Report Q2 2019/20	Single Item	Chief Executive	£0		Standing Item
January 2020						
February 2020	Budget Scrutiny	Single Item	Corporate Management Team			Standing Item
March 2020	Performance Report Q3 2019/20	Single Item	Chief Executive	£0		Standing Item
	Crime and Disorder Update	Scheduled Item	Strategic Director (Corporate Resources)			Constitutional Requirement
April 2020						

Please note items beyond the current month are subject to change depending on Forward Plan, etc.

Items agreed for inclusion in the work programmes of the previous scrutiny committees (for consideration)

Agreed for Inclusion?	Subject	Action
To be confirmed	Local Health Services	To receive an update (date to be confirmed as schedule permits).
To be confirmed	Neighbourhood Plans	To come forward for scrutiny in accordance with the Notice of Forthcoming Key
To be confirmed	Review of Local Plan	To come forward for scrutiny in accordance with the Notice of Forthcoming Key
To be confirmed	Dover District Waste and Recycling Rates	Pending – Date awaiting final confirmation
To be confirmed	Business Rate Retention Pilot	Pending – Date awaiting final confirmation
To be confirmed	Update on major capital expenditure	Pending – Date awaiting final confirmation
To be confirmed	DDC Consultation Policy (including how it compares to other local authorities and how outcomes are measured)	Pending – Date awaiting final confirmation
To be confirmed	Explanation of parking policy and future plans	Pending – Date awaiting final confirmation

Once agreed for inclusion, the Democratic Services Manager will look to schedule the meetings accordingly.

Subject:	LOCAL PLAN HOUSING POLICIES
Meeting and Date:	Overview And Scrutiny Committee – 9 September 2019
Classification:	UNRESTRICTED

Draft minute:

Scrutiny (Policy and Performance) Committee meeting on 4 June 2019:

10 SCRUTINY WORK PROGRAMME

The Democratic Services Manager presented the Scrutiny Work Programme to the Committee for its consideration. Members identified the following items for inclusion in the work programme:

- Policy for housing (including the development of an executive housing policy)

Background:

The Council has a statutory duty to prepare a Local Plan. The Local Plan is a Development Plan Document that sets out the vision and framework for the future development of the Dover District over the next 20 years.

The Government's National Planning Policy Framework (NPPF) provides the high-level context for preparing Local Plans. This is supplemented by the Government's Planning Practice Guidance (PPG) which sets out how to implement the policies in the NPPF. The Council must have full regard to the NPPF and PPG in addition to other national, regional and local plans and strategies when preparing the Local Plan.

The Council is in the early stages of the process of producing a new Local Plan for the District. The Local Plan will replace the existing 'Development Plan' that currently consists of the Adopted Core Strategy (2010), the Land Allocations Local Plan (2015), the saved policies from the 2002 Local Plan and the Worth Neighbourhood Development Plan. The new Local Plan will:

- Set the strategic planning policies of the Council, taking account of key factors like population trends, economic growth, climate change, resources and built and natural environmental character;
- Set the general scale and distribution of new development which is required to meet Dover's needs to 2040;
- Provide the planning principles, including detailed 'development management' policies to guide decisions on planning and other applications;
- Show in detail where new homes, workplaces and facilities will be located through allocations of land; and
- Show key environmental designations and include site specific proposals for the conservation and enhancement of those historic and natural assets.

Once adopted, the policies in the Local Plan, together with those in existing and proposed neighbourhood plans, will be the starting point for the assessment of all planning applications, unless material considerations indicate otherwise.

Why do we need to prepare a new Local Plan?

Since the adoption of the Core Strategy in 2010, there have been a number of changes to the planning system, with the abolition of Regional Spatial Strategies (the South East Plan), the publication of the National Planning Policy Framework in 2012, and the recent revisions to the NPPF in 2018 and 2019, meaning that some of the policies in the Council's current Plan are out-of-date (Policies DM1, DM2, CP2, CP3) and therefore cannot be relied upon. The Government has introduced the requirement for Council's to review their Plans every five years, to ensure they remain relevant and responsive to changes in the market especially in relation to housing growth.

The Government wants to see every community covered by an up-to-date plan for sustainable development - meaning that communities are in control of development and are not exposed to speculative development. As made clear in the National Planning Policy Framework, the preparation and implementation of these plans is key to achieving sustainable development.

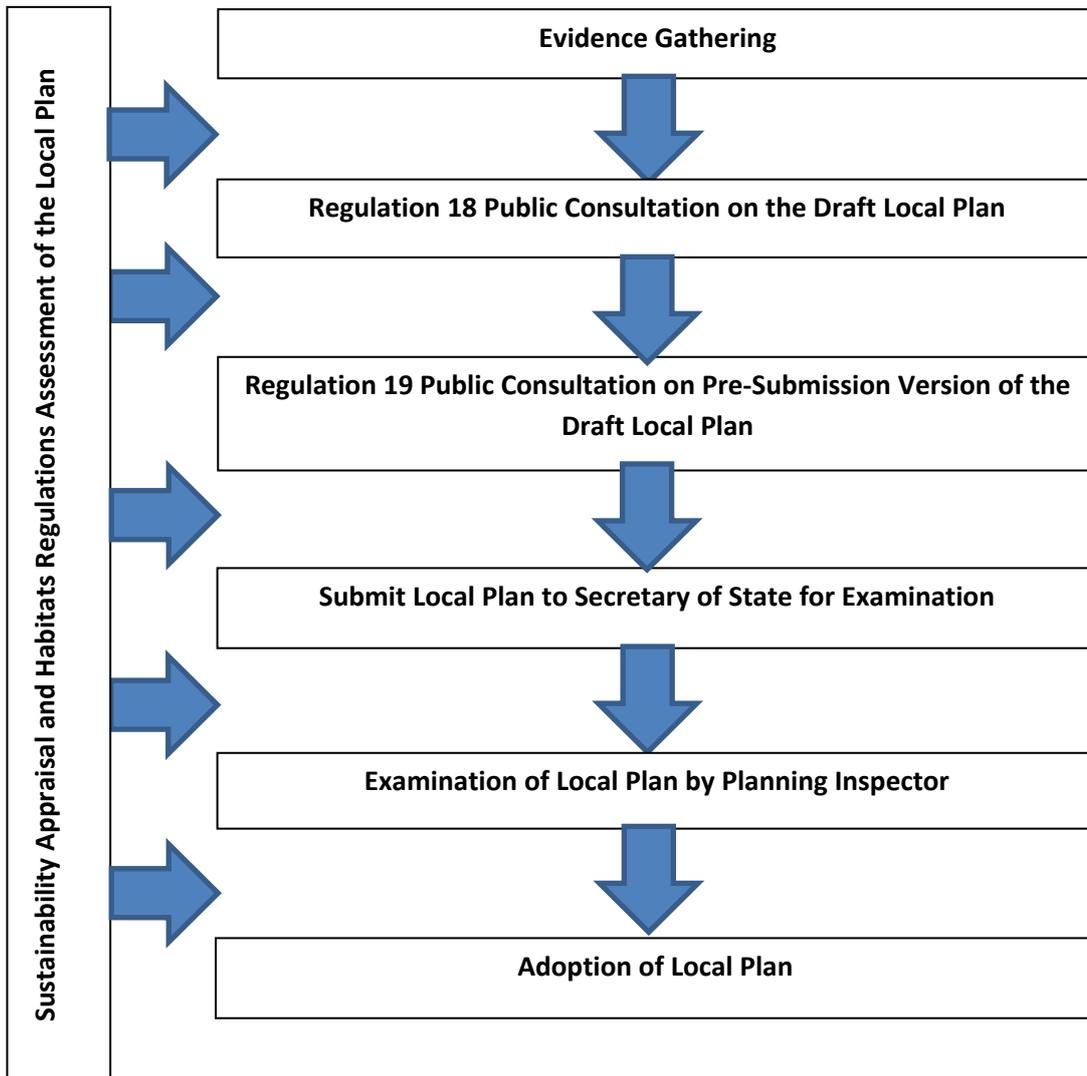
The Planning Inspectorate will publish on a quarterly basis a report that sets out the Local Plans that are expected to be submitted for examination in the following 6-month period. Having an up-to-date Local Plan is the only way that the Government will meet its target of achieving a minimum of 300,000 homes every year in order to tackle the current housing crisis. It is important to understand that the housing 'need' manifests itself in a variety of ways, such as increased levels of overcrowding, acute affordability issues, more young people living with their parents for longer periods, impaired labour mobility resulting in businesses finding it difficult to recruit and retain staff, and increased levels of homelessness.

In addition to this, under the new planning system, a much stronger emphasis is placed on the Duty to Co-operate, in order to agree strategic matters that cross administrative boundaries; housing delivery, with stringent penalties imposed on Council's that fail to deliver development in the form of the need to prepare a Housing Delivery Action Plan; and local plan viability, to ensure that the Plan and sites allocated within it are deliverable.

