



**Draft
Budget
2020/21
and
Medium Term
Financial Plan
2020/21 – 2023/24**

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EXECUTIVE SUMMARY

OVERALL POSITION

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

BUDGET AND MEDIUM TERM PLANS

2. The MTFP is the Council's key financial planning tool and underpins the strategic approach to financial planning. Although it spans four years, it is reviewed at least annually, and is monitored during the year.
3. It should not be viewed in isolation but as part of the wider planning process and in conjunction with other plans and strategies, in particular with the Corporate Plan and the Asset Management Plan. This MTFP covers the period 2020/21 – 2023/24.
4. Year 1 (2020/21) is the formally approved budget for the coming year. Years 2 - 4 of the MTFP (2021/22 – 2023/24) are included as “indicative budgets” for planning purposes. These will be rolled forward and amended in subsequent MTFPs and so approval of the overall plan does not set the budgets for the future years.
5. Regard has been given to the resources required to deliver the Council's objectives and the budget has been prepared to reflect the anticipated service costs and pressures.
6. It is the view of the Strategic Director (Corporate Resources) (Section 151 Officer) that the budget has been prepared in an appropriate and prudent manner and that based upon the information available at the time of producing this report the estimates are robust and the resources are adequate for the Council's spending plans in 2020/21.
7. However, current funding (in particular from Business Rates (BR), the Fair Funding Review and New Homes Bonus) is volatile, difficult to predict and generally outside of the Council's control.
8. The Council is part of a 'pooling' arrangement for business rates with the other Kent authorities in 2019/20 and continues on the same basis for 2020/21. This means that more growth is retained due to a reduction in the levy payable on growth from 50% (of its share) when acting alone to less than 5%, typically, on a pooling basis.
9. The Council is a 'shadow pool' member alongside Sevenoaks rather than a formal pool member as determined by MHCLG. However, we enjoy broadly the same benefits as full members of the pool, including the same reduction in the levy rate, but nevertheless we do not retain the full benefit of the levy reduction ourselves. This is because the pool could not operate without KCC, and therefore KCC receives 30% of any additional growth retained by all district authorities due to the levy reduction.
10. The MTFP assumes the pooling arrangement continues in future years, but the BR system is expected to change from 2021/22 and the impact cannot be assessed at

this time, whilst the system is being developed by various Government-led steering groups. Monitoring of the position will continue throughout the year and changes reported to Members through the quarterly budget monitoring reports.

11. Business Rates Growth retained by DDC is likely to reduce at each 're-set', although some growth is expected to be transferred to Baseline Need. This is not yet built into the projections, but won't impact 2020/21, as the first full re-set is scheduled for 2021/22, which is in line with the revised BR scheme.
12. The Government has also undertaken a consultation on future local government finance called the Fair Funding Review (FFR). At this stage it is not clear what impact this will have on the Council, and on the proportion of local government funding that is allocated to district council functions compared to that allocated to social services and other upper-tier functions.

BUDGET HEADLINES

GENERAL FUND

13. The General Fund headlines are:
 - General Fund budget surplus of £2k for 2020/21;
 - Prudent General Fund balances maintained at over £2.6m;
 - DDC Council Tax increase of £4.95 for a Band D property, maintaining the lowest Council Tax in East Kent;
 - Overall net expenditure levels increased slightly, in line with inflation;
 - No significant reductions in funding for services and no major changes in staffing levels;
 - Pressure comes mainly from reduced funding streams:
 - Revenue Support Grant 90% reduction in 2019/20, and forecast to remain at this lower level (circa £57k) for 2020/21 and be £nil thereafter;
 - New Homes Bonus scheme retained at four years in 2020/21, forecast to reduce to nil by 2024/25¹;
 - The Business Rates (BR)² regime remains complex, volatile and is beyond simple explanation. The bills paid by businesses are set by Government, the Council simply collects the income and passes most of it on. For Dover, a large proportion of the Council's BR income is generated from a small number of properties;
 - Results of the fair funding review are awaited as well as the impact of any other changes. There may therefore be other changes to funding streams for future years which will be incorporated into future budgets.
 - Additional income has been generated and used to protect services. The main sources are from:
 - Increased Business Rates (mainly relating to renewable energy incl. one-off);
 - Increased Council Tax base and charge;
 - Treasury management investments;
 - Commercial property regeneration initiatives.

¹ It is possible that some form of development reward scheme will be introduced to replace some of NHB, but no information on this is currently available.

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

THE HOUSING REVENUE ACCOUNT

14. The Housing Revenue Account (HRA) headlines are:

- Following consultation with tenants, Members will be considering the future arrangements for the management of DDC's housing stock. The budget has been produced on the broad assumption that the service will continue on the current basis – but with provision to draw on reserves to finance any costs of change and transition that may arise from a decision to change the management arrangements.
- 2020/21 budget funded;
- HRA balances maintained for 2020/21;
- Major variances for 2020/21:
 - Increase of rent by CPI +1% (2.7% in total);
 - Increased capital works;
- Rents set by Government, and have been increased by CPI +1% in 2020/21;
- Rents have reduced by 1% per annum for the previous 4 years as required by Government;
- The Council's ability to service the £73m remaining debt, that the Government required it to incur, needs to be protected, and this should continue to be a priority.

THE CAPITAL AND REVENUE PROJECTS PROGRAMME

15. The capital and revenue projects programme headlines are:

- The current capital programme totals £261m and is fully funded (subject to the borrowing arrangements for the Dover District Leisure Centre and the Property Investment Strategy³);
- The major projects in the programme are;
 - Property Investment Strategy;
 - Development of a Bus Rapid Transit System (BRT);
 - Refurbishment of Dover Town Hall;
 - Refurbishment of Tides Leisure Centre; and
 - Dover Market Square Public Realm Improvements.
- The resources for funding capital and revenue projects will be largely exhausted by the current programme.
- Future capital receipts are expected to come mainly from one-off asset sales and on-going housing right to buy sales which amount to circa £500k per annum at current sales levels, so will not replenish capital funds and will not be sufficient to maintain the current planned level of activity in the future.
- Revenue project resources will also be largely depleted, and no significant new resources are expected other than from contributions from the revenue budget.
- Borrowing for capital purposes can be undertaken but this will make business case proposals for projects more challenging.

TREASURY MANAGEMENT AND CAPITAL STRATEGIES

16. From 2019/20 the Council is required to produce a Capital Strategy, Treasury Management Strategy and Investment Strategy. These are included at Annexes 7A, 7B and 7C.

³ The borrowing approvals for the Leisure Centre and Property Investment Strategy total £185m and so the underlying capital programme is £68m.

KEY ASSUMPTIONS AND SIGNIFICANT BUDGET RISKS

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

RELATED STRATEGIES AND PLANS

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

CONSULTATION

20. It is proposed that the draft budget is placed on the Council's website, to be available for comments.

THE GENERAL FUND REVENUE ACCOUNTS

INTRODUCTION

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

FINANCIAL OBJECTIVES

22. The main financial objectives for the GF Revenue Account⁴ are as follows:
- Produce a fully funded GF Budget;
 - Maintain general balances over the medium term at an appropriate level (considered to be a minimum of around 10% of the net budget requirement or £1.5m, and a preferred level at or above £2m);
 - Use earmarked reserves to finance one-off items;
 - Support the Council's corporate priorities and agreed service standards; and
 - Undertake appropriate consultation.

BUDGET DISCIPLINE

23. Corporate Management Team, in consultation with the Leader and Portfolio Holders, have reviewed their service areas in order to support delivery of efficient and effective services within the budgets available.
24. In order to maintain firm downwards pressure on expenditure and recruitment, and to ensure budgets are directed to the Council's priorities the Council maintains a continuous "employment management" process. The employment management process provides a peer review and Chief Executive sign-off for all recruitment; so that all options are explored and tested before any recruitment is permitted.
25. The Council also has the facility to undertake efficiency and service reviews, "Delivering Effective Services (DES)". The DES team's role is to review services to deliver efficiencies, savings, alternative delivery methods, digital improvements, smarter working and improved customer experiences.
26. A key element of financial management is the treatment of unspent budgets. The Council has sought to promote a culture whereby budget managers have the flexibility to manage their budgets responsibly. Accordingly, managers are given the opportunity to carry forward unused elements of their budget, subject to approval by the Strategic Director (Corporate Resources).

THE GENERAL FUND BUDGET SUMMARY

27. The Council's GF revenue budget for 2020/21 is shown in Annex 1. The budget is funded, and the GF balance is forecast to be £2.65m. The net budget requirement for the Council's own purposes, after transfers to/from earmarked reserves is £15.1m.

⁴ The Revenue Account funds day to day recurrent expenditure. There are separate financing arrangements for capital expenditure where the benefit of the expenditure lasts for more than one year.

| Movement of budget requirement between 2019/20 and 2020/21 | 2019/20 Original Budget £000 | 2020/21 Original Budget £000 | Difference |
|--|---------------------------------------|---------------------------------------|--------------|
| Budget Requirement: | | | |
| Gross Revenue Expenditure | 62,487 | 61,230 | |
| Gross Revenue Income | (48,064) | (45,947) | |
| Underlying Budget Requirement | 14,423 | 15,283 | 860 |
| Earmarked Reserve adjustments ⁵ | 1,500 | 2,624 | 1,124 |
| Net Budget Requirement | 15,923 | 17,907 | 1,984 |
| Budget Financing | (15,951) | (17,909) | (1,958) |
| (Surplus) / Deficit | (28) | (2) | 26 |

28. The underlying Budget Requirement has increased between the financial years, reflecting the impact of inflationary and other service expenditure changes.
29. The Council's GF revenue budget for 2020/21 is shown in Annex 1. The budget is funded, and the GF balance is forecast to be £2.65m. The main factors impacting the General Fund budget are detailed at Annex 1E.

KEY VARIANCES / SIGNIFICANT ISSUES

30. The table below summarises the main variances between the 2019/20 original budget and the proposed 2020/21 budget.

| | £000 | £000 |
|--|-------|----------------|
| 2019/20 Original Budget Forecast | | (28) |
| Decrease in Enterprise Zone Relief Grant | 543 | |
| Increase in Renewable Energy Retained – current year | (655) | |
| Increase in Renewable Energy Retained – prior years | (932) | |
| Increase in NNDR base funding | (149) | |
| Decrease in NNDR Deficit/Increase in Surplus | (492) | |
| Increase in Council Tax – tax base & charge | (287) | |
| Decrease in Collection Fund Surplus (Council Tax) | 28 | |
| Other net increases in funding (minor) | (14) | |
| Total Variances in Funding | | (1,958) |
| One-off Renewable energy retained income transferred to Special Projects Reserve | 932 | |
| Change in NNDR Collection Fund Deficit/(Surplus) to/from Business Rates & Council Tax Reserve | 492 | |
| Reduced GF contribution to Special Projects reserve | (250) | |
| Other net reserve use | (50) | |
| Total Variances In Reserves | | 1,124 |
| Impact of salaries inflation, increased car allowances, changes in grades and associated pensions impact | 393 | |
| Pensions back-funding increase arising from triennial valuation | 260 | |

⁵ Earmarked reserves are used to offset agreed expenditure within services in accordance with the protocols detailed in Annex 4.

| | £000 | £000 |
|---|-------|------------|
| Other inflationary pressures – contracts renewals, etc. | 356 | |
| Allowance for climate change resources / staff pressures | 100 | |
| Additional investment in Tourism | 89 | |
| New finance system – overlap of maintenance contracts between systems | 73 | |
| Reduction in Housing Benefit and Council Tax Discount Scheme Administration subsidies | 74 | |
| Reduction in Housing Benefit net credit due to transfer of cases to Universal Credit (inc. reserve use reduction) | 50 | |
| Interest receivable – minor reduction | 56 | |
| Interest payable reduction due to repayment of LOBO | (216) | |
| Parking income – all categories – increase | (377) | |
| Off-Street Parking income increase transferred to reserves | 106 | |
| Income from Places for Leisure for DDLC management | (285) | |
| Reduced contribution from reserve (19/20 contribution applied to offset lower income) | 310 | |
| Homelessness – additional Housing Benefit income | (90) | |
| EKS/Civica management fees reduction | (52) | |
| MS365 annual licensing costs | 58 | |
| Corporate Maintenance increase | 40 | |
| Recycling income – green waste subscriptions | (30) | |
| Corporate contingency | 26 | |
| Numerous miscellaneous variances | (81) | |
| Total Variances in Corporate and Service Budgets | | 860 |
| 2020/21 Budget Forecast | | (2) |

FINANCING THE BUDGET

31. Financing of the net 2020/21 requirement is shown below.

| 2020/21 General Fund Revenue Financing | £000 | % |
|---|---------------|--------------|
| Non-Domestic Rates Income – baseline | 3,720 | |
| Non-Domestic Rates Income - growth, S31 grant, less levy, etc. | 1,939 | |
| NNDR Collection Fund Surplus – relating to prior years' appeals, etc. | 134 | |
| Enterprise Zone Relief Grant | 653 | |
| Renewable Energy Retained (incl. prior year) | 2,077 | |
| Total NNDR Funding | 8,523 | 47.6 |
| Revenue Support Grant | 57 | 0.3 |
| New Homes Bonus | 1,733 | 9.7 |
| Council Tax | 7,503 | 41.9 |
| Collection Fund Surplus (Council Tax) | 84 | 0.5 |
| Council Tax (Other S31 Grants) | 9 | 0.0 |
| Total Financing | 17,909 | 100.0 |

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

REVENUE SUPPORT GRANT

33. RSG (from Government) has been reduced by significant amounts every year since 2012/13.
34. The cash settlements are shown in the table below. RSG is expected to fall away to £nil from 2020/21. The reductions in RSG account for the bulk of the Council's future savings requirement.

| Revenue Support Grant Settlement | Grant £000 | Reduction £000 | Reduction % | Cumulative £000 | Cumulative % |
|---|-----------------------|---------------------------|------------------------|----------------------------|-------------------------|
| 2012/13 ⁶ | 5,112 | | | | |
| 2013/14 ⁷ | 4,699 | 413 | 8.1 | 413 | 8.1 |
| 2014/15 | 3,698 | 1,001 | 21.3 | 1,414 | 27.7 |
| 2015/16 | 2,529 | 1,169 | 31.6 | 2,583 | 50.5 |
| 2016/17 | 1,758 | 771 | 30.5 | 3,354 | 65.6 |
| 2017/18 | 1,027 | 731 | 41.6 | 4,085 | 79.9 |
| 2018/19 | 568 | 459 | 44.7 | 4,544 | 88.9 |
| 2019/20 | 57 | 511 | 90.0 | 5,055 | 98.9 |
| 2020/21 | 57 | 0 | 0 | 5,055 | 98.9 |
| 2021/22 Onwards | 0 | 57 | 100.00 | 5,112 | 100.0 |

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

BUSINESS RATES (BR)

36. There are a number of significant aspects to the current business rates regime:
- "Real" Growth
 - The DDC BR Profile
 - Renewable Energy Income
 - NNDR Collection Fund Surplus
 - Enterprise Zone Relief Compensation Grant (Income)
 - The Business rates Pilot and Pool
 - BR retention as a system of local government finance

Real Growth

37. The Dover District has been successful in generating significant real growth in developments in the district during 2016/17 – 2020/21 including:
- St. James Retail & Leisure Park, Dover
 - The new Dover Leisure Centre, White Cliffs Business Park
 - Combined Heat and Power Plant at Discovery Park
 - Supermarket (Lidl) at White Cliffs Business Park

⁶ Split for 2012/13 based on proportion of RSG:NNDR for 2013/14 before Council Tax Support Funding, with an adjustment to add to the 2012/13 RSG the level of CTS funding of £1,218k awarded in 13/14 for comparability across the years.

⁷ Council Tax Support Funding added by Govt. to RSG from 2013/14 onwards, replacing subsidy for council tax benefit previously shown in service costs. This effectively covers reduced income from Council Tax due to discounts being applied against tax base/council tax bills instead of being awarded as Benefit. CTS Funding not disclosed separately by Government from 14/15 onwards.

- Lok'nStore self-storage facility at White Cliffs Business Park
 - Maritime Skills Academy
 - Betteshanger Park
 - Discovery Park
 - Two new restaurants on Beach Street, Deal
 - Aldi, Deal (strictly replaces old Co-Op, but full demolition and reconstruction)
 - Further units at White Cliffs Business Park
 - Business Rates Incentive Scheme providing grants to improve high street premises.
38. The district also benefits from an Enterprise Zone (EZ) at Discovery Park which has major benefits to businesses in terms of BR relief (generally at £55k per annum per business for five years) and the employment and economic activity this brings locally and regionally.
39. All of these projects will have a positive impact on the tax base of the district and therefore on the total income collected by DDC and the amount retained by the Council for its own purposes.
40. This level of growth is vital to the Council since it helps to offset the erosion of the tax base and BR income from BR appeals, or from unexpected downward revisions by the VOA.

DDC BR Profile

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

| Dover's Rateable Values | Rateable Value ⁸ £000 | % |
|--------------------------------|---|------------|
| Channel Tunnel | 28,000 | 25 |
| Discovery Park | 9,382 | 9 |
| Dover Harbour Board | 2,610 | 2 |
| Tesco, Whitfield | 2,390 | 2 |
| Biomass Power Plant | 2,120 | 2 |
| Sub Total | 44,502 | 40 |
| Remainder ⁹ | 66,508 | 60 |
| Total | 111,010 | 100 |

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

⁸ Note – These figures are based on 2017 valuations. Rateable Value is not the same as the Business Rates paid. RV is multiplied by a government set multiplier (50.4p in 2018/19 increasing to 51.2p in 2019/20 for the standard multiplier) to determine the amount payable and this may be subject to BR reliefs.

⁹ The next largest site is just 1% of the total.

| NNDR/Business Rates (exc. EZ Grant) | DDC Share of Income £000 | Reduction/ (Increase) £000 | Reduction/ (Increase) % | Cumulative Change £000 | Cumulative Change % |
|-------------------------------------|--------------------------|----------------------------|-------------------------|------------------------|---------------------|
| 2012/13 ¹⁰ | 3,348 | | | | |
| 2013/14 | 2,994 | 354 | 10.6 | 354 | 10.6 |
| 2014/15 | 4,682 | (1,688) | (56.4) | (1,334) | (39.8) |
| 2015/16 | 4,296 | 386 | 8.2 | (948) | (28.3) |
| 2016/17 | 2,805 | 1,491 | 34.7 | 543 | 16.2 |
| 2017/18 | 4,097 | (1,292) | (46.1) | (749) | (22.4) |
| 2018/19 ¹¹ | 6,945 | (2,848) | (69.5) | (3,597) | (107.4) |
| 2019/20 Projected | 5,613 | 1,332 | 19.2 | (2,265) | (67.7) |
| 2020/21 Estimated | 7,870 | (2,257) | (40.2) | (4,522) | (135.1) |

44. Despite the extreme volatility, the projected outcome for 2019/20 is favourable for the Council compared to prior years, with the exception of 2018/19 which included one-off income of £1,983k while in the '100% growth retention' pilot scheme. The further increase in 2020/21 is largely due to renewable energy income retained (see section below).

Renewable Energy Income

45. The new Biomass Power Plant at Discovery Park is a renewable energy site. As such, we are able to retain all of the BR income ourselves, i.e. it does not have to be shared between the preceptors, so long as we granted planning permission.
46. Renewable energy retained is a significant income stream due to the inclusion of the Biomass Power Plant from 13/09/2018 when it became fully operational. However, it was only valued in May 2019 and until then, all income was based on a lower estimate of RV provided by VOA. It is included in the table of NNDR income above, which is why estimated income for 2020/21 is unusually high. This is mainly because the valuation was significantly higher than VOA had originally estimated – the actual valuation being £2,120k against an estimate in the range £800k - £1,200k (from which we used a cautious estimate of £900k in our projections).
47. The plant will generate £1,085k in 2020/21 (at 51.2p) and £1,068k in 2019/20 (at 50.4p). However, for 2019/20 we estimated only £466k based on the lower VOA rateable value estimate, and therefore the additional £602k will also be recognised in 2020/21 under statutory accounting regulations (not in 2019/20). There is a further amount of income arising in 2019/20 but relating to 2018/19 of £330k following the backdating of the formal valuation to 13/09/2018, which will also be recognised in 2020/21. Therefore, there is £932k additional income relating to prior years' renewable energy within the 2020/21 figures, as well as £600k approx. extra income for 2020/21 itself based on the valuation of £2,120k versus the £900k est. used in prior forecasts.
48. The prior year elements of £932k have been transferred to the Special Projects reserve to fund future projects. The other £600k is extra income which helps to meet other net budget pressures, including reduced Enterprise Zone Relief Compensation grant in 2020/21.

¹⁰ Split for 2012/13 based on proportion of RSG: NNDR for 2013/14 excl. Council Tax Support Funding.

¹¹ Includes £1,983k additional income from '100% growth retention' pilot scheme in 2018/19 ('Financial Sustainability Fund' and 'Growth Fund' elements, incl. additional levy saving).

NNDR Collection Fund Surplus

49. A further improvement arises from an estimated NDR collection fund surplus estimate of £134k in 2020/21 vs. an expected deficit of £358k in 2019/20, an improvement of £492k. These amounts are included in the NDR but are offset by reserve movements in both years (using the Business Rates & Council Tax reserve intended to meet such fluctuations) and therefore have no direct impact on the General Fund surplus for the year.

Enterprise Zone Relief Compensation Grant

50. The Discovery Park is a 'Case B' Enterprise Zone (EZ), and the EZ Relief given to its businesses are compensated by separate government grants. The compensation grant received is split between the preceptors in accordance with the tier split, and is not subject to any additional levy (which is advantageous). As such, it also sits outside of the pooling arrangements.
51. Enterprise Zone Relief Compensation grant, which is excluded from the preceding table, is expected to generate £653k in 2020/21 which is lower than the original budget estimate of £1,196k for 2019/20, a pressure of £543k. This is an expected pressure arising from reductions in relief given, as more Discovery Park businesses (hereditaments) come to the end of their five-year claim periods. No fresh claims were permitted after 31st March 2018, but prior claims are allowed to run for their full five years.
52. However, the projected income from Enterprise Zone Relief Compensation grant for 2019/20 is expected to be £1,752k, relating to recognition of prior year amounts under statutory accounting rules, which is higher than the original budget of £1,196k for 2019/20 by £556k. This one-off extra £556k is being transferred into the Business Rates & Council Tax Reserve to deal with future fluctuations in income relating to 'baseline resets', appeals and reassessments of baseline need, some of which are expected to impact from 2021/22.

The Business Rates Pilot and Pool

53. For 2018/19 DDC was included, with KCC and all other Kent districts, in the Kent BR Pilot, enabling all business rates growth to be retained locally (i.e. without Government taking its 50% share and without it charging any levy on growth). Government did not renew the Kent BR pilot for a second year and so the Kent BR Pool resumed operation in 2019/20 and continues in 2020/21.
54. DDC is not a full Member of the BR pool, as it is advantageous to all pool members, including DDC, to minimise the BR levy we pay, by giving DDC "shadow" pool member status and this has been agreed to continue for 2020/21.

BR Retention as a System of Local Government Finance

55. The system contains a complex web of tariffs and top-ups, safety nets, levies, baseline "resets", BR pools, pilot schemes, periodic revaluations, transition periods, appeals and frequently changed BR relief schemes.
56. Although referred to as a 50% local retention system, of which 40% is currently retained by districts, it is a misleading concept. A simplified illustration of the

mechanism for the “50%” BR retention system is set out in the table below, based on draft 2020/21 data (before adjustment for S31 grant funding of reliefs).

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

57. From the 40% retained, if the baseline amount that remains with the council is greater than the council’s baseline budget requirement, then the council pays the excess to government in the form of a “tariff”. For Dover this means the bulk of the 40% is also paid to government, as you can see in the illustration above.
58. Once the tariff is set, a district will have to continue to pay this amount to government. If actual collection is lower (for example, due to demolition at Discovery Park, successful appeals by doctors surgeries, etc.) the council has to continue to pay the tariff, and bear the loss itself, as well as bearing the costs of the appeals refunds, which may stretch back over many years and may even pre-date the current system.
59. The dynamic nature of the system, the elements of which can all be moving in different directions at the same time, can produce perverse outcomes, which makes it very difficult to develop a stable and robust budget, which therefore raises questions about its longer term operation. The accounting regulations for the different elements of the system mean that some elements are recognised in different years, even though they arise in the current year!
60. Provisions for likely reductions in RV from appeals also have to be calculated, which are complex but nevertheless remain estimates. These may or may not be sufficient in reality. A ‘safety net’ forms part of the system that restricts the loss of income in the event of such problems.
61. For 2020/21 the baseline budget requirement (a.k.a. ‘Baseline Funding Level’ or ‘BFL’) is deemed to be £3,705k. The safety net kicks in at £3,427k, meaning the first £278k of any loss due to reduced income (for appeals, etc.) has to be borne by the Council before a safety net payment is received from Government. The safety net payment would top up the Council’s income to 92.5% of the BFL (i.e. to £3,427k).
62. Further changes to the BR system are being developed by steering groups and likely to impact from 2021/22, at which point a “reset” is also expected to occur and some loss of ‘growth retention’ is expected to arise, which will have an adverse impact. However, the exact mechanisms are not yet known.
63. Therefore, the MTFP assumes the continuation of the system as at present, without any “reset”, and with a continuation of pooling to reduce levies.

COUNCIL TAX

64. A Council Tax increase of 2.6% for DDC purposes has been assumed for the 2020/21 budget which, if approved, will produce a Band D Council Tax of £192.24. This will result in an increase of £4.95 per year on a Band D property, which is 5p within the Government's capping requirements, which limit increases to 2% or £5, whichever is the greater.
65. The increase in the tax base from 38,526.26 Band D equivalent properties in 2019/20 to 39,029.75 equivalent properties in 2020/21, which is a rise of 1.3% approx., is mainly due to new properties being registered for Council Tax (incl. estimates of new builds), empty home premiums being charged for the first time, and reduced claimant counts for Council Tax Reduction Scheme (CTRS) discounts, offset by a small increase in single person discounts.
66. The combined impact of the Council Tax increase and the tax base increase is forecast to generate total Council Tax income of £7.5m. For planning purposes a Council Tax increase of £4.95 per annum has been estimated for future years.

