

# Public Document Pack



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1 March 2024

Dear Councillor

NOTICE IS HEREBY GIVEN THAT a meeting of the **OVERVIEW AND SCRUTINY COMMITTEE** will be held in the Council Chamber at these Offices on Monday 11 March 2024 at 6.00 pm when the following business will be transacted.

Members of the public who require further information are asked to contact Democratic Services on 01304 872304 or by e-mail at [democraticservices@dover.gov.uk](mailto: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:

C A Vinson (Chairman)  
M W Rose (Vice-Chairman)  
S B Blair  
D R Friend  
R M Knight  
M J Nee  
D J Parks  
H M Williams  
C F Woodgate  
L M Wright

AGENDA

- 1 **APOLOGIES** (Page 5)  
To receive any apologies for absence.
- 2 **APPOINTMENT OF SUBSTITUTE MEMBERS** (Page 6)  
To note appointments of Substitute Members.
- 3 **DECLARATIONS OF INTEREST** (Page 7)

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

4 **MINUTES** (Page 8)

To confirm the Minutes of the meeting of the Committee held on 19 February 2024.

5 **DECISIONS OF THE CABINET RELATING TO RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY COMMITTEE** (Page 9)

To receive the Cabinet decisions in respect of recommendations of the Overview and Scrutiny Committee.

6 **ISSUES REFERRED TO THE COMMITTEE BY PUBLIC PETITION, COUNCIL, CABINET, OR ANOTHER COMMITTEE** (Page 10)

To receive any public petitions or issues referred by Council, Cabinet or another Committee.

7 **NOTICE OF FORTHCOMING KEY DECISIONS** (Pages 11 - 14)

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 15 - 21)

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

9 **PUBLIC SPEAKING** (Page 22)

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 11 and 12.

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

10 **CRIME AND DISORDER UPDATE** (Page 23)

To receive an update on Crime and Disorder Matters.

11 **EKS SERVICE TRANSITION BUSINESS CASE** (Pages 24 - 92)

To consider the attached report of the Interim EKS Service Transition Manager.

12 **STRATEGIC PERFORMANCE DASHBOARD - THIRD QUARTER 2023/24** (Pages 93 - 149)

To consider the attached report of the Head of Corporate Services and Democracy.

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  - In order to facilitate the broadcast of meetings there have been cameras set up in the Council Chamber that communicate with Microsoft Teams Live. This enables meetings held in the Council Chamber to be broadcast for public viewing through the Council's website.
  - The meetings in which these cameras will be used include meetings of: (a) Council; (b) Cabinet; (c) Dover Joint Transportation Advisory Board; (d) General Purposes Committee; (e) Electoral Matters Committee; (f) Governance Committee; (g) Planning Committee; (h) General Purposes Committee and (i) Overview and Scrutiny Committee. Only agenda items open to the press and public to view will be broadcast.
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- If you require any further information about the contents of this agenda or your right

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

**APOLOGIES**

To receive any apologies for absence.

**APPOINTMENT OF SUBSTITUTE MEMBERS**

To note appointments of Substitute Members.

**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**

To consider the Minutes of the meeting of the Overview and Scrutiny Committee held on 19 February 2024 (to follow).



**Decisions of the Cabinet Relating to Recommendations from the Overview and Scrutiny Committee**

The Record of Decision for the most recent Cabinet meeting will contain the decisions in respect of the recommendations arising from the Overview and Scrutiny Committee.

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

To consider any issues referred to the Overview and Scrutiny Committee.

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

Key Decisions 2023/24	Item	Date of meeting at which decision will be taken by Cabinet (unless specified otherwise)	Head of Service	Portfolio Holder
1	Property Acquisitions	Ongoing (decisions to be taken by Portfolio Holder for Finance, Governance, Climate Change & Environment or Strategic Director (Finance & Housing))	Head of Finance & Investment	Finance, Governance, Climate Change & Environment
2	Approval of projects to purchase and develop properties for use as affordable housing	Ongoing (decisions to be taken by Cabinet or Strategic Director (Finance & Housing) in consultation with Portfolio Holder for Housing, Skills & Education)	Head of Finance & Investment	Housing, Skills & Education
3	Approval of draft Dour Street, Dover Conservation Area Character Appraisal	6 February and 4 September 2023	Head of Planning & Development	Planning & Built Environment
4	Consultation on draft Green Infrastructure Strategy	6 March 2023 and 8 April 2024	Head of Planning & Development	Planning & Built Environment
5	Bench Street (Future High Streets Fund project) – Decisions related to project progression and delivery	Ongoing (decisions to be taken by the Leader of the Council or Strategic Director (Place & Environment))	Head of Place & Growth	Leader of the Council
6	Levelling Up Fund – Dover Beacon, Bench Street, Dover – Decisions relating to project progression and delivery	Ongoing (decisions to be taken by the Leader of the Council or Strategic Director (Place & Environment))	Head of Place & Growth	Leader of the Council
7	To seek approval for a variation to the current responsive repairs, voids and associated services contract and to report on proposals for a new contract	3 July 2023	Head of Property Assets	Housing, Skills & Education

Agenda Item No 7

Key Decisions 2023/24	Item	Date of meeting at which decision will be taken by Cabinet (unless specified otherwise)	Head of Service	Portfolio Holder
8	Adoption of Procurement Strategy 2023-26	3 July 2023	Head of Finance & Investment	Finance, Governance, Climate Change & Environment
9	Approval to convert garden waste collection service from sacks to wheeled bins	4 September 2023	Head of Waste Services	Planning & Built Environment
10	Acquisition of affordable housing at Buckland Hospital site	This item has been withdrawn	Head of Finance & Investment	Housing, Skills & Education
11	Sale of land at Astley Avenue, Dover	8 April 2024	Head of Finance & Investment	Finance, Governance, Climate Change & Environment
12	Permission to go out to formal consultation on variation of (Dover District Council) Public Spaces Protection Order 2022 and approval of final Order	4 September 2023 and 15 January 2024	Head of Port Health & Environmental Services	Transport, Licensing & Environmental Services
13	Provision of interim housing for Ukrainian refugees via Local Authority Housing Fund	4 September 2023	Head of Finance & Investment	Housing, Skills & Education
14	Approval of draft Cultural Strategy for consultation	4 March 2024	Head of Place & Growth	Community & Corporate Property
15	To approve publication of Infrastructure Funding Statement 2022/23	2 October 2023	Head of Planning & Development	Planning & Built Environment
16	Identification of proposals and route forward for Dover town centre regeneration delivery (Western Heights, Roman Painted House & Stembrook car park/former Co-op site)	4 March 2024	Head of Place & Growth	Leader of the Council
17	Dover town centre regeneration – project enabling and delivery related approvals	Ongoing (decisions to be taken by the Leader of the Council or Strategic Director (Place & Environment))	Head of Place & Growth	Leader of the Council
18	Aylesham Development Update	February 2024 Delegated decision to be taken by Strategic Director (Place & Environment)	Head of Place & Growth	Leader of the Council
19	Changes to Council's Events Policy and Memorandum of Understanding to occupy Council land for events	4 March 2024	Heads of Community & Digital Services and Property Assets	Community & Corporate Property

<b>Key Decisions 2023/24</b>	<b>Item</b>	<b>Date of meeting at which decision will be taken by Cabinet (unless specified otherwise)</b>	<b>Head of Service</b>	<b>Portfolio Holder</b>
20	To consider the update on alternative solutions or sources of external funding that might provide a possible phased way forward in delivering the Tides Leisure Centre project	4 March 2024	Head of Place & Growth	Community & Corporate Property
21	Free Christmas Parking in Council's car parks	6 November 2023	Head of Community & Digital Services	Community & Corporate Property
22	Publication of Housing Needs Survey 2023 results	This item has been withdrawn	Head of Housing	Housing, Skills & Education
23	Seeking an amendment to period of Exclusive Right of Burial granted at Council-owned cemeteries	4 December 2023	Head of Parks, Open Spaces & Countryside	Community & Corporate Property
24	Parking Charges Review	15 January 2024	Head of Community & Digital Services	Community & Corporate Property
25	Fees and Charges – agreement on levels for 2024/25	15 January 2024	Head of Finance & Investment	Finance, Governance, Climate Change & Environment
26	Adoption of new Housing Revenue Account Rent-Setting Policy	4 March 2024	Head of Housing	Housing, Skills & Education
27	Adoption of proposed Leasehold Management Policy	5 February 2024	Head of Housing	Housing, Skills & Education
28	Approval and adoption of updated version of Shared Ownership Policy	5 February 2024	Head of Housing	Housing, Skills & Education
29	Recommendation to Council of the draft 2024/25 Budget and Medium-Term Financial Plan 2024/25-2027/28 and approval by Cabinet of various delegations within the Budget	5 and 26 February 2024	Head of Finance & Investment	Finance, Governance, Climate Change & Environment
30	Approval of award of contract for repointing and associated works to Council's housing stock	4 March 2024	Head of Property Assets	Housing, Skills & Education
31	Issue of tender for election and electoral registration-related printing and automated response service for Register of Electors	4 March 2024	Head of Corporate Services & Democracy	Finance, Governance, Climate Change & Environment
32	Award of contract for remediation work to land at Poulton Close, Dover in relation to affordable housing development	4 March 2024	Head of Housing	Housing, Skills & Education
33	Approval of Safeguarding Policy and Person in a Position of Trust Policy	8 April 2024	Head of Community & Digital Services	Community & Corporate Property
34	Renewal of Housing Management Software Contract	13 May 2024	Head of Housing	Housing, Skills & Education

- Note: (1) Key Decisions which are shaded 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](http://www.dover.gov.uk)).

## OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME 2023/24

Month	Issue	Members On-going or single item?	Officers (Corporate Expenditure unless otherwise stated)	Reason for Inclusion on the Work Programme (incl. any actions required and any expenditure)
12 June 2023	Provision of Interim Housing and Support for Afghan Refugees via Afghan Relocations and Assistance Programme	Single Item	Heads of Finance & Investment and Transformation.	To consider the report.
	Hackney Carriage Numbers - Unmet Demand Survey	Single Item	Strategic Director (Corporate and Regulatory)	To consider the report.
	Purchase of New Shared Ownership Housing at Willowbank, Sandwich	Single Item	Head of Finance & Investment	To consider the report.
10 July 2023	Performance Report Q4 2022/23	Quarterly Report	Strategic Director (Corporate and Regulatory)	To consider the report.
	Update on Corporate Complaints Policy	Single Item	Strategic Director (Corporate and Regulatory)	To consider the report.
	Adoption of Procurement Strategy 2023-26	Single Item	Procurement Manager	To consider the report.
	Dover Beacon/Bench Street Projects	Single Item	Head of Place, Growth, Investment and Creative Services	To consider the report.

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

Month	Issue	Members On-going or single item?	Officers (Corporate Expenditure unless otherwise stated)	Reason for Inclusion on the Work Programme (incl. any actions required and any expenditure)
	Responsive Repairs, Voids and Associated Services Contract 2011-2025	Single Item	Head of Property Assets	To consider the report.
11 September 2023	Performance Report Q1 2023/24	Quarterly Report	Head of Corporate Services & Democracy	To consider the report.
	Fasttrack Update	Single Item	Head of Place & Growth	To receive an update.
	Regeneration Update	Quarterly Update	Head of Place & Growth	To receive an update.
	Public Spaces Protection Order Consultation	Single Item	Head of Transformation and the Port Health & Public Protection Manager	To consider the report.
	Adoption of Dour Street, Dover Conservation Area Character Appraisal	Single Item	Principal Heritage Officer	To consider the report.
	Provision of Interim Housing for Ukrainian Refugees via Local Authority Housing Fund	Single Item	Head of Finance and Investment	To consider the report.
	Dover District Council Community Grants Scheme Arrangements for 2023/24	Single Item	Head of Transformation	To consider the report.
	Full Structural Survey to Deal Pier	Single Item	Corporate Estate and Coastal Engineer	To consider the report.

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



Month	Issue	Members On-going or single item?	Officers (Corporate Expenditure unless otherwise stated)	Reason for Inclusion on the Work Programme (incl. any actions required and any expenditure)
	Green Waste Containerisation Project	Single Item	Head of Waste Services	To consider the report.
9 October 2023 CANCELLED	Infrastructure Funding Statement 2022/2023	Single Item	Head of Planning and Development	To consider the report.
13 November 2023	Phlebotomy Services	Single Item	Integrated Care Board	To receive an update on Phlebotomy Services. Key Questions will be required.
	Establishment of Climate and Nature Forum	Single Item	Strategic Director (Place & Environment)	To consider the report.
	Tides Leisure Centre	Single Item	Strategic Director (Place & Environment)	To consider the report.
	Dover Town Centre Regeneration - Bench Street (Westside),	Single Item	Head of Growth and Place	To consider the report.
	Dover Town Centre Regeneration - Camden Crescent, Dover	Single Item	Head of Growth and Place	To consider the report.
11 December 2023	Update on Hackney Carriage Numbers	Follow-Up	Strategic Director (Corporate & Regulatory)	To receive an update on the 5 wheelchair accessible vehicle licenses agreed as part of the Unmet Demand Survey. (June 2023 meeting)
	Performance Report Q2 2023/24	Quarterly Report	Strategic Director (Corporate and Regulatory)	To consider the report.
22 January 2024	Fees and Charges	Single Item	Strategic Director (Finance & Housing) Head of Finance & Investment	To consider the report.

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

Month	Issue	Members On-going or single item?	Officers (Corporate Expenditure unless otherwise stated)	Reason for Inclusion on the Work Programme (incl. any actions required and any expenditure)
	Port of Dover	Single Item	Head of Corporate Services and Democracy	To receive an update from the Port of Dover on the Masterplan and other areas relating to the Port and consider whether any recommendations should be made in respect of the update.
	Review of On and Off-Street Parking Charges	Single Item	Strategic Director (Finance & Housing)	To consider the report.
	Sale of Guide Hut at Land Adjoining 107 Sandwich Road, Whitfield	Single Item	Head of Property Assets	To consider the report.
19 February 2024	Budget and MTFP 2024/25	Single Item	Strategic Director (Finance & Housing)	To consider the report.
	Section 25 Report	Single Item	Strategic Director (Finance & Housing)	To consider the report.
	EK Service Transition Business Case	Single Item	Interim EKS Service Transition Manager	To consider the report.
11 March 2024	Crime and Disorder Update	Twice Yearly Update	Strategic Director (Finance & Housing)	To receive an update. Kent Police will be in attendance. <b>[Possible separate meeting]</b>
	Performance Report Q3 2023/24	Quarterly Report	Strategic Director (Corporate and Regulatory)	To consider the report.
	EK Service Transition Business Case	Single Item	Interim EKS Service Transition Manager	To consider the report.
15 April 2024	Hackney Carriage and Private Hire Taxis	Single Item	Strategic Director (Corporate and Regulatory)	Added at Request of Cllr C A Vinson <b>This item will need further discussion in respect of what information is required from officers.</b>

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

<b>Month</b>	<b>Issue</b>	<b>Members On-going or single item?</b>	<b>Officers (Corporate Expenditure unless otherwise stated)</b>	<b>Reason for Inclusion on the Work Programme (incl. any actions required and any expenditure)</b>
	Crime and Disorder Update	Twice Yearly Update	Strategic Director (Finance & Housing)	To receive an update. [Date Confirmed] This would be an internal focussed item focussing on preventative and diversionary activities.
	NHS Dentistry	Single Item	NHS Kent and Medway	To scrutinise the provision of NHS Dentistry services in the Dover District. [Provisional date]
Date to be confirmed	Property Assets	Single Item	Strategic Director (Place & Environment)	To consider the Council's Property Assets with a focus on Cedars, Western Road and Park Avenue Nursery
20 May 2024	Motion from Full Council	On-Going	Head of Corporate Services & Democracy	This item may require several meetings. Suggest a scoping paper as first step. [This could be scheduled earlier if Members consider it a higher priority].

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

**Watching Brief – To be scheduled as required**

Month	Issue	Members On-going or single item?	Officers (Corporate Expenditure unless otherwise stated)	Reason for Inclusion on the Work Programme (incl. any actions required and any expenditure)
Watching Brief	KCC Community Services Update	Single Item	Kent County Council	Exact date dependent on KCC proposals. [KCC have confirmed that they are prepared to attend once internal consultation/communications have been completed - Expected scrutiny mid-2024]
Watching Brief	Consultation on Closure of KCC Household Waste Sites	Single Item	Kent County Council	The consultation is currently paused by KCC. This item is to maintain a watching brief should proposals for consultation on closures return.

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

**Other Work Programme Items – To be scheduled by the Democratic & Corporate Services Manager in consultation with the Chair and Controlling Group Spokesperson as the work programme permits**

Provisional Scheduling	Subject	Why on Work Programme?
22 January 2024	<p>Motion Referred from the Full Council – 1 March 2023</p> <p>“This Council notes that there is more work to be done to encourage a more diverse range of candidates for elections in future, in order that councillors better reflect the diverse communities they serve.</p> <p>This Council therefore resolves to ask the Overview and Scrutiny Committee to include in the Committee work programme consideration of how more residents from across those communities can be encouraged to participate in local democracy and potentially stand as candidates in future council elections.”</p>	<p>Referral from the Full Council</p> <p>May require several meetings.</p> <p>Suggest a scoping paper as first step for May 2024.</p>
11 September 2023 11 March 2024	Regeneration Update (Twice Yearly) – Proposed dates	Agreed by Committee
February 2025	Follow up on the Provision of Interim Housing And Support for Afghan Refugees via the Afghan Relocations and Assistance Programme (Arap)	Agreed by Committee

Priority to be Determined – Members are asked to prioritise items and work will undertaken to schedule on that basis.

Date to be Confirmed	Parking Strategy Review	To scrutinise when ready.
Date to be Confirmed	Garden Waste Scheme	To consider the performance of the scheme after a full growing season
Date To be Confirmed - 2024	Roman Painted House	Agreed by Committee. Provisionally looking at early 2024.
Date To be Confirmed - 2023	Port of Dover – Update on Peak Traffic Flow Management and Western Docks Regeneration	Agreed by Committee. Port of Dover considering dates for a meeting in 2024.
Date To be Confirmed - 2024	Council Asset Disposal Plans	Agreed by Committee

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

## **PUBLIC SPEAKING**

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. The agenda front sheet will specify which items public speaking applies to for that meeting.

You can only register to speak in respect of items on the agenda.

The Public Speaking Protocol does not preclude an overview and scrutiny committee, by resolution of the committee, from inviting members of the public, organisations, charities, voluntary groups or any other interested parties to address any meeting for the purpose of providing evidence in support of an item of business on the agenda.

A member of the public speaking on an agenda item must address their speech to the item they have registered to speak upon on the agenda and cannot address other agenda items or unrelated business.

Each registered speaker will have three minutes speaking time per item they have registered to speak on and no public speaker or parish council may register to speak on any more than two items on the agenda.

The right to speak does not include the right to ask any questions of any District Councillor, Officer of the Council, invited attendee, or any other public speaker.

The right of the public to speak does not apply to the following agenda items: Apologies; Appointment of Substitute Members; Minutes; the Forward Plan, the Scrutiny Work Programme (and related documentation) or any agenda item that is not accompanied by a written report.

The Chairman of the committee (or in their absence the Vice-Chairman) will have discretion to vary the time allowed and the number of speakers in cases of exceptional interest.

**CRIME AND DISORDER UPDATE**

To receive an update.

The Overview and Scrutiny Committee has power to scrutinise crime and disorder issues. The provisions for this power are contained in the Police and Justice Act 2006 which came into force in England at the end of April 2009.

This includes the power to scrutinise how the partnership members are discharging their crime and disorder functions.

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<b>Subject:</b>	<b>EKS SERVICE TRANSITION BUSINESS CASE</b>
<b>Meeting and Date:</b>	<b>Cabinet – 5 February 2024</b>
<b>Report of:</b>	<b>Jasvir Chohan, Interim EKS Service Transition Manager</b>
<b>Portfolio Holder:</b>	<b>Councillor Kevin Mills, Leader of the Council</b>
<b>Decision Type:</b>	<b>Non-Key</b>
<b>Classification:</b>	<b>Unrestricted</b>

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**Purpose of the report:** The purpose of this report is for Cabinet to approve the transition of outsourced services (Civica UK Limited) to a LATCo service delivery vehicle.

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- Recommendation:**
1. To recommend that the executive of Dover District Council agrees:
    - (a) To exit from the contract with Civica UK Limited for the delivery of Revenue, Benefits and Customer Services.
    - (b) To approve the LATCo service delivery vehicle as the preferred option for future service delivery.
    - (c) To approve the business case for the LATCo pursuant to Article 2(2)(b) of the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009.
    - (d) To the extent that it is not otherwise authorised to do so, to authorise the East Kent Services Committee to exercise the powers and functions of the Council to form the LATCo and to enter into the contract with it to include (but not limited to) making decisions on behalf of the Council in relation to - *please refer to point 9 in the report.*
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## 1. Summary

- 1.1 This report provides a summary and appraisal of the options for the transition of services from the Civica contract to a suitable service delivery vehicle (SDV). The report recommends a LATCo (local authority trading company) approach as the preferred option with an analysis of the benefits and associated risks.
- 1.2 The report was presented to the EKS committee on 8th January 2024 and formally approved, with the agreement that a detailed business plan, shareholders agreement and associated documents will be presented to the EKS committee.

## 2. Introduction and Background

- 2.1 In 2011, Canterbury, Dover and Thanet councils formed a Shared Service vehicle - 'EK Services', through which Revenues, Benefits, Customer Services, and ICT



functions were delivered on behalf of the three authorities.

- 2.2 In 2017, Canterbury, Dover and Thanet councils made a joint decision to outsource the Revenues, Benefits and Customer Services functions to Civica. The decision to outsource was based on the financial challenges facing the partner councils and the lack of additional savings EK services could deliver.
- 2.3 Since 2018 the service has been delivered by Civica. To date the services provided by the senior management team and its staff have delivered a successful service with customer satisfaction scores regularly above 96%.
- 2.4 In 2021 Civica informed the Councils that it was strategically exiting the BPO (business process outsourcing) market and that the initial contract would not be extended beyond January 2025. However, Civica has requested to return the service early, as they would like to focus on their software business. Given the change in strategic direction of Civica, the East Kent Strategic Board (EKS) agreed to the principle of returning the service early.
- 2.5 In October 2022, an outline business case was developed and subsequently approved by the EKS board, and the go ahead given for a full business case to be developed along with an appraisal of several suitable options.
- 2.6 This report outlines the range of options appraised within the business case, the benefits and risks of these options and the cost of delivery. The report recommends the option that delivers the most value for money, aligns with the current successful commercial model and provides a range of benefits.
- 2.7 The purpose of this report is for cabinet to approve the transition of outsourced services (Civica) to a LATCO service delivery vehicle.
- 2.8 The following table summarises the estimated net impact to the partnership, with the LATCo SDV generating savings from year 1. No additional costs will be incurred by the partnership for either SDV model.

	Transition year	Year 1	Year 2	Year 3	Year 4	Year 5
LATCo	<b>(-73,020)</b>	<b>(-250,827)</b>	<b>(-304,668)</b>	<b>(-375,227)</b>	<b>(-448,056)</b>	<b>(-543,338)</b>
Shared services	<b>186,054</b>	<b>44,635</b>	<b>7,192</b>	<b>(-46,748)</b>	<b>(-117,930)</b>	<b>(-211,627)</b>

### 3. Identification of Options

The outline business case considered a range of available options:

- Shared services
- LATCo – local authority trading company
- Disaggregation of services
- Alternative outsourcing company
- Do nothing

- 3.1 Of the five options available two were discounted early in the process. In 2021 the

EKS board was presented with an outline business case of the options available. Disaggregation provides greater local control of services when brought back in house. However the disaggregation option was discounted due to the cost implications, increased IT, management and staffing costs and complexity of disaggregation.

- 3.2 The costs of disaggregation identified an increase in operating costs of approximately £4 million. The detailed costs are presented in appendix 5 of the business case. Each council would have to separate the service and transition to the individual council, which would have required separate additional management structures and separation of infrastructure and data. All of which would have added additional operating costs and loss of economies of scale.
- 3.3 There are significant risks of doing nothing, these would include an unplanned transfer back to the councils when the contract ends in 2025. Resulting in very high costs with no delivery vehicle to manage the services.
- 3.4 Outsourcing as an option transfers risk to the commercial entity and provides the ability to quickly scale services according to demand. However this option was discounted due to the lack of suppliers in the market and a potentially complex and lengthy procurement process. Research identified only one viable option, Liberata, which would have led to an increase in operating costs compared to the Civica contract.
- 3.5 The two remaining options were shortlisted and appraised.

#### 4. **Evaluation of Options**

##### ***Option 1 - Shared Services***

- 4.1 Shared services is where a number of councils can join their services together leading to streamlined processes and economies of scale.

##### 4.2 **Benefits**

- Tried and tested model for delivering efficiencies and sharing limited resources
- Greater control for the council compared to outsourced services
- Benefit from economies of scale
- Centralisation of services makes it easier to monitor performance, standardisation of processes and methodologies
- Reduced infrastructure costs by sharing technology and data
- Not subject to corporation tax or VAT

##### 4.3 **Risks**

- Increased costs due to pensions requirements of LGPS and salary costs.
- SDV is not set up to deliver additional revenue, leading to viability challenges in the future
- Decision making governance more complex and lengthy with cabinet/committee structure
- Lack of buy in from staff leading to demotivation and drop in productivity levels

##### 4.4 **Financial implications**

- The original rationale for transferring EKS shared services to Civica was to maintain the shared services function for the 3 council partnership. Otherwise the partnership would have had to make significant savings to maintain the quality of services being provided to customers and approximately 67 posts would have been at risk. Funding would have needed to increase by approximately £400,000 in 2018/19 to maintain services, equating to 2.8 million over seven years. The outsourcing to a commercial operation generated savings, maintained the quality of services and provided further process efficiencies due to streamlining throughout the contract.

- A shared service SDV incurs an increased pension liability than all the other options, with LGPS employee contributions in the range of 20% compared to approximately 5% contributions for commercial organisations.
- The shared services model is expected to incur additional costs when compared to the LATCo SDV in the first two years.
- As an estimate a productivity loss of 2% has been incorporated into the business case, this is based on a minimal drop in productivity.

### **Option 2 - LATCo**

4.5 A LATCo is a local authority trading company that can operate in the commercial environment as well delivering traditional council services

#### **4.6 Benefits**

- Greater control for the council when compared with an outsourced SDV
- Ability to trade commercially and generate new revenue streams such as EPA assessments services to support council services
- Strong buy in from staff will enable delivery of current productivity levels
- Ability to react and adapt quickly to the changing financial environment, leading to innovation and agility
- Opportunity for cost reductions with more commercial terms and conditions e.g procurement of new IT systems
- The ability to set own pension rates to enable an improved offer of higher salaries
- Operational agility with streamlined decision making
- A LATCo can promote social value, e.g increase take up of welfare benefits

#### **4.7 Risks**

- Subject to VAT implications and corporation tax
- More complex to set up structure of company and legal advice required
- Possible implications for the authority with an existing LATCo

#### **4.8 Financial implications**

- The financial analysis indicates a surplus being generated from year 1 with an additional saving to each of the three councils, as a consequence of moving to a LATCo SDV. Detailed costs have been outlined in appendix 4 of the business case.
- Further discounts or dividends can be paid to each council as part of the commercial trading model. Income from new revenue streams has been incorporated into the business case.
- There are currently 26 staff employed by Civica that are not on the LGPS. Given the differential between the current Civica pension contribution rate of 5% and LGPS contribution rates, 20% it would be reasonable to assume that a LATCo would provide recurring annual savings of approximately £120,000 compared to an in-house shared service. Through the passage of time, this saving should increase through natural turnover in staffing with more employees moving on to a LATCo pension scheme.

### **5. Conclusion**

5.1 With the added ability to generate new revenue income streams, flexibility to attract and retain high calibre staff, due to enhanced terms and conditions, the LATCo is the preferred choice of service delivery vehicle. With an uncertain and challenging financial environment the LATCo is more able to weather the uncertainty by generating additional income streams to support frontline services. The ability of a LATCo to minimise costs and maximise efficiencies and deliver innovative services to

communities and residents are a significant factor to support the LATCo approach.

- 5.2 The shared services are already operating in a streamlined efficient manner making it difficult to find further ways of identifying additional financial savings if needed. The shared services model will also incur additional costs in comparison to the LATCo year 1 and 2.
- 5.3 The LATCo will deliver savings to each council along with a streamlined budgeting and operating cost process, moving away from the more complex current recharge model. Whilst the level of current surplus on the arrangement is commercially sensitive, we are assured that the level of profit is sufficient to absorb the proposed level of additional costs and still deliver a surplus. This indicative budget will therefore be subject to further due diligence once the business case is agreed and the CCN is signed
- 5.4 The Civica contract has transformed the way the services are delivered enabling commercialisation and delivering cost effective and efficient services. The LATCo service delivery vehicle is the only SDV that closely resembles the successful commercial model that Civica has developed.
- 5.5 The commercial approach of the Civica contract has delivered an agile and flexible workforce with new ways of working. The LATCo SDV is well suited to continue to deliver services which are commercially focused and foster an innovative commercial culture.

## 6. **Resource Implications**

The financial analysis indicates a surplus being generated from year 1 onwards with an additional saving to each of the three councils, as a consequence of moving to a LATCo SDV. Detailed costs have been outlined in appendix 4 of the business case.

## 7. **Climate Change and Environmental Implications**

There are no climate or environmental implications associated with this programme.

## 8. **Corporate Implications**

The business case is aligned to the corporate values and priorities of the three councils. The councils require services to continue to be provided efficiently, effectively and economically to reduce reliance on council tax and government funding, this supports the business case. The developing corporate plans show a desire to foster a commercial culture and focus for services, work more smartly, effectively and efficiently.

## 9. **Comment from the Solicitor to the Council:**

There are several legal implications associated with this recommendation. An intent to exit the Civica contract requires legal advice and action. New contracts required between the separate parties will require formulation. Novation of IT contracts and pensions considerations need to be considered.

- (i) Establishing the LATCo and enter into any associated shareholders agreements.
- (ii) Appointing officers to the LATCo.
- (iii) Subscribing for shares in the LATCo.
- (iv) Advancing money by way of loan capital to the LATCo to finance its capital requirements.

- (v) Entering into a contract with LATco for the delivery of the Revenue, Benefits and Customer Services on behalf of each of the councils.
  - (vi) Managing the contract.
  - (vii) Renegotiating the contract.
  - (viii) Varying the contract.
  - (ix) Assigning the contract.
  - (x) Novating the contract.
  - (xi) Terminating the contract.
  - (xii) Enforcing the contract.
  - (xiii) The doing of anything in relation to the exercise of the powers and functions under Part II of the Deregulation and Contracting Out Act 1994 and the orders and regulations made under it.
  - (xiv) Authorising entry into contracts\* with third parties in relation to any functions of the Council which are not the Revenues, Benefits and Customer Services Functions but which can usefully be entered into in connection with or in order to facilitate contracts entered into, or to be entered into with regard to the Revenues, Benefits and Customer Service Functions.
- \*the contracts shall be entered into in accordance with each local authority's respective Contract Standing Orders.
- (xv) Anything which is calculated to facilitate, or is conducive or incidental to or otherwise expedient to (i) to (xiv) above.

## 10. **Appendices**

Appendix 1 – EKS transition business case

Contact Officer: Jasvir Chohan, Interim EKS Service Transition Manager

## Committee report template

If your item is not on the [forward plan](#) please contact [democracy@canterbury.gov.uk](mailto:democracy@canterbury.gov.uk) asap.

<b>This is prompt for the author - DS will delete before the final report is published</b>		
<b>Have you considered?</b>	<b>Yes/No</b>	<b>Officer/councillor consulted</b>
Cabinet Member	<b>No</b>	
Legal implications	<b>Yes</b>	<b>Harvey Rudd</b>
Finance implications	<b>Yes</b>	<b>Chris Blundell/Nicci /Mike Davis</b>
Digital implications	<b>Yes</b>	<b>Dan Evans</b>
Environmental implications	<b>None</b>	
Consultation implications [Contact: Victoria Asimaki]	<b>None</b>	<b>Harvey Rudd</b>
Equalities implications [Contact: Victoria Asimaki or Matthew Archer]	<b>None</b>	<b>Peter Francis</b>
Full list of Appendices included at the bottom of report?	<b>Yes</b>	
Are there further appendices to follow prior to publication? If yes give details	<b>No</b>	
Other implications or comments for MT to note - None		
DSO comments –		

## East Kent Services Committee

December 2023

**Subject: EKS service transition business case**

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**Director and Head of Service:**

Chris Blundell - Director or Corporate services and section 151 officer

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**Officer:**

Jasvir Chohan - Interim EKS service transition manager

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**Cabinet Member:**

[Insert name and title] [\[List of Cabinet Members available here\]](#)

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**Key or Non Key decision:** Non Key

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**Decision Issues:**

These matters are within the authority of the Cabinet.

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**Is any of the information exempt from publication:**

This report includes an annex containing information exempt from publication and may be discussed without the press and public present.

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**CCC ward(s): All wards**

**Summary and purpose of the report:**

This report provides a summary and appraisal of the options for the transition of services from the Civica contract to a suitable service delivery vehicle (SDV). The report recommends a LATCo (local authority trading company) approach as the preferred option with an analysis of the benefits and associated risks.

---

**To Recommend**

1. To recommend to each of the executives of Canterbury City Council, Dover District Council and Thanet District Council that each agrees-
  - (a) To exit from the contract with Civica UK Limited for the delivery of the Revenue, Benefits and Customer Services.
  - (b) To approve the LATCo service delivery vehicle as the preferred option for future service delivery.
  - (c) To approve the business case for the LATco pursuant to Article 2(2)(b) of the Local Government (Best Value Authorities) Power to Trade) (England) Order 2009.
  - (d) To the extent that it is not other authorised to do so, to authorise the East Kent Services Committee, to exercise the powers and functions of the Council

to form the LATco and to enter into the contract with it, (to include but not limited to); making decisions on behalf of the Council in relation to:-

- (i) Establishing the LATco and enter into any associated shareholders agreements.
- (ii) Appointing officers to the LATco.
- (iii) Subscribing for shares in the LATco.
- (iv) Advancing money by way of loan capital to the LATco to finance its capital requirements.
- (v) Entering into a contract with LATco for the delivery of the Revenue, Benefits and Customer Services on behalf of each of the councils.
- (vi) Managing the contract.
- (vii) Renegotiating the contract.
- (viii) Varying the contract.
- (ix) Assigning the contract.
- (x) Novating the contract.
- (xi) Terminating the contract.
- (xii) Enforcing the contract.
- (xiii) The doing of anything in relation to the exercise of the powers and functions under Part II of the Deregulation and Contracting Out Act 1994 and the orders and regulations made under it.
- (xiv) Authorising entry into contracts\* with third parties in relation to any functions of the Council which are not the Revenues, Benefits and Customer Services Functions but which can usefully be entered into in connection with or in order to facilitate contracts entered into, or to be entered into with regard to the Revenues, Benefits and Customer Service Functions.

\*the contracts shall be entered into in accordance with each local authority's respective Contract Standing Orders.

- (xv) Anything which is calculated to facilitate, or is conducive or incidental to or otherwise expedient to (i) to (xv) above.



- (2) That a report be considered by EKSC on final contract terms and, if approved, authorisation of entry into the contract and associated documentation.
- 

**Next stage in process:**

The report will be presented to the EKS Committee for approval and then to the individual cabinets.

## 1. Introduction

In 2011, Canterbury, Dover and Thanet councils formed a Shared Service vehicle - 'EK Services', through which Revenues, Benefits, Customer Services, and ICT functions were delivered on behalf of the three authorities.

In 2017, Canterbury, Dover and Thanet councils made a joint decision to outsource the Revenues, Benefits and Customer Services functions to Civica. The decision to outsource was based on the financial challenges facing the partner councils and the lack of additional savings EK services could deliver.

Since 2018 the service has been delivered by Civica. To date the services provided by the senior management team and its staff have delivered a successful service with customer satisfaction scores regularly above 96%.

In 2021 Civica informed the Councils that it was strategically exiting the BPO (business process outsourcing) market and that the initial contract would not be extended beyond January 2025. However, Civica has requested to return the service early, as they would like to focus on their software business. Given the change in strategic direction of Civica, the East Kent Strategic Board (EKS) agreed to the principle of returning the service early.

In October 2022, an outline business case was developed and subsequently approved by the EKS board, and the go ahead given for a full business case to be developed along with an appraisal of several suitable options.

This report outlines the range of options appraised within the business case, the benefits and risks of these options and the cost of delivery. The report recommends the option that delivers the most value for money, aligns with the current successful commercial model and provides a range of benefits.

The purpose of this report is for the EKS committee to approve the transition of outsourced services to a LATCO service delivery vehicle.

The following table summarises the estimated net impact to the partnership, with the LATCo SDV generating savings from year 1. The shared services SDV will incur additional costs till year 3.

	Transition year	Year 1	Year 2	Year 3	Year 4	Year 5
LATCo	<b>(-73,020)</b>	<b>(-250,827)</b>	<b>(-304,668)</b>	<b>(-375,227)</b>	<b>(-448,056)</b>	<b>(-543,338)</b>
Shared services	<b>186,054</b>	<b>44,635</b>	<b>7,192</b>	<b>(-46,748)</b>	<b>(-117,930)</b>	<b>(-211,627)</b>

## 2. Options available

2.1 The outline business case considered a range of available options;

- Shared services
- LATCo – local authority trading company
- Disaggregation of services

- Alternative outsourcing company
- Do nothing

Of the five options available two were discounted early in the process. In 2021 the EKS board was presented with an outline business case of the options available. Disaggregation provides greater local control of services when brought back in house. However the disaggregation option was discounted due to the cost implications, increased IT, management and staffing costs and complexity of disaggregation.

2.1.1 The costs of disaggregation identified an increase in operating costs of approximately £4 million. The detailed costs are presented in appendix 5 of the business case. Each council would have to separate the service and transition to the individual council, which would have required separate additional management structures and separation of infrastructure and data. All of which would have added additional operating costs and loss of economies of scale.

2.1.2 There are significant risks of doing nothing, these would include an unplanned transfer back to the councils when the contract ends in 2025. Resulting in very high costs with no delivery vehicle to manage the services.

2.1.3 Outsourcing as an option transfers risk to the commercial entity and provides the ability to quickly scale services according to demand. However this option was discounted due to the lack of suppliers in the market and a potentially complex and lengthy procurement process. Research identified only one viable option, Liberata, which would have led to an increase in operating costs compared to the Civica contract.

The two remaining options were shortlisted and appraised .

## 2.2 Option 1 - Shared services

Shared services is where a number of councils can join their services together leading to streamlined processes and economies of scale.

### Benefits

- Tried and tested model for delivering efficiencies and sharing limited resources
- Greater control for the council compared to outsourced services
- Benefit from economies of scale
- Centralisation of services makes it easier to monitor performance, standardisation of processes and methodologies
- Reduced infrastructure costs by sharing technology and data
- Not subject to corporation tax or VAT

### Risks

- Increased costs due to pensions requirements of LGPS and salary costs.
- SDV is not set up to deliver additional revenue, leading to viability challenges in the future
- Decision making governance more complex and lengthy with cabinet/committee structure
- Lack of buy in from staff leading to demotivation and drop in productivity levels

## Financial implications

- The original rationale for transferring EKS shared services to Civica was to maintain the shared services function for the 3 council partnership. Otherwise the partnership would have had to make significant savings to maintain the quality of services being provided to customers and approximately 67 posts would have been at risk. Funding would have needed to increase by approximately £400,000 in 2018/19 to maintain services, equating to 2.8 million over seven years. The outsourcing to a commercial operation generated savings, maintained the quality of services and provided further process efficiencies due to streamlining throughout the contract.
- A shared service SDV incurs an increased pension liability than all the other options, with LGPS employee contributions in the range of 20% compared to approximately 5% contributions for commercial organisations.
- The shared services model is expected to incur additional costs in the first two years.
- As an estimate a productivity loss of 2% has been incorporated into the business case, this is based on a minimal drop in productivity.

## 2.3 Option 2- LATCo

A LATCo is a local authority trading company that can operate in the commercial environment as well delivering traditional council services

### Benefits

- Greater control for the council when compared with an outsourced SDV
- Ability to trade commercially and generate new revenue streams such as EPA assessments services to support council services
- Strong buy in from staff will enable delivery of current productivity levels
- Ability to react and adapt quickly to the changing financial environment, leading to innovation and agility
- Opportunity for cost reductions with more commercial terms and conditions e.g procurement of new IT systems
- The ability to set own pension rates to enable an improved offer of higher salaries
- Operational agility with streamlined decision making
- A LATCo can promote social value, e.g increase take up of welfare benefits

### Risks

- Subject to VAT implications and corporation tax
- More complex to set up structure of company and legal advice required
- Possible implications for the authority with an existing LATCo

## Financial implications

- The financial analysis indicates a surplus being generated from year 1 with an additional saving to each of the three councils, as a consequence of moving to a LATCo SDV. Detailed costs have been outlined in appendix 4 of the business case.
- Further discounts or dividends can be paid to each council as part of the commercial trading model. Income from new revenue streams has been incorporated into the business case.
- There are currently 26 staff employed by Civica that are not on the LGPS. Given the differential between the current Civica pension contribution rate of 5% and LGPS contribution rates, 20% it would be reasonable to assume that a LATCo would provide recurring annual savings of approximately £120,000 compared to an in-house shared service. Through the passage of time, this saving should increase through natural turnover in staffing with more employees moving on to a LATCo pension scheme.

### **3. Conclusion**

With the added ability to generate new revenue income streams, flexibility to attract and retain high calibre staff, due to enhanced terms and conditions, the LATCo is the preferred choice of service delivery vehicle. With an uncertain and challenging financial environment the LATCo is more able to weather the uncertainty by generating additional income streams to support frontline services. The ability of a LATCo to minimise costs and maximise efficiencies and deliver innovative services to communities and residents is a significant factor to support the LATCo approach.

