



Cabinet

Notice of a Meeting, to be held in the Council Chamber, Civic Centre, Tannery Lane,
Ashford, Kent TN23 1PL on Thursday, 9th February 2017 at 7.00 pm.

The Members of the Cabinet are:-

Cllr Clarkson – Leader of the Council

Cllr N Bell – Deputy Leader and Portfolio Responsibility for Government Policy Interface & Democracy

Cllr Mrs Bell – Portfolio Responsibility for Public Interaction and Borough Presentation

Cllr Bennett – Portfolio Responsibility for Planning, Development and Enforcement

Cllr Mrs Blanford – Portfolio Responsibility for Culture, Leisure, Environment and Heritage

Cllr Bradford – Portfolio Responsibility for Highways, Wellbeing and Safety

Cllr Clokie – Portfolio Responsibility for Housing and Home Ownership

Cllr Galpin – Portfolio Responsibility for Town Centres Focus and Business Dynamics

Cllr Knowles – Portfolio Responsibility for Information Technology and Communications

Cllr Shorter – Portfolio Responsibility for Finance, Budget and Resource Management

NB: Under the Council's Public Participation Scheme, members of the public can submit a petition to the Cabinet if the issue is within its terms of reference or ask a question or speak concerning any item contained on this Agenda (Procedure Rule 9 refers)

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| b) Other Significant Interests (OSI) | |
| c) Voluntary Announcements of Other Interests | |
| See Agenda Item 2 for further details | |
| 3. Minutes – To approve the Minutes of the Meeting of the Cabinet held on the 12 th January 2017 | |
| 4. To receive any Petitions | |
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Part I – Matters Referred to the Cabinet

None for this Meeting

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None for this Meeting

Part VI – Ordinary Decision Items

None for this Meeting

KRF/AEH
1st February 2017

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Declarations of Interest (see also “Advice to Members” below)

- (a) **Disclosable Pecuniary Interests (DPI)** under the Localism Act 2011, relating to items on this agenda. The nature as well as the existence of any such interest must be declared, and the agenda item(s) to which it relates must be stated.

A Member who declares a DPI in relation to any item will need to leave the meeting for that item (unless a relevant Dispensation has been granted).

- (b) **Other Significant Interests (OSI)** under the Kent Code of Conduct as adopted by the Council on 19 July 2012, relating to items on this agenda. The nature as well as the existence of any such interest must be declared, and the agenda item(s) to which it relates must be stated.

A Member who declares an OSI in relation to any item will need to leave the meeting before the debate and vote on that item (unless a relevant Dispensation has been granted). However, prior to leaving, the Member may address the Committee in the same way that a member of the public may do so.

- (c) **Voluntary Announcements of Other Interests** not required to be disclosed under (a) and (b), i.e. announcements made for transparency reasons alone, such as:

- Membership of outside bodies that have made representations on agenda items, or
- Where a Member knows a person involved, but does not have a close association with that person, or
- Where an item would affect the well-being of a Member, relative, close associate, employer, etc. but not his/her financial position.

[Note: an effect on the financial position of a Member, relative, close associate, employer, etc; OR an application made by a Member, relative, close associate, employer, etc, would both probably constitute either an OSI or in some cases a DPI].

Advice to Members on Declarations of Interest:

- (a) Government Guidance on DPI is available in DCLG’s Guide for Councillors, at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/240134/Openness_and_transparency_on_personal_interests.pdf
- (b) The Kent Code of Conduct was adopted by the Full Council on 19 July 2012, with revisions adopted on 17.10.13, and a copy can be found in the Constitution at <http://www.ashford.gov.uk/part-5---codes-and-protocols>
- (c) If any Councillor has any doubt about the existence or nature of any DPI or OSI which he/she may have in any item on this agenda, he/she should seek advice from the Corporate Director (Law and Governance) and Monitoring Officer or from other Solicitors in Legal and Democratic Services as early as possible, and in advance of the Meeting.

Cabinet

Minutes of a Meeting of the Cabinet held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **12th January 2017**

Present:

Cllr. Clarkson (Chairman);

Cllr. Bell (Vice-Chairman);

Cllrs. Mrs Bell, Bennett, Mrs Blanford, Bradford, Clokie, Galpin, Knowles, Shorter.

Also Present:

Cllrs. Burgess, Hicks, Link, Miss Martin, Wedgbury.

Chief Executive, Deputy Chief Executive, Corporate Director (Law and Governance), Head of Finance, Environmental Contracts and Operations Manager, Environmental Protection and Licensing Team Leader, Health, Parking and Community Safety Manager (JF), Health, Parking and Community Safety Manager (JH), Civil Enforcement Officer Supervisor, National Management Graduate, Communications and Marketing Manager, Member Services Manager.

255 Minutes

Resolved:

That the Minutes of the meeting of the Cabinet held on the 8th December 2016 be approved and confirmed as a correct record.

256 A Targeted and Costed Forward Education and Promotion Strategy, including Forward Recycling Options and Targets

The report sought approval and funding for a new targeted recycling and waste education and communication plan.

The Portfolio Holder advised that a recent DEFRA report had identified Ashford as the best Authority in Kent in terms of recycling, however, she considered that there was still a need to improve. The Portfolio Holder drew attention to the proposed communication plan set out within paragraph 23 of the report and she said that she was grateful for the work undertaken by the National Management Graduate in terms of analysing the information and producing the report.

In response to a question as to how the expected improvements to recycling would be achieved, the National Management Graduate explained that the figures had

been produced after analysing the waste composition analysis together with the up to date information on content and material included within household waste. This had been considered in conjunction with the improvement figures achieved by other Authorities (with similar demographics) who had undertaken a similar exercise to the one being proposed in the report.

In response to a further question, the Environmental Contracts and Operations Manager confirmed that the use of social media was part of her service's communications plan and she explained that it was proposed to circulate leaflets to households as the Council did not have a database of individual properties' email addresses. The Communications and Marketing Manager also confirmed that the Borough Council's website already had a recycling video which could be viewed and his team regularly used social media to issue various Council messages. The Portfolio Holder for Finance, Budget and Resource Management said he also wished to congratulate the report author on the presentation of the report.

Resolved:

That the recommended communications and education plan for recycling as detailed within the report, as well as the associated funding, be approved.

257 Fixed Penalty Notices for Fly Tipping

The report explained the provisions for Fixed Penalty Notices for fly tipping which became available in 2016 and asked the Cabinet to agree to set a fine level for the Borough. The Portfolio Holder explained that it was proposed that the Fixed Penalty be set at £400 and said that it was encouraging that other Councils were also setting their fines at the same level.

Recommended:

- That**
- (i) the issue of Fixed Penalty Notices for small scale fly tipping offences contrary to Section 33 (1) (a) of the Environmental Protection Act 1990 be approved.**
 - (ii) the maximum Fixed Penalty be set at £400 without the ability to pay a reduced fee.**

258 Film Classification Policy and Procedure

The report advised of the Council's responsibilities in relation to the classification of films and set out an appropriate policy, procedure, guidance and fees. The Portfolio Holder advised that the Council did not currently have a policy and therefore it was prudent to put one in place. He also thanked the Environmental Protection and Licensing Team Leader for producing the document.

Recommended:

- That (i) the policy and procedure for dealing with the classification of films be approved.
- (ii) the guidance issued by the British Board of Film Classification be adopted to assist in the classification of films.
- (iii) the Council's scheme of delegation be amended in line with the proposed policy, including delegated responsibility for the classification of films to the Head of Service and to permit authorisation of other Officers as appropriate.
- (iv) the level of fee for the classification of films be £75, plus £1 per minute of the full length of the submitted work; this fee to be revised annually as part of the Council's normal fee setting process.

259 Sex Shops, Sex Cinemas and Sexual Entertainment Venue Policy

The report presented a revised Licensing Policy which had been prepared in accordance with the Local Government (Miscellaneous Provisions) Act 1982.

Recommended:

- That (i) the revised "Sex Shops, Sex Cinemas and Sexual Entertainment Venue Policy" be approved.
- (ii) the Council's scheme of delegation be amended in line with the revised policy.

260 Parking Enforcement Review

The report reviewed the current level of Parking Enforcement required to ensure that the team could deliver enforcement in line with current restrictions and priorities including lorry parking, whilst working proactively to ensure the free flow of traffic across the Borough. The increase in resource recommended would allow for the continued delivery of the Council's schools education programmes and support across other Council services.

The Portfolio Holder advised that it was proposed that the number of Civil Enforcement Officers be increased from 8.5 FTE to 12.5 FTE plus other help and also the purchase of four electric bicycles. He explained that since 2000 the workload had increased considerably and the number of Traffic Regulation Orders produced had increased tenfold.

In response to a question, the Health, Parking and Community Safety Manager (JF) advised that all CEO's had hand-held devices which contained trackers and

therefore it was possible to identify the various locations visited by the Officers as part of their duties.

Resolved:

- That**
- (i) an increase in the number of Civil Enforcement Officers (CEO) from 8.5 FTE to 12.5 FTE be approved.**
 - (ii) a review be undertaken of the Civil Enforcement Officers' core working hours in order to ensure fit with current enforcement priorities.**
 - (iii) a further increase in support to the parking service by 1.5 FTE, namely 1 FTE Appeals and Representations Officer and 0.5 Business Administration Support Officer be approved.**
 - (iv) the purchase of four electric bicycles be approved.**

261 Schedule of Key Decisions to be Taken

Resolved:

That the latest Schedule of Key Decisions as set out within the report be received and noted.

(KRF/AEH)

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Agenda Item No: 6
Report To: Cabinet
Date of Meeting: 9th February 2017
Report Title: Report of Budget Scrutiny Task Group
Report Author & Job Title: Will Train
Corporate Scrutiny and Overview Officer
Portfolio Holder Cllr. N Shorter
Portfolio Holder for: Finance, Budget and Resource Management



Summary: The Overview and Scrutiny Budget Scrutiny Task Group has scrutinised the Council's draft 2017/18 budget and regards it as legal and achievable.

Key Decision: NO

Significantly Affected Wards:

Recommendations: The O&S Committee recommends that the Cabinet:

- I. Be advised that the O&S Committee regards the Council's draft 2017/18 budget as legal and achievable.
- II. Endorse the Service Plans and Risk Registers for each service.
- III. Request that services include staff resource as a separate and individual risk within the Risk Register for each service.
- IV. Enhance the consideration of staffing within the strategic risk register.
- V. Endorse the PID process as a compulsory first step for determining the viability of all new and proposed Council projects.
- VI. Agree that an overview of progress made in delivering the Council's project programme be added as a regular item to the Cabinet and O&S Committee agendas.
- VII. Agree the need for further consideration of cross-service and strategic interdependencies to be taken forward by Management Team in liaison with the Overview and Scrutiny Committee.
- VIII. Agree to continue the existing apprenticeship and graduate schemes in place across the Council and extend these where possible.

Policy Overview: Under the Council's Constitution the O&S Committee has a

duty to scrutinise the Council's draft Revenue and Capital Budgets.

Financial Implications:

As noted in the report

Legal Implications

As Policy Overview above

Equalities Impact Assessment

Not required as appended to main budget report

Other Material Implications:

As noted in the report

Exempt from Publication:

NO

Background Papers:

None

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Report Title: Report of Budget Scrutiny Task Group

Introduction and Background

1. Under the Council's Constitution the Overview and Scrutiny Committee has a duty to scrutinise the Council's draft Capital and Revenue Budgets. The Committee constituted a five member Task Group to undertake this work, and presents its assessment of the draft Budgets within this report.

Foreword of the Chairman of the Budget Scrutiny Task Group

2. As Chair of the Overview and Scrutiny Budget Task Group I would like to thank Cllr Winston Michael, Cllr Mrs Marion Martin, Cllr Alex Howard, and Cllr Mick Burgess for their service to the Task Group and this Council. I would also like to thank Cllr Smith who attended and supported the Task Group. The scrutiny of the budget is one of the most important functions that Overview and Scrutiny must perform, and in times when there are budgetary constraints that task becomes ever more important.
3. In addition, I would like to thank all Cabinet Members and Lead Members who were able to attend our meetings to speak on behalf of their department and in demonstrating political ownership of their respective budgets. This trend was set a few years ago under my previous Chairmanship of the Task Group and I believe it has been beneficial to Cabinet Members and those providing scrutiny of the budget. We would like to thank Cllr Shorter in particular who attended all budget meetings.
4. Overview and Scrutiny is now housed within the corporate centre. Can I thank our team within Policy and Performance who helped us through the process. Can I also thank Member Services for their support too. Many officers attended our meetings and answered questions and I would like to thank all of them for their time and commitment too.
5. The biggest issue, which arose from this year's scrutiny, was the issue of the increasing pressure on staff and staff resources. Every department expressed concern that the volume of work was difficult to deliver with current staffing levels. While Officers always perform well and deliver the objectives agreed by Members, the Task Group is very concerned that corporately staff resource is at a critical point. Further reductions and increased workloads could lead to real and significant operational and strategic challenges to Ashford Borough Council. We have made some recommendations within the report to try to address this point.
6. The Task Group commends the administration for proposing an increase this year in the Council Tax of 2.67%. Increasing Council Tax plays an important role in countering inflation and supports the base budget and council resources. We note that despite this increase Ashford Borough Council will still have the lowest Council Tax in Kent.

7. As the government continues to make reductions in funding to local authorities, the Task Group supports the administration in its attempts to make the Borough Council more commercial in its outlook. The Task Group believes that through purchasing property within the Borough, the Council will own assets, which will mature over time and provide a revenue stream. Other Councils in Kent would do well to follow Ashford in this direction.
8. Government changes in the provision of welfare continue to have an impact on the Borough Council. The removal of the Housing Benefit Subsidy is likely to have a severe impact on those affected. It is vitally important that even in these times when resource is restrictive we continue to support the needy and vulnerable within our Borough. Poverty in the rural and urban areas is increasing among the elderly, the poor, and now too for those in work. To this end the Task Group supports the Council's efforts to attract new business to the Borough to provide jobs and increased prosperity. Through the year we must remain conscious of the difficulties many of our residents face and be prepared to intervene where necessary to alleviate strain on families and communities.
9. The delivery of the Local Plan to 2030 is of high significance to the Council. It is crucial that the plan should be deemed sound by the Planning Inspectorate in order that the infrastructure developments, benefits to local employment and increase in homes to be delivered through the Local Plan are assured. The Task Group notes the importance of the successful agreement of this plan and supports all efforts to see it pass.
10. There are many pressures and risks associated with the budget for the coming financial year. Staffing pressures, resource allocations, and reductions in the government grants pose significant challenges to the authority. However, the Task Group has concluded that the budget for 2017/2018 is achievable and is balanced.