COMPARISON WITH OTHER DISTRICTS' 2019/20 BAND D COUNCIL TAX

67. DDC has one of the lowest Council Tax rates in Kent. A comparison with the East Kent authorities' 2019/20 Council Tax rates is shown below. This shows the percentage that their 2019/20 Council Tax level exceeds DDC's and the extra income DDC would receive at their level of Council Tax:

| | Band D Council Tax £ | Difference to DDC % | Extra Income DDC would receive |
|---------------------------------------|----------------------------|---------------------------|--------------------------------------|
| Dover District Council | 187.29 | - | - |
| Canterbury City Council | 211.32 | 16% | £926k |
| Folkestone and Hythe District Council | 249.21 | 37% | £2.40m |
| Thanet District Council | 233.19 | 28% | £1.80m |

NEW HOMES BONUS

68. New Homes Bonus (NHB) was funded by the MHCLG¹² from a top slice of existing local government finance. The NHB received is credited to the General Fund revenue budget and it is therefore an essential element in balancing the Council's budget. Reductions in NHB results in offsetting savings being required.
69. The grant awarded to Dover since the start of the scheme is detailed below:

| Year of Scheme | Financial Year | Annual Grant £000 | Cumulative Grant £000 | Cumulative Years Included |
|-------------------|-------------------|-------------------------|-----------------------------|---------------------------------|
| 1 | 2011/12 | 294 | 294 | 1 |
| 2 | 2012/13 | 155 | 449 | 2 |
| 3 | 2013/14 | 450 | 899 | 3 |
| 4 | 2014/15 | 396 | 1,296 | 4 |
| 5 | 2015/16 | 275 | 1,570 | 5 |
| 6 | 2016/17 | 328 | 1,899 | 6 |
| 7 | 2017/18 | 415 | 1,865 | 5 |

¹² Ministry of Housing, Communities and Local Government

| Year of Scheme | Financial Year | Annual Grant £000 | Cumulative Grant £000 | Cumulative Years Included |
|----------------|----------------|-------------------|-----------------------|---------------------------|
| 8 | 2018/19 | 497 | 1,515 | 4 |
| 9 | 2019/20 | 488 | 1,729 | 4 |
| 10 | 2020/21 | 333 | 1,733 | 4 |
| 11 (Estimated) | 2021/22 | 333 | 1,318 | 3 |
| 12 (Estimated) | 2022/23 | 333 | 821 | 2 |
| 13 (Estimated) | 2023/24 | 333 | 333 | 1 |
| 14 (Estimated) | 2024/25 | 0 | 0 | 0 |

70. The Government implemented changes to the scheme from 2017/18 resulting in a reduction in the number of years grant in payment from 6 years in 2016/17 to 5 years in 2017/18 and further reducing to 4 years in 2018/19. In addition, Government has introduced a minimum growth level of 0.4%, below which no NHB will be paid. The growth delivered by DDC for the 2020/21 NHB calculations was sufficient to receive NHB of £333k.
71. For the purposes of the MTFP it has been assumed that no new NHB grant will be awarded in future years. It is therefore forecast that a reduction to the scheme will be implemented, reducing the payments by a year every financial year, resulting in nil payment by 2024/25. There may be changes to other areas of funding, for example from the results of the Fair Funding Review, that could offset this reduction but at this stage not enough information is available to incorporate other changes into the forecasts.

COLLECTION FUNDS

72. The Collection Funds (CF) are statutory funds. They sit entirely outside of the General Fund and the Council budget.
73. The Council manages Collection Funds for Council Tax and Business Rates. Every year the CF is credited with the income from CT and BR (c. £66.9m and £42.3m respectively).
74. The CF is also debited with the precepts from DDC, KCC, Fire, Police etc. These precepts are based on the forecast of income based on assumptions about the tax base, collection rates, etc. So, if income is below forecast, the collection fund will show a deficit at the year end. If it is above forecast, it will show a surplus.
75. This surplus (or deficit) is owed to (or by) the preceptors and will be added to (or deducted from) the following year's precept in order to distribute the surplus available in the CF or contribute the projected deficit back to the CF to top it up. This is a continuous rolling process.
76. It is forecast that there will be a surplus for Council Tax of £605k by the end of 2019/20 (Dover's share being £84k for recognition in 2020/21) and a surplus for NNDR of £336k by the end of 2019/20 (Dover's share being £134k approx. for recognition in 2020/21).

GENERAL FUND RESERVES AND BALANCES

77. The uncertainty and volatility that has been introduced into the major income streams for Business Rates and NHB suggest that maintaining or increasing reserves would be prudent.
78. The proposed General Fund balance in 2019/20 of £2.65m is above the Council's £2m "minimum preferred level". £2.65m represents 15% of the Council's budget requirement or just under 2 months net expenditure. It is prudent but not excessive.
79. The forecasts for future years show a requirement to identify savings or income generation of circa £1.3m in 2021/22 followed by further savings or income of £700k in 2022/23 and an additional £600k in 2023/24. The main cause for the savings requirements, over and above the normal inflationary pressures, is the forecast reduction in New Homes Bonus and the estimated impact of significant contract renewals to be undertaken in the period. This is the normal pattern of MTFP projections since future cost pressures are generally identified in advance of potential savings.
80. The Council's earmarked reserves, and protocols for their use, are set out in Annex 4. Without these earmarked reserves the Council cannot plan effectively for anticipated future events and requirements and expenditure of a cyclical nature. Nor could the Council plan to smooth the impacts of the volatile income streams from Business Rates, New Homes Bonus etc. Therefore, the earmarked reserves are held at an appropriate level for the Council's future plans.
81. Further supporting information on the GF budget is provided in the following Annexes:
- Annex 1 contains the budget summary for the General Fund;
 - Annex 1A summarises the net expenditure and financing requirements;
 - Annex 1B is a summary version of the NDR forecasting model;
 - Annex 1C shows the net service expenditure analysed by categories of expenditure and income;
 - Annex 1D shows the key expenditure and income figures and patterns for the General Fund;
 - Annex 1E details the main factors impacting the General Fund budget;
 - Annex 2 provides the General Fund Revenue Budget projection for the period to 2021/22;
 - Annexes 3A – 3C contain summaries of the services managed by each Director and the associated budgets; and
 - Annex 4 contains details of the General Fund balance and earmarked reserves.

Recommendations from this Section

82. It is recommended that Cabinet:
- Approve the grants to organisations detailed at Annex 9.
83. It is recommended that Council:
- Approve the General Fund Revenue budget for 2020/21 and the projected outturn for 2019/20;
 - Approve the policies and protocols regarding the General Fund balances and earmarked reserves, and transfers between reserves as set out in Annex 4.

HOUSING AND THE HOUSING REVENUE ACCOUNT

OVERVIEW

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

HRA FINANCIAL OBJECTIVES

86. The main strategic financial objectives of the Housing Revenue Account are as follows:
 - Maintain a Housing Revenue Account that is self-financing and reflects the requirements of residents;
 - Comply with the Decent Homes Standard and relevant health and safety requirements;
 - Maximise the recovery of rental incomes;
 - Minimise the number of void properties and minimise the level of rent arrears and debt write offs;
 - Provide sufficient investment in the current stock to maintain its condition and implement upgrades as necessary;
 - Maintain an adequate level of HRA balances and reserves;
 - Transfer the HRA balances in excess of the agreed adequate level to the Housing Initiatives Reserve (HIR) to be used for investment in additional properties;
 - Undertake prudential borrowing, in accordance with the Council's treasury management policies, where appropriate and there is a business case to do so, for investment in additional properties.
87. At the time of writing, the HRA has 4,311 dwellings, made up of 2,681 houses and 1,630 flats.
88. East Kent Housing is responsible for the management & maintenance of the Council's housing stock.

2020/21 DRAFT BUDGET AND MEDIUM TERM FORECAST

89. The HRA's financial position, detailed at Annex 5, can be summarised as follows:
 - HRA balance to be maintained for the period at £1m;
 - Projected surplus of £2.461m for 2019/20 to be transferred to the HIR for investment in additional properties;
 - Projected surplus of £1.900m for 2020/21 to be transferred to the HIR for investment in additional properties;
 - HIR balance fully committed to housing development projects (as detailed in paragraph 91) for the planning period.
90. The major variances between the 2019/20 budget and the 2020/21 proposed budget are:

- Increase in rent of CPI + 1% (2.7%);
- Ongoing increase in major capital works, to include significant building of new properties

91. The future year projections show an increasing income stream from rents. This is due to the ending of the Government's requirement to reduce rents in cash terms by 1% per annum for the period 2016/17 – 2019/20, and so rents can now be increased. The HRA is also facing general inflationary pressures on its expenditure. During 2020/21 the funding for the major HRA projects is forecast to reduce the balance on the HIR to nil. We are expecting to bring in 59 interim housing units, 65 units at William Muge and Snelgrove, 8 units at Noah's Ark Road, 8 units at Folkestone Road as well as a further 12 property buy-backs.
92. Annex 5 provides a draft HRA budget summary & Annex 5A provides an explanation of the main variations from the original 2019/20 budget to the 2019/20 projected outturn and from the 2019/20 projected outturn to the 2020/21 proposed budget. Annex 5B details the 4 year forecast position for the HRA.
93. The planned capital spend on existing council owned stock was supplied by EKH.

BACKGROUND

94. With effect from 1st April 2012 the government replaced the existing subsidy based system of HRA financing with "Self Financing". For DDC this resulted in the replacement of the subsidy that we were paying to Government (£6.3m in 2011/12) with a single payment to them of £90.5m. This was facilitated by DDC borrowing the required sum from the PWLB. Government direction was to plan for long term rent increases of 1% above inflation. Servicing the loan, over 30 years, cost less than the negative subsidy, and so the HRA started to accrue a surplus which could be invested in new housing.
95. Although the borrowing was made on the basis of government direction that rents would increase by inflation +1%, after Councils made the financial commitment to borrow Government then determined that local authority housing rents should reduce by 1% in cash terms for 4 years from 2016/17.
96. With an inflation rate of circa 2%, this means a 12% reduction against Dover's planned rental income by year 4. On a rent roll of £20m, that is an annual shortfall of £2.4m or £6.9m against previous projections. By year 4 the reduction largely offsets the annual surplus that was previously being accrued for additional investment.
97. The HRA budget is in surplus for 2020/21 and continues to contribute to the Housing Investment Reserve. However, it is forecast that the HIR will be fully committed during 2020/21 as we embark on major building projects. It is likely that the Council will need to consider options to undertake borrowing to support the on-going programme of housing development.
98. A stock condition survey was undertaken in 2017, to inform the on-going maintenance and investment requirements. The 2020/21 budget is based on the work programme provided by East Kent Housing incorporating the results of the survey.
99. In May 2017 Dover District Council Jobcentre Plus went live with the Universal Credit Full Service. There has been a significant increase in HRA rent arrears during the

period since. The situation is being closely monitored and bad debt provisions of £250k are included within the 2019/20 and 2020/21 budgets to allow for this increase. The debt appears to be mainly a cash flow issue rather than a bad debt due to the timing delays associated with payment of Universal Credit. However, tenants now directly receive the Universal Credit payment, whereas with Housing Benefit, payments are made direct to the landlord. This is resulting in some cases of higher debt levels from tenants not paying their rent and we are beginning to see some evictions due to this.

Rent Setting

100. Council house rents are effectively controlled by Government. They used to be set using a complex model based on a formula provided by the Ministry for Housing, Communities and Local Government (MHCLG). This was intended to achieve “rent convergence” and the model took into account a number of factors such as:

- Relative property values;
- Local earning levels; and
- Number of bedrooms.

Rent Levels

101. As the MHCLG has now allowed for rents to be increased from 2020/21 the average increase is 2.7%. Rent levels are calculated on an individual property basis using rent formulas previously prescribed by MHCLG.
102. It is not, therefore, possible to report on the rent to be set for, say, a standard 2 bedroom flat or a standard 3-bedroom house. However, for Members’ information the following figures may be helpful:
- The 2019/20 average weekly rent across all properties is £83.22;
 - The 2020/21 average weekly rent is forecast to be £85.47;
 - The increase in the average weekly rent is £2.25 or 2.7%; and
 - Three bedroom houses have rents (for 2020/21) ranging from £86.23 per week to £107.32 per week with an average of £93.78
103. Approval of rent levels is an executive function that has been delegated to the Head of Finance and Housing in consultation with the Portfolio Holder responsible for Housing on the basis of the model described above.

Capital Receipts

104. Like the majority of Councils, Dover has entered into an agreement with Government to retain 100% of the receipts from right-to-buy sales above the anticipated trend level. These excess receipts (known as “1:4:1 replacement”) are ring fenced to provide part funding of the cost of new affordable/social housing. This means that there is a cap on the receipts that can be used for general capital purposes. This can be supplemented by the element of excess RTB receipts retained for ‘debt repayment’ that may be used for other capital purposes if repayment of debt is funded from an alternative source.
105. As at the end of December 2019 there had been 14 RTB sales in the financial year. It is estimated that retained ‘excess receipts’ will be in excess of £1m by the end of the financial year. This has to be used within 3 years of receipt, or else it must be

repaid to MHCLG, and, when applied to a capital scheme, it cannot comprise more than 30% of the scheme costs, so other funding sources must also be available.

106. In order to comply with these rules and avoid claw back by the MHCLG, this funding is normally applied to HRA housing projects, before any other sources are used

Service Charges

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

EAST KENT HOUSING AND FUTURE MANAGEMENT OF HOUSING STOCK

108. East Kent Housing (EKH) was formed in 2011 to provide housing management services for Canterbury City Council, Dover District Council, Folkestone and Hythe District Council and Thanet District Council.

109. Since its formation the basic management fee for EKH has been fixed in cash terms and it has not received any inflationary increases in its funding. EKH had helped to reduce the overall cost of housing management and performed well in some areas, including rent collection and re-let times.

110. However, the additional work involved in collecting rent following the roll out of Universal Credit has seen rent collection performance fall and the four councils and EKH have identified that a number of urgent improvements are needed. Therefore all four partners have agreed to an increase in the fee on the same basis which is circa £200k pa for DDC. This will take the total management fee to £2.566m for DDC for 2020/21. In exchange for this increase in funding an improvement plan has been agreed, covering:

- Better management of contracts with key suppliers;
- Adapting the way they work following the introduction of Universal Credit;
- New people and processes to ensure council homes are improved more quickly;
- Continued investment in complaints handling and EKH staff.

111. Concerns have however arisen over the management of DDC's housing stock by East Kent Housing (EKH). These concerns cover a number of areas, in particular:

- Tenant health and safety (Also referred to as "compliance") – Councils have recently become aware of a serious failure by EKH to maintain compliance for a number of areas including gas certification, electrical testing, asbestos, legionella etc. These failures were self-reported to the Social Housing Regulator by the Councils and, as a consequence, the four East Kent councils are being monitored by the Regulator for delivery of remedial plans and actions to rectify the situation.
- Procurement – there has been an on-going failure to deliver timely and good quality specifications for re-letting of essential contracts.

- Contract management – there have been contract management failures leading to protracted and expensive legal actions with former contractors, in order to protect the Councils' interests.
- Capital programme – repeated and persistent failure to deliver the (much reduced) capital programme.
- Data integrity – data on EKH's various systems and spreadsheets has not been adequately maintained and reconciled. As a result, the data upon which performance reporting and contract negotiations depend has become unreliable.
- Single system – EKH are implementing a single system. This project was launched by EKH to replace the separate housing systems operated by Dover DC, Canterbury CC, Folkestone & Hythe DC and Thanet DC and, on the basis of a business case approved by each of the Councils in 2015, all four councils have made loans to EKH of £223k each (totalling £892k), to finance the system.

To date the system has been partially implemented in Folkestone & Hythe DC, Canterbury CC and at Dover DC. Thanet DC will be the last authority to implement the rents module. Work will then commence on the repairs and leasehold modules. EKH have received a further £370k in loans (£92.5k from each council) and have also used their own reserves to complete the implementation.

The project is now over three years late in implementation and approaching 100% overspent.

112. As a result of these various concerns the four Councils have dismissed the EKH board and appointed a new board (comprising the four Council Chief Executives). The Councils have also launched a tenant consultation on the future management of their stock.
113. The results of the tenant consultation will inform decisions on the future of stock management and will be reported to a DDC special Cabinet on 20th February. For the purposes of preparing the 2020/21 budget it has been assumed that the budget will continue on the current basis, but the HRA has significant reserves and therefore provision has been made for the possible transfer of some of these reserves into the 2020/21 revenue budget in order to meet the potential costs of service transfer to the Council, should such a decision be taken.

HOUSING DEVELOPMENT AND INVESTMENT

114. Housing development and investment within the district is taking place on a number of fronts, of which the most significant are:
 - HRA Investment
 - Housing Initiatives Reserve (HIR)
 - 1:4:1 Right to Buy Replacement
 - Acquisition and new build
 - Investment in existing stock
 - Registered Providers Investment
 - Private Sector Housing
 - Commercial housing developments

- Homelessness strategy

115. These are discussed in more detail below.

HRA INVESTMENT

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

116. The HIR is funded by the transfer of surpluses whilst maintaining a £1m balance in the HRA. The HIR was established to fund a programme of new house building / acquisition. During 2017/18 HIR funding enabled the re-purchase of 10 former Council properties which have been added to the HRA stock. A further 26 properties were purchased during 2018/19. So far during 2019/20, 8 properties have been purchased and this is expected to increase by the end of the year. The refurbishment of properties in Folkestone Rd to provide 9 flats has also been completed as well as 9 new build properties being purchased in Capel. The refurbishment of Norman Tailyour House, Deal has been completed providing 18 new 1 and 2 bedroom flats. Further projects are being developed to continue to directly provide additional affordable housing in the district; these include:
- A mixed tenure re-development of 65 units at the former William Muge and Snelgrove sheltered housing sites, Dover;
 - The development of interim housing on sites in Dover and Deal.
 - 8 units being developed at Noah's Ark Road, Dover and a further 8 at Folkestone Road, Dover.
117. Further opportunities are being considered and the business case for each examined prior to a formal a project approval being sought.
118. After allowing for the 2019/20 capital bids the balance in the HIR at the end of 2019/20 is projected to be around £5.6m of which all of is required for "matched" funding against £1.4m of excess right to buy receipts retained under the governments 1:4:1 replacement scheme. If the excess right to buy receipts are not used within 3 years of their retention they are repayable to government with interest. The four year HRA forecast (Annex 5C) projects an on-going ability to contribute to the HIR, however the balance will have reduced to nil by the end of 2020/21 due to the major investment programme to deliver new Council stock, particularly in William Muge and Snelgrove site. The forecast of the HIR balance is included at Annex 5B.

Investment in Existing Stock

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

Recommendations from this Section

120. It is recommended that Council:
- Approve the HRA budget for 2020/21 and the projected outturn for 2019/20 at Annex 5.

ASSET MANAGEMENT PLAN (AMP)

121. The AMP is used as a management tool to assist in ensuring that the Council's property assets meet the objectives set out in the Council's Corporate Property Strategy. It covers:
- Revenue maintenance requirements;
 - Capital works programmes;
 - Data on performance of significant corporate assets; and
 - Properties identified for disposal.
 - During 2020 the AMP will be amended to reflect the commitment of the Council to be a zero-carbon organisation
122. Expenditure on repairs and maintenance forms a direct link with the revenue budget, which contains the resources to meet the programme of repairs and maintenance. Standards of maintenance, and therefore of required expenditure, are to some extent subjective. The Strategic Director (Operations and Commercial) confirms that there are sufficient resources to keep properties generally wind and water-tight but it continues to be a challenge to maintain all buildings without deterioration. Continuing with this approach increases the risk, but it ensures that the limited budget focuses mainly on essential maintenance.
123. There is a growing backlog of planned maintenance required to "Operational Assets". Significant expenditure is needed at:
- Tides Leisure Centre, because of its age, needs work to the external envelope of the wet side buildings. Extensive renewal of worn out and inefficient heating plant for the wet side completed in January 2019. Survey work has indicated that more extensive repairs and replacements than were originally thought are also necessary. Further work is being undertaken to establish the route to achieve a sustainable future for the complex over the next 30-40 years.
 - During 2018 Dover District Council secured stage 1 HLF funding for Dover Town Hall, to support a scheme which will provide a sustainable future for the priceless Burgess heritage assets and the Stone Hall. The stage 2 bid is due to be submitted in June 2020.
 - Repairs to Deal Pier, including resurfacing of the stem to protect the structure beneath, were undertaken in 2018. Concrete repair works to structural members on the pierhead including the south steps began in October 2019 and will complete in early 2020. These secure the structural integrity in the medium term however more general significant cyclical concrete repairs are again becoming necessary and investigative work to ascertain the extent and cost of such repairs will be undertaken during 2020.
124. An Urgent Works earmarked reserve was established and this is held to fund urgent works on corporate assets if required.

Summary

The key points for Members to note are:

- There are sufficient resources to maintain the Council's General Fund properties in a basic state of repair but it is a significant challenge to maintain

all the buildings without deterioration and this does carry a risk of service failure or an increase in the overall maintenance backlog; The current resource levels preclude wholesale expenditure on initiatives to cut carbon emissions however innovative sustainable projects and solutions will cumulatively and significantly reduce emissions in order to help the Council achieve its organisational zero carbon ambition by 2030.

- The Strategic Director (Operations and Commercial) is reviewing opportunities for realising capital receipts from surplus assets to support financing of the capital programme.

CAPITAL PROGRAMME & SPECIAL REVENUE PROGRAMME

Purpose of the Capital Programme

125. The primary objectives are to:

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

Definition of Capital

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

- Capital receipts;
- Capital grants;
- Prudential Borrowing;
- Revenue resources; and
- Leasing.

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

Content of the Capital Programme

128. Members are referred to the draft Medium Term Capital Programme (MTCP) at Annex 6A. This is a dynamic programme and a formal bidding process is operated every year to identify and plan future projects.

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

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

130. To simplify the management of regeneration budgets it has been agreed that they are treated as one major project and virements between them can be authorised by the Strategic Director (Corporate Resources).
131. To facilitate efficient decision making, final approval for projects up to £50k that are included on the Capital and Special Revenue Programmes are delegated to the Strategic Director (Corporate Resources) in consultation with the Portfolio Holder responsible for Finance.
132. In addition, a contingency has been included on the MTCP and Special Revenue Programme in order to allow progression of small projects without significant policy implications. It is proposed that the approval of such projects continues to be delegated to the Strategic Director (Corporate Resources) in consultation with the Portfolio Holder responsible for Finance.
133. All projects will continue to require reports for approval of a Project Appraisal and at evaluation, design and tender stages, where appropriate, in accordance with the Constitution.
134. The structure of the programme is reflected in the format of Annex 6A and is explained below:
- Committed General Fund Projects
These are live General Fund projects that have been approved by Cabinet through the Project Appraisal process or under the agreed delegated authority, and are committed or in progress.
 - Proposed General Fund Projects
New projects are shown in the programme for approval of funding to the projects. These projects will be subject to the completion of a Project Appraisal for Cabinet or delegated approval before they commence.
 - HRA Programme
Proposed level of expenditure and allocation of funding for HRA Capital projects, as detailed at Annex 5C.
 - Financed by
This table provides a summary of the financing of the proposed Capital Programme. Members will note that there are sufficient resources to finance the projects included in the table. However, Members should also note that:
 - If Members wish to include additional projects in the programme, these can only be resourced by removal of the equivalent value in new bids;
 - Removal of projects financed by specific grants, or within the HRA, will not generate additional resources for other projects in the General Fund programme.

Content of the Special Revenue Projects Programme

135. The Special Revenue Projects Programme (Annex 6C) comprises significant projects which are not, in the main, capital, but which are still one-off revenue expenditure in nature and are therefore to be funded from reserves as annual recurrent revenue

budgets are insufficient to finance them. As one-off projects they are generally managed with the same disciplines and controls as capital projects. As they are financed from revenue reserves cancellation of any of these projects would free up resources which could be used to finance capital projects, other revenue projects, or for other purposes.

Financing of the Capital and Special Revenue Projects Programmes

136. In order to maximise the capital resources available to the Council, the detailed decision to apply capital receipts, revenue resources, grants, s106 monies etc. to finance the approved Capital and Special Revenue Projects Programmes is delegated to the Strategic Director (Corporate Resources), in consultation with the portfolio holder responsible for Finance, and capital receipts from particular sources will not be hypothecated to specific projects. Instead they will be treated as one overall stream to finance Capital and Special Revenue projects within both the General Fund and HRA according to the priority of the projects and the availability of financing.
137. The financing of the capital programme will be reported to Members as part of the Outturn Report. This is produced annually and accompanies the final accounts.
138. In addition to financing of capital expenditure, the Council also has to consider what provision, if any, should be made for the repayment of debt. Although new long term borrowing has not yet been undertaken, it is intended that new borrowing, when required, will be repaid by making revenue provisions based, inter alia, on the life of the asset as set out in the Treasury Management Strategy Statement, Annex 7B.

Prudential Code

139. The “Prudential” regime was introduced on 1 April 2004, and since then local authorities have had the freedom to borrow monies that are judged affordable, sustainable and prudent. This enables local authorities to fund new borrowing from savings in revenue expenditure or the generation of additional revenue income. MHCLG have recently consulted on proposed changes to the Prudential Code. Any impact of these changes will be advised in future reports.

Capital Receipts

140. In 2004/05 the Government introduced the pooling of housing capital receipts, from Right-to-Buy sales, for distribution to authorities where there is greatest need. From 1 April 2012 new Right-to-Buy regulations apply. The main change from previous regulation is that receipts in excess of those allowed for under the Housing Finance Reform Debt Settlement may be retained by an authority for 1:4:1 replacement of Affordable Housing.
141. Right-to-Buy (RTB) sales in 2019/20 have been lower than levels in 2018/19. Although the level of receipts available for general capital purposes is capped additional funding is available from the element of excess RTB retained for debt repayment that may be used for other capital purposes.
142. The Council generally retains 100% of non-HRA capital receipts and non-RTB HRA capital receipts, subject to capital allowance regulations.
143. Annex 6B details the level of capital receipts held, expected, committed to projects proposed and to be used for new projects. The balance of receipts after these

anticipated receipts and commitments is shown as zero. Future capital receipts are expected to come mainly from housing right to buy sales and amount to circa £500k per annum at current sales levels, so will not replenish capital funds and will not be sufficient to maintain the current level of activity in the future. No other major receipts are currently expected.

Summary

The key points for Members to note are:

- The Capital Programme operates on a cash funded position with no new projects being approved to commence unless the whole project costs can be financed through additional funding, sufficient capital receipts have been banked, external borrowing is approved or other savings in the programme have been identified. The new projects in the programme have been approved subject to the completion of a Project Appraisal for approval by Cabinet, or the Strategic Director (Corporate Resources) in consultation with the Portfolio Holder responsible for Finance under delegated powers;
- The Capital Programme is partly financed from HRA Right-to-Buy sales. The level of RTB sales in 2018/19 was lower than 2017/18 and the level of sales for 2019/20 is currently showing this trend is continuing. Therefore, the amount of receipts available for general capital purposes remains limited.
- The detailed financing of the Capital and Special Revenue Projects Programmes is delegated to the Strategic Director (Corporate Resources) in consultation with the portfolio holder responsible for Finance;
- There is no provision for making capital grants to other organisations, other than those grants already approved; and
- The lack of headroom in the capital programme for additional projects is a significant constraint and large projects will need to be funded from external borrowing where revenue savings can be identified to offset the borrowing costs (such as the Property Investment Strategy projects).
- Following a number of years during which only patch repairs have been undertaken, there is now a need for significant investment across the authority's assets, parks and ICT to achieve a standard that will enable a programme of rolling works to be introduced.

RECOMMENDATIONS FROM THIS SECTION

144. It is recommended that Cabinet:

- Approve the use of the Property Services (Special Revenue) allocation;
- Approve the use of the provision for internal costs to facilitate new projects.

145. It is recommended that Council:

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

TREASURY MANAGEMENT AND THE PRUDENTIAL CODE

146. The Local Government Act 2003 introduced new capital accounting regulations, which required Councils to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code when setting their budgets.
147. The new capital system promotes a Council framework to ensure:
 - (a) That the authority maintains a balanced budget;
 - (b) That the impact of capital investment decisions is reflected in the revenue budget; and
 - (c) That performance measurement is implemented in managing and controlling the impact of capital investment decisions.
148. Annexes 7A – 7C set out estimates for each of the relevant Prudential Indicators in each of the financial years 2020/21 to 2023/24, and include the latest estimates for 2019/20 aligned with the revised forecast budget. Approval will be sought for the proposed indicators for 2020/21 – 2023/24.
149. The capital programme has been financed to date within existing resources, which include capital receipts, specific capital grants, the Major Repairs Allowance, and useable reserves and internal borrowing. Significant projects, including the Dover District Leisure Centre and Property Investment Strategy, will ultimately be financed by borrowing; however no borrowing has been undertaken at this time. Approval levels for borrowing will be included in annex 9.