It is therefore essential that the District continues to have an up-to-date Plan for the area to address these challenges, and to set out how the Council intends to deliver an increase in housing numbers, whilst also delivering jobs, retail and leisure facilities and open spaces, and balancing this need against a range of environmental and natural constraints.

What is the Plan Making Process?

The key stages involved in the preparation of the new Local Plan are set out in the diagram below. At present the Council is in the process of gathering evidence to support the Local Plan and the key findings of this work are set out later in this Paper. Following this, the Council will consult on the draft Local Plan (Reg 18) next year.



All consultation on the various stages of the Local Plan will need to be in line with the Council's Adopted Statement of Community Involvement (SCI) <https://www.dover.gov.uk/Planning/Planning-Policy-and-Regeneration/PDF/Statement-of-Community-Involvement.pdf> and the Local Plan engagement strategy <https://www.dover.gov.uk/Planning/Planning-Policy-and-Regeneration/PDF/Local-Plan-Community-Engagement-Strategy.pdf>. The timetable for the preparation of the Local Plan is set out in the Local Development Scheme <https://www.dover.gov.uk/Planning/Planning-Policy-and-Regeneration/New-District-Local-Plan/Local-Development-Scheme.aspx> and will be updated as the new Local Plan progresses.

How will the Local Plan support the delivery of housing in the District over the Plan period?

The Local Plan will need to set out the Council's strategy for delivering new homes in the District over the plan period. The Local Plan will be supported by a number of 'Topic Papers'. Housing will have its own Topic Paper that will be used to draw together the evidence on the subject and will be a key piece of evidence at the Local Plan Examination.

In connection with housing, the Local Plan will need to identify:

- Housing need over the plan period i.e. how many homes need to be delivered in the District over the next 20 years;
- A revised settlement hierarchy to reflect the Council's growth strategy;
- Site allocations for delivering new housing development within the District; and
- Detailed development management policies covering issues such as affordable housing; approach to windfall development; gypsies and travellers; and housing type and mix. These policies (and others) will then form the basis of the determination of planning applications in the District.

The Local Plan should, as a minimum, provide for the objectively assessed needs for housing within the District (NPPF para 11). To determine the minimum number of homes needed in the District over the Plan period, Local Planning Authorities are expected to follow the standard method set out in the Planning Practice Guidance for assessing local housing need. The standard method uses a formula to identify the minimum number of homes expected to be planned for, in a way which addresses projected household growth and historic under-supply.

Applying the Government's standard method, the minimum annual housing need figure for the Dover District currently stands at **629 dwellings per annum (dpa)**, which over a 20 year period, equates to providing a minimum of 12,580 dwellings, and this requirement will be taken forward in the new Local Plan.

To inform the development of the Local Plan the Council has recently commissioned a review of the Strategic Housing Market Assessment that was carried out by Peter Brett Associates in 2017. This is to take account of the revised NPPF's requirements and definitions in relation to housing and will consider whether compelling circumstances exist to justify an alternative approach to the Government's standard method. This work is due to be finalised by the Autumn and once agreed, it will be published on the Council's website.

In addition to establishing housing need, the Local Plan is also required to identify a sufficient amount and variety of land for housing to meet the District's housing need, with the aim of supporting the Government's objective to significantly boost the supply of homes (NPPF para 59).

This means identifying land to deliver the housing needed for different groups within the community, including affordable housing, families with children, older people, students, people with disabilities, service families, travellers, first time buyers, people who rent their homes and people wishing to commission or build their own homes.

To this end the Council have commenced work on a Housing and Economic Land Availability Assessment (HELAA) to identify a future supply of land which is suitable, available and achievable for housing and economic uses over the Plan period

<https://www.dover.gov.uk/Planning/Planning-Policy-and-Regeneration/New-District-Local-Plan/Home.aspx>

The HELAA is an important step in the Plan making process and comprises a number of stages:

- Stage 1: Identification of sites through a 'call for sites', review of existing land allocations in the Core Strategy and Land Allocations Local Plan, review of planning permissions (including those which are unimplemented, withdrawn and refused), review of previous sites identified in the Strategic Housing and Land Availability Assessment and desk top review of other data sources
- Stage 2: Site assessment to determine whether a site is (a) suitable, (b) available and (c) deliverable.
- Stage 3: Windfall assessment
- Stage 4: Assessment review

The Council has completed stage 1 of this process (in terms of the Call for sites) and is currently assessing the suitability of sites for housing and economic uses (Stage 2(a)). Following this, the availability and deliverability of the sites will be assessed and sites will ultimately be colour coded as follows:

- **Red** – not suitable/available/achievable
- **Amber** – potentially suitable/available/achievable
- **Green** – suitable/available/achievable

Each site has been given a unique reference number which is on a settlement basis (e.g. DEA/SUT/LAN etc). Work on the HELAA is currently ongoing and has not yet reached any initial conclusions.

This exercise will assist the Council in demonstrating a supply of specific deliverable sites sufficient to provide 5 years worth of housing against the housing requirement set out in the Local Plan, as per para 73 of the NPPF and the requirement to allocate land for a minimum of 12,580 dwellings.

In addition to dealing with strategic issues, such as housing need and distribution, the Local Plan is also required to set out more detailed development management policies for housing to guide the determination of planning applications (NPPF para 28). Given this it is proposed that the Local Plan will also set out the Council's approach to:

- Affordable housing development: The Local Plan will need to set out the Council's strategy for affordable housing provision in the District. The Council's strategy will be informed by the review of the SHMA which is underway, and will need to be tested as part of the Local Plan viability study.
- Self and Custom Build Housing: The Local Plan will need to both allocate land for self and custom build development and set out the Council's policy approach to determining self and custom build applications, to ensure we are according with the terms of the NPPF and the Self Build Regulations.
- Gypsies and Travellers: The Local Plan will need to allocate land for Gypsy and Traveller sites and set out the Council's policy approach for the determination of applications for

Gypsy and Traveller pitches. The Gypsy and Travellers Accommodation Needs Assessment (GTAA) <https://www.dover.gov.uk/Planning/Planning-Policy-and-Regeneration/PDF/Final-GTAA-Report-2018-Dec-21-Version.pdf> has found evidence of Gypsy and Traveller pitch need over the next five years (2017/18 to 2021/22) equating to 18.5 pitches under the 'cultural definition', or 12 pitches under the Planning Policy for Traveller Sites (PPTS) 2015 definition of Gypsy/Traveller. The GTAA has identified a 'cultural need' for 30 pitches and a PPTS need for 18 pitches (over the period 2014 – 2037). However, taking into account: potential turnover on local authority sites and opportunities for additional capacity, this would result in a residual cultural need for 12 pitches and the PPTS need is addressed. Work is currently underway on preparing a brief for Consultants to assist us with identifying how this need could be met.

- Windfall development: The Local Plan will need to set out the Council's policy approach to dealing with windfall development i.e. development which comes forward on sites outside those allocated in the Local Plan. As part of the development of this policy it will be necessary to review the Council's existing policy approach set out in DM1 of the Core Strategy and look at the function and purpose of the existing settlement confines and the approach towards unallocated sites that are adjacent to confines of sustainable settlements.
- Delivering a range and mix of dwelling types and sizes: The Local Plan will set out the Council's approach to delivering a wide range of house types, tenures and sizes to meet the District's housing need over the Plan period. This approach will be informed by the review of the SHMA which is underway.
- Residential extensions and annexes: The Local Plan will set out policies for the determination of applications for residential extensions and annexes.
- Rural exception sites: The Local Plan will set out the Council's approach to supporting opportunities for rural exception sites in the District to provide affordable housing to meet identified local needs.

Executive type homes:

Officers are aware that in Ashford Borough Council's Local Plan they have identified the need to:

'Provide opportunities for delivering housing which is of an 'exclusive' nature, at the top end of the housing market, and will cater for those people wishing to design their own, larger properties. Typically these are individually designed, extremely high quality buildings that exhibit the highest standards in architecture and design.

To meet the requirements of the NPPF that all development should be sustainable, the council has assessed sites on the edges of settlement confines across the borough that would not be suitable for general market housing due to the location or other constraints, but could be appropriate for this type of extremely low density 'exclusive' housing. Two sites are identified for this particular type of use and the individual and specific design requirements for each site are indicated in each policy'.

As the above indicates, all development should be sustainable, well designed and key part of the NPPF is that housing should optimise the use of land. If it was recommended that the Local Plan should include a policy on executive type housing this would need to be balanced against the need to ensure that the Local Plan provides a wide range of housing including affordable housing which was one of the key issues raised at a recent Town/Parish Council event.