Summary

11. The Overview and Scrutiny Committee would like to thank all the Officers, Portfolio Holders and Lead Members who attended the Task Group meetings. The sessions yielded much information on the challenges facing services across the authority and highlighted a number of common threads relating to the achievability of next year's budget.
12. The Task Group is satisfied on the basis of the evidence presented that the 2017/18 budget is legal and achievable (**Recommendation 1, 2**); but wishes to raise some specific points for consideration by the Cabinet.

Staff Pressures

13. A common theme raised throughout the service sessions was the pressure on staff resources – whilst heads of service were confident that their service plans and budgets were achievable, the evidence gathered showed that in many areas staff were under pressure in terms of the volume of work required of them to deliver both the 'day job' and the projects within the service plans.

14. Concerns were also expressed over the implications for service delivery in the event of key members of staff leaving the organisation. Whilst it was noted that in some cases contingencies existed to contract in consultants, the Task Group felt that the common theme of staffing needed greater, and more comprehensive, consideration across services.
15. The Task Group noted that 'Workforce Skills and Capacity' is the foremost risk with the Strategic Risk Register but on reflection of the evidence gathered felt that greater consideration should be given to staff resource within this Register. **(Recommendation 4)**
16. Whilst several services included staffing as an individual risk within their Risk register, and it was felt that all services should assess this particular risk from an overall service delivery perspective rather than just focusing on staffing risks within the assessment of specific projects or activities.
(Recommendation 3)

Programme Management

17. The Task Group felt that the new service plan template and risk registers were helpful in providing clarity over the resource requirements for the various service activities. It also heard evidence from across the authority that the programme management and PID processes had not only been well-received by officers and members but were also beneficial in terms of supporting the authority's commercial approach.
18. It was evident that the success of the new approach to programme management would rely on a complete buy-in from Members and Officers and a recognition that all projects will need to be assessed through the PID process to avoid overstretching of resources. Equally importantly, that progress against these initiatives, and their ongoing resource implications, should be reported regularly to senior managers and members.
(Recommendation 5, 6)

Interdependencies

19. The new service plan template and accompanying risk register effectively highlights service interdependencies across the various projects being undertaken by the authority and will aid in determining the resource requirements for staff.
20. As part of a resilience measure to address concerns over staffing, some services noted that there were officers in other areas of the Council with the relevant skills to provide cover in the event of posts becoming vacant. Such arrangements, if required to be enacted, would doubtless be dependent on the level to which cover staff were already committed across the authority.
21. The evidence gathered through various sessions suggested that there was a high level of dependency on external consultants in some areas, with payments for consultant fees being drawn down from reserves rather than budget allocations being made for appointing permanent in-house staff, which concerned the Task Group given the authority's desire to grow talent in-house.

22. As a consequence, the Task group felt that the possibility of building resilience through cross-service support should be explored as a means to potentially achieve future budget savings instead of covering consultant fees. **(Recommendation 7)**

Apprenticeships

23. The Task Group were pleased to hear that apprentices were being engaged in several services and that service heads and Portfolio Holders were supportive of the apprenticeship programme. It was felt that there was great potential in growing talent internally and that the apprenticeship programme was a very positive undertaking for the Council.
24. Several services noted that the apprenticeship scheme as it stood did not provide a suitable pool from which they could recruit and that their preference was for graduate level posts. The Head of HR, Communications and Technology noted that her service was undertaking work on degree level apprenticeships and the Task Group felt this was a positive step to expand the existing apprenticeship schemes which should be supported. **(Recommendation 8)**

Conclusion

25. On consideration of these points, the Overview and Scrutiny Committee commend the following recommendations to the Cabinet.

The O&S Committee recommends that the Cabinet:

- I. Be advised that the O&S Committee regards the Council's draft 2017/18 budget as legal and achievable.**
- II. Endorse the Service Plans and Risk Registers for each service.**
- III. Request that services include staff resource as a separate and individual risk within the Risk Register for each service.**
- IV. Enhance the consideration of staffing within the strategic risk register.**
- V. Endorse the PID process as a compulsory first step for determining the viability of all new and proposed Council projects.**
- VI. Agree that an overview of progress made in delivering the Council's project programme be added as a regular item to the Cabinet and O&S Committee agendas.**
- VII. Agree the need for further consideration of cross-service and strategic interdependencies to be taken forward by Management Team in liaison with the Overview and Scrutiny Committee.**
- VIII. Agree to continue the existing apprenticeship and graduate schemes in place across the Council and extend these where**

possible.

Contact and Email

26. Will Train, Corporate Scrutiny and Overview Officer.
william.train@ashford.gov.uk

Agenda Item No: 7

Report To: CABINET

Date of Meeting: 9 February 2017

Report Title: Budget 2017/18

Report Author & Job Title: Maria Seddon - Accountancy Manager
Ben Lockwood - Head of Finance

Portfolio Holder Cllr.Shorter
Portfolio Holder for: Finance & Budget, Resource Management and Procurement



Summary:

This report is the culmination of a number of financial planning reports that have been received by Cabinet over the last year. In October Cabinet received a report updating the Council's Corporate Plan 2015-2020 including the Medium Term Financial Plan; this informed the draft budget that was presented to Cabinet in December and a consultation exercise and scrutiny process followed. This budget has been updated for the provisional funding announcements and this report presents the final budget for 2017/18 for consideration by Cabinet. Cabinet's recommendations will then be presented to the full Council. The consultation process is still open and responses will either be presented to this meeting or to the full Council meeting on the 16 February.

The budget supports the second year of the Council's updated Corporate Plan, and includes changes to services following the Housing Service review, after consultation. The report covers the Housing Revenue Account which includes a 1% reduction in rents, the second of a four year reduction programme. Capital programme and the council's Treasury Management Strategy.

For some time this Borough's council tax has been the lowest of Kent districts and well below the national average. This budget proposes a £4 (2.67%) rise in the Borough's annual council tax with a Band D (the standard council tax band) charge moving to £154.00 for the year. It is expected this will remain the lowest of any Kent district. This excludes changes to Parish Councils' precepts, which vary from parish to parish.

Key Decision: YES

Significantly Affected Wards:

Recommendations: The Cabinet is recommended to:-

Part 1

- I. Note the budget context and MTFP position (table 2)
- II. Note that the Council Tax Support Scheme adopted is as reported to Cabinet in December **paragraphs 31-33**

Part 2

- III. Recommend the Revenue Budget 2017/18 including the net budget requirement of **£15,248,991 (excluding parish precepts)**
- IV. Recommend the level of Discretionary Fees to be levied from 1st April 2017 (as set out in **Appendix D**)
- V. Delegate to the Chief Finance Officer the powers to establish local discounts in Business Rates in accordance with government policy.
- VI. Note the reserves summary (from **paragraph 54 -58 and Table 6**), **Appendix C**
- VII. Note the Equality Impact Assessment in **Appendix E**
- VIII. Recommend the Band D council tax at **£154.00**.

Part 3

- IX. Resolve that the Housing Revenue Account budget for 2017/18 be approved
- X. Resolve the estimated average rent decrease of 1%, in accordance with government guidelines, and that rent setting for the future continues to follow movements in the 'limit rent' set by government. See **paragraphs 67- 70**

Part 4

- XI. Recommend to Council that the Capital Budget for 2017/18 in **Appendix G** is approved.

Part 5

- XII. Recommend the Prudential Indicators and MRP Policy as set out in **Appendix H** and the Treasury Management Strategy Statement at **Appendix I**.

Part 6

- XIII. Recommend that the Accountancy Manager is appointed as the Deputy Section 151 Officer in addition to the Deputy Chief Executive
- XIV. Approve the Risk Based Verification policy as

outlined in **Appendix J**

Part 7

- XV. Note the advice from the Chief Financial Officer concerning the robustness of the estimates and the adequacy of reserves.

Policy Overview:

The council's revenue budget is intended to support the priorities set out within the Corporate Plan and flows through from the Medium Term Financial Plan (MTFP).

The Corporate Plan is geared to ensuring that priorities are delivered and that the council's service activities are managed within the constraints of the forecast cuts in government funding.

Financial Implications:

The key implications of this budget are:

- Council Tax rise of £4 to £154 at a Band D
- Staff cost of living increase of £350 or 1% whichever is greater
- Council Tax Support Scheme limiting contributions to 17.5% whilst protecting the disabled and the elderly, as reported at the December Cabinet
- Housing rents to reduce by 1% as per Government policy
- Revised services fees and charges

Legal Implications

The Council is legally required to set a balanced budget at the start of every year to meet our financial responsibilities.

Equalities Impact Assessment

See Attached in **Appendix E**

Other Material Implications:

The budget's plans are in-line with the Corporate Plan. In the light of the risks and opportunities associated with the government's financial reforms, the Management Team should monitor these and establish recommendations for handling future budget gaps.

Exempt from Publication:

NO

Background Papers:

None

Contact:

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Report Title: Budget 2017/18

Introduction and Background

1. This report presents the final draft 2017/18 budget for approval and recommendation to the full Council. A draft budget was approved by Cabinet in December.
2. This budget supports the corporate plan's key themes reported to Council in October 2015 and covers; the general fund revenue budget; discretionary fees; the housing revenue account; the capital programme; the prudential indicators; the treasury management and annual investment strategies; key decision thresholds and risks.
3. It follows on from the corporate plan 2015-2021 and also scrutiny by the Overview and Scrutiny Committee's Budget Task Group. Public consultation through the channels of the council's website commenced in January.
4. Full details of the revenue budget, HRA budget and capital programme will be contained in the 'Budget Book 2017/18' that will be published before the Full Council meeting.
5. This report is presented in seven parts:
 - Part One - Policy Context and Government Grant
 - Part Two - General Fund Revenue Budget
 - Part Three - Housing Revenue Account
 - Part Four - Capital Programme
 - Part Five - Prudential Indicators, Treasury Management Strategy and Annual Investment Strategy
 - Part Six - Key Decision Thresholds and Financial Regulations
 - Part Seven - Robustness of Estimates and Adequacy of Reserves

Consultation

6. Consultation with the public and the business community is taking place and the results will either be reported to this meeting or the Full Council meeting on 16 February 2017 depending on when comments are received. To facilitate this, a summary of the Budget proposals was posted on the council's website for general access.
7. Consultation will take place with the Joint Consultative Committee on 2 February 2017 due to the meeting taking place before this report had to be submitted any updated will be made at the meeting.

Portfolio Holder's Views

8. Looking forward this budget has recognised the changing grants landscape and through good forward planning, prudential investment securing revenue income, sound treasury management and careful financial management the Council has been presented a balanced budget that is credible.
9. With this budget going forward, the Council has a firm foundation to further develop its commercial ambition and to be financially secure to deliver a borough where residents benefit from these aspirations.

PART ONE – CONTEXT AND GOVERNMENT GRANT

The Corporate Plan

10. The Council adopted the Corporate Plan in October 2015 and the 2017/18 forms the second year of the plan. The plan The Plan identified the key themes for the council to focus upon over the next five years, which are:
 - a) Enterprising Ashford
 - b) Living Ashford
 - c) Active and Creative Ashford
 - d) Attractive Ashford
11. The council has a Medium Term Financial Plan which is a rolling five yearly budget that seeks to put the Corporate Plan into financial terms. This is reviewed regularly with any changes in priorities of new projects being incorporated. The most recent review of this reported to members was included in the report to the October 2016 Cabinet “the corporate delivery programme & MTFP.” This report discussed the emerging budget gap and introduced 3 strategies to manage this, these are:
 - 1) Inflation Management
 - 2) Borrowing & Acquisitions
 - 3) Closing the gap, 2020/21
12. The Council also has two companies which are exploring opportunities to enable the Council to work towards the self-sufficiency agenda adopted by the Council.
13. The budget included in this report has been built in accordance with the strategy adopted.

Provisional Settlement

14. Overall it is a positive picture for next year when taking into account the settlement figures, the Council accepted the Governments offer of a 4 year settlement which has provided a degree of certainty to the councils funding.

Formula Grant

15. The Revenue Support Grant (RSG) forms part of the four year settlement which was accepted at the October Cabinet meeting. The RSG has been reducing over a number of years and the final grant will be received in 2018/19. This has been accommodated in the MTFP over recent years.
16. The current year’s grant is £1.3m, this will be reducing to £0.6m for 2017/18 which was reported in the draft budget.

Business Rates

17. The calculation for business rates is quite complicated as a number of factors (tariff, yield and Small Business Rate Relief) affect the budget
18. The statutory business rates forecast return (called the NNDR1 report) has been submitted and shows an overall net income position of £278,000 higher than budgeted.
19. The budget has a net total of in Business Rate income and Section 31 grant £4,200,200. The elements of these estimates are discussed below.

Yield

20. The NNDR1 calculates a yield of £19,788,350. This is complicated by the revaluation of all business properties and the changes made to transitional relief to cushion the impact of the revaluation, accordingly, as stated above this is a risk to the budget.

Tariff

21. The level of Tariff is a fixed amount that we pay to government; for 2017/18 we have budgeted for a Tariff of £15,262,000.

Levy

22. This is made on income received over the government's baseline and charged at a rate of 50%. The Council has reduced this by being a member of the Kent Business rates pool and in reality will pay a lower levy rate closer to 10% but for budgeting purposes we retain the national level. This is budgeted at £1,452,961.

Section 31 Grant

23. To compensate Local Government for changes that have been imposed on the Business Rates Retention scheme by central government a grant is paid.
24. Government has for some time doubled the level of Small Business Rate relief offered, because this is outside the business rate retention scheme a compensatory grant is paid to the council in the form of a S31 Grant the budget assumes that S31 grants for Small Business Rate Relief will be £1,067,340 and is supported by the NNDR1 return.
25. Government also compensates authorities for capping the NNDR multiplier and other changes to the system, it is unclear at this time whether these will continue to be compensated for and therefore have not been included in the budget.

New Homes Bonus

26. The 2017/18 financial year is a transitional year for the reduction in New Home Bonus contributions. The initial offer was to receive a grant for 6 years based on new homes within the district. For 2017/18 all historic grants have been cut to 5 years and effectively only 5 years' worth of contributions will be received.
27. The draft budget assumed a New Homes Bonus of £3,424,310, this was based on a retention of 5 year contributions (reduced from 6) and an element of reduction due to possible top slicing to fund adult social services (upper tier authorities).
28. The settlement amount has come in fairly close to this at £3,394,891 therefore only £29,419 less than expected.