The shared services are already operating in a streamlined efficient manner making it difficult to find further ways of identifying additional financial savings if needed. The shared services model will also incur additional costs year 1 and 2.

The LATCo will deliver savings to each council along with a streamlined budgeting and operating cost process, moving away from the more complex current recharge model. Whilst the level of current surplus on the arrangement is commercially sensitive, we are assured that the level of profit is sufficient to absorb the proposed level of additional costs and still deliver a surplus. This indicative budget will therefore be subject to further due diligence once the business case is agreed and the CCN is signed.

The Civica contract has transformed the way the services are delivered enabling commercialisation and delivering cost effective and efficient services. The LATCo service delivery vehicle is the only SDV that closely resembles the successful commercial model that Civica has developed.

The commercial approach of the Civica contract has delivered an agile and flexible workforce with new ways of working. The LATCo SDV is well suited to continue to deliver services which are commercially focused and foster an innovative commercial culture.

### **4. Recommendation**

East Kent Services Committee is asked to approve the exit from the Civica contract.

East Kent Services Committee is asked to approve the business case and the preferred

LATCo service delivery vehicle and for the individual councils to recommend the approach to its executive leadership and cabinet.

The Civica contract expires in January 2025 , requiring a decision to be made to select one of the options outlined above. Doing nothing puts major services at risk of non delivery and significant additional cost being incurred. A delivery timescale including stabilisation of 7 - 9 months is required at the very least to ensure an effective transition to a new service delivery vehicle.

## **5. Corporate plans**

The business case is aligned to the corporate values and priorities of the three councils. The councils require services to continue to be provided efficiently, effectively and economically to reduce reliance on council tax and government funding, this supports the business case. The developing corporate plans show a desire to foster a commercial culture and focus for services, work more smartly, effectively and efficiently.

## **6. Consultation planned or undertaken**

Consultation will take place with the East Kent services committee, individual cabinets and overview and scrutiny panel.

## **7. Implications**

### **(a) Financial**

The financial analysis indicates a surplus being generated from year 1 onwards with an additional saving to each of the three councils, as a consequence of moving to a LATCo SDV. Detailed costs have been outlined in appendix 4 of the business case..

### **(b) Legal**

There are several legal implications associated with this recommendation. An intent to exit the Civica contract requires legal advice and action. New contracts required between the separate parties will require formulation. Novation of IT contracts and pensions considerations need to be considered.

### **(c) Equalities**

None identified

### **(d) Environmental including carbon emissions and biodiversity**

None identified

### **(e) Staffing resource**

Time implications and associated regulatory consultation will have to be considered for staff transitioning to a LATCo.

**Contact Officer:** Jasvir Chohan interim service transition manager

**Background documents and appendices**

EKS transition business case

**Additional document(s) containing information exempt from publication:**

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# East Kent Services partnership

## Service transition business case

December 2023



# Contents

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## Executive summary

### 1. Background

### 2. Strategic case

#### 2.1 Organisational overview

#### 2.2 National backdrop

#### 2.3 The case for change

#### 2.4 Existing arrangements

#### 2.5 Business needs and requirements

#### 2.6 Constraints and dependencies

### 3. Economic case

#### 3.1 Critical success factors

#### 3.2 Options analysis

#### 3.3 Shortlisted options

#### 3.4 Benefit analysis

#### 3.5 Preferred way forward

#### 3.6 Governance

##### 3.6.1 Articles of Association

##### 3.6.2 Shareholders agreement

##### 3.6.3 Conflict of interest

##### 3.6.4 Shareholders panel

##### 3.6.5 Company board and directors

##### 3.6.6 Training and induction

### 4. Commercial case

#### 4.1 Technology workstream

#### 4.2 Legal/Governance workstream

#### 4.3 Payroll and HR workstream

#### 4.4 Internal audit

### 5. Financial case

#### 5.1 VAT implications

#### 5.2 Corporation tax implications

#### 5.3 Inflation

#### 5.4 Support and operational costs

##### 5.4.1 Legal and Governance services

##### 5.4.2 Financial services and Audit

##### 5.4.3 HR and Payroll services

##### 5.4.4 IT Development and support services

##### 5.4.5 Accommodation services

##### 5.4.6 Structural costs

#### 5.5 Financial analysis

#### 5.6 Market/Competitor analysis

#### 5.7 Historical growth

## 6. Management case

- 6.1 Programme governance
- 6.2 Change management framework and strategy
- 6.3 Benefits realisation
- 6.4 Risk management arrangements
- 6.5 Programme assurance and evaluation

*Table 1 Success criteria*

*Table 2 - Risks and benefits*

*Table 3 - LATCo Benefits appraisal*

*Table 4 - Proposed governance model*

*Table 5 a&b - Financial analysis*

*Table 6 - Indicative Programme governance model*

*Table 7 - Programme team*

*Table 8 - Change management framework*

*Appendix 1 - SWOT analysis*

*Appendix 2 - High level Programme plan*

*Appendix 3 - Risk Register*

*Appendix 4 - Financial analysis*

*Appendix 5 - Total disaggregation of service costs*

*Appendix 6 - Service outline and performance*

*Appendix 7 - Governance model*

## Executive summary

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Thanet, Canterbury and Dover councils have utilised a tri-council partnership, outsourced to Civica to deliver Revenues & Benefits and frontline customer services. The service is well established and operating effectively, delivering high quality services. See Appendix 6 for an outline of services and performance.

However, it is Civica's intention to vacate the Business Process Outsourcing (BPO) market leaving the partnership in a position where it must source an alternative service delivery vehicle to continue to deliver services to its customers.

The purpose of this report is to put forward a range of options, assess those options and recommend a preferred way forward. The programme business case follows the guidelines stated in the best practice framework, [HMRC Green Book](#) five case model methodology.

- Ensure the programme business case is aligned to the partnerships strategic direction
- Ensure the programme business case will maximise wider social value to communities and residents
- Confirm the programme business case is commercially viable
- Confirm the programme business case is affordable and fundable.
- Confirm the partnership has adequate resources to deliver the programme successfully

The business case recommends the option of a local authority trading company (LATCo) service delivery vehicle, facilitating a continued commercial approach to delivering services.

There are a number of key benefits a LATCo Service Delivery Vehicle (SDV) can deliver for the councils, discussed in more detail further down in the economic case;

- A sustainable, agile and adaptable business model which can weather difficult financial environments and generate further efficiencies.
- The ability to generate additional revenue streams to support frontline services and create a profit for purpose approach.
- The councils' ability to monitor and oversee operations more closely than an outsourced SDV.
- The ability of a LATCo to minimise costs and maximise efficiencies and deliver innovative services to communities and residents.
- The ability to attract and recruit high quality personnel, by offering favourable commercial terms and conditions. Increased productivity due to retention of a highly skilled and motivated workforce.

The business case has been developed with the knowledge and review of previous implementations of LATCo's across the partnership. The development of the governance model and financial assessment of the EKS LATCo has been supported by knowledge from the implementations of Canenco, the Canterbury LATCo and EKH, East Kent Housing.

# 1. Background

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In 2011, Canterbury, Dover and Thanet councils formed a shared service vehicle - 'EK Services', through which Revenues, Benefits, Customer Services and ICT functions were delivered on behalf of the three authorities. The shared service successfully delivered savings to all partners for 6 years, but ultimately the need for additional savings beyond year 6, exceeded the shared service vehicles ability to deliver them.

In light of the need to deliver these further savings, in 2017, Canterbury, Dover and Thanet councils made a joint decision to outsource the Revenues, Benefits and Customer Services functions to Civica.

The decision to outsource was based on the financial challenges facing the partner councils and the lack of additional savings the Shared Service was able to deliver. Under the shared services arrangement, there was a need to increase funding to maintain a level of staffing required to deliver services to the agreed standards. Therefore, EKS in its existing shared services form, was not sustainable in the medium to long term future.

It was felt that a strategic commercial venture with a private sector partner had the potential to protect and grow jobs and develop services whilst still delivering savings. In 2018 the shared services function was outsourced to Civica.

The services were further transformed by Civica, generating process, structural and financial efficiencies. Culturally the service has become commercially focused and agile, managing demand effectively. The arrangement delivered the financial savings required by the Councils.

Since 2018, Civica have delivered the service within budget, they have met the KPIs set, achieved good customer ratings, delivered the various government business and public support schemes throughout Covid quickly, with a low error and fraud rate, at no extra charge to the Councils. The services are high performing and customer satisfaction scores are regularly above 96%.

In 2021 Civica informed the Councils that it was strategically exiting the BPO market and that the initial contract would not be extended beyond January 2025. Civica asked for the contract to return before this date.

In light of this, in 2021 delivery options were explored and an outline business case approved by the EKS board with further approval to move forward and develop a full business case.

Following the approval of the initial outline business case, CIPFA were engaged to review the proposal and make recommendations on developing a full and robust business case.

This business case now reflects the recommendations of the outline business case and CIPFA review, taking into consideration the strategic case, a range of options, a full financial analysis , an implementation plan and capacity and capability to deliver.

## 2. Strategic Case

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### 2.1 Organisational overview

As mentioned above, Thanet, Canterbury and Dover have been in a partnership delivering front line services to its residents and customers for over a decade. The partnership has been effective in delivering a range of efficiencies and service improvements.

All three councils have recently had a change of political leadership, with Canterbury gaining a Labour/Liberal Democratic coalition and Thanet and Dover gaining Labour administrations.

There is little appetite to move away from a high performing and commercially focused service being delivered by Civica. Therefore whichever service delivery vehicle is selected, it needs to replicate the level of service currently being provided.

Corporate plans are under development for all three councils, however there is a continued desire to deliver services that are efficient, cost effective and high performing.

### 2.2 National backdrop

The impact of austerity has increased the need for greater savings and efficiencies and with the reduction of local government funding, local authorities have been obliged to investigate a range of mechanisms to reduce overheads and raise revenue to minimise the impact on frontline services.

The impact of both Brexit and the Covid pandemic has seen significant outward migration of skills and resources. The loss of free movement of labour has diminished supply of labour in the local market (traditional areas that were dependent on recruitment from the EU e.g. hospitality/retail etc can no longer recruit there, so we are now in competition with these sectors for more local talent) and loss of expertise and experience due to a shift towards early retirement within the UK workforce, has effected availability of staff. Maintaining a skilled and adequately resourced workforce will inevitably become more difficult.

UK inflation continues to be relatively high and interest rate increases provide for an uncertain future if not managed effectively. The impact on vulnerable segments of the population could lead to greater deprivation with the cost of living crisis. With increased deprivation and hardship, an increase in demand for services will inevitably follow.

There has been a national trend towards insourcing services back in house, due to a number of reasons, ranging from the collapse of major contractors e.g. Carillion, contractors voluntarily exiting the public sector and local authorities wishing to exercise more control over their services.” *Local government: alternative models of service delivery” briefing paper 9th september 2019.*

A recent study conducted by APSE May 2019, *Association for Public Service Excellence* pointed towards a trend of insourcing. Local authorities expressed the desire to improve

service quality and flexibility without the constraints of outsourced inflexible contracts. The need for greater control of allocating resources to meet local demand was seen as a key driver for insourcing.

### **2.3 The Case for Change**

As a result of Civica exiting the BPO market, an outline business case was approved in October 2022, by the East Kent Chief Executive forum. An approval was gained to investigate alternative service delivery vehicles for the Revenues and Benefits and Customer services functions.

Local government is increasingly under pressure from a rising demand in services and a continued reduction in public funding. This has led councils to become more innovative in service delivery.

A programme brief has been prepared with a clear scope and defined objectives. This has been agreed with the programme board. The programme brief covers the following objectives;

- To avert a service delivery failure by re-provisioning services for the Revenues and Benefits and customer services function to a financially viable service delivery vehicle by December 2024
- To develop a sales pipeline and deliver growth enabling surplus income to be redirected to support council services
- To increase the council's ability to further their social value agenda and support frontline services
- To promote and sustain a commercial culture across the authorities, exploring further opportunities for commercialisation.
- The programme will examine the relationship between the existing commercial entity at Canterbury, Canenco, and the merits of a group structure approach.

### **2.4 Existing arrangements**

The current cost of the service is £8 million, which is spread across the three councils. The outsourced contract with Civica is a people only contract, utilising the councils' IT infrastructure and systems, which is based on premises at Thanet DC. The Openrevenues database is utilised for benefits and revenue management and a new cloud telephony service has recently been implemented. EKS utilises the google suite of programs for administration, email, calendar management, file management and word processing, with print and mailroom services being outsourced off site.

Going forward there is a plan to utilise laptops and Microsoft products. There is also a plan, in the near future, to migrate to a SaaS (Software as a Service) model for Openrevenues once the SaaS product has stabilised.



The service is operated on a hybrid basis, with staff working across three sites and remotely. There is a face to face community hub based in Margate, with a small presence at Dover and Canterbury, delivering front of house services.

Business support is provided via a range of mechanisms; payroll services are provided by Civica and finance support is provided by 1.5 FTE based in Thanet. HR support has recently been disaggregated back to the individual councils as have IT services. However the EKS partnership retains a small residual IT team that supports all IT requirements.

## **2.5 Business needs and requirements**

Continuity of service is paramount to the partnership, ensuring a sustainable and high performing service continues to function and deliver services to customers and its communities.

Councillors and officers are also eager to maintain the skills and expertise of a high performing team. The workforce is agile and adaptable and has displayed a strong commitment to supporting the partnership through difficult operating environments such as the Covid pandemic.

To support business operations a revised IT operating platform will be required to facilitate operations and information management. Data and infrastructure will require decoupling from the partnership's current infrastructure. New information governance and compliance will require new policies and administration.

## **2.6 Constraints and dependencies**

There are a number of constraints that may have an impact on this programme, firstly the Civica contract will terminate in January 2025 therefore the partnership will require an alternative service delivery vehicle in place by then to ensure service continuity. Secondly, with an increasingly challenging financial landscape for businesses and residents, funding and investment will be limited.

Success of the programme will depend on strong political buy-in from the new administrations, a practical and rational approach from Civica and IT service continuity and resource availability.

There are a number of technology implementations in progress, such as a new finance system procurement at Thanet and the disaggregation of IT infrastructure across the tri-council partnership. These implementations will require careful programming and dovetailing into the transition plan.

## 3. Economic Case

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As noted above, the programme is essentially a lift and shift of a high performing, qualitative service and introducing a new service delivery vehicle. There is no major transformation and services will continue to be delivered to residents seamlessly.

The economic case outlines the options for the delivery of the programme and recommends the option that is most likely to offer best value for money, least risk and maximum social value to the EK partnership. A number of critical success factors have been identified, which must be met for the programme to be considered successful.

Initially, a disaggregation of services into its constituents parts was costed and considered alongside a LATCo, shared services model, secondary outsourcing and do nothing approach. These are discussed in detail below.

A SWOT analysis was conducted to determine the strength of the options based on risk, benefits and costs. A further managers workshop was arranged to supplement the SWOT analysis and promote engagement and ownership. See appendix 1 for SWOT analysis.

A number of factors were considered when developing the critical success factors and shaping the preferred approach;

- Business needs and requirements
- The wider environment
- Strategic fit
- Organisational culture
- Resources
- Affordability and achievability
- Optimal financial viability

### 3.1 Critical success criteria

These are the areas that must go right for the programme to be determined a success, meeting the expectations of key stakeholders.

- Maintenance of key performance indicators
- Seamless transfer of operations to new SDV
- Income generation
- Delivery of surplus
- Increase in welfare take up
- Minimise staff turnover
- Long term financial sustainability of model

**Key:**

X - partially met

XX - fully met

0 - not met

Table 1 Success criteria

	Maint. of KPI's	Seamless transfer	Income generation	Delivery of surplus	Incr. in welfare take up	Min. staff turnover	Sustainable model
Shared services	XX	X	X	X	0	X	0
LATCo	XX	X	XX	XX	XX	XX	XX
Outsource	X	X	0	0	0	0	X
Disaggregation	0	0	0	0	0	0	0
Do nothing	0	0	0	0	0	0	0

**3.2 Options analysis**

Desktop research was carried out to identify best practice within the sector and a number of business cases reviewed to assess potential options. Research from leading financial and economic institutions such as Cipfa and Grant Thornton "In good company" September 2018 was also appraised.

Options considered as part of this long list are;

- Shared services
- LATCo
- Disaggregation of services
- Alternative outsourcing company
- Do nothing

The following table summarises the key outputs from a SWOT analysis conducted, appendix 1, and in addition expands the analysis to include a do minimal option.

Table 2 Benefits/Risks

Option	Benefits	Risk
Shared services model - bought back in house	<ul style="list-style-type: none"> <li>● Partnership has full control of the service</li> <li>● Cost effective model</li> <li>● Allows economies of scale</li> <li>● Sharing of limited resources and skills</li> <li>● Not subject to VAT and corporation tax</li> <li>● Centralisation of services makes it easier to monitor performance, standardisation of processes and methodologies</li> <li>● Ability to sell services</li> </ul>	<ul style="list-style-type: none"> <li>● Lack of buy in from staff</li> <li>● Lack of commercial culture</li> <li>● Less sustainable model moving forward.</li> <li>● Model not set up to generate additional surplus</li> <li>● Decision making governance more complex and lengthy with cabinet/committee structure</li> <li>● Increased costs due to pensions requirements of LGPS.</li> <li>● Staff pay would be aligned to council pay levels</li> </ul>
LATCo - local authority trading company	<ul style="list-style-type: none"> <li>● Partnership has full control of the service</li> <li>● Cost effective model</li> <li>● Allows economies of scale</li> <li>● Sharing of limited resources and skills</li> <li>● Strong buy in from staff</li> <li>● Ability to trade commercially and generate surplus to support council services</li> </ul>	<ul style="list-style-type: none"> <li>● Subject to VAT implications and corporation tax</li> <li>● More complex to set up structure of company</li> </ul>

	<ul style="list-style-type: none"> <li>• Ability to generate surplus within the private sector</li> <li>• Ability to react and adapt quickly to the changing financial environment</li> <li>• Opportunity for cost reductions with more commercial t&amp;c's</li> <li>• Operational agility with streamlined decision making</li> <li>• Model supports secondary outsourcing if required later.</li> </ul>	
Disaggregation of services into individual councils	<ul style="list-style-type: none"> <li>• Greater control of services for individual councils</li> <li>• Greater locally tailored services</li> </ul>	<ul style="list-style-type: none"> <li>• Unsustainable model going forward</li> <li>• High cost association</li> <li>• Cannot benefit from economies of scale</li> <li>• Potential issues with sourcing adequate skills and resources</li> </ul>
Secondary outsourcing	<ul style="list-style-type: none"> <li>• Continued agility and flexibility with economies of scale across a large organisation</li> </ul>	<ul style="list-style-type: none"> <li>• Limited options, companies moving away from outsourcing model</li> <li>• Increased costs compared to Civica contract</li> <li>• Market analysis indicates only 1 suitable supplier creating a sellers market</li> <li>• Issues with cost and quality, inflexibility and recent public failures of larger suppliers</li> <li>• Potential disruption of a tender exercise to transfer services</li> </ul>
Do nothing/minimum	<ul style="list-style-type: none"> <li>• n/a</li> </ul>	<ul style="list-style-type: none"> <li>• The existing contract expires in Feb 25. Services will</li> </ul>

		<p>automatically transfer back from Civica to the partnership in an unplanned manner.</p> <ul style="list-style-type: none"> <li>● TTransfer back to EKs?</li> <li>● Staff uncertainty/flight</li> <li>● No opportunity to extend contract</li> </ul>
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### 3.3 Short listed options

The secondary outsourcing , disaggregation and do nothing options have been discounted from the list of options. The secondary outsourcing option was discounted due to the limited number of suppliers available, only Liberata was identified as a suitable option. The limited supply of BPO organisations creates a sellers market with increased costs in comparison to the Civica contract. Also the requirement of a potentially lengthy procurement process will introduce additional risk to service transition.

Disaggregation of services has been discounted due to the cost implications, an additional £4 million cost and impact on services. Disaggregating services and transferring them back will incur in depth re-design of IT and data infrastructure, process change and cultural alignment to individual councils.

The do nothing option is not sustainable as the Civica contract expires in January 2025, when services automatically revert back to the partnership. There is no opportunity to extend the contract leaving staff and services in an exposed high risk position.

Therefore the two remaining viable options from the long list which could provide a function that continues to deliver high performing qualitative services to customers and residents are a LATCo or shared services SDV.

### 3.4 Benefits Analysis

A LATCo is able to generate new revenue streams when compared to shared services, having the ability to trade outside of the public sector. Any additional surplus generated can be used to offset frontline service costs. A shared services SDV can to a degree generate additional revenue, however not to the extent of a LATCo.

Research has shown councils that have successfully utilised a commercial approach to deliver services, have been successful in attracting and retaining high quality personnel. Commercial terms and conditions which are more favourable, are better placed to retain a high performing workforce. This has been evidenced at both Publica and PSPL, partnerships both using a commercial approach.

The public sector is increasingly looking to promote social value, e.g increase take up of welfare benefits. Profits generated by commercial entities can be ploughed back to support council services, increase social value activities and generate new revenue streams.

“Councils’ commercial activity can provide a catalyst to bridge the increasing funding gap whilst also delivering ‘wider’ social value, providing that commercial initiatives create profit with a purpose.” *LGA Profit with a purpose Delivering social value through commercial activity*. The LATCo approach in particular, through its income generation activities, is able to fund additional activities to increase welfare take up. This can lead to improved support for the community and the vulnerable. This work is linked to the core activities of local government.

Oversight and strategic control being provided by councillors and a commercial streamlined governance structure will allow the LATCo tactical freedom to innovate and respond to market opportunities and productivity innovations.

A successful commercial culture allows greater efficiency, where management and staff are focused on delivering cost effective, efficient services. A commercial culture promotes a business-like environment, knowledge of the marketplace in which the company operates, and delivering services and products which are designed for customers.

A LATCo is sustainable and future-proofed when compared to shared services. This has been evidenced in the original decision to outsource to Civica. Maintaining a shared service for EKS would have had budgetary implications and ongoing issues with funding the services, with 67 posts at risk.

Financially, a LATCo incurs less of a pension liability than shared services, with LGPS employee contributions in the range of 20% compared to approximately 5% contributions for commercial organisations.

There is an added benefit with a low risk, lift and shift approach of migrating services from an already commercial entity to another commercial SDV. The impact on staff would be minimised by continuing with a commercial culture and approach.

Both shared services and a LATCo allow the partnership greater control over services than an outsourced SDV. Shared services are however not liable to corporation tax and VAT, whilst LATCo’s which trade services are.

One of the potential scenarios to consider would be a drop in productivity due to lower staff engagement in the case of a shared services SDV. Staff have communicated a preference to migrate to a commercially focused SDV. In the case of a 2% drop in productivity an additional operating cost of £148,000 would be incurred. With an average staff cost of 37k across a base of 200 staff, the partnership would have to employ an additional 6 staff. In the case of a 3% drop in productivity the impact on operating costs would be an additional cost of £222,000 and in the case of a 5% drop in productivity an additional operating cost of £370,000 would be incurred.

### **3.5 Preferred Way Forward**

The costs associated with a shared service model is higher due to the increased costs associated with terms and conditions of employment. There are currently 26 staff out of 188 , employed by Civica that are not on the LGPS. Given the differential between the current Civica pension contribution rate of 5% and LGPS contribution rates of 20%, it would be reasonable to assume that a LATCo would provide recurring annual savings of approximately £120k compared to an in-house shared service. Through the passage of time, this saving should increase through natural turnover in staffing with more employees moving on to a LATCo pension scheme.

LATCo's have been strongly associated with innovation and creativity, leading to increased productivity and staff morale. Developing new ways of working to counter unforeseen pressures such as Covid has maintained the ability to deliver services effectively. The ability to hold costs down and increase efficiency has been demonstrated by the transfer to Civica.

Taking into account the summary above the preferred way forward is to develop a LATCo business model.

The LATCo approach also presents the option of moving to a shared services vehicle at a later date if required by the partnership. There is an opportunity to consider implementing a two year break clause in order to review and assess the success of the LATCo. If it is felt the LATCo has not delivered the benefits identified, the LATCo can migrate to a shared services model. However if a shared services model is the preferred option, services cannot be transitioned to a LATCo due to pensions implications. The model would be unsustainable with no trading surplus and a substantial increase in pensions liability.

### **3.6 Governance**

Good governance considers how to balance the freedom required by a commercial entity and retaining effective oversight of a company. It is important the EK partnership safeguards the spending of public money and ensures that trading activities are carried out in accordance with the partnership's ethos and values.

The model below is for information purposes only and is indicative of the type of governance that can be put in place. The governance arrangements set out in this section may be further developed or changed in the light of advice from our professional legal advisers in the event the business case is approved. For a full size model please refer to appendix 7.



Indicative model (subject to further advice from legal advisers)

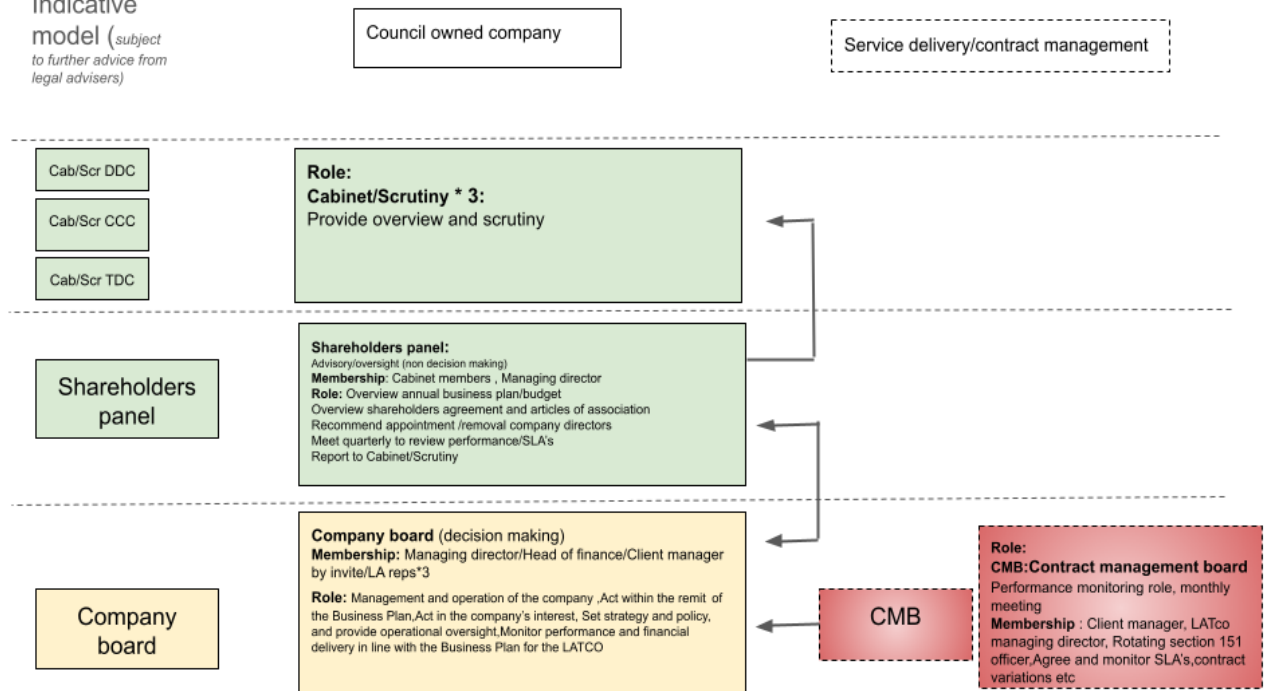


Table 4 Indicative governance model

### 3.6.1 Articles of association

The company will be formed as a private company limited by shares, with 100% of the share capital retained by the EK partnership. Two key governance documents will be required, firstly a shareholders agreement and secondly the articles of association. The Articles of Association is essentially the constitution, outlining decision making powers of the directors.

The LATCo will have the ability to trade outside of the EK partnership but provide the majority of services to the EK partnership. The articles of association should ensure a Teckal exemption by;

- Confirming the rights to remove and appoint directors and provide for retirements where appropriate
- Ensuring that board composition is kept under review.
- Ensure at least 80% of the services are delivered to the EK partnership

### 3.6.2 Shareholders agreement

The shareholders agreement supplements the articles of association by setting out a contractual agreement between the LATCo and its shareholders (EK Partnership). It clarifies the powers of the LATCo and how the shareholders might influence those powers. It can be amended as the company evolves.

It would be beneficial for the agreement to indicate how any resultant surplus will be treated, e.g. a transfer to reserves for future investment and/or the paying of dividends to its shareholders and subsequent reinvestment to public services.

The agreement should clarify requirements for business planning and approval of the business plan, performance reporting, governance, decision making reporting and frequency.

### **3.6.3 Conflict of interest**

A conflict of interest policy should be developed to ensure that councillors and officers are aware of potential conflicts of interest when performing their role for the local authority and their role in respect of the LATCo.

A formalised protocol should be introduced for when a council director is acting as a director for the new company.

### **3.6.4 Shareholders panel**

The shareholders panel is a non-decision making body. There is an opportunity for the functions of the existing EKS committee to be reconstituted as a shareholders panel. The terms of reference could be reviewed and the panel could act as the political and strategic overview.

The shareholder panel is able to act as a mechanism to communicate the shareholders' views to the LATCo, and a means to evaluate the effectiveness of the LATCo and performance against strategic objectives.

### **3.6.5 Company board and Directors**

All directors must comply with the Company act 2006 and act within their powers in accordance with the company's constitution, avoid conflicts of interest and exercise reasonable care, skill and diligence.

- An effective and entrepreneurial board will generate value for its shareholders
- The board must act with integrity, lead by example and promote a commercially focused but ethical culture
- The board will ensure adequate resources, measure performance and maintain effective controls including risk management and financial reporting
- Ensure there is effective engagement with shareholders and stakeholders
- The board should ensure effective workplace practices are in place for long term sustainable success

It is proposed that the company board of directors consist of the following;

- Managing Director - Mark Emery

- Head of Finance - tba
- Client manager by invite - tba
- 3\* LA reps

The chief financial officer position could be filled by an existing Head of finance, if required from the partnership, until the LATCo is in a position to fund the post independently.

A client manager position could act as a coordination role between the board and individual councils. The position would act as a single point of contact for the councils and act as a smart client, proactively managing company performance.

This streamlined approach will facilitate speedier decision making and efficiency, ease communications and promote relationship building. It would also be advisable for the client manager to have the requisite skills set required, such as a revenues and benefits background. A pragmatic approach with a commitment to achieving the shared aims of all parties, would be of significant benefit.

### **3.6.6 Training and Induction**

The existing team currently functions as a commercial organisation so has an in-depth knowledge of the services, however new directors/board members will still require training to ensure their understanding of the role within a LATCo, code of conduct and obligations as members of the board.

## 4. Commercial Case

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The purpose of this section is to set out the procurement arrangements for the programme's projects and key activities. The choice of procurement method will be outlined below for each of the workstream outputs and approximate timescales for delivery.

### 4.1 Technology workstream

The main procurement of IT infrastructure, backup/storage, end user computing and security/access applications is outside of scope for this programme and the procurement of any new applications or hardware is being managed by the disaggregation project.

There is a requirement for an ongoing IT repairs and replacements programme ensuring the benefits of the latest technology is maximised and staff have the most up to date equipment supporting efficient and effective service delivery. It is envisaged that this programme will refresh on a 3 to 4 year basis and due to the investment required this project will follow a full procurement exercise. It is also expected that this programme will be managed by the LATCo's in-house IT team, as detailed below.

There is one key software application, OpenRevenues, that is currently owned by Civica. In order to facilitate a low risk implementation, the contract will be novated to the LATCo which will also allow the commercial entity to negotiate further favourable terms and conditions moving forward. It is envisaged the contract novation will commence after the LATCo receives approval and is formally set up.

IT support requirements will be met via an inhouse IT team of 5, who will TUPE across from EKS services to the LATCo. The ICT team to TUPE across consists of:

- ICT Support Manager x 1
- Senior ICT Support Engineer x 3
- Infrastructure Engineer x 1

Depending on the decisions currently being made on the form of provision of ICT security services to the EK partnership, additional ICT security resources may be required for LATCo.

A temporary number of licences for a SaaS finance system will be procured for approximately 6-12 months till a permanent finance system is installed. The existing finance system based at Thanet currently being utilised by EKS is end of life and undergoing a full procurement process. However due to the timescales of the project a decision has been made to lower the risk and implement an interim stand-alone solution for the LATCo.

### 4.2 Legal/Governance workstream

There is a requirement to procure legal advisory services to support the setup of the commercial entity, contract development, contract novation and ad hoc legal advice. This procurement will follow a soft procurement approach consisting of a scope of works being

prepared in order to attract three tenders. It is envisaged that the soft procurement exercise will commence once the business case has been formally approved by cabinet.

#### **4.3 Payroll and HR services**

Payroll services will be provided by Dover DC as well as HR services and these will operate via a recharge model. Dover DC currently provides payroll services as part of a shared service to the tri-council partnership.

#### **4.4 Internal audit**

As the Revenues and Benefits function is heavily regulated internal audit requirements are key to continual service delivery. Internal audit requirements will continue to be met by EKAP, a shared services partnership. The LATCo will procure the consultancy services on a day rate basis as part of the annual audit plan.

## 5. Financial Case

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This financial case proves the affordability and funding of the EKS transition to the preferred service delivery vehicle of a LATCo. In the economic analysis above, a number of options were outlined and appraised of which the LATCo was deemed to offer the greatest benefits and lowest risk.

The purpose of this financial appraisal is to determine whether the EK partnership is able to fund and deliver the new LATCo, outlining the impact on capital, revenue and whole life costs of the new commercial company.

As the service is an existing commercial model, a lift and shift approach will be developed to the service transition leading to a low risk implementation. The financial case will therefore identify existing costs of the service and any new additional costs required to move to a LATCo service delivery vehicle.

The LATCo will be formed as a company limited by shares, allowing the company to trade in the private sector and passing any surplus back to the controlling local authorities. This legal status will be recognised as a private limited company.

### 5.1 VAT implications

The LATCo would be required to treat VAT in the same way that Civica currently does. As such a management fee chargeable by the LATCo would be at standard rate and could be recovered in full by the councils.

After tax, profit can be paid to the councils in the form of dividends, which themselves would not be subject to taxation.

### 5.2 Corporation tax implications

As a company limited by shares the LATCo will be liable for tax on any trading surplus made. Any trading surplus generated by the LATCo will be subject to corporation tax, however there are opportunities to offer the EK partnership a discount thereby minimising the impact if required.

Where surplus is generated it will be subject to corporation tax at either 19% or 25% depending on the level of surplus generated.

### 5.3 Inflation

Inflationary costs will be built into the pricing structure for new services and existing services utilising the average sector wage index. Any additional inflationary requirements such as

software contracts etc will be dealt with case by case to ensure services remain viable in the longer term.

## **5.4 Support and operational costs**

Support services will be managed via a contract which identifies which support services will be provided by the LA's. SLA agreements, with clear KPI's outlined will be utilised to set out and manage performance. To avoid unfair competition rules all support services provided by the local authorities will have to be charged at full cost, in adherence with the Local Government and Housing Act 1989.

Support services will be reviewed every two years to ensure accurate costs are reflected within the contract and the ability to build in efficiencies realised as part of technology change or process efficiency.

### **5.4.1 Legal and Governance services**

Legal support will have to be procured externally on an as and when required basis, due to lack of resources within the EK partnership. An agreement with a legal service will be procured. Information governance advice will be procured via the EK partnership. The partnership has an existing team which has resources available.

### **5.4.2 Financial services and Audit services**

The LATCo will utilise financial systems based at Thanet and operational finance and insurance services will be provided by the EK partnership. Specialist accounting services will be procured from third parties ensuring statutory accounts preparation and external audit is compliant and also where corporation tax and VAT filing requires completion.

Internal Audit services will be procured via EKAP, a rolling audit programme will provide assurance and internal control. The internal audit service will require access to company data which requires outlining in the shareholders agreement.

The quality assurance team currently residing in Civica may transfer to EKAP or the client management team as part of the service transition, this will formally be agreed as part of the consultation and set up of operations with EKAP. There are minimal cost implications associated with the transfer, for one management uplift.

### **5.4.3 HR and payroll services**

Payroll services will be provided by Dover DC, who currently provide services to a number of the partners. Costs will be incurred for setup and build of the new payroll scheme which will be factored into the business case. HR services will also be provided by a 0.3 FTE resource at Dover DC.

### **5.4.4 IT development and support services**

The existing residual IT team of 6, who provides support and maintenance services, will remain in place and no additional support is envisaged. The centralised IT security team will also continue to provide services to the LATCo.

A replacements and renewals cost will be added to the business case for IT hardware to ensure resilience, as a technology refresh programme. A current refresh programme has been agreed but will not form part of this financial case.

Software licences in use for key systems will be novated to the LATCo and have been presented as part of the business case.

#### **5.4.5 Accommodation services**

Currently accommodation is supplied at a nominal fee across the three sites, with a move to a LATCo all accommodation costs will have to be charged at a market rate. This additional cost has been factored into the business case.

#### **5.4.6 Structural costs**

The LATCo senior management team supporting the board will consist of a;

- Service director
- Corporate head of service
- Head of Customer service
- Head of Revenues and Benefits.
- An existing Head of Finance
- A client manager

The remaining staff structure will be transferred across as is and it is anticipated that there will be no structural salary increases and no redundancy costs incurred.

### **5.5 Financial analysis**

A detailed financial analysis and operating budget is attached in appendix 4, indicating savings being generated for all three councils from year 1 of the transition, as a consequence of moving to a LATCo model. The financial model has been developed to minimise the surplus in order to realise savings for the councils. As the business grows there will be an opportunity to re-invest and generate new income streams to support council services.

Whilst the level of current surplus on the arrangement is commercially sensitive, we are assured that the level of profit is sufficient to absorb the proposed level of additional costs and still deliver a surplus. This indicative budget will therefore be subject to further due diligence once the business case is agreed and the CCN is signed.

The two tables below compare costs associated with a LATCo SDV and a shared services SDV. Although it cannot be guaranteed, both models will deliver savings which will be



identified and confirmed as part of the implementation process. With both models no additional costs will be incurred.

**Table 5 (a)**

<b>LATCO</b>	<b>Transition Year</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Revenue</b>	-8,167,430	-8,509,127	-8,879,492	-9,279,672	-9,710,859	-10,179,293
<b>Staffing costs</b>	6,750,810	6,990,900	7,256,824	7,533,845	7,837,603	8,153,555
<b>Support services</b>	678,100	705,300	733,500	762,700	793,000	824,800
<b>Services and supplies</b>	540,500	562,100	584,500	607,900	632,200	657,600
<b>One Off Company set up costs</b>	125,000	0	0	0	0	0
<b>Total Cost</b>	8,094,410	8,258,300	8,574,824	8,904,445	9,262,803	9,635,955
<b>Trading Position</b>	-73,020	-250,827	-304,668	-375,227	-448,056	-543,338

**Table 5 (b)**

<b>Shared Service</b>	<b>Transition Year</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Revenue</b>	-8,167,430	-8,509,127	-8,879,492	-9,279,672	-9,710,859	-10,179,293
<b>Staffing costs</b>	7,134,884	7,343,562	7,628,184	7,924,124	8,231,929	8,552,066
<b>Support services</b>	623,100	648,100	674,000	700,900	728,800	758,000
<b>Services and supplies</b>	540,500	562,100	584,500	607,900	632,200	657,600
<b>One Off Company set up costs</b>	55,000	0	0	0	0	0
<b>Total Cost</b>	8,353,484	8,553,762	8,886,684	9,232,924	9,592,929	9,967,666
<b>Trading Position</b>	186,054	44,635	7,192	-46,748	-117,930	-211,627

## **5.6 Market/Competitor analysis**

The LATCo has a number of commercial products which have been market tested for potential revenue growth and the intention is to build a solid sales pipeline for approximately 20% of the work, 80% being allocated to the owning councils, as stated under Teckel exemption rules. The financial case outlines product 1 which has been considered suitable for bringing to the market;

Product 1 (external market) - End point assessments (Revenues and Benefits Apprenticeships)

- Market location - national, UK wide.
- Market segment - 112 active apprentices, market is worth approx 100k currently. Market can be further capitalised for customer services as phase 2.
- Competition - one main supplier - South west councils
- USP - Civica have a strong Revenues and Benefits skills set which is commercially focused.
- Set up costs are low; £3,300
- Revenue forecast based on a conservative estimate of 10% of the market
- Pricing model is £937 per apprentice.

Further market analysis will be conducted as part of the business plan before progressing to service delivery.

## **5.7 Historical growth**

The service has experienced strong growth, especially in Civica's on demand services function. This growth shows a strong business model with an active market to generate further revenue and growth. With a LATCo service delivery vehicle there are a number of opportunities to grow the business further and redirect surplus to support council services.

## 6. Management Case

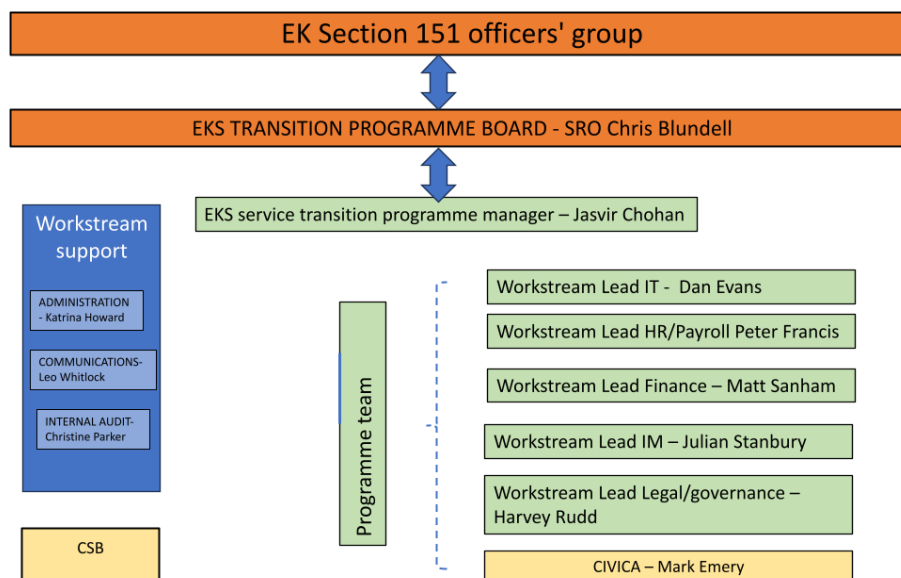
The management business case demonstrates the robust arrangements in place for the delivery, monitoring and evaluation of the service transition programme. The case below demonstrates the preferred option of a commercial LATCo, can be successfully delivered and is managed in accordance with best practice and subject to independent assurance.