Subject:	TENANT ENGAGEMENT ON WITHDRAWAL FROM EAST KENT HOUSING ARM'S-LENGTH MANAGEMENT ORGANISATION
Meeting and Date:	Cabinet – 2 September 2019 Overview and Scrutiny Committee – 9 September 2019
Report of:	Mike Davis, Strategic Director (Corporate Resources)
Portfolio Holder:	Councillor Susan Chandler, Portfolio Holder for Housing and Health
Decision Type:	Non-Key Decision
Classification:	Unrestricted

Purpose of the report: To commence tenant engagement on withdrawal from East Kent Housing.

Recommendation: It is recommended that:

1. Cabinet approves the commencement of engagement with tenants (and leaseholders as required) on withdrawal from East Kent Housing; and
2. That Cabinet delegates to the Strategic Director (Corporate Resources), in consultation with the Portfolio Holder for Housing and Health, the details and basis of the engagement and also of any subsequent formal consultation.

1. Summary

- 1.1 There have been increasing concerns for a significant period of time at the performance of East Kent Housing in relation to asset management, procurement and delivery of the capital programme. These concerns have been heightened by a failure to comply with the requirement to have gas safety certificates for all properties with gas. Subsequent investigations have highlighted that the compliance issues are not limited to gas safety.
- 1.2 The Council therefore wishes to consider its options for the future safe management of its housing stock and one of the options would be to return management to the direct control of the Council. In order to consider this in detail it is essential to seek the views of all stakeholders, but in particular the tenants. This report seeks approval to do so.
- 1.3 It should also be noted that this report was correct at the time of writing, but the situation remains fluid and so events after it was drafted may have overtaken some of the points made.

2. Introduction and Background

- 2.1 Council approved the creation of East Kent Housing on 24 February 2010 and the organisation came into existence in April 2011.
- 2.2 There have been concerns in a number of areas including asset management, procurement and contract management. These have been compounded by restructures within EKH that have reduced the staffing levels for asset management and maintenance. There have also been concerns over Member reporting and the

“single system” implementation which is over 2 years late and 60–70% over budget. However, none of these concerns related in any way to tenant safety.

- 2.3 As part of the 2019/20 budget, Council, at its meeting in March 2019, approved an extra £200k contribution to EKH’s management fee (so £800k in total across all 4 councils) to fund an EKH improvement plan.
- 2.4 However, in May 2019 it became apparent that there was also a significant and growing issue with the failure by EKH to ensure that gas safety checks were taking place in accordance with the statutory timetable and the failure to ensure that gas safety certificates were all in place.
- 2.5 At the peak, there were some 450+ properties across the 4 East Kent councils without current gas safety certificates, of which 170+ related to Dover properties. Subsequent work by interim contractors has reduced this number and at the time of writing EKH advise that there are no outstanding certificates for Dover properties.
- 2.6 DDC’s Monitoring Officer (MO) therefore produced a formal “section 5” report on the matter and this was received by Cabinet on 1 July 2019. The matter was also self-referred to the Social Housing Regulator who is monitoring the situation and the Council’s response. The Health and Safety Executive is also aware of this matter.
- 2.7 The Strategic Housing Manager (SHM) wrote a response to the MO’s report and this was presented to the same meeting. Cabinet approved the SHM’s recommendations that a further report be prepared to consider any wider issues of housing management and whether consultation with the Council’s tenants on withdrawal from the East Kent Housing (EKH) Arm’s Length Management Organisation (ALMO) is now required.
- 2.8 This report discharges Cabinet’s decisions.

3. **Wider Issues of Housing Management**

3.1 The areas of concern to be considered are:

- (a) Compliance
- (b) Procurement
- (c) Contract management
- (d) Data quality and Member reporting
- (e) Delivery of the capital programme
- (f) Implementation of the “single system”
- (g) Income collection and arrears
- (h) Voids
- (i) Internal audit reports
- (j) The operating and governance model
- (k) Resourcing levels
- (l) Current reviews and activities
- (m) Conclusion

a) Compliance

3.2 The primary issue with compliance appears to be the maintenance of proper compliance records rather than failures in the compliance and safety checks themselves.

3.3 EKH has operated for 8 years and was, initially, undertaking an adequate compliance function. However, re-organisations and the loss of experienced staff have combined to break up the procurement team and processes and to lose the corporate memory.

3.4 EKH are now seeking additional resources to re-establish what has been lost.

3.5 Subsequent investigations have highlighted that the compliance issues are not limited to gas safety.

b) Procurement

3.6 EKH have received additional funding from the Councils, by way of an increase in the management fee, to improve its procurement performance. However, at the time of writing, and despite having more procurement resource than DDC, EKH remain heavily reliant on the Councils for procurement support and guidance.

3.7 Particular problems include:

- (a) Inadequate forward planning and late initiation of the procurement process;
- (b) Frequent use of contract extensions that should not have been necessary;
- (c) Poor quality specifications.

c) Contract Management

3.8 Problems have been encountered with a number of contracts including those for external decorations and gas maintenance and installations. These problems have included a failure to detect and challenge poor performance by contractors, a failure to challenge overcharging by contractors, and a failure to detect and challenge a pattern of charging that appears to be a systemic fraud.

d) Data Quality, Member Reporting and Transparency

3.9 In order to maintain Member and officer confidence it is imperative that data is accurate and fairly represented (to Council Members, client officers and to the EKH Board) and that Member approval is sought where required.

3.10 There are concerns that performance data (calculation of rent arrears arising from Universal Credit, delivery of the capital programme etc.) is not being calculated accurately.

3.11 There are also concerns that basic data is not being maintained accurately, so there are often errors in the lists of properties the councils own, planned service charge works, etc.

3.12 Finally, there are also concerns that oral evidence to Scrutiny Committee has not been provided as openly as it should and that major capital projects have proceeded without the required Member approval.

e) Delivery of the Capital Programme

3.13 The capital programme has been under-delivered for a number of years:

Year	Original Budget £000	Outturn £000	Underspend against Original Budget £000
2011/12	4,205	3,537	668
2012/13	4,095	3,524	571
2013/14	4,471	4,180	291

Year	Original Budget £000	Outturn £000	Underspend against Original Budget £000
2014/15	4,308	4,875	(567) ¹
2015/16	4,010	4,105	(95) ²
2016/17	4,813	3,472	1,341
2017/18	4,503	3,168	1,335
2018/19	4,917	2,262	2,655

f) Implementation of the Single System

3.14 The “single system” is an ICT project initiated by EKH to unify the four council housing systems. The initial budget was £1.195m with a go-live date for DDC of December 2016. To date the cost is £1.891m with an outturn cost currently expected to be £2.286m. It is not clear when, or if, the implementation will be completed.

3.15 Failure by EKH to complete the implementation will leave DDC with a partially implemented system and having to run two parallel ICT systems, or having to take over the rest of the implementation and meet the significant additional costs.

g) Income Collection and Arrears

3.16 After an initial improvement in collection rates arrears are now increasing and stand at £1.142m, representing 6.17% of the rent roll. The roll-out of universal credit has had a significant effect of arrears with the 6–8 week waiting period and the almost continual re-assessment of UC awards to claimants being significant contributing factors.

3.17 However, UC arrears are being mis-represented in performance data as shown below:

	Description	EKH Data	Correct Data
1	Total value of rent roll	£18,373,882	£18,519,643
2	Value of arrears	£869,298 ³	£870,314
3	Arrears as a %	4.73%	4.70%
4	Total value of Universal Credit Rent Roll	£3,868,305	£3,868,305
5	Value of UC arrears	£493,287	£493,287

¹ ‘Dorlonco’ project, to install external insulation, was an unauthorised project costing £892k in 2014/15 and £630k in 2015/16.

² Replacement heating systems budget also overspent by £128k in 2015/16

³ Current tenant arrears only.

6	UC Arrears as a %	2.68%	12.75%
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h) Voids

3.18 The speed of re-letting voids has decreased and for quarter 1, homes remain empty for an average of 25.15 days between the end of a tenancy and the start of a new one. The target for void turn-around time is currently set at 22.75 days. Of greater concern is that turn-around time for empty homes requiring only minimal work is taking an average of 22.91 days against a target of 16.5 days. These figures do not take into account the additional time available for this process generated by the early return of keys from the departing tenant which is not included in the measurement of performance.

i) Internal Audit Reports

3.19 The East Kent Audit Partnership (EKAP) has produced a number of reports which give cause for concern.

j) The Operating and Governance Model

3.20 When government first introduced ALMOs, there were financial incentives for stock retaining councils to set them up. These incentives have not been in place for some years and councils no longer receive encouragement to create or maintain ALMOs.

3.21 Post Grenfell, it is clear that the public still hold councils accountable for housing services provided by them, even if it is through an arms-length or other management arrangement. So providing housing services through a separate sovereign body, over which the Council has little direct control, no longer aligns with public expectations.

3.22 The current governance model also has a number of weaknesses which have not helped EKH or the councils.

(i) The ALMO model creates an “Arms Length” and separate sovereign body over which the Councils have very little direct control. However, the councils are ultimately responsible for the housing stock and the services provided to tenants.