Council Tax

29. The draft budget assumed a £4 (2.67%) increase in Council Tax bringing in the band D payment to £154 (£150 in 2016/17), this Council can opt to raise the Council Tax by the higher of 2% or £5 (£5 equates to 3.33%).
30. The table below shows the proposed (not approved) Council Tax increases in Kent. This table shows that Ashford will still be the lowest Council Tax in Kent by around £10 and an increasing differential in tax level with our county

neighbours. If there are any changes to these it will be reported at the meeting.

Table 1 – Proposed Council Tax increases 2017/18

District	Increase		Band D charge
Ashford	£4.00	2.67%	£154.00
Canterbury	£4.95	2.55%	£199.26
Dartford	£5.00	3.07%	£167.90
Dover	£4.99	2.89%	£177.43
Gravesham	£4.95	2.65%	£191.61
Maidstone	£5.00	2.08%	£245.66
Sevenoaks	£5.00	2.53%	£202.82
Shepway	£4.65	2.00%	£237.21
Swale	£4.95	3.10%	£164.88
Thanet	£4.95	2.30%	£219.87
Tonbridge & Malling	£5.00	2.60%	£197.51
Tunbridge Wells	£4.98	3.04%	£168.59

Council Tax Support Scheme

31. The Council Tax Support scheme has been reviewed and updated for 2017/18 and the changes to the scheme were approved by Cabinet on 8 December 2016. The main changes can be summarised as follows:
 - a) Full protection to pensioner claimants has been retained
 - b) Increase the contribution rate for working age claimants from 10% to 17.5%
 - c) 95% protection will continue to eligible disabled claimants
 - d) Introduction of an exceptional hardship scheme
 - e) Various components of the scheme have been changed for working age claimants, these being: capital threshold reduced to £10,000; minimum income floor for self-employed claimants based on National Living Wage x 16 hours per week; flat rate £10 per week deduction for non-dependants; band D cap on entitlement; removal of second adult rebate.
32. These changes will have the effect of reducing the overall cost of the scheme and these estimates have been used to calculate Council Tax Support costs based on implementation in 2017/18.
33. Complete details - and the full version - of the scheme are published on the council's website <http://www.ashford.gov.uk/counciltaxsupport>

Medium Term Financial Plan

34. The Medium Term Financial Plan was updated and reported to members in the October report. The forecast has been updated to reflect the details of the settlement, Business Rates forecast and other movements in the draft budget. The update has reduced the deficits in the earlier years however the later year surpluses have been reduced.
35. Overall the forecast shows a fairly balanced position over the next few years. The plans come under pressure during 2021/22 and plans for this will need to be developed and could include savings through efficiencies, Business Rate growth, and income targets set from the borrowing and acquisitions policy.

Table 2 – MTFP 2017/18-2021/22

	2017/18 £'000's	2018/19 £'000's	2019/20 £'000's	2020/21 £'000's	2021/22 £'000's
<i>Revenue Support Grant</i>	(615)	(213)	0	0	0
<i>S31 Grant NNDR reliefs</i>	(1,067)	(1,000)	(1,000)	(1,000)	(1,000)
<i>Retained Business Rates</i>	(3,073)	(3,236)	(4,018)	(4,858)	(4,950)
<i>New Homes Bonus (50% allocated to support base budget)</i>	(3,395)	(2,596)	(2,947)	(2,947)	(2,947)
Government Funding	(8,150)	(7,045)	(7,965)	(8,805)	(8,897)
Council Tax	(6,879)	(7,136)	(7,367)	(7,624)	(7,925)
Total Income Receipts (Including Specific Grants)	(49,488)	(49,444)	(49,423)	(49,033)	(48,853)
Base Budget Gross Expenditure	64,427	64,181	64,284	63,398	64,511
Budget Increases	2	(300)	(893)	1,106	1,581
Budget Reduction Strategy	(41)	0	0	0	0
Allocation to/from reserves	129	0	750	750	750
BUDGET GAP	0	256	(615)	(208)	1,166

36. The plan does place reliance on the Council's ability to generate new income streams through its borrowing and acquisitions policy and this does represent a risk to the forecast should suitable investments not be found or that they deliver lower returns. It is important that the risks within the total programme are monitored due to the impact they could have on the budget going forward.
37. The budget includes saving target the equivalent of 1% the net budget requirement, this saving is yet to be achieved but is part of the inflation management strategy and Management Teams commitment to ensure efficient service delivery. A paper will be presented to Management Team early in the year to discuss how this is going to be achieved

Recommendations (Part One)

38. The Cabinet is asked to:
- I. Note the budget context and MTFP position (table 2)
 - II. Note that the Council Tax Support Scheme adopted is as reported to Cabinet in December **paragraphs 31-33**

PART TWO – GENERAL FUND BUDGET

39. A summary of the general fund budget, including a forecast of outturn for 2016/17 as at 30 September 2016, is shown at Table 3 below.
40. Necessary changes to the preliminary draft budget have been made and raised with the Overview and Scrutiny Committee's Budget Task Group.
41. The Overview and Scrutiny Budget Task Group scrutinised the budget during December and January and did not raise any issues of concern over the draft budget for 2017/18 however they acknowledge that the financial position in subsequent year is going to be increasingly challenging. They supported the increase in Council Tax of 2.67% based on the MTFP pressures going forward and its cumulative impact.

Table 3 - General Fund Summary

Budget 2016/17 £	Detail	Estimate 2017/18 £
14,205,480	Service Expenditure	13,651,870
1,316,670	Contribution to/(from) Balances	1,597,120
15,522,150	Net Budget Requirement	15,248,990
(1,269,920)	Government Grant	(615,360)
(3,410,410)	Retained Business Rates	(3,666,600)
(538,000)	Business Rates S31 Grants	(533,600)
(3,782,820)	New Homes Bonus	(3,394,890)
41,500	Parish CTS Payment	40,900
0	Collection Fund Surplus	(200,000)
(6,562,500)	Council Tax	(6,879,440)
0	Budget Gap	0

Table 4 - Analysis of Contributions to From Balances

Contribution	£
New Homes Bonus to fund corporate projects	1,454,960
Deficit funding from reserve	(57,840)
Service Contingency	200,000
Total	1,597,120

42. A summary of service expenditure is provided at **Appendix A** and **Appendix B**. The detailed budget pages available in the draft budget book 2017/18 support this.

Principal changes to December's preliminary draft budget

43. Following government announcements and in consultation with the Leader and Cabinet there are some changes to the draft budget to report as detailed below.
44. The provisional settlement and the completion of the NNDR1 form (business rate estimates) have resulted in the following changes:
- a) Additional business rate income of £278,000

- b) New Homes Bonus grant decreased by £29,451
45. The collection fund surplus has been calculated and included within the budget to be used as an in year service contingency. This surplus is a one-off amount based on previous year's collection of Council Tax. The surplus is made of a number of elements including:
- a) Higher increase of homes in the borough than estimated, including Charter House properties completing early in the 2016/17 financial year
 - b) Collection of historical bad debts increasing collection levels, including partnership working initiatives with Kent County Council and data matching exercises.
 - c) Collection rates for the current year higher than estimated
 - d) After a review of the scheme, council tax support costs have not been as high as expected over the last few years
46. These movements are detailed in the table below:

Table 5 – movement from draft budget

	£'000
Draft budget position reported to the October Cabinet	89
Business Rates	(278)
New Homes Bonus	29
Collection Fund Surplus	(200)
Service contingency	200
Focus reserve funding removed	255
Projected increase in investment income	(25)
Other smaller movements	(12)
Budgeted deficit from reserve	(58)
Final draft budget position	0

Council Tax

47. The Final Draft Budget in **Table 3** includes a Council Tax increase of 2.67% would result in an annual Council Tax amount of £4 per household based on a band D property.
48. Ashford Borough Council would remain the lowest Council Tax in Kent and also has an increasing differential in tax level with our county neighbours.
49. This increase allows the council to have a balanced budget with a contingency for operational service risks in this year, and is in accordance with the council's adopted inflation management strategy and in line with the council's Medium Term Financial Plan assumptions.

Discretionary Fees

50. The inflation management strategy determined that discretionary fees for several services should be increased above the level of inflation. For 2017/18 this results in average increases of 2%. Some charges will vary from this recommended level due to operational reasons, see **Appendix G** for details
51. The Garages rent has been increase by CPI plus 1.5%. CPI was 1% in September therefore the increase will be 2.5% (to the nearest penny).
52. The Building Control Fee Earning Account aims to break even in accordance with the building control regulations.
53. The budget has been built with this level of fees and charges.

Reserves

54. A schedule of reserves is attached at **Appendix C**, which shows a total of revenue reserves estimated at 31 March 2017 of £12.2m, excluding Developer Contributions. There has been significant investment in the Borough over the last few years and there will be further investment in the borough during 2017/18 which will reduce reserves to a lower level and closer to the minimum requirement set by the council.
55. Whilst these levels are planned for and within the tolerances agreed, consideration will need to be given to the replenishment of these reserves in the medium term. The risk contingency for Business Rates and unallocated new homes bonus are sources for increasing the reserves to fund future expenditure and have offset the planned reductions.

Table 6 - Summary of Reserves

	As at 31/03/2016 £000	Estimated as at 31/03/2017 £000	Estimated as at 31/03/2018 £000
General fund balance	(1,891)	(2,821)	(2,740)
Fund future expenditure	(7,209)	(5,476)	(6,676)
Provide for the maintenance or purchase of assets	(1,542)	(3,879)	(2,124)
Required by statute reserves	(298)	(298)	(298)
Total revenue reserves	(10,940)	(12,474)	(11,838)

56. CIPFA (the principal accounting body that provides statutory advice and guidance on accounting and financial management to local government chief finance officers) issues guidance (last updated in 2014) covering the relevant legal background and importantly emphasises that Authorities should make their own judgements on such matters taking into account all the relevant local circumstances. Such circumstances vary. The advice goes on to say that a well-managed authority, for example, with a prudent approach to budgeting, should be able to operate with a level of general reserves appropriate for the risks (both internal and external) to which it is exposed. CIPFA does not consider it necessary or appropriate to quantify a minimum level of reserves; this is for Chief Finance Officers and councils to consider. The government retains a power to impose a minimum, but is only intended to be used in circumstances where it is apparent to government that a council is not acting prudently and not following advice.
57. The Council has a policy that the general fund balance was reviewed last year and states that it should be no less than 15% of net budget requirement, for 2017/18 this will be £2,287,350.
58. The Council's agenda for it to be self-sufficient over the life of the MTFP. This reserves strategy supports the direction of the Corporate Plan with the economic expansion of housing and business in the district helps to underpin the risks that have been transferred to the Council.

Budget Scrutiny and Risk

59. The Overview and Scrutiny Committee has examined the detailed budget proposals and the committee's findings are reported separately elsewhere on this agenda. The committee concluded that it had confidence the budget is

deliverable and supports the recommendations to Cabinet and Council to approve the proposed budget. The task group also feels the 2.67% increase in Council Tax should go ahead following the Governments draft settlement which includes future financing of Local Authorities should come from increases in Council Tax.

60. A commentary of the risks associated with the budget is included as part of the statutory advice needed on 'budget robustness and the adequacy of reserves' within Part Seven of this report and at **Appendix E** Equality Impact Assessment.

Equalities Impact Assessment

61. The equality impact assessment (EIA) screening tool has been completed to identify whether the budget policy treats any group differently. The EIA assumes that individual policies and initiatives will have separate impact assessments completed by the services concerned. The assessment does highlight some areas however overall the budget does not discriminate against any group in society.
62. Members are referred to the attached Assessment at **Appendix E**.

Recommendations (Part Two)

63. The Cabinet is asked to:
- III. Recommend the Revenue Budget 2017/18 including the net budget requirement of **£15,248,990 (excluding parish precepts)**
 - IV. Recommend the level of Discretionary Fees to be levied from 1st April 2017 as set out in **Appendix D** and in **paragraphs 50-53**
 - V. Delegate to the Chief Finance Officer the powers to establish local discounts in Business Rates in accordance with government policy.
 - VI. Note the reserves summary (from **paragraph 54 -58** and **Table 6**), **Appendix C**
 - VII. Note the Equality Impact Assessment in **Appendix E**
 - VIII. Recommend the Band D council tax at **£154.00**.

PART THREE – HOUSING REVENUE ACCOUNT

Housing Revenue Account Budget

64. The 2017/18 position is broadly in line with the position reported to Members in the 30 year HRA business plan (December 2016 Cabinet), and includes the proposed savings reported to Cabinet as part of the Housing Review (December 2016).
65. **Table 7** shows a net deficit in the HRA for 2017/18 this reflects the drawdown from HRA reserves approved for the repayment of debt and capital expenditure including the remodelling of the Danemore scheme.
66. This deficit will be funded from HRA reserves, which were increased in 2015/16 by £2,143,000. The HRA business plan shows that the current plan remains affordable over the life of the plan. The information in **Table 7** is shown in more detail, analysed to subjective level, at **Appendix F**

Table 7 – Housing Revenue Account Budget 2017/18

ACTUALS 2015/16 £	ESTIMATE 2016/17 £	PROJECTED OUTTURN 2016/17 £	DETAIL	ESTIMATE 2017/18 £
(25,187,114)	(24,227,210)	(25,001,610)	Income	(25,463,220)
7,264,654	5,183,570	5,163,140	Supervision and Management	5,101,750
3,273,922	3,449,760	3,262,440	Repairs	3,328,470
16,791,373	18,763,270	18,373,980	Other Expenditure	21,923,480
2,142,835	3,169,390	1,797,950	DEFICIT/ (SURPLUS) IN YEAR	4,890,480

Rent Decrease

67. From 1 April 2016 Government made changes to the rent setting formula for social housing, instead of an annual increase of CPI+1% Councils now needed to apply a decrease of 1% for four years, however it is not yet known what the formula will be after this period.
68. For 2017/18 this means that the average weekly rent, for social housing will be £89.90 (£90.77 in 2016/17). For tenants receiving housing benefit the decrease will not have any cash impact, although some council tenants may be affected by other aspects of the government's welfare reforms.
69. The 1% decrease in rent also applies to those tenants in affordable housing which will be applied. It should be noted that affordable rents are re-based to 80% of market rent each time a new tenancy agreement is made (i.e. upon vacancy) and will be decreased by the 1% each year thereafter. The average rent for 2017/18 will be £134.70 (£135.42 in 2016/17).
70. This four year 1% cumulative decrease has been modelled in the 30 year Business Plan, the impact of the reduction in income has been analysed and capital works and planned maintenance programmes have been adjusted

accordingly. Following these adjustments the HRA is affordable for the next 30 years. Work will continue on Sheltered housing and new affordable homes.