This part of the business case outlines the partnership's ability to deliver the programme, ensuring capacity, capability and resources have been taken into account.

The service transition programme will follow the MSP (Managing Successful Programmes) framework, an established best practice programme management framework, designed to align programmes and projects to organisational strategy and enable enterprise agility. MSP focuses on the delivery of outcomes of benefit, while mitigating risk and actively engaging stakeholders.

Table 6

Service transition programme governance model



### 6.1 Programme governance

The programme is being managed by a qualified MSP practitioner with service transition experience, along with executive sponsorship from the EK section 151 officers group. The programme board consists of experienced staff across the three councils, ensuring a consistent and coherent approach.

Political overview is managed via the EKS committee, ensuring effective engagement is in place with key stakeholders and governance is robust. See Appendix 2 for a detailed programme plan.

The contract strategic board will be utilised as a governance link to Civica, ensuring the transition is well managed, communication is effective and decision making is transparent and effective. The two service transition programmes will be dovetailed to ensure a smooth transition.

Communications is being managed by the communications lead from Canterbury CC, who will act as the central point of contact and manage information flow to ensure consistency and transparency.

The programme team consists of subject matter experts across the partnership and external programme assurance will be provided by EKAP, the East Kent Audit Partnership. EKAP will provide audit facilitation, ensuring robust risk management is in place. EKAP will also provide Programme assurance and act as a critical friend to the programme team.

To minimise ambiguity, refine and improve delivery and bring certainty wherever possible, planning and control activities will take place at programme board and workstream level throughout the lifecycle of the programme. Highlight reports, risk registers and issue logs will be produced for each monthly programme board meeting. Progress will be monitored against milestones and where required issues will be escalated to the sponsoring group and sponsor.

*Table 7 Programme team*

<b>Name</b>	<b>Title</b>	<b>Organisation</b>	<b>Role</b>
Chris Blundell	Director of Corporate Services/ Head of Shared Services	Thanet	Senior Responsible Owner (SRO) Chair programme board
Jasvir Chohan	Interim EKS Transition Manager	Thanet	Programme manager
Mark Emery	Partnership director	Civica	Programme board member
Mike Davis	Director of Finance	Dover	Sponsoring group
Nicci Mills	Service director Finance and Procurement	Canterbury	Sponsoring group
Harvey Rudd	Solicitor to the council	Dover	Programme team Legal
Peter Francis	Head of HR and Payroll	Dover	Programme team HR

Leo Whitlock	Head of Policy and Communications	Canterbury	Programme team Communications
Dan Evans	Head of ICT	Thanet	Programme team IT
Matt Sanham	Head of Finance and Procurement	Thanet	Programme team Finance
Julian Stanbury	Information Governance Manager	Canterbury	Programme team Corporate governance

The programme has promoted the use of specialist advisers when required, bringing in depth expertise, skills and capacity to support the programme. An external review was conducted by CIPFA (Chartered Institute of Public Finance and Accountancy) which is a UK-based international accountancy membership and standard-setting body. The external expertise was brought in to test the outline business case and recommend an approach to develop a full robust business case. The service transition manager is a MSP and certified change management practitioner.

To support the transition Civica has provided a detailed service exit plan to support the transition phase. External Civica support has also been available from a decommissioning point of view and they have worked closely with the partnership to ensure a smooth transition takes place.

## 6.2 Change management framework and strategy

The change management strategy and framework will need to reflect the complexity of change required and the pace, taking into account the drivers for change and anticipated resistance. The EKS transition programme is a service transition programme brought about by a market exit of the supplier and not due to service improvement requirements or other external factors. The change management strategy will be based on the Letwin model of change;

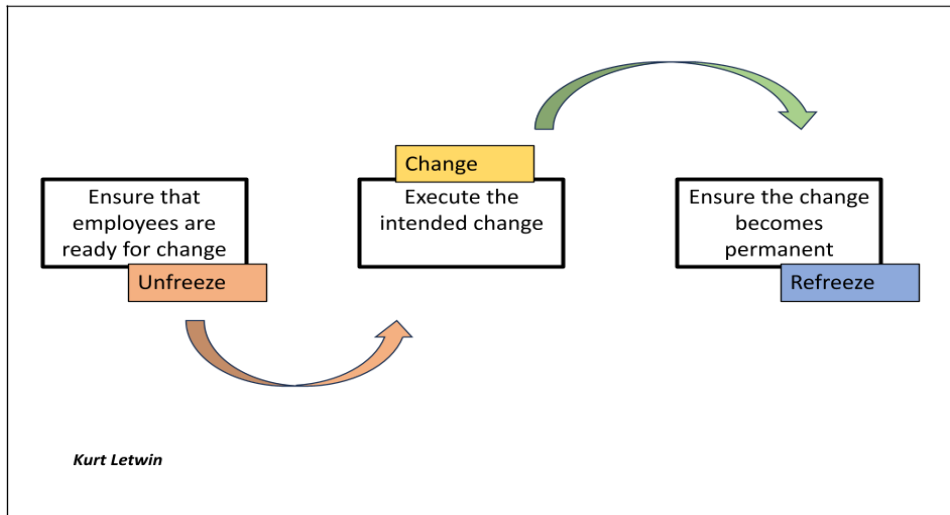


Table 8 Change management framework

As part of the engagement process undertaken to date and outlined in the communications and engagement strategy, the programme has significant support of key stakeholders.

However there are a number of alternative service delivery vehicle options that can be utilised to deliver outcomes and the programme has taken this into account. Therefore the change management framework and strategy reflects the level of buy-in already gained and the political support for the LATCo commercial option.

The implementation approach will follow a big bang approach where services will decommission from Civica and transfer to the LATCo. A CCN/Deed will be served with notice to Civica to indicate an exit date.

As the majority of systems and processes will remain intact training requirements will be limited and the existing commercial culture of the team and service will be encouraged to transfer across.

### 6.3 Benefits realisation

The outline business case defines a number of benefits associated with the transition to a commercial LATCo, see table 2. The benefits register will be reviewed at programme board meetings to ensure benefits are realised during and post transition. Some of the benefits are longer term in that it will require a number of months to realise growth targets. All tangible and intangible benefits have been identified in the economic case above.

### 6.4 Risk management arrangements

The outline business case included a risk register which is now being developed further to consider programme risk, financial risk, reputational risk and operational risk. An initial risk

mapping exercise, conducted at the inaugural programme board meeting, identified key risks associated with the service transition programme.

All programme risk will be managed via the programme board via a risk register. The programme risk management will be aligned to the council's risk management policy which sets out risk identification, assessment and evaluation.

## **6.5 Programme assurance and evaluation**

Internal audit will conduct a review to independently assess the risk management protocols and mitigations put into place for the programme. This level of programme assurance will ensure that procedures are rigorously followed and risk identification and management is proactively managed at programme board level.

Internal audit will provide assurance on use of risk registers, approval processes, governance and councillor involvement & oversight.

Internal audit will act as a critical friend to provide programme assurance, this provides independent and impartial assessment that the service transition programme's spending objectives, technical requirements, security and critical success factors can be delivered successfully.

Prior to going live Internal audit along with the programme sponsor will sign off the transition plan and move to BAU.

Once the new service delivery vehicle has been implemented, a programme closure stage will be initiated and the programme organisation will be disbanded. A lessons learnt register will feedback any learning to policy and strategy and any established PMO functions.

Full programme closure can be confirmed when the business case has been satisfied, all workstream activities completed and any remaining handover or transition activities defined and assigned to relevant BAU operations.

There is an intention to develop a contingency plan with Civica to support operations from June 24 to January 25 in case of major complications.

Contingency communications plan and narrative to be agreed prior to going live with Leo Whitlock.

## Appendices

### Appendix 1 SWOT analysis

Option 1: Refuse to accept early contract termination	
Strengths/Opportunities for LA	Weakness/Threats for LA
<ul style="list-style-type: none"> <li>● Contract in place until February 2025.</li> <li>● No immediate action required by the Council.</li> <li>● Certainty of price.</li> </ul>	<ul style="list-style-type: none"> <li>● Risk of service withdrawal/running the contract down which may degrade performance.</li> <li>● Risk of relationship breakdown</li> <li>● Increased flight risk of key personnel.</li> </ul>

Option 2: Recontract with another outsourcer	
Strengths/Opportunities for LA	Weakness/Threats for LA
<ul style="list-style-type: none"> <li>● Fixed costs</li> <li>● Guaranteed service with contractual penalties.</li> </ul>	<ul style="list-style-type: none"> <li>● Second source outsourcing and therefore there may be little market interest, ie how would a provider cover bid costs.</li> <li>● Resource intensive for the Authority to conduct a procurement exercise.</li> <li>● Potential for reduced strategic fit with remaining providers – The original Civica offer was attractive because of the jobs guarantee.</li> <li>● Against the current flow of insourcing.</li> <li>● Increased short term flight risk of key personnel</li> <li>● May not fit with political ideology.</li> </ul>

Option 3: Bring in house and disaggregate in part or full	
Strengths/Opportunities for LA	Weakness/Threats for LA
<ul style="list-style-type: none"> <li>● Fits with trend to insource</li> </ul>	<ul style="list-style-type: none"> <li>● Breaks up a highly performing service – removes 'one Team' approach.</li> <li>● Potential for significant extra ICT cost if Open Revenues is split into 3 installations.</li> </ul>



	<ul style="list-style-type: none"> <li>● Some specialist teams result in difficulties in dividing staff between LA's which is likely to result in increased staff costs.</li> <li>● One team approach would be less viable resulting in the need to staff for the mean or median rather than the trough.</li> <li>● Possible Challenges in recruiting externally to significant numbers of both key and transactional vacant posts.</li> <li>● New operating model would need to be introduced which increased the risk of service failure.</li> <li>● All TUPE staff and future employees would gain access to LGPS at increased cost.</li> <li>● LA terms and conditions which can be generous compared to Civica Terms. For example Leave, sickness, maternity etc.</li> </ul>
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Option 4: Bring into EKS	
Strengths/Opportunities for LA	Weakness/Threats for LA
<ul style="list-style-type: none"> <li>● Existing vehicle available.</li> <li>● Governance model in place.</li> <li>● Already has admitted body status to KCC LGPS.</li> </ul>	<ul style="list-style-type: none"> <li>● Existing negative perception of EKS which will be a challenge to sell positively as 'next phase' – would be viewed as retrograde step.</li> <li>● Existing motivation and recognition approach not wholly compatible – resulting risk of additional staff costs.</li> <li>● Business model needs to be fully considered and sustainable to avoid previous pitfalls – The original business model of absorbing all cost increases was the primary cause of the need to outsource. The returning service is lean, and achieving further efficiencies to cover cost increases would not be possible.</li> </ul>

	<ul style="list-style-type: none"> <li>● All staff would gain access to LGPS which will significantly increase cost.</li> <li>● May not fit with political ideology</li> </ul>
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Option 5: Create a new LATCo	
Strengths/Opportunities for LA	Weakness/Threats for LA
<ul style="list-style-type: none"> <li>● Minimises future cost as will be run as a commercial entity with appropriate financial and operational governance managed locally.</li> <li>● Retention of all surpluses to re-invest into the service.</li> <li>● Ability to trade under Teckal rules which opens up trading opportunities with other LAs.</li> <li>● T's &amp; C's could be developed to maximise retention whilst minimising costs.</li> <li>● Commercial approach to staff motivation and recognition to drive performance – minimising overall staff costs.</li> <li>● Makes optimum use of the skills learned by the team in the previous 3 years.</li> </ul>	<ul style="list-style-type: none"> <li>● Would require initial consultancy investment for due diligence, set up and boundaries of a LATCo, e.g vaT, trading and reporting obligations etc.</li> <li>● Legacy perceptions of EKH failure so the Business model needs to be fully considered and sustainable to avoid previous pitfalls.</li> <li>● LATCo would require Finance, HR and Payroll support.</li> <li>● LATCo would need admitted body status to KCC LGPS and to establish its own pension scheme.</li> <li>● May not fit with political ideology</li> </ul>

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# East Kent Services partnership

PROGRAMME TITLE: SI Service transition programme  
 PROGRAMME MANAGER: Jaevir Chohan

Progress Sponsor: Chris Stunell  
 DATE: 22/04/23

WBS NUMBER	TASK TITLE	TASK OWNER	START DATE	END DATE	DURATION	PCT OF TASK COMPLETE	PHASES																																			
							PHASE ONE - Initiation									PHASE TWO									PHASE THREE									PHASE FOUR								
							Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct																					
<b>1 Programme Conception and Initiation</b>																																										
1.1	Agree Programme brief	Jaevir C	01/08/23	11/09/23	10	100%																																				
1.2	Develop and Agree programme definition plan	Jaevir C	11/09/23	25/09/23	14	85%																																				
1.3	Agree Comms & engagement plan	SW/JC	01/09/23	11/09/23	10	95%																																				
1.4	Develop risk register	Jaevir C	16/09/23	23/09/23	7	100%																																				
1.5	Develop stakeholder management plan	Jaevir C	01/09/23	11/09/23	10	75%																																				
1.6	Develop programme control docs	Jaevir C	01/09/23	11/09/23	10	65%																																				
1.7	Develop programme plan	Jaevir C	01/09/23	21/09/23	20	100%																																				
1.8	Merge Clive exit plan	Jaevir C	14/09/23	18/09/23	4	100%																																				
1.9	Review Clive contract	JC/ME	21/09/23	31/09/23	10	55%																																				
1.9.1	Agree Governance	JC/HR	01/09/23	11/09/23	10	100%																																				
1.9.2	Develop and agree business case	Jaevir C	01/09/23	20/09/23	19	10%																																				
1.9.2	Approval of business case - M	Jaevir C	06/11/23	16/11/23	10	0%																																				
<b>2 HR/Payroll workstream</b>																																										
2.1	Agree HR provision and cost for SDV	RF/ME	01/09/23	11/09/23	10	0%																																				
2.2	Agree payroll build costs	Peter F	01/09/23	26/09/23	24	0%																																				
2.3	Agree payroll charge to SDV	Peter F	29/09/23	30/09/23	1	0%																																				
2.4	Agree alternative pension scheme	Peter F	01/09/23	24/09/23	23	0%																																				
2.5	Consult unions	ME/PF	20/11/23	06/12/23	19	0%																																				
2.6	Agree Time Use change process	Peter F	17/11/23	17/12/23	30	0%																																				
2.7	Agree Time consultation & timetable	Peter F	17/11/23	17/12/23	30	0%																																				
2.8	Agree residual staff structure operations - IT/CA staff	ME/CB	17/11/23	17/12/23	30	0%																																				
2.9	Implement HR/Payroll processes for new SDV	Peter F	15/04/24	19/04/24	5	0%																																				
2.9.1	Commence Time consultation	RF/ME	01/02/24	01/02/24	0	0%																																				
<b>3 Finance workstream</b>																																										
3.1	Produce financial business case	MS/JC	01/09/23	31/09/23	30	85%																																				
3.2	Confirm finance/accountancy function for SDV	Matt S	21/09/23	31/09/23	10	0%																																				
3.3	Confirm insurance changes required with new SDV	Aimee J	21/09/23	31/09/23	10	0%																																				
3.4	Confirm tax/NAT process for new SDV	Matt S	21/09/23	31/09/23	10	0%																																				
3.5	Apply for new pension scheme - M	Matt S	01/09/23	24/09/23	23	0%																																				
3.6	Remediate and simplify recharges for SDV	Greg D	21/09/23	31/09/23	10	85%																																				
3.7	SDV setup on new temp finance system	Greg D	01/01/24	08/04/24	97	0%																																				
3.8	Setup CA - financial statements etc	Greg D	01/01/24	08/04/24	97	0%																																				
3.9	Setup new processes	Greg D	01/01/24	08/04/24	97	0%																																				
3.9.1	Go live new finance system - M	Matt S	25/05/24	19/06/24	14	0%																																				
<b>4 Legal/Governance workstream</b>																																										
4.1	Provide notice to Clive - M	CB/HR	01/12/23	15/12/23	14	0%																																				
4.2	Agree committee timetable	HV/Matt A	01/09/23	08/09/23	7	100%																																				
4.3	Develop scope and brief for legal work	HV/JC	01/09/23	15/09/23	14	100%																																				
4.4	Soft procurement of legal support - Do setup/contracts etc	Harvey R	17/11/23	17/12/23	30	0%																																				
4.5	Review delegations of HoSB	Harvey R	17/11/23	17/01/24	60	0%																																				
4.6	Review contract setup - for J	Harvey R	17/11/23	17/01/24	60	0%																																				
4.7	Check service contracts with councils - IT/HR/Regol	JC/ME	17/11/23	29/12/23	39	0%																																				
<b>5 Information Governance workstream</b>																																										
5.1	Assess data processing responsibility	Julian S	02/08/23	11/09/23	9	100%																																				
5.2	Develop DP policy	JG/ME	02/01/24	01/02/24	29	0%																																				
5.3	Register SDV with ICO as data controller	Julian S	02/01/24	08/01/24	6	0%																																				
5.4	Agree FOI/SARS processes/SLA	JG/ME	09/01/24	04/02/24	26	0%																																				
5.5	Arrange appl of Qualified Person per FOIA200 s36(5)	Julian S	22/01/24	01/01/24	9	0%																																				
<b>6 Information Technology workstream</b>																																										

6.1	Design IT Infrastructure roadmap	Sen E	01/08/23	11/08/23	10	66%													
6.2	Paper to SIBI group	Sen E	21/06/23	25/08/23	4	0%													
6.3	Agree access and security of data/environment	Sen E	17/11/23	17/01/24	60	0%													
6.4	Develop data migration plan - staff applications	Sen E	17/11/23	17/01/24	60	0%													
6.5	Procure data backup (SMB) and protection for SDV	Sen E	17/11/23	17/03/24	120	0%													
6.6	Review software integrations	Sen E	17/11/23	17/02/24	90	0%													
6.7	Rollout laptops/MSOffice/MS to Orica staff	Sen E	17/11/23	17/03/24	120	0%													
6.8	Review and update software contracts	Sen E/Mark E	17/11/23	17/01/24	60	0%													
6.9	Novation of Openview contract to new SDV	MS/HR/SE	28/04/24	28/05/24	30	0%													
6.9.1	Register web domain for SDV	Sen E	01/02/24	15/02/24	14	0%													
6.9.2	Implement new IT Infrastructure	Sen E	01/04/24	31/05/24	60	0%													
6.9.3	Go live preparations	Sen E	25/06/24	02/09/24	35	0%													
7	<b>SDV setup</b>																		
7.1	Set up SDV structure/Governance	Legal	02/01/24	02/04/24	90	0%													
7.2	Appoint board of directors	Obj/COs	02/01/24	02/04/24	90	0%													
7.3	Agree shadow board of directors?	Obj/COs	02/01/24	02/04/24	90	0%													
7.4	Train board of directors	Sen sens	02/04/24	01/05/24	29	0%													
7.5	Agree branding and values	Mark E	01/03/24	31/05/24	90	0%													
7.6	Develop service/business plan	Mark E	01/03/24	31/05/24	90	0%													
7.7	Agree KPIs	Mark E	01/03/24	31/05/24	90	0%													
7.8	Develop staff policies	Mark E	01/03/24	31/05/24	90	0%													
7.9	Agree support service set up/cost - HR/IT/Finance/Legal	JL/ME	01/03/24	01/05/24	90	0%													
7.9.1	Agree SLAs	Mark E	01/03/24	01/05/24	90	0%													
7.9.2	Agree pay review/bonus process/dates	Mark E	01/03/24	01/05/24	90	0%													
7.9.3	Review and update business continuity plans	Mark E/Councils	17/06/24	08/07/24	21	0%													
7.9.4	Freeze vacant posts	Mark E	10/05/24	10/06/24	30	0%													
7.9.5	Transition services and staff to new SDV	Prog team	17/05/24	10/06/24	28	0%													

### Appendix 3 Risk Register

Risk Ref	Nature of Primary Risk	Risk Description	Effect (if risk occurs, issue is unresolved, assumption is incorrect)	Pre Mitigation					Post Mitigation					Risk escalation (Corporate/service/programme/withdrawn)	Risk Owner	Date Last Reviewed	
				Likelihood	Score	Impact	Score	Risk rating	Risk Mitigation or Corrective Measure	Likelihood	Score	Impact	Score				Risk rating
EKSTRANS_02	Financial	Those associated with a threat to funding/budgets/income generation	Revs/Bens system licensing issues lead to additional cost being incurred	Likely	3	Moderate	2	6	Ensure financial case incorporates contingency amount.	Unlikely	2	Minor	1	2	Programme	MS	23/8/2023
EKSTRANS_03	Financial	Those associated with a threat to funding/budgets/income generation	LATCo does not deliver growth in year 1	Unlikely	2	Moderate	2	4	Focus on developing business for alternative product & improve market research	Rare	1	Minor	1	1	Corporate	ME	23/8/2023
EKSTRANS_04	Financial	Those associated with a threat to funding/budgets/income generation	New SDV has impact on all 3 councils reserves	Unlikely	2	Significant	3	6	If year 2 financial position still impacting councils	Rare	1	Moderate	2	2	Corporate	CB	23/8/2023

									consider year 2 break clause and move to alternative outsourcing supplier								
EKSTRANS_05	Governance	Those relating to decision making	Business case approval has to be approved by council impacting delivery timeline and greater scrutiny	Unlikely	2	Moderate	2	4	Ensure decision making route has been confirmed prior to approval and agree with demservs	Rare	1	Minor	1	1	Programme	JC	23/8/2023
EKSTRANS_06	Governance	Those relating to decision making	Business case recommends a SS model, leading to staff flight	Unlikely	2	Significant	3	6	Ensure staff engagement is effective from start to end of programme	Rare	1	Moderate	2	2	Programme	JC/ME	23/8/2023
EKSTRANS_07	Governance	Those relating to decision making	New administration does not ratify a LATCo approach	Unlikely	2	Significant	3	6	Ensure LATCo business case is robust and communicate benefits	Rare	1	Moderate	2	2	Corporate	JC	23/8/2023
EKSTRANS_08	Governance	Those relating to decision making	Pension scheme requires approval by pensions	Rare	1	Severe	4	4	Ensure early engagement with KCC pensions	Rare	1	Significant	3	3	Programme	CB	23/8/2023

			committee, delaying delivery significantly and increasing costs						team to confirm process								
EKSTRANS_09	Governance	Those relating to decision making	Civica do not extend contract deadline	Unlikely	2	Severe	4	8	Ensure transition planning incorporates a fall back position/process	Unlikely	2	Significant	3	6	Programme	ME	23/8/2023
EKSTRANS_10	Human resources	Those relating to the impact on staff and resources	Lack of resource/illness leading to time impact on programme delivery - Finance/IT	likely	3	Significant	3	9	Investigate and secure temporary resources	Likely	3	Significant	3	9	Service	CB	23/8/2023
EKSTRANS_11	Human resources	Those relating to the impact on staff and resources	Lack of IT skills to develop new IT model	Unlikely	2	Severe	4	8	Temporary staff recruitment plan	Unlikely	2	Significant	3	6	Service	DE	23/8/2023
EKSTRANS_12	Human resources	Those relating to the impact on staff and resources	Lack of Internal Legal resource leads to poor governance design, impacting	Very Likely	4	Significant	3	12	Engage external legal advisors and scope work required.	Unlikely	2	Moderate	2	4	Service	HR	23/8/2023



			new SDV operations														
EKSTRANS_13	Technology	Those relating to core utilities or ability to provide effective ICT	Lack of long term investment leads to inefficiency and loss of business	Unlikely	2	Significant	3	6	Ensure business plan is robust and approved	Rare	1	Moderate	2	2	Corporate	CB/MS	23/8/2023
EKSTRANS_14	Technology	Those relating to core utilities or ability to provide effective ICT	Insufficient information governance leads to data breach and financial penalty and loss of reputation	Unlikely	2	Severe	4	8	Ensure IG policies are developed and rolled out prior to transition	Rare	1	Significant	3	3	Service	JS/ME	23/8/2023
EKSTRANS_15	Technology	Those relating to core utilities or ability to provide effective ICT	Existing payroll system capacity leads to impact on payroll processing for new SDV	Unlikely	2	Severe	4	8	Investigate alternative providers and ensure early engagement with PF	Rare	1	Moderate	2	2	Programme	PF	23/8/2023
EKSTRANS_17	Technology	Those relating to core utilities or ability to provide effective ICT	Issues with disaggregated IT impacts access to HB/CT data.	Unlikely	2	Severe	4	8	Ensure IT disaggregation plan incorporates early testing of	Rare	1	Moderate	2	2	Service	DE	23/8/2023

									HB/CT data access								
EKSTRANS_18	Strategic/reputational	Those impacting the success of the programme to meet its objectives	Non agreement of programme brief and objectives by partners	Unlikely	2	Moderate	2	4	Ensure early engagement with partners to assess scope of work	Rare	1	Minor	1	1	Programme	JC	23/8/2023
EKSTRANS_19	Strategic/reputational	Those impacting the success of the programme to meet its objectives	Change of SDV leads to impact on customers	Unlikely	2	Moderate	2	4	Consider year 2 break clause and move to alternative outsourcing supplier	Unlikely	2	Moderate	2	4	Corporate	JC/ME	23/8/2023
EKSTRANS_20	Strategic/reputational	Those impacting the success of the programme to meet its objectives	Civica relationship is impacted by delayed decision making	Unlikely	2	Moderate	2	4	ME to liaise closely with Civica via CSB and ensure business case approval to agreed timescales	Rare	1	Minor	1	1	Programme	ME/JC	23/8/2023
EKSTRANS_21	Operational	Impacts delivery of programme	Poor planning leads to transition failure and roll back required	Unlikely	2	Severe	4	8	Ensure early engagement with programme team re: programme plan and dovetail to	Rare	1	Moderate	2	2	Programme	CB	23/8/2023

									civica exit plan.								
EKSTRANS_22	Operational	Impacts delivery of programme	Key staff unavailable for transition	likely	3	Severe	4	12	Develop transition plan to ensure annual leave is not permitted during transition and avoid key dates.	Unlikely	2	Significant	3	6	Programme	JC/Leads	23/8/2023
EKSTRANS_23	Operational	Impacts delivery of programme	User acceptance testing of new processes and systems fails	Unlikely	2	Severe	4	8	Build stabilisation capacity and timescale to iron out issues	Unlikely	2	Significant	3	6	Programme	ME/DE	23/8/2023
EKSTRANS_24	Operational	Impacts delivery of programme	Drop in service levels impacts performance	Unlikely	2	Moderate	2	4	Ensure effective communications with customers and develop key messaging prior to go live	Rare	1	Moderate	2	2	Programme	ME/LW	23/8/2023
EKSTRANS_25																	

Appendix 4 - Financial analysis

<b>Average wage index (inflation)</b>		6.20%	4%	4%	4%	4	4
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		Transition	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue		Year					
Trading Growth (New Opportunities)			-5,000	-15,000	-25,000	-35,000	-50,000
Trading Growth (Training)			-10,000	-15,000	-20,000	-25,000	-30,000
Council Recharge		-8,167,430	-8,494,127	-8,849,492	-9,234,672	-9,650,859	10,099,293
Total		-8,167,430	-8,509,127	-8,879,492	-9,279,672	-9,710,859	10,179,293
<b>Staffing costs</b>	<b>Exist/ New</b>						
Salaries inc On costs	Exist	6,608,710	6,873,100	7,148,024	7,433,945	7,731,303	8,040,555
Pension Reduction	New	0	-30,000	-45,000	-60,000	-60,000	-60,000
Misc Staff costs	Exist	38,100	39,600	41,200	42,800	44,500	46,300
Corporate Services	New	100,000	104,000	108,200	112,500	117,000	121,700
NED expenses	New	4,000	4,200	4,400	4,600	4,800	5,000
<b>Support services</b>							
HR	New	20,000	20,800	21,600	22,500	23,400	24,300

H&S	New	10,000	10,400	10,800	11,200	11,600	12,100
ICT	Exist	451,600	469,700	488,500	508,000	528,300	549,400
Finance	Exist	61,900	64,400	67,000	69,700	72,500	75,400
Internal audit	Exist	29,600	30,800	32,000	33,300	34,600	36,000
External finance	New	45,000	46,800	48,700	50,600	52,600	54,700
Legal	Exist	10,000	10,400	10,800	11,200	11,600	12,100
Payroll	New	40,000	41,600	43,300	45,000	46,800	48,700
Digital services - website	New	10,000	10,400	10,800	11,200	11,600	12,100
<b>Services and supplies</b>							
365 Licences		46,250	48,100	50,000	52,000	54,100	56,300
IT software Licences(Open R)	New	177,000	184,100	191,500	199,200	207,200	215,500
IT software Licences(E-forms etc)	New	14,000	14,600	15,200	15,800	16,400	17,100
IT software 8*8	Exist	99,750	103,700	107,800	112,100	116,600	121,300
Infrastructure Costs		20,000	20,800	21,600	22,500	23,400	24,300
IT Hardware Rentals	New	55,000	57,200	59,500	61,900	64,400	67,000
Print and mail services	Exist	10,000	10,400	10,800	11,200	11,600	12,100

Accommodation	New	118,500	123,200	128,100	133,200	138,500	144,000
<b>One Off Company set up costs</b>							
Legal	New	50,000					
Payroll	New	30,000					
HR	New	15,000					
Marketing/Rebranding	New	10,000					
Governance - training	New	5,000					
Finance	New	15,000					
<b>Total Cost</b>		<b>8,094,410</b>	<b>8,248,300</b>	<b>8,559,824</b>	<b>8,884,445</b>	<b>9,237,803</b>	<b>9,605,955</b>
<b>Trading Position</b>		<b>-73,020</b>	<b>-260,827</b>	<b>-319,668</b>	<b>-395,227</b>	<b>-473,056</b>	<b>-573,338</b>

Appendix 5

Total disaggregation costs

Option B total disaggregation				
	costs	CCC	DDC	TDC
Service now	£6,428	£2,013	£1,882	£2,533
Service new	£10,027	£3,139	£2,936	£3,952
Extra LA ICT platform/agency	£370	£116	£108	£146
Year 1 agency ICT purchase	£600	£188	£176	£236
Difference	£3,969	£1,243	£1,162	£1,564
	£10,397	£3,255	£3,044	£4,098



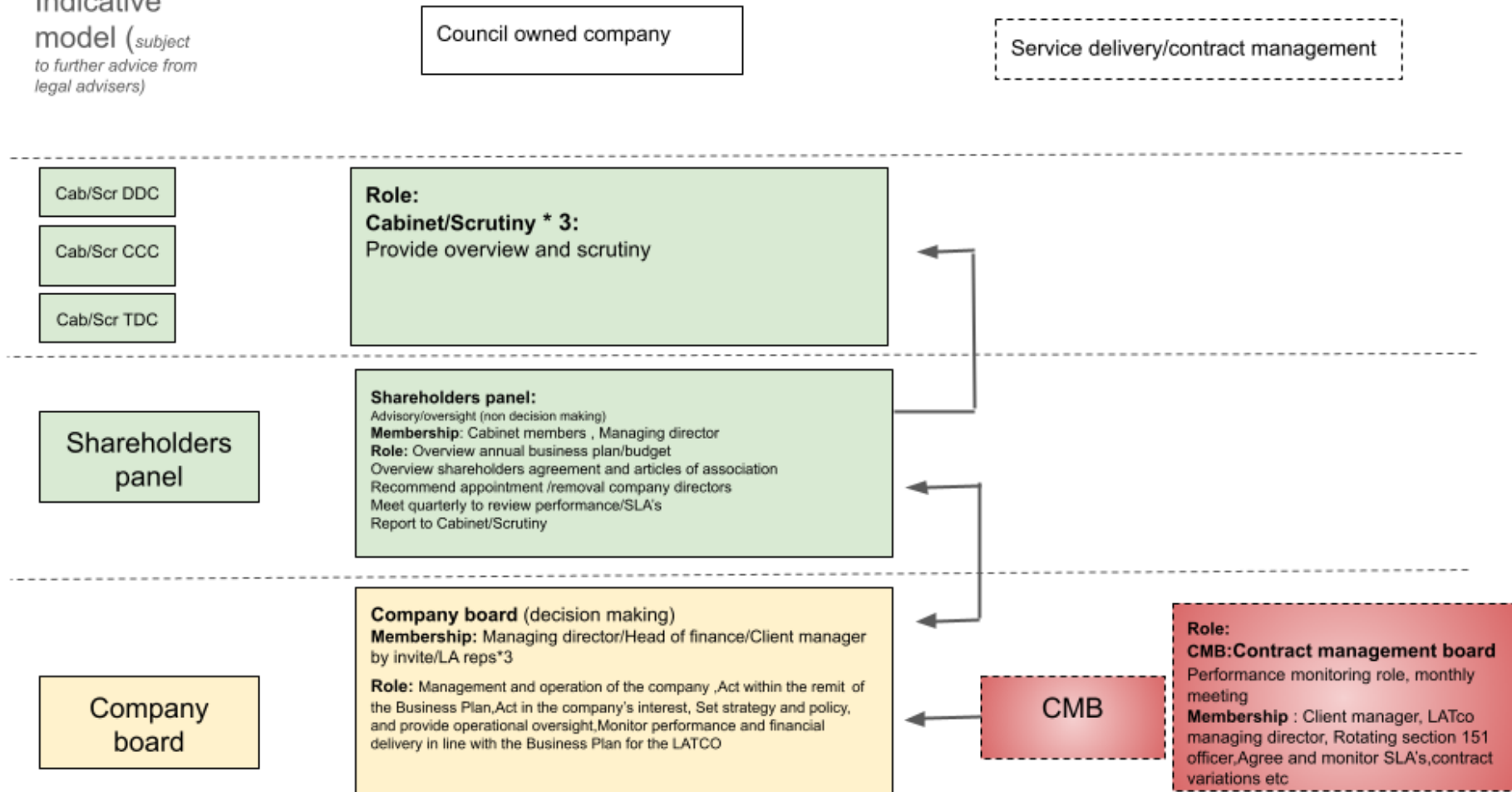
## Appendix 6

	DDC	CCC	TDC	Total
<b>INCOME</b>				
Council Tax Caseload	55,000	71,000	69,000	195,000
Council Tax £m collected annually	£87m	£112m	£100m	£299m
CT% collected in year	97% in year.	97.5%	95.5%	-
CT% collected after 4 years	99% after 4 years	99% after 4 years	99% after 6 years	-
BR caseload	4,500	6,400	5,600	16,500
BR Collected annually	£43m	£47m	£33m	£123m
BR %	98% in year. 99% after 3 years	99% in year	98% in year. 99% after 3 years	-
<u>Total of all income collected</u>	£130m	£159m	£133m	£422m
<b>Benefits</b>				
HB Caseload	4,000	4,700	6,000	14,700
HB awarded annually	£22m	£29m	£36m	£87m
CTRS Caseload	9,000	10,000	13,000	32,000
CTRS awarded	£10m	£11m	£15m	£36m
Changes reported annually	43,000	43,000	55,000	141,000

<u>Total of all benefits awarded</u>	£32m	£40m	£51m	£123m
<b>Customer Services</b>				
Customer services – calls handled	130,000	145,500	148,000	423,500
Customer services – emails handled	16,800	10,700	11,200	38,700
Customer services – reception visits.	8,500	1,400	8,000	17,900
Total Customer Service Interactions	155,300	146,900	167,200	480,100
Customer Satisfaction	98%	98%	98%	98%

Appendix 7

Indicative model *(subject to further advice from legal advisers)*





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<b>Subject:</b>	<b>STRATEGIC PERFORMANCE DASHBOARD: QUARTER THREE 2023/24</b>
<b>Meeting and Date:</b>	<b>Cabinet – 4 March 2024</b> <b>Overview and Scrutiny Committee – 11 March 2024</b>
<b>Report of:</b>	<b>Rebecca Brough, Head of Corporate Services and Democracy</b>
<b>Portfolio Holder:</b>	<b>Councillor Sue Beer, Portfolio Holder for Finance, Governance, Climate Change and Environment</b>
<b>Decision Type:</b>	<b>Non-Key Decision</b>
<b>Classification:</b>	<b>Unrestricted</b>

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<b>Purpose of the report:</b>	To provide a summary of progress, using trends, against key performance indicators for the period Quarter Three 2023/24 (October to December 2023), unless otherwise stated and shown in detail at Appendix 1.
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<b>Recommendation:</b>	To note the Council’s Strategic Performance Dashboard for the Third Quarter 2023/24.
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**1. Summary**

- 1.1 The Quarter Three 2023/24 Strategic Performance Dashboard, detailed at Appendix 1, covers the period October to December 2023. It aims to provide staff, members, and residents with an overview of how the Council, and East Kent Services, are performing against several key performance indicators (KPIs). It incorporates comments from Heads of Service on their service area’s performance and an overall summary of performance during the quarter.
- 1.2 As reported last quarter, the 12-months trial period for the Strategic Performance Dashboard, with its new presentation of performance data, has concluded. Consequently, we are reviewing our whole Performance Management Framework, to introduce new strategic and operational performance indicators. These indicators will be closely aligned to our new [Corporate Plan](#), which was approved by Full Council on 29<sup>th</sup> November 2023.
- 1.3 Should members wish to receive more detail regarding any of the KPIs, we ask they contact Leadership Support (contact details at the end of this report) in advance of the committee meeting so that the relevant Heads of Service can provide a full briefing.

**2. Introduction and Background**

- 2.1 Effective performance management supports the delivery of the Council’s aims and objectives.
- 2.2 In June 2022, Cabinet approved a new Strategic Performance Dashboard to be trialled for a 12-month period (during the financial year 2022/23). This new approach moved away from target setting (except for contractual performance) towards more trend analysis and narrative. The aim of the Strategic Performance Dashboard being

to provide clearer strategic information, better insight as to key issues and trends, and inform problem-solving discussions, where necessary.

2.3 Following the conclusion of the trial period, we are now reviewing our whole Performance Management Framework (PMF). Any changes to the PMF will be brought to Cabinet for approval. The Council's PMF sets out the overall high-level approach that we will take in managing our performance. The aim of the PMF is to provide a basis for consistency in the way that we manage performance and connect across the Council – a 'one council' approach which will encourage members, officers, and partners to work together to deliver priorities. The PMF will be closely aligned to the new Corporate Plan and Risk Management Framework. We will continue with the existing Strategic Performance Dashboard until the new Performance Management Framework has been adopted.

2.4 The Strategic Performance Dashboard includes a section to show performance within East Kent Services Partnership (EK Services) against key indicators. We monitor a more comprehensive set of indicators for EK Services, including Civica, through the monitoring structures established by the Agreements under which those services are delivered. Any areas of significant concern are capable of escalation into this quarterly monitoring report, if required.

2.5 With regards performance reported, overall, this is relatively steady. Specific areas of note are highlighted in the introduction section of the Strategic Performance Dashboard.

### **3 Identification of Options**

3.1 Not applicable.

### **4 Evaluation of Options**

4.1 Not applicable.

### **5 Resource Implications**

5.1 There are no direct financial implications arising from this report. However, if performance is not at the expected or desired level then we may need to review or redirect resources to improve performance.

### **6 Legal Implications**

6.1 There are no direct legal implications arising from this report. However, if performance is not at satisfactory levels, the risk of legal challenge arising increases.

### **7 Climate Change and Environmental Implications**

7.1 There are no direct climate change implications arising from this report. However, some individual supporting projects reflect specific elements of the Council's climate change agenda. There is also a new annual KPI to monitor the 'Reduction in Dover District Council's Greenhouse Gas Emissions.' This was last updated during Quarter Two 2023/24.

### **8 Corporate Implications**

8.1 Comment from the Section 151 Officer (linked to the MTFP): The S151 Officer has been consulted in the preparation of this report and has no further comments (HL).

8.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make

(HR).

- 8.3 Comment from the Equalities Officer:  
This report on the Strategic Performance Dashboard Quarter Three for 2023/24 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 <https://www.legislation.gov.uk/ukpga/2010/15/section/149> (KS).

**9 Appendices**

Appendix 1 – Strategic Performance Dashboard Quarter Three 2023/24

**10 Background Papers**

None.