(ii) EKH has to satisfy a number of separate stakeholders at the same time including, potentially:

- The tenants and leaseholders
- The EKH Board
- The 4 district Councils
- 4 client officers
- Portfolio holders
- The Owners Committee.
- The Chief Executives

It is often difficult to get a consensus within one of these groups, let alone a number of them.

(iii) The Board has exercised limited control over EKH.

(iv) The Owners Committee was designed to resolve disputes between the clients. In practice it has hardly ever met.

- (v) The Client Officers meet regularly, but given the list above the governance is complex, convoluted, lengthy, burdensome and unwieldy at best.
- k) Resourcing Levels
- 3.23 During 2018/19 EKH requested additional resources to assist in managing/improving rent collection, procurement and the capital programme. As a result, EKH were given an extra £200k by each Council (£800k in total) for the 2019/20 management fee.
 - 3.24 In order to properly manage compliance, contract management and the capital programme EKH are now requesting a further £1.3m per annum, giving a total of £2.1m per annum in additional resources, taking the total DDC management fee to £2.684m.
 - 3.25 Taking the original resourcing level at the creation of EKH, reducing it by 10% in accordance with the business case, and then indexing it by inflation brings the total to approximately the management fee level for 2019/20, inclusive of the extra £800k for the improvement plan.
 - 3.26 The additional £1.3m per annum now requested therefore represents a real terms increase in resources for EKH and would resource them above the levels in the original business case.
- l) Current Reviews and Activities
- 3.27 In response to recent events a number of activities have been initiated, the most significant of which are set out below.
 - (i) Compliance Review – EKH have commissioned HQN4 to undertake a review of the compliance failures and their causes.
 - (ii) Social Housing Regulator (SHR) – the four councils have self-referred to the SHR. They are now in regular contact (led by the CCC Chief Executive) and will monitor the Councils’ recovery plans and delivery.
 - (iii) P&R Adjudication – P&R have successfully sought adjudication against the Council for outstanding invoices the Council is refusing to pay. The Council is seeking counter adjudication against P&R for the over-charging.
 - (iv) Alleged Fraud – The Council is compiling a bundle of evidence for its legal advisor to assess whether there is evidence of fraud against the Council as part of the over-charging.
 - (v) Review of the Housing Management activity – All four councils will participate in a review, led by Folkestone and Hythe, into the future options for housing management.
 - (vi) Review of the arrangements for tenant and leaseholder health and safety and statutory compliance for the councils’ tenants and leaseholders in East Kent – the four councils are currently in the process of procuring consultancy support to review H&S and compliance.
 - (vii) Tenant (and leaseholder as required) consultation – see the section below.
 - (viii) Continuity of orderly day-to-day business – it is critical that the provision of day-to-day services and the management of the capital programme does not deteriorate further under the pressure of the issues identified above, and that there is no major loss of staff, so that if a new arrangement is to be set up for the delivery of housing management services, there can be an orderly transition.

⁴ HQN were involved in the set-up of EKH and have maintained a close working relationship with them.

3.28 It should be noted that any proposal to consult on changes to housing management arrangements, or to make any other changes to EKH, carries a significant risk that it will destabilise the organisation and also risks the loss of key staff.

3.29 Should the proposal to consult be approved, work will be progressed on the arrangements required, should Members subsequently decide to transfer the service back to the Council.

4. **Consultation**

4.1 It is apparent that there has been a significant deterioration in the services provided by EKH, that in some areas there has been a complete failure of the services and that the data produced by EKH to monitor service performance is not always robust.

4.2 For these reasons it is recommended that consultation with tenants is initiated with a view to recommending withdrawal from EKH or, if the other three councils are of the same opinion, the consultation may be on the closure of EKH.

4.3 Under Section 105 of the Housing Act 1985, the Council is required to consult with, and have regard to, the views of tenants before making decisions on matters of housing management. Potentially changing who delivers the housing management service therefore falls within this requirement.

4.4 In 2011, the Department for Communities and Local Government (CLG) issued a guidance note for councils considering the future of their ALMOs. Unlike when originally setting up an ALMO, councils do not require the Secretary of State's consent to bring housing management back in-house. However, the guidance states that any change in housing management arrangements "should be the subject of a test of opinion no less rigorous than the test undertaken on transferring housing management functions to the ALMO".

4.5 It should be noted that this is guidance. It does not carry the full force of legislation and is therefore not mandatory. It is possible that failure to follow the guidance would leave the Council more vulnerable to challenge, and to that challenge being more successful.

4.6 During 2010, when the four councils were originally exploring the creation of EKH, an extensive consultation was carried out. This comprised of:

- (i) A consultation booklet and questionnaire, "Our plans for improving your housing services", sent to every council tenant and leaseholder.
- (ii) A postal survey to all tenants and leaseholders testing opinion on the proposal to create EKH (which was also available on the website).
- (iii) Two telephone surveys, undertaken by an independent company, each contacting 7% of tenants and leaseholders.
- (iv) Road shows - events were held in different locations across the district.
- (v) Individual visits to a significant number of tenants in the district encouraging them to complete the survey.

4.7 If the Council decides to explore alternative options for future housing management services, it must decide whether to adopt a similar approach to that used when originally consulting on the proposal to create EKH.

4.8 The first step could be early engagement with residents to give them an opportunity to shape the options which would then be consulted on in more detail. This is in line with CLG guidance and could be done by using existing resident involvement methods such as the Tenant Consultative Group/Area Boards. It would also be beneficial to involve other partners who could be affected by changes in housing

management, including the Citizens' Advice Bureau and EKH board, management and staff.

- 4.9 In terms of the full consultation exercise, if that is the preferred route then the following elements are recommended:
- (i) A consultation document and questionnaire to be sent to all tenants and leaseholders, which would also be made available online.
 - (ii) Road shows in various locations across the district, particularly focusing on areas with a high concentration of tenants and leaseholders.
 - (iii) Individual visits to tenants and leaseholders reminding them of the importance of taking part in the consultation - this could be done by EKH when Housing Officers and Maintenance Inspectors are making routine visits.
- 4.10 However, Members may consider this approach to be excessive given the issues identified above with regard to EKH. If this is the case Members may wish to simply request that a short consultation document be sent to all tenants and other stakeholders, and be made available on line, providing a summary of the issues and asking whether tenants are satisfied with the service and whether they wish it to remain with EKH, be taken over by the Council or pursue some other route such as a shared service with one or more of the other partners. If this approach is adopted additional specialist advice may be required.
- 4.11 It is proposed to delegate to the Strategic Director (Corporate Resources), in consultation with the Portfolio Holder for Housing and Health, the exact basis and format of the consultation.
- 4.12 If possible, this consultation will be aligned, as closely as possible, with any consultations being undertaken by the other three councils, should they also be consulting.

5. **Identification of Options**

- 5.1 There are two options for decision.
- 5.2 Option 1- Maintain housing management with EKH and do not consult.
- 5.3 Option 2 - Withdrawal from EKH.
- 5.4 If option 2 is preferred, there are two further options (or a combination of both).
- 5.5 Option 3 – Form a new shared housing service with one or more of the other councils. This would not be an ALMO.
- 5.6 Option 4 – Bring the service back in-house under DDC direct management.

6. **Evaluation of Options**

- 6.1 Option 1 - The provision and management of housing management by EKH has deteriorated to such an extent that simply leaving the service with EKH and not consulting on change would not be a responsible course of action and would not give tenants a voice. For these reasons this is not the recommended option.
- 6.2 Option 2 – Because of the deterioration in housing services it is reasonable to offer tenants a voice on the future of their service. For this reason this is the preferred option.
- 6.3 For those tenants that prefer Option 2, they would then be asked to express a preference for Option 3 or 4.
- 6.4 So to summarise, it is recommended that the tenants are consulted on withdrawal/closure of EKH, and that their views are sought as to whether the Council

should seek to create a new shared service with one or more partner councils, or simply take the service back in-house.

7. Resource Implications

7.1 With regard to consultation, there are no significant resource implications other than staff time, which will be charged to the Housing Revenue Account (HRA) and which will be contained within current budgets.

7.2 With regard to changes in housing management, there will be significant resource implications from any change, but these cannot be quantified at this time.

8. Risk Assessment

8.1 There are many specific risks, but these would make the risk analysis too detailed. It has therefore been limited to the high level/strategic/significant risks which are likely to be relevant when considering the action to take.

	Risk	Comments	Likelihood	Impact
	<u>Maintain Housing Management With EKH</u>			
1	Remain with EKH	The areas of concern are not resolved within an acceptable timescale and cost.	H	H
	<u>Withdrawal from EKH</u>			
2	Destabilises the organisation	Key staff may choose to leave EKH unless the councils can offer sufficient reassurance.	M	M
3	Reduction in performance	Even if staff are retained, performance is likely to show a dip during the change period.	H	M
4	Single System implementation	The implementation may be delayed or cost more, or the council may have to take over the final stages.	M	M

9. Corporate Implications

9.1 Comment from the Section 151 Officer: Accountancy has been consulted during the writing of this report and have no further comments to make. (BW)

9.2 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.