Recommendations (Part Three)

71. The Cabinet is asked to:

- IX. Resolve that the Housing Revenue Account budget for 2017/18 be approved
- X. Resolve the estimated average rent decrease of 1%, in accordance with government guidelines, and that rent setting for the future continues to follow movements in the 'limit rent' set by government. See paragraphs 67- 70

PART FOUR – CAPITAL PROGRAMME

Capital Resources and New Allocations to Projects

72. This section gives consideration to the level of capital resources that are potentially available to support priorities including the business plan and other requirements
73. Capital investment currently may be funded from:
- a) Internal resources such as capital receipts and revenue reserves.
 - b) New Homes Bonus
 - c) Prudential (external) borrowing.
 - The 2017/18 budget provides specific support to borrow £500,000 for general fund property works, with a further £2m for strategic acquisitions that must be supported by a business plan.
 - Decision on additional borrowing will be subject to an affordability test and the HRA debt cap (explained below).
 - d) Third party grants and contributions from government, other local authorities or private organisations.
 - e) Section 106 developer contributions – currently we hold contributions amounting to £7.8m (capital & revenue), £5.2m of section 106, will be used to support projects in the current capital programme and expected to be spent over the next few years on community assets such as community buildings, open space and play areas throughout the borough.
 - f) In the future from the Community Infrastructure Levy

Debt Cap (Housing Revenue Account)

74. Following the HRA reform there is room within the HRA Business Plan to invest in projects including new housing and sheltered redevelopments. However the reform introduced a HRA debt cap limiting the amount councils can borrow to fund major works. When considering the Housing programme regard will need to be given to the impact the projects will have on the debt cap and more generally on the viability of the HRA.
75. Due to the limitations on HRA borrowing for projects, future funding sources will be:
- External contributions from the HCA (Homes & Community Agency)
 - Capital receipts, including retained 'Right to Buy' capital receipts for 'one for one replacement'
 - Surpluses within the revenue budget could be used rather than repayment of borrowing.
 - Borrowing, the HRA has a debt cap, the transfer of the garage stock to the General Fund in 2015/16 created headroom to borrow of circa £3m and repayment of borrowing is due early this year.

Borrowing and Acquisition Policy

76. At the October 2016 Cabinet the report (originally approved at the July 2014 Cabinet) titled Informing the Next Five Years the Borrowing and Investment Strategy was presented which amalgamated a number of capital and investment projects into one Policy including:
1. Delivery of strategic priorities
 2. For property and commercial investment
 3. Development of cultural and community facilities
 4. For investment in the Housing Revenue Account (must operate within the statutory debt cap)
77. The main elements of the strategy included:
- To achieve self-sufficiency from government grant
 - Set sensible principles for making investments and undertaking borrowing
 - Future General Fund borrowing to be around £100m, HRA borrowing will be within the debt cap
 - To allocate a proportion of the Council's reserves to form a 'cash backed' element to investments
 - A minimum of 10% of any return on an investment will be allocated to an investment reserve (debt/cash backed) to support future investments
78. To ensure all risks are monitored and managed the following measures will be required before an investment can take place:
- A project list will be maintained and prioritised to enable decisions to be taken in the round.
 - Each project will have a full business case (including NPV and Internal Rate of Return Calculations) which will demonstrate it delivers acceptable worth for the Council.
 - All investments will be appraised using the 25 year PWLB interest rate (or rate applicable to the life of the asset if it is lower)
 - Loan to the value of the project will not exceed 90%
 - The Economic Regeneration & Investment Board will provide the authority to enter into land transactions (including at an undervalue) and contractual obligations (including the lending of money and the making of grants) up to the value of £2 million.
 - Decisions on capital expenditure above £2m will be recommended to Full Council for approval.
 - Capital receipts from the sale of any asset will firstly repay any debt secured upon it and secondly be recycled for further investment
79. The acceptable worth to the Council will be established by Cabinet and should take into account:
- Recovering the borrowing within a reasonable time frame
 - Replacing income lost from grants, so that we work towards self-sufficiency by 2018/19
 - Reputational enhancement for the Borough and the Council

Capital Expenditure 2017/18

Property Portfolio

80. Included in the capital programme is an amount set aside annually for the maintenance of property assets and the purchase of replacement IT equipment, this is to enable the required works to lengthen the lives of the assets saving future replacement costs.
81. There has been £2,000,000 set aside for strategic acquisitions, this allocation was approved in January 2014 and now forms part of the Borrowing and Acquisition Strategy. All projects will be supported with a business plan ensuring all investments are viable.

Commercial Quarter

82. The works to the new offices within the Commercial Quarter started in January 2017 and is expected to complete in May 2018. On completion the Council will lease 24,000 sq ft of space within the new building.
83. The works to the Commercial Quarter area will be enhanced by investment in Ashford Digital Hub delivering incubator space for digital business start-ups and small digital business's looking to expand. The project is estimated to cost £650,000 and will consist of demolition of the former Ashford Youth Theatre building and refurbishment of the Old Corn Mill & Store, located in Dover Place. This project is currently under review and will be subject to a further report.

Elwick Place

84. The Council will invest as part of the regeneration of the Elwick Road site, providing a mixed use leisure development incorporating a cinema, hotel and several eateries on the complex.

Junction 10a

85. The Council will receive £16,000,000 forward funding from Communities and Local Government for a new motorway junction and associated link roads to relieve congestion at junction 10 of the M20. The new junction will be known as 10A and will deliver growth in southern and eastern Ashford. In a similar arrangement to the RIF agreement that funded improvements to Junction 9 and Drivers roundabout, this funding will be repaid to the HCA from S106 and CIL collected by the Council from developers

Property Company – A Better Choice for Property

86. The Council's property company, A Better Choice for Property, requires financing to purchase its assets. The Council set aside an allocation of £10m that can be accessed by the company, based on a draw down over 5 years. 2017/18 will be the fourth year of the agreement.
87. The company as at January 2017 has drawdown £3,645,000 resulting in the purchase of 21 properties within the borough. A further £2.3m is still available for draw down which is approved to be released by the Trade and Enterprise Board in November 2015. This leaves a remaining amount of £4m which can be accessed if appropriate investments can be made subject to a business plan.
88. The Council will finance this £10m from accessing loans from the Public Works Loan Board (PWLB) or temporary borrowing and charging the

company a competitive market rate above the PWLB or market rate which will attract a net revenue interest receipt for the Council.

89. This financing investment was approved under the Borrowing and Acquisition Policy.

Housing Revenue Account Capital Programme

90. Housing HRA projects during 2017/18 includes:
- Continuation of the affordable housing programme with a number of sites coming forward from early 2017.
 - Danemore Sheltered Housing Scheme redevelopment will start early in 2017/18.

Recommendations (Part Four)

91. The Cabinet is asked to:
- XI. Recommend to Council that the Capital Budget for 2017/18 in **Appendix G** is approved.

PART FIVE – PRUDENTIAL INDICATORS, TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY

Prudential Indicators

92. It is a requirement for the council to set prudential indicators on an annual basis. These are a framework designed to govern decision-making over the financing of capital expenditure. They are set to a level that will allow the council to meet its Medium Term Financial Plan, accommodate the debt for HRA reform and make provision for the Council's Capital Programme. This informs the recommended "Affordable Borrowing Limit" as shown under the heading 'Authorised Limit for External Debt'. The council must have regard to the prudential code when setting the Affordable Borrowing Limit. This essentially ensures that our total capital investment remains within sustainable limits as defined by the Council, and in particular, that the impact upon its future council tax and council rent levels is 'acceptable'
93. The prudential indicators recommended for 2017/18 are detailed in **Appendix H**.

Treasury Management Strategy Statement & Annual Investment Strategy

94. The Council adopted the CIPFA Code of Treasury Management on 20th March 2002. Any subsequent amendments will also be followed.
95. The code provides a framework to ensure that the Council gives appropriate consideration to its Borrowing and investment activities and sets appropriate controls commensurate with the Council's risk appetite.
96. As part of a proactive approach to treasury management officers consider both investment opportunities and also the opportunities for debt restructuring to benefit from discounts offered on existing debt and lower interest rates. As at 9 January 2017 the Council had £119.6m of borrowing relating to HRA reform and Investments of £48.3m.
97. In 2017/18 the Council's General Fund Net Interest on Borrowing and Investments is forecast to be a net surplus of circa £291,000. This reflects the low interest rates currently available for short term borrowing which are below the returns being generated on the Council's long term strategic investments. However, Officers will evaluate all investment and borrowing decisions as they arise with a view to achieving the best rates over the period of the borrowing. The use of internal balances will also be considered as a means of financing, although the benefits between internal and external borrowing will be monitored.
98. The proposed Treasury Management Strategy Statement for 2017/18 is attached at **APPENDIX I** (it is a requirement to review this annually).

HRA Debt Pools

99. The regulations allow councils to determine the number of debt pools (one, two or three) it wishes to operate. A 'two-pool' approach has been adopted; loans are split between the HRA & GF and new loans are added to each pool as required. Interest expenditure on external borrowing attributed to the HRA is

charged directly to the HRA. Interest expenditure on external borrowing attributed to the General Fund will be charged to the General Fund.

100. Where the HRA or GF has surplus cash balances which allow either account to have external borrowing below its level of CFR (internal borrowing), the rate charged on this internal borrowing will be based on the average rate of interest earned on cash balances for the financial year.

Annual Minimum Revenue Provision Statement

101. Each year the council must agree a statement on its policy for making a minimum revenue provision (MRP) (set aside for debt repayment).
102. There are four options available to the council as set out below:
- Option 1: Regulatory Method (4% borrowing requirement)
 - Option 2: Capital Financing Requirement (CFR) Method (4% of non-housing borrowing requirement)
 - Option 3: Asset Life Method (based on an annuity with an annual interest rate equal to the average relevant PWLB rate for the year of expenditure)
 - Option 4: Depreciation Method (dependent on depreciation policy)

Proposed MRP Policy

103. Options 3 and 4 apply to new capital expenditure, and Option 3 is the most practical to adopt.
104. In relation to option 3 there are two methods under this option for estimating the MRP requirement,
- a) based on equal instalments over the useful life of the asset,
and
 - b) based on an annuity repayment based on an appropriate annual interest rate.
105. The Council has previously adopted 'a', but has now recommending option 'b' as this generates short term savings and better matches the MRP expense with the cash flows for the assets going forward.
106. MRP for Loans to wholly owned Council companies will be calculated on an annuity basis using the interest rates agreed for the loan for 50 years or an appropriate term based on the life of the asset being funded.
107. MRP in respect of PFI (Private Financing Initiative) and leases brought on to the balance sheet will match the annual principal repayment for the associated deferred liability. This is a mandatory requirement, although in this instance does not affect the council's net expenditure.

Recommendations (Part Five)

108. The Cabinet is asked to:

XII) Recommend the Prudential Indicators and MRP Policy as set out in **Appendix H** and the Treasury Management Strategy Statement at **APPENDIX I**.

PART SIX –FINANCIAL PROCEDURE RULES & CHANGES TO VIREMENT LIMITS

Financial Procedure Rules

109. Last year as part of the succession planning the Head of Finance was made the S151 Officer with the Deputy Chief Executive as deputy. This year it is proposed that provision is made for an additional deputy within the constitution with the role being filled by the Accountancy Manager.

Risk Based Verification

110. The risk based verification procedure for Housing Benefit and Council Tax Benefit/Support was introduced from 1 April 2012. DWP guidance at the time specified that any such policy must be approved by members annually.
111. The policy for 2017/18 needs to be adopted, and there have been no changes made.
112. The full policy can be found in **Appendix J**

Recommendations (Part Six)

113. The Cabinet is asked to:
- XII. Recommend that the Accountancy Manager is appointed as the Deputy Section 151 Officer in addition to the Deputy Chief Executive
 - XIII. Approve the Risk Based Verification policy as outlined in **Appendix J**

PART SEVEN – ROBUSTNESS OF THE ESTIMATES AND ADEQUACY OF RESERVES

Background

114. The council has a legal duty to set a balanced budget and must take all reasonable factors into account when doing so. Under the Local Government Act 2003 the Chief Financial Officer (the Head of Finance) has a duty to advise the council about the robustness of the budget and the adequacy of the council's reserves. This section contains that advice.
115. The past year and the foreseeable future for local government continue to be dominated by public spending reduction plans. In October the Council accepted the Governments offer of a provisional four year financial settlement for local authorities. This gives a measure of certainty to the Councils Funding however New Homes Bonus and Business Rates are outside of this offer.
116. Government has announced reducing grant funding linked to its intention to allow authorities to retain 100% of Business Rates and having a greater share of responsibilities. This principle is generally welcomed as it would enable the Council to become less reliant on Government funding. However greater financial independence and possible extra financial gain also attracts more risk as councils would carry much of the downside risks associated with business rates which includes Business Rates appeals which are expected to increase in view of the recent revaluation. To help mitigate this risk the Council currently holds an earmarked reserve as set out in **Appendix X**.
117. For prudence and as a financial planning target our Medium Term Financial Plan reflects falling government formula grants to a 'de minimis' level with a target for the council to become un-reliant on revenue support grant by 2018-2019. This plan then relies on the council growing its income base from other sources including: a growing retention of business rates under the government's local retention scheme, new revenue from targeted housing and property investments. The plan also assumes continued support from new homes bonus at approximately 50% (although at reduced levels with a reduction in payment from 6 years to 4) of the total potential bonuses. The Plan also assumes modest increases in Council Tax at 2% per annum which is less than the maximum allowed at £5 building in some scope to manage funding risk if necessary.
118. Given the lengthy and comprehensive business, financial planning and scrutiny processes leading up to this point including members' roles in business plan project delivery; the corporate plan including financial planning involving the cabinet, and the full part played recently by the Overview and Scrutiny Committee and its Task Group, there is no doubt that members and officers have had a full opportunity to understand the context and the issues facing the council.
119. This evidence is clear demonstration the council and its management team give serious regard to financial planning, to the management of resources, and to assessments of financial and operational risk.

Robustness

120. Robustness involves three considerations:
- I. consideration of the **context** in which the budget is set and how that context is understood, may develop and therefore influence budgetary issues,
 - II. consideration of the various **components** of the budget, and
 - III. **weighing-up** all factors and taking a balanced view.