Contact Officer: Caroline Hargreaves, Leadership Support Officer

Dover District Council

# Strategic Performance Dashboard

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QUARTER THREE 2023/24 (OCTOBER TO DECEMBER 2023)





<b>A.</b>	<b>INTRODUCTION</b> .....	<b>4</b>
<b>B.</b>	<b>FINANCIAL SUMMARY: QUARTER THREE 2023/24</b> .....	<b>6</b>
	General Fund (GF) .....	6
	Housing Revenue Account (HRA) .....	7
	Projects Programmes .....	7
	Treasury Management .....	8
<b>C.</b>	<b>OFFICE OF THE CHIEF EXECUTIVE</b> .....	<b>9</b>
1.	COMMUNITY AND DIGITAL SERVICES .....	9
	CSU001: Percentage of Anti-Social Behaviour (ASB) cases resolved within 30 days. ....	9
	CSU002: Number of cases identified.....	9
<b>D.</b>	<b>CORPORATE AND REGULATORY DIRECTORATE</b> .....	<b>10</b>
2.	DEMOCRATIC AND CORPORATE SERVICES .....	10
	GOV003: The number of second stage complaints referred to the Council’s Complaints Officer .....	10
3.	PORT HEALTH AND ENVIRONMENTAL SERVICES.....	11
	PP001: Health and Safety (District and Corporate) - Total number of interventions received.....	12
	PP002: Food - Total number of interventions received. ....	12
	PP003: Public Health - Total number of infectious disease interventions received.....	13
	PH001: Port Health - Total number of Port Health interventions received. ....	13
	ES001: Enforcement Activity .....	14
	ES002: Private Sector Housing - Grants and Loans Issued. ....	14
	ES003: Service Requests and Reactive Complaints .....	15
<b>E.</b>	<b>PLACE AND ENVIRONMENT DIRECTORATE</b> .....	<b>17</b>
4.	PLANNING AND DEVELOPMENT .....	17
	PAD001: Percentage of major planning applications determined in 13 weeks or within an agreed extension of time.....	17
	PAD002: Percentage of non-major planning applications determined in 8 weeks or within an agreed extension of time. ....	17
	PAD003: Percentage of decisions for major applications overturned by Planning Inspectorate at appeal as a percentage of decisions issued in the quarter. ....	18
	PAD004: Percentage of decisions for non-major applications overturned at appeal as a percentage of decisions issued in the quarter. ....	18
	PAD005: Percentage of appeals upheld by the Planning Inspectorate as a percentage of those submitted. ....	19
	PAD006: Number of new dwellings across the district – all developers. ....	19
	PAD007: Planning fee income. ....	20
	PAD008: Planning Enforcement Cases. ....	20
	CC001: Reduction in Dover District Council’s Greenhouse Gas Emissions - Annual KPI. ....	22

5.	PROPERTY ASSETS.....	25
	ASS001: Percentage of properties with gas appliances that have current LGSR (Landlords Gas Safety Record) .....	25
	ASS002: Percentage of properties that have current EICR (Electrical Installation Condition Report) .....	25
	ASS003: Percentage of Blocks that have current Fire Risk Assessment .....	25
	ASS007: Number of current on-going actions, flowing from Fire Risk Assessments.....	26
	ASS004: Percentage of Blocks with communal lifts that have current LOLER (Lift Operations and Lifting Equipment Regulations) .....	26
	ASS005: Percentage of Blocks with relevant installations that have legionella risk assessment.....	26
	ASS006: Percentage of communal assets that have satisfactory asbestos risk assessment.....	27
	HOM18: Average days to re-let empty properties (from tenancy termination to new tenancy start date) including time spent on major works.....	28
	HOM19: Average days to re-let empty properties (from tenancy termination to new tenancy start date) excluding time spent on major works.....	28
	HOM23: Average days to re-let properties (from tenancy termination to new tenancy start date) requiring major work.....	28
	HOM20: Number of properties becoming void in the quarter.....	29
	HOM21: Number of properties let in the quarter.....	30
	HOM22: Percentage of properties let in the quarter and requiring major work.....	30
6.	PLACE AND GROWTH.....	31
	IGT001: Average of Total Footfall in Dover, Deal and Sandwich Town Centres.....	31
	IGT002: Town Centre Empty Shops.....	32
	LS001: Number of Leisure Centre Visits (Dover District Leisure Centre and Tides and Tennis Centre).....	32
7.	MUSEUMS AND HERITAGE .....	34
	MUS002: The number of visits to the museum in person per quarter .....	34
8.	WASTE SERVICES .....	34
	WAS003: Number of collections missed per 100,000 collections of household waste.....	34
	WAS010: Residual household waste per household.....	35
	WAS011: Percentage of household waste sent for reuse, recycling, or composting.....	35
	WAS012: Environmental cleanliness: Percentage of streets containing litter.....	36
	WAS013: Environmental cleanliness: Percentage of streets containing detritus.....	36
<b>F.</b>	<b>FINANCE AND HOUSING DIRECTORATE .....</b>	<b>38</b>
9.	HOUSING .....	38
	INV001: Homes Added to Dover District Council Housing Stock.....	38
	HOM012: Number of homeless households approaching the Council in the quarter and the number of homeless applications made.....	40
	HOM013: Number of open homeless cases being managed at the end of the quarter.....	41
	HOM014: Number of cases where homelessness has been prevented in the quarter.....	41

HOM015: Number of homeless households in all types of temporary accommodation at the end of the quarter .....	41
HOM016: Number of households with children or 16-to-17-years-old in Bed and Breakfast at the end of the quarter .....	42
HOM017: Number of homeless families living outside of the area at the end of the quarter. ....	42
HOM001: Total current tenant arrears as a percentage of annual rental income.....	43
HOM002: Total current tenant arrears (including court costs).....	43
HOM010: Total former tenant arrears (including court costs) .....	44
HOM011: The amount of former tenant arrears (including court costs) written off.....	44
HOM006: Total number of Universal Credit Cases - all tenants.....	44
HOM024: Number of Housing Anti-Social Behaviour (ASB) Cases Investigated .....	45
10. EKS - CIVICA .....	47
KPI001: Benefit Claims - Speed of Processing .....	47
KPI003: Council Tax In-House Collection.....	47
KPI004: Business Rates In-House Collection .....	48
KPI006: Average call waiting time in seconds. ....	49
KPI007: Council Tax Reduction Scheme Caseload.....	49
KPI009: Growth in Business Rates base (number of registered businesses).....	50
KPI011: Growth in Council Tax Base (New Homes).....	50
<b>G. CORPORATE RISKS.....</b>	<b>51</b>

## A. INTRODUCTION

- Effective performance management supports the delivery of the Council’s aims and objectives set out in our [Corporate Plan](#).<sup>1</sup> Following the local elections in May 2023, we have developed a new Corporate Plan to reflect the priorities of the new administration. This was approved by Full Council on 29 November 2023.
- Dover District Council collects data on a wide range of performance to provide a high-level overview of the Council’s overall performance. The Key Performance Indicators (KPIs) reported within this Strategic Performance Dashboard provide key insights into effective service delivery across the Council’s functions and provide a focus for strategic and operational improvement and decision-making.
- Through service plans the Council carries out wider work to measure performance and quality. This report is intended to provide an overview of the contribution that the Council makes across all its activities towards achieving our vision of “building a better and fairer future”.

### Summary / Headline Achievements or Concerns

- As noted in the accompanying Cabinet report, the 12-months trial period for the Strategic Performance Dashboard, with its new presentation of performance data, has concluded. Consequently, we are reviewing our whole Performance Management Framework, to introduce new strategic and operational performance indicators. These will be closely aligned to our new Corporate Plan and Risk Management Framework.
- We will continue with the existing Strategic Performance Dashboard until the new Performance Management Framework have been adopted. Corporate Project Progress Updates for significant projects are included in our Quarter Two and Four reports.
- The Strategic Performance Dashboard includes residual high risks from the Corporate Risk Register. These are risks that have been identified as high likelihood and high impact, and the risk remains high despite mitigation actions. Providing this information means members can be clear on the actions we are taking to reduce those risks, wherever possible.
- With regards performance reported, overall, this is relatively steady, with specific areas of note below:
  - There has been an increase in the number of Stage Two complaints over the quarter, from 16 in Quarter Two to 23 in Quarter Three (+43.8%). Housing and Planning continue to be responsible for most Stage Two complaints as seen in previous quarters. However, it should be noted that in all cases the number of Stage Two complaints remains very low when considered against the overall service activity levels.
  - The average days to relet empty properties are once again elevated because of the high volume of voids requiring substantial major works before they are suitable for reletting. Several long-term voids were also completed during the quarter, and this is reflected in the length of time taken to complete properties with major works. The figures have also been affected by delays with allocations:
    - The average days to re-let empty properties including time spent on major works increased over the quarter from 82.69 days in Quarter Two to 103.95 days in Quarter Three.
    - The average days to re-let empty properties excluding time spent on major works increased over the quarter from 51.41 days in Quarter Two to 56.04 days in Quarter Three.
  - We have added six homes to DDC housing stock this quarter. Five of these we have purchased through the Local Authority Housing Fund (LAHF) scheme for refugee accommodation, and one temporary accommodation. This takes the total added to our housing stock, since 2020/21, to 160 homes.
  - The number of homeless and potentially homeless households has reduced, which reflects the shorter quarter because of the Christmas period. During Quarter Three 2023/24, 102 homeless applications were received, down from 151 during Quarter Two (-32.5%). However, the number of households in temporary accommodation (TA) has increased, from 268 in Quarter Two to 289 in Quarter Three (+7.8%). This reflects the challenges we have in moving households out of TA into either private or social housing. It is

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<sup>1</sup> [dover.gov.uk/Corporate-Information/Corporate-Plan/Corporate-Plan.aspx](https://dover.gov.uk/Corporate-Information/Corporate-Plan/Corporate-Plan.aspx)

encouraging to note that the number of cases where homelessness has been prevented this quarter has increased, from 28 in Quarter Two to 53 in Quarter Three (+89.3%). This is due to having a new Homelessness Prevention Officer in post since October 2023.

- IT issues have hindered the ability of the income collection team (housing management) to work rent accounts effectively and the total current tenant arrears plus court costs reported, and all the accompanying data for this period, is unfortunately incorrect.
  - Following a challenging Quarter Two with a high volume of Housing Anti-Social Behaviour cases opened (61), there has been a significant decrease in cases being opened (31) this quarter (-49.2%).
  - The headline Council Tax collection rate is 0.4% below profile. Civica has found it challenging to profile the collection rate on a month-by-month basis due to having no direct comparisons with 2022/on which to base their assumptions. The introduction of annual billing in 2023 has also changed the payment instalment profiles with an additional 1,997 accounts now being paid in twelve-monthly instalments rather than ten, reducing the monthly income in estimated payments. Based on an average Band C for 2023, this equates to approximately a £189,515 shortfall in payments by December 2023, as they are spread throughout 2023. With those payments included, collection would have been 82.17%, so 0.18% below target.
  - Business rates collection is down by 2.65% or approximately £1.3m on monthly profiling. Payments of £220k are still waiting to be allocated to accounts for schools in the district and the remainder is tied up with accounts where recovery is being held pending outstanding queries, at a major site in the district.
- In July 2023, the Department for Levelling Up, Housing and Communities established the Office for Local Government (Oflog), a new performance body for local government. Oflog aims to provide authoritative and accessible data and analysis about the performance of local government and support its improvement. In the same month, Oflog launched the [Local Authority Data Explorer - DLUHC Data Dashboards](#).<sup>2</sup> This is a new online tool which brings together a selection of existing metrics across a subset of service areas for data that is available at different levels of local authority. Further service areas will be added, and existing areas expanded, as the metrics are developed. There are currently six areas: waste management, planning, adult social care, roads, adult skills, and corporate and finance.

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<sup>2</sup> [oflog.data.gov.uk/home](https://oflog.data.gov.uk/home)

## B. FINANCIAL SUMMARY: QUARTER THREE 2023/24

### General Fund (GF)

At the end of quarter three the following variances have been identified:

Description	Previous Reports £000	Quarter 3 £000	Total £000
<b>Original Budgeted Deficit</b>			<b>1,129</b>
Parking admin computer software maintenance reduction	(48)		(48)
Port Health DDC certificate income increase	(170)	(145)	(315)
Reduction in community housing fund activity	(22)		(22)
Business rates charges for vacant Whitfield Court business park unit	55		55
Increased premises insurance for Dover leisure centre	49		49
Increased inflation on waste contract of 9.92% (budgeted 8.5%) & savings not achieved	105	375	480
Changes in bin purchase charging	(120)		(120)
Forecast reduction in planning application income	170		170
Emergency Accommodation increased spend		740	740
Additional grant for homelessness		(223)	(223)
Increase in Housing Benefit non-subsidy costs		60	60
Accommodation recharge to Port Health service	(58)		(58)
Private Sector Housing increased income & service savings	(19)		(19)
Savings in Public Conveniences contract cost	(18)		(18)
Increase in cemeteries income	(13)		(13)
Increased green waste income, part offset by contribution to Kent Resource Partnership	(42)		(42)
Savings from computer software		(60)	(60)
Reduction in Land Charges income	17		17
Kearsney Café saving (£62k) not achieved / forecast deficit (£50k)		112	112
Staff vacancy / salary savings	(391)	(532)	(923)
Other Miscellaneous variances	(17)		(17)
<b>Total identified variances</b>	<b>(522)</b>	<b>327</b>	<b>(195)</b>
<b>Revised Forecast Deficit</b>			<b>934</b>

There remains a number of significant uncertainties that may continue to impact the outturn position. These include the economic environment, inflation and interest rate pressures, business rates collection rates and potential appeals, Council Tax collection rates, homelessness levels, supported housing costs, and the future of the Port Health service.

At present the changes identified in quarter three result in a forecast deficit of £934k, which will be funded from the Smoothing Reserve in year.

### Housing Revenue Account (HRA)

At the end of quarter three the following variances have been identified:

Description	Previous Reports £000	Quarter 3 £000	Total £000
<b>Original Budgeted Deficit</b>			<b>2,305</b>
Tenant and Leasehold service charges – increase in costs from 2022/23 resulting in higher service charge income in 2023/24.	(160)		(160)
Repairs and Maintenance – increased spend on response repairs and voids contracts due to higher numbers and more complex work on voids and on-going pressures with the restorative works programme.	1,314	359	1,673
Saving in staffing costs	(170)	(390)	(560)
Miscellaneous Variances	9	(29)	(20)
<b>Total identified variances</b>	<b>993</b>	<b>(60)</b>	<b>933</b>
<b>Revised Forecast Deficit</b>			<b>3,238</b>

The costs of the additional works for 2023/24 and three further years can currently be financed from the Housing Initiatives Reserve. The position is being monitored on a regular basis and reported accordingly. The HRA budget will need to be balanced by 2025/26 to support its long-term viability.

A working group has been established which is looking into the long-term business plan for the HRA. It will assess if the underlying long term HRA position is viable, taking into account the short-term backlog of works (currently running at £3m pa), the on-going impact of the economic environment and the retendering of the term maintenance contract.

### Projects Programmes

Within the project programmes, all projects approved to proceed are fully financed. The main changes in the project programmes are shown below:

Capital Projects	Current year £000	Total Cost of Programme £000
<b>Opening position as at 30/09/23</b>	<b>73,166</b>	<b>129,921</b>
Timing changes to reflect the 2023/24 expected outturn.	(14,176)	-

Additional funding added to the programme for existing projects including £1,368k for Disabled Facilities Grants – KCC BCF Grant Received.	1,368	1,368
Reductions made to the programme for Disabled Facilities Grant funding moved to WIP.	(1,240)	(1,240)
Other Changes including £165K HRA Capital projects added to create a consolidated Capital Programme and £149k for Self-Build plot funding moved from Special Revenue to Capital projects.	314	739
Funding for new projects added for Deal Beach Management Study – Environment Agency Grant	35	80
<b>Position as at 31/12/23</b>	<b>59,467</b>	<b>130,868</b>

<b>Special Revenue Projects</b>	<b>Total Cost of Programme £000</b>
<b>Opening position as at 30/09/23</b>	<b>18,445</b>
New funding added to the programme including £105k Sheridan Road refurbishment works; £70k High risk tree works at Crabble Athletic ground; £80k Project Feasibility Costs for Bench Side and £80k Project Feasibility Costs for Camden Crescent.	335
Reductions made to the programme including £160k feasibility costs towards Bench Side and Camden Crescent; £80k Corporate Assets Repairs and maintenance for Sheridan Road Refurbishment works; £70k contingency reduction due to urgent tree works at Crabble; £54k Moved to capital project program for Self-Build plots; £7k removed due to One Public Estate underspend.	(372)
Other – Capital provision increase for Self-Build plots.	120
<b>Position as at 31/12/23</b>	<b>18,528</b>

### Treasury Management

At present it is projected that investment returns for the year will exceed the budgeted level of £1.9m by approximately £0.5m due to increased interest rates and improved returns. However, a reduction in cashflow levels has resulted in an increased level of short-term borrowing for cashflow management purposes. Alongside this the increases in interest rates have increased the forecast cost of short-term borrowing from £450k to £950k in year. Overall, the treasury management position is forecast to be approximately in line with the overall budget for the year.



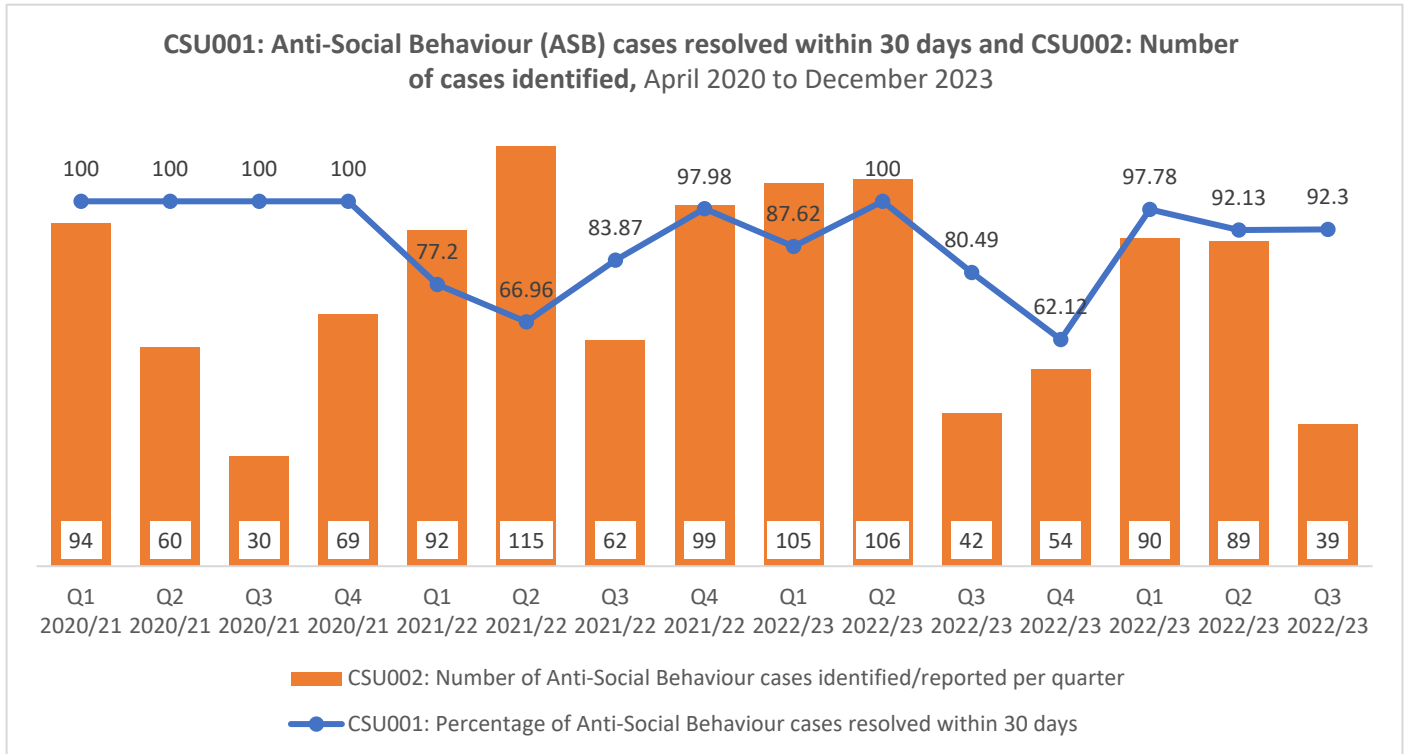
## C. OFFICE OF THE CHIEF EXECUTIVE

### 1. COMMUNITY AND DIGITAL SERVICES

**CSU001: Percentage of Anti-Social Behaviour (ASB) cases resolved within 30 days.**

**CSU002: Number of cases identified.**

CSU001: A high value is good; CSU002 A low value is good.



#### Head of Service Commentary – Quarter Three 2023/24

- There was a significant reduction in the number of anti-social behaviour (ASB) cases reported this quarter, with 39 cases compared with 89 cases in Quarter Two (-56.2%).<sup>3</sup>
- The team resolved just over 92% of ASB cases over the quarter within 30 days. However, as outlined in previous performance reports, ASB cases can vary significantly in complexity, and it is not always possible to resolve some ASB challenges within 30 days; therefore, performance fluctuates depending on the types of cases reported.
- We took the out-of-hours service in-house from 12 July 2023, with call handling provided by our CCTV unit. During Quarter Three, the team responded to 362 calls, covering a range of issues from homelessness to noise.
- Our CCTV unit operates to reduce both the real and perceived level of crime. During Quarter Three, the team recorded 1,025 incidents. The Police attended 488 incidents and 87 arrests were made. The top three incident types were nuisance youths (96), shoplifting (75), and drugs (66). Please see our [Annual CCTV Report 2023](#)<sup>4</sup> for further details about the service.
- Other highlights this quarter include our Community Safety team receiving a ‘Substantial/Reasonable Assurance’ rating in a recent EK Audit that took place in the autumn.<sup>5</sup>

<sup>3</sup> Please note: The Number of Housing Anti-Social Behaviour (ASB) Cases Investigated by our Housing Management team is recorded separately – see HOM024 in the Housing Section.

<sup>4</sup> [dover.gov.uk/Community/Emergency-Planning-CCTV/CCTV/CCTV-Annual-Report-2023-ONLINE.pdf](https://dover.gov.uk/Community/Emergency-Planning-CCTV/CCTV/CCTV-Annual-Report-2023-ONLINE.pdf)

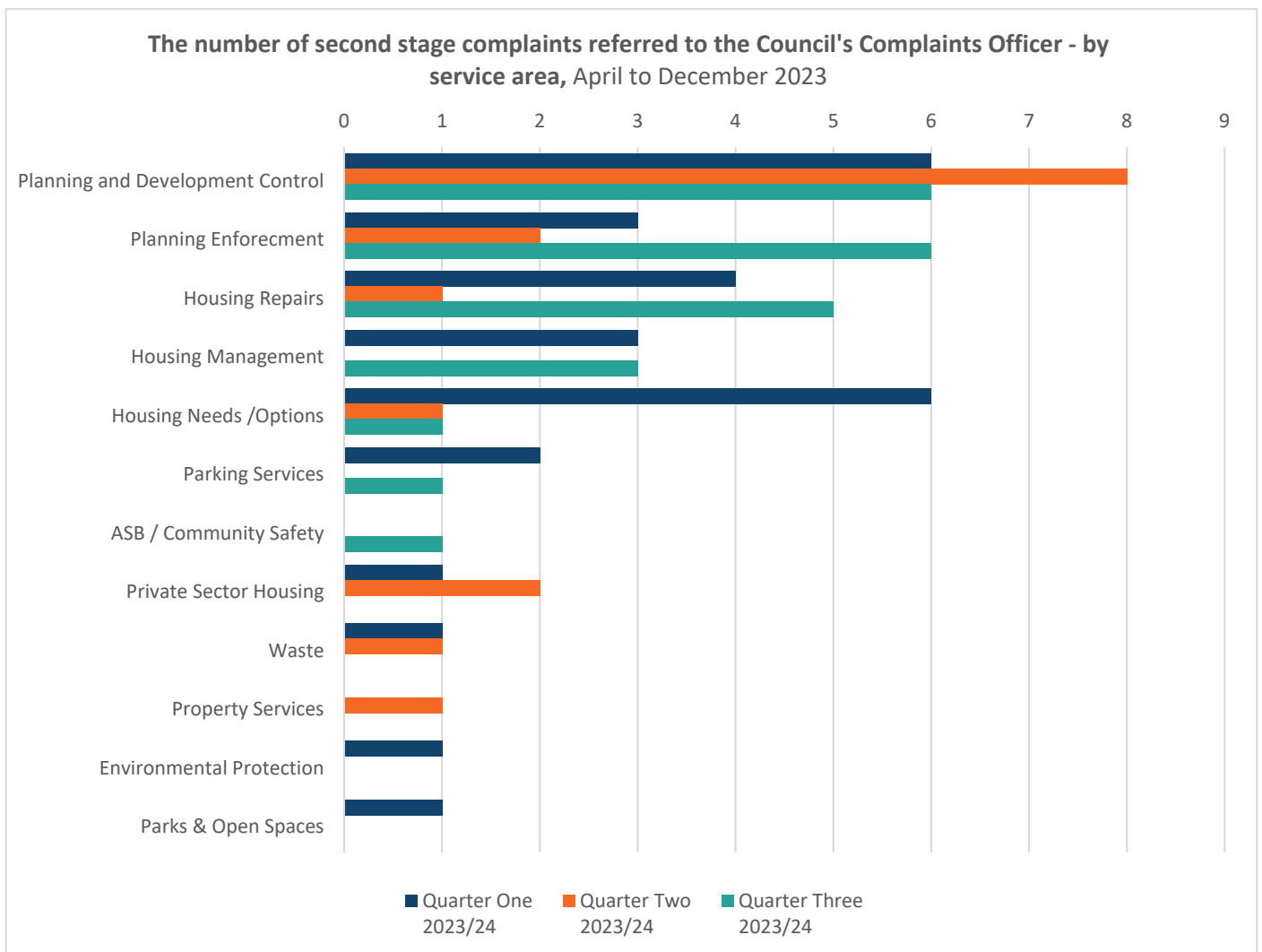
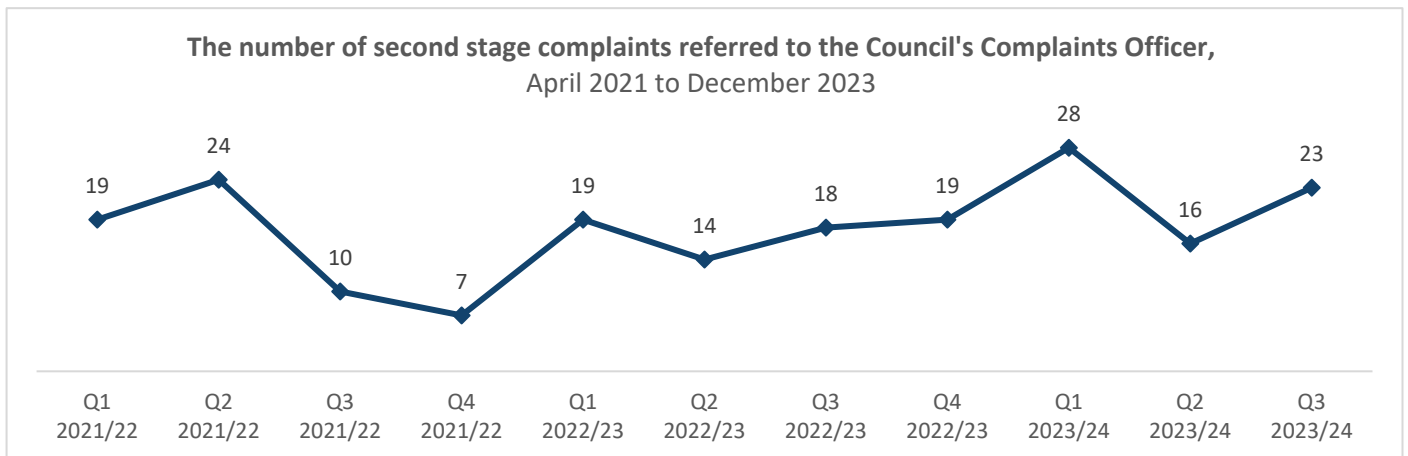
<sup>5</sup> See [Governance Committee papers for 7<sup>th</sup> December 2023](#) for further information.

## D. CORPORATE AND REGULATORY DIRECTORATE

### 2. DEMOCRATIC AND CORPORATE SERVICES

#### GOV003: The number of second stage complaints referred to the Council's Complaints Officer

A low value is good.



## Head of Service Commentary – Quarter Three 2023/24

- This quarter has seen an increase in the number of Stage Two complaints, from 16 in Quarter Two to 23 in Quarter Three 2023/24 (+43.8%).
- The 23 Stage Two complaints received in Quarter Three relate to four areas of the Council:
  - Housing (Housing Management, Repairs and Needs) with a total of nine Stage Two complaints.
  - Planning and Planning Enforcement with a total of twelve Stage Two complaints.
  - ASB/Community Safety with one Stage Two Complaint.
  - Parking Services with one Stage Two complaint.
- Housing and Planning continue to be responsible for most Stage Two complaints as seen in previous quarters, but it should be noted that in all cases the number of Stage Two complaints remains very low when considered against the overall service activity levels.
- In respect of Housing, when compared year-on-year there are signs to suggest that the overall number of Stage Two complaints for Housing Management and Repairs are stabilising and that at year-end the number of complaints will be comparable in 2023/24 to 2022/23.
- Most Planning complaints continue to relate to merits of decision complaints. Corporate Services will be taking steps at the start of the complaints process to emphasise that a complaint cannot overturn a planning decision and highlight alternative routes through which planning decisions should be challenged. In respect of Planning Enforcement, several of the complaints for Quarter Three were ones relating to the same development, which accounts for the increase compared to previous quarters.

### **LGSCO - See how we are performing against other councils:**

- The Local Government and Social Care Ombudsman (LGSCO) has been publishing complaints data for nearly a decade, and giving insights to help scrutinise how local council services are performing.
- To find out how Dover District Council is performing, please see the LGSCOs Your Council' Performance Map, which has five years of continuous data posted: [Dover District Council - Local Government and Social Care Ombudsman](#).<sup>6</sup> The annual statistics covering complaints upheld, compliance with Ombudsman recommendations, and satisfactory remedies provided by the council.

### **3. PORT HEALTH AND ENVIRONMENTAL SERVICES**

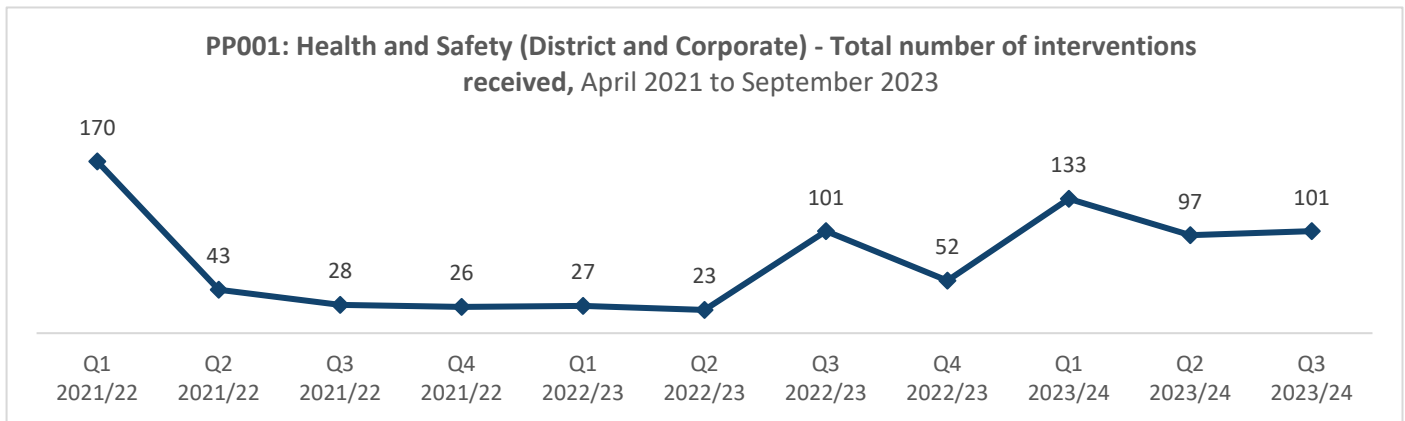
- In April 2023, Port Health and Public Protection merged with the Regulatory Services to form Port Health and Environmental Services. Licensing, which used to sit within Regulatory Services, is now part of Legal Services. Responsibility for Corporate Health and Safety transferred to Human Resources (District Health and Safety remains with Port Health and Environmental Services).
- Port Health and Environmental Services covers a wide range of activities, including port health, food safety, public health, private sector housing, environmental crime, and environmental protection.

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<sup>6</sup> [lgo.org.uk/your-councils-performance/dover-district-council/statistics](https://lgo.org.uk/your-councils-performance/dover-district-council/statistics)

**PP001: Health and Safety (District and Corporate) - Total number of interventions received.**

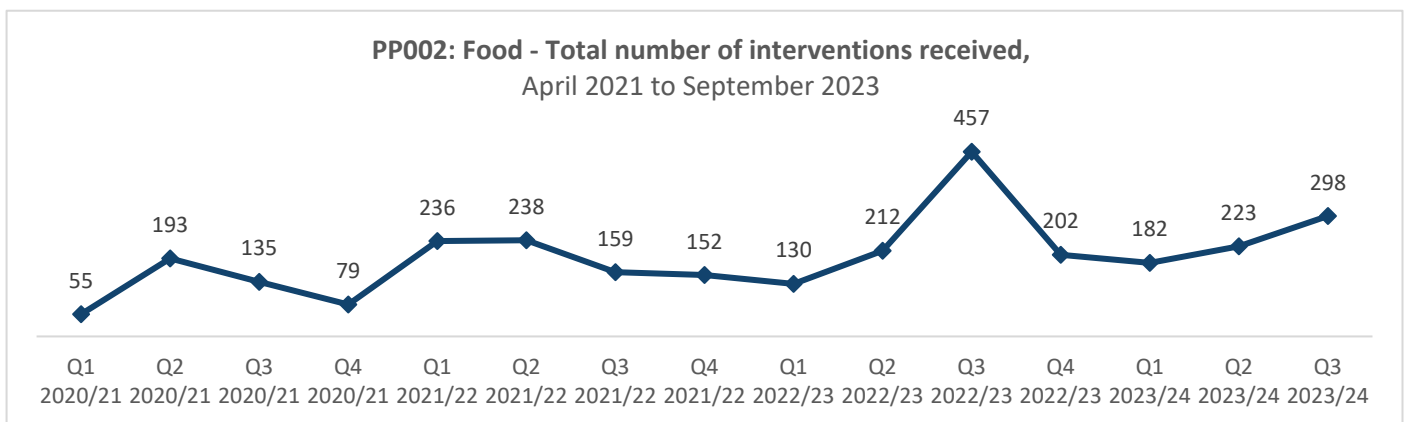
Interventions includes accidents, complaints and visit activities.



- The Public Protection Team covers external workplace health and safety. This work includes reviewing events being held in the district and providing health and safety advice when necessary. It also involves investigating a variety of accidents and complaints, including the conclusion of a fatal accident investigation, in preparation for an inquest held in early October 2023. Corporate Health and Safety Service now sits within our Human Resources (HR) team. To maintain consistency of trend data, we have added the number of interventions completed by HR during the quarter (13) to the figures in the chart. Overall, there has been no change in the number of interventions this quarter compared with the same quarter last year (101).

**PP002: Food - Total number of interventions received.**

Interventions relate to our Food Safety work and includes food inspections, complaints and visit activities.

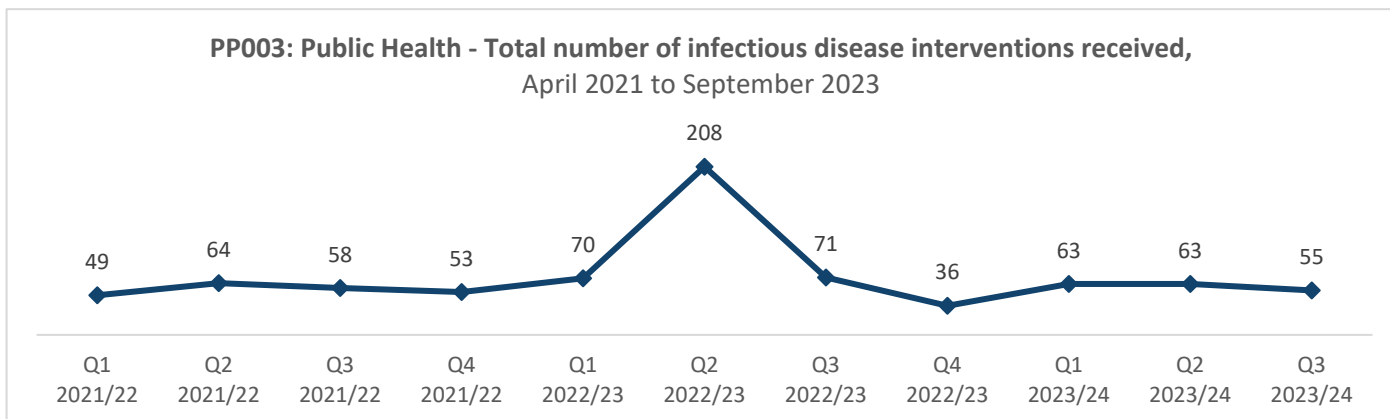


- The Public Protection Team continues to take action to help improve food hygiene standards at non-compliant premises across the district. There has been an increase in the number of interventions over the quarter (from 223 in Quarter Two to 298 in Quarter Three). The trend is down when compared with the same quarter last year, but the number in Quarter Three 2022/23 was exceptionally high and related to an increase in surveillance calls to enable the service to assess, plan and prioritise inspections required in the new financial year, as required by the FSA COVID recovery plan.
- We took 80 samples in Quarter Three, which contributes to the increase in food interventions seen.
- Advisory visits, including environmental swab sampling were taken at approved premises. This followed a food inspection identifying a manufacturer making ambient, long-life products without a robust food safety management system, thereby presenting a serious risk of food poisoning. The team worked with the Food Standards Agency (FSA) to obtain a voluntary surrender of products and undertake a product recall.

- The team have also taken part in an FSA Imported Food Sampling Programme. This looks at supporting data on which decisions around imported food are based. The sampling undertaken has so far highlighted two products with unsatisfactory levels of aflatoxins. This a carcinogenic toxin produced by certain moulds. One product was more than four times the legal limit. This resulted in further voluntary surrenders of products. We have also liaised other local authorities and agencies to ensure other such products were removed from sale.

**PP003: Public Health - Total number of infectious disease interventions received.**

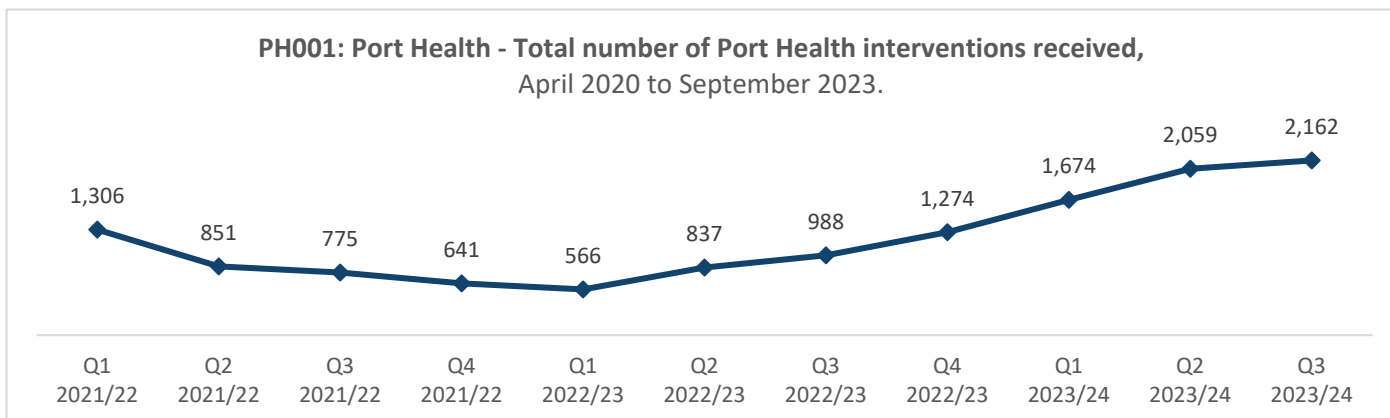
Interventions relate to our Infectious Disease work and includes salmonella, legionella, and Norovirus activities.



- We investigate notifications of infectious diseases, particularly food poisoning and certain other food borne illnesses which are notifiable. These notifications come to us via GPs, the public, businesses, and other Local Authorities. The purpose of this investigation is to try to prevent the spread of illness within the community and to try and establish possible causes. Advice is also given to the patient on how to prevent the spread of disease within the home. It is good to note that the number of interventions is down this quarter (from 63 in Quarter Two to 55 in Quarter Three).

**PH001: Port Health - Total number of Port Health interventions received.**

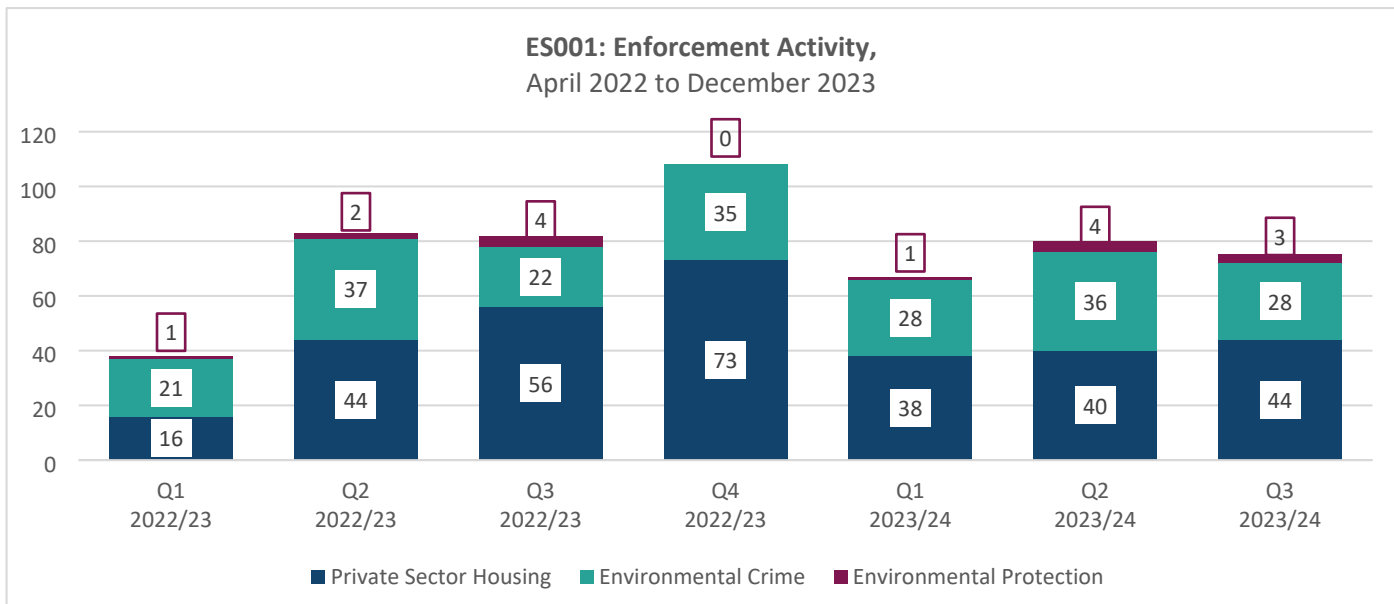
Interventions includes imported food controls, sampling, verification of imported food data and ship inspection activities.