9.3 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>.

9.4 Other Officers (as appropriate):

10 **Appendices**

None.

11 **Background Papers**

The Council report to create EKH.

The Council report to purchase the single system.

Various performance reports.

Contact Officer: Mike Davis, Strategic Director (Corporate Resources)

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Subject:	PERFORMANCE REPORT – FIRST QUARTER 2019/20
Meeting and Date:	Cabinet – 2 September 2019 Overview and Scrutiny Committee – 9 September 2019
Report of:	Nadeem Aziz, Chief Executive
Portfolio Holder:	Councillor Stephen Manion, Portfolio Holder for Finance and Governance
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 First Quarter 2019/20 be noted.

1. Summary

The Council’s Performance Report for the 1st Quarter 2019/20 reports on performance against key performance targets throughout the Council, East Kent Shared Services and East Kent Housing during the first 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 3 months to 30 June 2019.
- 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 first quarter of 2019/20, 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: Accountancy 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 – Q1 Performance Report

7. **Background Papers**

None.

Contact Officer: Michelle Farrow, Head of Leadership Support

Dover District Council Performance Report For the Quarter Ending – 30 June 2019

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%							▶
Amber	7	21%							▲
Red	5	15%							▼
Total	33	100%							

Shared Services Performance

EK Services & DDC Digital

PI	Description	Outturn 2018/19	DDC Target 2019/20	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	91%	Data for information only	91%				91%	55,901	▶	N/A
EKS01d	Percentage of incidents resolved within agreed target response time - ICT	96%	95%	96%				96%		▶	Green
EKS02d.1	Percentage of incidents resolved within 1 working day	72%	60%	64%				64%		▼	Green

EK Services & DDC Digital

PI	Description	Outturn 2018/19	DDC Target 2019/20	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%	80%	85%				85%		▼	Green
EKS04d	Percentage availability of email service	100%	97.50%	100%				100%		▶	Green
PLA005	Percentage of electronic planning applications received	80.52%	80%	91.70%				91.70%	398	▲	Green
WEB001	Percentage availability of the corporate website (DDC responsibility)	99.98%	99.50%	99.98%				99.98%		▶	Green
WEB002	Number of Keep me Posted subscriptions	9,938	N/A	10,396				10,396		▲	N/A
WEB003	Facebook subscribers	6,754	N/A	6,899				6,899		▲	N/A

EKS Director's Comments

Performance:

Solid performance in Quarter 1 resulted in all ICT targets being met.

Key Initiatives/Outcomes:

Nothing to report for this quarter

Concerns/Risks

Nothing to report for this quarter

Civica

PI	Description	Outturn 2018/19	DDC Target 2019/20	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	6.07 days	8.5 days	8.38 days				8.38 days		▼	Green
KPI02-D (was EKS14d)	Percentage of correct Housing Benefit and Council Tax Benefit decisions	97.18%	96%	97.38%				97.38%		▲	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.	97.66%	97.80%	28.78%				28.78%		N/A	N/A
Business Rates											
KPI04-D (was EKS19d)	Percentage of Business Rates collected	98.21%	98.20%	29.63%				29.63%		▼	Green
Customer Services											
KPI06-D (was EKS026d)	Average call waiting time in seconds	74 seconds	233 seconds	349 seconds				349 seconds		▼	Red

Civica Comments

Performance:

- Overall performance remains below target in several areas and this was formally addressed with Civica at June's Contract Management Board meeting. We were clear that our expectation is to see performance levels quickly improve and Civica are sharing their remedial action plans with us.
- The target for speed of Benefits processing was met this month.
- The accuracy of Benefit claims target was exceeded this month.
- Council Tax collection remains under profile. Civica are keen to review the current KPI target and have also indicated that they will be requesting relief for 18/19. We will email the s151 officers separately about this. There is no guarantee their requests will be successful and the default position is that the current KPI target and also the penalty charge for 18/19 still stand.
- Business Rates collection is under the profiled target mainly due to a large RV increase in June. Civica are confident that the year end target will be met.
- Customer satisfaction has increased this month to 95.75 %, YTD is 94.14%. As agreed with the s151 officers, the baseline target will be agreed at the end of this financial year.
- The call wait time target was missed again this month. A renewed improvement plan has been shared with us and we continue to monitor this and to flag our concerns. We continue to chase Civica for a formal contract change request for this KPI; the default position is that we will revert to the original contractual target (i.e. a target set at 80/90 seconds depending on the council).
- All customer feedback responded to this month was completed within the deadlines and is within expected levels.

Key Initiatives/Outcomes:

Nothing to report for Q1

Concerns/Risks:

Nothing to report for Q1

EK Housing

PI	Description	Outturn 2018/19	DDC Target 2019/20	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	20.48 days	15 days	22.91 days				22.91 days	756 days/ 33 re-lets	▼	Red
EKHC2	Rent arrears as % of annual debit	4.11%	2.50%	4.73%				4.73%	£869,298 of £18,373,882	▼	Red
EKHC3	Former tenant arrears as % of annual debit	1.24%	0.50%	1.48%				1.48%	£271,412 of £18,373,882	▼	Red
EKHD1	Total current tenant arrears (including court costs)	£ 787,875	N/A	£ 869,298				£869,298		▼	N/A
EKHD2	Average current tenant arrears per rented unit	£183.78	N/A	£202.76				£202.76	£869,298/ 4287	▼	N/A
EKHD3	Total former tenant arrears (including court costs)	£ 237,626	N/A	£ 271,412				£271,412		▼	N/A
EKHD4	Amount of former tenant arrears written off	£0.00	N/A	£0.00				£0.00		▶	N/A
EKHM1	Percentage of total responsive jobs completed on time	98.11%	98%	97.92%				97.92%	2682 of 2739	▼	Amber
EKHM5	Percentage of properties with a valid gas safety certification	99.43%	100%	99.6%				99.6%	4017 of 4033	▲	Amber

East Kent Housing Director's Comments:

Performance:

Re-let times have been affected by the number of properties requiring asbestos surveys and/or asbestos removal which took longer than had been expected, during which time other void work could not begin. This has affected 10 re-lets in the last quarter (approx. one third of the total re-lets).

EKH is currently on track to meet the year-end target of 4.55%, the level of arrears will continue to change throughout the year, but the timing of payments and Direct Debits means that we are not expected to meet the target until year-end. A delayed payment from DWP of £65,999 (not received from DWP by end of June as scheduled) has negatively affected Dover's UC figures and overall Arrears, which would otherwise be 4.37% (not the reported 4.73%, and within the EKH target of 4.55%). Performance in responsive repairs has dipped slightly in June, although April and May were within target and so the end of quarter value is marginally outside target. Repair performance is

EK Housing

monitored regularly with Mears and issues related to their performance have been raised at their most recent Core Group meeting, and performance next quarter is expected to be within target and no further action is currently planned.

As at 30 June 2019, 16 Dover properties had outstanding LGSRs. As at 23 July 2019, this figure stood at 2; with one having an appointment booked and the other having action being taken to gain access.

Key Initiatives/Outcomes:

Since April we have been working with a new Asbestos contractor and, although this is now working well, there were some delays in completing asbestos surveys initially, which have affected our void time. This has now been addressed and should not adversely affect void performance going forward. We recognise that despite this our void times are still high. We have therefore developed a void action plan which covers all areas, to help address issues. This includes actions for both EKH and the client Councils. Current Arrears performance is in line with expectations. Work has been progressing on higher complex cases to allow time for these to be repaid over the year. These have all now been actioned and work has moved on to more general arrears, with performance expected to steadily improve over the year. A delayed payment from DWP of £65,999 (not received from DWP by end of June as scheduled) has negatively affected Dover's UC figures and overall Arrears, which would otherwise be 4.37% (not the reported 4.73%, and within the EKH target of 4.55%).

Concerns/Risks:

Daily monitoring of LGSR performance has ensured that we are on target for current inspections and the number of overdue properties has reduced significantly. All of the properties that were showing as overdue at the end of the quarter have either since been completed, have an appointment booked, or have action being taken to gain access as part of a legal process.

	Improvement Plan KPIs	April 2019	May 2019	June 2019	Current Performance	Target
		Value	Value	Value		
IMP01	Average Days to produce procurement specifications	N/A	7.33	0		20
IMP02	Percentage of Capital procurements (projects) delivered	100%	33.33%	50%		95%
IMP03 (a)	Percentage of procurement enquiries responded to on time	99.4%	95.31%	99.17%		100%
IMP03 (b)	Average days to respond to procurement enquiries	0.48	0.43	0.32		5

Of the 6 procurements due by end of June, 3 were completed on time; the remaining 3 were awaiting the issuing of the contract documentation and this has now been completed. 439 enquires were responded to in the first quarter and 392 of these within target time of 5 working days. (The majority of enquires were responded to within one day).