TREASURY MANAGEMENT

150. The Council's Treasury Strategy complies with the requirements of the CIPFA Code of Practice on Treasury Management, which was adopted by the Council in September 2002 and the CIPFA Code of Practice on Treasury Management (revised November 2017) that was adopted by this Council in March 2018.
151. Approval of the strategy is a Council decision.

RECOMMENDATIONS FROM THIS SECTION

152. It is recommended that Council:
 - Approve the Capital, Treasury Management and Investment Strategies, including the Prudential Indicators and Minimum Revenue Provision statement (Annexes 7A, 7B and 7C).

KEY ASSUMPTIONS & READY RECKONER

Background

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

Inflation

154. Salary inflation will be based on the results of the Collective Bargaining process. Contract inflation for 2020/21 is based on the details of the specific contracts, the state of the market for the specific services and any other relevant factors. Contract inflation is assumed to be 3% for future years. Inflation on all other expenditure will aim to be limited to the current budget level; however a small allowance of 2% has been forecast to allow some limited growth.

Staff Numbers

155. The 2020/21 budget includes 306 full time equivalent posts directly employed for DDC plus a further 28 employed by DDC as part of the East Kent Audit Partnership (working for Canterbury, Thanet, Folkestone and Hythe and Dover and recharged accordingly) and East Kent HR (working for Canterbury, Thanet and Dover and recharged accordingly) allocated across services as detailed in Annexes 3A-3C.

Triennial Valuation of the Pension Fund by the Fund Actuaries

156. The triennial valuation took effect from April 2019. It has been assumed that the DDC backfunding contribution will increase by 7% above the 2020/21 level of £1.76m for the planning period.

Interest Rates

157. It is assumed that DDC will maintain the 2020/21 level of income from investments for the remainder of the planning period. Any additional income generated will be transferred to reserves to support future projects.

Revenue Support Grant

158. The current draft settlement provides figures for 2020/21. It is assumed that this will reduce to nil for future years.

Business Rates Retention

159. The current draft settlement covers 2020/21 only and proposes an increase in NDR inflation of 1.629%.

Council Tax

160. Council tax increases have been assumed at £4.95 for 2020/21 and for the remainder of the planning period.

New Homes Bonus

161. New Homes Bonus is a scheme that provides incentives and rewards for councils and communities who support delivery of new homes in their area. It is assumed that the current level of funding (4 years) will be reduced by a year every financial year for the MTFP period, resulting in a nil payment by 2023/24.

Capital Projects

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

Ready Reckoner

- Payroll - 1% increase costs the General Fund approximately £100k;
- Council tax - 1% raises £75k;
- RSG – assumed to be nil for the future;
- NDR – 1% growth in BR income equals £82k (DDC's share @ 40%, less 50% levy, but will be higher under pooling due to reduced levy rates);
- Investment Income - 1% equals approximately £400k (based on investment balances of £40m);
- Contract inflation – 1% equals £100k;
- Business Rates Tariff - Every £100k reduction below the NDR baseline results in £40k reduced income for DDC to a maximum of the safety net value of £278k approx.;
- Business Rates Levy – Every £100k received above the NDR baseline results in £20k additional income, before levy reductions from pooling scheme.

SIGNIFICANT BUDGET RISKS

163. Budgets, by their nature, involve an element of forecasting which entails uncertainty and hence risk. The schedule below highlights the main strategic / high value budget risks:

164. Income risks:

- Business Rates
- New Homes Bonus
- Fair Funding Review
- Council Tax
- Treasury Management
- Property Investment
- Capital Receipts
- Housing rent collection

165. Expenditure risks:

- Repairs and Maintenance
- Brexit
- Pension Funding
- Homelessness
- Contract renewals
- East Kent Housing

| Ref | Risk Description | Explanation and Mitigation | Budget Sensitivity |
|-----|------------------|---|--------------------|
| 1 | Business Rates | <p>The key challenges are:</p> <ul style="list-style-type: none"> • Changes to the overall Business rates retention (BRR) regime including the future level of BRR – 50%, 75%, 100%? • Future re-sets of the DDC baseline, sacrificing some / all of the gains made to date. • The next revaluation – will it be fiscally neutral or negative and who will make up the shortfall? • Class action appeals such as ATMs and hospitals. • Individual appeals such as Channel Tunnel. • The difficulty in forecasting future BR taxbase changes. • Operation of the Collection Fund and the timing of recognition of income. • Unexpected revaluations and errors by the VOA • Errors in the MHCLG settlement • Changes in the Enterprise Zone and / or renewables schemes. • Weak BR performance by other Kent districts leading to an impact on the Kent pool. • Poor understanding of the regime by the MHCLG. • The Fair Funding Review leading to changes in the baseline or other aspects of the regime. | £8.5m pa. |

| Ref | Risk Description | Explanation and Mitigation | Budget Sensitivity |
|-----|--------------------------------------|---|--|
| | | <p>The opportunities for Councils individually or collectively to mitigate the above impacts are limited other than through the management of their own finances, smoothing reserves etc. and individual lobbying and response to consultations.</p> <p>Collective lobbying and response to consultations will also take place where possible, but the impacts of changes are often re-distributive and do not fall evenly across the sector and so it is difficult to create consensus.</p> | |
| 2 | New Homes Bonus | <p>Government have indicated that they wish to change (again) their commitment to New Homes Bonus, or even to scrap the income stream altogether.</p> <p>This is a core part of DDC's funding stream, generated in recognition of recent planning decisions, which were taken in part on the understanding that the NHB pledge would be honoured by government and may be used to mitigate the impacts of those decisions.</p> <p>The 2020/21 settlement is secure but the legacy payments of the 2020/21 award are not secure.</p> <p>Local government have lobbied to raise awareness in MHCLG that NHB has become an essential core income stream in many councils. However, the impact of the NHB top slice from RSG has made NHB redistributive both within and between tiers of local government and so there isn't a unified consensus on what should happen next.</p> | £1.7m pa. |
| 3 | Fair Funding Review | <p>The government has consulted on a Fair Funding review which will re-calibrate the local government settlement. Pressure from upper tier and unitary authorities may reduce the resources available to district councils.</p> <p>As with the current settlement, the Council can take part in Kent wide lobbying on the settlement, but has limited ability to influence the settlement.</p> | Unable to forecast at the time of writing. |
| 4 | Council Tax Base & Collection Rates. | <p>Realistic performance targets for collection of Council Tax have been set to reflect the system of local Council Tax Support now in place.</p> <p>EKS undertake regular monitoring of collection rates, trends on non payments and bad debt analysis.</p> <p>The collection rate for new payers is being monitored very closely and collection is in line with projections. Reasonable arrangements to pay are put in place by staff where appropriate.</p> | £7.6m pa |

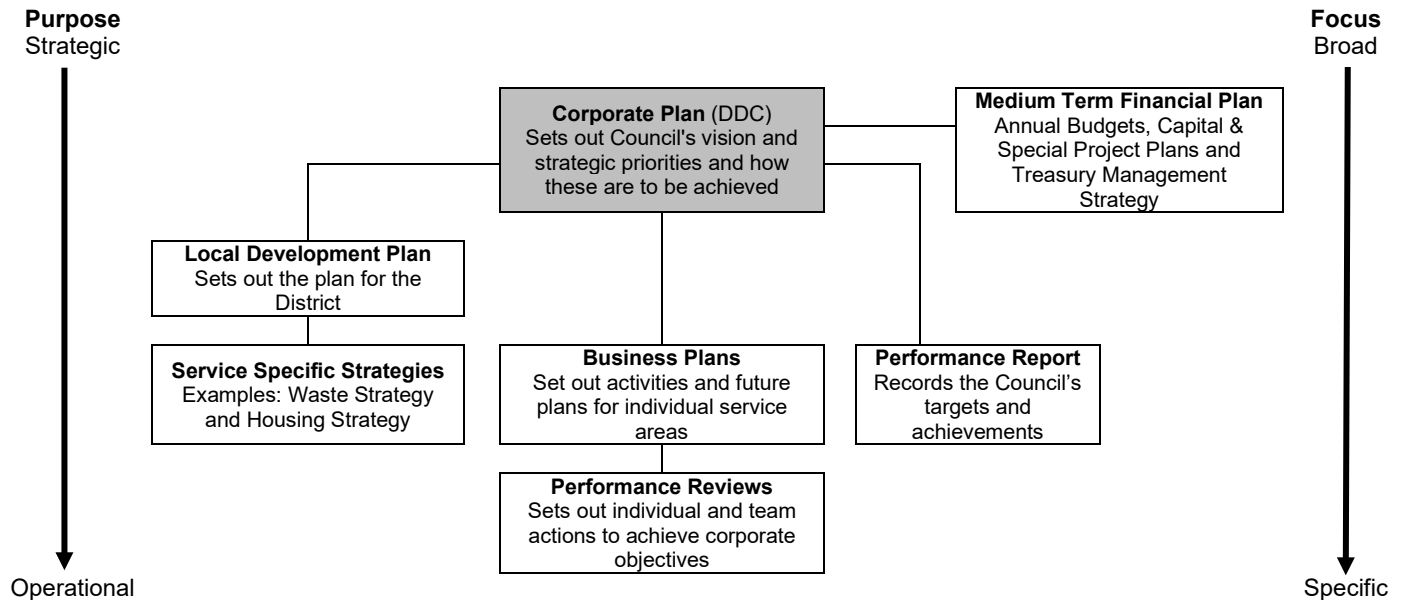
| Ref | Risk Description | Explanation and Mitigation | Budget Sensitivity |
|-----|----------------------------|---|--|
| 5 | Treasury Management | <p>Of the current forecast £1.75m treasury management income £600k is being transferred to earmarked reserves to support future projects and reduce the GF risk of over-reliance on the income stream.</p> <p>Reductions in capital values would only impact the GF if the funds were realised when the values were low. Due to the breadth of investments held it is unlikely that this would become necessary as other funds could be realised or short term borrowing undertaken if cash flow shortages occur.</p> | £1.75m pa |
| 6 | Property Investment Income | Property Investment decisions are made following a thorough due diligence process considering the strength of the leases, income streams and tenants. An element of the income is currently being set aside to provide an allowance to offset the risk of future reductions in income and to avoid over-dependence on this income stream. | £570k pa |
| 7 | Capital receipts | <p>Capital receipts come from housing and other asset sales. Any drop-off in the level of receipts will lead to reduced resources available to complete projects. The reduced receipts could arise from lower sales, lower prices or both.</p> <p>We cannot mitigate against market movements or reduced levels of sales. To some degree lower values may increase the level of demand, but this will also be dependant on interest rate movements.</p> | £500k pa (average level) |
| 8 | HRA rent arrears | <p>The roll out of Universal Credit has been mirrored by a significant increase in housing rent arrears.</p> <p>A bad debt provision is included within the budget and arrears levels are being monitored and reported to EKH to support their collection plans.</p> | <p>Annual HRA rent £19.5m</p> <p>Current arrears £800k</p> |
| 9 | Repairs and maintenance | <p>Any shortfall in repairs and maintenance to corporate and service (not residential) properties may result in asset deterioration and potential service failure.</p> <p>A corporate budget is held for repairs and maintenance of assets enabling the Strategic Director (Operations and Commercial) to allocate the resources appropriately according to need. This does not include historic assets such as Maison Dieu which are subject to specific projects to maintain / restore structural integrity.</p> | GF corporate maintenance budget £466k |

| Ref | Risk Description | Explanation and Mitigation | Budget Sensitivity |
|-----|------------------------------------|--|---|
| 10 | Brexit – Macro Economic | <p>The final Brexit settlement and arrangements within Great Britain and Northern Ireland are still uncertain.</p> <p>There maybe a mix of impacts, favourable and adverse, upon the value of the £, inflation, gilt yields, interest rates, employment and economic growth.</p> <p>Where possible the Council is mitigating these impacts through measures to make the budget and treasury management as robust as possible, but the Council's scope for action is limited.</p> | Unable to forecast the impact at the time of writing. |
| 11 | Brexit – Port and East Kent impact | We continue to work with our partners on the Kent Resilience Group to plan for a range of eventualities. | Unable to forecast the impact at the time of writing. |
| 12 | Pension Funding | <p>The latest triennial valuation increased the overall DDC annual pension fund contribution from £3.6m to £3.8m pa.</p> <p>The Kent scheme is now at the highest overall level of funding since the 1980's and has made significant progress towards 100% funding.</p> <p>However, DDC's share of the scheme is heavily impacted by staff demographics and the maturity of the scheme and is therefore significantly less well funded. There remains a risk that contributions for DDC will increase again at the next triennial valuation in 3 years time.</p> | £3.8m pa contribution |
| 13 | Homeless expenditure | Expenditure may continue to increase due to the impact of the Homeless Reduction Bill and the continued implementation of Universal Credit in the district Close monitoring of the impact of the Bill and the in-year budget. Investigating innovative options to support homeless requirements in the district. | Unable to forecast at the time of writing. |
| 14 | Major Contract Renewals | When major recurrent contracts are up for renewal the price achieved by the council depend upon the functioning of the market in the particular sector and the attractiveness of the package assembled by DDC. | Unable to forecast at the time of writing. |

| Ref | Risk Description | Explanation and Mitigation | Budget Sensitivity |
|-----|-------------------|---|--|
| 15 | East Kent Housing | <p>Concerns have arisen over a number of areas of EKH activity including tenant health and safety, procurement, contract management, the capital programme, data integrity and the “Single System”.</p> <p>As a result, a tenant consultation on the future management of the Councils’ housing stock has been undertaken. Should the 4 participating Councils decide to return housing management to their own individual control, then the transition process is likely to be high risk.</p> <p>A report on this matter will be considered by the Cabinet and the main implications considered before any change can commence, but any undertaking of this scale will include a significant level of financial and operational risk which will require close and detailed management.</p> | Unable to forecast at the time of writing. |

RELATED STRATEGIES AND PLANS

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



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

GENERAL FUND BUDGET SUMMARY

| <u>2018/19</u> <u>Actual</u> £000 | | <u>2019/20</u> <u>Original</u> <u>Budget</u> £000 | <u>2019/2020</u> <u>Projected</u> <u>Outturn</u> <u>(30 Sep 19)</u> £000 | <u>2020/21</u> <u>Budget</u> £000 |
|--|--|--|---|--|
| | Directorate | | | |
| 676 | Chief Executive | 1,118 | 581 | 1,395 |
| 2,955 | Operations & Commercial Services | 4,370 | 4,457 | 4,404 |
| 10,364 | Corporate Resources | 11,525 | 11,467 | 12,359 |
| 160 | Shared Services (DDC hosted) | 175 | 186 | 221 |
| 729 | Special Revenue Projects | 1,290 | 1,644 | 16 |
| 0 | Vacancy Allowance | -150 | -23 | -150 |
| 0 | Climate Change and Other Resource Requirements | 0 | 0 | 100 |
| 14,884 | Net Direct Expenditure | 18,328 | 18,312 | 18,345 |
| | Other Operating Income & Expenditure: | | | |
| 0 | Property Investment & Commercialisation Target | -100 | -82 | -100 |
| 0 | Contingency | 120 | 100 | 146 |
| 71 | River Stour Drainage Board | 74 | 74 | 75 |
| 0 | Council Tax Support Funding to Towns & Parishes | 0 | 0 | 0 |
| -1,203 | Recharge Income from HRA & Capital Projects | -1,295 | -1,313 | -1,646 |
| 13,752 | Net Operating Expenditure | 17,127 | 17,091 | 16,820 |
| | Financing Adjustments: | | | |
| -1,180 | Revenue Expenditure Funded by Capital Under Statute | -1,042 | -1,042 | -1,124 |
| -1,138 | Interest Receivable | -1,806 | -1,658 | -1,750 |
| 135 | Interest Payable | 354 | 275 | 138 |
| 560 | Loan Principal Repayments/Borrowing Allowance | 1,959 | 1,959 | 1,953 |
| 0 | Direct Revenue Financing of Capital (exc Direct Expenditure) | 0 | 0 | 0 |
| -1,623 | Total Financing Adjustments | -535 | -466 | -783 |
| | Contribution to/(from) Reserves: | | | |
| 2,524 | - Special Projects & Events Reserve | -538 | -836 | 1,455 |
| 1,830 | - Periodic Operations Reserve | -427 | -37 | -313 |
| 1,382 | - Regeneration Reserve | 439 | 328 | 444 |
| 0 | - District Regeneration & Economic Development Reserve | 0 | 0 | 0 |
| 182 | - IT Equipment Reserve | 115 | 51 | 50 |
| -598 | - Business Rates & Council Tax Reserve | -258 | 238 | 234 |
| 5,320 | Net Contribution to/(from) Reserves | -669 | -256 | 1,870 |
| 17,449 | Total Budget Requirement | 15,923 | 16,369 | 17,907 |
| | Financed by: | | | |
| 8,277 | Business Rates - Income from NDR | 6,838 | 7,365 | 8,523 |
| 568 | Revenue Support Grant | 56 | 56 | 57 |
| 6,922 | Council Tax | 7,216 | 7,216 | 7,503 |
| 141 | Council Tax - Collection Fund Surplus | 112 | 112 | 84 |
| 8 | Council Tax - Other S31 Grants | 0 | 0 | 9 |
| 1,515 | New Homes Bonus | 1,729 | 1,729 | 1,733 |
| 30 | New Burdens | 0 | 0 | 0 |
| 17,461 | Total Financing | 15,951 | 16,478 | 17,909 |
| -12 | General Fund Deficit/(Surplus) for the Year | -28 | -109 | -2 |
| -2,527 | General Fund Balance at Start of Year | -2,777 | -2,539 | -2,648 |
| -2,539 | Leaving Year End Balances of | -2,805 | -2,648 | -2,650 |
| | | | | |

BUDGET SUMMARY - NDR FUNDING ANALYSIS

| <u>2018/19</u> <u>Actual</u> £000 | | <u>2019/20</u> <u>Original</u> <u>Budget</u> £000 | <u>2019/2020</u> <u>Projected</u> <u>Outturn</u> <u>(30 Sep 19)</u> £000 | <u>2020/21</u> <u>Budget</u> £000 |
|--|--|--|---|--|
| | <u>Breakdown of Income from NDR:</u> | | | |
| | Business Rates (NDR): | | | |
| 3,564 | Baseline | 3,646 | 3,646 | 3,720 |
| 1,679 | Growth over baseline | 2,132 | 2,252 | 2,206 |
| -839 | Levy on Growth | -1,066 | -1,126 | -1,103 |
| 464 | Levy Saving from Pooling - 2018/19 onwards | 588 | 621 | 609 |
| -23 | Prior year Levy and Pool Lead Admin Fee | 0 | 0 | 0 |
| 45 | Prior year S31 Grant for SBRR threshold changes | 0 | 0 | 0 |
| 83 | Growth above budget-recognition deferred (non-S31 element) | 0 | -120 | 0 |
| 134 | Adjustment to Growth/Decline for S31 element not deferred | 0 | -42 | 0 |
| 1,983 | Additional saved levy/retained income from Pilot Scheme | 0 | 0 | 0 |
| 129 | Section 31 Grant for impact of multiplier cap | 210 | 239 | 227 |
| 7,219 | Share of NDR | 5,510 | 5,470 | 5,659 |
| -605 | Collection Fund (Deficit)/Surplus - NDR (as declared) | -358 | -358 | 134 |
| 6,614 | NDR Funding Level | 5,152 | 5,112 | 5,793 |
| | Enterprise Zone Relief Grant: | | | |
| 2,179 | Share of Enterprise Zone relief for current year | 790 | 816 | 627 |
| | Amount of EZ Relief in current year above NDR1 18/19 estimated value, required to be recognised in following year | 0 | -26 | 0 |
| -962 | Amount of EZ Relief in prior year above NDR1 17/18 estimated value, permitted to be recognised in current year | 406 | 962 | 26 |
| 115 | | | | |
| 1,332 | Total Enterprise Zone Relief Grant | 1,196 | 1,752 | 653 |
| | Renewable Energy Retained: | | | |
| 303 | Share of Renewable Energy for current year | 507 | 1,439 | 1,145 |
| | Amount of Renewable Energy in current year above NDR1 18/19 estimated value, required to be recognised in following year | 0 | -932 | 0 |
| 6 | Amount of Renewable Energy in prior year above NDR1 17/18 estimated value, permitted to be recognised in current year | -17 | -6 | 932 |
| 22 | | | | |
| 331 | Total Renewable Energy Retained | 490 | 501 | 2,077 |
| | | | | |
| 8,277 | Total NDR Income | 6,838 | 7,365 | 8,523 |
| | | | | |

Summary of General Fund Budget & Financing Requirements

| | 2019/20 Original Budget £m | | 2020/21 Original Budget £m | Year on year change % |
|--|-------------------------------------|--|-------------------------------------|-----------------------------|
| Budget Requirement: | | | | |
| Gross Revenue Expenditure | 62.487 | | 61.230 | |
| Gross Revenue Income | (48.064) | | (45.947) | |
| Underlying Budget Requirement | 14.423 | | 15.283 | 4% |
| Earmarked Reserve adjustments | 1.148 | | 2.624 | |
| Net Budget Requirement | 15.571 | | 17.907 | 15% |
| | | | | |
| Financing Requirement: | | | | |
| Revenue Support Grant | (0.057) | | (0.057) | 2% |
| Business Rates Retained | (5.510) | | (5.659) | 3% |
| EZ Relief & Renewable Energy- in year | (1.297) | | (1.773) | 37% |
| Council tax | (7.216) | | (7.503) | 4% |
| Council Tax - S31 Grant | 0.000 | | (0.009) | n/a |
| New Homes Bonus | (1.729) | | (1.733) | 0% |
| Underlying Financing | (15.809) | | (16.734) | 6% |
| One-off Financing: | | | | |
| Collection Fund Distribution | | | | |
| NDR | 0.358 | | (0.134) | |
| Council Tax | (0.112) | | (0.084) | |
| EZ Relief & Renewable Energy- prior year | (0.389) | | (0.957) | |
| Total Financing | (15.951) | | (17.909) | 12% |
| | | | | |
| (Surplus) / Deficit for the year | (0.380) | | (0.002) | |

| | A | B | K | N | R | U | X |
|----|---|----------|---------------------|------------------------|--------------------|--------------------|-------------------|
| 1 | | | | | | | ANNEX 1B |
| 2 | DOVER - NDR ILLUSTRATIVE FORECASTING | | | | | | |
| 3 | | | Updated Forecast | 1st Budget Estimate | Budget Estimate | Budget Estimate | Budget Estimate |
| 4 | | | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| 5 | Number of hereditaments | | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 |
| 6 | Aggregate RV | | 111,194,359 | 111,243,543 | 111,408,262 | 111,407,413 | 111,406,596 |
| 7 | Calculated gross rate yield | | 54,596,430 | 55,733,015 | 56,929,622 | 58,043,262 | 59,156,903 |
| 8 | | | | | | | |
| 9 | Estimated gross rate yield for full year - <i>before EZ & TP Relief</i> | | 54,167,105 | 55,270,305 | 56,374,000 | 57,477,000 | 58,580,000 |
| 10 | Net Additions (i.e. Growth) | | 429,325 | 462,710 | 555,622 | 566,262 | 576,903 |
| 11 | Change in yield for previous years | | 496,797 | 0 | 0 | 0 | 0 |
| 12 | Less: | | | | | | |
| 13 | Enterprise Zone Relief | | 1,975,000 | 1,520,000 | 1,139,000 | 701,000 | 0 |
| 14 | Transitional Protection Rates Relief | | -609,422 | 0 | 0 | 0 | 0 |
| 15 | Mandatory reliefs (current & previous years) | | 7,585,035 | 7,729,500 | 7,896,777 | 8,051,429 | 8,206,081 |
| 16 | Discretionary reliefs (current & previous years) | | 221,342 | 225,915 | 230,945 | 235,433 | 240,222 |
| 17 | Discretionary Reliefs funded from S31 Grant | | 824,015 | 806,500 | 51,900 | 15,500 | 15,800 |
| 18 | Losses in collection | | 400,000 | 400,000 | 408,000 | 416,000 | 424,000 |
| 19 | Interest on refunds (offset in gross rate yield on NDR3) | | 0 | 0 | 0 | 0 | 0 |
| 20 | Cost of collection | | 159,654 | 163,000 | 166,000 | 169,000 | 172,000 |
| 21 | Deferral Scheme + or - (<i>exclude for now!</i>) | | 0 | 0 | 0 | 0 | 0 |
| 22 | Enterprise Zone BR to be retained | | 0 | 0 | 0 | 0 | 0 |
| 23 | New Development Deal BR to be retained | | 0 | 0 | 0 | 0 | 0 |
| 24 | Renewable Energy Schemes BR to be retained | | 1,438,800 | 1,145,100 | 1,168,000 | 1,190,900 | 1,213,800 |
| 25 | Net yield before rate retention adjustments | | 43,098,804 | 43,743,000 | 45,869,000 | 47,264,000 | 48,885,000 |
| 26 | | | | | | | |
| 27 | Rate retention adjustments | | 0 | 0 | 0 | 0 | 0 |
| 28 | Estimated provision for loss on future appeals | | 1,303,000 | 1,902,000 | 1,905,000 | 1,905,000 | 1,905,000 |
| 29 | Collectible Rates, less cost of collection allowance | | 41,795,804 | 41,841,000 | 43,964,000 | 45,359,000 | 46,980,000 |
| 30 | Add back: Transitional Protection Rates Relief | | -609,422 | 0 | 0 | 0 | 0 |
| 31 | Net Rate Yield for Sharing | | 41,186,382 | 41,841,000 | 43,964,000 | 45,359,000 | 46,980,000 |
| 32 | | | | | | | |
| 33 | Allocation of net rate yield | % | | | | | |
| 34 | Central share - before EZ and Transition Relief settlement | 0.50 | 20,593,191 | 20,920,500 | 21,982,000 | 22,679,500 | 23,490,000 |
| 35 | District/Unitary(0.49) | 0.40 | 16,474,553 | 16,736,400 | 17,585,600 | 18,143,600 | 18,792,000 |
| 36 | Kent County Council | 0.09 | 3,706,774 | 3,765,690 | 3,956,760 | 4,082,310 | 4,228,200 |
| 37 | Kent Fire and Rescue | 0.01 | 411,864 | 418,410 | 439,640 | 453,590 | 469,800 |
| 38 | | | 41,186,382 | 41,841,000 | 43,964,000 | 45,359,000 | 46,980,000 |
| 39 | | | | | | | |
| 40 | District tariff | | 12,073,142 | 12,319,031 | 12,564,919 | 12,810,807 | 13,056,695 |
| 41 | District Funding (District share above, <i>less</i> tariff) | | 4,401,411 | 4,417,369 | 5,020,681 | 5,332,793 | 5,735,305 |
| 42 | Adjustment for reliefs covered by S31 Grant | | 1,495,753 | 1,508,673 | 1,229,425 | 1,237,458 | 1,260,171 |
| 43 | <i>Sub-total - Adjusted district share for levy/safety net</i> | | <i>5,897,164</i> | <i>5,926,042</i> | <i>6,250,106</i> | <i>6,570,251</i> | <i>6,995,476</i> |
| 44 | District Baseline | | 3,645,617 | 3,719,866 | 3,794,115 | 3,868,364 | 3,942,613 |
| 45 | Safety Net level | 0.925 | 3,372,195 | 3,440,876 | 3,509,556 | 3,578,237 | 3,646,917 |
| 46 | Safety Net payment | | 0 | 0 | 0 | 0 | 0 |
| 47 | Levy payment if applicable | 0.5 | 1,125,774 | 1,103,088 | 1,227,995 | 1,350,944 | 1,526,431 |
| 48 | | | | | | | |
| 49 | District Income from NNDR (excl. CF Surplus): | | | | | | |
| 50 | District funding - rates (as above) | | 4,401,411 | 4,417,369 | 5,020,681 | 5,332,793 | 5,735,305 |
| 51 | District S31 Grant - Actual, incl. for 2% cap on multiplier | | 1,735,991 | 1,735,687 | 1,462,898 | 1,477,021 | 1,508,761 |
| 52 | Safety net/levy | | -1,125,774 | -1,103,088 | -1,227,995 | -1,350,944 | -1,526,431 |
| 53 | <i>Sub-total</i> | | <i>5,011,629</i> | <i>5,049,968</i> | <i>5,255,583</i> | <i>5,458,870</i> | <i>5,717,634</i> |
| 54 | Enterprise Zone Relief - District Share of Grant | | 815,743 | 627,417 | 469,865 | 289,011 | 0 |
| 55 | Renewable Energy retained | | 1,438,800 | 1,145,100 | 1,168,000 | 1,190,900 | 1,213,800 |
| 56 | Levy saving while in pool - 30% direct saving returned, less 5% levy | | 0 | 0 | 0 | 0 | 0 |
| 57 | | | | | | | |
| 58 | Total Income From NNDR (excl CF surplus) | | 7,266,172 | 6,822,485 | 6,893,449 | 6,938,781 | 6,931,434 |
| 59 | | | | | | | |
| 60 | | | | | | | |
| 61 | | | | | | | |
| 62 | RV of last list of appeals (2010 RV list only) | | | | | | |
| 63 | Top 10 appeals total RV | | | | | | |
| 64 | Top 50 appeals RV | | | | | | |
| 65 | Total number of appeals | | | | | | |
| 66 | | | | | | | |
| 67 | | | | | | | |
| 68 | Completion Notes: | | | | | | |
| 69 | Spreadsheet Rows 13, 14 & 15 show the total amount of relief granted in the year in respect of current and previous years | | | | | | |