- We continue to see an increase in our Port Health work (2,162 interventions this quarter, compared with 988 for the same quarter last year). This rise is the result of an increase in activities through our work under the African Swine Fever (Import Controls) Orders at Dover Port. These controls were brought in to protect Britain’s pig sector against African Swine Fever. Since 1<sup>st</sup> September 2022 we have detained over 64 tonnes of illegal imports. The vast majority of this was pork. In the Christmas week alone 5.5 tonnes were seized. The total for Quarter Three was over 26.5 tonnes.

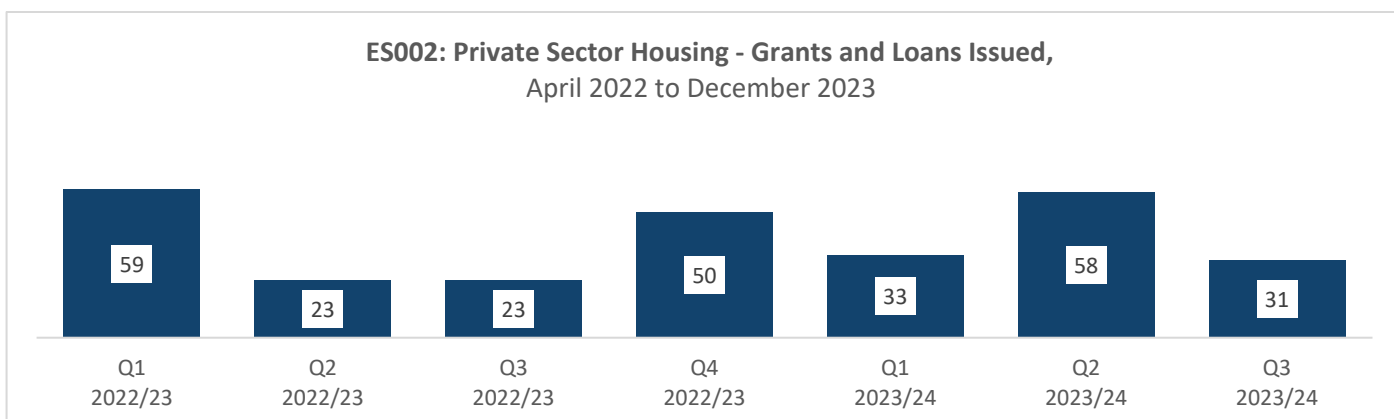
- Port Health staff also continue with office work relating to certification on areas such as:
  - Illegal Unregulated & Unreported fishing.
  - High Risk Food Not of Animal Origin e.g. pistachios from Iran and Turkey.
  - Organic products.
  - Plastic Kitchenware.
  - This includes receiving new customers with our ongoing Import Notification work.

### ES001: Enforcement Activity



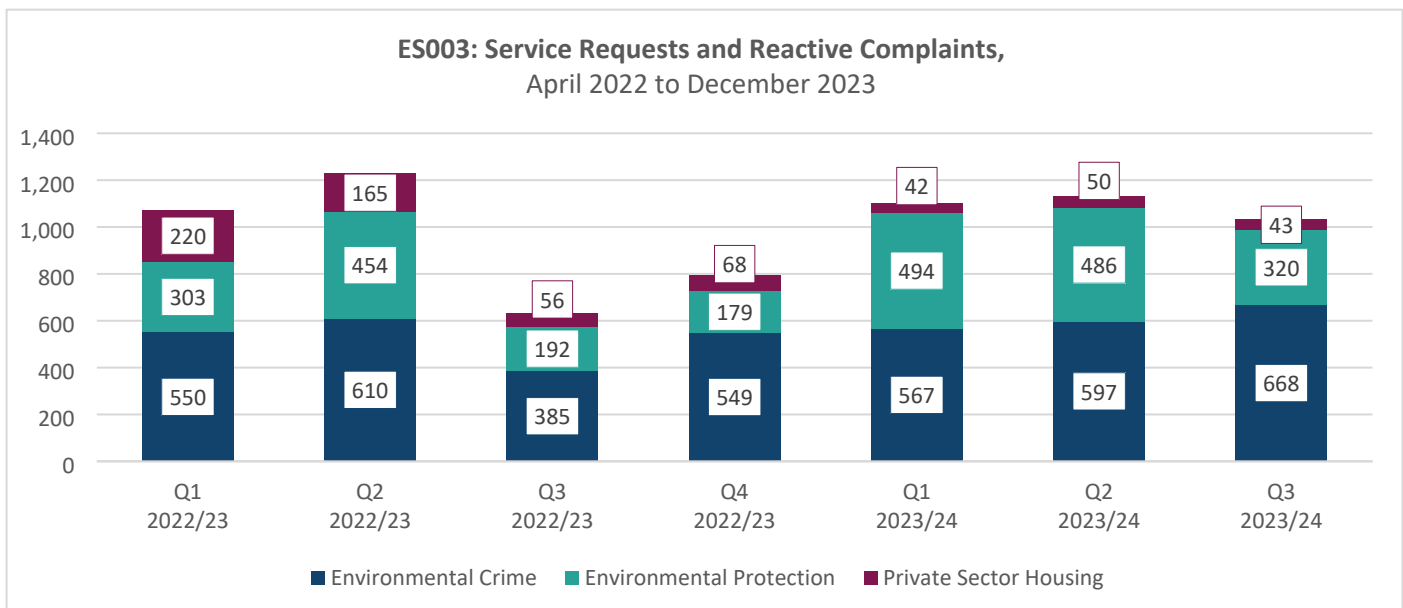
- Private Sector Housing: The team served 44 Housing Act Notices this quarter.
- Environmental Crime: Of the 28 enforcement activities undertaken this quarter, eleven relate to dog control fixed penalty notices (exclusion, fouling, leads), five litter from vehicles civil penalties, and five dog chipping notices.
- Environmental Protection: The team served two Other Statutory Notices and one Prevention of Damage by Pests Act Notice this quarter.

### ES002: Private Sector Housing - Grants and Loans Issued.



- The team processed 31 applications this quarter, down from 58 in Quarter Two.

## ES003: Service Requests and Reactive Complaints



- Our Private Sector Housing, Environmental Protection and Environmental Crime Teams continue to take action to help improve the appearance of the district and housing standards and investigate statutory nuisance.
  - The Environmental Crime Team deals with a variety of issues, including fly-tipping, commercial waste, waste accumulations, litter, dog fouling, dog control, stray dog service and unlicensed waste collectors. The team responded to 668 requests/complaints this quarter, up +11.9% from Quarter Two. The majority of these were reports of fly-tipping (415), followed by other dog control (e.g. dangerous, miscellaneous etc - 70), other complaints (45), stray/lost dogs (43), and dog fouling (33).
  - The Environmental Protection Team deals with various issues, including statutory nuisances (noise, dust, odour, light, premises nuisance, and smoke) and Public Health Act funerals. The majority of the 320 requests/complaints the team responded to this quarter were for noise (110), followed by licensing (43), planning (33), animal nuisance (29), and accumulation complaints – including asbestos and untidy site (28).
  - The Private Sector Housing Team deals with a range of issues, including Houses of Multiple Occupancy, caravan sites, and complaints about private housing. The team responded to 43 requests/complaints this quarter.

### Head of Service Commentary – Quarter Three 2023/24

- Commentary regarding individual performance indicators is now included under each of the charts for ease of reference. Additional items of note include:
- Private Sector Housing:
  - The demand for service remains high, possibly due the continued media coverage of housing related topics. If the trend continues, we are likely to double the pre-COVID average of requests for service. Year-to-date (April to December 2023) we have received 136 complaints, which is up on the long-term average of approximately 120 per year total.
  - We have investigated several complaints of damp and mould, as a result of ongoing media and public interest given the sad death of a child in a mould infested property in Rochdale.
  - We are on track to spend all the Disabled Facilities Grant government allocation for 2023/24 of £1,473,352.
  - All Houses in Multiple Occupation (HMO) licences are up-to-date and have had interim inspections.
- Environmental Protection and Environmental Crime - Successful Prosecution:
  - An individual picked up a bill of £1,850 for fly-tipping rubbish in Deal. This was a long-standing case where sentencing was heard at Sevenoaks Magistrates' Court on 22nd December 2023. The offender initially

pleaded not guilty and then did not turn up for the trial. As a result, they were convicted in their absence and the case passed for sentencing. The costs were made up of a £720 fine for fly-tipping, £1,000 costs, a £72 Victim Surcharge, and £58 clean-up costs.

- Public Spaces Protection Order (PSPO) Variation Consultation:
  - We undertook a public consultation regarding proposals to amend the current PSPO ran from 12th September to 23rd October 2023. Response received were overall in favour of the proposals. The report was approved by Cabinet on 15th January 2024 and the varied order is now in force.
- Tackling Household Waste Left Next to Litter Bins:
  - Residents of Deal have raised concerns regarding bags of household waste left next to litter bins. It is thought this is linked to the amount of Airbnb's in the area. We have worked with the Deal Action on Litter Group to raise awareness through stickers on seven bins in the affected areas – four in Deal, one in Walmer, and two in Sholden. We also intend to:
    - Initiate communications with accommodation providers (owners and cleaning companies).
    - Liaise with business owners on provision of bins for fast food and drink containers.
    - Look into grants to help create a campaign.
    - A further meeting will take place with the group on 25th January 2024.
- Litter Lotto Award:
  - DDC was awarded an early adopter award following the roll out of the scheme as part of our 2023 Great British Spring Clean Campaign. Litter Lotto involved people downloading an app and, every time they put litter in a bin, entering draws for a national £1,000 weekly jackpot along with a £100 Dover jackpot.
- XL Bully Training Event:
  - DDC hosted a training event at our Whitfield offices run by Kent Police's Dog Legislation Officers. This gave an overview of dangerous dogs' legislation including the new controls on XL Bullies. The event was attended by Dog Wardens from councils across Kent, Councillors, Licensing Officers, Corporate Health & Safety, and kennel owners.
- Lydden Hill Race Circuit – Formation of Consultative Committee:
  - Planning conditions, on the most recent permission granted for the site, included setting up a consultative committee on events taking place and future controls. The committee is made up of residents and affiliated groups, Parish & District councillors, DDC Environmental Protection Officers, Planning Officers, circuit owners and their representatives. It is hoped this will improve relations and address any problems with an ongoing dialogue. The first meeting is due to take place on 30th January 2024

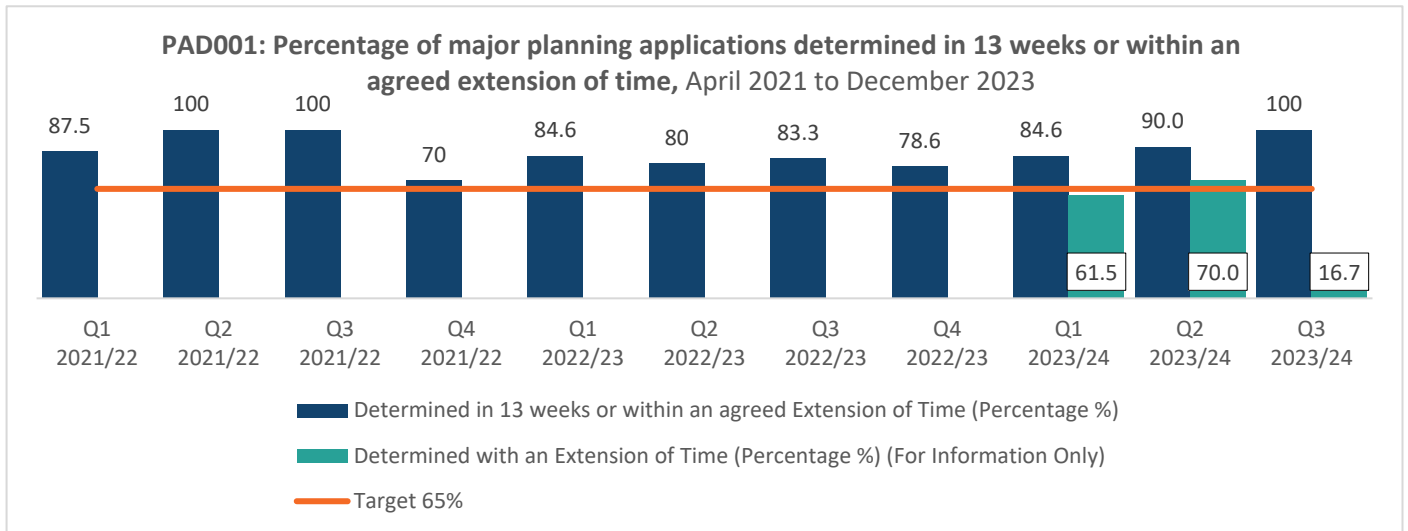


## E. PLACE AND ENVIRONMENT DIRECTORATE

### 4. PLANNING AND DEVELOPMENT

**PAD001: Percentage of major planning applications determined in 13 weeks or within an agreed extension of time.**

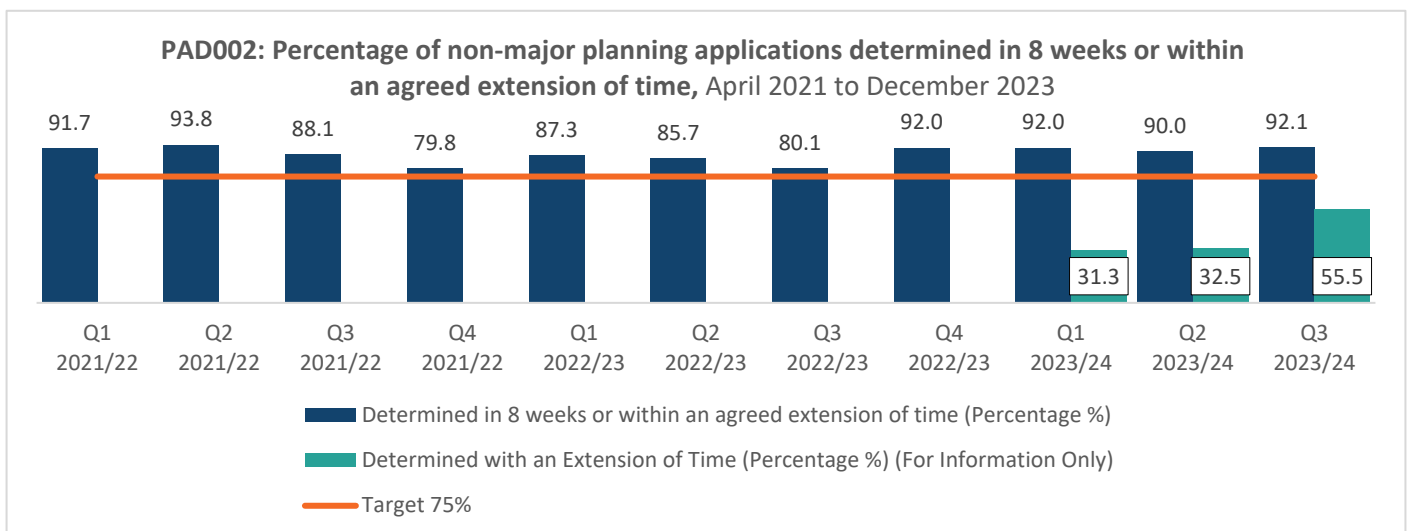
Statutory Indicator. A high value is good.



- We issued six major planning application decisions during Quarter Three 2023/24. All these applications were determined within the determination period (13 weeks or within an agreed Extension of Time), which is well above the target of 65%.
- Only one of these applications (16.7%) was determined with an Extension of Time.

**PAD002: Percentage of non-major planning applications determined in 8 weeks or within an agreed extension of time.**

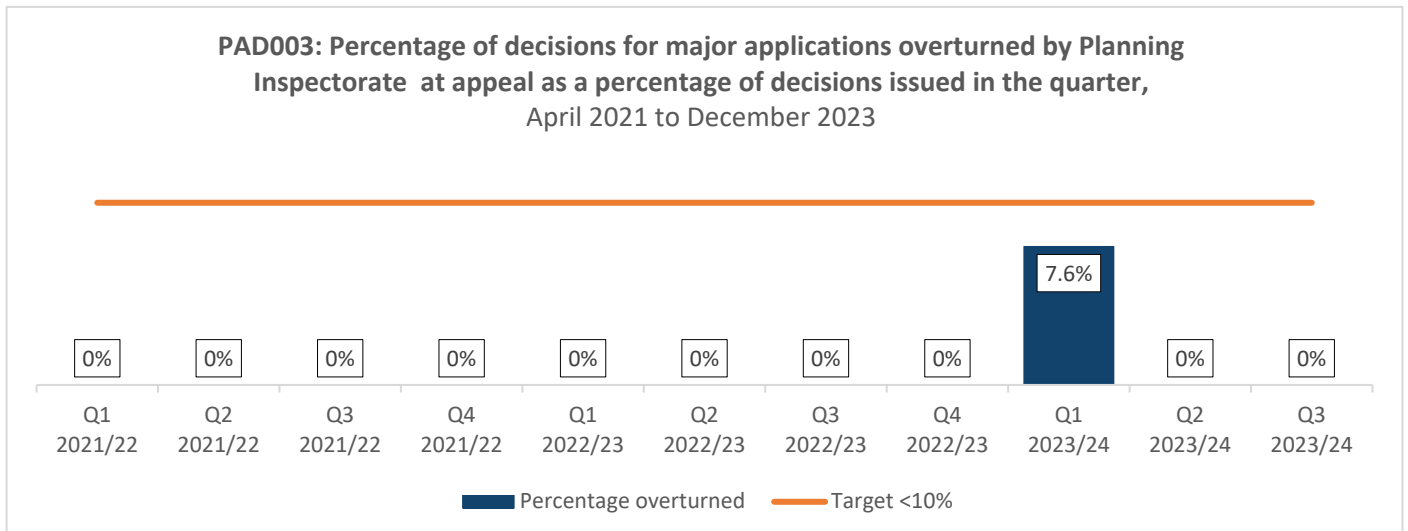
Statutory Indicator. A high value is good.



- We issued 191 decisions for non-major applications during Quarter Three 2023/24. Of these, 92.1% of cases (176 applications) were determined within the determination period; well above the target of 75%.
- 106 applications (55.5%) were determined with an Extension of Time.

**PAD003: Percentage of decisions for major applications overturned by Planning Inspectorate at appeal as a percentage of decisions issued in the quarter.**

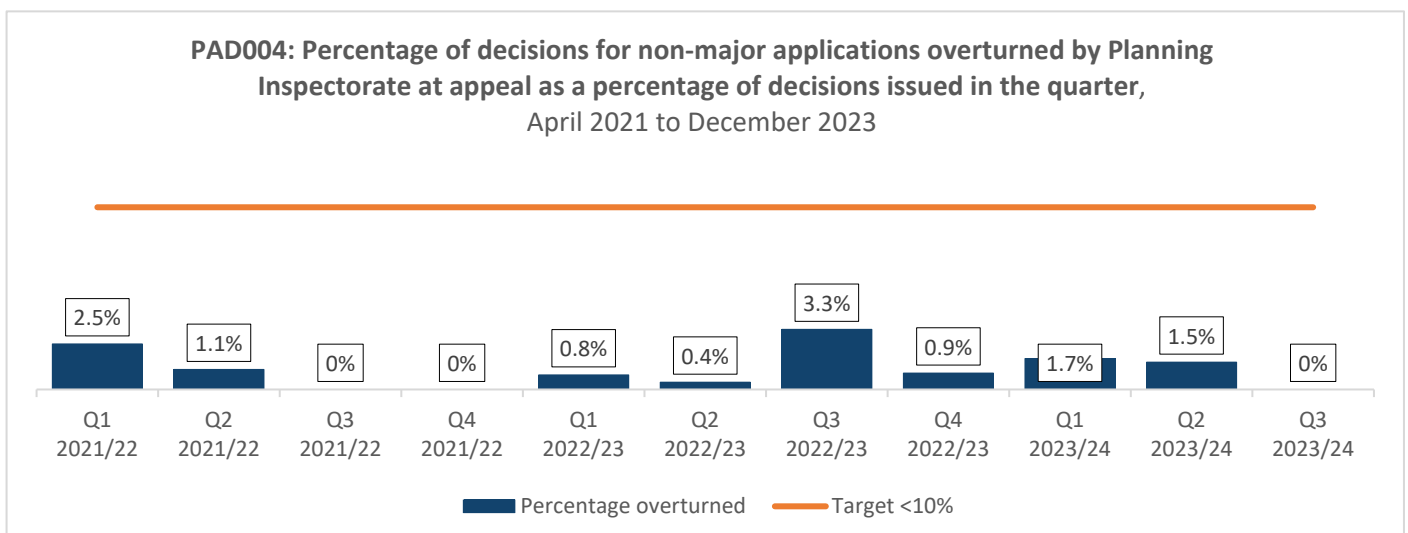
Statutory Indicator. A low value is good.



- During Quarter Three 2023/24, one major application was determined at appeal. The Planning Inspectorate dismissed the appeal and our planning decision stands.

**PAD004: Percentage of decisions for non-major applications overturned at appeal as a percentage of decisions issued in the quarter.**

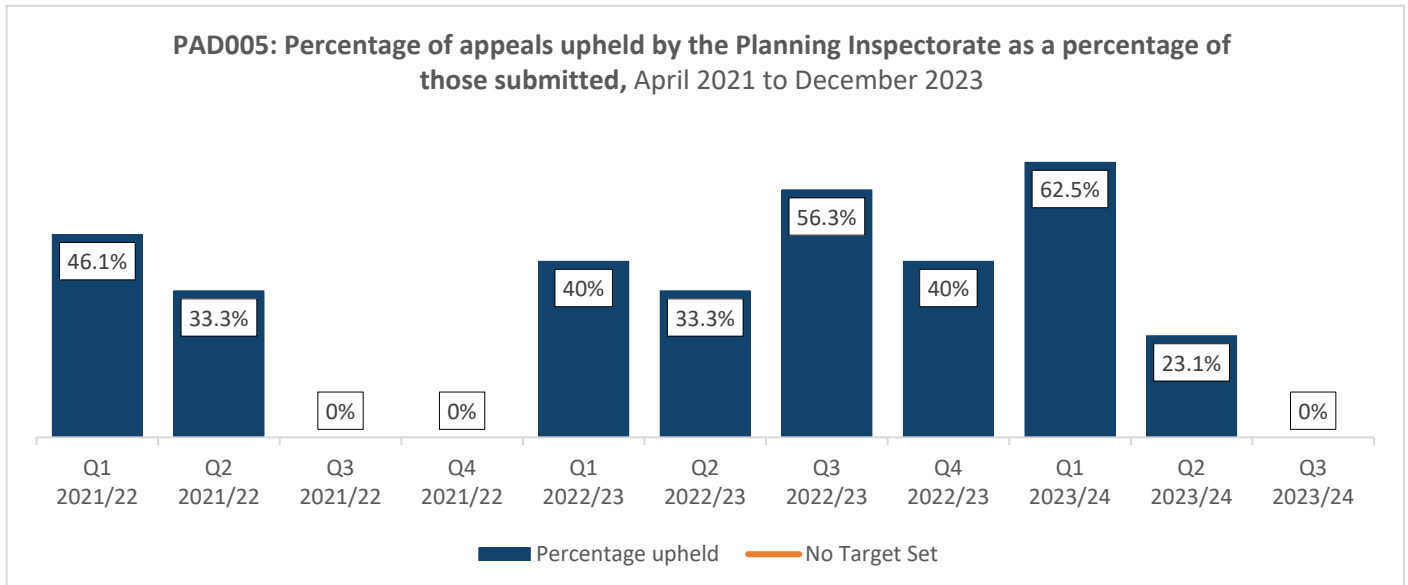
Statutory Indicator. A low value is good.



- During Quarter Three 2023/24, ten non-major applications were determined at appeal, all of which the Planning Inspectorate dismissed (planning decision stands). A total of 191 decisions were issued this quarter.

**PAD005: Percentage of appeals upheld by the Planning Inspectorate as a percentage of those submitted.**

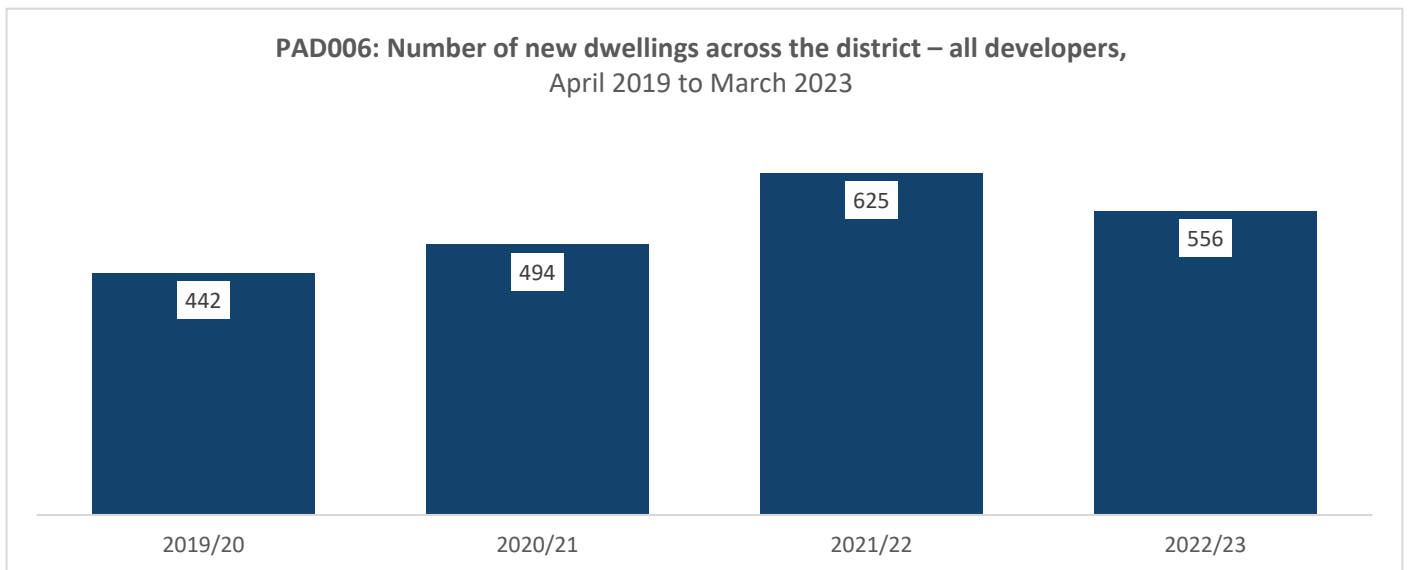
Statutory Indicator. A low value is good.



- During Quarter Three 2023/24, the Planning Inspectorate determined eleven appeal cases, all of which were dismissed (planning decision stands).

**PAD006: Number of new dwellings across the district – all developers.<sup>7</sup>**

A high value is good. Annual KPI - Figures obtained from the Annual Monitoring Report. Updated June 2023.

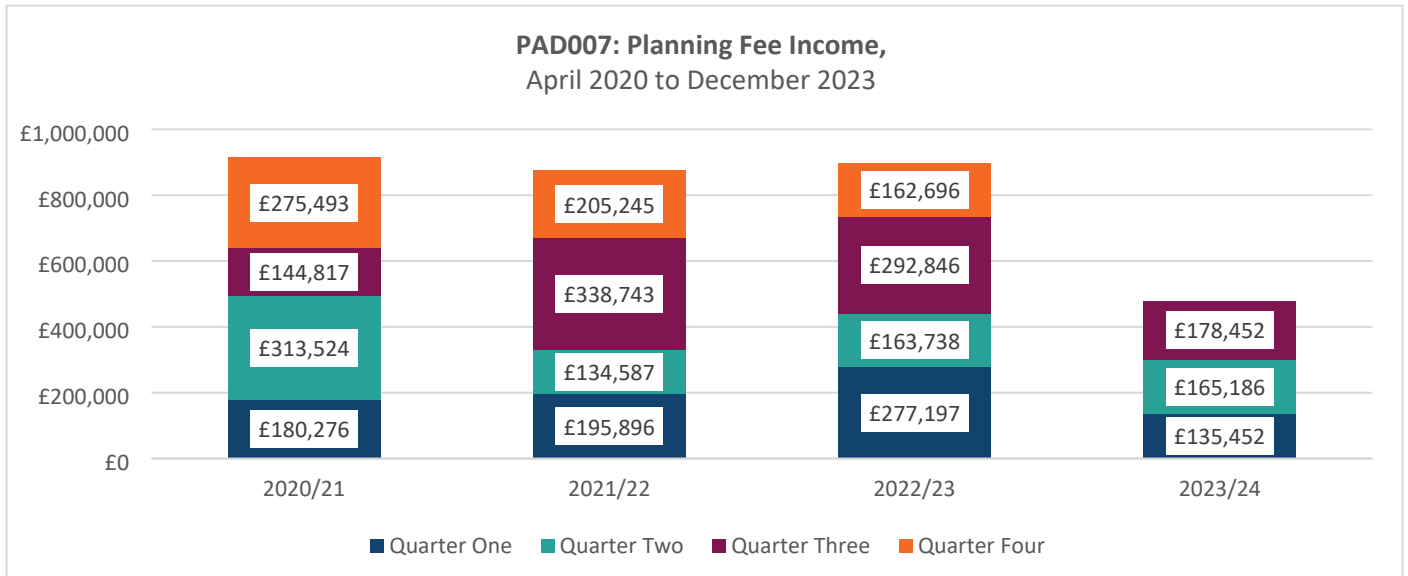


- This is an annual performance indicator. During the last financial year (2022/23), there were 556 new dwellings across this district (current annual target of 611).

<sup>7</sup> PAD006 has replaced 'KPI011: Growth in Council Tax Base' to monitor housing growth. KPI011 is still reported for information purposes but can now be found in the Civica section.

**PAD007: Planning fee income.**

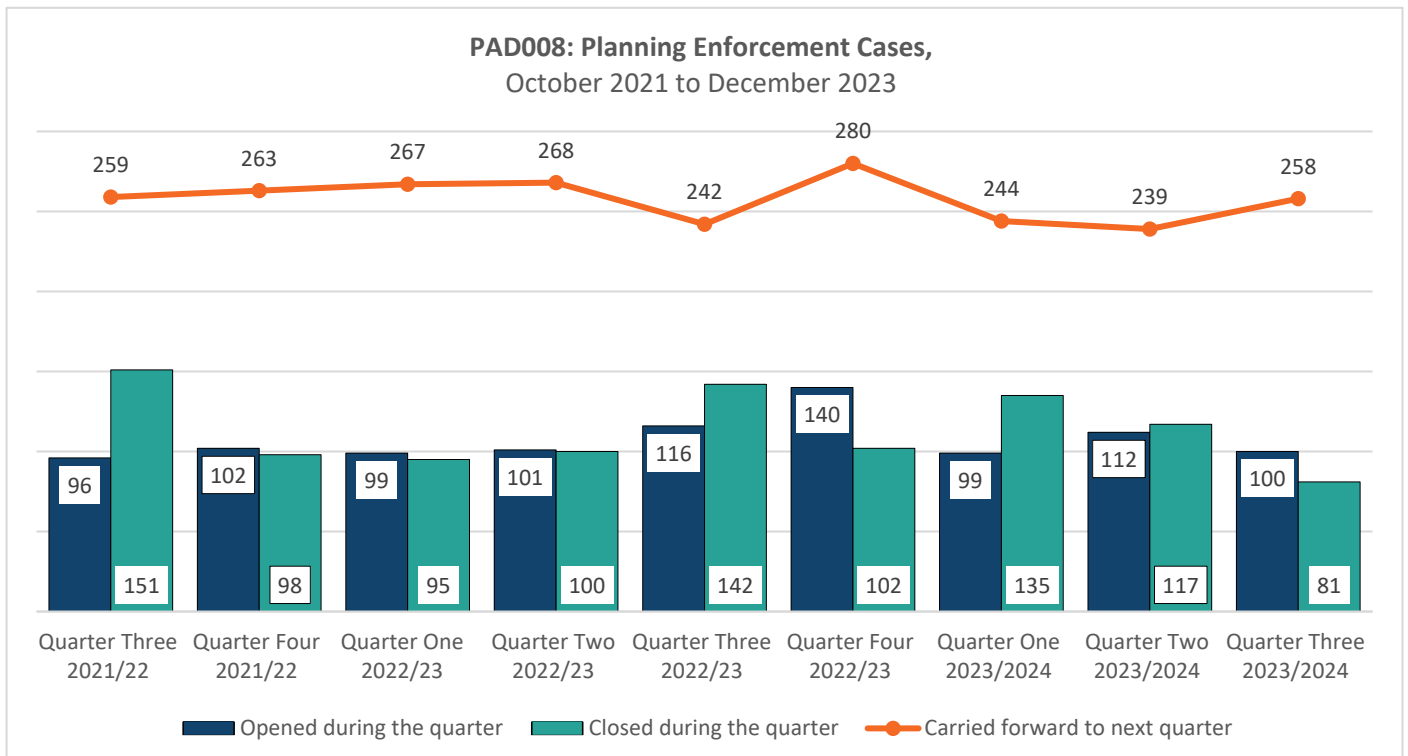
A high value is good.

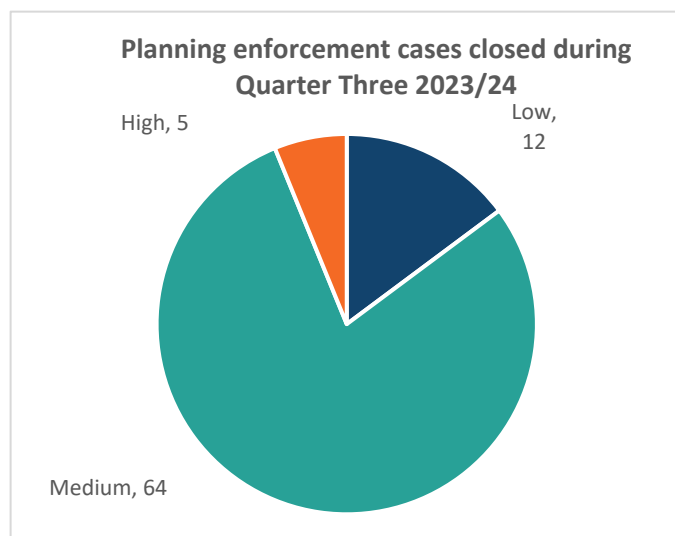
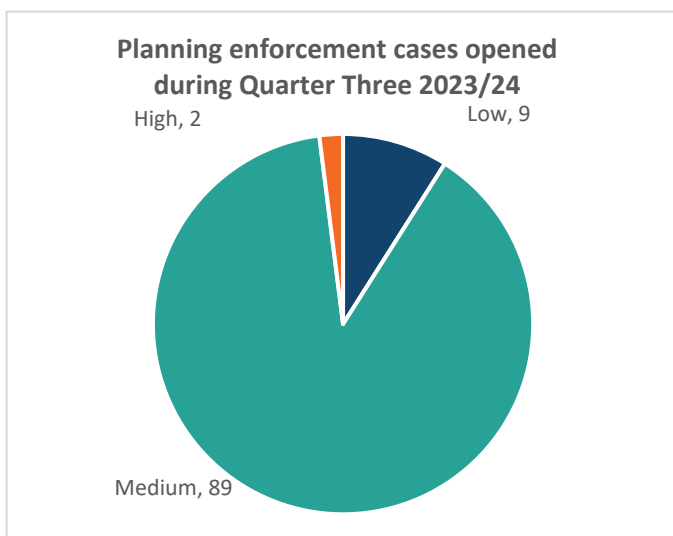


- Planning fee income for Quarter Three 2023/24 (£178,452) is higher than the previous quarter, although it is lower than at the time in the previous two years. A drop in fees for 2023/24 was forecast into the budget and is being monitored.

**PAD008: Planning Enforcement Cases.**

A low value for carried forward is good, but a high value of cases closed is good.





- During Quarter Three 2023/24, we opened 100 planning enforcement cases (nine low, 89 medium and two high priority) and closed 81 cases (12 low, 64 medium and five high priority). Please see our [Planning Enforcement Plan](#) for information on how we will address and prioritise (low, medium and high categories) breaches of planning control.
- The number of planning enforcement cases being carried forward has increased from 239 in Quarter Two to 258 in Quarter Three.
- During Quarter Three 2023/24, we issued five planning contravention notices and one enforcement notice. Four enforcement notices are subject to appeal and one notice was dismissed at appeal.

#### Head of Service Commentary – Quarter Three 2023/24<sup>8</sup>

- Commentary regarding individual performance indicators is now included under each of the charts for ease of reference. Additional items of note include:
- Determination timeframes for planning applications remain solid and well within government set parameters.
- The success rate for appeal decisions is particularly strong this quarter, with all eleven appeal decisions supporting the council’s decisions for refusal.
- PAD007 shows a drop in fees. The data does not indicate that it is due to a significant drop in application numbers (there were 240 planning applications in this quarter, compared to 267 planning applications in Quarter Three last year, showing a drop, but not significant). A reduction of fees for 2023/24 was forecast into the budget and this continues to be closely monitored. The government has recently increased the planning application fees, which are now in effect and will be captured in the data presented for Quarter Four.

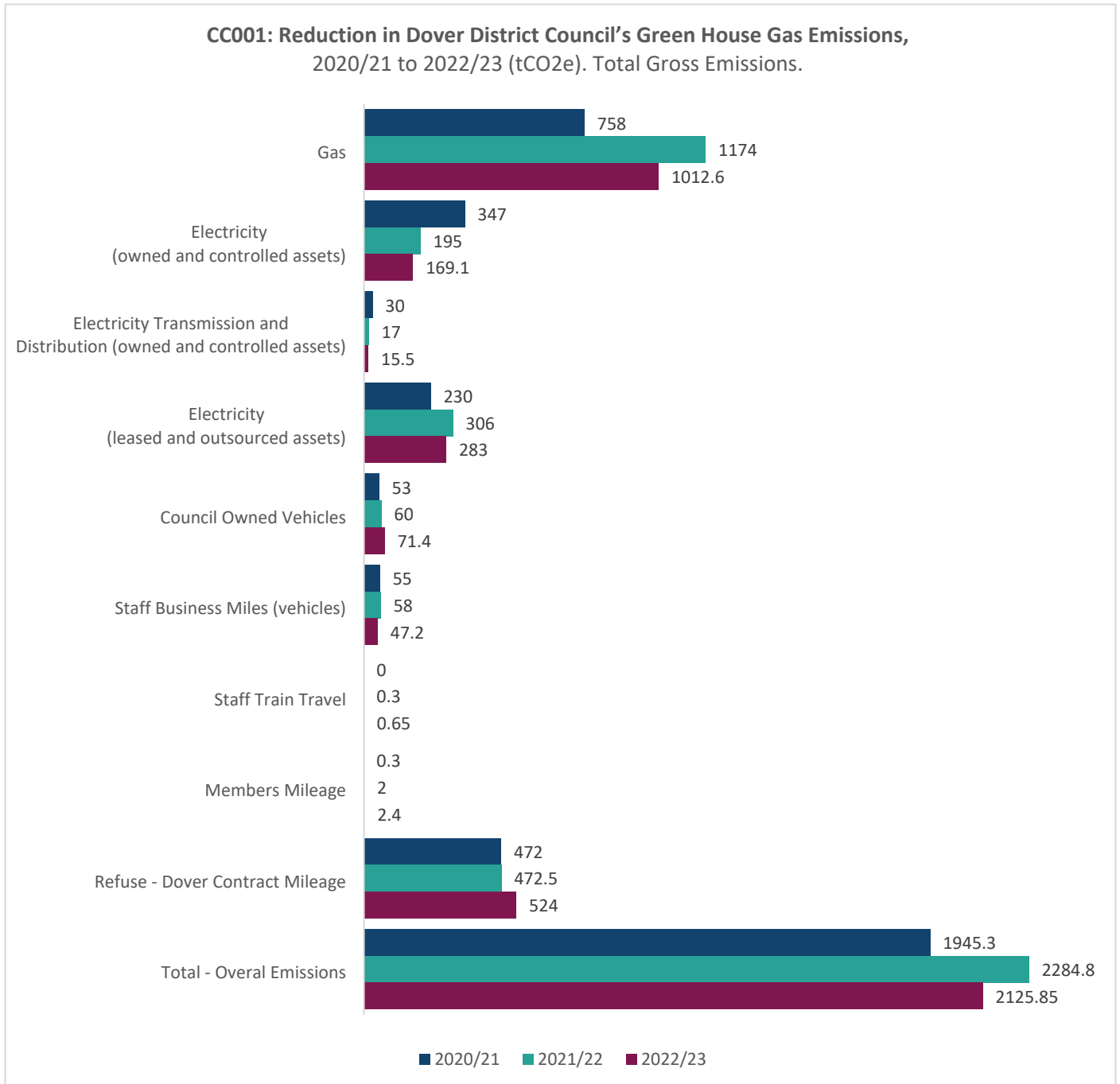
#### GREENHOUSE GAS EMISSIONS

A new Climate Change Officer has been recruited and this officer sits within the Planning and Development Team. Therefore, responsibility for reporting on the Council’s Greenhouse Gas emissions (CC001) has moved to this service area. This is an annual KPI, and data for the year 2022/23 is available (reported in last quarter’s report). Please see below for details.