IMP04	Number of Core group meetings held (YTD)	None held	None held	2		Target 8 per annum
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Both sets of Core Group meetings (Mears and P&R) were scheduled for 20 June; P&R did not attend their meeting. For Q2, both sets of Core Group meetings (Mears and Swale Heating) have been scheduled for 26 September.

	Improvement Plan KPIs	2018/19 Year End	Q1 2019	Current Performance	Year-end Target
IMP05 DDC	Percentage of capital programme spent (YTD)	71.41%	3.45%		95%
IMP05 EKH	Percentage of capital programme spent (YTD)	52.26%	3.37%		95%
	<i>Latest agreed Capital Budgets (combined)</i>	16,689,829	21,989,231		
	<i>Total Capital spend at end of period (combined)</i>	8,721,944	740,626		
	<i>In general the first quarter is when procurements are planned, surveys are undertaken and delivery plans are agreed, we have developed profiled targets calculated from an average of the Q1 positions for the past two financial years, to give an indicator of where we have been at this point in previous years. Individual budgets have been set for each local authority; currently Thanet are at expected levels although work is underway to progress works against the year-end target. In other areas there have been delays in procuring key contracts for the capital programme, we're unlikely to see significant spend until later in the year.</i>				

	Improvement Plan KPIs	2018/19 Year End	April 2019	May 2019	June 2019	Current Performance	Target
IMP06 DDC	Percentage of properties that meet decent homes standard	99.1%	99.1%	99.1%	99.25%		99%
IMP06 EKH	Percentage of properties that meet decent homes standard	98.24%	98.24%	98.24%	98.27%		99%
	<i>As at 30 June, 1.73% (289) properties across EKH were 'non-decent'; the highest being at Folkestone 2.38% (84 properties). This is based on the number of inspected properties as listed on the SAM database. The number of non-decent properties will reduce during the year as planned works proceed.</i>						
IMP07 EKH	Percentage of heating installation pre-inspections completed					N/A	100%
	<i>This indicator related to works undertaken by P&R under their heating and hot water contracts, notice was provided on this contract which has now come to an end. This indicator will now be reported against the new interim contracts and will be reported accordingly.</i>						

	Improvement Plan KPIs	April 2019	May 2019	June 2019	Current Performance	Target
IMP08 DDC	Percentage of heating installation post-inspections completed	25%	100%	50%		100%
IMP08 EKH	Percentage of heating installation post-inspections completed	44.44%	90%	100%		100%
	<i>Of the 22 heating/hot water installations available for post-inspection during Q1, 16 post-inspections were carried out during the period; the outstanding 6 have post-inspections pending (i.e. scheduled but were not required as at 30 June). There were no installations requiring post-inspection in Thanet during the month of June.</i>					

	Improvement Plan KPIs	April 2019	May 2019	June 2019	Current Performance	Target
IMP09 DDC	Percentage of day-to-day repair post-inspections completed	5.76%	8.91%	8.7%		10%
IMP09 EKH	Percentage of day-to-day repair post-inspections completed	5.45%	9.71%	9.59%		10%
	<i>Canterbury and Thanet achieved 10% or above. Delays in post-inspecting Thanet repairs due in part to late receipt of completed jobs from Mears. This has been discussed and issues resolved. It is expected that performance will improve throughout Q2.</i>					

	Improvement Plan KPIs	April 2019	May 2019	June 2019	Target
IMP10 DDC	Percentage of contract invoices paid within 30 days	-	-	-	99%
IMP10 EKH	Percentage of contract invoices paid within 30 days	-	-	-	99%

This data provided by each local authority's finance team, information that has been received is included other data is outstanding.

	Improvement Plan KPIs	April 2019	May 2019	June 2019	Current performance	Target
IMP11 DDC	Percentage of potential UC claimants contacted on time	100%	100%	100%		100%
IMP11 EKH	Percentage of potential UC claimants contacted on time	100%	100%	100%		100%

Of 406 notifications from DWP, all potential UC claimants have been contacted by EKH within target time of 5 working days

	Improvement Plan KPIs	April 2019	May 2019	June 2019	Current Performance	Year-end Target
IMP12 DDC	Current tenant arrears (UC only) as % rental income	2.37%	2.29%	2.68%		3.3%
IMP12 EKH	Current tenant arrears (UC only) as % rental income	1.85%	2.01%	2.20%		3.3%

This is a year-end target and performance against the target will only be finalised at year end, the data however provides an indication of performance at the point of monitoring.

Of the £2,812,731 total current tenant arrears figure, £1,548,264 (55%) related directly to Universal Credit (UC). This is based on 2,696 cases as at 30 June 2019.

A delayed payment from DWP of £65,999 (not received from DWP by end of June as scheduled) has negatively affected Dover's UC figures, which would otherwise be 2.33% (not the reported 2.68%). The overall EKH figure would be 2.11% (not 2.2%). Overall performance is at expected levels and figures are increasingly influenced by the timing of Direct Debits which are received monthly whilst rent is due weekly.

The figure is higher in Thanet and as was introduced nearly 12 months prior to other areas and so there are more households on UC in that area.

	Improvement Plan KPIs	April 2019	May 2019	June 2019	Current Performance	Year-end Target
IMP13 DDC	Current tenant arrears (non-UC) as % rental income	2.05%	2.05%	2.05%		1.25%
IMP13 EKH	Current tenant arrears (non-UC) as % rental income	1.82%	1.79%	1.8%		1.25%

This is a year-end target and performance against the target will only be finalised at year end, the data however provides an indication of performance at the point of monitoring.

The percentage of arrears is reported to 2 decimal places, this means that variance for DDC for example has not registered as a change although they have reduced slightly..

Current performance is in line with expectations; work has been progressing on higher complex cases, to allow time for these to be repaid over the year. These have all now been actioned and work has now moved on to more general arrears, with performance expected to steadily improve over the year.

	Improvement Plan KPIs	2018/19 Year End	April 2019	May 2019	June 2019	Current Performance	Year-end Target
IMP14 DDC	Total Current tenant arrears as % rental income	4.11%	4.42%	4.34%	4.73%		4.55%
IMP14 EKH	Total Current tenant arrears as % rental income	3.51%	3.67%	3.8%	4%		4.55%
<p><i>This is a year-end target and performance against the target will only be finalised at year end, the data however provides an indication of performance at the point of monitoring.</i></p> <p><i>Current performance is in line with expectations.</i></p>							

	Improvement Plan KPIs	2018/19 Year End	April 2019	May 2019	June 2019	Current Performance	Year-end Target
IMP15 DDC	Garage arrears as % garage rental income	0.64%	1.44%	0.97%	0.53%		0.39%
IMP15 EKH	Garage arrears as % garage rental income	1.03%	1.17%	1.64%	1.41%		0.39%
<p><i>This is year-end target and performance against the target will only be finalised at year end, the data however provides an indication of performance at the point of monitoring.</i></p> <p><i>Current performance is in line with expectations; payment of garage rents is generally made by direct debit and arrears levels change dramatically over the period due to timing of the payments over the period.</i></p>							

	Improvement Plan KPIs	April 2019	May 2019	June 2019	Current Performance	Target
IMP16 DDC	Percentage of Rechargeable Works Order charges raised	N/A	N/A	N/A	N/A	100%
IMP16 EKH	Percentage of Rechargeable Works Order charges raised	34.62%	100%	100%		100%
<p><i>Within the process for recharging there is a period for appeal prior to the charges being formally raised this means that the number of charges raised and those required will not match due to this period. The process is currently working effectively in Canterbury, DDC and FHDC however there have been issues at TDC which have now been resolved. There have also been issues with the Dover finance system where none of the invoices requested have gone through. This will be resolved going forward.</i></p>						

	Improvement Plan KPIs	Q1 2019	Current Performance	Target
IMP17	Percentage of Single System actions completed (YTD)	100%		100%
IMP18	Percentage Single System key documents produced as required	100%		Year-end target 100%
<p><i>This is a rolling programme, the nature of this is that actions will be created within a month but there completion may fall outside of that month. Key actions and documents are those which have been identified from our steering groups and agreed with the Local Authorities.</i></p>				

	Improvement Plan KPIs	2018/19	April 2019	May 2019	June 2019	Current Performance	Target
IMP19 (a)	Percentage of all complaints responded to within 10 working days	90.94%	63.64%	95%	95.08%		95%
IMP19 (b)	Average days taken to close complaints	8.18	9.59	7.45	7.13		10
<i>Of the 165 complaints responded to by the end of the quarter, 143 were completed within 10 working days. The majority of complaints being answered within 8 working days.</i>							
IMP20	Percentage of residents satisfied with Overall Service provided		Not due	Not due	Not due		82%
IMP21	Percentage of staff that see themselves working at EKH in 2 years		Not due	Not due	Not due		<14% disagree