| | A | B | K | N | R | U | X |
|----|---|---|---------------------|------------------------|--------------------|--------------------|-----------------|
| 3 | | | Updated Forecast | 1st Budget Estimate | Budget Estimate | Budget Estimate | Budget Estimate |
| 4 | | | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| 70 | | | | | | | |
| 71 | COLLECTION FUND MOVEMENT: | | | | | | |
| 72 | Balance B/Fwd - Surplus/(Deficit) | | -964,381 | 336,000 | 0 | 0 | 0 |
| 73 | | | | | | | |
| 74 | In-year performance: | | | | | | |
| 75 | Net yield for sharing before bad debts & appeals | | 42,889,382 | 44,143,000 | 46,277,000 | 47,680,000 | 49,309,000 |
| 76 | Change in appeals provision | | -1,303,000 | -1,902,000 | -1,905,000 | -1,905,000 | -1,905,000 |
| 77 | Change in bad debts provision | | -400,000 | -400,000 | -408,000 | -416,000 | -424,000 |
| 78 | | | 41,186,382 | 41,841,000 | 43,964,000 | 45,359,000 | 46,980,000 |
| 79 | Total distributed: | | | | | | |
| 80 | (Surplus)/deficit (distributed)/contributed per NNDR1 | | 896,000 | -336,000 | 0 | 0 | 0 |
| 81 | NDR shares paid per NNDR1 | | -40,782,000 | -41,841,000 | -43,964,000 | -45,359,000 | -46,980,000 |
| 82 | | | -39,886,000 | -42,177,000 | -43,964,000 | -45,359,000 | -46,980,000 |
| 83 | | | | | | | |
| 84 | Balance C/Fwd - Surplus/(Deficit) | | 336,000 | 0 | 0 | 0 | 0 |
| 85 | | | | | | | |
| 86 | DDC share of Surplus/(Deficit) | | 134,400 | 0 | 0 | 0 | 0 |
| 87 | | | | | | | |
| 88 | | | | | | | |
| 89 | Appeals Provision: | | | | | | |
| 90 | Balance B/Fwd | | 6,230,000 | 6,213,000 | 8,115,000 | 10,020,000 | 11,925,000 |
| 91 | Charged to provision | | -1,320,000 | 0 | 0 | 0 | 0 |
| 92 | Increase/(Decrease) in provision | | 1,303,000 | 1,902,000 | 1,905,000 | 1,905,000 | 1,905,000 |
| 93 | | | | | | | |
| 94 | Balance C/Fwd | | 6,213,000 | 8,115,000 | 10,020,000 | 11,925,000 | 13,830,000 |
| 95 | | | | | | | |
| 96 | Increase in appeals provision' as % of gross rates | | 2.39% | 3.41% | 3.35% | 3.28% | 3.22% |

General Fund Service Expenditure by Cost Type

| | 2019/20 Original Budget | 2019/20 Projected Outturn as at 15 Jan 2020 | 2020/21 Proposed Budget |
|--|----------------------------|--|-------------------------------|
| | £000 | £000 | £000 |
| Direct Expenditure | | | |
| Employees | 14,720 | 14,951 | 15,990 |
| Premises | 1,482 | 1,500 | 1,535 |
| Transport | 226 | 232 | 227 |
| Supplies and services | 8,107 | 9,735 | 6,006 |
| Third parties | 10,111 | 9,605 | 10,340 |
| Shared services | 2,581 | 2,529 | 2,529 |
| Transfer payments | 28,907 | 28,907 | 25,954 |
| Total Direct Expenditure | 66,134 | 67,459 | 62,581 |
| Direct Income | | | |
| Government Grants | (29,935) | (31,069) | (26,875) |
| Sales | (69) | (70) | (70) |
| Fees and Charges | (10,186) | (10,367) | (10,951) |
| Other Income | (8,538) | (8,705) | (6,063) |
| Total Direct Income | (48,728) | (50,211) | (43,959) |
| Central Support reallocation of costs | (393) | (742) | (464) |
| Special Revenue Projects | 1,290 | 1,644 | 16 |
| Vacancy Allowance & Employment Stability | (150) | (23) | (150) |
| Homelessness - Service Delivery Target | - | - | 100 |
| Shared services (DDC Hosted) | 175 | 185 | 221 |
| EKS Savings Target | - | - | - |
| Net Service Expenditure | 18,328 | 18,312 | 18,345 |

GENERAL FUND KEY FIGURES - EXPENDITURE

| | 2018/19 Outturn | 2019/20 Original Budget | 2019/20 Projected Outturn | 2020/21 Draft Budget | 2021/22 Forecast | 2022/23 Forecast | 2023/24 Forecast |
|--|--------------------|-------------------------------|---------------------------------|-------------------------|---------------------|---------------------|---------------------|
| Key Expenditure Figures: | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Employees: | | | | | | | |
| Basic | 9,451 | 10,318 | 10,481 | 11,308 | 11,534 | 11,764 | 12,000 |
| NI | 983 | 1,046 | 1,061 | 1,155 | 1,178 | 1,201 | 1,225 |
| Current year pension | 1,438 | 1,551 | 1,581 | 2,065 | 2,107 | 2,149 | 2,192 |
| Backfunding | 1,610 | 1,648 | 1,648 | 1,443 | 1,515 | 1,591 | 1,671 |
| | 13,482 | 14,563 | 14,771 | 15,971 | 16,333 | 16,706 | 17,088 |
| Major contracts: | | | | | | | |
| Refuse Collection | 1,077 | 1,070 | 1,110 | 1,110 | 1,343 | 1,384 | 1,425 |
| Recycling | 1,066 | 1,111 | 1,098 | 1,098 | 1,331 | 1,371 | 1,412 |
| Street Cleansing | 1,588 | 1,589 | 1,634 | 1,634 | 1,883 | 1,940 | 1,998 |
| Total Waste | 3,731 | 3,770 | 3,842 | 3,842 | 4,557 | 4,694 | 4,835 |
| Landscape maintenance | 249 | 137 | 43 | 28 | 29 | 30 | 31 |
| Balance of Third Party Payments ¹ | 1,557 | 1,531 | 1,543 | 1,443 | 1,486 | 1,531 | 1,577 |
| | 5,537 | 5,438 | 5,428 | 5,313 | 5,461 | 5,625 | 5,794 |

Notes

¹ Excludes EKS Management Fees & WCLP

GENERAL FUND KEY FIGURES - INCOME

| | 2018/19 Outturn | 2019/20 Original Budget | 2019/20 Projected Outturn | 2020/21 Draft Budget | 2021/22 Forecast | 2022/23 Forecast | 2023/24 Forecast |
|----------------------------|--------------------|-------------------------------|---------------------------------|-------------------------|---------------------|---------------------|---------------------|
| Key Income Figures: | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Car Parking | (2,290) | (2,296) | (2,338) | (2,638) | (2,770) | (2,770) | (2,908) |
| Rent Income | (2,249) | (2,297) | (2,297) | (2,255) | (2,300) | (2,300) | (2,346) |
| Development Management | (725) | (660) | (660) | (660) | (673) | (673) | (687) |
| Building Control | (306) | (320) | (320) | (320) | (326) | (326) | (333) |
| Licensing | (304) | (216) | (216) | (209) | (213) | (213) | (217) |
| Green Waste | (304) | (300) | (309) | (330) | (337) | (337) | (343) |
| Land Charges | (93) | (90) | (90) | (43) | (43) | (43) | (43) |
| | (6,271) | (6,179) | (6,230) | (6,455) | (6,662) | (6,662) | (6,878) |
| Total Financing: | | | | | | | |
| Non-Domestic Rates | 8,882 | 7,196 | 7,723 | 8,389 | 7,572 | 7,685 | 7,774 |
| Revenue Support Grant | 568 | 56 | 56 | 57 | 0 | 0 | 0 |
| Council Tax | 6,930 | 7,216 | 7,216 | 7,512 | 7,780 | 8,049 | 8,319 |
| New Home Bonus | 1,515 | 1,729 | 1,729 | 1,733 | 1,318 | 821 | 333 |
| Other | (434) | (246) | (246) | 218 | 184 | 150 | 1,097 |
| Total Financing | 17,461 | 15,951 | 16,478 | 17,909 | 16,853 | 16,704 | 17,524 |

GENERAL FUND KEY ELEMENTS

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

Staff Salaries

2. Independent advice on the cost of living increase is received to form the basis of negotiations for the 2020/21 pay settlement and is factored into the budget.

Vacancy Allowance and Organisational Savings

3. The vacancy allowance (savings from staff turnover) has been set at £150k. It is proposed to continue an employment management process to maintain the link between approved service standards and the approval of posts to be filled.

Pension Fund

4. The Council's Pension Fund (part of the countywide fund administered by Kent County Council) is subject to actuarial valuation on a three-yearly cycle. The last triennial valuation (the "2019 valuation") of the KCC pension fund started in April 2019 and is to be implemented from April 2020.
5. DDC pays two contributions to the pension fund; these are "current service rate" (the additional pension earned in year) and a lump sum to finance the existing pension deficit. The actuarial report advised that based on the various assumptions used the current contributions required to meet the cost of pensions being earned today should increase from 15.5% to 18.8%.
6. The annual calculations in respect of pension benefits as at 31 March 2019 estimated a decrease in the pension fund deficit for Dover. Dover is paying this deficit off over the next 14 years as agreed with the actuary. As a result, the fixed sum to finance the deficit was decreased from £2.01m to £1.76m (for all staff, including HRA) in 2020/21 and then increased by £60k in 21/22 and £70k in 22/23.
7. It should be noted that changes to the pension fund deficit are largely a result of factors outside of the Council's control including increases in pensions payable, increased life expectancy and lower asset values. There has also been an impact due to the creation of EKS and EKH, and the transfer of staff on a fully funded basis. However, this would only become a "real" effect if EKS and EKH were to move away from the Council into wholly separate and independent organisations.

General Inflation

8. Setting a guideline level of inflation introduces a risk of "over budgeting". Instead, all managers are asked to consider the specific quantity and price of services they will actually need in the coming year and to reduce expenditure where possible.
9. The other significant area of potential inflation pressures relates to major term contracts. In 2020/21 the assumed level of contract inflation is based on the details of

the specific contracts, the state of the market for the specific services and any other relevant factors. For future years it is not realistic to attempt to model contract renewal costs and so for planning purposes a 3% increase in the cost of major term contracts has been assumed. Each 1% variance in contract inflation leads to approximately £100k variance in costs.

Contingency Provision

10. Contingency provision of £146k has been included to meet any unexpected expenditure commitments, if they cannot be contained within other budgets. As part of the budget setting process managers and directors were asked to identify any budgets held for items such as legal or consultants' fees that would only be required if certain circumstances occurred. These budgets have been removed from individual budgets and will be funded from this provision if required for the items identified.

Grants to Organisations

11. The Council makes a number of grants to organisations for services across the district, including contributions to the Citizens Advice Bureau, Your Leisure, the Neighbourhood Forums; these are detailed in Annex 9. Overall, the grant payments are expected to remain the same as they were in 2019/20, however, there is a 10% decrease in the grant to Your Leisure. Additionally, the introduction of the Dover Lotto, which in turn raises money for the Neighbourhood Forums, has the potential for a larger grant payment.

Shared Services

12. East Kent Services manage the ICT and Human Resources functions on behalf of Dover, Canterbury and Thanet Councils. They also manage the revenues & benefits and customer services contract with Civica (which started on 1st February 2018) on behalf of the East Kent Councils. Thanet are the accountable body for these arrangements and they will continue to handle the accounting arrangements and be billed by Civica, and they in turn will charge management fees to Dover, as at present.
13. The Council awarded a 10-year contract to carry out recycling and waste collections, the processing of recyclate collected and street cleansing operations to Veolia Environmental Services (UK), which commenced in January 2011. The contract has been awarded in partnership with Folkestone and Hythe District Council (FHDC) and Kent County Council (as the disposal authority). Dover is the lead on this partnership and manages the client team who oversee the contract from the Dover District Council offices on behalf of the three authorities. As the contract is due to end in January 2021 the process has started to look at outsourcing a joint waste contract with FHDC and to consider bringing the street cleansing elements back in house.
14. East Kent Audit partnership (EKAP), hosted by Dover, provides internal audit services to Dover, Folkestone and Hythe, Canterbury and Thanet (including East Kent Services) Councils and East Kent Housing.

Interest on Investments

15. The overall interest rates achieved in 2020/21 will depend on the combination of the LIBID rate and the margin it maintains above base rate, the rates for current investments, the prevailing market rates when current investments are renewed, as well as the permissible deposit durations which change according to updated credit rating criteria.
16. The Bank of England base rate has stayed at 0.75% during 19/20 and is expected to remain at that level for the near future. Uncertainty remains in the financial markets due to the continuing negotiations between the UK and EU over the timing and terms of Brexit.

As of the 31st December 2019 the Council has a total of £50m invested in pooled investment funds. These are forecast to generate an income return of between 4-5% per annum.

17. The MTFP assumes that the Council's investments overall will earn the General Fund £1,750k (£56k less than the level budgeted for 2019/20), this is due to deciding not to invest £2m in the Schroders fund in 19/20.
18. Changes to accounting requirements under IFRS9 require fluctuations in the capital value of investments to be charged to the Income & Expenditure Account from 1st April 2018, even though these are not realised unless investments are sold. MHCLG have confirmed that they will be introducing a statutory override to mitigate the volatility caused by changes in the fair values of pooled funds. This will be in place for five years.
19. Members should note that the localisation of Business Rates places a significant potential risk on DDC's cash flow. If there is a significant reduction in Business Rates collection through revaluation, demolition or major business failure in the district, this would reduce the funds available for investment and therefore reduce the interest earned.

Regeneration and Property Investment

20. On 30 November 2016 Council approved the Property Investment Strategy. This approved investing up to £200m in commercial and residential property, either directly or through a property company, primarily in order to increase economic regeneration and also to generate returns.
21. Transfer of Garages
 - In March 2017 Cabinet approved the transfer of garages, shops and land from the HRA to the General Fund. For the financial year 2019/20 a net income of £232k.
22. B&Q Whitfield
 - The B&Q property is a modern purpose-built retail warehouse constructed in 2008 providing 62,180 sq. ft. with external garden centre and builder's yard. The site extends to approximately 8.8 acres (3.56 hectares) and is situated in a highly prominent position, adjacent to and visible from the A2. The property is let entirely to B&Q plc until May 2028.

- In September 2017 the purchase of the freehold was completed for £16.29m resulting in a total cost, including Stamp Duty, external fees, internal recharges, etc., of £17.25m.
- The lease income is £1.1m per annum, increasing to £1.2m from 2023. Based on funding this purchase from PWLB borrowing over 40 years annual costs, including borrowing and management, are currently forecast at £837k per annum, resulting in a retained income of £231k. This equates to a gross return of 6.2% and a net return of 1.3%.

23. Whitfield Court

- Whitfield Court is a modern multi-let business park comprising of 14 office and light industrial units totalling 45,636 sq. ft. Situated on the established White Cliffs Business Park and easily accessible from the A2. The freehold is currently let to seven tenants with an average unexpired lease term of 8.15 years to expiry and 5.26 years to break.
- In December 2017 the purchase of the freehold was completed for £4.25m, resulting in a total cost, including Stamp Duty, external fees, internal recharges, etc., of £4.5m.
- The total lease income (based on all units being let) is £337k per annum and service charge income is forecast at a further £54k per annum. Annual costs, including borrowing and management, are currently forecast at £263k per annum, resulting in a retained income of £128k. This equates to a gross return of 7.5% and a net return of 2.9%.

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

- The site was previously occupied by the Co-op retail store and remains partially occupied by Action Carpets on a secure tenancy. It is considered that the site has longer term development potential for retail, residential or mixed used development (all subject to financial evaluation and appropriate planning consent).
- In April 2018 the purchase of the freehold was completed for £625k, resulting in a total cost, including Stamp Duty, external fees, internal recharges, etc., of £660k. At that time the site was proposed to be demolished and converted into car parking for the area, with a forecast net income after costs of £12k per annum (if funded from internal resources).
- In July 2018 Cabinet approved a proposal to bring into temporary use the former Co-op building as a Mean-While space to provide an area to support community activities and to enable entrepreneurs and new businesses to market test their products/services.
- This project is now in progress; officers worked closely with Dover Big Local (DBL) over the summer to ensure all suitability and governance checks were conducted, the building passed all necessary health and safety inspections and the building lease was agreed and signed in August 2018.
- Since signing the lease DBL has been in occupation of the building with its various contractors and designers developing the space. The first Maker/Seller shop opened early December and has been followed by three more during January. There are firm

plans to have three more shop units open during February. Negotiations are proceeding with two further businesses – one existing, looking for expansion, and the other a start-up. Additionally, two office based businesses are up and running and two additional units will be occupied by the end of January. Current plans are for a further unit to open during March. The proposed Refreshment area operator has brought equipment onto site and plans to be operational shortly.

- Further events and activities are planned for the coming months and DDC continues to work with DBL to provide support and assistance where required.
- Options for the long term future of the site continue to be developed by officers for future consideration by Members.

25. Future Investments

- The 2020/21 budget includes a £100k target to achieve additional income from further projects to be identified through the Property Investment Strategy.

Other Income Streams and Fees and Charges Made by DDC

26. Fees and Charges are reviewed and set annually, with reports approved by Licensing and Regulatory Committees and Cabinet. When setting Fees and Charges managers consider:

- Cost of providing the service;
- General market rate for the service;
- Charges levied by neighbouring authorities;
- Government guidelines;
- The last time the fee / charge was increased;
- Appropriate price points – it is more sensible to increase by rounded amounts every two or three years rather than a few odd pence every year;
- Impact of the fee upon service use and upon different sections of the community;
- Impact of service use upon corporate objectives; and
- Overall income the service generates.

27. The only Fees and Charges that are not included in this process are for car parking, which are the subject of a separate report.

28. The main sources of income and relevant issues are summarised below.

- Car Parking

The 2019/20 gross income (before costs) for parking fees and penalty charge notices is currently forecast to be slightly above than the original budget of £2.3m at £2.32m.

There will be an increase in fees for 2020/21. The parking rate will increase by 20p per hour and chargeable parking hours will be extended by one hour. In addition there will be new types of parking permit schemes introduced for short and long stay car parks across the district to help support local tourism through discounted parking incentives.

The Council expects a notable surplus from on-street parking in 2020/21 (the surplus is forecast to be £96k in 2020/21 compared to a deficit of £5k in

2019/20). In accordance with Section 55 of the Road Traffic Act 1984 (and subsequent updates), the surplus from on-street parking will be set aside to carry out permitted activities as specified in the Road Traffic Act). Any surplus over £100k would be remitted to KCC.

- Rental Income

The 2020/21 budget forecasts rental income of over £2.3m. This consists of the rent (excluding any costs) for the Property Investment purchases as detailed above as well as existing rental streams from corporate properties, including the letting of space at DDC's Whitfield offices.

- Development Management

The original budget for Development Management fee income in 2019/20 was £660k incorporating £600k for planning application fees and £60k for pre-application fees. Planning application fee income is standing at £350k as at 29/11/19. Whilst it is always difficult to predict Development Management fee income, it is anticipated that the planning application fee income should achieve target by the end of the financial year. Fee income for pre-application advice has remained steady with a circa £3k increase anticipated by the end of year.

The income budget for 2020/21 has remained the same. This reflects the Fees and Charges report that has been informed by the expected mix of application types and the anticipated take-up of pre-application advice.

With effect from January 2018 regulations introduced a 20% increase in planning fees. This additional income (currently -87k in 2019/20 and budgeted £-120k for 2020/21) is not included in the above figures and has been retained in a separate budget for planning related functions. This reserve currently stands at £-287k with commitments of £40k in 2019/20 and £103 in 2020/21. Expenditure relates to additional staffing resource within the planning service and a contribution towards economic development costs with regards to the marketing of the district.

- Licensing

This includes Alcohol, Regulated Entertainment, Taxis, Gambling and other miscellaneous licences. The original budget for 2019/20 was set at £216k. Incomes from the various licensing streams are projected to achieve their targets by the end of the financial year.

The 2020/21 budget has decreased slightly to £206k due to reduced income on veterinary fees following a change in vet inspection requirements, reduced income from Betting Premises Licences based on the actual number of premises, a reduction in the number of Private Hire Vehicles Licences and lower income from Criminal Records Bureau checks. The overall reduction however has been offset by additional income due to an increase in the number of temporary event notices and a decrease in the expenditure budgets for both veterinary fees and Criminal Records Bureau checks.

- Land Charges

The original 2019/20 budget of £-180k has been reduced by £10k to £-170k based on the lower number of search requests expected. The 2020/21 budget also reflects the anticipated reduction in the number of searches and has been set at £-170k. Income reduction is a reflection of free data accessibility and an uncertain property market.

Statutory Instrument 2018 No.273 (The Local Land Charges Rules 2018) came into force on 6 April 2018 which allows for HM Land Registry to take over responsibility for the Local Land Charges Register. The CON29 (Enquiries of the Local Authority) is to remain the responsibility of the Local Authority. Phase 1 of the HMLR data migration project commenced in July 2018 with seven local authorities having now transferred their local land charges data to the new HM Local Land Charges Register, more are planned by the end of 2019. As Dover DC is not part of Phase 1 the local land charges data will not be transferring this year. The timing of future phases has not yet been decided and will be subject to decisions by Ministers. Because of the scale and complexity of the service change, the entire data migration for all 316 local authorities (number reduced from 326 following local authority re-organisations on 1 April 2019), could take up to seven years.

- Green Waste Subscription Service

The original budget for Green Waste subscription service for 2019/20 was set at £300K. This forecast has been increased to £330k to reflect the increase in cost of service. In line with an estimate of approximately 6,600 subscribers and the new fees and charges, the 2020/21 budget has been set at £330k.

- Building Control

The Building Control (BRFE) income is largely dependent upon construction activity. Assumptions about the level of activity combined with the economic forecasts led to a budget of £320k being set for 2019/20. The year-to-date receipts are in line with the forecast budget. The budget for 2020/21 has been kept at £320k.

29. In total the major fees and charges generate approximately £6.7m gross towards the General Fund budget.

Grants to Organisations

30. The Council makes grants to organisations in two ways; by concessionary rental and by cash payments. The value of grants proposed for 2020/21 totals £335k comprising concessionary rental of £38k and payments of £297k. The individual grants with the organisation names and the grant purposes are set out in Annex 9.

THREE YEAR REVENUE BUDGET FINANCIAL PROJECTION

| Notes | 2019/20 Projected Outturn £000 | 2020/21 Proposed Budget £000 | 2021/22 Forecast £000 | 2022/23 Forecast £000 | 2023/24 Forecast £000 |
|-------|---|---------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| 1 | 16,369 Net Budget Requirement | 17,907 | 17,907 | 17,907 | 17,907 |
| | Corporate Adjustments | | | | |
| 2 | - Salary inflation and increments including impact on National Insurance and Pensions | | 323 | 651 | 985 |
| 3 | - Pension Backfunding (Triennial Valuation from 20/21) | | 72 | 148 | 227 |
| 4 | - Contract inflation @ 3% plus allowance for renewals | | 910 | 1,248 | 1,595 |
| 5 | - Average expenditure inflation impact from non-specifically budgetted income item | | 211 | 408 | 628 |
| 6 | - Average income inflation impact | | (328) | (577) | (1,052) |
| 7 | Total Inflation Adjustments | | 1,189 | 1,878 | 2,383 |
| 8 | - Property Investment Income Target | | (100) | (200) | (300) |
| 9 | - Reduced transfers to earmarked reserves | | (832) | (832) | (832) |
| 10 | 0 Total Corporate Adjustments | 0 | (932) | (1,032) | (1,132) |
| | 16,369 Total Forecast Budget Requirement | 17,907 | 18,164 | 18,753 | 19,158 |
| | Financed By :- | | | | |
| | Non-Domestic Rates Income | | | | |
| | Detailed modelling of forecasts undertaken | | | | |
| | Collection fund deficit one-off in 2018/19 only | | | | |
| | Business growth in the district | | | | |
| 11 | 5,470 Non-Domestic Rates Income | 5,659 | 5,934 | 6,205 | 6,560 |
| 12 | (358) Collection Fund Distribution | 134 | | | |
| 13 | Collection Fund Distribution reserve offset removed | | 134 | 134 | 134 |
| 14 | Kent Pool contribution to KCC/DDC joint reserve | | (34) | (68) | (117) |
| 15 | 2,253 Enterprise Zone Relief & Renewable Energy Retained | 2,730 | 1,638 | 1,480 | 1,214 |
| 16 | 56 Revenue Support Grant (reduced by 45% & 90% as per 4 year settlement. Assumed "negative" from 2020/21) | 57 | 0 | 0 | 0 |
| 17 | 112 Collection Fund Surplus | 84 | 84 | 84 | 84 |
| | Council Tax Income | | | | |
| | Tax rate increase (3% annual increase) | | | | |
| | Base increase (1% per annum) | | | | |
| 18 | 7,216 Total Council Tax Income (incl s.31 grant) | 7,512 | 7,780 | 8,049 | 8,319 |
| 19 | 1,729 New Homes Bonus (reducing from 4 years to 3 years from 2021/22) | 1,733 | 1,318 | 821 | 333 |
| | 16,478 Total Financing | 17,909 | 16,853 | 16,704 | 16,527 |
| 20 | (109) NET (SURPLUS) / DEFICIT | (2) | 1,311 | 2,049 | 2,631 |
| 21 | - Target Savings & Income Growth | | (1,300) | (2,000) | (2,600) |
| 22 | (109) NET (SURPLUS) / DEFICIT AFTER SAVINGS | (2) | 11 | 49 | 31 |
| | Impact on Reserves :- | | | | |
| | Projected General Fund Reserves | | | | |
| | (2,539) Opening balance | (2,648) | (2,650) | (2,639) | (2,590) |
| 23 | (2,648) Closing Balance | (2,650) | (2,639) | (2,590) | (2,559) |

THREE YEAR REVENUE BUDGET FINANCIAL PROJECTION

Notes

- 1** The net budget is taken from the 2020/21 budget at Annex 1.
- 2** Increased salary costs reflect assumed inflation at 2% pay settlement for the planning period.
- 3** Pension backfunding reflects the increases in backfunding required by the fund actuaries based on the current triennial valuation.
- 4** Inflation on major contracts has been assumed at 3% for the planning period.
- 5** Inflation on all other expenditure will aim to be limited to the current budget level, however a small allowance of 2% has been forecast to allow some limited growth.
- 6** Increases in general income received (excluding specifically budgetted items such as car parking) assumed at 3% inflation. Plus potential impact of major contract renewals anticipated in the planning period.
- 7** Total adjustments due to inflation and associated costs.
- 8** Target increased income from Property Investment Strategy.
- 9** Reduced transfer to earmarked reserves.
- 10** Total corporate adjustments.
- 11** Forecast NDR funding, including impact of inflation & assumptions for business growth.
- 12** Redistribution of NDR Collection Fund year-end balances.
- 13** The 2020/21 budget includes one-off reserve contribution to offset the impact of the NDR Collection Fund surplus, this has been removed from future years.
- 14** Under the Kent NDR Pooling arrangements an element of the additional retained NDR growth is allocated for projects to be jointly agreed with DDC & KCC.
- 15** Enterprise Zone relief & renewable energy grant anticipated based on current forecasts.
- 16** The anticipated future RSG settlement.
- 17** The collection fund surplus is distributed to the precepting authorities pro rata to their share of the precepts.
- 18** Council Tax is forecast to increase by £4.95 (band D) per annum for the rest of the planning period. A 1% per annum increase in the tax base has also been assumed.
- 19** New Homes Bonus forecast to reduce to £0 over a 4 year period.
- 20** Forecast (surplus) / deficit.
- 21** Target savings required.
- 22** Revised (surplus) / deficit after target savings.
- 23** Forecast General Fund Balance.