<sup>8</sup> Some data correction for previous quarters has occurred across the Planning KPIs, due to undertaking a review of how the statistics have been/ are collated. If you have any questions on this, please contact Sarah Platts ([Sarah.Platts@dover.gov.uk](mailto:Sarah.Platts@dover.gov.uk)) or Alice Fey ([Alice.Fey@dover.gov.uk](mailto:Alice.Fey@dover.gov.uk)).

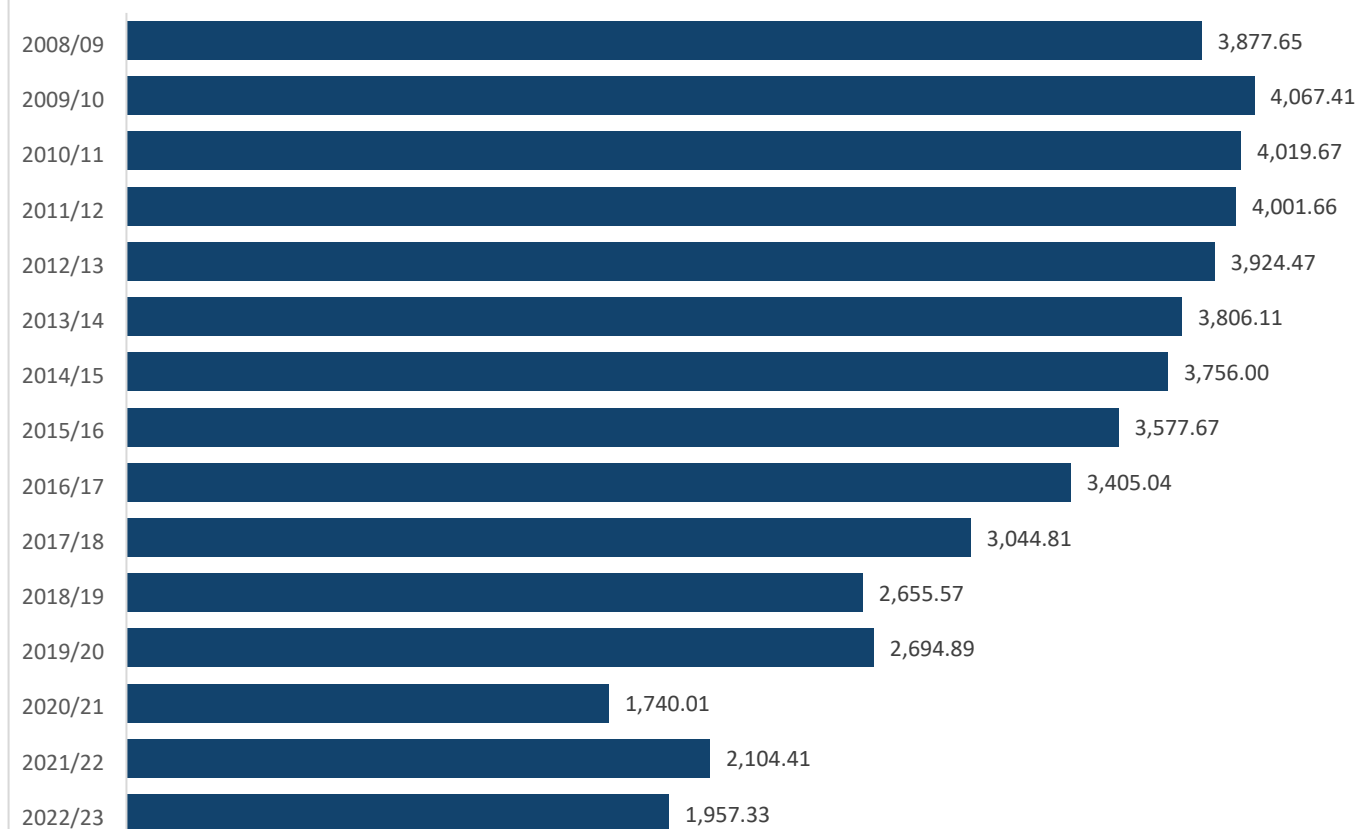
**CC001: Reduction in Dover District Council’s Greenhouse Gas Emissions - Annual KPI.**

A low value is good. Annual KPI to support achieving net zero by 2030. Updated November 2023.



Comparison of Council Transport and Stationary Greenhouse Gas emissions between 2020/21 and 2022/23. tCO2e stands for tonnes (t) of carbon dioxide (CO2) equivalent (e).

**Global Total Tonnes of CO2e Comparison,  
2008/09 to 2022/23. Total Net Emissions.**



Comparison of Council Transport and Stationary Greenhouse Gas emissions between 2008/09 and 2022/23. tCO2e stands for tonnes (t) of carbon dioxide (CO2) equivalent (e) including REGO reduction and solar generation. One REGO certificate is issued per megawatt hour (MWh) of eligible renewable output to generators of renewable electricity.

- Dover District Council declared a Climate Change Emergency in January 2020, with the ambition to become a net zero carbon emitter by 2030. Net zero means that we will be taking as much carbon out of the atmosphere as we are emitting, or more. By doing this we will have reduced our contribution to climate change. Our focus is on reducing our emissions as much as possible. In addition, we can remove or “offset” our carbon emissions. “Offsetting” is a proactive approach to environmental action, reversing the impact of emissions created now. Measures we use include Renewable Energy Guarantees of Origin (REGO) purchased electricity and solar PV generation.
- Our base year for calculating our energy usage is 2008/09. CO2e data has been recalculated using the Greenhouse Gas (GHG) emissions factors published on the Government website.
- The Department for Business, Energy and Industrial Strategy requires local authorities to calculate the total gross greenhouse gas emissions from their own estate and operations, each year.
- All gas consumption is reported under Gas (scope 1 emissions) regardless of tenure, i.e., whether it is owned and occupied by the Council or leased/ outsourced.
- Electricity consumption reporting is dependent on whether the building is owned and occupied by the Council – i.e., owned and controlled assets (which fall into Scope 2 emissions) or whether it is leased and outsourced (which fall into Scope 3 emissions).
- Buildings owned and controlled by the Council include:
  - The Council Offices, Whitfield
  - Dover Museum
  - Dover Museum Store
  - Dover Town Hall (formerly reported under Leased and Outsourced when Your Leisure leased the building)

- Public Conveniences still under DDC direct control
- Kearsney Abbey Park Café
- Hamilton Road Cemetery Buildings
- Marke Wood Elms Vale and Danes Recreation Ground buildings
- Castle Street Office (@your service)
- Deal Pier Lighting and Attendant Office
- Streetlighting for which DDC is responsible.
- Grand Shaft
- Outsourced leased assets include:
  - Deal Leisure Pool (Tides)
  - Tennis Hall, Deal
  - Dover Leisure Centre
  - Tower Hamlets Depot (leased to Veolia)
- This data does not include the residential/council housing estate.

#### **Head of Service Commentary – Quarter Three 2023/24**

- This is an annual performance indicator and the information reported has not changed since last quarter.
- It is positive to see that there has been a reduction of 161.4 tonnes of gas reductions across the estate. Electricity has reduced gradually across the estate, as has staff business miles.
- It is noted that the categories for Council Owned Vehicles, Staff Air and Train Travel and Members Mileage and Refuse – Dover Contract Mileage have marginally increased. Officers will be gathering further insight into these areas in coming months and will provide updates accordingly.

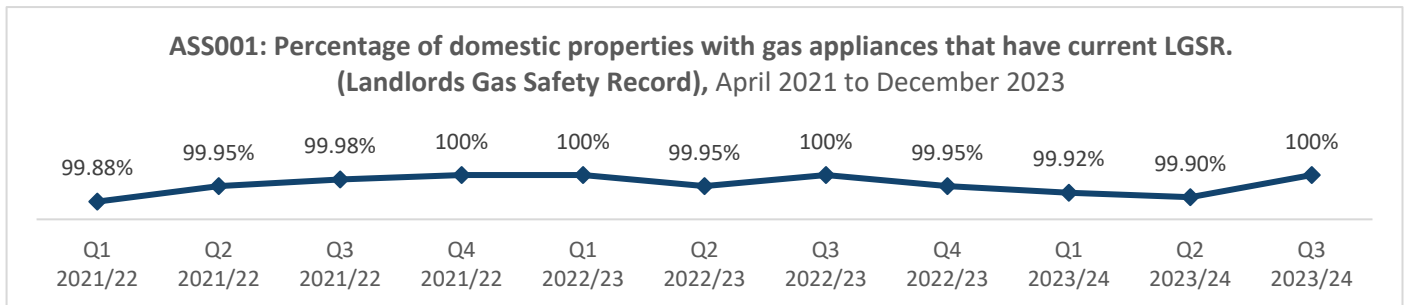


## 5. PROPERTY ASSETS

### HOUSING MAINTENANCE

#### ASS001: Percentage of properties with gas appliances that have current LGSR (Landlords Gas Safety Record)

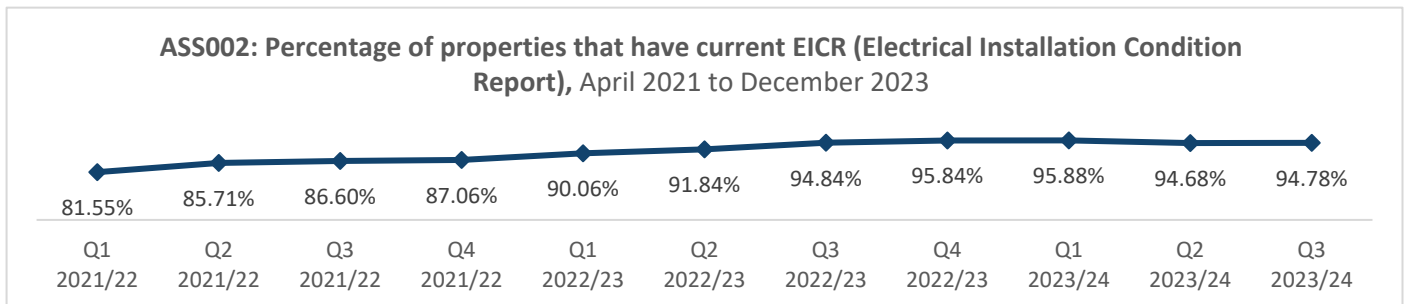
A high value is good.



- 100% compliance achieved.

#### ASS002: Percentage of properties that have current EICR (Electrical Installation Condition Report)

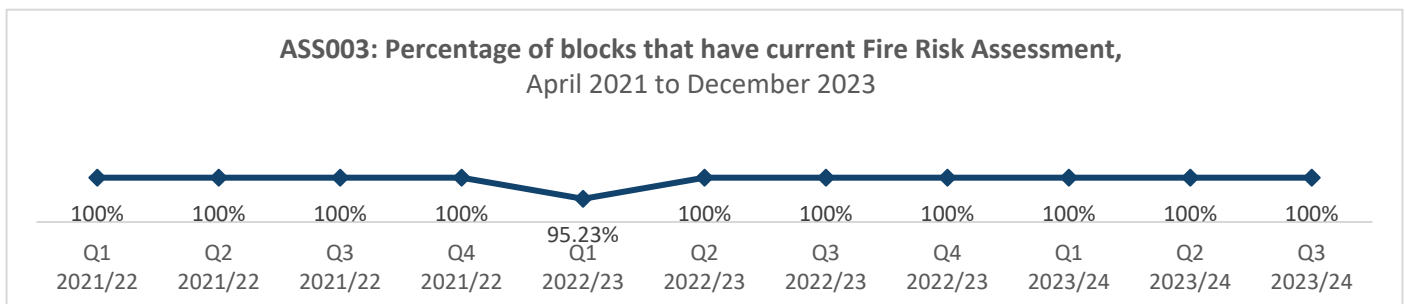
A high value is good.



- This quarter, we managed to complete some Electrical Installation Condition Reports (ASS002) in properties where normally we have not been able to gain access and this indicator shows a slight improvement in performance – up from 94.68% during Quarter Two to 94.78% in Quarter Three. Access continues to be an issue for the remaining properties, and we do not have a right to entry. We will be further exploring ‘barriers’ to access with Housing Management.

#### ASS003: Percentage of Blocks that have current Fire Risk Assessment

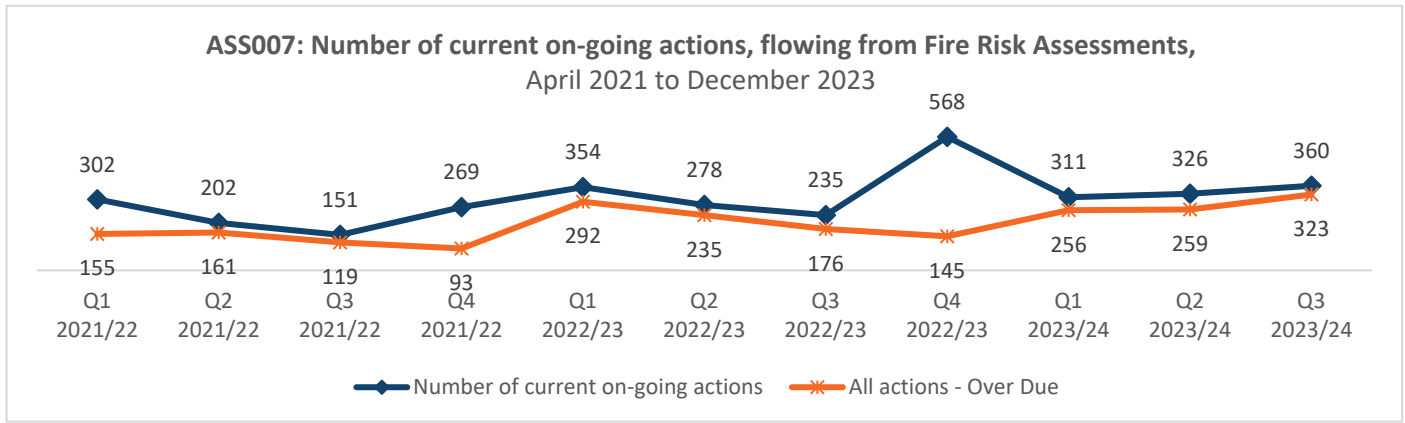
A high value is good.



- 100% compliance achieved.

**ASS007: Number of current on-going actions, flowing from Fire Risk Assessments**

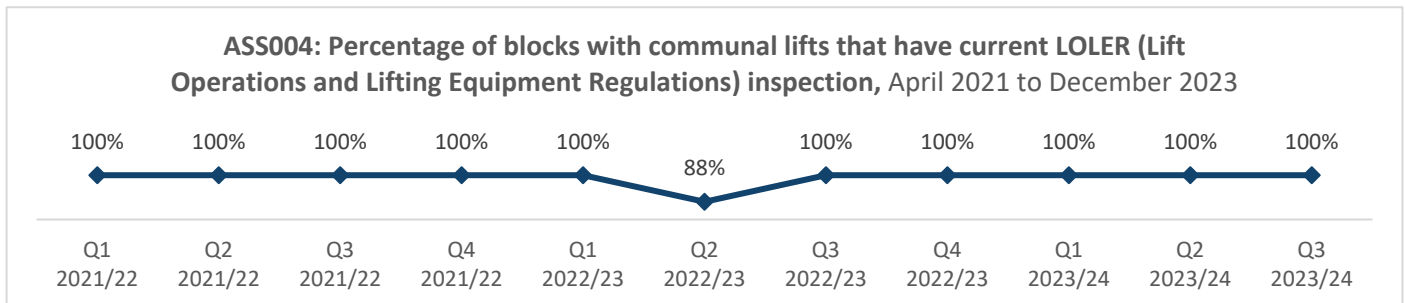
A low value is good.



- We monitor all Fire Risk Assessment (FRA) actions (ASS003 and ASS007) on a regular basis. There has been an increase in the number of overdue actions this quarter, from 259 in Quarter Two to 323 in Quarter Three, which is mainly due to minor actions raised during the fire door surveys. We have recently procured a Fire Door Replacement tender to address a number of actions, engaged the Fire Alarm Servicing Contractor to carry out the minor works whilst carrying out alarm testing in blocks, and the inspections are due to be carried out by in-house staff now that the 'condensation' season is coming to an end. With these measures in place, we anticipate a significant reduction in the outstanding actions. Following these actions, we will assess the need to re-procure a Fire Precaution Works contract as the previous has now expired.

**ASS004: Percentage of Blocks with communal lifts that have current LOLER (Lift Operations and Lifting Equipment Regulations)**

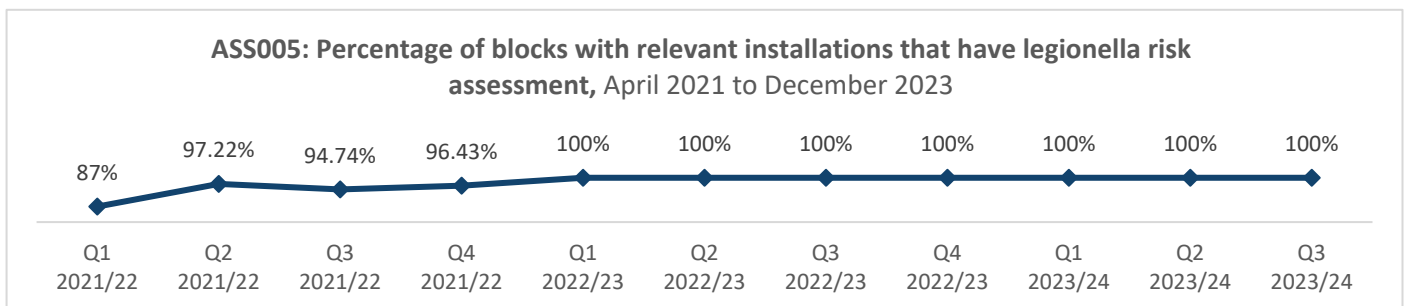
A high value is good.



- 100% compliance achieved.

**ASS005: Percentage of Blocks with relevant installations that have legionella risk assessment.**

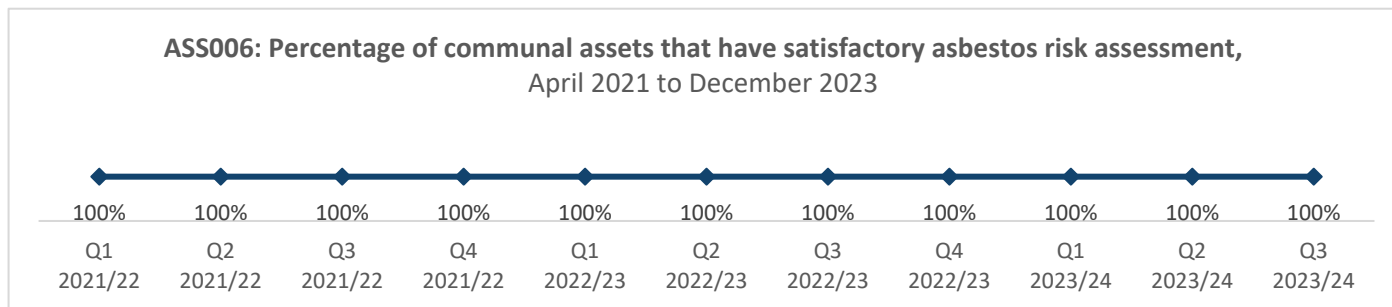
A high value is good.



- 100% compliance achieved.

## ASS006: Percentage of communal assets that have satisfactory asbestos risk assessment.

A high value is good.



- 100% compliance achieved.

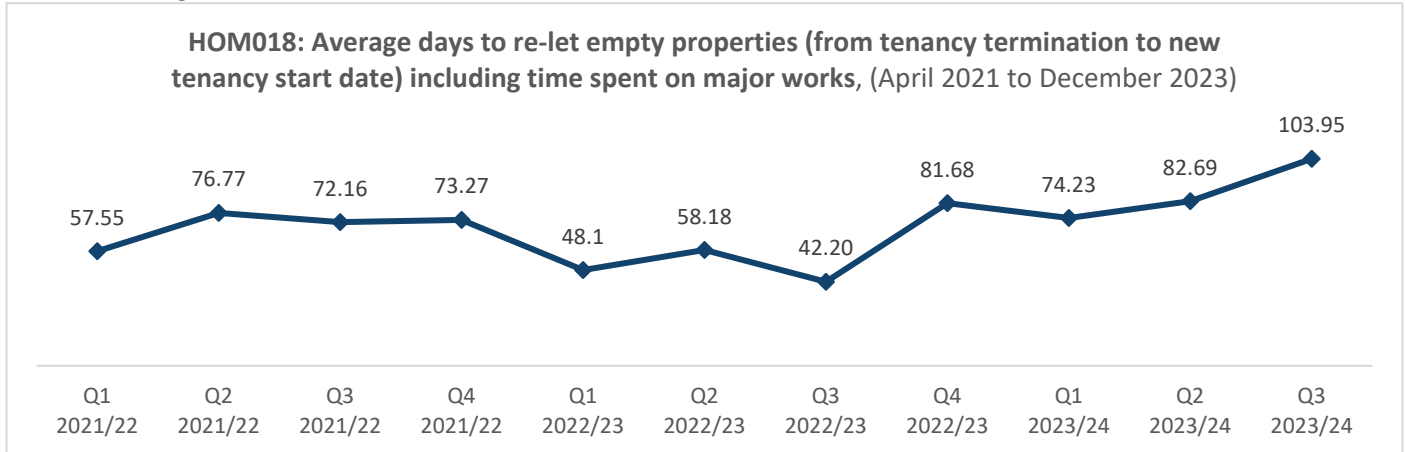
### Head of Service Commentary – Quarter Three 2023/24

- Commentary regarding individual performance indicators is now included under each of the charts for ease of reference. Additional items of note include:
- New repairs contract:
  - We set up a Housing Repairs Focus Group for tenants, working alongside the Dover District Tenants' Consultative Group, to input into the new repairs contract starting in 2025. Tenants were involved in the preparation of the initial tender information and will also be involved in the selection process. The documents are being prepared and it is anticipated that the tender will be issued in late April. Prior to this, the tenants will be involved in the final read-through and a consultant will also be reviewing the documentation.
- Damp and Mould Update:
  - The Council continues to take a zero-tolerance and proactive approach to damp and mould interventions. We have dedicated our resources to encouraging residents to report issues to us and ensuring that we can act promptly.
  - Cabinet approved our new Damp and Mould Policy in December 2023 for adoption. This policy supports and sets out our process to holistically investigate the cause of dampness, carrying out required remedial works promptly, offering advice and guidance where appropriate, and taking all steps to eradicate dampness.
  - In Quarter Three we received 45 new cases of reported damp and mould. All have been inspected and works orders raised, which are now complete or in progress. We actively encouraged tenants to report issues of damp and mould and have found that there were fewer responses than when we have previous campaigned.

**VOIDS AND RELETS**

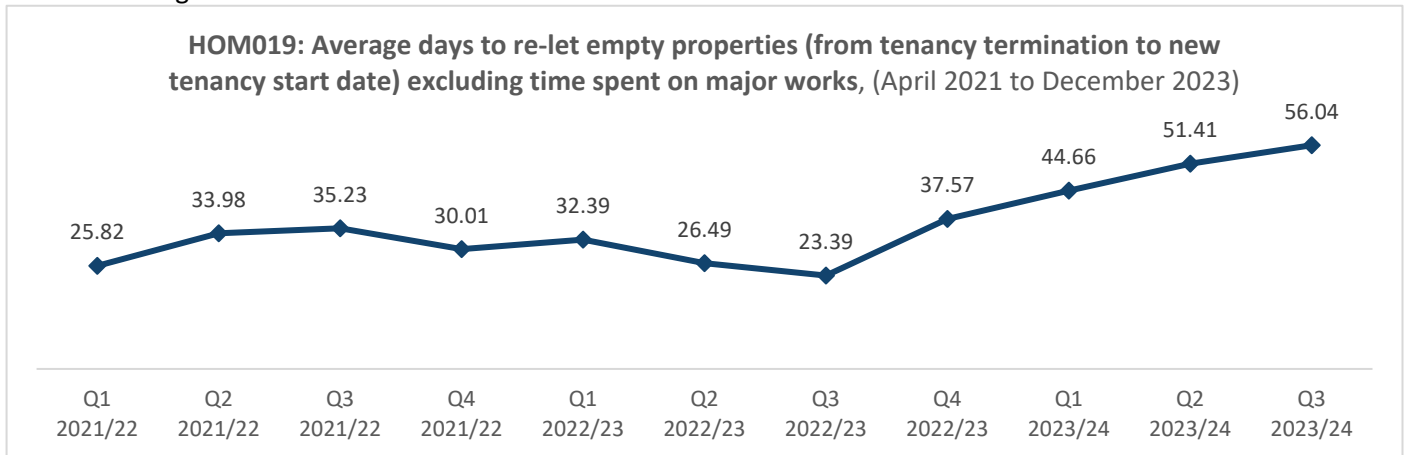
**HOM18: Average days to re-let empty properties (from tenancy termination to new tenancy start date) including time spent on major works.**

A low value is good.



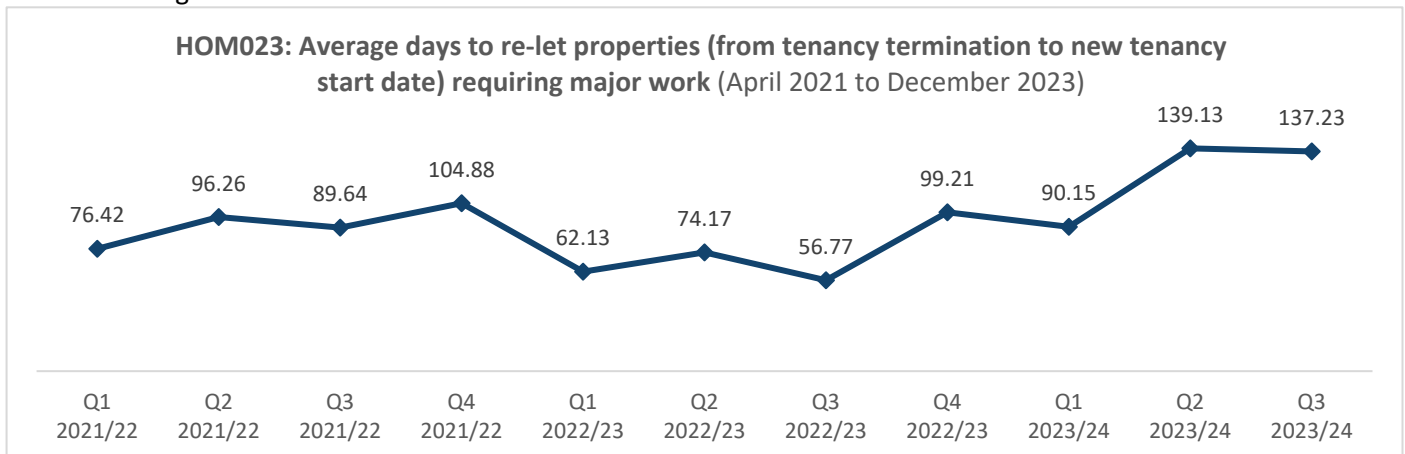
**HOM19: Average days to re-let empty properties (from tenancy termination to new tenancy start date) excluding time spent on major works.**

A low value is good.



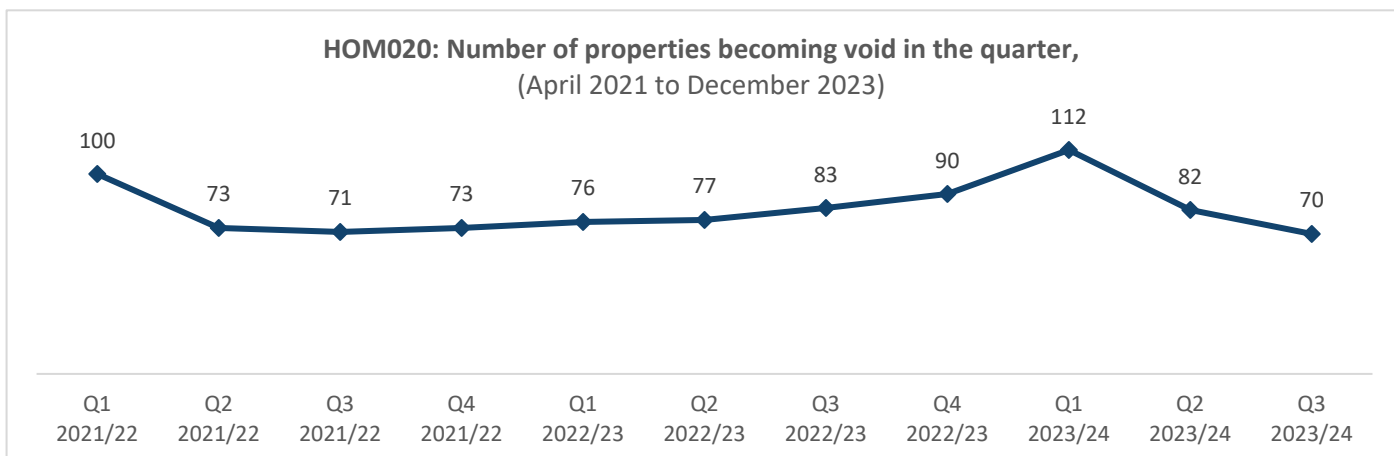
**HOM23: Average days to re-let properties (from tenancy termination to new tenancy start date) requiring major work.**

A low value is good.



- The average days to relet empty properties are once again elevated because of the high volume of voids requiring substantial major works<sup>9</sup> before they are suitable for reletting:
  - HOM018: The average days to re-let empty properties including time spent on major works increased over the quarter from 82.69 days in Quarter Two to 103.95 days in Quarter Three.
  - HOM019: the average days to re-let empty properties excluding time spent on major works increased over the quarter from 51.41 days in Quarter Two to 56.04 days in Quarter Three.
  - HOM023: The average days to re-let properties requiring major work works reduced over the quarter from 139.13 in Quarter Two to 137.23 days in Quarter Three.
- The need for a high level of major work is due to a lack of investment and planned work under East Kent Housing. A significant number of properties are also in a poor condition when returned to the Council.
- During Quarter Three, general needs properties had a 58.35-days average key-to-key period (up from 53.13 in quarter two), sheltered housing 56.04 days (down from 78.44 in quarter two), and temporary accommodation 43.08 days (up from 41.38 days in quarter two).
- A number of long-term voids were completed during the quarter, this is reflected in the length of time taken to complete properties with major works. Several other long-term voids will be completed over the coming weeks, this will impact the performance figures for the next quarter.
- Figures have also been affected by delays with allocations and, although this is now improving, it is still on-going. It is encouraging to note that the number of properties let in the quarter (HOM021) increased from 86 to 95 (+10.5%).

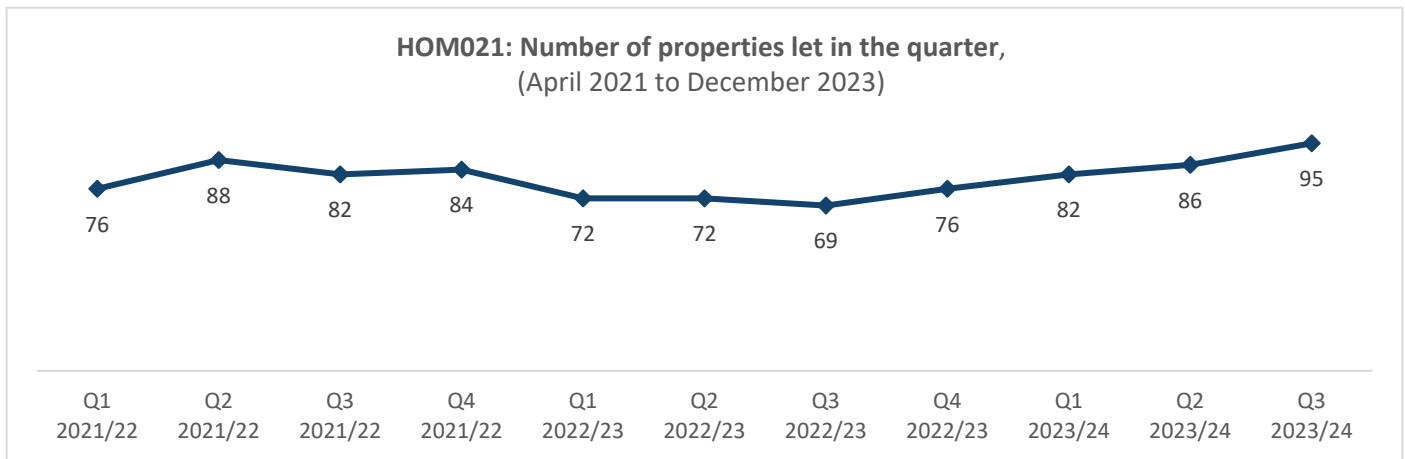
**HOM20: Number of properties becoming void in the quarter.**



- Fewer properties become void during the quarter, falling from 82 properties to 70 (-14.6%).

<sup>9</sup> Major void works are repairs or replacements carried out when a property becomes vacant and requires significant improvement. Major void works may include structural repairs, site work around the dwelling, service installations, asbestos removal, kitchen and bathroom replacement, rewiring, etc. Major void works differ from planned works or minor void repairs, which are less extensive and can be done when the property is occupied.

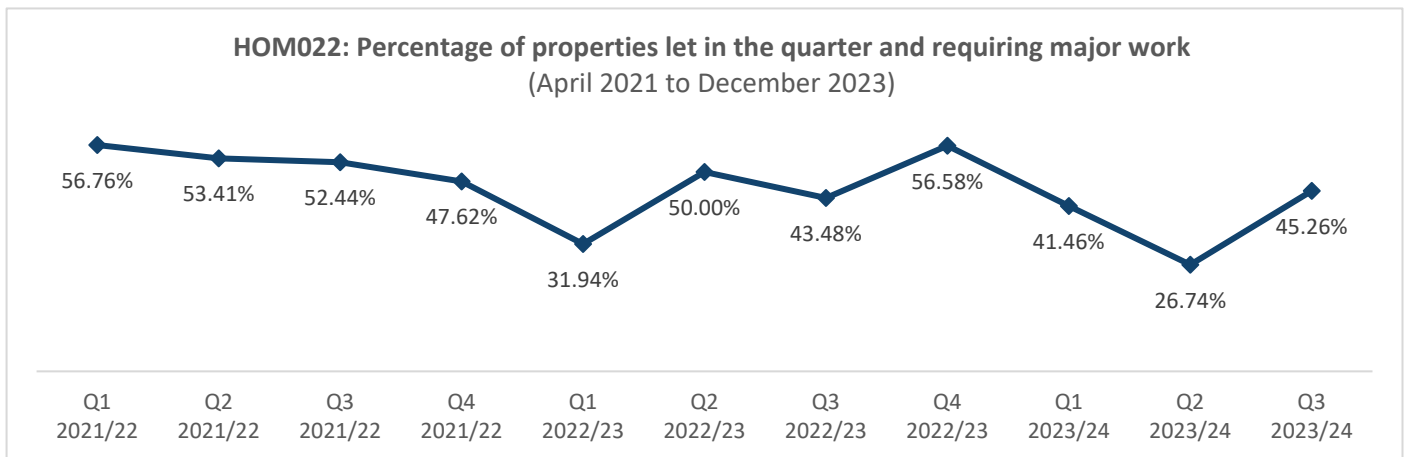
**HOM21: Number of properties let in the quarter.**



- There has been an increase in the number of properties let during the quarter, rising from 86 to 95 (+10.5%).

**HOM22: Percentage of properties let in the quarter and requiring major work.**

A low value is good.



- There has been a significant rise in the number of properties let during the quarter that required major work, increasing from 26.74% to 45.26%.

**Head of Service Commentary – Quarter Three 2023/24**

- Commentary regarding individual performance indicators is now included under each of the charts for ease of reference. Additional items of note include:
- Responsibility for void times sits across different two service areas – Housing and Property Assets. We constantly review the voids process and teams are meeting more regularly to find improvements. Due to performance, we have recently met with senior management at Mears, and they have provided an improvement plan that shows a considerable increase in resource to improve the turnaround times. This is expected to produce a significant improvement in the next few months. We are determining the application of Liquidated and Ascertained Damages<sup>10</sup> for late completion of voids and are continuing efforts to carry out pre-void inspections, where we inspect a property as soon as the tenant gives notice to quit their tenancy.

<sup>10</sup> Liquidated and Ascertained Damages are a pre-determined amount of money that the parties in a contract pay as compensation for a specific breach (without a valid reason), such as late performance.

## 6. PLACE AND GROWTH

### IGT001: Average of Total Footfall in Dover, Deal and Sandwich Town Centres.

A high value is good.

We currently have two footfall monitoring systems in Dover Town Centre:

- HUQ – a system that tracks mobile phone signals.
- Springboard – a system that counts people that cross an invisible line (Dover only).

#### Dover Town Centre HUQ Footfall

	2023/24		Change from previous year	
	Total daily footfall	Average daily footfall	Total daily footfall	Average daily footfall
Quarter One	959,229	10,541	+96,651	+1,062
Quarter Two	1,810,920	19,684	+848,078	+9,218
Quarter Three	<b>1,574,532</b>	<b>17,114</b>	<b>+761,853</b>	<b>+8,281</b>

#### Dover Town Centre Springboard Footfall

	2023/24		Change from previous year	
	Total daily footfall	Average daily footfall	Total daily footfall	Average daily footfall
Quarter One	890,526	9,786	+121,670	+1,337
Quarter Two	868,535	9,441	-13,545	-147
Quarter Three	<b>688,700</b>	<b>7,486</b>	<b>-13,966</b>	<b>-152</b>

#### Deal Town Centre HUQ Footfall

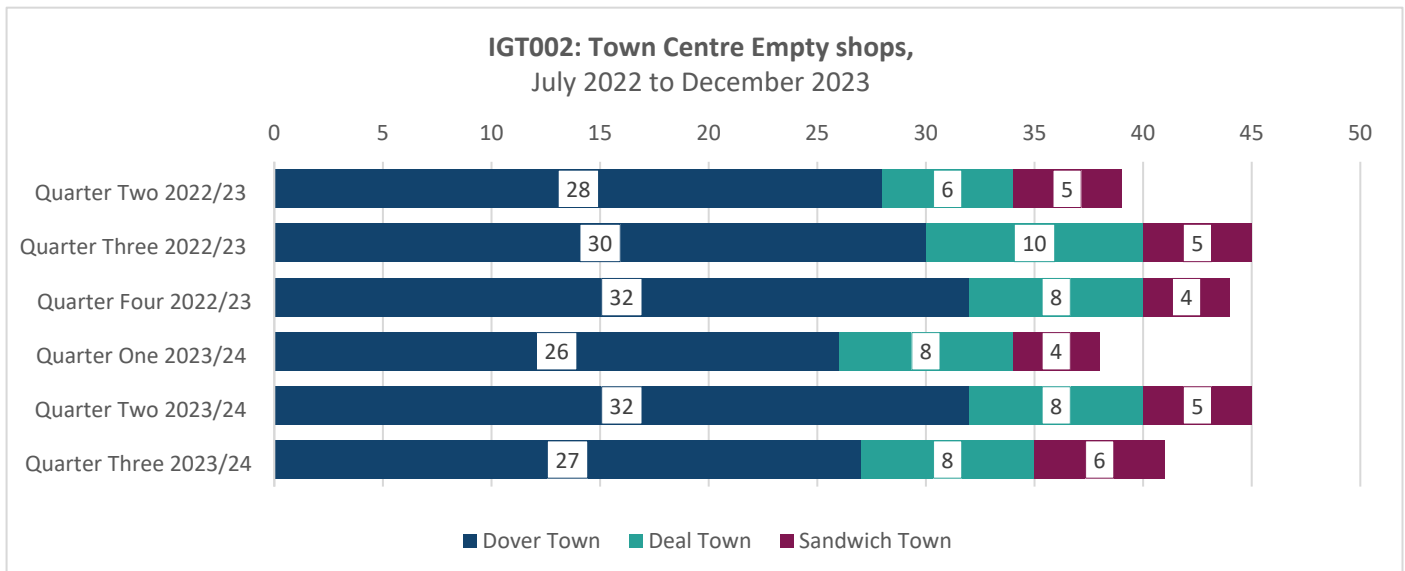
	2023/24		Change from previous year	
	Total daily footfall	Average daily footfall	Total daily footfall	Average daily footfall
Quarter One	937,540	10,303	-139,124	-1,528
Quarter Two	1,436,009	15,609	+155,079	+1,686
Quarter Three	<b>1,654,426</b>	<b>17,983</b>	<b>+635,362</b>	<b>+6,906</b>

#### Sandwich Town Centre HUQ Footfall

	2023/24		Change from previous year	
	Total daily footfall	Average daily footfall	Total daily footfall	Average daily footfall
Quarter One	847,042	9,308	+262,063	+2,880
Quarter Two	1,015,974	11,043	+401,230	+4,361
Quarter Three	<b>1,133,521</b>	<b>12,321</b>	<b>+542,502</b>	<b>+5,897</b>

- In Quarter Three 2023/24, all three town centres are showing a much higher daily average compared to the same period last year when looking at the HUQ data.
- Springboard data is showing a decrease in footfall in Dover Town Centre, which could be due to the counter being located on a street that has a row of empty shops.
- NOTE: HUQ is continuing to work on their methodology for Dover Town Centre as footfall seems to be affected by the port and cruise traffic. Therefore, the figures could change again. We are looking at other solutions for collection of footfall data.

**IGT002: Town Centre Empty Shops**



Quarter One 2022/23 data is not available. Count started in Quarter Two 2022/23.

- In Quarter Three 2023/24, we observed a fall in the number of Empty Shops in our Town Centres, from 45 in Quarter Two to 41 in Quarter Three. Dover Town Centre has the highest number of empty shops (27), compared with Deal Town Centre (8) and Sandwich Town Centre (6).