Context

121. As previously highlighted and reported comprehensive advice was provided to members concerning our financial forecasts and their underlying assumptions. Final assumptions are the results of reviews with the cabinet over the summer, and a review by the Overview and Scrutiny Committee's budget task group.
122. As with any budget there are uncertainties as no budget can capture all future risks, however there is a corporate contingency within the budget for general unforeseen pressures.
123. This budget is set at a time when the economy is performing more strongly, though there is considerable uncertainty in the future in light of the referendum result and subsequent negotiations on the UK's exit from the EU. Inflation is expected to rise in light of the devaluation of the pound, however it is expected to return to trend after a period of correction, and interest rates remain low. Pressures on personal incomes continue, though more recently with surveys showing increased consumer confidence and some wage growth. However, some service pressures remain for local authorities associated with the welfare reforms and pressures on housing (both HRA and temporary accommodation) which are likely to continue for the foreseeable future.
124. Ashford's local position is relatively stronger with positive signs of commercial expansion over the coming years and new housing supply remaining buoyant.
125. We are now reaching the end of the fourth year of the business rates retention scheme with encouraging results for business rate yield and a growth above target of the locally retained element. The business rates pool for much of Kent provides significant opportunities to increase the retained element.
126. With good opportunities and risks still to manage this draft budget (and the associated Medium Term Financial Plan) takes a considered view of both. It builds in prudent allowances as contingencies, and contributions for reserves given the cuts in future funding – the council needs a cushion to help manage the transition. The policy of not budgeting to use new homes bonus rewards for new projects until bonuses are achieved is to be maintained.
127. The MTFP aims to replace the revenue support grant element of formula grant with other sustainable sources of income by 2018/19. .

128. Consequently 2017/18 will continue to see proposals and affects arising from the expanded use of the council's prudential borrowing to support asset purchases and other investments, including further lending to the council's property company. Appropriate business planning and governance arrangements are in place to ensure that opportunities and associated risks are evaluated as part of the decision-making processes. It is important these processes are maintained.

Key components of the budget

129. Detailed advice is set out in **Appendix X**, which considers the budget across a number of key components. Additionally, members have received the advice and recommendations from the Overview and Scrutiny Committee, which has commented comprehensively on areas of risk within and agreed a risk matrix for on-going review. After considerable work its Task Group agreed to recommend that the draft budget is deliverable and accepted the service risk registers as the risks within the budget. The Chairman of the Task Group has highlighted staffing pressures, and resource programming as overarching areas of risk to be managed.
130. The Task Group's work highlighted areas of the budget that present some higher risks to delivery, which will be taken into account by services and our corporate risk management arrangements. Higher risks continue to be associated with the government's funding policies for local authorities and the risks inherent in the council exploring investment opportunities aimed at securing revenue streams to substitute for longer term grant reductions. Here the Cabinet and the Council's governance arrangements are designed to ensure that risks are evaluated, monitored and mitigated.
131. Inevitably there will be times when unplanned and unforeseeable pressures arise. Where this happens the Management Team will first consider the scope to absorb such pressures, but where this is not possible, then, and using the flexibility within financial procedure rules, the Management Team has the ability to deal with urgent pressures. The budget contains a service contingency provision for such risks.

Weighing-up

132. This budget is developed against a backcloth of substantial externally influenced change and an economic climate that is recovering, with good potential locally, but nevertheless not without continuing pressures and uncertainty. **Appendix J** and the Overview and Scrutiny Committee's review highlight, risks should be manageable through processes in place supported by the totality of the council's contingencies and reserves.
133. Supported by our strong governance of financial management and the council's commitment to deliver sustainable longer-term positions, members can be confident this budget is robust.

Adequacy of Reserves

134. Section Two covers the reserves position with a detailed forecast included in **Appendix K**.

135. The proposed policy position is that reserves need to be maintained at adequate levels, with the **un-earmarked general fund reserve** maintained at 15% of net general fund revenue spending.
136. For 2017/18 this amounts to a minimum unallocated reserve requirement of circa £2.25m. Un-earmarked reserves, after planned drawings will stand at £2.29m, therefore it is proposed in Part 2 of this report to amalgamate some of the earmarked reserves into the General Reserves to achieve the 15% level.
137. Earmarked reserves (excluding section 106 developer contributions), again after planned drawings stand at £9.05m. By the end of 2016/17 total revenue reserves are expected to amount to circa £9.3m.
138. Overall the advice is the council has adequate levels of reserves to support its budget and other requirements for the coming year and future liabilities, including the planned cushion for the next two years against grant reductions forecast while alternative revenues develop in scale.
139. As ever reserve levels need close management to ensure they remain adequate and that longer term MTFP plans for resilience are sustainable.
140. Our budget monitoring will continue to highlight to Cabinet and Management Team approved movements in the use of reserves including reporting any actions of the management team taken to address new pressures or priority needs.
141. On the capital side General Fund capital receipts (cash from asset disposals) remain fairly limited with reduced scope for new general fund commitments that are unsupported by income returns to offset the borrowing costs. Usable capital reserves for the General Fund (excluding Section 106 developer contributions held) were minimal, at £2,246 as at 31/03/2016 and after the proposed programme will stand around the same.
142. Officers will continue to focus on optimising the value of our assets, though some priority will be given to achieving greater revenue returns where achievable as an alternative to outright sales. The council is also intending to make more use of its prudential borrowing power, as this can and will be used to fund investments that yield suitable returns that cover financing costs. Further, New Homes Bonus has provided an alternative source for capital investments and this may continue, although the scope is likely to reduce assuming NHB funds are cut.
143. As **Appendix K** and the Overview and Scrutiny Committee's review highlight, risks should be manageable through this proposed budget and the decision-making processes in place. The Council's reserves although reducing due to the investments made remain reasonably healthy and provide the means to cushion unexpected shocks.
144. Supported by our strong processes of financial management and the council's commitment to deliver sustainable longer-term positions, members can be confident this budget is robust.

Recommendations (Part Seven):

145. The Cabinet is asked to:

- XIV. Note the advice from the Chief Financial Officer concerning the robustness of the estimates and the adequacy of reserves.

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LIST OF APPENDICES

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	B	Service Expenditure
	C	Analysis of Reserves
	D	Discretionary Fees
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	I	Treasury Management Strategy Statement and Annual Investment Strategy
Part Six	J	Risk Based Verification Policy
Part Seven	K	Robustness of Estimates and Adequacy of Reserves

Appendix A

REVENUE BUDGET				
SUMMARY				
Actuals 2015/16 £	Budget 2016/17 £	Projected Outturn 2016/17 £	Detail	Estimate 2017/18 £
1,257,747	1,270,720	1,360,180	Corporate & Strategy	1,375,250
1,237,036	1,380,320	1,449,310	Legal & Democratic	1,361,440
2,128,990	1,983,050	1,886,620	Planning & Development	1,937,930
845,169	2,554,620	2,538,580	Financial Services	2,643,320
181,637	291,010	351,990	HR, Communications and Technology	433,210
769,142	915,720	823,770	Housing Services	654,790
393,553	838,400	671,340	Health, Parking & Community Safety	516,490
4,714,705	4,963,150	4,736,900	Environment and Customer Services	4,909,440
(1,375,820)	(1,500,070)	(1,336,680)	Corporate Property & Projects	(1,399,390)
3,095,743	2,713,130	2,839,460	Cultural Services	2,972,040
13,247,902	15,410,050	15,321,470	Service Expenditure	15,404,520
(2,340,864)	(1,475,830)	(2,058,080)	Capital Charges & Net Interest	(2,032,910)
40,190	30,260	30,260	Concurrent Functions Grant	30,260
241,098	241,000	241,000	Levies	250,000
3,632,509	1,316,670	1,991,670	Contribution to Balances	1,319,041
14,820,834	15,522,150	15,526,320	ABC Budget Requirement	14,970,911
			Income	
(2,114,651)	(1,269,920)	(1,269,920)	Government Grant	(615,360)
(2,281,862)	(3,410,410)	(3,410,410)	Retained Business Rates	(3,422,120)
(933,921)	(538,000)	(538,000)	Business Rates S31 Grants	(500,000)
(3,150,387)	(3,782,820)	(3,782,820)	New Homes Bonus	(3,394,891)
41,280	41,500	41,500	Parish CTS Payment	40,900
0	0	0	Collection Fund Surplus	(200,000)
(6,352,539)	(6,562,500)	(6,562,500)	Council Tax	(6,879,440)
28,754	0	4,170	Budget Gap	0

Appendix B

Service Expenditure				
Actuals 2015/16 £	Budget 2016/17 £	Projected Outturn 2016/17 £	Detail	Estimate 2017/18 £
			Corporate & Strategy	
761,243	834,450	886,130	Corporate Allocable Costs	681,390
360,917	274,970	250,280	Corporate Management	483,460
(17,803)	0	0	Chilmington	0
153,390	161,300	223,770	Policy and Performance	210,400
1,257,747	1,270,720	1,360,180		1,375,250
			Legal & Democratic	
823,136	903,220	849,890	Democratic Representation	876,850
331,102	422,920	448,640	Electoral Services	435,320
26,889	4,850	101,450	Legal	0
55,908	49,330	49,330	Mayor	49,270
1,237,036	1,380,320	1,449,310		1,361,440
			Planning & Development	
182,099	144,580	151,530	Building Control	110,240
1,065,824	906,920	945,910	Development Control	898,330
405,973	392,000	295,450	Economic Development	291,840
(39,680)	(8,620)	(2,690)	Land Charges	(5,750)
(71)	0	(55,240)	Planning Administration	(10)
514,845	548,170	551,660	Strategic Planning	643,280
2,128,990	1,983,050	1,886,620		1,937,930
			Financial Services	
1,888	2,050	2,050	Accountancy	0
(5,079)	40	2,180	Audit Partnership	50
778,754	823,710	805,120	Benefits Administration	766,220
256,369	442,070	422,180	Council Tax Collection	457,150
993	(1,130)	7,170	Debtors/Debt Recovery	(1,030)
77,296	71,250	71,250	Exchequer	46,190
(1,859,481)	(256,000)	(256,000)	Housing Benefits Payments	(256,000)
63,311	0	0	Miscellaneous Expenditure	0
(89,788)	(82,120)	(70,120)	NNDR Collection	(65,230)
1,620,907	1,554,750	1,554,750	Non-Distributed Costs	1,695,970
845,169	2,554,620	2,538,580		2,643,320
			HR, Communications and Technology	
230,139	279,260	279,260	Communications & Marketing	336,100
0	(10)	(10)	Telephony	40
(45,911)	(81,360)	(15,210)	ICT	7,070
(2,591)	93,120	87,950	Personnel & Development	90,000
181,637	291,010	351,990		433,210

Appendix B continued

Service Expenditure				
Actuals 2015/16 £	Budget 2016/17 £	Projected Outturn 2016/17 £	Detail	Estimate 2017/18 £
			Housing Services	
79,928	51,620	99,080	Private Sector Housing	26,010
128,289	145,770	64,370	Housing Strategy and Enabling	53,220
582,562	721,460	691,460	Housing Options	644,390
(8,370)	10	(8,070)	Facilities Management	(66,020)
(13,267)	(3,140)	(23,070)	Gypsy Site - Chilmington	(2,810)
769,142	915,720	823,770		654,790
			Health, Parking & Community Safety	
474,110	525,020	553,560	Community Safety,AMC,Licencing	496,720
652,265	669,590	629,460	Environmental Health	659,710
(732,822)	(356,210)	(511,680)	Parking & Engineering	(639,940)
393,553	838,400	671,340		516,490
			Environment and Customer Services	
3,428	(20)	(20)	Visitor & Call Centre	10
678,574	784,030	755,820	Street Scene	568,800
2,788,238	3,006,470	2,846,680	Refuse,Recycling,Street Clean	3,010,760
1,244,465	1,172,670	1,134,420	Grounds Maintenance	1,329,870
4,714,705	4,963,150	4,736,900		4,909,440
			Corporate Property & Projects	
13,394	41,560	41,560	Project Delivery Team	37,920
30,439	12,000	101,050	Town Centre Development	144,430
(1,419,653)	(1,553,630)	(1,479,290)	Corporate Property	(1,581,740)
(1,375,820)	(1,500,070)	(1,336,680)		(1,399,390)
			Cultural Services	
351,400	219,070	300,200	Cultural Services Management	239,050
1,675,424	1,343,460	1,434,240	Leisure Centres	1,539,240
160,988	161,590	169,090	Open Spaces and Conservation	267,380
309,161	418,860	368,860	Single Grants Gateway	318,860
221,085	146,340	146,340	Tourism & Heritage	144,180
377,685	423,810	420,730	Cultural Projects	463,330
3,095,743	2,713,130	2,839,460		2,972,040
13,247,902	15,410,050	15,321,470	NET EXPENDITURE ON SERVICES	15,404,520

Analysis of Reserves

	2016/17			2017/18			Balance at 31st March 2018 £'000
	Balance at 31st March 2016 £'000	Transfers In £'000	Transfers Out £'000	Balance at 31st March 2017 £'000	Transfers In £'000	Transfers Out £'000	
	General Fund Balance	(1,891)	(1,071)	141	(2,821)	0	
	(1,891)	(1,071)	141	(2,821)	0	81	(2,740)
<i>Earmarked Reserves</i>							
Business Rate Income Res	(1,877)		757	(1,120)			(1,120)
Elections	(269)	(60)	200	(129)	(60)		(189)
Focus 2013-15	(494)		494	0			0
Green Transport Initiatives	(50)	(5)	50	(5)	(5)		(10)
Interest Rate Reserve	(117)		117	0		100	100
Insurance Reserve	(215)		215	0			0
Land Searches Reserve	(153)			(153)			(153)
Members' IT	(23)	(5)		(28)	(5)		(33)
Netball Centre Reserve	(12)	(5)		(17)	(5)		(22)
New Homes Bonus	(1,255)	(1,355)		(2,610)	(1,455)		(4,065)
New Initiatives Reserve	(500)	(2,329)	135	(2,694)		1,680	(1,014)
Planning Delivery Grant	(400)		200	(200)		200	0