OFFICE OF THE CHIEF EXECUTIVE

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

LEADERSHIP SUPPORT

Leadership Support

This team is mainly concerned with the formulation of policy and strategy, including corporate planning, and production of the annual State of the District, the development and delivery of the Health and Wellbeing agenda and strategic Public Health liaison. The team also supports the Corporate Management Team and the Executive, through project based work, CMT and Leadership Forum co-ordination and attendance.

Communications, PR & Marketing

The Communications Team provides a comprehensive range of support services to the Council, including handling all press and media enquiries, and the promotion of Council services. The team is responsible for website content, press releases, social media, the Council's Keep Me Posted e-mail alert service, and the DDC e-newsletter. The team includes an externally funded communications post to support the Aylesham Garden Village development.

External Funding

The team is also responsible for identifying and bidding for external funding to support corporate projects. This includes bids to major national funders, such as the various National Lottery funds, and central government. The team has been successful in securing major funding for the Council from the Ministry of Housing, Communities and Local Government, the Heritage Lottery Fund, and Sport England. The team also works with local community groups to build their capacity to secure funding.

Design, Print and Postal Services

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

Corporate Services

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

- Provide insurance cover for the Council's assets and liability risks;
- Working with KCC, fulfilling the Council's duty as a Category 1 responder to act with the emergency services to provide humanitarian support during an emergency situation;

- Monitor, report and comment on the Council's performance and benchmark to other authorities where possible to measure efficiency and value for money;
- Administer all Freedom of Information and Data Protection requests responding to FOI requests within the time constraints laid down by the Information Commissioner;
- Administer complaints made against the Council and Members;
- Identification and mitigation of key corporate and project risks; maintain the Risk Registers and conduct risk assessments
- The development and maintenance of procedures to maintain the Council's key services during a disaster situation where the offices, systems or staff are not available;
- Administer RIPA (Regulation of Investigatory Powers Act) and SPOC (Single Point of Contact applications) – ensure that any surveillance work is properly authorised in accordance with legislation;
- Act as the central point of reference to promote and advise on equality issues throughout the Council's services;
- Administer the Council's document retention and National Fraud Initiative schemes;
- Provide other corporate services such as the Governance Assurance Statement, Disclosure of Interests, project support, job evaluation & employment management support and numerous other areas.

Budget 2020/2021

Service Summary**Chief Executive**

| | | Costs controlled by Head of Service | | | | |
|---------------------------------|-------------------------------------|-------------------------------------|------------------|----------------|-------------------|------------------|
| | | FTE | Employees | Other Costs | Income | Sub-total |
| C3300 | CHIEF EXEC ADMIN TRADING ACCT | 1.61 | 182,320 | 4,170 | - | 186,490 |
| A1170 | NON SERVICE SPECIFIC WORK | 0.00 | 86,840 | 65,160 | (25,000) | 127,000 |
| Total Chief Executive | | 1.61 | 269,160 | 69,330 | (25,000) | 313,490 |
| C3745 | HEAD OF INWARD INVESTMENT | 3.48 | 277,270 | 7,970 | (45,950) | 239,290 |
| C3795 | TOURISM | 5.20 | 182,020 | - | - | 182,020 |
| L5000 | ECONOMIC DEVELOPMENT | 0.00 | - | 49,250 | - | 49,250 |
| Total Inward Investment | | 8.68 | 459,290 | 57,220 | (45,950) | 470,560 |
| C3030 | MAIL ROOM TRADING ACCOUNT | 2.00 | 83,720 | 19,420 | - | 103,140 |
| C3050 | PRINT UNIT TRADING ACCOUNT | 0.00 | - | 50,530 | (28,500) | 22,030 |
| C3331 | DESIGN STUDIO | 2.00 | 96,510 | 6,510 | - | 103,020 |
| C3335 | CORPORATE SUPPORT TRADING ACCT | 4.00 | 214,450 | 5,420 | (9,500) | 210,370 |
| C3336 | HEAD OF LEADERSHIP SUPPORT | 2.00 | 148,900 | 1,510 | - | 150,410 |
| C5020 | PHOTOCOPIERS HOLDING ACCOUNT | 0.00 | - | 29,930 | (45,110) | (15,180) |
| C5060 | MAIL ROOM POSTAGE ACCOUNT | 0.00 | - | 56,000 | (56,000) | - |
| A1040 | CORPORATE PLANNING | 0.00 | - | - | - | - |
| A1171 | HEALTH PROJECTS | 0.00 | - | - | - | - |
| A5001 | UNAPPORTIONABLE OVERHEADS (Print Un | 0.00 | - | 720 | - | 720 |
| B1500 | EMERGENCY PLANNING | 0.00 | 17,500 | 18,700 | - | 36,200 |
| B1502 | BUSINESS CONTINUITY | 0.00 | - | - | - | - |
| Total Leadership Support | | 10.00 | 561,080 | 188,740 | (139,110) | 610,710 |
| | | | | | | |
| | | 20.29 | 1,289,530 | 315,290 | (210,060) | 1,394,760 |

| Recharges and Other Adjustments | Total |
|------------------------------------|------------------|
| (186,490) | - |
| 911,560 | 1,038,560 |
| 725,070 | 1,038,560 |
| (239,290) | - |
| (182,020) | - |
| 208,110 | 257,360 |
| (213,200) | 257,360 |
| (103,140) | - |
| (22,030) | - |
| (103,020) | - |
| (210,370) | - |
| (150,410) | - |
| 15,180 | - |
| - | - |
| 74,140 | 74,140 |
| 23,150 | 23,150 |
| 94,980 | 95,700 |
| 114,010 | 150,210 |
| 223,720 | 223,720 |
| (43,790) | 566,920 |
| | |
| 468,080 | 1,862,840 |

STRATEGIC DIRECTOR OF CORPORATE RESOURCES

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

GOVERNANCE & LEGAL SERVICES

Monitoring Officer The Monitoring Officer, (who is the Solicitor to the Council) has the traditional responsible for advising all members and officer about vires, maladministration and probity in accordance with section 5 of the Local Government and Housing Act 1989. The Monitoring Officer also has a role in advising where particular decisions were, or are likely to be, contrary to or not in accordance with the budget and policy framework. In addition, he also has responsibilities (deriving from Part 7 of the Localism Act 2011) in relation to the promotion and maintenance of the ethical standard of councillors serving on the District Council and the 35 town and parish council within the District Council's administrative area. This includes the initial consideration of complaints made about District, Town and Parish Councillors.

Data Protection Officer

Article 37 of General Data Protection Regulation 2016 requires a public body to designate a Data Protection Officer. The minimum tasks of the Data Protection Officer are:-

- To inform and advise the organisation and its employees about their obligations to comply with the GDPR and other data protection laws.
- To monitor compliance with the GDPR and other data protection laws, including managing internal data protection activities, advise on data protection impact assessments; train staff and conduct internal audits.
- To be the first point of contact for supervisory authorities and for individuals whose data is processed (employees, customers etc).

The Data Protection Officer must be able to perform their duties in an independent manner and the Council may not give the Data Protection Officer instruction on exercising their role. The Solicitor to the Council is the Council's designated Data Protection Officer.

Legal Services

This section is responsible for providing a full legal service to the Council. This includes corporate and service specific legal advice, together with legal support to the Monitoring Officer and legal advice and support to the Executive and all Committees of the Council. The legal service includes planning law, conveyancing, employment law and support for the Council's regulatory functions (including both civil and criminal court work). The Legal team continues to be heavily involved in supporting the regeneration agenda and advising on numerous matters including a number of housing development schemes and the delivery of a new leisure centre in Dover.

East Kent Human Resources (EKHR)

Human Resources – this Council is the host Authority for the East Kent HR Service, which is a shared service governed under a Joint Committee arrangement (East Kent Services Committee) and shared with Canterbury and Thanet Councils. EKHR also provide HR

services to East Kent Housing. The leadership of this service is delegated to the Head of Collaborative Services who is also the Head of Shared Services. The service is responsible for advising on HR matters including recruitment, retention, absence management, and disciplinary and grievance matters.

Payroll – EKHR also provides and manages a full Payroll provision for the Council and the other partner councils in the shared arrangement. This payroll service includes payment of staff, statutory and other deductions, production of interfaces to the general ledger, the production of statutory returns and liaison with statutory bodies. System security is managed within the team for all users.

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

Democratic Services

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

Chairman and Leader of the Council - The section provides secretarial and administrative support to the Leader of the Council and the Chairman of the Council. In addition, civic events organised by the Chairman to commemorate such events as Merchant Navy Day, Armed Forces Day and Commonwealth Day are organised by the section

Elections

Electoral Services are responsible for the organisation and conduct of Parliamentary, Police and Crime Commissioner Elections, County Council, District Council and Parish Council elections and by-elections within the district. Electoral Services are also responsible for the conduct of local and national referenda, parish polls and reviewing polling districts and places. The costs incurred in the conduct of elections are met by the body concerned. The Council is obliged to appoint an officer of the Council to act as Returning Officer (RO) to undertake their statutory duties. The officer acts as Acting Returning Officer at Parliamentary Elections and the Deputy Returning Officer at County Council Elections.

FINANCE AND HOUSING

Financial Administration

Section 151 Local Government Act 1972 requires the Council to make arrangements for the proper administration of its financial affairs and to make one of its officers responsible for the administration of those affairs. The Strategic Director of Corporate Resources is that officer.

Accountancy

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

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

Procurement, Creditors and Income

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

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

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

Housing Strategy

The Council's Strategic Housing service is responsible for developing an effective strategic approach which will help meet the housing needs in the district and contribute to the development of sustainable communities.

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

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

Housing Strategy and Enabling

The strategic housing function plays an important role in enabling the provision of affordable housing in the district. In the past this had been solely through partnership working with other affordable housing providers such as Housing Associations.

The service plays an important role liaising with other Council services such as Development Management, Regeneration Delivery and Corporate Property Services as well as external agencies such as the Homes & Communities Agency so as to secure new affordable housing in the district.

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

- Kent Housing Group
- Kent Joint Planning & Policy Board
- PFI Project Boards: Better Homes Active Lives & Excellent Homes For All

Community Housing Programme

The Community Housing Programme has been in operation since February 2018 and is providing information and capacity building for our communities to support them in delivering new affordable homes via Community Led Development projects. An information hub has been established, a programme of training sessions are held across the district, and the district's first Community Led Housing Conference attracted more than 150 delegates. There are now currently 8 groups in the district with a realistic prospect of delivering new homes, in addition to several fledgling groups. The government has released further funding for Local Authorities to expand the service they are providing, and an application has been made to Homes England to support 3 temporary posts to enable direct support to be provided to Community Led Housing groups to assist them in progressing their projects.

Housing Needs

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

The Housing Register is maintained by a small team of Allocations Officers. Social rent homes are currently let through a 'choice based lettings' system. The system is procured through a partnership of Kent district councils and housing associations with housing stock in the district. DDC is currently the lead partner and hosts the partnership manager. A recent re-procurement of the choice based lettings IT system has resulted in an enhanced system at lower cost.

The Housing Options team, overseen by a Senior Housing Options Officer, provide advice and assistance to anyone who is homeless or potentially homeless.

The Council's strategic approach to addressing homelessness is set out in the East Kent Homelessness Strategy 2014-2019 developed in partnership with Shepway, Canterbury and Thanet District Councils. This led to the establishment of a Dover district Homelessness Forum which met quarterly to share intelligence and good practice and monitor the delivery of the strategy. This Forum has recently been integrated into a new Homelessness Hub, chaired by the Community Safety Unit. The meetings are attended by a variety of agencies and are focussed on discussing issues both at a strategic and operational level.

REGULATORY SERVICES

Public Protection

- **Food Safety and Hygiene Control** - the Council undertakes visits and inspections of food establishments on a programmed, risk rated basis to ensure that appropriate standards of food hygiene are maintained. It also operates the National Food Hygiene Rating Scheme throughout the area, investigates complaints of unsound food / unhygienic premises and applies infectious disease controls.
- **Health and Safety at Work** - the Council is responsible for investigating accidents (including fatalities) and dangerous occurrences in premises such as offices, shops, warehouses and clubs. A risk-based, targeted and proportionate approach to interventions

and enforcement is utilised when ensuring compliance with the relevant Acts and Regulations.

- **Port Health** – Dover District Council is the Port Health Authority for Dover Port and the Channel Tunnel. The Port Health function includes inspections of vessels that enter the Port, such as cross channel ferries and cruise ships, to ensure that food hygiene standards are maintained. Certain imported foodstuffs are also identified, examined and sampled when necessary to ensure compliance with food safety regulations. Additionally ferries, cruise and cargo ships are inspected when requested to issue Ship Sanitation Certificates to demonstrate that such vessels are free from pests. The impact of Brexit on the councils port health controls (at Dover Port and the Channel Tunnel) remain unknown, but are widely accepted to be considerable and will require new data systems, staff, equipment and facilities etc. that can respond 24 hours a day throughout the year.

Licensing

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

- Alcohol, public entertainment and late night refreshments, including Temporary events,
- Gambling,
- Private Hire and Hackney Carriages vehicles, drivers and operators,
- Animals - boarding and breeding establishments, Riding establishments, Zoo's, Pet Shops, Dangerous Wild animals
- Beauty Treatments – Tattooing, piercing, acupuncture, electrolysis etc.
- Street Trading
- Scrap Metal

Environmental Protection

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

Environmental Crime

A team of uniformed and non-uniformed staff, combined with an external contractor seek to promote behavioural change through a range of enforcement and educative activities with the aim of creating a cleaner, safer and greener environment. The work of the team is supplemented and enhanced by partnership working with Kent Police, KCC, Parish Councils etc. The principal focus of this team area is to tackle environmental crimes including:

- Littering
- Enforcement of the Council's PSPO e.g. Dog Fouling

- Stray Dogs
- Fly tipping
- Trade waste
- Accumulations of rubbish

Planning Enforcement

The team investigate breaches of planning control, including responding to complaints raised by interested parties, and taking formal enforcement action in appropriate cases. In addition they deal with appeals to the planning inspectorate against enforcement notices, prosecute for non-compliance with notices and organise Direct Action where necessary. The team are also driving forward the Councils Town Centre Initiative s215 work which is seeking to improve the appearance and condition of Dover Town.

Private Sector Housing

Services provided by the Private Sector Housing team comprise:

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

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

The service has been very successful over the years in bringing long term empty properties back into use. It works closely with KCC on a partnership project which provides funding to bring empty property back into use.

COMMUNITY AND DIGITAL SERVICES

Community Development

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

- Researching and publicising funding opportunities and supporting communities in bidding for funding, facilitating community consultations on behalf of DDC and information sharing events.
- Delivery of the Inspire programme to support vulnerable young people in our District.
- Other activities include administrating the Event Process and liaising with other departments to facilitate events across the District.

This is done by building social capital by developing confident communities with a sense of place and who are engaged and empowered in the decision-making process; raising the District's profile to create a sense of pride of place within the community and to raise awareness of opportunities for inward investment; developing partnerships to create opportunities for people to learn new skills through employment and volunteering; building community cohesion through events which bring people together to celebrate and to raise the District's distinctive profile; and working to secure a higher level of external funding into the District to support communities and to develop/broker skills, training and learning opportunities through partnerships with education providers to address local business needs and build self-sufficiency in communities.

Community Safety

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

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

Anti-Social Behaviour Unit (ASB)

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

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

The division is also responsible for DDC's approach to Safeguarding issues (Child and Adult Protection) and the Disclosure and Barring Service (previously known as CRB) policy.

CCTV

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

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

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

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

Digital Services

The Digital Services Team shape and implement the Council's digital vision. Ensure the Council's websites meet customer needs and deliver business objectives to change behaviours and achieve channel shift. Influence the Council's approach to digital, using insight and analytics to understand the customer. Provide advice and guidance to ensure the Council's digital initiatives are aligned and customer focussed.

The Head of Community Services also acts as EKS ICT Client Officer.

SHARED SERVICES

EAST KENT HOUSING

Dover District Council is the major social landlord in the district. As of 31st December 2019, it owned a stock of 4,311 dwellings comprising 2,681 houses and bungalows and 1,630 flats and maisonettes.

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

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

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

EKH continues to be involved in the implementation of a new single, housing management IT system which had been identified as enabling the delivery of significant financial efficiencies and service improvements. The project is being funded by loans provided by the four council owners with the expectation that the loan will be repaid from the financial savings achieved.

The four partner Councils of EKH, Canterbury, Thanet, Folkestone and Dover are currently in consultation with tenants over whether management of the housing stock should remain with EKH or return to the Councils.

EAST KENT AUDIT PARTNERSHIP

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

EK SERVICES¹

¹ The information for EKS relates to the current position for the area. This information will be updated subject to changes awaiting consideration and approval by the East Kent Services Committee. This section will be updated for the final version based on the recommendations from that process.

The Strategic Director of Corporate Resources, working with other DDC colleagues, acts as the lead officer for the following services which transferred to EK Services (EKS) in February 2011 and are provided jointly for Dover, Thanet & Canterbury under a joint committee arrangement, the East Kent Services Committee (EKSC). The services are fully delegated to the EKSC who in turn have delegated the full responsibility for the service to the Head of Shared Services who is also responsible for the EKHR service in a different capacity, namely as the Head of Collaborative Services. EKS provides the following services to Dover Council and the other partner councils in the shared arrangement (it should be noted that Revenues, Benefits and Customer Services are outsourced by the East Kent Councils to Civica and EK Services acts as a joint strategic client on behalf of the three East Kent Councils)

Revenues

Council Tax has to be calculated, billed and collected for over 52,000 dwellings within the district. Council Tax includes monies billed and collected for Dover District Council, Kent County Council, The Police & Crime Commissioner for Kent, Kent and Medway Fire and Rescue and the district's town and parish councils. The service target is to collect 97.85% of Council Tax in the year.

Business Rates / Non Domestic Rates (NDR) also have to be calculated, billed and collected for around 4,000 businesses in the district. NDR is distributed by the council to the Government, KCC, Police, Fire and Rescue. The service target is to collect at least 98.20% of NDR by end of financial year.

Any shortfall in revenue collection continues to be collected or attempted to be collected beyond the end of the financial year.

Benefits

The service anticipates that it will pay out benefits and financial assistance to nearly 2,800 council tenants, over 5,500 private tenants and more than 9,600 council tax payers.

Under the Universal Credit initiative, responsibility for Housing Benefit administration for working age customers has started to move to the Department for Work and Pensions (DWP) under a timetable between 2017 and 2023. Universal Credit Full Service began in May 2017, and the Benefits Service will work closely with the council and DWP on this transfer.

Customer Services

Customer Services provides on-line, telephone, and face to face service delivery for all customers.

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

ICT

The ICT service provides a strategic and operational technology service to the council under an agreed service level agreement working alongside the Council's digital team. This includes

support to desktop facilities for officers and councillors by the provision of a service desk that is open 8am – 6pm during the working week; the provision and maintenance of the local and wider area network supporting the main council office and remote sites, and infrastructure in terms of the data centre and associated servers and storage. This service also supports existing business systems and works with the digital team on the implementation of new business systems.

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

New opportunities are assessed and a seven year technology renewal plan is in place. A project management service is provided and also support to the Dover SIRO for information governance and compliance matters. ICT work closely with Dover District Council's procurement team to ensure that any hardware or technology systems that are purchased by the council are centrally managed by the ICT teams to ensure compliance with various national and local protocols such as Public Service Network compliance. ICT have a dedicated network and infrastructure security team who work closely with the Council Senior Information Risk Officer (SIRO) to ensure the councils information and systems remain secure.

Service Summary

Corporate Resources

| | | Costs controlled by Head of Service | | | | |
|--|--|-------------------------------------|------------------|------------------|---------------------|------------------|
| | | FTE | Employees | Other Costs | Income | Sub-tot |
| C3310 | STRATEGIC DIRECTOR - CORPORATE RESOURCES | 1.00 | 129,690 | 3,910 | - | 133,600 |
| Total Strat Director Of Corporate Resources | | 1.00 | 129,690 | 3,910 | - | 133,600 |
| C3020 | PROCUREMENT, CREDITORS & INCOME | 7.16 | 258,760 | 23,380 | (109,390) | 172,750 |
| C3360 | STRATEGIC HOUSING | 3.00 | 214,210 | 1,700 | (21,000) | 194,910 |
| C3500 | ACCOUNTANCY TRADING ACCOUNT | 12.90 | 490,990 | 140,880 | (59,230) | 572,640 |
| C3505 | HEAD OF FINANCE & HOUSING | 1.00 | 106,890 | 280 | - | 107,170 |
| C3855 | HOUSING NEEDS TRADING ACCOUNT | 14.81 | 559,700 | 8,530 | - | 568,230 |
| C3857 | KENT HOMECHOICE | 1.00 | 52,450 | 105,840 | (179,360) | (21,070) |
| C5010 | OFFICE TELEPHONES HLDG ACCOUNT | 0.00 | - | 52,230 | (42,520) | 9,710 |
| A1070 | SPECIAL FEES AND PAYMENTS | 0.00 | 19,030 | 133,890 | (5,000) | 147,920 |
| A1075 | TREASURY MANAGEMENT | 0.00 | - | 20,000 | - | 20,000 |
| A5000 | BCKFNDNG & OTHER PENSION COSTS | 0.00 | 1,936,030 | 750 | (67,670) | 1,869,110 |
| B1600 | GRANTS TO VOLUNTARY ORGS | 0.00 | - | 251,160 | - | 251,160 |
| M1000 | HOMELESSNESS | 0.00 | - | 1,114,000 | (622,900) | 491,100 |
| M1050 | RENT DEPOSIT SCHEME | 0.00 | - | 5,000 | (5,000) | - |
| M1401 | HOUSING STRATEGY | 0.00 | - | 7,000 | - | 7,000 |
| M1405 | COMMUNITY HOUSING FUND | 3.00 | 74,500 | 69,640 | - | 144,140 |
| M1410 | CHOICE BASED LETTINGS | 0.00 | - | 9,240 | - | 9,240 |
| Total Finance and Housing | | 42.87 | 3,712,560 | 1,943,520 | (1,112,070) | 4,544,010 |
| C3010 | COMPUTER SERVICES TRADING ACCT | 0.00 | - | 512,440 | - | 512,440 |
| C3991 | COMMUNITY SAFETY & CCTV TEAM | 5.00 | 164,580 | 2,260 | - | 166,840 |
| C3992 | DIGITAL SERVICES TEAM | 6.00 | 266,630 | 46,930 | - | 313,560 |
| C3993 | COMMUNITY DEVELOPMENT TEAM | 10.72 | 401,920 | 6,170 | - | 408,090 |
| C3995 | COMMUNITY AND ENGAGEMENT | 2.50 | 170,350 | 12,640 | - | 182,990 |
| C3998 | FUNDING & COMMUNICATIONS | 3.00 | 164,200 | 990 | - | 165,190 |
| A1050 | CORPORATE PRESS & PUBLICITY | 0.00 | - | 39,760 | - | 39,760 |
| E2200 | CCTV | 0.00 | 6,050 | 76,630 | (3,500) | 79,180 |
| E8700 | CRIME AND DISORDER | 1.00 | 41,650 | 1,680 | (22,000) | 21,330 |
| M1500 | COMMUNITY DEVELOPMENT | 0.00 | - | - | - | - |
| M1501 | SE STRATEGIC PRTPN MIGRATION | 0.00 | - | - | - | - |
| M1520 | REGEN OFFICER AYLESHAM | 0.00 | - | 2,500 | - | 2,500 |
| M1575 | INSPIRE FUND | 1.00 | 6,020 | 150 | - | 6,170 |
| M1576 | AYLESHAM GARDEN VILLAGE | 0.00 | - | - | - | - |
| M1580 | DOVER COASTAL COMMUNITY TEAM | 0.00 | - | - | - | - |
| M1585 | DEAL+SANDWICH COASTAL COM TEAM | 0.00 | - | - | - | - |
| M2600 | SPORTS STRTGY, IMPLMTN & GRNTS | 0.00 | - | 4,500 | - | 4,500 |
| M4000 | ANTI-SOCIAL BEHAVIOUR | 0.00 | - | 10,550 | (30,000) | (19,450) |
| Total Community Services | | 29.22 | 1,221,400 | 717,200 | (55,500) | 1,883,100 |

| Recharges and Other Adjustments | Total |
|---------------------------------|------------------|
| (133,600) | - |
| (133,600) | - |
| (172,750) | - |
| (194,910) | - |
| (572,640) | - |
| (107,170) | - |
| (568,230) | - |
| 21,070 | - |
| - | 9,710 |
| 1,710 | 149,630 |
| 28,070 | 48,070 |
| (1,958,580) | (89,470) |
| 2,700 | 253,860 |
| 510,810 | 1,001,910 |
| - | - |
| 29,590 | 36,590 |
| 96,260 | 240,400 |
| - | 9,240 |
| (2,884,070) | 1,659,940 |
| (512,440) | - |
| (166,840) | - |
| (313,560) | - |
| (408,090) | - |
| (182,990) | - |
| (165,190) | - |
| 171,560 | 211,320 |
| 254,630 | 333,810 |
| 48,270 | 69,600 |
| 350,280 | 350,280 |
| 1,530 | 1,530 |
| - | 2,500 |
| 1,320 | 7,490 |
| 29,570 | 29,570 |
| 8,460 | 8,460 |
| 4,200 | 4,200 |
| 39,710 | 44,210 |
| 92,680 | 73,230 |
| (746,900) | 1,136,200 |