**New Businesses**

- Dover Town Centre**
  - Five new businesses have opened in Dover during this quarter: Allsorts, Dizzy Donkey, The Beehive, JD Sports, and The Art Club.
  - One business has recently closed: Iristylers Academy Hairdressers.
  - Works are being carried out in several empty shops so we are hoping will see a reduction in numbers next quarter – this includes a new dentistry practice and fast-food restaurant.
- Deal Town Centre**
  - Two new businesses have opened in Deal, with several other empty shops currently under renovation: Middle Street Coffee, and Coastal Active.
- Sandwich Town Centre**
  - One shop has closed since last quarter: Lillian Geddes Interiors.
  - There are works being carried out within one empty shop which we hope to be open by next quarter.

**LS001: Number of Leisure Centre Visits (Dover District Leisure Centre and Tides and Tennis Centre).**

A high value is good.





### **Dover District Leisure Centre**

- Quarter three is typically quieter than the previous quarter. While the visitor numbers have reduced this quarter (145,231), they continue to show growth this year by comparison to 2022, when in the same quarter, there was a total number of 133,936 visitors.

### **Tides Leisure and Indoor Tennis Centre**

- The user figures are less during this period (53,020) when compared to quarter two, because typically quarter two represents the high season summer holiday period at Tides Leisure Centre. The total visitor number for the same quarter last year was 38,176. It is worth noting this lower figure is due to a few factors including the change to Gladstone software used to record visitors to the centre since the end of November 2022. This new software is expected to record visitor numbers more accurately via increased interaction points and additional recording & reporting functionality.

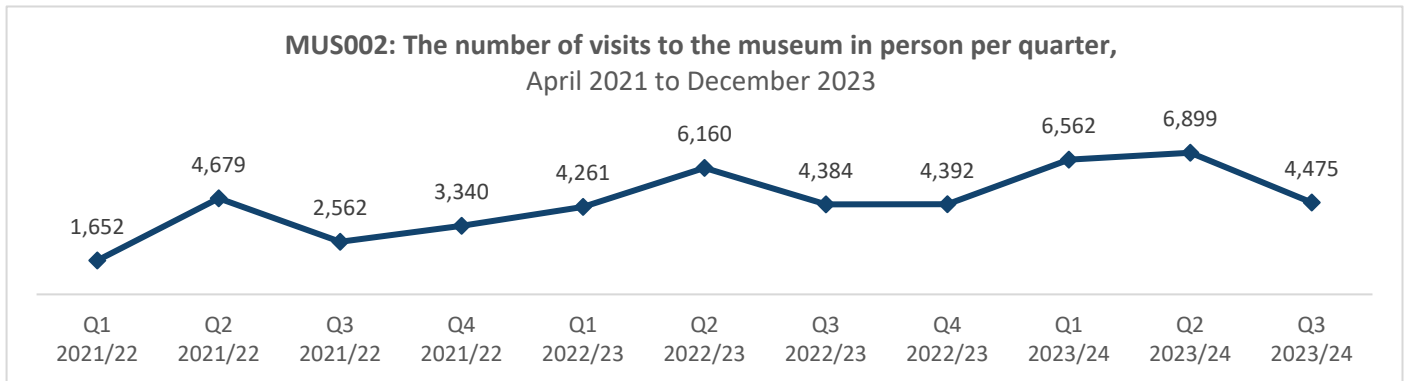
### **Head of Service Commentary – Quarter Three 2023/24**

- Commentary regarding individual performance indicators is now included under each of the charts for ease of reference. Additional items of note include:
- The Place and Growth Service continues to support the district's attractions, businesses, industry, groups, and town centres providing promotion, information, updates, co-ordinating and running events, the promotion of other community events and providing advice. The service continues to deliver grants and associated funding. We have also continued to work with potential investors and developers. Tourism and Economic Development representation and collaboration at a national, regional, county, and local level has also continued throughout.
- The Quarter saw changes to the Major Project Team, with the Major Projects & Programme Manager being appointed as the new Head of Parks & Open Spaces (September 2023). This resulted in structural change to the Major Projects Team, as well as changes to team capacity and resources. The delivery of the Dover Fastrack Project (new zero-emission bus service) moved with the former Major Projects & Programme Manager due to the proximity/timeline of project completion and continues to be delivered.
- Major project work has progressed on Dover Beacon, Future High Street Fund, Aylesham (housing construction and associated development), A proposed new leisure centre for Deal, UK Shared Prosperity Fund and Rural England Prosperity Fund, Street Scene Project, Town Centres Action Plans, White Cliffs Country Website, Placemaking Events, Dover Town Place Plan and Dover Town Cultural Strategy.
- New staffing structures and price reviews for the DDC Catering and Events (Kearsney Café & Billiards Room) Team have been implemented. Private events are now taking place in the Billiards room increasing the revenue. This puts the café in a better financial position going into the final quarter of the year. The Café and Billiards room was granted required planning permission to extend their business offering further.

## 7. MUSEUMS AND HERITAGE

### MUS002: The number of visits to the museum in person per quarter

A high value is good.



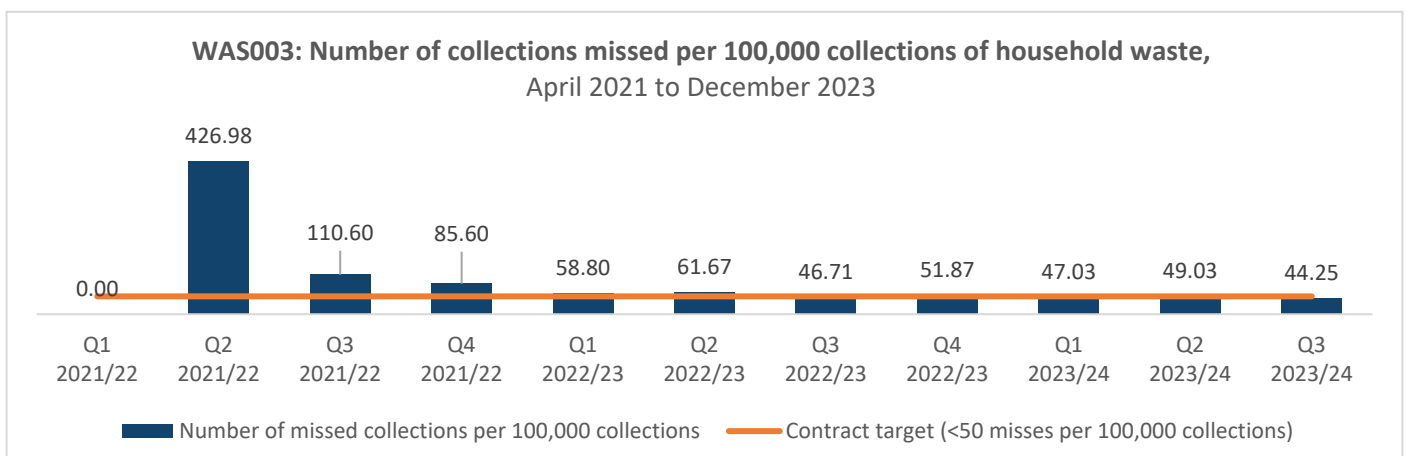
### Head of Service Commentary – Quarter Three 2023/24

- Visitor numbers have picked up following the various Covid-19 lockdown closures. Over the past quarter, visitor numbers have dropped back from the peak seen during the summer months of quarter two, which is to be expected. 601 visitors to the museum this quarter were on educational visits.
- We continue work on our project to reawaken the Maison Dieu, which is undergoing a £10.5m restoration thanks to a £4.27m grant from The National Lottery Heritage Fund. Please also see our [Maison Dieu](#) website for further information.<sup>11</sup>
- The surrender of the Roman Painted House lease by the Roman Painted House Trust has added a raft of work not planned for but we are fitting into our programme.
- Work on the museum stores move continues with volunteers working on the archaeological collections at Deal.
- Working with Planning, Place and Growth, and with English Heritage, we have prepared and submitted a funding bid to Historic England to undertake work on the Western Heights.

## 8. WASTE SERVICES

### WAS003: Number of collections missed per 100,000 collections of household waste.

A low value is good.



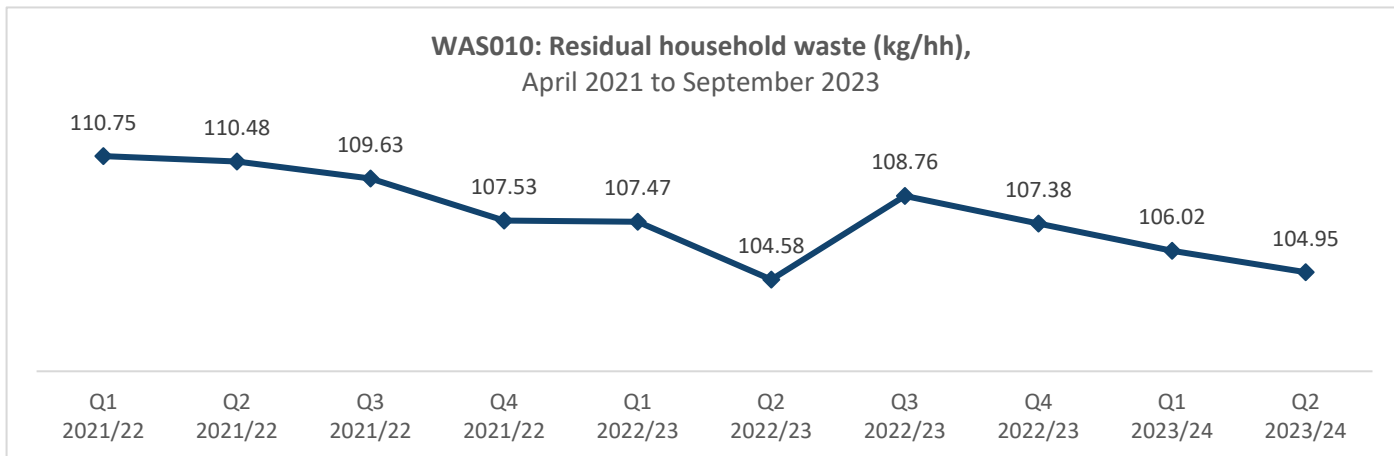
Quarter One 2021/22 data not received.

<sup>11</sup> [maisondieudover.org.uk/](http://maisondieudover.org.uk/)

- The charts show an improvement in performance over the quarter, from 49.03 collections missed per 100,000 during Quarter Two to 44.25 during Quarter Three. This is within the contract thresholds (of less than 50 misses per 100,000).

**WAS010: Residual household waste per household**

A low value is good.



Due to time lags in receiving data from KCC, Quarter Three (October to December 2023) data is not yet available.

- Time lags in receiving data from Kent County Council means that we are reporting Quarter Two figures in this performance report. The charts show there has been further improvement in performance, with residual household waste falling from 106.02 kg/hh in Quarter One to 104.95 kg/hh in Quarter Two.

**WAS011: Percentage of household waste sent for reuse, recycling, or composting.**

A high value is good.

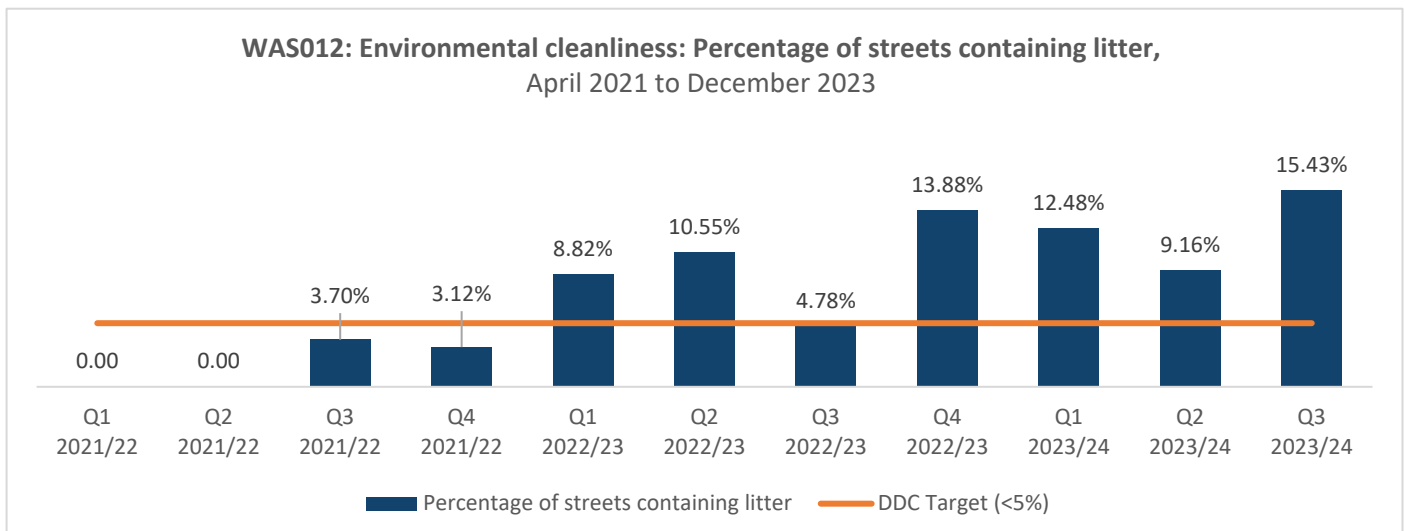


Due to time lags in receiving data from KCC, Quarter Three (October to December 2023) data is not yet available.

- Time lags in receiving data from Kent County Council means that we are reporting Quarter Two figures in this performance report. The charts show there has been a decline in performance, with the percentage of waste sent for reuse, recycling, or composting, reducing from 45.5% in Quarter One to 44.4% in Quarter Two. This is quite typical as the Quarter One recycling figure is heavily influenced by a spike in garden waste tonnages (due to the spring “first cuts”), and the tonnage often declines in Quarter Two if the summer is warmer and grass grows less quickly.

**WAS012: Environmental cleanliness: Percentage of streets containing litter.**

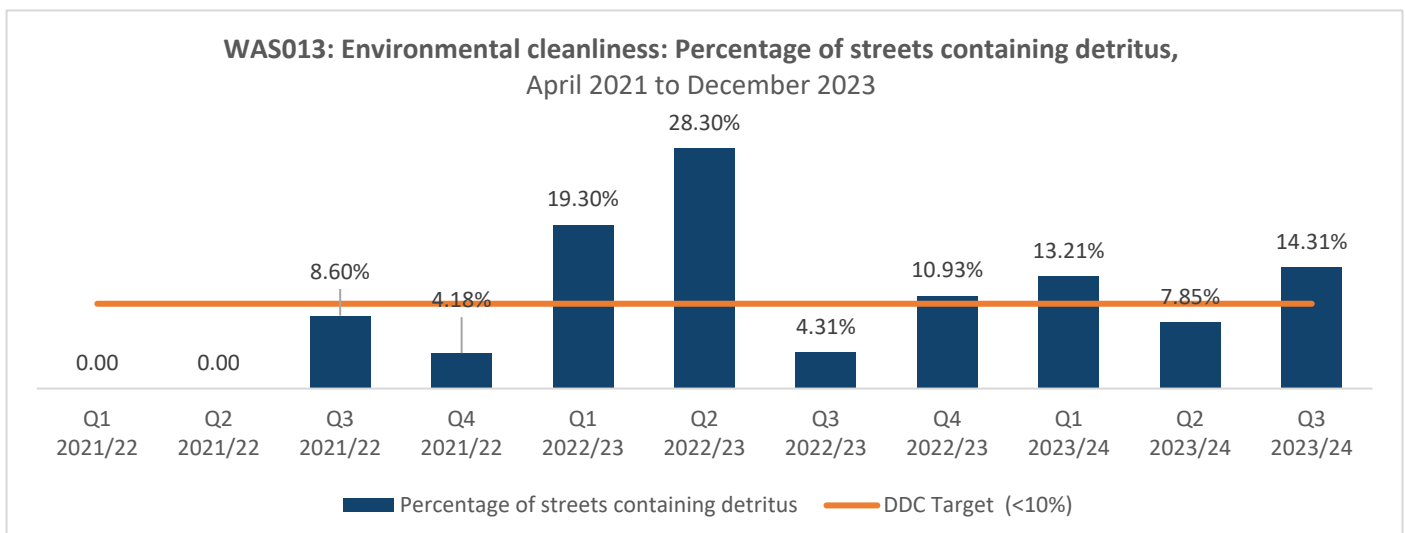
A low value is good.



Quarter One and Quarter Two 2021/22 data not received.

**WAS013: Environmental cleanliness: Percentage of streets containing detritus.**

A low value is good.



Quarter One and Quarter Two 2021/22 data not received.

- There has been a decline in performance for the percentage of streets containing litter (WAS012), which has seen an increase from 9.16% in Quarter Two to 15.43% in Quarter Three. The percentage of streets containing detritus (WAS013) has also risen to 14.31% in Quarter Three from 7.85% in Quarter Two.
- Quarter Three is always particularly challenging for the street cleansing operation as this is autumn and clearing leaf-fall is an added pressure. This was compounded by several named storms during Quarter Three 2023/24, which resulted in a high-level of wind-blown items needing to be cleared (e.g. blown from litter bins and/or household paper and card containers). It also required a cessation of many business-as-usual activities during, and in the immediate aftermath, of the storms to undertake emergency clearances.
- The current “Waste Collection Contract” includes street cleansing activities and these reflect the requirements of the [DEFRA Code of Practice on Litter and Refuse](#),<sup>12</sup> which includes definitions of litter and detritus and explains the grading standards. There is no longer a statutory duty to inspect or report on street cleansing, which was part of the former Best Value Performance Indicator (BVPI) regime. However, Waste Services have made an

<sup>12</sup> gov.uk/government/publications/code-of-practice-on-litter-and-refuse

informal commitment to visit and grade every road in the district at least once per year (over 1,500 roads and nearly 735 km), as part of the routine contract monitoring and sampling activities. Where a road is graded as A or B (as per the Code of Practice) this is deemed acceptable, otherwise arrangements are made for the contractor to attend to cleanse the location to the required standard.

## Head of Service Commentary – Quarter Three 2023/24

- Commentary regarding individual performance indicators is now included under each of the charts for ease of reference. Additional items of note include:
- **Local Authority Data Explorer - DLUHC Data Dashboards**
  - In July 2023, the Government established the Office for Local Government (Oflog), a new performance body. In the same month, Oflog launched the [Local Authority Data Explorer - DLUHC Data Dashboards](#).<sup>13</sup>
  - The waste management data for Dover, which relates to the 2021/22 financial year, shows that we are an above average performer, which gives a good platform to strive for continuous improvement:  
**Household waste recycling rate**
    - Dover has a value of 43.7%, in the top 50% of local authorities with responsibility for this measure. The median value of all local authorities with the same responsibilities for this measure is 41.9%.
    - Dover ranks 6th of its 16 CIPFA nearest neighbours that have data for this measure. The median value of Dover's CIPFA nearest neighbours for this measure is 41.8%.**Residual household waste**
    - Dover has a value of 436.0 kg per household, in the top 50% of local authorities with responsibility for this measure. The median value of all local authorities with the same responsibilities for this measure is 501.1 kg per household.
    - Dover ranks 5th of its 16 CIPFA nearest neighbours that have data for this measure. The median value of Dover's CIPFA nearest neighbours for this measure is 480.1 kg per household.**Recycling contamination rate**
    - Dover has a value of 1.7%, in the top 25% of local authorities with responsibility for this measure. The median value of all local authorities with the same responsibilities for this measure is 5.5%.
    - Dover ranks 3rd of its 16 CIPFA nearest neighbours that have data for this measure. The median value of Dover's CIPFA nearest neighbours for this measure is 4.4%.

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<sup>13</sup> [oflog.data.gov.uk/home](https://oflog.data.gov.uk/home)

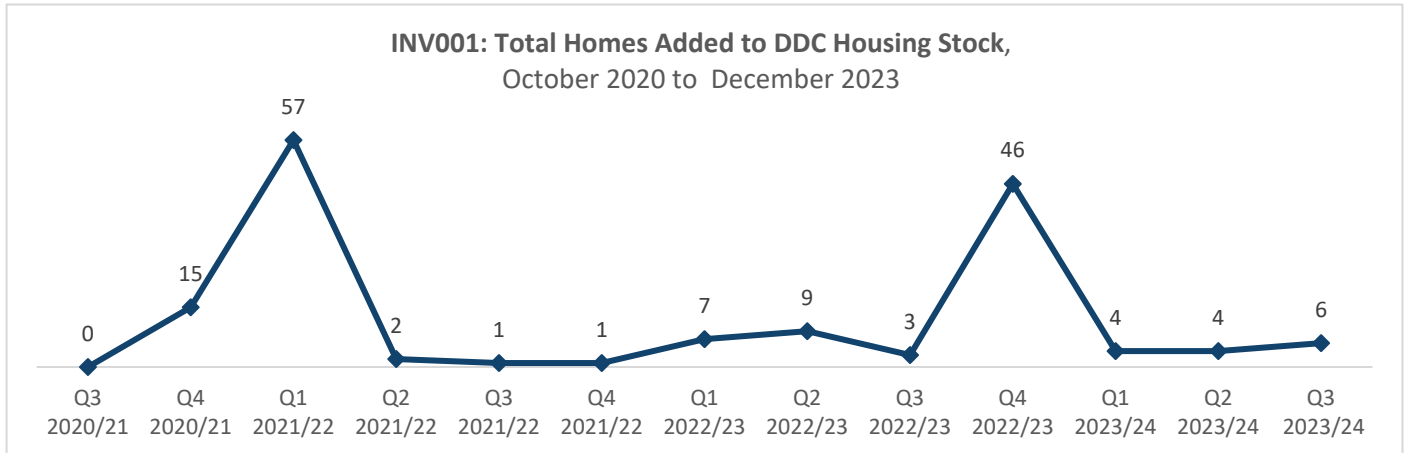
## F. FINANCE AND HOUSING DIRECTORATE

### 9. HOUSING

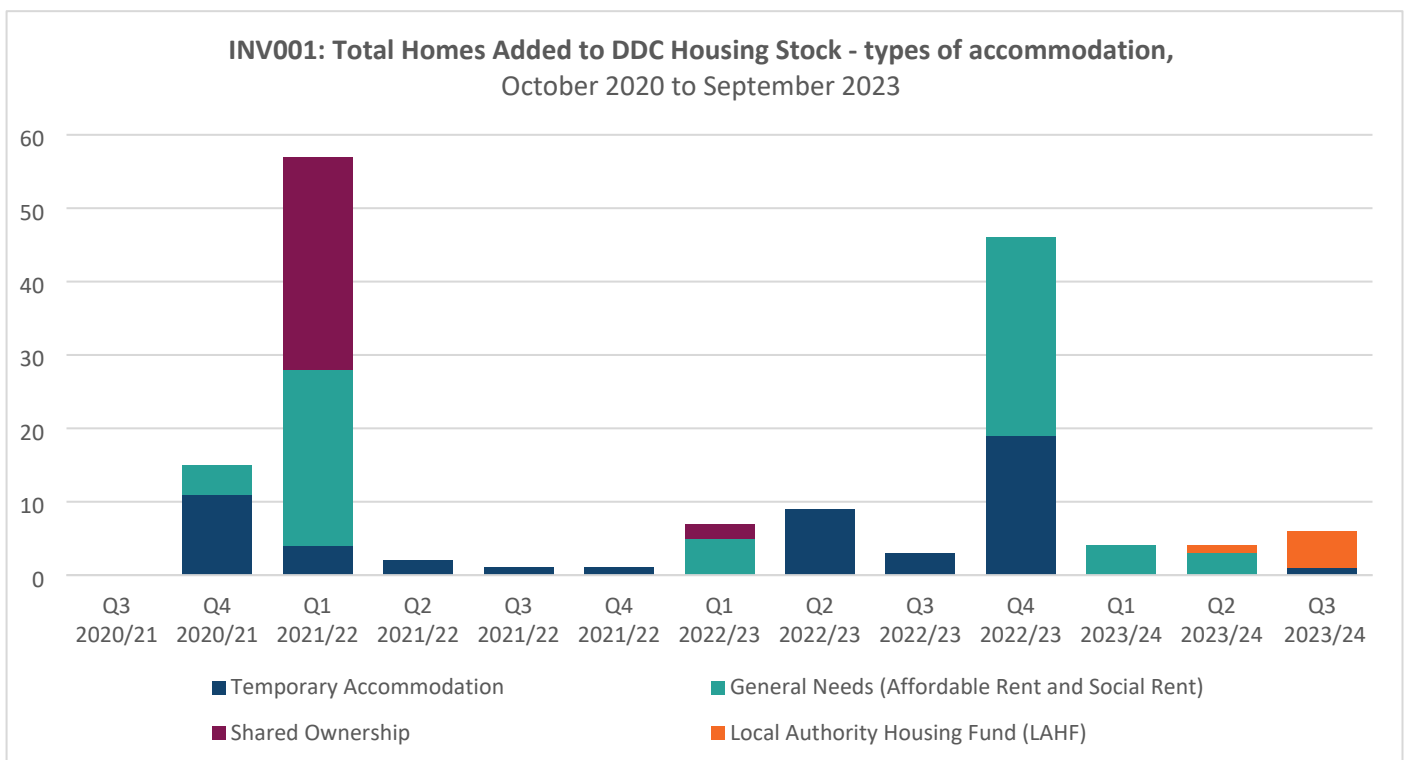
#### STRATEGIC HOUSING

##### INV001: Homes Added to Dover District Council Housing Stock.

A high value is good.

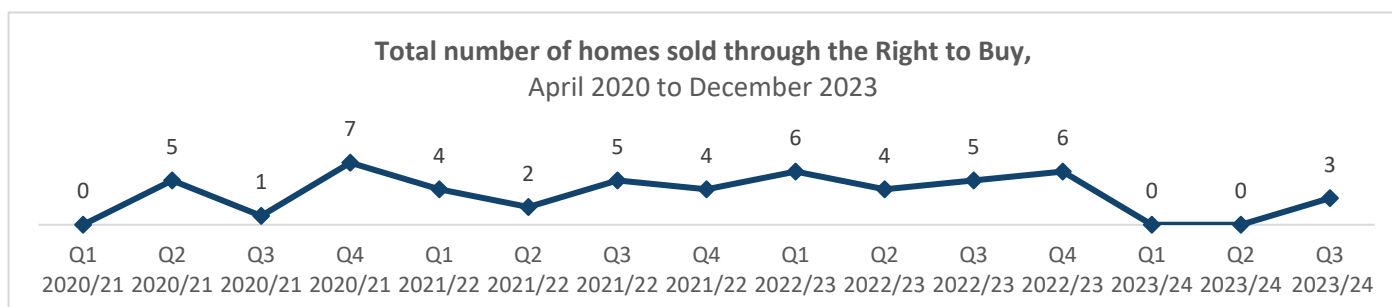


##### INV001a: Number of Homes Added to Dover District Council Housing Stock - types of accommodation.



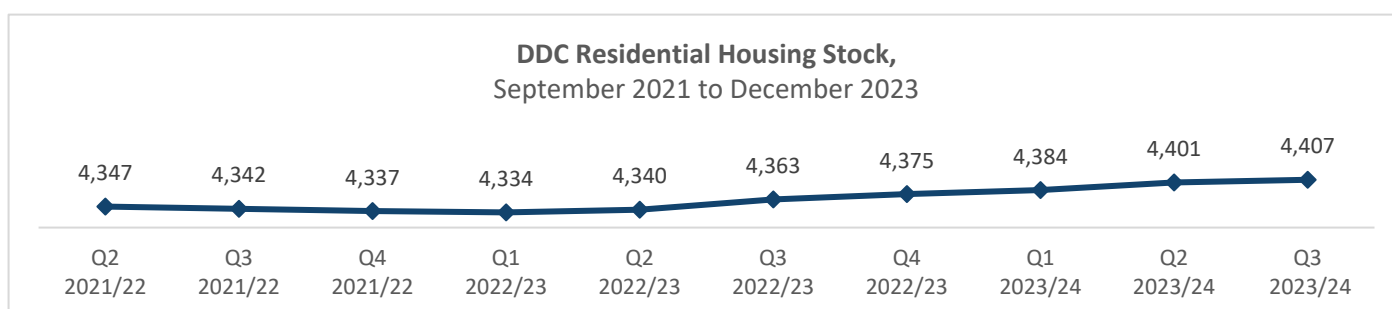
## Dover District Council Homes Sold Under the Right to Buy.

Reported for information purposes only.



## Dover District Council Residential Housing Stock.

Reported for information purposes only.



## Strategic Housing: Head of Service Commentary – Quarter Three 2023/24

- During Quarter Three 2023/24, we added an additional six homes to DDC Housing Stock. Five of these we have purchased through the Local Authority Housing Fund (LAHF) scheme for refugee accommodation (see below for further information), and one temporary accommodation.
- Since 2020/21, we have added 160 homes to DDC Housing Stock, broken down as follows: 53 (33.1%) temporary accommodation, 70 (43.8%) general needs accommodation, 31 (19.4%) shared ownership, and 5 (3.1%) Local Authority Housing Fund.
- The Council is committed to delivering an ambitious affordable housing development programme, to provide much-needed homes for local people. This new house building/acquisition programme is funded through a combination of our Housing Initiatives Reserve (HIR), retained Right-to-Buy receipts, external grants and borrowing. You can find further details of the HIR in our [Medium-Term Financial Plan](#).<sup>14</sup>
- The government’s definition of ‘affordable housing; includes social and affordable rented homes and shared ownership properties. We also include new interim accommodation in these figures, which, although this is not included in the Government’s definition, it is let at social rent levels, and helps address homelessness in the district.
- We have several affordable housing [development projects planned](#), including new build developments at Military Road and Poulton Close, Dover, Mongeham Road, Great Mongeham, Willowbank, Sandwich and Easole St, Nonington.<sup>15</sup>
- The Council is currently undertaking a property acquisition programme following successful funding bids and allocations under the Governments Local Authority Housing Fund (LAHF) Rounds One and Two. This is to provide housing for Afghan and Ukrainian refugees, with round two also providing three properties for general needs

<sup>14</sup> [dover.gov.uk/Corporate-Information/Financial-Information/Budgets--Accounts.aspx](https://dover.gov.uk/Corporate-Information/Financial-Information/Budgets--Accounts.aspx)

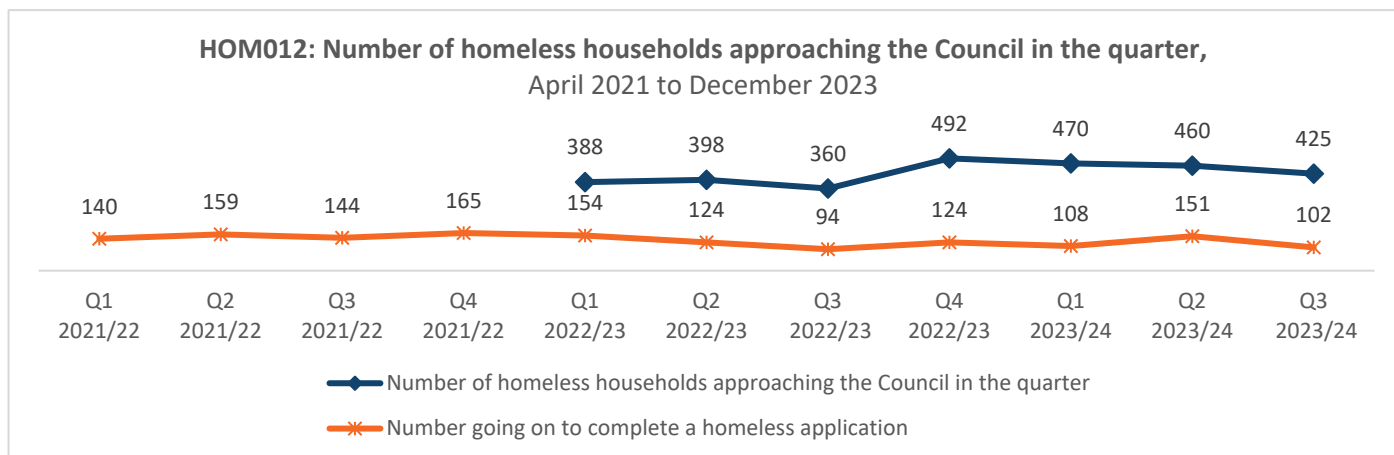
<sup>15</sup> [dover.gov.uk/Housing/Housing-Development/Developments-in-the-District/Schemes-in-Planning.aspx](https://dover.gov.uk/Housing/Housing-Development/Developments-in-the-District/Schemes-in-Planning.aspx)

temporary accommodation. In total, we anticipate acquiring 16 properties. Currently five purchases have completed, with others in the process of conveyancing.

- The Right to Buy scheme allows most council tenants to buy their council home at a discount. There were three homes purchased under the Right to Buy scheme in Quarter Three 2023/24 (one x four-bedroom flat and two x three-bedroom houses). There has been a total of 47 properties sold under the Right to Buy scheme since April 2020.

## HOMELESSNESS

**HOM012: Number of homeless households approaching the Council in the quarter and the number of homeless applications made.**

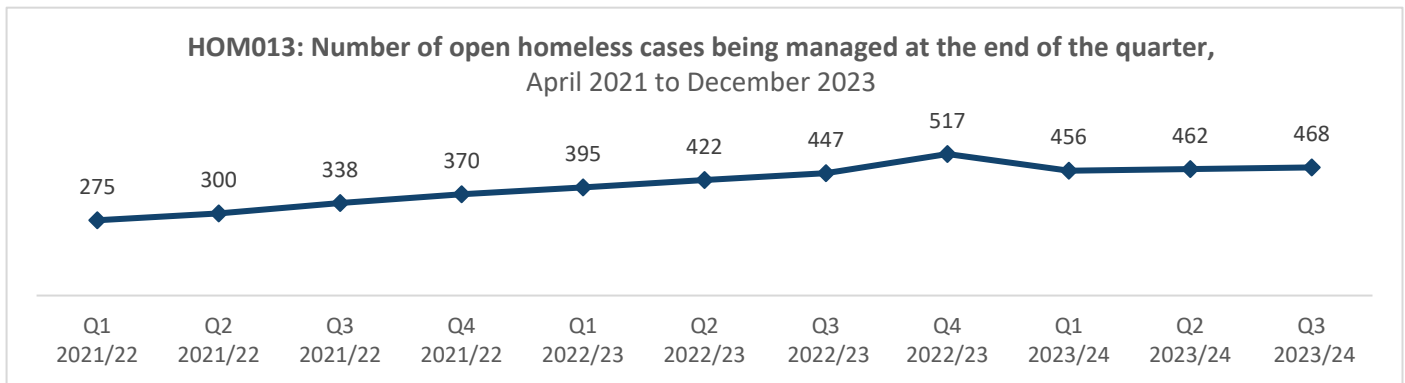


Changes made to reporting this KPI from Quarter One 2022/23 – please see explanation in the commentary below.

- At the start of 2022/23, we made changes to the way we report the ‘Number of homeless households approaching the Council in the quarter’. The graph now shows two datasets – the total number of households approaching the Council for advice and assistance as well as the number that have gone on to lodge a formal homeless application. This reflects more accurately the number of households in the district accessing the Housing Options service.
- Every local authority in England must make sure that advice and information about homelessness and its prevention is available to anybody in its district. The duty to provide advice and information is a general one and is intended to assist a very broad range of people, many of whom may not currently be homeless or threatened with homelessness, or who may not pass one of the other statutory tests. The advice and information service forms part of our homelessness strategy and its purpose is to assist people as early as possible to maximise the chance of preventing homelessness.
- During Quarter Three 2023/24, the number of homeless and potentially homeless households has reduced, which reflects the shorter quarter because of the Christmas period. During Quarter Three, 102 homeless applications were received, down from 151 during Quarter Two (-32.5%).

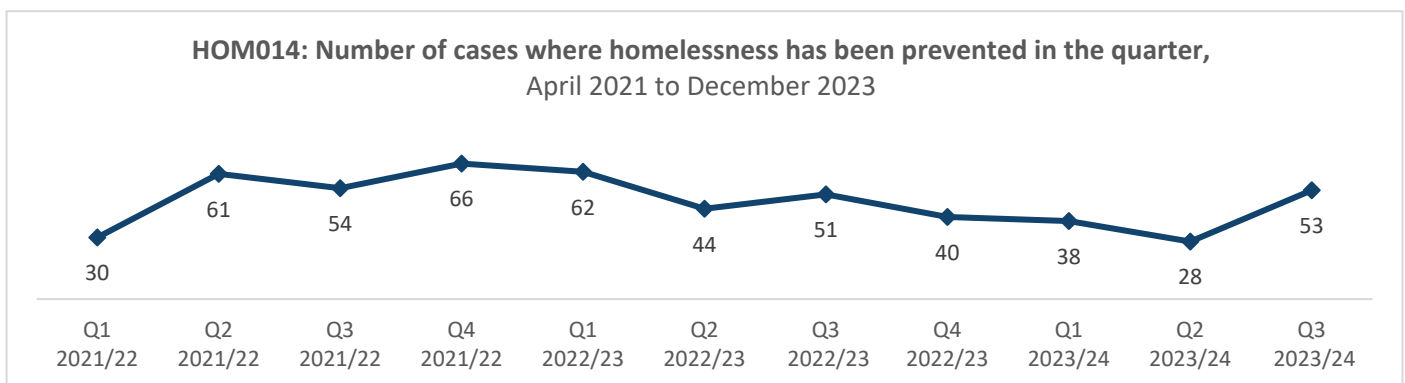


**HOM013: Number of open homeless cases being managed at the end of the quarter.**



- The number of open homeless cases managed at the quarter has increased from 462 to 468 (+1.3%).

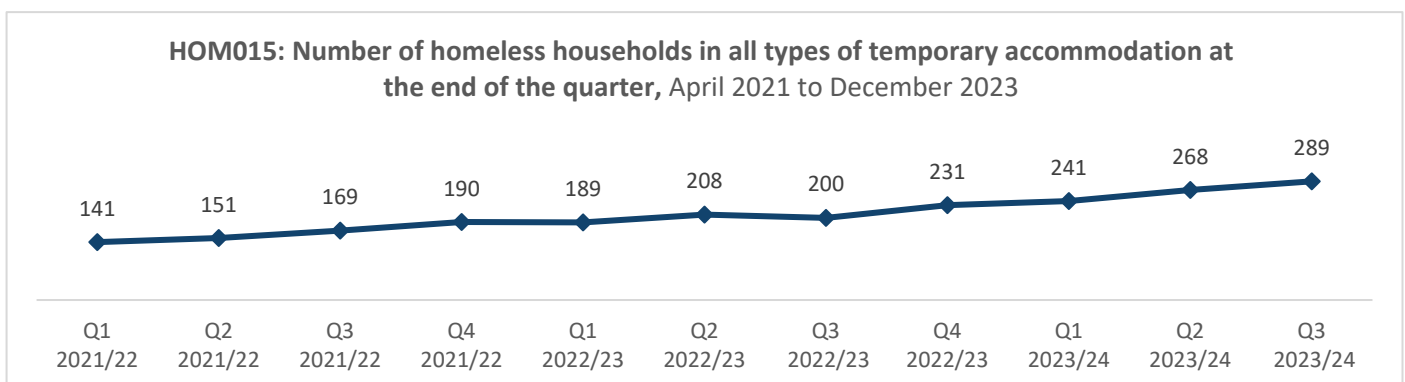
**HOM014: Number of cases where homelessness has been prevented in the quarter.**



- It is encouraging to note that the number of cases where homelessness has been prevented this quarter has increased, from 28 in Quarter Two to 53 in Quarter Three (+89.3%). This is due to having a new Homelessness Prevention Officer in post since October 2023.

**HOM015: Number of homeless households in all types of temporary accommodation at the end of the quarter**

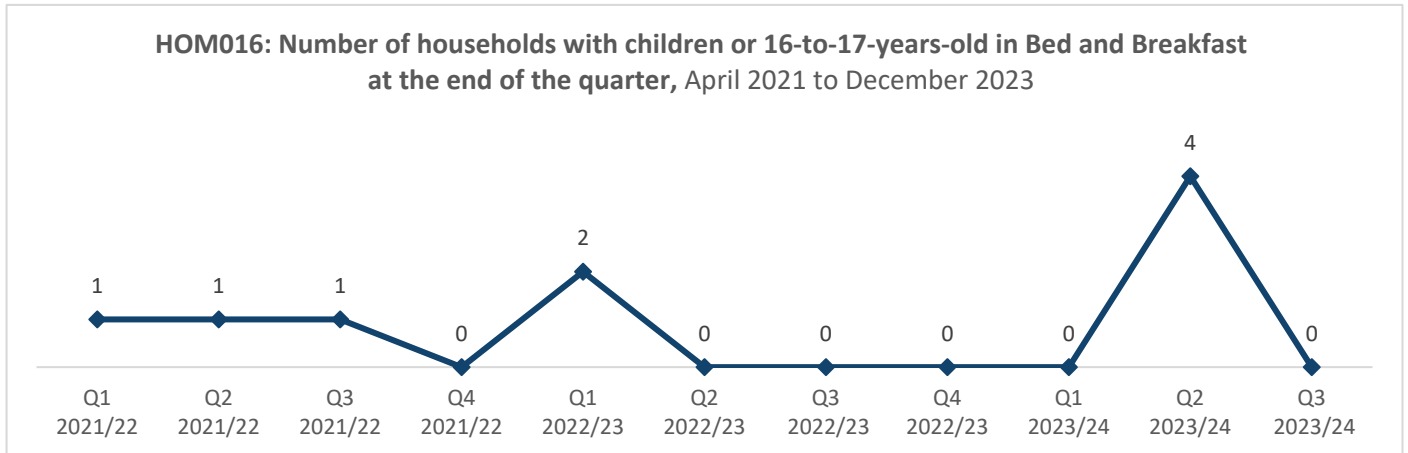
A low value is good.