Appendix C continued

	2016/17			2017/18			Balance at 31st March 2018 £'000
	Balance at 31st March 2016 £'000	Transfers In £'000	Transfers Out £'000	Balance at 31st March 2017 £'000	Transfers In £'000	Transfers Out £'000	
Chilmington reserve	(100)		100	0			0
Repairs & Renewals	(997)	(183)	50	(1,130)		85	(1,045)
Section 106 Monitoring Fee	(94)		25	(69)		25	(44)
Service Pressure Reserve	(1,240)			(1,240)			(1,240)
St Mary's Church Ruin	(5)			(5)			(5)
Stour Centre	(1,075)		1,000	(75)			(75)
Transport Initiatives	(145)			(145)			(145)
Waterside Reserve	(28)	(5)		(33)	(5)		(38)
<i>Developer Contributions</i>							
S106 Unapplied Grants	(5,473)			(5,473)			(5,473)
Commuted Sums Unapplied Grants	(865)			(865)			(865)
Spg6 Unapplied Grants	(777)			(777)			(777)
Total Earmarked Reserves	(16,164)	(3,947)	3,343	(16,768)	(1,535)	2,090	(16,213)

Discretionary Fees 2017/18

DISCRETIONARY & STATUTORY FEES 2017/18								
LICENSING FEES								
Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %	
Licensing Act								
Premises - new application	Statutory	Fee band - A	NB	100.00	100.00	100.00	0.00%	
		Fee band - B	NB	190.00	190.00	190.00	0.00%	
		Fee band - C	NB	315.00	315.00	315.00	0.00%	
		Fee band - D - if exclusively or primarily for supply, sale or consumption of alcohol <u>double</u> the fee	NB	450.00	450.00	450.00	0.00%	
		Fee band - E - if exclusively or primarily for supply, sale or consumption of alcohol <u>triple</u> the fee	NB	635.00	635.00	635.00	0.00%	
		Premises allowing 5000+ people attract additional		See regulation for detail				
		Premises where only licensable activity is regulated entertainment & premises is education, church hall, village hall or similar		No fee payable				
Premises - annual fee	Statutory	Fee band - A	NB	70.00	70.00	70.00	0.00%	
		Fee band - B	NB	180.00	180.00	180.00	0.00%	
		Fee band - C	NB	295.00	295.00	295.00	0.00%	
		Fee band - D - if exclusively or primarily for supply, sale or consumption of alcohol <u>double</u> the fee	NB	320.00	320.00	320.00	0.00%	
		Fee band - E - if exclusively or primarily for supply, sale or consumption of alcohol <u>triple</u> the fee	NB	350.00	350.00	350.00	0.00%	
		Premises allowing 5000+ people attract additional fees		See regulation for detail				
		Personal	Statutory		NB	37.00	37.00	37.00
Temporary Event Notice	Statutory		NB	21.00	21.00	21.00	0.00%	
Change of address notification	Statutory		NB	10.50	10.50	10.50	0.00%	
Replacement licence etc (due to loss/theft)	Statutory		NB	10.50	10.50	10.50	0.00%	
Designated premises supervisor variation	Statutory		NB	23.00	23.00	23.00	0.00%	
Premises licence transfer	Statutory		NB	23.00	23.00	23.00	0.00%	
Club registration change	Statutory		NB	10.50	10.50	10.50	0.00%	
Club name or rules notification	Statutory		NB	10.50	10.50	10.50	0.00%	
Interim Authority Notice	Statutory		NB	23.00	23.00	23.00	0.00%	
Provisional Statement	Statutory		NB	315.00	315.00	315.00	0.00%	
Freeholder notification of licensing matters	Statutory		NB	21.00	21.00	21.00	0.00%	
Minor Variation	Statutory		NB	89.00	89.00	89.00	0.00%	

DISCRETIONARY & STATUTORY FEES 2017/18

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Animal Welfare and Public Health Licences							
Dog Breeding Establishments	Discretionary	New Licence	NB	555.00	557.00	568.00	1.97%
	Discretionary	Renewal	NB	137.00	138.00	141.00	2.17%
	Discretionary	Variation	NB	137.00	138.00	141.00	2.17%
	Discretionary	Concurrent 2nd application	NB	69.00	69.00	70.00	1.45%
Animal Boarding Establishments	Discretionary	New Licence	NB	555.00	557.00	568.00	1.97%
	Discretionary	Renewal	NB	137.00	138.00	141.00	2.17%
	Discretionary	Variation	NB	137.00	138.00	141.00	2.17%
	Discretionary	Concurrent 2nd application	NB	69.00	69.00	70.00	1.45%
Home Boarding	Discretionary	New Licence	NB	86.00	87.00	89.00	2.30%
	Discretionary	Renewal	NB	67.00	67.00	68.00	1.49%
Pet Shops	Discretionary	New Licence	NB	555.00	557.00	568.00	1.97%
	Discretionary	Renewal	NB	137.00	138.00	141.00	2.17%
	Discretionary	Variation	NB	137.00	138.00	141.00	2.17%
	Discretionary	Concurrent 2nd application	NB	69.00	69.00	70.00	1.45%
Riding Establishments	Discretionary	New Licence	NB	555.00	557.00	568.00	1.97%
	Discretionary	Renewal	NB	401.00	403.00	411.00	1.99%
	Discretionary	Variation	NB	75.00	76.00	78.00	2.63%
	Discretionary	Concurrent 2nd application	NB	35.00	35.00	36.00	2.86%
Dangerous Wild Animals	Discretionary	New Licence (2 year licence)	NB	916.00	922.00	940.00	1.95%
	Discretionary	Renewal (2 year licence)	NB	627.00	631.00	644.00	2.06%
	Discretionary	Variation	NB	323.00	325.00	332.00	2.15%
	Discretionary	Concurrent 2nd application	NB	81.00	82.00	84.00	2.44%
Zoos	Discretionary	Consideration	NB	1,141.00	1,149.00	1,172.00	2.00%
	Discretionary	Licence (4 year licence)	NB	1,881.00	1,894.00	1,932.00	2.01%
	Discretionary	Renewal (6 year licence)	NB	2,822.00	2,842.00	2,899.00	2.01%
	Discretionary	Dispensation - 14(1)(a)	NB	459.00	462.00	471.00	1.95%

DISCRETIONARY & STATUTORY FEES 2017/18

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Public Health Licences							
Acupuncture	Discretionary	Initial registration practitioner/premises	NB	170.00	171.00	174.00	1.75%
	Discretionary	Additional practitioner/premises	NB	104.00	105.00	107.00	1.90%
	Discretionary	Minor variation	NB	29.00	29.00	29.00	0.00%
Tattooing (including semi-permanent skin-colouring)	Discretionary	Initial registration practitioner/premises	NB	329.00	331.00	338.00	2.11%
	Discretionary	Additional practitioner/premises	NB	104.00	105.00	107.00	1.90%
	Discretionary	Minor variation	NB	29.00	29.00	30.00	3.45%
Electrolysis	Discretionary	Initial registration practitioner/premises	NB	170.00	171.00	174.00	1.75%
	Discretionary	Additional practitioner/premises	NB	104.00	105.00	107.00	1.90%
	Discretionary	Minor variation	NB	29.00	29.00	29.00	0.00%
Cosmetic Piercing (excluding ear piercing)	Discretionary	Initial registration practitioner/premises	NB	329.00	331.00	338.00	2.11%
	Discretionary	Additional practitioner/premises	NB	104.00	105.00	107.00	1.90%
	Discretionary	Minor variation	NB	29.00	29.00	29.00	0.00%
Ear Piercing	Discretionary	Initial registration practitioner/premises	NB	170.00	171.00	174.00	1.75%
	Discretionary	Additional practitioner/premises	NB	104.00	29.00	29.00	0.00%
	Discretionary	Minor variation	NB	29.00	29.00	29.00	0.00%
Hairdressing	Statutory	Registration		No fee payable			
Sex Establishments Licence							
Sex Shops, Sex Cinemas and Sexual Entertainment Venue Licences	Discretionary	Grant	NB	3,204.00	3,204.00	3,268.00	2.00%
	Discretionary	Renewal	NB	350.00	350.00	300.00	-14.29%
	Discretionary	Transfer	NB	350.00	350.00	300.00	-14.29%

DISCRETIONARY & STATUTORY FEES 2017/18

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Street Trading and Consents							
Publicity Displays	Statutory			No fee payable			
Street Collection Permit	Statutory			No fee payable			
Street Trading Licence	Discretionary	Yearly	NB	71.00	72.00	73.00	1.39%
Casual Street Trading Licence/Consent For One Off Event	Discretionary	Grant	NB	11.50	12.00	12.00	0.00%
Casual Street Trading Licence for Market	Discretionary	Monthly	NB	25.00	26.00	26.00	0.00%
Street Trading Consent	Discretionary	Yearly	NB	71.00	72.00	73.00	1.39%
New Site Street Trading Consent - static	Discretionary	Grant -if planning permission already granted	NB	100.00	100.00	100.00	0.00%
New Site Street Trading Consent - static	Discretionary	Grant - if no planning permission at time of application	NB	200.00	200.00	200.00	0.00%
New Site Street Trading Consent - short term static	Discretionary	Grant - 1 site £100 (£25 extra for each additional site, i.e. £125 for 2 sites, £150 for 3 sites	NB	£100 per site plus £25 per additional site	£100 per site plus £25 per additional site	£100 per site plus £25 per additional site	0.00%
Hawker Street Trading Consent	Discretionary	Yearly	NB	71.00	72.00	73.00	1.39%
Town Centre Commercial Booking	Discretionary	Daily (Monday - Friday, Sunday).For 4 consecutive days deduct £100 from total cost 5 consecutive days deduct £150, and for 6 consecutive days deduct £200)	NB	150.00	150.00	150.00	0.00%
Town Centre Commercial Booking	Discretionary	Small, local businesses, weekdays and Sundays	NB		50.00	50.00	0.00%
Town Centre Commercial Booking	Discretionary	Small, local businesses, Saturdays	NB		75.00	75.00	0.00%
Town Centre Commercial Booking	Discretionary	1 day (Saturday)	NB	200.00	200.00	200.00	0.00%

DISCRETIONARY & STATUTORY FEES 2017/18

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Street Trading Consent Rents							
Fumers Wood Lay-by - cherry stall	Discretionary	Monthly rents	NB	150.00	150.00	150.00	0.00%
Fumers Wood Lay-by - hot food	Discretionary	Monthly rents	NB	225.00	225.00	225.00	0.00%
Great Chart - A28 Tenterden bound - Food	Discretionary	Monthly rents	NB	225.00	225.00	225.00	0.00%
Great Chart - A28 Tenterden bound - Non Food	Discretionary	Monthly rents	NB	150.00	150.00	150.00	0.00%
Great Chart - A28 Ashford bound - Food	Discretionary	Monthly rents	NB	225.00	225.00	225.00	0.00%
Great Chart - A28 Ashford bound Non Food	Discretionary	Monthly rents	NB	150.00	150.00	150.00	0.00%
Hothfield - A20 Maidstone bound - Non Food	Discretionary	Monthly rents	NB	150.00	150.00	150.00	0.00%
Hothfield - A20 Maidstone bound - Food	Discretionary	Monthly rents	NB	225.00	225.00	225.00	0.00%
Hothfield - A20 Ashford bound - Non Food	Discretionary	Monthly rents	NB	150.00	150.00	150.00	0.00%
Hothfield - A20 Ashford bound - Food	Discretionary	Monthly rents	NB	225.00	225.00	225.00	0.00%
Henwood	Discretionary	Monthly rents	NB	206.50	206.50	206.50	0.00%
Recreation Ground Road car park	Discretionary	Monthly rents	NB	380.00	380.00	380.00	0.00%
Potters Corner, Hothfield	Discretionary	Monthly rents	NB	225.00	225.00	225.00	0.00%
Hall Avenue, Sevington	Discretionary	Max 28 days use per year	NB	240.00	240.00	240.00	0.00%
Chilham Mill	Discretionary		NB	225.00	225.00	225.00	0.00%
Council Land							
Charity	Discretionary			No fee payable			
Commercial (e.g. circuses and funfairs)	Discretionary	per operating day	NB	267.00	270.00	275.00	1.85%
	Discretionary	per non-operating day	NB	190.00	190.00	194.00	2.11%

DISCRETIONARY & STATUTORY FEES 2017/18

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Food Hygiene							
Level 2 course	Discretionary		EX	48.00	48.00	48.00	0.00%
Re-sit (at time of next course)	Discretionary		EX	18.00	18.00	18.00	0.00%
Re-sit (oral)	Discretionary		EX	42.00	42.00	42.00	0.00%
Food Safety Charges							
Food Surrender Certificate	Discretionary		NB	95.00	96.00	0.00	-100.00%
Inspection (Voluntary Surrender) or Disposal	Discretionary	Per hour	NB	93.00	94.00	50.00	-46.81%
plus tipping charge at cost	Charged by tip			NA	NA	NA	NA
Export Certificate for food manufacture	Discretionary		NB	158.00	159.00	55.00	-65.41%
Miscellaneous							
Scrap Metal Site Licence	Discretionary		NB	303.00	305.00	311.00	1.97%
Scrap Metal Collectors Licence	Discretionary		NB	202.00	205.00	209.00	1.95%
Scrap Metal Site Licence - Renewal	Discretionary		NB	202.00	205.00	209.00	1.95%
Scrap Metal Collectors Licence - Renewal	Discretionary		NB	101.00	102.00	104.00	1.96%
Scrap Metal Variations	Discretionary		NB	76.00	77.00	79.00	2.60%
Scrap Metal Replacement Licence	Discretionary		NB	11.00	11.00	11.00	NA

DISCRETIONARY & STATUTORY FEES 2017/18

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Gambling Act							
New small casino	Statutory	New application	NB	6,506.00	6,570.00	6,570.00	0.00%
		Annual fee	NB	3,701.00	3,730.00	3,730.00	0.00%
		Variation	NB	2,671.00	2,690.00	2,690.00	0.00%
		Transfer	NB	1,553.00	1,564.00	1,564.00	0.00%
		Re-instatement	NB	1,305.00	1,314.00	1,314.00	0.00%
		Provisional statement	NB	6,506.00	6,570.00	6,570.00	0.00%
		Provisional statement holders	NB	2,319.00	2,335.00	2,335.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%
New large casino	Statutory Maximum	New application	NB	7,806.00	7,860.00	7,860.00	0.00%
		Annual fee	NB	7,469.00	7,520.00	7,520.00	0.00%
		Variation	NB	3,530.00	3,555.00	3,555.00	0.00%
		Transfer	NB	1,822.00	1,835.00	1,835.00	0.00%
		Re-instatement	NB	2,055.00	2,070.00	2,070.00	0.00%
		Provisional statement	NB	7,806.00	7,860.00	7,860.00	0.00%
		Provisional statement holders	NB	3,831.00	3,860.00	3,860.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%
Regional casino	Statutory Maximum	New application	NB	12,299.00	12,380.00	12,380.00	0.00%
		Annual fee	NB	11,533.00	11,610.00	11,610.00	0.00%
		Variation	NB	5,766.00	5,800.00	5,800.00	0.00%
		Transfer	NB	4,198.00	4,230.00	4,230.00	0.00%
		Re-instatement	NB	4,198.00	4,230.00	4,230.00	0.00%
		Provisional statement	NB	12,299.00	12,380.00	12,380.00	0.00%
		Provisional statement holders	NB	5,989.00	6,030.00	6,030.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%
Bingo club	Statutory Maximum	New application	NB	2,236.00	2,250.00	2,250.00	0.00%
		Annual fee	NB	697.00	700.00	700.00	0.00%
		Variation	NB	1,527.00	1,540.00	1,540.00	0.00%
		Transfer	NB	849.00	855.00	855.00	0.00%
		Re-instatement	NB	849.00	855.00	855.00	0.00%
		Provisional statement	NB	2,236.00	2,250.00	2,250.00	0.00%
		Provisional statement holders	NB	921.00	930.00	930.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%