| | | Costs controlled by Head of Service | | | | |
|--|---|-------------------------------------|------------------|-------------------|----------------------|-------------------|
| | | FTE | Employees | Other Costs | Income | Sub-tot |
| C3376 | DDC @ YOUR SERVICE | 0.00 | - | 161,040 | - | 161,040 |
| C3388 | CORPORATE INCOME COLLECTION | 0.00 | - | 162,670 | - | 162,670 |
| C3520 | AUDIT TRADING ACCOUNT | 0.00 | - | 520 | - | 520 |
| B2100 | COUNCIL TAX-COST OF COLLECTION | 0.00 | - | 951,080 | (557,660) | 393,420 |
| B2300 | NNDR - COST OF COLLECTION | 0.00 | - | 146,890 | (181,500) | (34,610) |
| B7000 | BENEFITS & SUBSIDIES | 0.00 | - | 27,089,520 | (26,477,900) | 611,620 |
| Total Strategic Corp Services | | 0.00 | - | 28,511,720 | (27,217,060) | 1,294,660 |
| C3000 | HUMAN RESOURCES TRADING ACCOUNT | 0.00 | 105,440 | 9,980 | - | 115,420 |
| C3301 | DEMOCRATIC SERVICES | 4.00 | 187,490 | 12,430 | - | 199,920 |
| C3304 | ELECTORAL SERVICES | 5.00 | 207,700 | 3,360 | - | 211,060 |
| C3540 | LEGAL TRADING ACCOUNT | 8.30 | 462,790 | 38,310 | (77,740) | 423,360 |
| C3545 | HEAD OF GOVERNANCE & LEGAL SVS | 3.00 | 236,810 | 2,740 | - | 239,550 |
| C5045 | LEGAL FEES HOLDING ACCOUNT | 0.00 | - | 30,000 | - | 30,000 |
| A1100 | COUNCIL, CABINET & COMMITTEES | 0.00 | - | - | - | - |
| A1161 | CHAIRMANS ACCOUNT | 0.00 | - | 9,750 | - | 9,750 |
| A1165 | MEMBERS ACCOUNT | 0.00 | 5,440 | 237,030 | (3,250) | 239,220 |
| B4070 | ELECTIONS - ADMIN | 0.00 | - | - | - | - |
| B4090 | POLICE & CRIME COMM'R-LOCAL RO | 0.00 | - | 145,000 | (145,000) | - |
| B4500 | ELECTORAL REGISTRATION | 0.00 | - | 100,730 | (500) | 100,230 |
| Governance & Legal Services | | 20.30 | 1,205,670 | 589,330 | (226,490) | 1,568,510 |
| C3940 | HEAD OF REGULATORY SERVICES | 1.41 | 119,110 | 6,120 | - | 125,230 |
| C3945 | CORPORATE HEALTH & SAFETY | 1.00 | 56,790 | 16,700 | - | 73,490 |
| C3946 | PLANNING ENFORCEMENT | 6.86 | 281,700 | 9,520 | - | 291,220 |
| C3960 | LICENSING ADMIN TRAD ACCOUNT | 5.00 | 189,680 | 8,500 | - | 198,180 |
| C3980 | ENVIRONMENTAL PROTECTION | 4.46 | 248,990 | 15,250 | - | 264,240 |
| C3983 | PUBLIC PROTECTION | 0.00 | 475,450 | 11,410 | - | 486,860 |
| C3990 | ENVIRONMENTAL CRIME | 4.81 | 191,870 | 19,730 | - | 211,600 |
| E1000 | FOOD SAFETY AND HYGIENE | 0.00 | - | 20,220 | (500) | 19,720 |
| E1100 | HEALTH AND SAFETY AT WORK | 0.00 | - | - | - | - |
| E1300 | PEST CONTROL | 0.00 | - | 100 | - | 100 |
| E1430 | ENV PROTECTION ENFORCEMENT | 0.00 | 6,500 | 27,400 | (20,000) | 13,900 |
| E1435 | PLANNING ENFORCEMENT | 0.00 | - | 5,880 | - | 5,880 |
| E1500 | PORT HEALTH | 0.00 | 7,500 | 6,300 | (35,450) | (21,650) |
| E2010 | LICENSING | 0.00 | - | - | (97,980) | (97,980) |
| E2015 | MISCELLANEOUS LICENSING | 0.00 | - | 3,000 | (23,070) | (20,070) |
| E2020 | GAMBLING ACT 2005 | 0.00 | - | - | (17,490) | (17,490) |
| E2030 | HACKNEY CAR & PRIVATE HIRE | 0.00 | - | 12,120 | (69,960) | (57,840) |
| E2100 | DOG CONTROL MEASURES | 0.00 | - | 11,500 | (2,400) | 9,100 |
| E2190 | ENVIRONMENTAL CRIME | 0.00 | - | 1,750 | (7,000) | (5,250) |
| M1100 | PRIVATE SECTOR HOUSING (incl. Renov'n Grants) | 7.16 | 318,290 | 1,149,630 | (12,130) | 1,455,790 |
| Regulatory Services | | 30.70 | 1,895,880 | 1,325,130 | (285,980) | 2,935,030 |
| | | 124.09 | 8,165,200 | 33,090,810 | (28,897,100) | 12,358,910 |

| Recharges and Other Adjustments | Total |
|---------------------------------|-----------|
| (161,040) | - |
| (162,670) | - |
| (520) | - |
| 38,700 | 432,120 |
| 17,990 | (16,620) |
| 48,410 | 660,030 |
| (219,130) | 1,075,530 |
| (115,420) | - |
| (199,920) | - |
| (211,060) | - |
| (423,360) | - |
| (239,550) | - |
| - | 30,000 |
| 346,980 | 346,980 |
| 34,100 | 43,850 |
| 134,420 | 373,640 |
| 156,510 | 156,510 |
| - | - |
| 236,140 | 336,370 |
| (281,160) | 1,287,350 |
| (125,230) | - |
| (73,490) | - |
| (291,220) | - |
| (198,180) | - |
| (264,240) | - |
| (486,860) | - |
| (211,600) | - |
| 196,190 | 215,910 |
| 61,210 | 61,210 |
| 28,930 | 29,030 |
| 341,940 | 355,840 |
| 352,250 | 358,130 |
| 252,830 | 231,180 |
| 138,810 | 40,830 |
| 49,250 | 29,180 |
| 29,310 | 11,820 |
| 136,610 | 78,770 |
| 75,050 | 84,150 |
| 353,230 | 347,980 |
| 141,360 | 1,597,150 |
| 506,150 | 3,441,180 |
| (3,758,710) | 8,600,200 |

STRATEGIC DIRECTOR OF OPERATIONS AND COMMERCIAL

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

COMMERCIAL SERVICES

Refuse and Recycling Collections

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

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

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

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

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

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

Street Cleansing

The section is responsible for the cleansing of the highways and Council owned land, in accordance with the provisions of the Environmental Protection Act 1990 and subsequent Code of Practice on Litter and Refuse (2006). This is carried out in accordance with standards

set by Government, which define how quickly the Council has to clear such land. It covers litter, detritus (grit in the gutter), dog fouling and leaves. These items are collected either manually or by using mechanical sweepers. The section also arranges the emptying of litter and dog waste bins.

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

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

Parking Services

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

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

The management of on-street parking is carried out on behalf of KCC in accordance with the provisions set up within the Kent Parking agreement developed following the decriminalisation of parking operations within Kent in 2001.

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

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

Parks & Open Spaces

The Council has a substantial stock of parks, open spaces and sports grounds throughout the district including, for example, Kearsney Abbey and Connaught Park in Dover and Victoria Park in Deal. The areas provide for both active and passive leisure and include facilities such as skateboard parks, multi-use games areas, play areas, sports pitches, bowling greens and tennis courts in addition to areas for walking and quiet reflection. Grounds maintenance of the sites had been contracted out for many years but the Council decided in 2016 to insource the service and this work has been undertaken by a directly managed team from April 2017.

The Council has commissioned a range of strategies this year which includes; a Parks & Open Spaces Strategy, a Playing Pitch & Outdoor Sports Provision Strategy & a Play Area Strategy. This work will feed into the development of the Council’s overarching Green Infrastructure Strategy and support the revision of the District Local Plan. The various strategies will help the Council to plan for future investment and provide a strategic approach to how it manages and delivers future projects.

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

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

White Cliffs Countryside Partnership

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

Up on the Downs project now completed

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

- Investing in heritage
- Supporting communities
- Increasing access, skills and understanding
- Working together in partnership

The scheme is now finished; however, Up on the Downs and DDC are working with partner organisations to secure an appropriate legacy for the scheme, including continuing the partnership into the long-term.

Kearsney Parks for People

In 2016 DDC submitted a successful £3.1m bid to the Heritage Lottery Fund/Big Lottery Fund 'Parks for People' programme for a major scheme of restoration and improvement works at Russell Gardens and Kearsney Abbey. Our project manager and team have now appointed contractors to carry out works on the buildings and Landscape contracts. The first phase of clearance work took place in Russell Gardens during the winter of 2017, with the main restoration and improvement work starting in autumn 2018. The project is due to end in June 2020.

ASSETS & BUILDING CONTROL

This service is divided into a number of key areas:

Asset Management

Public Conveniences - The Council currently maintains and operates 19 facilities within the towns and villages across the district. Of these, 14 facilities are supported by Town and Parish Councils.

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

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

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

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

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

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

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

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

Facilities Management

The service covers a number of properties;

- **Dover Town Hall (Maison Dieu), Dover** - The main facilities at Dover Town Hall are the Stone Hall, Connaught Hall and the Council Chamber. There are also other smaller areas available for hire. The facilities are used for a variety of functions including wedding receptions, dinners, parties, dances, concerts, theatre, exhibitions, seminars, elections etc. The premises are leased to Your Leisure, who also operate the Winter Gardens at Margate and lease some of the Council's leisure facilities. Under the terms of the lease, most categories of expenditure are the responsibility of Your Leisure but some major areas remain as Council obligations. The Council was successful in a bid to the Heritage Lottery Fund during 2018, and work is ongoing on the development phase of the project ahead of a round two submission in Spring 2020. The project involves major renovations and improvements to the building.

- **Deal Pier** - The present Pier, the third on this site, was officially opened by the Duke of Edinburgh in 1957. It provides opportunities for walking and fishing and has an architectural award winning café at the seaward end, which has been operated very successfully by the new tenant Deal Pier Kitchen Ltd since January 2019. There are two small shops at the entrance. The Pier itself is managed directly by the Council. Substantial maintenance works including concrete repairs, replacement seating, resurfacing of the stem, refurbishment of the pier head buildings, reglazing the shelters on the stem have undertaken during 2018 & 2019. The pier stem lighting will be replaced in early 2020. Together these improvements have transformed the appearance of the pier and visitor experience.
- **Leisure Centres** – The new Dover District Leisure Centre at Whitfield opened in February 2019 and Places Leisure have reported that both membership levels and visits to the asset are both significantly higher than projections. The centre has been warmly welcomed by the community. The Old Dover Leisure Centre is closed awaiting demolition in early 2020. Tides Leisure and Indoor Tennis Centre provides a wide range of facilities including a beach effect leisure pool with waterslides, ancillary pools, and other features, a four-court sports hall, fitness/health suite and a cafeteria. The Indoor Tennis Centre is an LTA Beacon status site, recognising it's high quality and affordable community tennis programmes. The Council has begun exploring what refurbishment works and alterations are needed to improve wet and some dryside facilities that are now 30 years old. Tides Leisure & Indoor Tennis Centre has been leased to and managed by Your Leisure since April 2001. Your Leisure also manages Walmer Paddling Pool.

Building Control

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

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

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

INWARD INVESTMENT AND TOURISM

The Inward Investment Service and Tourism Service is responsible for attracting funding and private sector investment into the district to aid and support the growth and regeneration agenda identified in the Council's Corporate Plan while also being responsible for the developing tourism role. In addition, the Inward Investment Service and Tourism Service is also engaged on a number of the Council's direct project and strategic ambitions while supporting the Council's role in a number of external regeneration partnership and funding organisations. The Inward Investment and Tourism Service also provides assistance to strategic transportation and planning activities while identifying and implementing

opportunities to also promote a positive image for the locality through the regeneration, growth and tourism and visitor agenda.

MUSEUM & TOURISM SERVICES

Dover Museum

Dover Museum is one of the oldest museums in the UK, founded in 1836. Its three floors of exhibitions on the history of Dover and its award winning Bronze Age Boat Gallery are open free to the public. It operates a successful schools programme and works with young people, traditionally a hard to reach group for museums, to make the museum more relevant to them, and a team of volunteers is implementing a new collections plan relating to the national museums accreditation scheme. The museum is currently undertaking a project to relocate its reserve collections from the Maison Dieu to a new store. Staff at the museum are working on the Dover Town Hall NLHF project and the Urban Archaeological Database.

Tourism

The Council's role in tourism is as a co-ordinator for the district's tourism industry and the White Cliffs Country marketing brand. The appointment of a new team to craft a visitor strategy for the district has split this function, with strategic tourism passing to the responsibility of the Head of Inward Investment. Staff working at the museum directly run Dover Visitor Information Centre and the welcome desk for the Cruise Partnership.

REGENERATION AND DEVELOPMENT

Development Management (Regeneration Projects)

Contribute to the realisation of major projects and other significant schemes, including resolution of any conflict between corporate aspirations and planning principles and policies, collaborative working and project management. Work closely with the Economic Development Team

Development Management (General / Other)

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

- Processing of planning and other formal applications submitted under the Town and Country Planning Acts and making determinations in accordance with policies and other material considerations and taking account of performance indicators;
- Negotiations to resolve conflict and secure better quality developments;
- Reporting applications to Planning Committee in accordance with the provisions of the Constitution;
- Responding to requests for fee-earning pre-application advice and discussion;
- Responding to other informal letters, e-mails or telephone enquiries about a wide range of matters and land charge enquiries;

- Seek to protect and enhance our heritage and environment, including settlements, buildings, and landscapes;
- Managing change so that it both complements and underpins the long term viability of the district;
- Promoting good urban design throughout the District;
- Responding to appeals against the refusal of applications, the imposition of conditions or the failure to determine applications, including the preparation and giving of evidence at informal hearings and public inquiries; and
- Support the Local Plans, Infrastructure and Heritage team work on the Local Plans, Supplementary Planning Documents and other issues

Local Land Charges

The section is responsible for local land charges. Duties include the maintenance of the Local Land Charges Register, liaison with other departments regarding the correct registration and removal of charges, acceptance, compilation and return of local land charges searches and liaison with departments for replies associated with personal searches. The Land Charges team maintains comprehensive background records of charges recorded within the Land Charges Register.

Development Plan and Implementation

This Section brings together the Development Plan work that sets out the future of the District. The primary focus for the team is to prepare a District Local Plan, which will cover the period up to 2040. This has involved undertaking an assessment of the areas of land that have come forward for development under the 'Call for sites', refreshing Dover Transportation Study, developing a Deal Transportation Model, and updating a number of open space strategies.

The Council's existing Adopted Core Strategy establishes the Council's objectives and policies for the future pace, scale, location and quality of development over a 20 year period (up until 2026) and is closely allied to the Corporate Plan and Community Strategy. The production of a Local Plan involves information gathering, monitoring and research. The implementation of the Local Plan is reported each year in the form of an Authority Monitoring Report.

In order to continue with the momentum that is being generated from the St. James's redevelopment and the Dover Western Docks Revival Project, the Section has been working with Consultants to develop proposals for the Dover Waterfront area and a Public Realm Strategy. Other work in the Section includes providing Landscape and Ecology advice, monitoring the payment of S106 Agreements, processing Listed Buildings applications and the implementation of the District Council's Heritage Strategy by empowering local groups to prepare Conservation Area Character Appraisals.

The Section promotes the Council's interests and is deeply engaged in the District regeneration agenda. It is also heavily involved in supporting the Council's major regeneration projects and related research, strategies and corporate priorities that are carried out by other services.

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

Landowner Projects

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

Budget 2020/2021

Service Summary

Operations and Commercial

| | | Costs controlled by Head of Service | | | | | Recharges and Other Adjustments | Total |
|---|--|-------------------------------------|------------------|------------------|---------------------|-------------------|---------------------------------|------------------|
| | | FTE | Employees | Other Costs | Income | Sub-tot | | |
| C3600 | STRAT DIRECTOR - OPS & COMM | 2.62 | 177,240 | 5,630 | - | 182,870 | (182,870) | - |
| Total Strategic Director (Operations & Commercial) | | 2.62 | 177,240 | 5,630 | - | 182,870 | (182,870) | - |
| C3715 | PROPERTY SERVICES | 23.67 | 1,128,740 | 69,820 | (194,140) | 1,004,420 | (1,004,420) | - |
| C3725 | PROPERTY MAINTENANCE TEAM | 5.00 | 141,560 | (137,980) | - | 3,580 | 59,740 | 63,320 |
| C3954 | MAISON DIEU PREMISES | 0.00 | - | 11,200 | (3,500) | 7,700 | (7,700) | - |
| C3957 | THE DOVER GATEWAY (CASTLE ST) | 0.00 | - | 73,200 | (5,000) | 68,200 | (68,200) | - |
| C5001 | CORPORATE MAINTENANCE | 0.00 | - | 465,900 | - | 465,900 | - | 465,900 |
| C5200 | OFFICE ACCOMMODATION-WHITFIELD | 1.22 | 29,170 | 465,840 | (2,300) | 492,710 | (492,710) | - |
| A1162 | CIVIC CAR | 0.00 | 5,100 | 2,260 | - | 7,360 | (620) | 6,740 |
| E4100 | PUBLIC CONVENIENCES | 0.00 | - | 182,380 | (105,000) | 77,380 | 76,910 | 154,290 |
| E8000 | COAST PROTECTION | 0.00 | - | 180 | (43,470) | (43,290) | 318,610 | 275,320 |
| H1000 | BUILDING CONTROL | 5.04 | 310,350 | 29,500 | (326,000) | 13,850 | 216,290 | 230,140 |
| K1020 | SECTION 38 | 0.00 | - | 1,200 | - | 1,200 | 570 | 1,770 |
| K2015 | STREETLIGHTING AND NAMING | 0.00 | - | 143,000 | (80,000) | 63,000 | 61,760 | 124,760 |
| K2020 | COUNTRYSIDE AND WATERWAYS | 0.00 | - | - | - | - | 2,440 | 2,440 |
| K2040 | BUS SHELTERS | 0.00 | - | 16,690 | - | 16,690 | 7,570 | 24,260 |
| K3000 | PRECINCTS-DEAL AND DOVER | 0.00 | - | 950 | - | 950 | 14,940 | 15,890 |
| K5000 | ENVIRONMENTAL IMPROVEMENTS (DEPRECIATION ONLY) | 0.00 | - | - | - | - | 4,360 | 4,360 |
| L1350 | GARAGES GF | 0.00 | - | 57,950 | (416,000) | (358,050) | 225,750 | (132,300) |
| L1360 | SHOPS & SHOWROOMS GF | 0.00 | - | 19,510 | (71,500) | (51,990) | 35,370 | (16,620) |
| L1395 | 55-61 CASTLE STREET (FORMER CO-OP) | 0.00 | - | 41,850 | (19,000) | 22,850 | 25,820 | 48,670 |
| L1396 | WHITFIELD COURT | 0.00 | - | 50,190 | (372,450) | (322,260) | 22,500 | (299,760) |
| L1397 | B&Q RETAIL WAREHOUSE | 0.00 | - | 94,250 | (1,067,970) | (973,720) | 9,160 | (964,560) |
| L1399 | MISC PROPERTIES-GENERAL | 0.00 | - | 29,760 | (243,170) | (213,410) | 630,430 | 417,020 |
| L1800 | RELOCATION OF TRAVELLERS | 0.00 | - | - | - | - | 19,180 | 19,180 |
| L2010 | HALLS-TOWN HALL DOVER | 0.00 | - | 119,810 | - | 119,810 | 619,210 | 739,020 |
| L3000 | TIMEBALL TOWER, DEAL | 0.00 | - | 530 | - | 530 | 5,840 | 6,370 |
| L3630 | PUBLIC CLOCKS AND MEMORIALS | 0.00 | - | 420 | - | 420 | 1,890 | 2,310 |
| L4030 | DOLPHIN HOUSE | 0.00 | - | 69,820 | (94,260) | (24,440) | 24,440 | - |
| M1200 | ENERGY EFFICIENCY GRANTS | 0.00 | - | - | - | - | 16,540 | 16,540 |
| M2100 | BEACHES AND FORESHORES | 0.00 | - | 20,850 | (79,330) | (58,480) | 42,880 | (15,600) |
| M2200 | DEAL PIER | 2.94 | 104,360 | 68,700 | (78,990) | 94,070 | 465,180 | 559,250 |
| M2210 | SANDWICH QUAY | 0.00 | - | 5,580 | (14,300) | (8,720) | 18,450 | 9,730 |
| M2500 | DOVER LEISURE CENTRE | 0.00 | - | 18,590 | (743,340) | (724,750) | 571,000 | (153,750) |
| M2510 | DEAL LEISURE POOL-TIDES | 0.00 | - | 117,410 | - | 117,410 | 554,300 | 671,710 |
| M2520 | DEAL TENNIS CENTRE | 0.00 | - | 1,700 | - | 1,700 | 72,610 | 74,310 |
| M2610 | PROPERTY SERVICES EVENTS | 0.00 | - | 5,000 | (21,000) | (16,000) | 21,760 | 5,760 |
| Total Regeneration & Development | | 37.87 | 1,719,280 | 2,046,060 | (3,980,720) | (215,380) | 2,571,850 | 2,356,470 |

| | | Costs controlled by Head of Service | | | | |
|----------------------------------|----------------------------------|-------------------------------------|------------------|-------------------|----------------------|---------------------|
| | | FTE | Employees | Other Costs | Income | Sub-tot |
| C3390 | PARKING SERVICE ADMINISTRATION | 2.81 | 104,720 | 29,800 | - | 134,520 |
| C3392 | PARKING OPERATIONS & ENFORCEMENT | 15.49 | 472,290 | 35,820 | - | 508,110 |
| C3395 | TRANSPORT & PARKING MANAGER | 1.00 | 75,200 | 290 | - | 75,490 |
| C3610 | WASTE SERVICES TRADING ACCOUNT | 5.05 | 251,160 | 22,440 | (85,000) | 188,600 |
| C3680 | HEAD OF COMMERCIAL SERVICES | 1.00 | 101,440 | 2,680 | - | 104,120 |
| C3685 | PARKS & OPEN SPACES ADMIN | 4.95 | 210,620 | 1,070 | - | 211,690 |
| C3690 | GROUNDS MAINTENANCE TEAM | 24.68 | 721,840 | (1,141,320) | - | (419,480) |
| E4200 | REFUSE COLLECTION | 0.00 | - | 1,323,620 | (127,930) | 1,195,690 |
| E4210 | RECYCLING | 0.00 | - | 1,277,300 | (945,000) | 332,300 |
| E4230 | SHEPWAY WASTE CONTRIBUTION | 0.00 | - | 4,500,000 | (4,500,000) | - |
| E4240 | KCC WASTE CONTRIBUTION | 0.00 | - | 1,000,000 | (1,000,000) | - |
| E4300 | STREET CLEANSING | 0.00 | - | 1,762,540 | (63,500) | 1,699,040 |
| E5000 | DEPOTS | 0.00 | - | 9,530 | - | 9,530 |
| E6000 | CEMETERIES | 0.00 | - | 234,310 | (167,000) | 67,310 |
| E6100 | CLOSED CHURCHYARDS | 0.00 | - | 62,900 | - | 62,900 |
| K4000 | CAR PARKS-SURFACE FREE | 0.00 | - | 13,310 | - | 13,310 |
| K4010 | CAR PARKS-SURFACE PAYING | 0.00 | - | 395,530 | (1,819,710) | (1,424,180) |
| K4030 | CAR PARKS - ON STREET | 0.00 | - | 68,480 | (818,400) | (749,920) |
| L3674 | WCLP - STAFF & OVERHEADS | 0.00 | - | - | - | - |
| L5050 | A/C BODY RCHG-SRB,S/START,WCCP | 0.00 | - | - | - | - |
| L6000 | WHITE CLIFFS COUNTRYSIDE PROJ | 4.50 | 129,690 | 21,190 | (216,770) | (65,890) |
| L6002 | WCCP-SAMPHIRE HOE | 2.00 | 76,390 | 6,180 | (112,570) | (30,000) |
| L6003 | WCCP - ROMNEY MARSH PROJECT | 1.00 | 28,590 | 4,370 | (35,460) | (2,500) |
| L6005 | WCCP-WILDLIFE/SITE SURVEY | 0.00 | - | 2,000 | (15,000) | (13,000) |
| L6010 | OFFICE MANAGER AND ADMIN | 2.00 | 115,010 | 15,730 | (13,440) | 117,300 |
| L6011 | DOVER SITES MANAGEMENT | 0.00 | - | 19,190 | (19,190) | - |
| L6012 | SHEPWAY SITES MANAGEMENT | 0.00 | - | 4,170 | (4,170) | - |
| L6018 | FOLKESTONE DOWNS | 0.00 | - | 14,610 | (17,110) | (2,500) |
| L6020 | RIVER DOUR | 0.00 | - | 300 | (300) | - |
| L6025 | DUNGENESS (EDF ENERGY) | 2.00 | 70,140 | 11,000 | (100,440) | (19,300) |
| L6026 | FORT BURGONE | 0.60 | 20,020 | - | (20,020) | - |
| L6030 | OUR FINEST DOUR PROJECT | 0.50 | 21,330 | 9,850 | (31,180) | - |
| M2300 | PARKS AND OPEN SPACES | 0.00 | - | 706,930 | (42,130) | 664,800 |
| M2305 | PARKS FOR PEOPLE-KEARSNEY | 5.62 | 88,980 | 31,140 | (120,120) | - |
| M2310 | KEARSNEY PARKS | 0.00 | - | 5,510 | - | 5,510 |
| M2320 | KEARSNEY PARK CAFÉ | 0.00 | - | 5,340 | - | 5,340 |
| Total Commercial Services | | 73.20 | 2,487,420 | 10,455,810 | (10,274,440) | 2,668,790 |

| Recharges and Other Adjustments | Total |
|---------------------------------|---------------------|
| (695,760) | - |
| (1,079,230) | - |
| 2,200 | 5,200 |
| - | - |
| 165,360 | 12,220 |
| 144,610 | 145,080 |
| 1,712,480 | 1,064,700 |
| 1,650 | 1,650 |
| 8,400 | 8,400 |
| 551,980 | 554,980 |
| 96,910 | 97,160 |
| - | - |
| 1,010 | 1,010 |
| 909,610 | 1,890,400 |
| (134,520) | - |
| (508,110) | - |
| (75,490) | - |
| (188,600) | - |
| (104,120) | - |
| (211,690) | - |
| 343,120 | (76,360) |
| 141,970 | 1,337,660 |
| 136,900 | 469,200 |
| - | - |
| - | - |
| 117,070 | 1,816,110 |
| 27,400 | 36,930 |
| 110,660 | 177,970 |
| 35,260 | 98,160 |
| 55,750 | 69,060 |
| 342,570 | (1,081,610) |
| 653,090 | (96,830) |
| 4,390 | 4,390 |
| 57,480 | 57,480 |
| 65,890 | - |
| 30,000 | - |
| 2,500 | - |

| | | Costs controlled by Head of Service | | | | |
|---------------------------------|---------------------------------|-------------------------------------|-----------|-------------|---------------|------------|
| | | FTE | Employees | Other Costs | Income | Sub-tot |
| C3760 | REGENERATION DELIVERY TRADING | 12.59 | 666,180 | 29,580 | - | 695,760 |
| C3770 | DEVELOPMENT MANAGEMENT TRADING | 23.81 | 1,046,320 | 32,910 | - | 1,079,230 |
| C5240 | PLANNING DELIVERY GRANT | 0.00 | - | 3,000 | - | 3,000 |
| B1640 | S106 NON-SPECIFIC PROJECTS | 0.00 | - | - | - | - |
| B5000 | LOCAL LAND CHARGES | 0.00 | 620 | 16,240 | (170,000) | (153,140) |
| H2030 | CONSERVATION & HERITAGE | 0.00 | - | 470 | - | 470 |
| H3000 | DEVELOPMENT MANAGEMENT | 0.00 | - | 142,420 | (790,200) | (647,780) |
| H4000 | DOVER DISTRICT DEVELOPM'T PLAN | 0.00 | - | 3,000 | - | 3,000 |
| L4010 | OTHER REGENERATION PROJECTS | 0.00 | - | 250 | - | 250 |
| L4095 | AYLESHAM DEVELOPMENT | 0.00 | - | 50,000 | (50,000) | - |
| L5640 | WATERFRONT DEVELOPMENT | 0.00 | - | - | - | - |
| Total Assets & Building Control | | 36.40 | 1,713,120 | 277,870 | (1,010,200) | 980,790 |
| C3735 | MUSEUM HERITAGE & TOURISM ADMIN | 8.10 | 370,670 | 1,290 | - | 371,960 |
| L3020 | DOVER MUSEUM | 0.00 | - | 200,980 | (60,620) | 140,360 |
| L3022 | MUSEUMS-BRONZE AGE BOAT-EXHIBT | 0.00 | - | 18,020 | (800) | 17,220 |
| L3025 | DOVER MUSEUM SCHOOLS | 0.00 | - | 23,900 | (19,000) | 4,900 |
| L3030 | CHANNEL SWIMMING | 0.00 | - | 270 | - | 270 |
| L3031 | MUSEUM COLLECTION STORAGE | 3.00 | 63,470 | 6,780 | - | 70,250 |
| L3600 | GRAND SHAFT-WESTERN HEIGHTS | 0.00 | - | 2,150 | - | 2,150 |
| L5601 | TOURISM DEVELOPMENT | 0.00 | - | 161,280 | - | 161,280 |
| L5610 | VIC GRANTS & HISTORIC PANELS | 0.00 | - | 18,330 | - | 18,330 |
| L5614 | CRUISE WELCOME OPERATION | 0.00 | 4,000 | 280 | (4,280) | - |
| L5617 | OPEN GOLF EVENT | 0.00 | - | - | - | - |
| Total Museum & Tourism | | 11.10 | 438,140 | 433,280 | (84,700) | 786,720 |
| | | 161.19 | 6,535,200 | 13,218,650 | (15,350,060) | 4,403,790 |

| Recharges and Other Adjustments | Total |
|---------------------------------|-----------|
| 13,000 | - |
| (117,300) | - |
| - | - |
| - | - |
| 2,500 | - |
| - | - |
| 19,300 | - |
| 262,670 | 927,470 |
| - | - |
| - | 5,510 |
| - | 5,340 |
| 1,081,690 | 3,750,480 |
| (371,960) | - |
| 615,250 | 755,610 |
| 74,810 | 92,030 |
| 37,420 | 42,320 |
| - | 270 |
| 2,600 | 72,850 |
| 2,270 | 4,420 |
| 214,100 | 375,380 |
| 39,490 | 57,820 |
| - | - |
| 99,750 | 99,750 |
| 713,730 | 1,500,450 |
| 5,094,010 | 9,497,800 |