- The number of households in temporary accommodation (TA) has increased this quarter, from 268 in Quarter Two to 289 in Quarter Three (+7.8%). This reflects the challenges we have in moving households out of TA into either private or social housing.

**HOM016: Number of households with children or 16-to-17-years-old in Bed and Breakfast at the end of the quarter**

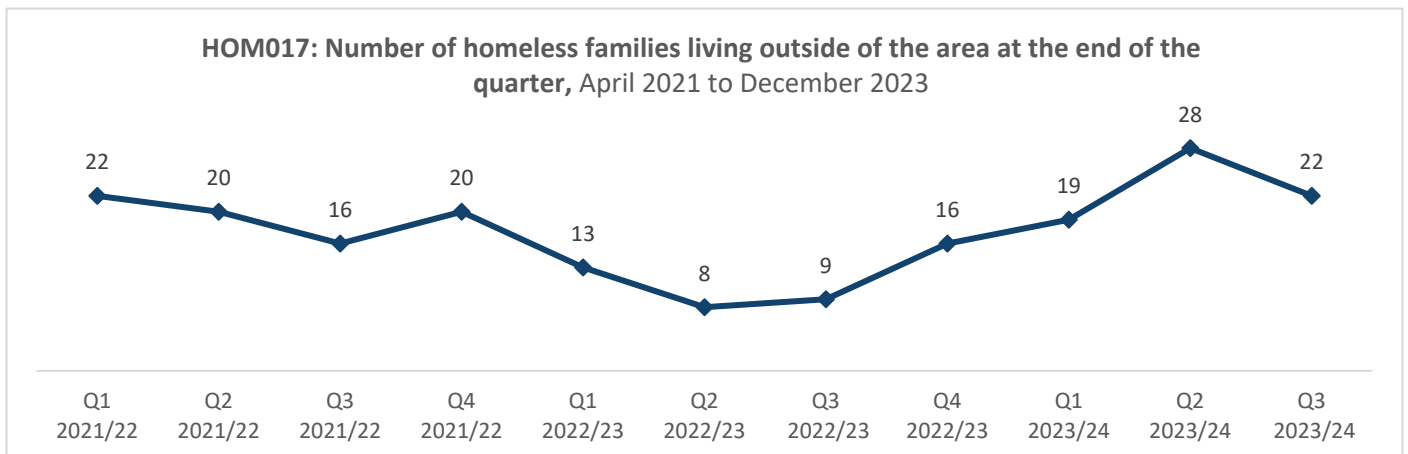
A low value is good.



- It is good to report that there were no households with children or 16-to-17-year-old in B&B at the end of Quarter Three 2023/24, falling from four in Quarter Two.

**HOM017: Number of homeless families living outside of the area at the end of the quarter.**

A low value is good. These figures include acquisitions.



- The number of homeless families living outside the area at the end of the quarter fell from 28 in Quarter Two to 22 in Quarter Three (-21.4%). We always try, where reasonably practicable, to secure accommodation within the district. Where this is not possible, we will place the homeless household as close as possible to where they were previously living and move them back into the area as soon as possible. Those living outside of the district are in Folkestone, Ashford, and Thanet.

**Homelessness: Head of Service Commentary – Quarter Three 2023/24**

- Commentary regarding individual performance indicators is now included under each of the charts for ease of reference. Additional items of note include:
- The level of homelessness in the district and the pressures it generates continue to be an issue at local, regional, and national level. The rise in households in temporary accommodation reflects the lack of supply of permanent accommodation for people to move into, both in the social or private housing sector as demand continues to outstrip supply. We continue to work hard to move households into our own stock and housing association

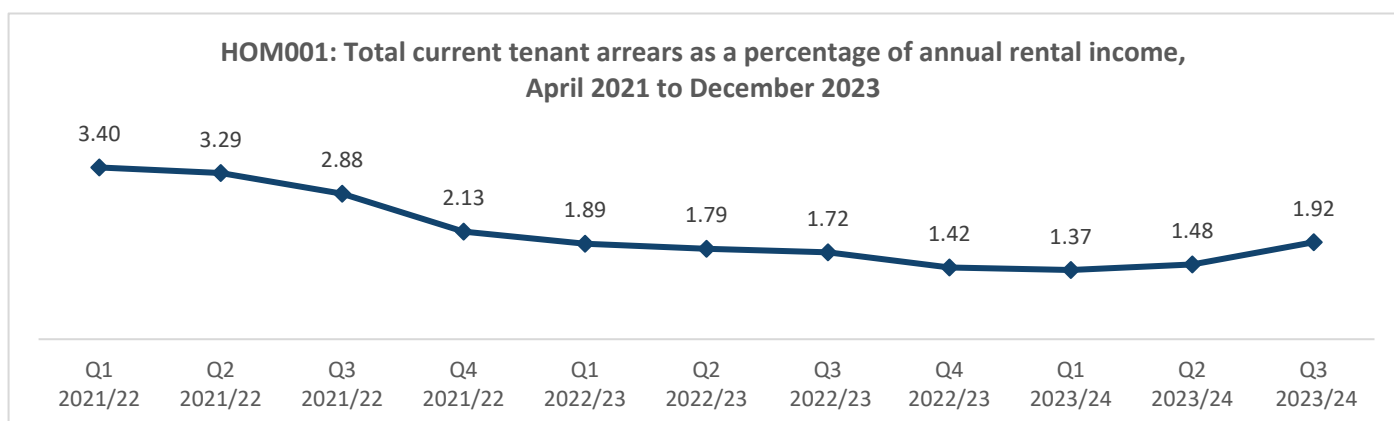
properties, thereby reducing the use and cost of larger private temporary accommodation. The shortage of smaller studio and one-bedroom properties in the district in both private and social housing sectors is inevitably leading to longer stays for couples and single people in temporary accommodation.

- To address the challenges around the provision and associated cost of temporary accommodation (TA), a dedicated TA team has recently been created. The team consists of two Housing Options Officers, who will focus on the management of all types of non-DDC TA, including the placement and movement within, and ultimately out of TA. Taking these elements away from the Options Officers will free them up to concentrate on their heavy caseload, many of which are complex and time consuming.
- We hope to see a positive impact because of this pilot, including a reduction in TA, and the associated cost, an increase in the number of homelessness preventions and a greater focus generally on homelessness management. The pilot started on 8<sup>th</sup> January and will continue for six-months, which will give us sufficient time to evaluate its success.

## HOUSING MANAGEMENT

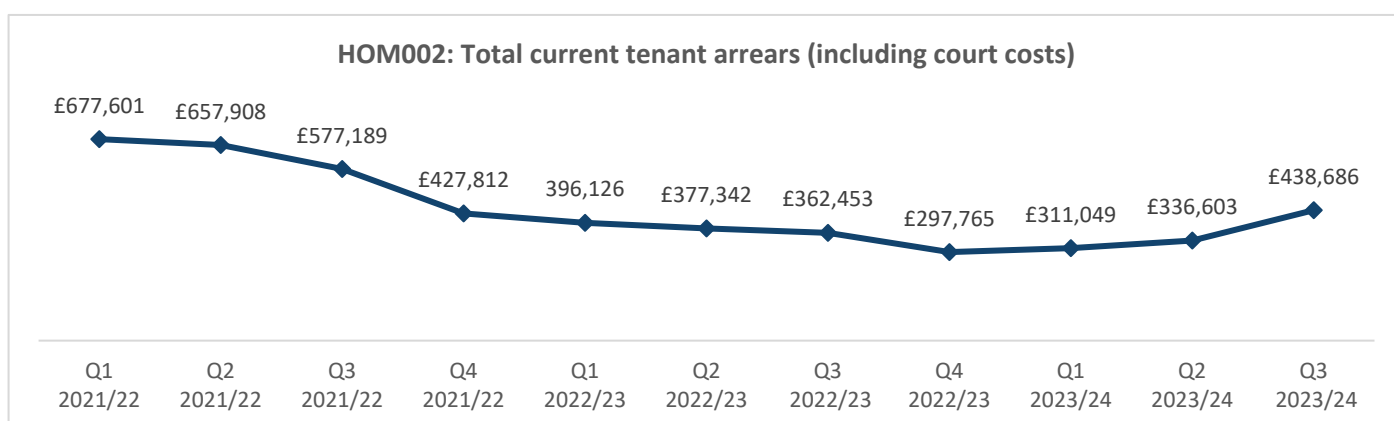
### HOM001: Total current tenant arrears as a percentage of annual rental income

A low value is good.



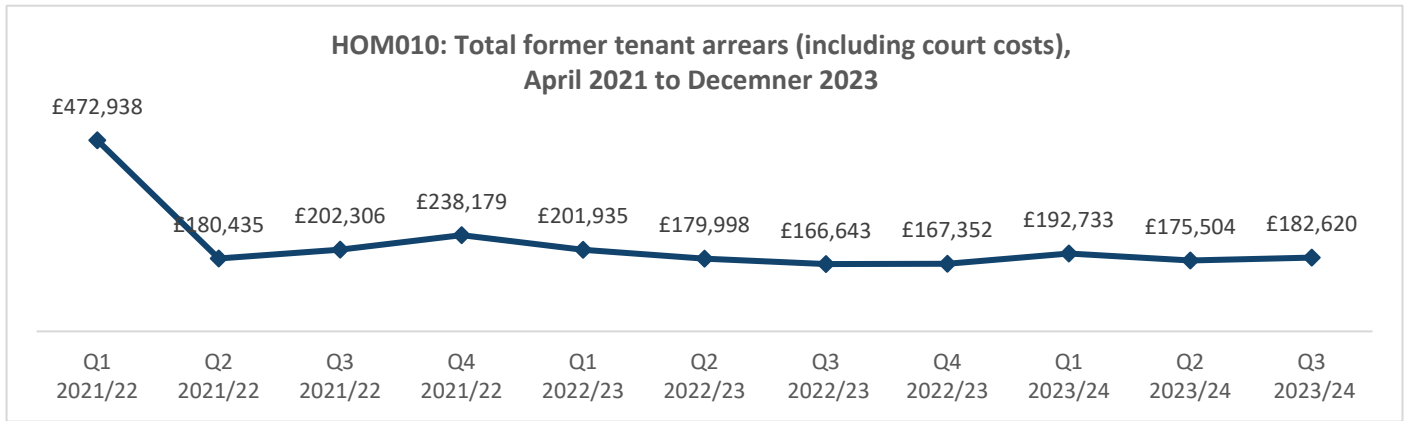
### HOM002: Total current tenant arrears (including court costs)

A low value is good.



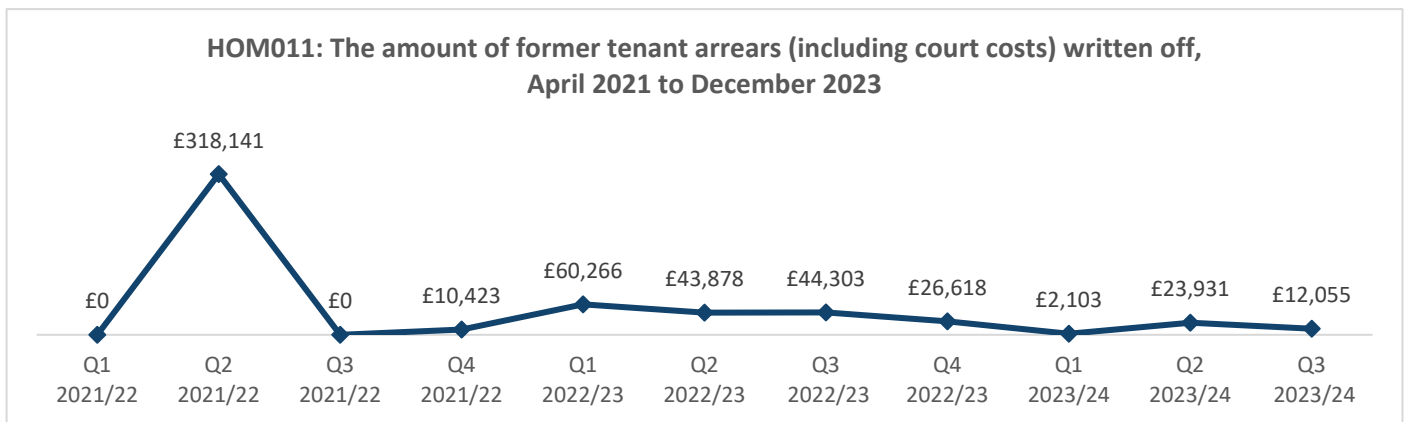
**HOM010: Total former tenant arrears (including court costs)**

A low value is good.



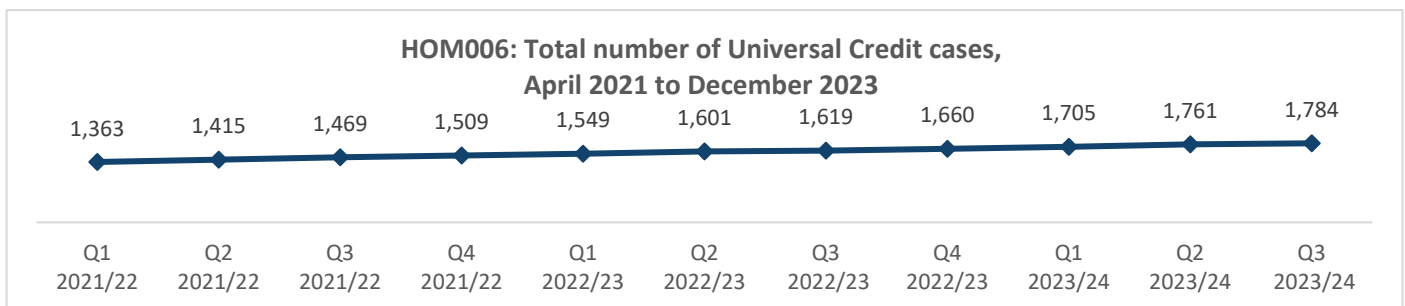
**HOM011: The amount of former tenant arrears (including court costs) written off.**

A low value is good.



**HOM006: Total number of Universal Credit Cases - all tenants**

Information purposes only.

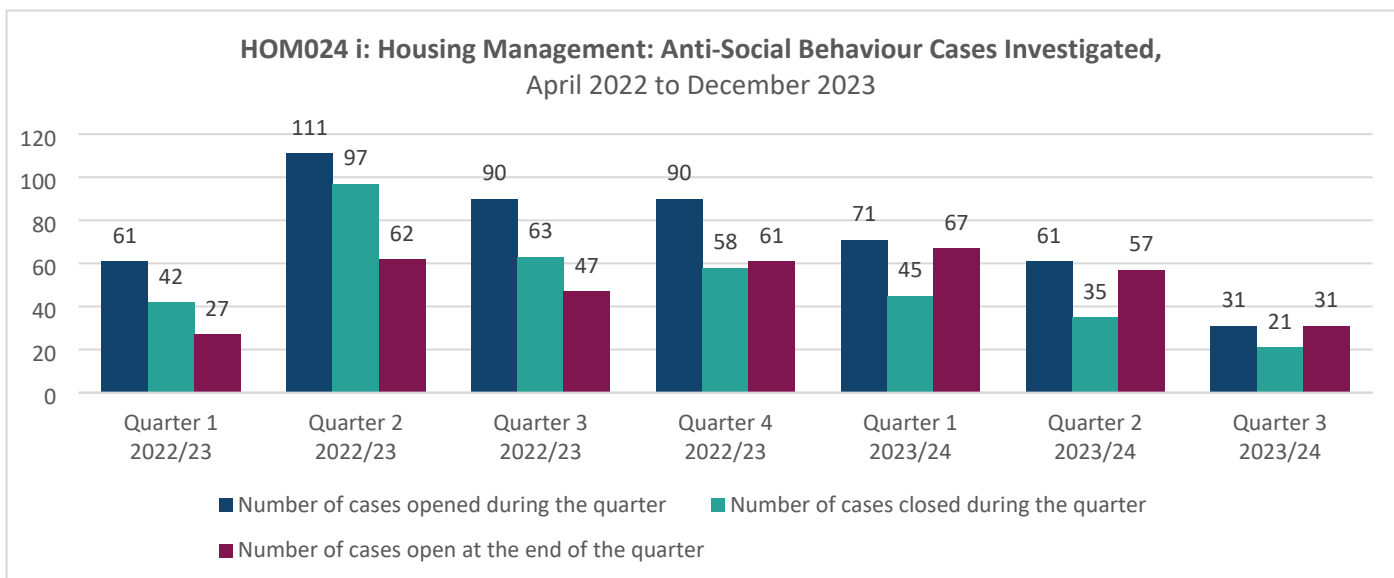


- The total current tenant arrears plus court costs of £438,686 reported for Quarter Three, and all the accompanying data for this period, is unfortunately incorrect. The indicator shows a large increase in arrears of £102,083 compared to Quarter Two and from November, when the total current arrears were £334,480.
- The Income Collection Team investigated this increase in arrears and discovered missing payment files from 27th and 28th December. Subsequent liaison with the Finance Team found that these files were allocated to the rent accounts on 10th and 12th January (outside of the Quarter Three reporting period). The total amount of missing files for this period was £91,093.22 and involved 413 rent accounts. In addition to this problem, IT server issues resulted in two weeks of Housing Benefit files being delayed for the Christmas and New Year period and, as a result, a delay in the weekly rent file being run and not fully updated until 4th January.

- IT issues have continued in January with Housing Benefit files not posted and further missing payment files. This has greatly hindered the team’s ability to be able to work the rent accounts effectively to date.
- We are working to resolve these issues as quickly as possible and reporting in Quarter Four (Year-End) should provide a more accurate picture of our tenant arrears.
- Over this quarter we have continued to have vacant posts within the team, with one full time income collection officer post being filled on 30<sup>th</sup> October, but there remained a full time and part time officer post vacant due to retirement.

**HOM024: Number of Housing Anti-Social Behaviour (ASB) Cases Investigated**

A low value is good.



- The housing team have dedicated Anti-Social Behaviour (ASB) housing officers who respond promptly to enquiries and, in cases where they are not the lead investigator, refer these to appropriate agencies and close the case.
- Following a challenging Quarter Two with a high volume of opened ASB cases (as normally expected in the hotter holiday months), Quarter Three saw a significant decrease in cases being opened with early intervention being favoured and residents not being as active as in Quarter Two.
- During Quarter Three, 31 Cases were opened and 21 closed in the period, from 52 concurrently open at the beginning of the quarter.
- We have investigated numerous types of complaints this quarter, with the top five categories being harassment/threats (8 cases), noise (7 cases), other criminal behaviour (4 cases), criminal damage (4 cases) and domestic violence/abuse (3 cases). A breakdown is provided in the chart below.
- Enforcement action during the quarter includes one injunction.

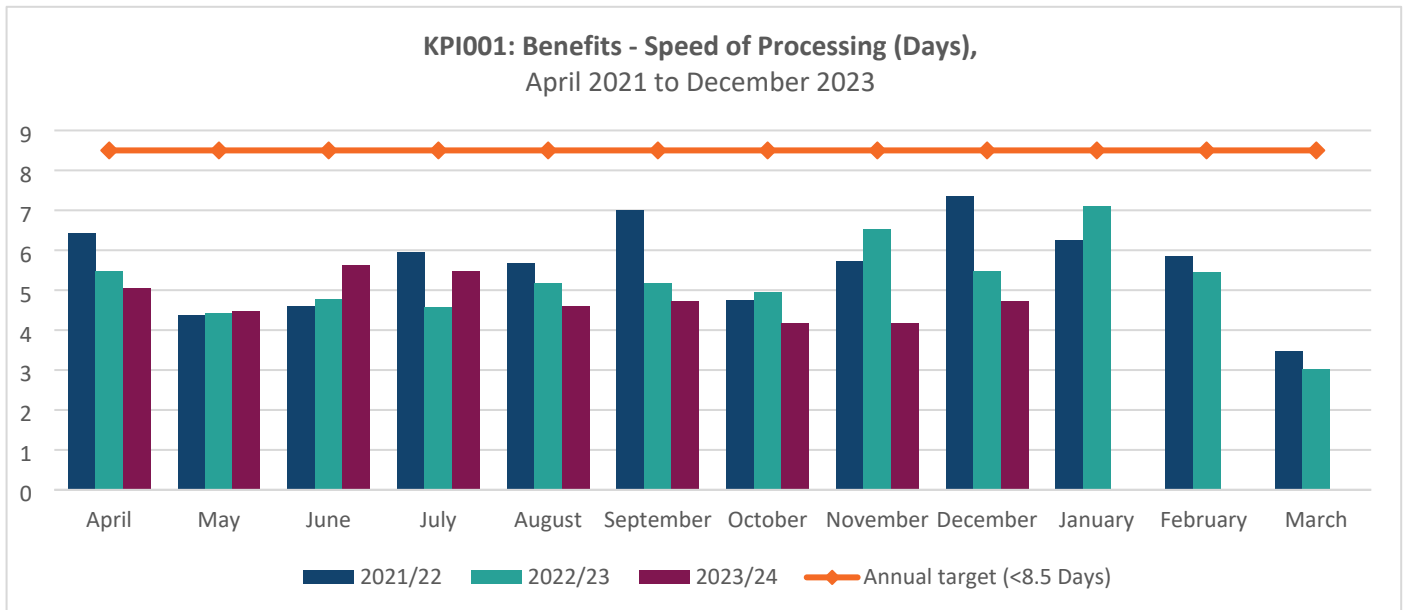
**HOM024ii: Breakdown of anti-social behaviour cases opened during quarter,  
April 2023 to December 2023**



## 10. EKS - CIVICA

### KPI001: Benefit Claims - Speed of Processing

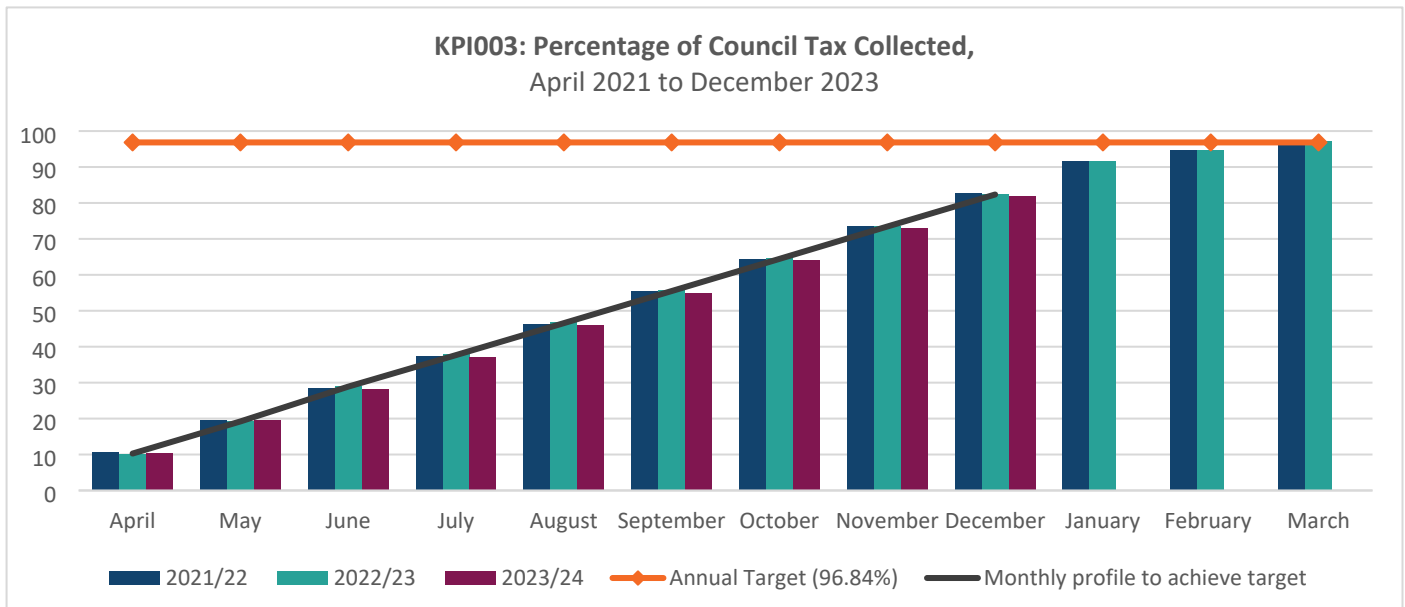
A low value is good.



- This target was achieved, with Housing Benefit claims being processed in 4.71 days during December 2023 (target 8.5 days).

### KPI003: Council Tax In-House Collection

A high value is good.



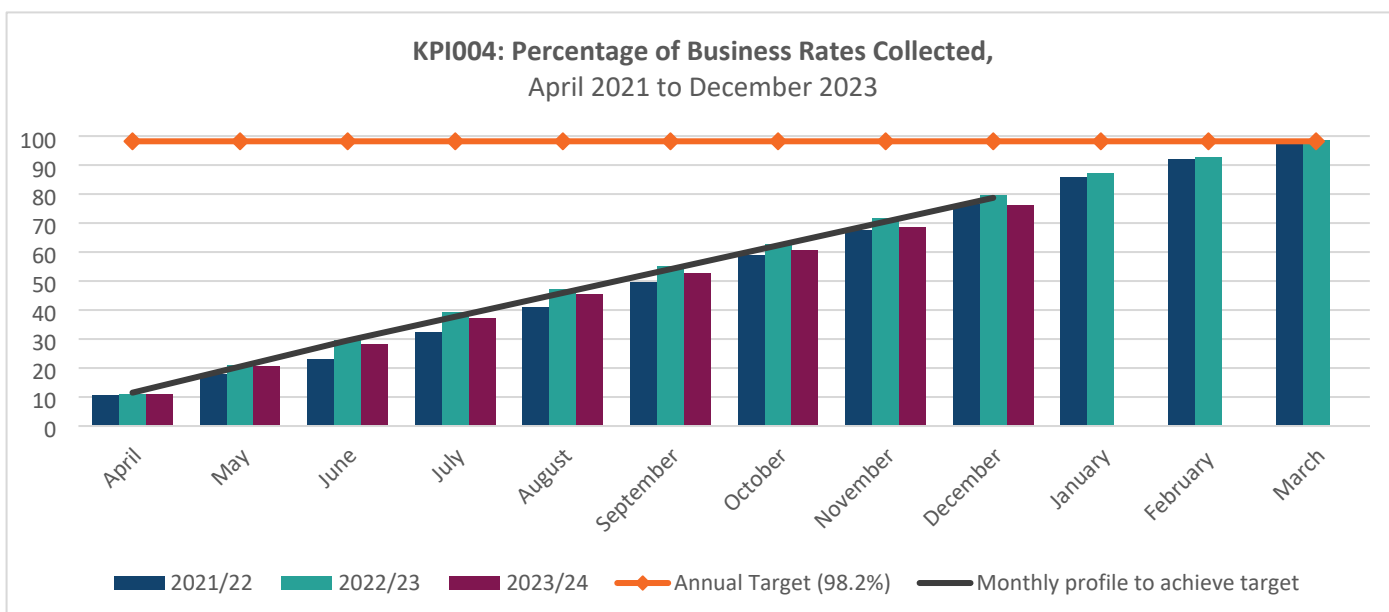
- The headline Council Tax collection rate is 0.4% below profile. Civica has found it challenging to profile the collection rate on a month-by-month basis due to having no direct comparisons with 2022/23 (due to Energy Rebate Scheme and other factors) on which to base their assumptions.
- Civica analysis shows that payment instalment profiles have changed when comparing 2023 to 2022. Since annual billing 2023, an additional 1,997 accounts are now being paid in twelve-monthly instalments rather than ten, which has reduced the monthly income in estimated payments. Based on an average Band C for 2023, this

equates to approximately a £189,515 shortfall in payments by December 2023, as they are spread throughout 2023. With those payments included, collection would have been 82.17%, so 0.18% below target.

- It is to be noted that when comparing December 2023 with December 2022, there is £5.6 million more to collect. There has been growth in the net debit collectible from April 2023 to December 2023 of £604,000, which reflects growth in the Taxbase. Payments collected are £3.3 million more in December 2023 than they were in December 2022.
- Overall, Direct Debit payments have increased in 2023 by £376,000 when compared to the same point in 2022. So, whilst collection may show as 'down' when looking simply at the percentage of KPI collected, there are some very positive indicators too.
- Whilst Civica does not know specifically why collection is down for December 2023, their investigations suggest it lends itself to outside factors that could not have been anticipated at the start of the financial year. A recent report by the BBC shows that the number of UK homeowners in arrears was up 7% in July to September 2023, compared with the previous quarter (reported by UK Finance). When looking at estimated income at the annual billing period, Civica has collected more than estimated and, subject to current macro environmental factors (cost of living crisis which drives choices and customer behaviour), do not anticipate a significant impact to the KPI.
- Other Kent local authorities are reporting a general downward trend in Council Tax collection overall as well.

#### KPI004: Business Rates In-House Collection

A high value is good.

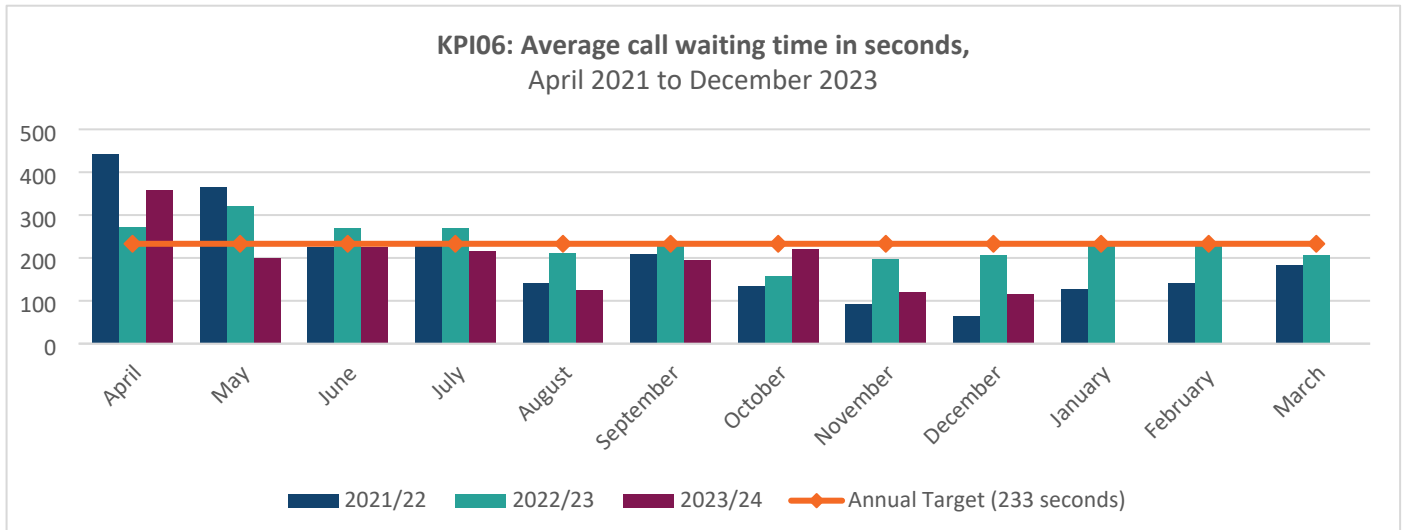


- Business rates collection is down by 2.65% or approximately £1.3m on monthly profiling. Payments of £220k are still waiting to be allocated to accounts for schools in the district and the remainder is tied up with accounts where recovery is being held pending outstanding queries, at a major site in the district.



**KPI006: Average call waiting time in seconds.**

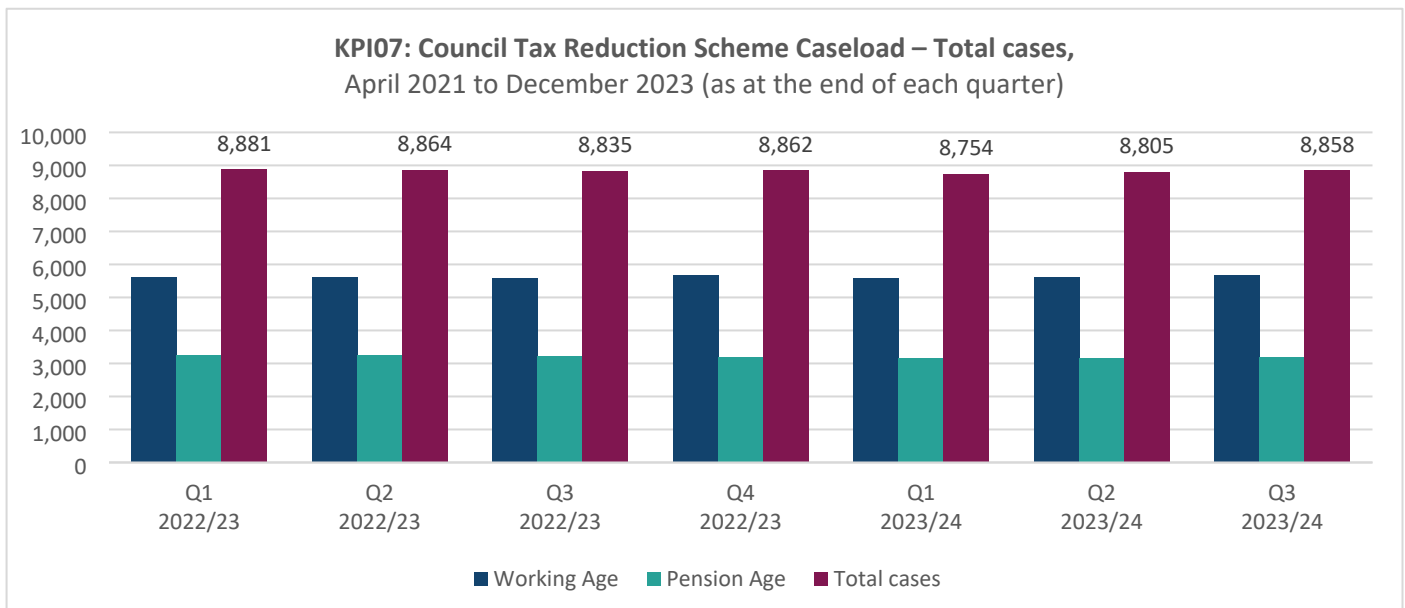
A low value is good.



- Call waiting time (115 seconds in December 2023) was within the monthly performance profile.

**KPI007: Council Tax Reduction Scheme Caseload**

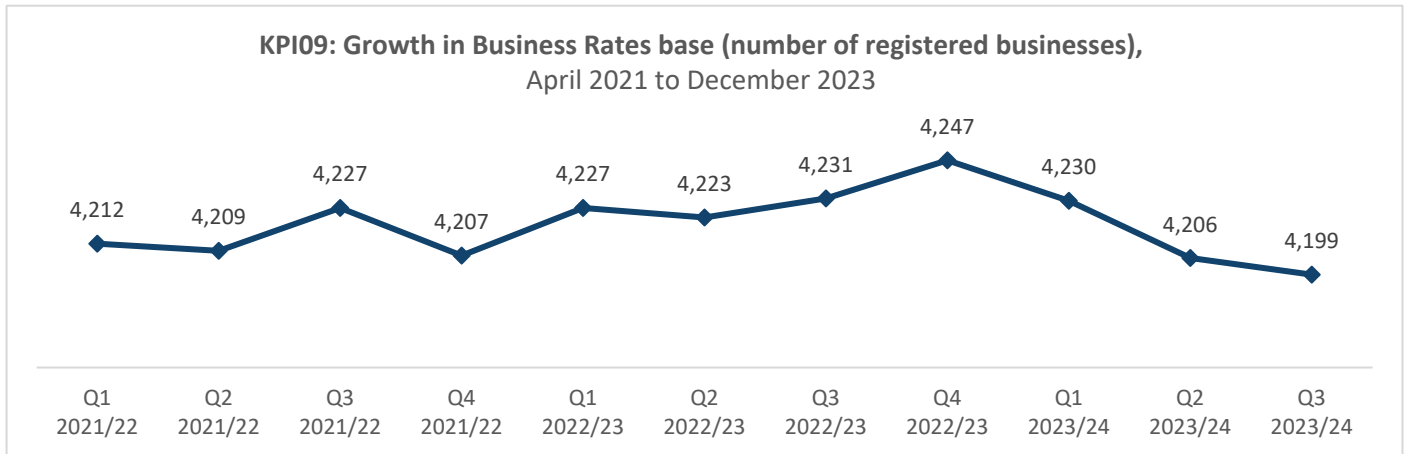
No polarity. Information purposes only.



- Compared with the same time last year, there has been a +0.3% increase in the total caseload (+1.4% working age and -1.7% pension age).

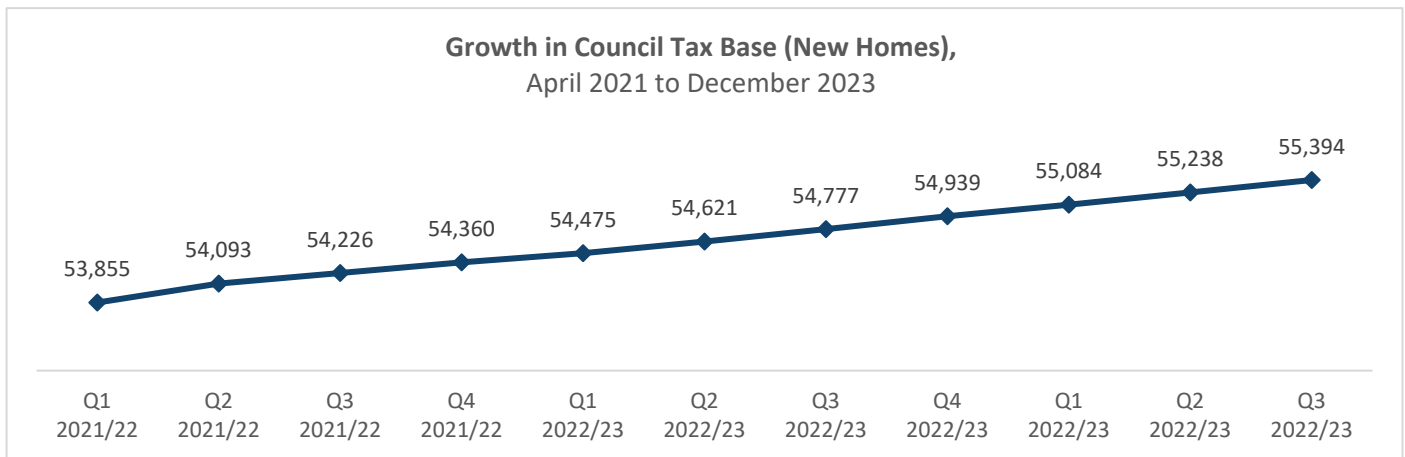
**KPI009: Growth in Business Rates base (number of registered businesses)**

A high value is good. Information purposes only.



**KPI011: Growth in Council Tax Base (New Homes)**

A high value is good. Information purposes only.



## G. CORPORATE RISKS

This section includes the corporate risks identified that remain a high risk despite management mitigating actions.

Ref	Risk	Impact	Likelihood	Management Action	Residual Risk
2.	Volatility of funding from Business Rates results in unexpected reductions in resources for the Council	High	High	<ul style="list-style-type: none"> <li>The projections of future BR income, and assumptions around the impacts of appeals and bad debts, have been made on a prudent basis to minimise the impact of any reduction in BR income and reserves will be used to smooth out volatility where possible.</li> <li>The current BR regime is unstable, and Government's plans are unclear.</li> <li>The Council continues to engage proactively with the DLUHC and CIPFA to try and ensure the accounting and resourcing adjustments and the resource allocations from the new system are made on a reasonable basis for Dover and that DLUHC use the most up to date data.</li> </ul>	High
3.	Increased homelessness and demand for social housing and supported housing.	High	High	<ul style="list-style-type: none"> <li>This is a demand led service, with peaks and troughs. The level of demand and the duties of the Council are being increased by the impacts of the Homelessness Reduction Act, Universal Credit the Ukrainian war, and the government's proposal for full migrant dispersal.</li> <li>The Council is also experiencing increased demand for supported housing, partly through policies by KCC, and flaws in the supported housing regulations mean that DDC cannot recover the additional costs of this accommodation in many cases.</li> <li>The Council is increasing the stock of affordable housing in the district. Alternatives to B&amp;B and nightly paid accommodation are also being purchased / developed for those accepted as homeless and B&amp;B accommodation, where required, is being purchased at lower nightly costs. Those in B&amp;B are also pro-actively managed to reduce the average length of stay and the costs to the Council.</li> </ul>	High

Ref	Risk	Impact	Likelihood	Management Action	Residual Risk
5.	<p>The continuing and total uncertainty from DEFRA over the border controls, use of Bastion Point, the operating model to be operated and the funding and staffing requirements at Dover (and all other ports) exposes DDC as Port Health Authority.</p> <p>The absence of bio-security control requirements from DEFRA at Dover and other ports exposes the UK.</p>	High	High	<ul style="list-style-type: none"> <li>In November 2023, the government announced their intention to consolidate border controls for imported food at Sevington, Ashford. The current proposal is that such controls will come into effect in April 2024.</li> <li>We continue to work tirelessly to obtain funding from government to properly carry out our statutory functions, but the level of uncertainty is increasing rather than reducing.</li> </ul>	High
33.	<p>Significant increases in the costs of supported housing following changes in social services practices by Kent County Council (KCC). KCC are commissioning supported housing within the Dover District from charity and private providers. The premium costs of the service are borne by DDC.</p>	High	High	<ul style="list-style-type: none"> <li>DDC officers are engaging with KCC to attempt to moderate or change the supported housing commissioning process within KCC. However, the financial pressures within KCC are such that there is limited prospect of success.</li> </ul>	High

Ref	Risk	Impact	Likelihood	Management Action	Residual Risk
34.	The issue of s114 notices by s151 officers within Kent County Council and Medway Council, leading to more extreme cost savings within those councils and cost shunt to the districts' and, in the event of financial failure, restructuring of local government in Kent to a unitary model.	High	High	<ul style="list-style-type: none"> <li>There are no realistic mitigations that can be undertaken at district level.</li> </ul>	High