DISCRETIONARY & STATUTORY FEES 2017/18

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Gambling Act							
Betting Premises (excluding tracks)	Statutory	New application	NB	2,273.00	2,290.00	2,290.00	0.00%
		Annual fee	NB	449.00	455.00	455.00	0.00%
		Variation	NB	1,289.00	1,300.00	1,300.00	0.00%
		Transfer	NB	849.00	855.00	855.00	0.00%
		Re-instatement	NB	849.00	855.00	855.00	0.00%
		Provisional statement	NB	2,236.00	2,250.00	2,250.00	0.00%
		Provisional statement holders	NB	921.00	930.00	930.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%
Tracks	Statutory Maximum	New application	NB	1,749.00	1,760.00	1,760.00	0.00%
		Annual fee	NB	694.00	700.00	700.00	0.00%
		Variation	NB	1,170.00	1,180.00	1,180.00	0.00%
		Transfer	NB	849.00	855.00	855.00	0.00%
		Re-instatement	NB	849.00	855.00	855.00	0.00%
		Provisional statement	NB	1,749.00	1,760.00	1,760.00	0.00%
		Provisional statement holders	NB	921.00	930.00	930.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%
Family Entertainment Centres	Statutory Maximum	New application	NB	1,749.00	1,760.00	1,760.00	0.00%
		Annual fee	NB	601.00	605.00	605.00	0.00%
		Variation	NB	787.00	795.00	795.00	0.00%
		Transfer	NB	849.00	855.00	855.00	0.00%
		Re-instatement	NB	849.00	855.00	855.00	0.00%
		Provisional statement	NB	1,749.00	1,760.00	1,760.00	0.00%
		Provisional statement holders	NB	761.00	770.00	770.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%

DISCRETIONARY & STATUTORY FEES 2017/18

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Gambling Act							
Adult Gaming Centre	Statutory Maximum	New application	NB	1,749.00	1,760.00	1,760.00	0.00%
		Annual fee	NB	697.00	705.00	705.00	0.00%
		Variation	NB	788.00	795.00	795.00	0.00%
		Transfer	NB	849.00	855.00	855.00	0.00%
		Re-instatement	NB	849.00	855.00	855.00	0.00%
		Provisional statement	NB	1,749.00	1,760.00	1,760.00	0.00%
		Provisional statement holders	NB	921.00	930.00	930.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
Temporary Use Notices	Statutory Maximum	Notification of change	NB	50.00	50.00	50.00	0.00%
		New application	NB	202.00	204.00	204.00	0.00%
Licensed Premises Gaming Machine	Statutory	Copy licence	NB	25.00	25.00	25.00	0.00%
		Grant	NB	150.00	150.00	150.00	0.00%
		Existing operator grant	NB	100.00	100.00	100.00	0.00%
		Variation	NB	100.00	100.00	100.00	0.00%
		Transfer	NB	25.00	25.00	25.00	0.00%
		Annual Fee	NB	50.00	50.00	50.00	0.00%
		Change of name	NB	25.00	25.00	25.00	0.00%
		Copy of permit	NB	15.00	15.00	15.00	0.00%
Lottery Registration	Statutory Maximum	New Application	NB	40.00	40.00	40.00	0.00%
		Renewal	NB	20.00	20.00	20.00	0.00%
Licensed Premises Automatic Notification Process	Statutory Maximum	Notification	NB	50.00	50.00	50.00	0.00%
Club Gaming Permits	Statutory Maximum	Grant	NB	200.00	200.00	200.00	0.00%
		Grant (Club Premises Certificate holder)	NB	100.00	100.00	100.00	0.00%
		Existing operator grant	NB	100.00	100.00	100.00	0.00%
		Variation	NB	100.00	100.00	100.00	0.00%
		Renewal	NB	200.00	200.00	200.00	0.00%
		Renewal (Club Premises Certificate holder)	NB	100.00	100.00	100.00	0.00%
		Annual Fee	NB	50.00	50.00	50.00	0.00%
Copy of permit	NB	15.00	15.00	15.00	0.00%		

DISCRETIONARY & STATUTORY FEES 2017/18

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Gambling Act							
Club Machine Permits	Statutory Maximum	Grant	NB	200.00	200.00	200.00	0.00%
		Grant (Club Premises Certificate holder)	NB	100.00	100.00	100.00	0.00%
		Existing operator grant	NB	100.00	100.00	100.00	0.00%
		Variation	NB	100.00	100.00	100.00	0.00%
		Renewal	NB	200.00	200.00	200.00	0.00%
		Renewal (Club Premises Certificate holder)	NB	100.00	100.00	100.00	0.00%
		Annual Fee	NB	50.00	50.00	50.00	0.00%
		Copy of permit	NB	15.00	15.00	15.00	0.00%
Family Entertainment Centre Gaming Machine Permit	Statutory Maximum	Grant	NB	300.00	300.00	300.00	0.00%
		Renewal	NB	300.00	300.00	300.00	0.00%
		Existing operator grant	NB	100.00	100.00	100.00	0.00%
		Change of name	NB	25.00	25.00	25.00	0.00%
		Copy of permit	NB	15.00	15.00	15.00	0.00%
Prize Gaming Permits	Statutory Maximum	Grant	NB	300.00	300.00	300.00	0.00%
		Renewal	NB	300.00	300.00	300.00	0.00%
		Existing operator grant	NB	100.00	100.00	100.00	0.00%
		Change of name	NB	25.00	25.00	25.00	0.00%
		Copy of permit	NB	15.00	15.00	15.00	0.00%
		Annual Fee	NB	20.00	20.00	20.00	0.00%

DISCRETIONARY & STATUTORY FEES 2017/18

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Hackney Carriage/Private Hire							
Hackney Carriage & Private Hire Drivers Licence	Discretionary	For 1 year	NB	50.00	50.00	50.00	0.00%
		For 3 years	NB	100.00	100.00	101.00	1.00%
Vehicle Licence	Discretionary	New	NB	303.00	305.00	308.00	0.98%
		Renewal	NB	283.00	285.00	288.00	1.05%
Additional Hackney Carriage & Private Hire Drivers licence	Discretionary		NB	20.00	20.00	20.00	0.00%
Private Hire Operators	Discretionary	1-3 Vehicles	NB	76.00	125.00	126.00	0.80%
		4-10 Vehicles	NB	253.00	420.00	424.00	0.95%
		11-20 Vehicles	NB	505.00	840.00	848.00	0.95%
Drivers Badge (replacement)	Discretionary		NB	11.00	11.00	11.00	0.00%
Fee for Returned (Bounced) Cheques	Discretionary		NB	16.00	16.00	16.00	0.00%
Transfer of vehicle licence (including plate)	Discretionary		NB	25.00	25.00	26.00	4.00%
Replcement Plate (internal/external)	Discretionary		NB	25.00	25.00	25.00	0.00%
			NB	25.00	25.00	25.00	0.00%
Additional Vehicle under an Operators Licence	Discretionary	Category 1-3 to 4-10	NB	177.00	290.00	293.00	1.03%
	Discretionary	Category 4-10 to 11-20	NB	253.00	420.00	424.00	0.95%
Replacement Licence	Discretionary		NB	11.00	11.00	11.00	0.00%
Hackney carriage knowledge test	Discretionary			50.00	50.00	50.00	0.00%
DBS	Set by Home Office		NB	44.00	44.00	44.00	0.00%

VAT Indicator:

NB = Non Business no VAT

EX = Exempt from VAT

DISCRETIONARY & STATUTORY FEES 2017/18

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Season Tickets (Ashford)						
	Edinburgh Road Reserved 12 months	VT	1,520.00	1,520.00	1,520.00	0.00%
	Flour Mills Car Park 1 month	VT	68.00	68.00	68.00	0.00%
	Flour Mills Car Park 3 months	VT	191.00	191.00	191.00	0.00%
	Flour Mills Car Park 6 months	VT	360.00	360.00	360.00	0.00%
	Flour Mills Car Park 12 months	VT	675.00	675.00	675.00	0.00%
	Town Centre 1 month	VT	76.00	76.00	76.00	0.00%
	Town Centre 3 Months	VT	215.00	215.00	215.00	0.00%
	Town Centre 6 Months	VT	405.00	405.00	405.00	0.00%
	Town Centre 12 Months	VT	760.00	760.00	760.00	0.00%
	Henwood Parking Area 1 month	VT	54.00	54.00	54.00	0.00%
	Henwood Parking Area 3 months	VT	153.00	153.00	153.00	0.00%
	Henwood Parking Area 6 months	VT	288.00	288.00	288.00	0.00%
	Henwood Parking Area 12 months	VT	540.00	540.00	540.00	0.00%
	Henwood Parking Area Business Permit 12 months	VT	380.00	380.00	380.00	0.00%

DISCRETIONARY & STATUTORY FEES 2017/18

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Season Tickets (Tenterden)						
	Bridewell Lane Car Park 1 month	VT	76.00	76.00	76.00	0.00%
	Bridewell Lane Car Park 3 months	VT	215.00	215.00	215.00	0.00%
	Bridewell Lane Car Park 6 months	VT	405.00	405.00	405.00	0.00%
	Bridewell Lane Car Park 12 months	VT	760.00	760.00	760.00	0.00%
	Bridewell Lane Reserved 12 months	VT	1,520.00	1,520.00	1,520.00	0.00%
	*Season Tickets issued for Bridewell Lane car park are also valid in the rear car park at Tenterden Leisure Centre					
	Admin Charge for loss of season ticket	VT	10.00	10.00	10.00	0.00%
	Admin Charge for refund of Season ticket	VT	10.00	10.00	10.00	0.00%
Residents Permits						
	Zone A Annual	EX	120.00	120.00	120.00	0.00%
	Zone B Annual	EX	50.00	50.00	50.00	0.00%
	Zone D Annual	EX	30.00	30.00	30.00	0.00%
	Zone E Annual	EX	30.00	30.00	30.00	0.00%
	Zone F Annual	EX	30.00	30.00	30.00	0.00%
	Zone G Annual	EX	30.00	30.00	30.00	0.00%
	Admin Charge for loss of permit	EX	5.00	5.00	5.00	0.00%

DISCRETIONARY & STATUTORY FEES 2017/18

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Other Permits						
	Visitor's permits each	EX	1.00	1.00	1.00	0.00%
	Staff (decrementing) card per day	VT	1.00	1.00	1.00	0.00%
	Staff permit per month	VT	18.00	18.00	18.00	0.00%
	Admin Charge for loss of staff card/permit	VT	5.00	5.00	5.00	0.00%
	HPA parking permit annual	VT	760.00	760.00	760.00	0.00%
	DSA parking permit annual	VT	760.00	760.00	760.00	0.00%
Misc Charges						
	Waivers	VT	30.00	30.00	30.00	0.00%
	Additional Charge for occupying on street pay and display bay, per bay per day	VT	10.00	10.00	10.00	0.00%
	Additional Charge for occupying on street pay and Bay Suspensions per month	VT	30.00	30.00	30.00	0.00%
	Replacement of lost cones per cone	VT	50.00	50.00	50.00	0.00%
	Locked Car park-vehicle release fee	VT	20.00	20.00	20.00	0.00%
	Install white access highlight markings (dog-bones)	VT	55.00	55.00	55.00	0.00%
	Refresh white access highlight markings (dog-bones)	VT	121.00	121.00	121.00	0.00%
	Printing Charges Up to 5 pages per page	VT	158.00	158.00	158.00	0.00%
	Printing Charges more than 5 pages per page	VT	0.50	0.50	0.50	0.00%
		VT	0.10	0.10	0.10	0.00%

DISCRETIONARY & STATUTORY FEES 2017/18

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Car Park Charges (Ashford)						
	Civic Centre and Stour Centre car park minimum charge up to 2 hours	VT	0.80	0.80	1.50	87.50%
	Civic Centre and Stour Centre car park per hour over 2 hours. Linear Charge in 5p increments	VT	1.00	1.00	1.10	10.00%
	Civic Centre and Stour Centre car park charge over 4 hours Mon-Fri	VT	10.00	10.00	11.00	10.00%
	Civic Centre and Stour Centre car park charge over 4 hours Sat and Sun	VT	4.50	4.50	5.00	11.11%
	Civic Centre and Stour Centre car park per hour Coach Charge (Linear Charge in 5p increments)	VT	1.50	1.50	1.70	13.33%
	Civic Centre and Stour Centre car park Coach charge	VT	10.00	10.00	11.00	10.00%
	Dover Place Car Park per hour	VT	1.00	1.00	1.10	10.00%
	Dover Place Car Park charge over 4 hours	VT	4.50	4.50	5.00	11.11%
	Edinburgh Road Car Park per hour	VT	1.00	1.00	1.10	10.00%
	Edinburgh Road Car Park charge over 4 hours	VT	4.50	4.50	5.00	11.11%
	Flour Mills Car Park per hour	VT	1.00	1.00	1.10	10.00%
	Flour Mills Car Park charge over 4 hours	VT	4.00	4.00	4.40	10.00%
	Henwood Car Park per hour	VT	0.80	0.80	0.90	12.50%
	Henwood Car Park charge over 4 hours	VT	3.20	3.20	3.50	9.38%
	Station Road Ashford Car park per hour	VT	1.00	1.00	1.10	10.00%
	Station Road Ashford Car park charge over 4 hours	VT	4.50	4.50	5.00	11.11%
	Vicarage Lane Car Park per hour	VT	1.00	1.00	1.10	10.00%
	Vicarage Lane Car Park charge over 4 hours	VT	10.00	10.00	11.00	10.00%

DISCRETIONARY & STATUTORY FEES 2017/18

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Car Park Charges (Tenterden)						
	Bridewell Lane Car Park per hour	VT	1.00	1.00	1.10	10.00%
	Bridewell Lane Car Park charge over 4 hours	VT	4.50	4.50	5.00	11.11%
	Recreation Ground Road Car Park per hour	VT	1.00	1.00	1.10	10.00%
	Recreation Ground Road Car Park charge over 4 hours	VT	10.00	10.00	11.00	10.00%
	Station Road Car Park Tenterden per hour	VT	1.00	1.00	1.10	10.00%
	Station Road Car Park Tenterden charge over 4 hours	VT	10.00	10.00	11.00	10.00%
	Station Road Car Park Tenterden per hour Coach	VT	1.50	1.50	1.70	13.33%
	Station Road Car Park Tenterden charge over 4 hours	VT	10.00	10.00	11.00	10.00%
	Tenterden Leisure Centre Car Park per hour	VT	1.00	1.00	1.10	10.00%
	Tenterden Leisure Centre Car Park charge over 4 hours	VT	10.00	10.00	11.00	10.00%
	Tenterden Leisure Centre Car Park Coach charge per hour	VT	1.50	1.50	1.70	13.33%
	Tenterden Leisure Centre Car Park Coach charge over 4 hours	VT	10.00	10.00	11.00	10.00%

DISCRETIONARY & STATUTORY FEES 2017/18						
Parking Charges						
Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
On Street Parking Charges						
	Charge per hour before 6pm	EX	1.00	1.00	1.10	10.00%
	Charge after 6pm for parking up to 1 hour	EX	1.00	1.00	1.10	10.00%
	Charge after 6pm for parking over one hour	EX	2.70	2.70	3.00	11.11%
Penalty Charge Notices						
	Lower level	EX	50.00	50.00	50.00	0.00%
	Higher level	EX	70.00	70.00	70.00	0.00%

Where an actual recharge (based on hours worked) exceeds minimum figures above, the actual charge is to be levied unless commercial in which case an uplift of a minimum of 50% should be considered with Team Leader or Head of Service.