Earmarked General Reserves (MTFP Forecast)

| Notes | Balance | Contrib- ution | Application | Balance | Contrib- ution | Application | Balance | Contrib- ution | Application | Balance |
|---|----------|-------------------|-------------|----------|-------------------|-------------|----------|-------------------|--------------|-----------------|
| | 2018/19 | 2019/20 | 2019/20 | 2019/20 | 2020/21 | 2020/21 | 2020/21 | Future Years | Future Years | Future Years |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| 1 General Fund Balance | -2,539 | -110 | 0 | -2,649 | -2 | 0 | -2,651 | 0 | 91 | -2,560 |
| 2 Special Projects & Events Reserve | (5,731) | (1,110) | 1,993 | (4,848) | (1,551) | 3,112 | (3,287) | (620) | 436 | (3,471) |
| 3 Periodic Operations Reserve | (7,452) | (768) | 2,796 | (5,424) | (486) | 2,723 | (3,186) | (231) | 2,793 | (624) |
| 4 Dover Regeneration Reserve | (3,268) | (556) | 1,109 | (2,715) | (549) | 345 | (2,920) | (584) | 659 | (2,845) |
| 5 ICT Equipment & Servers | (917) | (115) | 857 | (175) | (115) | 290 | 0 | (345) | 345 | 0 |
| 6 Business Rates & Council Tax Support | (1,206) | (238) | 0 | (1,444) | (234) | 0 | (1,678) | 0 | 1,678 | 0 |
| 7 District Regen & Economic Dev Reserve | (12,039) | 0 | 7,191 | (4,848) | 0 | 2,800 | (2,048) | 0 | 0 | (2,048) |
| 8 Earmarked Reserves Total | (30,613) | (2,787) | 13,945 | (19,454) | (2,936) | 9,270 | (13,120) | (1,780) | 5,911 | (8,989) |
| 9 Total Revenue Reserves | (33,152) | (2,896) | 13,945 | (22,103) | (2,938) | 9,270 | (15,770) | (1,780) | 6,002 | (11,549) |

EARMARKED RESERVES

The following earmarked reserves are held:

1. General Fund Balance

The General Fund Balance is forecast to remain above the £2m preferred level in 2020/21. The forecasts for future years show the General Fund Balance being maintained above £2m if action is taken to deliver the target budget reductions. It is considered that at this time there are sufficient other earmarked reserves to support the council while the Council continues to address future budget pressures.

2. Special Projects & Events Reserve

This reserve is set aside to continue to fund one-off General Fund projects as they arise and to support major events in the district. The contributions and applications from this reserve are detailed in the Special Projects summary (Annex 6C).

3. Periodic Operations Reserve

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

4. Regeneration Reserve

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

5. ICT Equipment & Servers

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

6. Business Rates & Council Tax Support Reserve

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

7. Dover Regeneration & Economic Development Reserve

The £12.5m transferred from the Housing Revenue Account to the General Fund in 2013 is held in this reserve. £10m of the reserve has been allocated to fund the new Dover District Leisure Centre and improvements to Dover Town Hall.

Housing Revenue Account - Draft Budget Report for 2020/21

| | <i>2019/20 Original Budget £000</i> | <i>Latest Approved Budget £000</i> | <i>Budget Variance £000</i> | <i>Notes</i> | <i>Projected Outturn £000</i> | <i>Variance of Projected to Approved £000</i> |
|---|---|--|-------------------------------------|--------------|---------------------------------------|---|
| INCOME | | | | | | |
| Dwelling Rents | (18,700) | (18,700) | 0 | | (18,700) | 0 |
| Non-dwelling Rents | (19) | (19) | 0 | | (19) | 0 |
| Tenant Charges for Services and Facilities | (584) | (584) | 0 | | (656) | (72) |
| Leaseholder Charges for Services and Facilities | (277) | (277) | 0 | | (272) | 5 |
| TOTAL INCOME | (19,580) | (19,580) | 0 | | (19,647) | (67) |
| EXPENDITURE | | | | | | |
| Repairs and Maintenance | 3,347 | 3,347 | 0 | | 3,356 | 9 |
| Supervision and Management | 4,276 | 4,276 | 0 | | 4,402 | 126 |
| Rents, Rates, Taxes and Other Charges | 23 | 23 | 0 | | 25 | 2 |
| Depreciation of Fixed Assets | 2,044 | 2,044 | 0 | | 2,044 | 0 |
| Debt Management Expenses | 35 | 35 | 0 | | 35 | 0 |
| Bad Debt Provision | 165 | 165 | 0 | | 165 | 0 |
| TOTAL EXPENDITURE | 9,890 | 9,890 | 0 | | 10,027 | 137 |
| NET COST OF HRA SERVICES PER AUTHORITY INCOME AND EXPENDITURE ACCOUNT | (9,690) | (9,690) | 0 | | (9,620) | 70 |
| | | | 0 | | | |
| HRA Share of Corporate and Democratic Core | 543 | 543 | 0 | | 543 | 0 |
| | | | 0 | | | |
| NET COST OF HRA SERVICES | (9,147) | (9,147) | 0 | | (9,077) | 70 |
| Interest Payable and Similar Charges | 2,574 | 2,574 | 0 | | 2,574 | 0 |
| Interest and Investment Income | (18) | (18) | 0 | | (18) | (0) |
| Pension Int Costs and expected return on pensions assets | 363 | 363 | 0 | | 363 | 0 |
| (SURPLUS)/DEFICIT FOR THE YEAR ON HRA SERVICES | (6,227) | (6,227) | 0 | | (6,157) | 70 |
| Amount required by statute to be credited to the HRA Balance for the year (as per the Note to the Statement of Movement below) ** | 18,263 | 18,263 | 0 | | 12,304 | (5,959) |
| Net (Increase)/Decrease in the Housing Revenue Account Balance before transfers to or from reserves | 12,035 | 12,035 | 0 | | 6,146 | (5,889) |
| Transfer (from) reserves | (14,523) | (14,523) | 0 | | (8,604) | 5,919 |
| Transfer to reserves | 2,486 | 2,486 | 0 | | 2,461 | (25) |
| (Increase)/decrease in year on the HRA balance | (2) | (2) | 0 | | 3 | 4 |
| Impact of Deficit / (surplus) on balances | | | | | | |
| Housing Revenue Account surplus brought forward | (1,012) | (1,012) | 0 | | (1,012) | 0 |
| Housing Revenue Account surplus carried forward | (1,014) | (1,014) | 0 | | (1,008) | 5 |

**** Note to the Statement of Movement on the HRA Account**

Items included in the HRA Income and Expenditure Account but excluded from the movement on HRA Balance for the year

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

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

| | | | | | |
|--|---------------|---------------|----------|---------------|----------------|
| Transfer to/(from) the Major Repairs Reserve | 2,616 | 2,616 | 0 | 2,616 | 0 |
| Employer's contributions payable to the Pension Fund and retirements benefits payable direct to pensioners | (363) | (363) | 0 | (363) | 0 |
| Capital expenditure funded by the HRA | 15,534 | 15,534 | 0 | 9,575 | (5,959) |
| | 17,787 | 17,787 | 0 | 11,828 | (5,959) |
| Net additional amount required by statute to be debited/(credited) to the HRA Balance for the year | 18,263 | 18,263 | 0 | 12,304 | (5,959) |

| | |
|--|---------------|
| | Annex 5A |
| Housing Revenue Account Variance Analysis | |
| 2019/20 Original Budget to 2019/20 Projected Outturn & Projected Outturn to 2020/21 Estimates | |
| | |
| <u>Housing Revenue Account Variation Statement - as at 31 December 2019</u> | |
| | |
| | £000's |
| 2019/20 Original Budget | (2) |
| | |
| Legal Costs - Increase due to P & R issue | 100 |
| Service charges - increase in income for tenant service charges | (72) |
| Changes to DRF for adj of capital programme | (5,959) |
| Changes to HIR for financing of capital programme | 5,919 |
| Transfer of surplus HRA balance to HIR | (24) |
| Miscellaneous minor variances | 42 |
| | |
| | |
| Projected Outturn 2019/20 as at 31 December 2019 | 4 |
| | |
| Dwelling Rents - increase in rents of CPI + 1% (2.7%) | (810) |
| Repairs & Maintenance - increase in costs of the revenue works programme | 105 |
| Supervision and Management - increase in EKH management fee | 363 |
| Bad Debt Provision - increase in provision | 85 |
| HRA Share of Corporate and Democratic Core - Recalculation of internal recharges | (73) |
| Transfer (from) reserves - reduction in capital expenditure funded by HIR | 970 |
| Transfer to reserves | (561) |
| Transfer of surplus balance on HRA Balances | (34) |
| Miscellaneous - minor variances | (41) |
| | |
| 2020/21 Budget Estimate | 8 |

FOUR YEAR REVENUE BUDGET FINANCIAL PROJECTION

| Notes | 2019/20 Projected Outturn £000 | 2020/21 Forecast £000 | 2021/22 Forecast £000 | 2022/23 Forecast £000 | 2023/24 Forecast £000 |
|-------|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| 1 | (19,647) Income | (20,424) | (20,424) | (20,424) | (20,424) |
| | Income Adjustments | | | | |
| 2 | Rent increases at CPI + 1% from 2020/21 | | (585) | (1,188) | (1,809) |
| 3 | Impact of Right to Buy sales on rental income | | 44 | 90 | 137 |
| 4 | Forecast rent from new stock | | (325) | (425) | (525) |
| 5 | Inflation on leasehold & service charges | | (27) | (55) | (83) |
| | (19,467) Total | (20,424) | (21,317) | (22,002) | (22,705) |
| 6 | 10,570 Expenditure | 11,074 | 11,074 | 11,074 | 11,074 |
| | Expenditure Adjustments | | | | |
| 7 | Repairs and Maintenance (3% inflation) | | 104 | 211 | 321 |
| 8 | Supervision and Management (3% inflation) | | 643 | 305 | 457 |
| 9 | Other Misc expenditure inflation | | 16 | 32 | 49 |
| | 10,570 Total | 11,074 | 11,837 | 11,623 | 11,902 |
| 10 | 15,223 Other Charges | 15,091 | 15,091 | 15,091 | 15,091 |
| 11 | Reduction of capital spend based on current projects | | (5,134) | (5,134) | (5,134) |
| 12 | Pension backfunding increase | | 22 | 44 | 68 |
| 13 | Annual borrowing allowance for capital projects | | | 150 | 300 |
| | 15,223 Total | 15,091 | 9,978 | 10,151 | 10,324 |
| 14 | (8,604) Transfer from Housing Initiatives reserve | (7,634) | (2,500) | (2,500) | (2,500) |
| 15 | 2,455 Transfer to Housing Initiatives reserve | 1,900 | 2,000 | 2,700 | 2,950 |
| 16 | (2) NET (SURPLUS) / DEFICIT | 7 | (2) | (29) | (29) |
| | Impact on Reserves :- | | | | |
| | Projected HRA Balance | | | | |
| | (1,012) Opening balance | (1,015) | (1,008) | (1,010) | (1,039) |
| 17 | (1,015) Closing Balance | (1,008) | (1,010) | (1,039) | (1,068) |
| | Projected Housing Initiatives Reserve Balance | | | | |
| | 12,074 Opening balance | 6,115 | 0 | 0 | 0 |
| | 2,455 Contribution to reserve | 1,900 | 2,000 | 2,700 | 2,950 |
| | (8,413) Proposed application of reserve to projects | (8,015) | (2,000) | (2,700) | (2,950) |
| 18 | 6,115 Closing Balance | 0 | 0 | 0 | 0 |

THREE YEAR REVENUE BUDGET FINANCIAL PROJECTION

Notes

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

HRA CAPITAL PROGRAMME

| <u>COST CENTRE</u> | <u>REVENUE WORKS PROGRAMME</u> | PROJECTED OUTTURN 2019/20 | PROPOSED BUDGET 2020/21. |
|--------------------------------------|---|--|---|
| N1000 | Term Maintenance | 1,100 | 1,150 |
| N1100 | External Decorations | 85 | 450 |
| N1116 | Cesspool Drainage Replacement | 2 | 2 |
| N1119 | Communal TV Aerials Installation | 6 | 15 |
| N1121 | Window repairs | 200 | 200 |
| N1173 | Elderly Persons Redecorations | 25 | 25 |
| N1181 | Estates Paths, Pavings, Floor Resurfacing | 35 | 70 |
| N1200 | Insurance Excess/Storm Damage | 2 | 7 |
| N1210 | Vandalism | 2 | 4 |
| N1220 | Electrical Safety Inspections | 190 | 50 |
| N1230 | Health and Safety Water Inspections | 100 | 25 |
| N1300 | Voids Properties | 701 | 700 |
| N1400 | Heating Servicing | 650 | 510 |
| N1410 | Lift Maintenance | 11 | 11 |
| N1421 | Disabled Hoists & Lifts | 9 | 10 |
| N1422 | Fire Alarm Servicing | 80 | 80 |
| N1423 | Door Entry | 15 | 30 |
| N1600 | Tenant Compensation | 3 | 3 |
| N1700 | Tenants Compact - Dover / Deal/Sandwich & Rural | - | - |
| N1705 | Environmental Improvements -EKH initiated | - | - |
| N1710 | Environmental Improvements -DDC initiated | 100 | 100 |
| TOTAL REVENUE WORKS PROGRAMME | | 3,316 | 3,442 |

| <u>COST CENTRE</u> | <u>CAPITAL WORKS PROGRAMME</u> | PROJECTED OUTTURN 2019/20 | PROPOSED BUDGET 2020/21 |
|---|--|--|--|
| <u>HOUSING REVENUE ACCOUNT SCHEMES</u> | | | |
| IMPROVEMENTS | | | |
| P3011 | Reroofing | 255 | 430 |
| P3013 | Replacement Doors and Windows | 435 | 375 |
| P3018 | Door Entry Systems | 10 | 50 |
| P3019 | Fire Precaution Works | 300 | 350 |
| P3042 | Renewal Heating | 378 | 700 |
| P3043 | Thermal Insulation | 10 | 10 |
| P3045 | Asbestos Programme | 320 | 230 |
| P3046 | Structural Repairs | 120 | 80 |
| P3049 | Rewiring | 200 | 300 |
| P3051 | Kitchen Programme | 550 | 555 |
| P3052 | Lift Refurbishment | 33 | 40 |
| P3054 | Bathroom Programme | 350 | 355 |
| P3604 | Adaptations for Disabled Persons | 350 | 398 |
| Capital Works Programme Total | | 3,311 | 3,873 |
| P3604 | Adaptations for Disabled Persons - Internal Fees | 2 | 2 |
| P3691 | Sheltered Upgrade Norman Tallyour | 1,669 | - |
| P3689 | Foxborough Close | 246 | 226 |
| P3685/8 | Capel - Shared Onwerships & Affordable | 635 | - |
| P3696 | Property Purchases | 1,533 | 1,540 |
| | Modular Units | 250 | 6,656 |
| P3684 | Harold St/Leyburne Rd Properties | 7,236 | 5,152 |
| P3679 | Noah's Ark Rd Development | 86 | 774 |
| P3678 | 113 Folkestone Rd Development | 94 | 846 |
| Proposed new developments | | | |
| | Whitfield 1A | 50 | 3,450 |
| | Land Purchase & Development | - | 1,500 |
| | Play areas | - | 51 |
| | Provision for ICT | 28 | - |
| | Proposed Capital ICT Projects | - | 360 |
| TOTAL HRA CAPITAL PROGRAMME | | 15,140 | 24,430 |
| Financed By: | | | |
| | Capital Receipts | 437 | 6,965 |
| N9004 | Major Repairs Reserve | 2,616 | 2,606 |
| N4300 | Direct Revenue Financing (HRA) | 971 | 1,906 |
| | Internal borrowing | - | - |
| | Excess Right to Buy | 1,396 | 4,459 |
| | Grant & S106 Funding | 1,116 | 860 |
| V7466 | Housing Initiatives Reserve | 8,604 | 7,634 |
| TOTAL CAPITAL WORKS FUNDING | | 15,140 | 24,430 |

| | | |
|-----------------------------|---------------|---------------|
| FULL PROGRAMME TOTAL | 18,456 | 27,869 |
|-----------------------------|---------------|---------------|

| MEDIUM TERM CAPITAL PROGRAMME (GENERAL FUND) - DECEMBER 2019 OUTTURN | | | | | | | |
|---|----------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------|----------------|
| PROPOSED BUDGET | | PROPOSED BUDGET | | | | | |
| Projects included in the programme | Total £000 | Previous years £000 | Estimate 2019/20 £000 | Estimate 2020/21 £000 | Estimate 2021/22 £000 | Future Years £000 | Total £000 |
| Committed General Fund Projects | | | | | | | |
| Dover Regeneration Projects | | | | | | | |
| DTIZ - Waterfront | 1,048 | 887 | 152 | 0 | 0 | 0 | 1,038 |
| Dover Town contributions | 150 | 0 | 150 | 0 | 0 | 0 | 150 |
| DTIZ Growth Point - Unallocated Grant Funding | 107 | 0 | 107 | 0 | 0 | 0 | 107 |
| Dover Pride - Dover Priory Ph 1 & 2 | 107 | 107 | 0 | 0 | 0 | 0 | 107 |
| Bus Rapid Transit project (BRT) | 0 | 0 | 650 | 7,725 | 7,725 | 100 | 16,200 |
| Dover Market Square public realm improvements | 0 | 0 | 350 | 2,440 | 0 | 0 | 2,790 |
| Sub total | 1,413 | 994 | 1,409 | 10,165 | 7,725 | 100 | 20,393 |
| Other Regeneration Projects | | | | | | | |
| Aylesham Regeneration Project | 1,604 | 1,544 | 60 | 0 | 0 | 0 | 1,604 |
| Discovery Park - Grant no.2 (100% grant funded) | 2,722 | 0 | 0 | 2,722 | 0 | 0 | 2,722 |
| Building Foundations for Growth Grant - unallocated funding | 21 | 0 | 0 | 21 | 0 | 0 | 21 |
| Sub total | 4,347 | 1,544 | 60 | 2,743 | 0 | 0 | 4,347 |
| ICT Projects | | | | | | | |
| VM Ware server replacement & Windows datacentre licences | 25 | 4 | 18 | 0 | 0 | 0 | 22 |
| VM Ware host & associated licences | 0 | 0 | 27 | 0 | 0 | 0 | 27 |
| New Financial System | 400 | 0 | 363 | 37 | 0 | 0 | 400 |
| New Corporate Software & Hardware | 437 | 0 | 437 | 0 | 0 | 0 | 437 |
| Sub total | 862 | 4 | 845 | 37 | 0 | 0 | 887 |
| Other projects | | | | | | | |
| Disabled Facilities Grants:- | | | | | | | |
| Mandatory Disabled Facilities Grants | 1,800 | n/a | 1,717 | 83 | 0 | 0 | 1,800 |
| Winter Warmth Grants | 50 | n/a | 50 | 0 | 0 | 0 | 50 |
| Renovation Grants | 5 | n/a | 5 | 0 | 0 | 0 | 5 |
| Renovation/PSH Loans | 117 | n/a | 117 | 0 | 0 | 0 | 117 |
| Empty Homes Loans | 0 | n/a | 300 | 0 | 0 | 0 | 300 |
| Tides LC refurbishment | 790 | 599 | 71 | 30 | 30 | 60 | 790 |
| Dover Museum & Bronze Age Boat - Essential Works | 306 | 47 | 30 | 229 | 0 | 0 | 306 |
| Whitfield Offices - Capital Works | 220 | 161 | 59 | 0 | 0 | 0 | 220 |
| Dover Town Hall-Urgent Repairs | 150 | 54 | 96 | 0 | 0 | 0 | 150 |
| Sandwich Quay - dredge & install fenders | 50 | 3 | 47 | 0 | 0 | 0 | 50 |
| Deal Pier - Capital Works | 1,413 | 789 | 574 | 50 | 0 | 0 | 1,413 |
| DTIZ enhancement works | 230 | 120 | 20 | 90 | 0 | 0 | 230 |
| Purchase new beach huts | 100 | 6 | 94 | 0 | 0 | 0 | 100 |
| Our Finest Dour - Capital Works | 30 | 0 | 30 | 0 | 0 | 0 | 30 |
| Kearsney Café fit-out | 0 | 0 | 75 | 25 | 0 | 0 | 100 |
| CCTV upgrade & relocation / Town Centre WIFI | 280 | 0 | 280 | 0 | 0 | 0 | 280 |
| Maison Dieu restoration (Dover Town Hall) | 627 | 29 | 598 | 0 | 0 | 0 | 627 |
| Street-lighting works | 935 | 0 | 935 | 0 | 0 | 0 | 935 |
| Deal Beach Management 2015-20 (100% grant funded) | 1,750 | 258 | 100 | 941 | 451 | 0 | 1,750 |
| Parks for People - Kearsney Abbey & Russell Gardens | 3,261 | 774 | 2,486 | 0 | 0 | 0 | 3,261 |
| Dover Leisure Centre - new facility provision | 26,600 | 25,884 | 316 | 0 | 0 | 0 | 26,200 |
| Old Dover Leisure Centre demolition | 200 | 0 | 600 | 0 | 0 | 0 | 600 |
| Property Investment Acquisition - 3 - 55-61 Castle St | 1,398 | 693 | 691 | 14 | 0 | 0 | 1,398 |
| Property Investment Acquisition - 5 | 1,300 | 0 | 1,300 | 0 | 0 | 0 | 1,300 |
| Sub total | 41,612 | 29,418 | 10,592 | 1,462 | 481 | 60 | 42,012 |
| Sub total of Committed General Fund Projects | 48,235 | 31,960 | 12,906 | 14,407 | 8,206 | 160 | 67,639 |
| General Fund Projects - Proposed Projects | | | | | | | |
| Capital Contingency | 106 | 0 | 106 | 0 | 0 | 0 | 106 |
| Victoria Park-Play Area (S106 funded) | 37 | 0 | 0 | 37 | 0 | 0 | 37 |
| Dover Town Centre Regeneration | 350 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dover Museum storage facilities | 500 | 0 | 0 | 500 | 0 | 0 | 500 |
| Middle & Upper Danes reinstatement works | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cowdray Square play area refurbishment | 68 | 0 | 0 | 68 | 0 | 0 | 68 |
| Victoria Park-outdoor facilities improvements | 100 | 0 | 0 | 100 | 0 | 0 | 100 |
| St Margarets Bay coast protection works (grant funded) | 150 | 0 | 150 | 0 | 0 | 0 | 150 |
| Kearsney Abbey / Russell Gardens-play area/disabled facilities access | 100 | 0 | 0 | 60 | 0 | 0 | 60 |
| Upgrade commercial properties | 50 | 0 | 0 | 0 | 0 | 0 | 0 |
| Strategic land purchase for redevelopment / regeneration | 2,000 | 0 | 2,000 | 0 | 0 | 0 | 2,000 |
| Tides Leisure Centre Refurbishment | 5,262 | 0 | 140 | 3,800 | 0 | 1,060 | 5,000 |
| Street-lighting works | 1,500 | 0 | 0 | 0 | 0 | 500 | 500 |
| Dover Town Hall - DDC contribution to major refurbishment works | 2,800 | 0 | 0 | 0 | 0 | 2,800 | 2,800 |
| Bus Rapid Transport Route (BRT) | 16,200 | 0 | 0 | 0 | 0 | 0 | 0 |
| Property Investment Strategy | 175,566 | 0 | 48,700 | 50,000 | 50,000 | 26,865 | 175,566 |
| Empty Homes Loans | 300 | 0 | 0 | 0 | 0 | 0 | 0 |
| Public toilets refurbishment | 100 | 0 | 50 | 0 | 0 | 0 | 50 |
| Replacement coin sorter & counter | 12 | 0 | 12 | 0 | 0 | 0 | 12 |
| Dolphin House - balconies | 200 | 0 | 0 | 200 | 0 | 0 | 200 |
| Dover Museum storage facilities | 0 | 0 | 0 | 250 | 0 | 0 | 250 |
| Strategic Land Purchase - Dover | 0 | 0 | 0 | 2,000 | 0 | 0 | 2,000 |
| Planning enforcement provision | 0 | 0 | 0 | 600 | 0 | 0 | 600 |
| Dover Town Hall - essential repairs | 0 | 0 | 0 | 200 | 200 | 0 | 400 |
| Dover Market Square project | 0 | 0 | 0 | 150 | 0 | 0 | 150 |
| Disabled Facilities Grants | 0 | 0 | 0 | 1,125 | 0 | 0 | 1,125 |
| Whitfield Offices - install PVs | 0 | 0 | 0 | 200 | 0 | 0 | 200 |
| Sub total of General Fund Proposed Projects | 205,499 | 0 | 51,158 | 59,290 | 50,200 | 31,225 | 191,873 |
| General Fund Projects Total | 253,734 | 31,960 | 64,064 | 73,697 | 58,406 | 31,385 | 259,512 |