	Improvement Plan KPIs	2018/19 Year End	April 2019	May 2019	June 2019	Current Performance	Target
IMP22	Percentage of permanent staff in the organisation (YTD)	86.5%	92.78%	92.05%	92.2%		93%
<i>Of the 180 members of staff, 166 were permanent as at 30 June 2019. There were 7 leavers between April and the end of June, equating to a 4.3% turnover for the period.</i>							

	Day to day repairs	2018/19 YE	April 2019	May 2019	June 2019	Q1 2019	Current Performance	Target
		Value	Value	Value	Value	Value		
REP01 DDC	Percentage of emergency repairs completed on time	99.67%	100%	100%	99.45%	99.79%		99%
REP01 EKH	Percentage of emergency repairs completed on time	99.56%	99.38%	99.81%	99.07%	99.41%		98%
REP02 DDC	Percentage of routine repairs completed on time	97.87%	97.81%	98.21%	96.41%	97.49%		98%
REP02 EKH	Percentage of routine repairs completed on time	98.56%	98.77%	99.12%	98.44%	98.79%		98%
REP03 DDC	Percentage of repair appointments kept	98.58%	99.19%	98.6%	99.14%	98.95%		96%
REP03 EKH	Percentage of repair appointments kept	97.11%	97.7%	96.75%	97.14%	97.18%		96%
REP04 DDC	Percentage of tenants satisfied with day to day repairs	98.77%	100%	100%	100%	100%		99%
REP04 EKH	Percentage of tenants satisfied with day to day repairs	98.86%	99.87%	100%	100%	99.96%		98%

	Gas Servicing and Heating repairs	2018/19 YE	April 2019	May 2019	June 2019	Q1 2019	Current Performance	Target
		Value	Value	Value	Value	Value		
GAS01 DDC	Percentage of emergency heating repairs completed on time	92.74%	93.1%	91.86%	92.21%	92.44%		100%

	Gas Servicing and Heating repairs	2018/19 YE	April 2019	May 2019	June 2019	Q1 2019	Current Performance	Target
			Value	Value	Value	Value		
GAS01 EKH	Percentage of emergency heating repairs completed on time	93.05%	93.21%	91.53%	94.62%	93.08%		100%
GAS02 DDC	Percentage of routine heating repairs completed on time	98.21%	95.94%	94.57%	88.28%	93.8%		98%
GAS02 EKH	Percentage of routine heating repairs completed on time	97.95%	96.54%	94.54%	90.3%	94.62%		98%
GAS03 DDC	Percentage of heating repair appointments kept	94.58%	95.34%	97.73%	33.49%	80.54%		95%
GAS03 EKH	Percentage of heating repair appointments kept	95.1%	96.56%	96.79%	75.48%	91.42%		95%
GAS04 DDC	Percentage of tenants satisfied with most recent heating repair	87.18%	84%	76.92%	73.47%	78.15%		98%
GAS04 EKH	Percentage of tenants satisfied with most recent heating repair	88.86%	82.71%	78.32%	75%	78.61%		98%
GAS05 DDC	Percentage of properties with a valid LGSR	99.43%	96.78%	96.66%	99.6%	99.6%		100%
GAS05 EKH	Percentage of properties with a valid LGSR	99.40%	97.27%	96.75%	99.48%	99.48%		100%

As at 30 June 75 properties had an overdue LGSR but they all had either an appointment booked or action was being taken to gain access as part of a legal process.

As of 5 July 2019 the position was:- 12 overdue in Canterbury, 10 overdue in Dover, 12 in Thanet and 7 in FHDC all of which had either an appointment booked or action was being taken to gain access as part of a legal process.

	Short Name	2018/19 YE	April 2019	May 2019	June 2019	Q1 2019	Current Performance	Target
						Value		
VOID01 DDC	Average days to re-let all properties excluding major works	20.48	20	27.27	22	22.91		16.5
VOID01 EKH	Average days to re-let all properties excluding major works	20.15	20.14	20.4	20.16	20.21		16.5

We have now developed a void action plan which covers all area, which will help address issues, and include action for both EKH and the client Councils.

CCC – The figure for June was adversely affected by the re-letting of 2 sheltered housing properties that had been vacant for in excess of 100 days without these properties performance would have been in target.

DDC – Whilst the time has reduced further action is being taken to address issues.

	Short Name	2018/19 YE	April 2019	May 2019	June 2019	Q1 2019	Current Performance	Target
VOID02 DDC	Average days to re-let all properties including major works	22.86	20	27.27	31.25	25.15		22.75

VOID02 EKH	Average days to re-let all properties including major works	27.61	32.49	31.28	42.45	35.44		22.75
<p><i>CCC- These times were adversely affected by 2 properties that required extensive building works including asbestos removal and also need to have adaptations to properties prior to tenants being able to move in which had to be assessed by social care.</i></p> <p><i>All areas the number of properties requiring major works has increased, and the extent of these works in a number of cases has been considerable, the performance for these areas is also effected by the number of properties requiring asbestos removal and the statutory 14 notice period required during which works cannot take place.</i></p>								

Corporate Resources

PI	Description	Outturn 2018/19	DDC Target 2019/20	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	98%	91.50%	98%				98%	1991	▶	Green
CSU001	Percentage of ASB cases resolved within 30 days	96.43%	98%	100%				100%	63	▲	Green
ENH005	Percentage of complaints regarding nuisance responded to within 5 working days	99.50%	95%	97%				97%	263	▼	Green
ENH012	Number of Fixed Penalty Notices issued for litter	881	N/A	610				610		N/A	N/A
ENH013	Percentage of stray dog enquiries responded to within target time.	100%	95%	100%				100%	71	▶	Green
ENH015	Number of Fixed Penalty Notices issued for dog fouling	6	N/A	1				1		N/A	N/A
ENH016	Number of Envirocrime prosecutions completed	200	N/A	1				1		N/A	N/A
GOV001	Number of working days/shifts lost due to sickness absence per FTE	8.30 days	N/A	2.34 days				2.34 days		▼	compare to Q1 2018/19
GOV002	Number of working days/shifts lost due to long term sickness absence over 10 days per FTE	5.32 days	N/A	1.85 days				1.85 days		▼	compare to Q1 2018/19
GOV003	The number of second stage complaints referred to the Council's Complaints Officer	20	N/A	10				10		N/A	N/A
GOV004	The number of FOI requests received	1071	N/A	248				248		N/A	N/A
HOU010a	Number of households living in Temporary Accommodation including B&B	124	90	135				135		▼	Red

Corporate Resources

PI	Description	Outturn 2018/19	DDC Target 2019/20	Q1	Q2	Q3	Q4	Current Cumulative figure	Absolute Number of Cases this Qtr (where applicable)	Direction of Travel to previous Qtr	RAG Status
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	24				24		▶	Amber
HOU011	The number of households presenting as homeless where a duty to re-house is accepted	109	N/A	25				25		▲	N/A
HOU012	The number of children in B&B and nightly paid	183	N/A	110				110		▼	N/A
LIC005	The percentage of licensed premises inspections completed by target date	99.25%	80%	96%				96%	26	▼	Green
LIC006	The percentage of unopposed licensing and permit applications processed within 5 working days	99.25%	75%	99.00%				99%	358	▼	Green
PSH007	Number of DFG applications completed (for information only)	107	N/A	17				17		▼	N/A
PSH008	Percentage of completed DFG applications approved within 10 working days from receipt of application	79%	N/A	84%				84%		▲	N/A

Strategic Director (Corporate Resources) Comments:

Performance Summary – General Fund, HRA and Capital

General Fund Revenue Budget

- As at 30th June 2019 the General Fund is projecting a surplus of £107k, an improvement of £79k on the original budgeted surplus of £28k.
- The main variances this quarter are:

	£000	£000
Recharges - Increase in recharges to projects, which results in lower charges to General Fund	(157)	
Salaries - Backfill posts to provide partial cover for officers seconded to projects (additional backfill may be required)	34	
Additional transfer to the Special Projects and Major Events Reserve to provide additional funding for The Open Golf Tournament 2020	150	
Reduced interest payable following redemption of the LOBO loan in 2018/19	(79)	
Civica/East Kent Services - reduction in management fees for shared services	(54)	
Reduction in admin grants from MHCLG and DWP for Council Tax Reduction Scheme and Housing Benefits (following transfer of cases to Universal Credit)	32	
Other variances in period – net favourable	(5)	
Total Variances – favourable		(79)

- The Council's budgeted investment return for 2019/20 is £1,824k (incl. HRA).
- £49.6 million of investments are managed in-house as at 30th June 2019, of which £48m is invested in pooled investment funds.
- Please see the main Budget Monitoring report for June 2019 for full details of all major variances.

Housing Revenue Account

- The 2019/20 budget forecast a surplus of £2k with a HRA balance of £1.014m.
- Since April 2019 there have been issues identified with compliance at East Kent Housing relating, in particular, to gas servicing, electrical testing, legionella, asbestos and fire safety. The gas servicing contractor, P&R have also terminated their contract.
- The Council is in legal dispute with P&R over charges raised under the contract and EKH have also requested additional resources to manage the replacement contract. The replacement contract is the subject of a forthcoming Cabinet report.
- At the time of writing, the backlog of gas compliance work has been cleared and no gas safety certificates are now outstanding. EKH are working to bring the other compliance areas up to the required standard.
- The total additional resources to be requested by EKH have not yet been fully quantified and this work is on-going, but it is expected to be a significant sum and will require Member approval.

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 (30th June 2019)	Current year £000	Total Cost of Programme £000
Opening position as at 1st April 2019	67,568	255,264
Phasing changes to reflect the 2019/20 expected outturn.	(731)	-
Additional funding has been added to the following existing projects: £303k for DFGs; £112k for PSH and Renovation loans.	370	415
New funding added to programme from the ICT Reserve provision for a new project to purchase corporate software and hardware.	437	437
Reductions have been made to the programme to remove 18/19 expenditure on DFGs, and loans for PSH, Renovation and Empty Homes; £569k has been deleted in regards to projects which completed in 18/19; £300k has been deducted from the PSH and Renovation loans provision as a separate 19/20 provision has been included for Empty Homes Loans.	(300)	(2,432)
Total Capital Programme – position as at 30th June 2019	67,344	253,684

Concerns/Risks:

- Brexit and the impact on the Port of Dover and East Kent generally, remains a concern, and we continue to work with our partners on the Kent Resilience Group to plan for a range of eventualities.
- The position supporting homelessness remains volatile with an on-going high level of applications to the Council for support. The trends and therefore budget impact are difficult to forecast and influenced by a wide range of factors, it continues to be monitored on a regular basis.
- 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.
- Investment income remains under pressure from low interest rates and uncertainty pending Brexit. However, we now have £48m invested 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. These investments are considered longer term and enable us to increase returns for current and future years, although the capital value can fluctuate.
- 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.
- There are also upside risks in respect of business rates, such as the favourable impact of being in a Kent-wide business rates pool (as a 'shadow member'), enabling the usual 50% levy on growth to be significantly reduced. Additionally the positive impact of changes to occupancy at Discovery Park has improved the levels of Enterprise Zone relief and its compensatory grant from Central Government.

- Unfortunately the Kent-wide pilot scheme of 2018/19, which enabled 100% retention of business rates growth, was not permitted to continue by MHCLG, but the pooling arrangement does provide a benefit in itself as stated above. An update will be provided for the next quarter's results.
- Please see the main Budget Monitoring report for further details of current issues and their mitigation.

Key Initiatives/Outcomes:

The projected outturns for General Fund, HRA and Capital Programme do not indicate the need for corrective action in 2019/20 at this time.

Division	FTE @ 1 April 2019	(Leavers)/ Joiners/ Transfers	FTE @ 30 June 2019
Chief Executive	36.49	+0.19	36.68
Governance	50.69	+0.40	51.09
Corporate Resources	47.23	-1.53	48.76
Operations and Commercial	101.31	+1.96	103.27
HR & Audit	27.44	-0.81	28.25
Total Staff FTE	263.16	+0.21	263.37

Operations and Commercial

PI	Description	Outturn 2018/20	DDC Target 2019/20	Q1	Q2	Q3	Q4	Current Cumulative figure	Absolute Number of Cases this Qtr (where applicable)	Direction of Travel to previous Qtr	RAG Status
MUS002	The number of visits to the museum in person per 1,000 population	233.79	200	66.68				66.68		▲	Green
PKG003	Number of PCNS issued	13092	N/A	3032				3032		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	81.33%	65%	81.25%				81.25%	16	▶	Green
PLA002	Percentage of non-major planning applications determined in 8 weeks (exc. Section 106 agreements)	83.23%	75%	78.13%				78.13%	215	▼	Green
PLA003	The percentage of decisions for major applications overturned at appeal (+)	5.7%	<10%	6.25%				6.25%	1/16	▼	Green
PLA004	The percentage of decisions for non-major applications overturned at appeal (+)	0.9%	<10%	0.93%				0.93%	2/215	▶	Green
PLA007	Number of new houses completed.	53046	N/A	68				53114		N/A	N/A
PLA008	Growth in Business Rates base (number of registered businesses)	4094	N/A	6				4100		N/A	N/A

Operations and Commercial

PI	Description	Outturn 2018/19	DDC Target 2019/20	Q1	Q2	Q3	Q4	Current Cumulative figure	Absolute Number of Cases this Qtr (where applicable)	Direction of Travel to previous Qtr	RAG Status
PLA009	% of appeals upheld by the Planning Inspectorate as a % of those submitted	22%	N/A	15%				15%	20	N/A	N/A
WAS003	Number of collections missed per 100,000 collections of household waste.	12.58	15	4.16				4.16		▲	Green
WAS010	Residual household waste per household	359kg	350kg	357.67 kg				357.67kg		▲	Amber
WAS011	Household waste sent for reuse, recycling or composting	48%	50%	48%				48%		▶	Amber
WAS012	Environmental cleanliness: Percentage of streets containing litter	6%	5%	1.25%				1.25%		N/A	N/A
WAS013	Environmental cleanliness: Percentage of street containing detritus	19.5%	10%	11.74%				11.74%		N/A	N/A

Strategic Director (Operations and Commercial) comments

Performance:

Performance across all service areas remains reasonably strong. The residual waste figures for Q1 may be influenced by the Easter period and recycling rates are anticipated to move closer to target through the summer period as garden waste volumes increase.

Key Initiatives/Outcomes:

Planning & Regeneration

Performance for the determination of major planning applications remains very strong, and is well above the DDC/National target. This is crucial to the delivery of housing numbers. Performance for those non-major applications that are monitored has dipped very slightly and this is due to staff sickness and continuing issues with the roll-out of Uniform, which managers are addressing. Appeals performance is strong with only 3 appeals having been allowed. This indicates that the small number of cases that are refused represent robust decisions.

Operations and Commercial

Commercial Services

Parks & Open Spaces

In-house GM team continue to deliver the service well and the year so far has been kind with regards grass growth. The teams are concentrating on the maintenance only part of the year now with little improvement works being completed here and there.

The Kearsney Parks Project: Café construction is progressing well. The Landscape contract has started with the new car park extension being worked on first. The project is still on course for completion by June 2020. A new Puffin crossing between Kearsney and Russell gardens has been approved by KCC highways for construction in 19/20. This is a KCC funded project.

The WCCP continues to embed new ways of working and new funding is being sourced and being received. This area is starting to become more commercially focused with opportunities to expand in the coming months and years Discussions with partner organisations regarding future funding are going very well. WCCP celebrate its 30th Birthday later this year which is quite an achievement and there are no signs of it stopping anytime soon.

Transport & Parking Services:

This area continues to perform effectively with work starting on a review of all areas of the service with an increasing focus on the strategic direction of the service recognising the interdependencies between parking & transport and other areas of the council. Tourism strategy is being reviewed alongside the parking strategies to see if one can help the other. Opportunities for EV charging points across the district are being looked into as part of the car parks site by site review.

Waste services:

The current contract is still going well and the team and consultants are now working on the new contract due to start in January 2021. Work is progressing with an outsourced contract in partnership with FHDC for street cleansing, recycling and waste.

Museum

The work by conservators for the round two bid for the Maison Dieu continues to reveal more of the historic decoration designed by William Burgess that lies just under the modern paint surfaces. The photographing and preparation for relocation of the museum collections housed in the basement of the building has begun, and initial specifications for the new store that will house them have been completed.

Inward Investment & Tourism

Line management responsibility for the Strategic Tourism Manager and his team was moved to the Head of Inward Investment in June recognising the synergies between the promotion of the tourism agenda and the visitor economy with the inward investment activity. This team now also includes the Growth and Economic Development Manager, Strategic Delivery Manager (Infrastructure) and the Corporate Project Manager. Work is now well advanced on the draft Tourism Strategy, which will be considered by Cabinet later this year, with a formal launch after consultation with stakeholders planned for Spring 2020.

Operations and Commercial

Asset & Building Control

The early months of the new Dover District Leisure Centre operations, have proved far more successful than the projections, with numbers using the new centre nearly three times as many as those using the old Dover Centre for the same period last year. Other key projects undertaken during this period include:

- Design work for next phase of Deal pier refurbishment progressing well.
- Design and preparation of contract for street lighting conversion to LED, including comprehensive update of inventory undertaken.
- NTH on site and progressing on schedule – external envelope virtually complete, internal partitions.
- WM&S foundations complete, retaining walls and other ground works under construction
- Demolition of old DLC –negotiations progressing in respect of extent of works and interaction with archaeology.
- Maison Dieu: maintenance works, needed before project starts on site, in progress. Design work, including specialist surveys underway.
- Viability assessments for Tides progressing.

Concerns/Risks:

Budget pressure and income continue to be a particular concern for Commercial services.