| MEDIUM TERM CAPITAL PROGRAMME (GENERAL FUND) - DECEMBER 2019 OUTTURN | | | | | | | |
|---|----------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------|----------------|
| PROPOSED BUDGET | | PROPOSED BUDGET | | | | | |
| Projects included in the programme | Total £000 | Previous years £000 | Estimate 2019/20 £000 | Estimate 2020/21 £000 | Estimate 2021/22 £000 | Future Years £000 | Total £000 |
| Financed by: | | | | | | | |
| Capital projects financed in previous financial years | 31,960 | 31,960 | 0 | 0 | 0 | 0 | 31,960 |
| Capital receipts - General Fund | 9,811 | n/a | 5,415 | 1,044 | 30 | 1,720 | 8,209 |
| Capital receipts - General Fund - 20/21 new bids | 0 | n/a | 0 | 7,050 | 200 | 0 | 7,250 |
| Capital receipts - General Fund (Dover Regeneration) | 250 | n/a | 250 | 0 | 0 | 0 | 250 |
| Capital receipts - DFG Grant Repayments | 83 | n/a | 0 | 83 | 0 | 0 | 83 |
| Capital receipts - PSH Loan receipts | 417 | n/a | 417 | 0 | 0 | 0 | 417 |
| | | | 0 | 0 | 0 | 0 | |
| Direct Revenue Financing:- | | | 0 | 0 | 0 | 0 | |
| General Fund | 232 | n/a | 22 | 200 | 0 | 0 | 222 |
| HRA | 0 | n/a | 135 | 9 | 0 | 0 | 144 |
| Heritage Lottery Fund Grant (Parks for People-Kearsney) | 2,143 | n/a | 2,143 | 0 | 0 | 0 | 2,143 |
| Heritage Lottery Fund Grant (Maison Dieu restoration - Dover Town Hall) | 408 | n/a | 408 | 0 | 0 | 0 | 408 |
| | | | | | | | |
| Section 106 Funding | 137 | n/a | 0 | 37 | 0 | 0 | 37 |
| | | | | | | | |
| Grants:- | | | | | | | |
| Growth Point - Unallocated Grant Funding | 107 | n/a | 107 | 0 | 0 | 0 | 107 |
| KCC Better Care Fund (Disabled Facilities Grant) | 1,767 | n/a | 1,767 | 0 | 0 | 0 | 1,767 |
| KCC Better Care Fund (Disabled Facilities Grant) - 20/21 estimate | 0 | n/a | 0 | 1,125 | 0 | 0 | 1,125 |
| Coastal Communities Fund (Dover Market Sq proj) | 0 | n/a | 0 | 2,440 | 0 | 0 | 2,440 |
| Environment Agency (Deal Beach Management 2015-20) | 1,492 | n/a | 100 | 941 | 451 | 0 | 1,492 |
| Environment Agency (Sandwich Quay) | 12 | n/a | 12 | 0 | 0 | 0 | 12 |
| Environment Agency (St Margarets Bay coast protection works) | 150 | n/a | 150 | 0 | 0 | 0 | 150 |
| MHCLG Building Foundations for Growth Grant (Discovery Park) | 2,743 | n/a | 0 | 2,743 | 0 | 0 | 2,743 |
| Sport England - (new Dover Leisure Centre) | 45 | n/a | 45 | 0 | 0 | 0 | 45 |
| Homes England (BRT) | 16,100 | n/a | 650 | 7,725 | 7,725 | 0 | 16,100 |
| Other external contributions | 0 | n/a | 0 | 50 | 0 | 0 | 50 |
| | | | | | | | |
| Other reserves:- | | | | | | | |
| - Cluster Prep (Rev Reserve) | 46 | n/a | 46 | 0 | 0 | 0 | 46 |
| - Special projects (Rev reserve) | 214 | n/a | 289 | 25 | 0 | 0 | 314 |
| - ICT Reserve | 458 | n/a | 438 | 0 | 0 | 0 | 438 |
| - District Regeneration & Economic Development Reserve | 2,991 | n/a | 191 | 0 | 0 | 2,800 | 2,991 |
| - SEEDA-Dover Regeneration | 30 | n/a | 20 | 10 | 0 | 0 | 30 |
| - Developer Agreement Receipt | 250 | n/a | 250 | 0 | 0 | 0 | 250 |
| | | | | | | | |
| PWLB borrowing - Property Investment Acquisition | 2,004 | n/a | 1,990 | 14 | 0 | 0 | 2,004 |
| PWLB borrowing - Tides Leisure Centre refurb | 3,800 | n/a | 0 | 0 | 0 | 0 | 0 |
| Salix loan - Street-lighting works | 518 | n/a | 518 | 0 | 0 | 0 | 518 |
| Salix loan - Whitfield Offices-install PVs - 20/21 new bid | 0 | n/a | 0 | 200 | 0 | 0 | 200 |
| Unsupported borrowing | 0 | n/a | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | |
| Property Investment Strategy | 175,566 | n/a | 48,700 | 50,000 | 50,000 | 26,865 | 175,566 |
| | | | | | | | |
| Total | 253,734 | 31,960 | 64,064 | 73,697 | 58,406 | 31,385 | 259,512 |

Capital Receipts Summary as at 31/12/18

| Capital Receipt Category | 2018/19 Opening Balance £000 | Receipts in year £000 | Allocated to Projects £000 | 2019/20 Opening Balance £000 | Anticipated future income £000 | MTCP Project Funding £000 | New Bids 2019/20 MTFP £000 | Available funding £000 |
|--|---|--------------------------------------|---------------------------------------|---|---|--------------------------------------|---|---------------------------------------|
| Ring Fenced for 1:4:1 Affordable Housing | (4,606) | (1,381) | 1,653 | (4,334) | (1,074) | 4,793 | 615 | 0 |
| Ring fenced for Private Sector Housing | (688) | (112) | 383 | (417) | (200) | 417 | 200 | 0 |
| Ring fenced for Dover Regeneration | (250) | 0 | 0 | (250) | 0 | 250 | 0 | 0 |
| Ring fenced for Aylesham contractual commitments | (776) | 0 | 0 | (776) | 776 | 0 | 0 | 0 |
| Ring fenced for DFGs | (39) | (44) | 0 | (83) | (20) | 83 | 20 | 0 |
| Un-ringfenced capital receipts | (12,898) | (743) | 1,355 | (12,286) | (3,174) | 8,209 | 7,250 | 0 |
| Total | (19,257) | (2,280) | 3,391 | (18,146) | (3,691) | 13,752 | 8,085 | 0 |

SPECIAL REVENUE PROJECTS - 2019/20 OUTTURN

| SPECIAL REVENUE PROJECTS | Capital / Revenue | Total Approved Budget £000 | Prior Years Exp £000 | Revised Estimate 2019/20 £000 | Estimate 2020/21 £000 | Estimate 2021/22 £000 | Future years £000 | Total Revised Budget £000 |
|--|--------------------------|-----------------------------------|-----------------------------|--------------------------------------|------------------------------|------------------------------|--------------------------|----------------------------------|
| <u>Committed Special Revenue Projects</u> | | | | | | | | |
| Corporate Property Maintenance | R | 173 | n/a | 100 | 73 | 0 | 0 | 173 |
| Control of Asbestos Regulations Works - Corporate Buildings | R | 44 | 41 | 2 | 0 | 0 | 0 | 44 |
| Dover Transportation Study | R | 164 | 127 | 37 | 40 | 0 | 0 | 204 |
| Duke of York Roundabout Design | R | 39 | 30 | 9 | 0 | 0 | 0 | 39 |
| Commonwealth War Memorial-Dover | R | 500 | 419 | 81 | 0 | 0 | 0 | 500 |
| Property Investment Strategy-external support | R | 200 | 58 | 50 | 50 | 42 | 0 | 200 |
| Recycling & Refuse Storage Areas | R | 15 | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Waste Promotion | R | 47 | 18 | 29 | 0 | 0 | 0 | 47 |
| Dover Tourism Signage Scheme | R | 20 | 14 | 6 | 0 | 0 | 0 | 20 |
| LDF Plan | R | 285 | 120 | 165 | 0 | 0 | 0 | 285 |
| Dover Regeneration - enabling costs | R | 224 | 89 | 85 | 50 | 0 | 0 | 224 |
| Sandwich Walled Town Conservation Area - consultancy | R | 20 | 0 | 0 | 20 | 0 | 0 | 20 |
| Guildhall Sq Sandwich - support for external funding bids | R | 55 | 36 | 19 | 0 | 0 | 0 | 55 |
| North Deal Land Study | R | 300 | 134 | 16 | 150 | 0 | 0 | 300 |
| Resurfacing Car Parks & DDC owned access roads | R | 240 | 143 | 97 | 0 | 0 | 0 | 240 |
| Clarendon Field - safety boundary fence | R | 30 | 0 | 30 | 0 | 0 | 0 | 30 |
| Big Bins - Deal Promenade | R | 41 | 37 | 4 | 0 | 0 | 0 | 41 |
| Marines Memorial Gardens Refurbishment | R | 15 | 6 | 9 | 0 | 0 | 0 | 15 |
| Butts - access bridge works | R | 30 | 0 | 30 | 0 | 0 | 0 | 30 |
| Contribution to Open Golf event | R | 180 | 0 | 162 | 18 | 0 | 0 | 180 |
| Sandwich Historic Boatyard - electricity supply | R | 25 | 0 | 25 | 0 | 0 | 0 | 25 |
| East Kent Waste 2021 | R | 200 | 16 | 184 | 0 | 0 | 0 | 200 |
| Contribution to new public toilet | R | 90 | 0 | 90 | 0 | 0 | 0 | 90 |
| Beach Huts - refurbishments | R | 50 | 0 | 50 | 0 | 0 | 0 | 50 |
| Deal depot improvement works | R | 40 | 0 | 40 | 0 | 0 | 0 | 40 |
| Walmer Green railing refurbishment | R | 45 | 0 | 45 | 0 | 0 | 0 | 45 |
| Purchase compactor bins for Sandwich Quay | R | 25 | 0 | 24 | 0 | 0 | 0 | 24 |
| Property Renovations grant scheme | R | 500 | 33 | 150 | 150 | 150 | 17 | 500 |
| Old St James Church works | R | 70 | 0 | 70 | 60 | 0 | 0 | 130 |
| Project feasibility costs | R | 50 | 32 | 18 | 0 | 0 | 0 | 50 |
| Parks - General Repairs (walls, fences, lakes, structures etc) | R | 116 | 59 | 57 | 0 | 0 | 0 | 116 |
| Sub total - committed projects | | 3,833 | 1,411 | 1,684 | 611 | 192 | 17 | 3,916 |
| <u>ICT Infrastructure Investment Projects</u> | | | | | | | | |
| Payment Card Industry (PCI) Compliance | R | 35 | 32 | 3 | 0 | 0 | 0 | 35 |
| IDOX Upgrade - Planning, Building Control & Property Services | R | 85 | 75 | 10 | 0 | 0 | 0 | 85 |
| Regulatory Services - purchase IDOX Uniform database | R | 65 | 11 | 54 | 0 | 0 | 0 | 65 |
| Windows 2008 Servers & SQL 2008 Databases upgrade | R | 18 | 0 | 18 | 0 | 0 | 0 | 18 |
| Feature Manipulation Engine (FME) | R | 20 | 12 | 8 | 0 | 0 | 0 | 20 |
| AIM upgrade | R | 11 | 6 | 6 | 0 | 0 | 0 | 11 |
| Health & Safety Management System | R | 16 | 0 | 16 | 0 | 0 | 0 | 16 |
| Website Accessibility Audit | R | 0 | 0 | 30 | 0 | 0 | 0 | 30 |
| ICT Reserve funded - small projects | R | 29 | 1 | 27 | 0 | 0 | 0 | 29 |
| Sub total - committed ICT projects | | 278 | 137 | 171 | 0 | 0 | 0 | 308 |
| <u>Capital projects in capital programme financed from reserve:</u> | | | | | | | | |
| Provision allocated to capital programme to finance capital projects | C | 214 | n/a | 289 | 25 | 0 | 0 | 314 |
| Total committed projects | | 4,325 | 1,548 | 2,145 | 636 | 192 | 17 | 4,538 |
| <u>Proposed Projects</u> | | | | | | | | |
| Special Revenue Contingency | R/C | 190 | 0 | 46 | 0 | 0 | 0 | 46 |
| Connaught Park Tennis Courts Improvements | R | 31 | 0 | 31 | 0 | 0 | 0 | 31 |
| Dover Regeneration - enabling costs | R | 80 | 0 | 80 | 0 | 0 | 0 | 80 |
| Sandwich Parks project (Phase 1)-enabling design & survey work | R | 24 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gazen Salts - nature reserve works | R | 50 | 0 | 50 | 0 | 0 | 0 | 50 |
| Sandwich Town place-making | R | 250 | 0 | 250 | 0 | 0 | 0 | 250 |
| Kearsney Abbey / Russell Gdns pond repair | R | 100 | 0 | 100 | 0 | 0 | 0 | 100 |
| Public realm works | R | 60 | 0 | 60 | 0 | 0 | 0 | 60 |
| Football pitch renovations | R | 75 | 0 | 0 | 50 | 0 | 0 | 50 |
| Closed churchyard repairs | R | 70 | 0 | 0 | 70 | 0 | 0 | 70 |
| Paths & Structures in Parks & Open Spaces | R | 70 | 0 | 0 | 30 | 30 | 10 | 70 |
| Astor Theatre repair | R | 20 | 0 | 20 | 0 | 0 | 0 | 20 |
| Future High Streets Fund - business case | R | 0 | 0 | 150 | 0 | 0 | 0 | 150 |
| Corporate Property Maintenance | R | 50 | 0 | 0 | 0 | 0 | 50 | 50 |
| Special Revenue contingency | R | 0 | 0 | 0 | 20 | 0 | 0 | 20 |
| Corporate Digital Projects | C/R | 0 | 0 | 0 | 1,000 | 135 | 269 | 1,404 |
| Kearsney Abbey / Russell Gdns - contingency | C/R | 0 | 0 | 0 | 250 | 0 | 0 | 250 |
| Internal costs to facilitate new projects | R | 0 | 0 | 0 | 200 | 0 | 0 | 200 |
| Sandwich Town place-making | R | 0 | 0 | 0 | 800 | 0 | 0 | 800 |
| Timeball Tower works | R | 0 | 0 | 0 | 80 | 0 | 0 | 80 |
| CAB alterations to co-locate Deal & Dover CABs | R | 0 | 0 | 0 | 50 | 0 | 0 | 50 |
| Corporate Property Maintenance | R | 0 | 0 | 0 | 80 | 0 | 0 | 80 |
| Tower Hamlets depot works | R | 0 | 0 | 0 | 75 | 0 | 0 | 75 |
| Old St James church works | R | 0 | 0 | 0 | 60 | 0 | 0 | 60 |
| Duke of York & Whitfield roundabout study | R | 0 | 0 | 0 | 40 | 0 | 0 | 40 |
| Paths & Structures in Parks & Open Spaces | R | 0 | 0 | 0 | 20 | 20 | 40 | 80 |
| Dover Tourism signage | R | 0 | 0 | 0 | 30 | 0 | 0 | 30 |
| Aylesham Leisure allocation | R | 0 | 0 | 0 | 200 | 0 | 0 | 200 |
| Museum Lighting Improvements | R | 0 | 0 | 0 | 69 | 0 | 0 | 69 |
| Climate change initiatives | R | 0 | 0 | 0 | 500 | 0 | 0 | 500 |
| Sub total - proposed projects | | 1,069 | 0 | 787 | 3,624 | 185 | 369 | 4,965 |

| SPECIAL REVENUE PROJECTS | Capital / Revenue | Total Approved Budget £000 | Prior Years Exp £000 | Revised Estimate 2019/20 £000 | Estimate 2020/21 £000 | Estimate 2021/22 £000 | Future years £000 | Total Revised Budget £000 |
|---|--------------------------|-----------------------------------|-----------------------------|--------------------------------------|------------------------------|------------------------------|--------------------------|----------------------------------|
| ICT Infrastructure Investment - Proposed Projects | | | | | | | | |
| Corporate Digital Projects | R/C | 120 | 0 | 139 | 0 | 0 | 0 | 139 |
| Regulatory Services - handheld systems | R | 20 | 0 | 20 | 0 | 0 | 0 | 20 |
| Sub total - ICT proposed projects | | 140 | 0 | 159 | 0 | 0 | 0 | 159 |
| Proposed balance to transfer to capital projects | C | 0 | n/a | 0 | 0 | 0 | 0 | 0 |
| Total proposed projects | | 1,209 | 0 | 946 | 3,624 | 185 | 369 | 5,124 |
| GRAND TOTAL | | 5,534 | 1,548 | 3,091 | 4,260 | 377 | 386 | 9,662 |
| Special Projects Financing | | | | | | | | |
| Special Projects financed in previous years | | 1,548 | 1,548 | 0 | 0 | 0 | 0 | 1,548 |
| Funded from Special Project Reserve | | 2,624 | 0 | 1,851 | 516 | 180 | 77 | 2,624 |
| Funded from ICT Reserve | | 316 | 0 | 316 | 0 | 0 | 0 | 316 |
| Funded from Regeneration Reserve | | 323 | 0 | 230 | 50 | 42 | 0 | 323 |
| Funded from DTIZ & Dover Regeneration Reserve | | 65 | 0 | 65 | 0 | 0 | 0 | 65 |
| Funded from SEEDA-Dover Regen Reserve | | 139 | 0 | 89 | 50 | 0 | 0 | 139 |
| Funded from HCA-Dover Regen Reserve | | 4 | 0 | 4 | 0 | 0 | 0 | 4 |
| Funded from Major Events Reserve | | 100 | 0 | 82 | 18 | 0 | 0 | 100 |
| Funded from LDF Reserve | | 5 | 0 | 5 | 0 | 0 | 0 | 5 |
| Funded from Planning Grant Reserve | | 4 | 0 | 4 | 0 | 0 | 0 | 4 |
| Funded from HM Treasury grant | | 81 | 0 | 81 | 0 | 0 | 0 | 81 |
| Funded from Future High Streets Fund (MHCLG grant) | | 150 | 0 | 150 | 0 | 0 | 0 | 150 |
| Funded from Planning grant | | 17 | 0 | 17 | 0 | 0 | 0 | 17 |
| Funded from Local Authority contributions | | 253 | 0 | 176 | 78 | 0 | 0 | 253 |
| Funded from Developer contribution | | 83 | 0 | 8 | 75 | 0 | 0 | 83 |
| Funded from HRA | | 11 | 0 | 11 | 0 | 0 | 0 | 11 |
| Funded from Street Cleansing revenue | | 1 | 0 | 1 | 0 | 0 | 0 | 1 |
| Funded from Special Project Reserve | | 0 | 0 | 0 | 2,216 | 25 | 49 | 2,289 |
| Funded from ICT Reserve - 20/21 new bid | | 0 | 0 | 0 | 274 | 115 | 230 | 619 |
| Funded from Local Authority contributions - 20/21 new bid | | 0 | 0 | 0 | 500 | 0 | 0 | 500 |
| Funded from external contributions - 20/21 new bid | | 0 | 0 | 0 | 180 | 0 | 0 | 180 |
| Funded from S106 - 20/21 new bid | | 0 | 0 | 0 | 200 | 0 | 0 | 200 |
| Funded from HRA - 20/21 new bid | | 0 | 0 | 0 | 105 | 15 | 30 | 150 |
| TOTAL | | 5,724 | 1,548 | 3,091 | 4,260 | 377 | 386 | 9,662 |

| | |
|---|--------------|
| Remaining balance in Special Projects reserve | |
| Balance at 1 April 2019 | 4,692 |
| Allocation to projects in 19/20 | (1,851) |
| Allocation from General Fund for 19/20 | 850 |
| Balance at 31 March 2020 | 3,691 |
| Proposed allocation to projects in 20/21 & future years | (773) |
| Proposed allocation to new projects in 20/21 & future years | (2,289) |
| Allocation from General Fund for 20/21 | 2,131 |
| Balance after future years allocations | 2,760 |

| | |
|---|------------|
| Remaining balance in ICT Reserve | |
| Balance at 1 April 2019 | 917 |
| Allocation to Spec Rev projects in 19/20 | (316) |
| Allocation to Capital projects in 19/20 | (438) |
| Reduction re funding for Data Capture officer - 19/20 | (18) |
| Allocation to Gen Fund re annual subs re MS365 (part of new corp software/hardware project) - Year 1 only | (84) |
| Allocation from General Fund for 19/20 | 115 |
| Balance at 31 March 2020 | 175 |
| Proposed allocation to Spec Rev projects in 20/21 & future years | 0 |
| Proposed allocation to Capital projects in 20/21 & future years | 0 |
| Reduction re funding for Data Capture officer - 20/21 | (17) |
| Proposed allocation to new projects in 20/21 & future years | (619) |
| Allocation from General Fund for 20/21 | 115 |
| Allocation from General Fund for 21/22 | 115 |
| Allocation from General Fund for 22/23 | 115 |
| Allocation from General Fund for 23/24 | 115 |
| Balance after future years allocations | 0 |

| <u>SPECIAL REVENUE PROJECTS</u> | Capital / Revenue | Total Approved Budget £000 | Prior Years Exp £000 | Revised Estimate 2019/20 £000 | Estimate 2020/21 £000 | Estimate 2021/22 £000 | Future years £000 | Total Revised Budget £000 |
|---|------------------------------|---|-------------------------------------|--|--------------------------------------|--------------------------------------|----------------------------------|--|
| <u>Remaining balance in Major Events Reserve</u> | | | | | | | | |
| Balance at 1 April 2019 | 123 | | | | | | | |
| Allocation to projects in 19/20 | (82) | | | | | | | |
| Allocation from General Fund for 19/20 | 20 | | | | | | | |
| Balance at 31 March 2020 | 60 | | | | | | | |
| Proposed allocation to projects in 20/21 & future years | (18) | | | | | | | |
| Allocation from General Fund for 20/21 | 20 | | | | | | | |
| Balance after future years allocations | 63 | | | | | | | |

GRANTS TO CONCESSIONARY RENTALS 2019-20

| 2019/20 | 2020/21 | | |
|----------------|----------------|--|--|
| £ | £ | | |
| 50 | 50 | Sandwich Tennis Club | Lease Of Tennis Courts In Sandown Road, Sandwich |
| 75 | 75 | Aylesham Parish Council | Lease Of 1.82 Acres At Market Square, Aylesham |
| 225 | 225 | Dover Bowling Club | Lease Of Pavilion In Maison Dieu Gardens, Dover |
| 355 | 355 | Victoria Park Bowling Club | Rent Of Pavilion, Victoria Park, Deal |
| 150 | 150 | Aylesham Parish Council | Lease Of 7.7 Acres Adjoining Hill Crescent, Aylesham |
| 325 | 325 | Deal & Walmer Angling Club | Lease Of Angling Cabin On Deal Pier |
| 450 | 450 | Capel-Le-Ferne Parish Council | Lease Of Land In Lancaster Avenue For Use Of Playing Field |
| 1,225 | 1,225 | Dover Rugby Football Club | Rent Of Crabble Pavilion, River (Our Half Of The 7 Months @50% Of £4,200) |
| 1,750 | 1,750 | Dover Rugby Football Club | Rent Of Crabble Pavilion, River (We Pay The Remaining 5 Months @ 100% Of £4,200) |
| 2,500 | 2,500 | Dover Athletic Football Club | Orange Telephone Mast 50% Of Rental Fee (Dover Ath Keep All Income As Part Of Our Support For Them - Grant Reflects Payment To Code Instead Of Their Payment Of Our Half In Original Deal) |
| 8,000 | 8,000 | Dover Athletic Football Club | Lease Of Ground At Crabble Athletic, River |
| 10,000 | 10,000 | Dover Citizen's Advice Bureau | Rent Of 1st Floor Dover Area Office |
| 10,000 | 10,000 | Deal Citizen's Advice Bureau | Lease Of The Cedars, 26 Victoria Road, Deal |
| 3,250 | 3,250 | Cross Links | 9 Sheridan road |
| 38,355 | 38,355 | In most cases, the above shows a 50% grant or more reduction in the rental charges for DDC properties or income generating sites | |

| 2019/20 | 2020/21 | Change | |
|----------------|----------------|---------------|--|
| £ | £ | % | |
| 111,500 | 100,350 | -10% | Your Leisure 2019/20 Dover Leisure Centre no longer managed by Your Leisure (YL). £100,350 agreed for 2020/21 |
| 5,000 | 5,000 | 0% | Your Leisure A grant of £5k to YL for Walmer Paddling Pool is to be provided from 2018/19. |
| 1,500 | 1,500 | 0% | Pegasus Playscheme Provision of a playscheme for children with disabilities |
| 1,500 | 1,500 | 0% | Aqe Concern Provision of area office services. |
| 3,000 | 3,000 | 0% | Kent County Council Contribution to Sports Partnership |
| 4,500 | 4,500 | 0% | Gazen Salts Nature Reserve To assist in managing and maintaining the reserve |
| 10,000 | 10,000 | 0% | Sandwich Town Cricket Club To assist the Club in defraying its expenditure in managing, maintaining and improving the Recreation Grounds at The Butts & Gazen Salts. |
| 10,000 | 10,000 | 0% | Dover Outreach Centre Grant towards the Winter Shelter costs. |
| 12,000 | 12,000 | 0% | Dover Rugby Club For ground maintenance at Crabble Athletic Ground, covered by saving made in the Landscape maintenance contract. |
| 1,000 | 1,000 | 0% | Victoria Bowls Contribution to running expenses of the Club |
| 6,000 | 4,000 | -33% | Dover Bowling Club Grant towards grounds maintenance at Dover Bowling Green. Covered by savings within the grounds maintenance budget. Reducing scale as per agreement letter dated 01 April 2017. |
| 105,000 | 105,000 | 0% | Dover Citizen's Advice Bureau £97k CAB Core Funding grant, plus £3,500 service charge contribution |
| 22,500 | 22,500 | 0% | Neighbourhood Forums Grant to support voluntary and community organisations. *Any variances will most likely be caused by extra money available due to money raised through the Dover Lotto |
| 8,000 | 8,000 | 0% | Home Improvement Agency "Intouch" Housing Improvement Agency funding |
| 5,000 | 5,000 | 0% | Deal Town Council Astor Theatre grant |
| 3,500 | 3,500 | 0% | Actions with Communities in Rural Kent Contribution to rural housing |
| 310,000 | 296,850 | | |