VAT Indicator:

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DISCRETIONARY & STATUTORY FEES 2017/18

Charge for the Supply of Information and Photocopies of Documents

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
General Photocopying	Per sheet of photocopy (for the first 10 sheets)	VT	0.37	0.37	0.37	0.00%
	Further Copies	VT	0.18	0.18	0.18	0.00%
Fax	First Page	VT	1.39	1.40	1.42	1.43%
	Each page thereafter	VT	0.74	0.75	0.76	1.33%
Notices and Extracts	Authenticated Building Control Regulation Approval or Completion Certificate	VT	10.00	10.00	10.11	1.10%
	Architects Plans (A3 & A4)	VT	0.37	0.37	0.37	0.00%
	Architects Plans (A2+)	VT	6.21	6.25	6.32	1.12%
Fact sheets	Major Development Proposals in Ashford (per page)	VT	1.70	1.71	1.73	1.17%
	All other fact sheets (per page)	VT	0.37	0.37	0.37	0.00%
Requests for Planning Information*		VT	53.50	53.90	54.49	1.09%
Requests for Building Control Information*		VT	53.50	53.90	54.49	1.09%
Inspection of approved Building Regulation Plans*		VT	53.50	53.90	54.49	1.09%
Gas and Pipeline Extracts*		VT	6.69	6.74	6.81	1.04%
Hard Copy Provision of Weekly List		VT	174.03	175.25	177.18	1.10%
Postage and Packing		VT	0.93	0.94	0.95	1.06%

*Fee for addition work on information that is freely available on website

DISCRETIONARY & STATUTORY FEES 2017/18

Sale of Documents and Room Hire

Item	Description/Comments	VAT Indicator	Charge 2015/16	Charge 2016/17	Proposed Charge 2017/18	Increase / Decrease on 2016/17
			£	£	£	%
Minutes	Council and Committees - per annum	VT	184.35	185.64	187.68	1.10%
	(excluding the Planning Committee) - per cycle	VT	37.28	37.54	37.95	1.09%
	Cabinet only - per annum	VT	122.19	123.05	124.40	1.10%
	- per cycle	VT	25.01	25.19	25.47	1.11%
	Planning Committee only - per annum	VT	122.19	123.05	124.40	1.10%
	- per cycle	VT	25.01	25.19	25.47	1.11%
	A single committee and its Sub- Committee - per annum	VT	61.97	62.40	63.09	1.11%
	(excluding the Planning Committee) - per cycle	VT	12.86	12.95	13.09	1.08%
Agendas and Reports	Council and Committees - per annum	VT	330.01	332.32	335.98	1.10%
	(excluding the Planning Committee) - per cycle	VT	66.56	67.03	67.77	1.10%
	Cabinet only - per annum	VT	617.20	621.52	628.36	1.10%
	- per cycle	VT	26.45	26.64	26.93	1.09%
	Planning Committee only - per annum	VT	617.20	621.52	628.36	1.10%
	- per cycle	VT	26.45	26.64	26.93	1.09%
	A single committee and its Sub- Committee - per annum	VT	66.56	67.03	67.77	1.10%
	(excluding the Planning Committee) - per cycle	VT	13.86	13.96	14.11	1.07%
	<i>NB Head of Legal and Democratic Services may determine a higher charge where the Agenda and Reports are in excess of 200 pages</i>					
Other Publications	Annual Budget Book / Statement of Accounts - requested by individuals	VT	8.64	8.70	8.80	1.15%
	- requested by commercial bodies	VT	42.47	42.77	43.24	1.10%
	Council Year Book	VT	3.46	3.48	3.52	1.15%
	Copy of Lease, Order etc	VT	7.61	7.66	7.74	1.04%
	Copy of Byelaws - Statutory Fee	VT	0.26	0.26	0.26	0.00%
Room Hire	Council Chamber - Up to 4 hours	VT	163.69	163.69	163.69	0.00%
	- Full Day	VT	287.34	287.34	287.34	0.00%
	- Evening after 5pm	VT	263.48	263.48	263.48	0.00%
	Committee Rooms - Up to 4 hours	VT	85.79	85.79	85.79	0.00%
	- Full Day	VT	154.09	154.09	154.09	0.00%
	- Evening after 5pm	VT	148.30	148.30	148.30	0.00%

VAT Indicator:
VT = Inclusive of VAT

DISCRETIONARY & STATUTORY FEES 2017/18

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Cemetery Charges - Bybrook and Willesborough Cemeteries						
COMPOSITE BURIAL FEE FOR NEW GRAVES (Includes Digging Fee, Purchase of Right of Burial for 30 years and wooden cross)	(1) Single Grave Depth	EX	1,114.00	1,122.00	1,122.00	0.00%
	(2) Double Grave Depth	EX	1,228.00	1,237.00	1,237.00	0.00%
	(3) Triple Grave Depth	EX	1,436.00	1,446.00	1,446.00	0.00%
	(4) Child under 3 months (Resident)		FREE			
	(5) Child under 3 Months (Non Resident)	EX			80.00	
	(6) Child aged 3 to 5 years (Resident) (please note the digging fee is waived for the digging of children's graves but if the family wish to erect a memorial at a future date a purchase fee and permit fee will be required) <i>(NB If grave required to be reopened to enable further family burial(s) the fees in (2) and (3) apply)</i>		FREE			
	(7) Child aged 3 to 5 years (Non Resident) (please note the digging fee is waived for the digging of children's graves but if the family wish to erect a memorial at a future date a purchase fee and permit fee will be required) <i>(NB If grave required to be reopened to enable further family burial(s) the fees in (2) and (3) apply)</i>	EX			80.00	
	(8) Child aged 5 to 16 years (please note the digging fee is waived for the digging of children's graves but if the family wish to erect a memorial at a future date a purchase fee and permit fee will be required)				260.00	
	(9) Cremated Remains - Garden of Remembrance Willesborough	EX	400.00	403.00	403.00	0.00%
	(10) Single grave depth - includes boarding out with timber		1,339.00	1,339.00	1,339.00	0.00%

DISCRETIONARY & STATUTORY FEES 2017/18

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Propose d Charge 2017/18 £	Increase / Decrease on 2016/17 %
Cemetery Charges - Bybrook and Willesborough Cemeteries						
REOPENING OF EXISTING GRAVES/OPENING OF PRE-PURCHASED GRAVES	(1) Single Grave Depth	EX	530.00	530.00	530.00	0.00%
	(2) Double Grave Depth	EX	645.00	650.00	650.00	0.00%
	(3) Triple Grave Depth	EX	930.00	930.00	930.00	0.00%
	(4) Cremated Remains	EX	110.00	111.00	111.00	0.00%
Additional fee for Saturday interments	(consideration may be given in special circumstances)		By negotiation			

Non standard grave sizes may require the adjacent grave to be purchased if this grave is put out of use due to the over size coffin

NB: A SURCHARGE OF 100% ON THE ABOVE SCALE OF CHARGES IS MADE FOR PERSONS WHO LIVE OUTSIDE ASHFORD BOROUGH. (THIS IS COMMON PRACTICE WITH OTHER AUTHORITIES)

DISCRETIONARY & STATUTORY FEES 2017/18

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Cemetery Charges - Tenterden Cemetery						
COMPOSITE BURIAL FEE FOR NEW GRAVES (Includes Digging Fee, Purchase of Right of Burial for 30 years and wooden cross)	(1) Single Grave Depth	EX	1,117.00	1,125.00	1,125.00	0.00%
	(2) Single Grave Depth (plus purchase of right of burial in adjoining grave) (i.e. single depth charge plus purchase charge)	EX	1,596.00	1,607.00	1,607.00	0.00%
	(3) Child under 3 months (Resident)		FREE			
	(4) Child under 3 Months (Non Resident)	EX			80.00	
	(5) Child aged 3 to 5 years (Resident) (please note the digging fee is waived for the digging of children's graves but if the family wish to erect a memorial at a future date a purchase fee and permit fee will be required) <i>(NB If grave required to be reopened to enable further family burial(s) the fees in (2) and (3) apply</i>		FREE			
	(6) Child aged 3 to 5 years (Non Resident) (please note the digging fee is waived for the digging of children's graves but if the family wish to erect a memorial at a future date a purchase fee and permit fee will be required) <i>(NB If grave required to be reopened to enable further family burial(s) the fees in (2) and (3) apply</i>	EX			80.00	
	(7) Child aged 5 to 16 years (please note the digging fee is waived for the digging of children's graves but if the family wish to erect a memorial at a future date a purchase fee and permit fee will be required)				260.00	
	(8) Cremated Remains - Garden of Remembrance - Large Plot	EX	469.00	472.00	472.00	0.00%
	(9) Cremated Remains - Garden of Remembrance - Small Plot	EX	318.00	326.00	326.00	0.00%

DISCRETIONARY & STATUTORY FEES 2017/18

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Propose d Charge 2017/18 £	Increase / Decrease on 2016/17 %
Cemetery Charges - Tenterden Cemetery						
REOPENING OF EXISTING GRAVES/OPENING OF PRE-PURCHASED GRAVES	(1) Single Grave Depth	EX	602.00	606.00	606.00	0.00%
	(2) Double Grave Depth	EX	711.00	716.00	716.00	0.00%
	(3) Cremated Remains	EX	181.00	182.00	182.00	0.00%
Additional fee for Saturday interments	(consideration may be given in special circumstances)		By negotiation			

Non standard grave sizes may require the adjacent grave to be purchased if this grave is put out of use due to the over size coffin

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DISCRETIONARY & STATUTORY FEES 2017/18

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Cemetery Charges - All Cemeteries						
PURCHASE OF RIGHT OF BURIAL FOR 30 YEARS (Applies to pre-purchase of graves and where burial rights were not purchased prior to introduction of composite)	(1) One grave space	EX	510.00	510.00	510.00	0.00%
	(2) One cremation plot - (holds 4 sets of ashes)	EX	283.00	285.00	285.00	0.00%
	(3) One child grave aged 1 year to 16 years	EX	170.00	170.00	170.00	0.00%
RIGHT TO ERECT A MEMORIAL	(1) Right to erect a headstone or tablet (including inscription to one person) - Adult	EX	166.00	167.00	167.00	0.00%
		EX	FREE			
		EX	HALF ADULT FEE			
	(2) Right to erect a kerbstone (including inscription to one person) - Adult	EX	239.00	241.00	241.00	0.00%
		EX	HALF ADULT FEE			
	(3) Additional inscription (per person after first)	EX	55.00	55.00	55.00	0.00%
	(4) Right to place a vase (including inscription to one person)	EX	80.00	80.00	80.00	0.00%
	PURCHASE OF WOODEN CROSS INCLUDING PLAQUE	(Ashford Borough Cemeteries only)	EX	40.00	40.00	40.00
EX						
FAMILY MANAGED BURIALS	Additional administrative cost of this option	EX	165.00	166.00	166.00	0.00%
FAMILY HISTORY SEARCH	Per Name	EX	26.00	26.00	26.00	0.00%
	Over 4 Names	EX	79.00	80.00	80.00	0.00%

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DISCRETIONARY & STATUTORY FEES 2017/18

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Cemetery Charges - All Cemeteries						
MAINTENANCE OF GRAVES	(1) Maintenance and Planting twice yearly with plants supplied by the Council	NB	156.00	157.00	157.00	0.00%
	(2) Cleaning of kerbstone (per annum)	NB	92.00	93.00	93.00	0.00%
	(3) Cleaning of headstone or memorial (per annum)	NB	155.00	156.00	156.00	0.00%

WOODLAND BURIALS

BYBROOK CEMETERY	Woodland Burial Fee excluding coffin, but including tree					
	- one grave	EX	718.00	723.00	723.00	0.00%
	- two adjacent graves	EX	1,340.00	1,349.00	1,349.00	0.00%
	Interment of cremated remains (in grave space) including casket and tree*	EX	617.00	621.00	621.00	0.00%
	Selection of grave space	EX	87.00	88.00	88.00	0.00%
	<i>(* These fees may be prepaid)</i>					
TENTERDEN CEMETERY	Woodland Burial Fee excluding coffin, but including tree					
	- one grave	EX	782.00	787.00	787.00	0.00%
	- two adjacent graves	EX	1,406.00	1,416.00	1,416.00	0.00%
	Interment of cremated remains (in grave space) including casket and tree*	EX	687.00	692.00	692.00	0.00%
	Selection of grave space	EX	87.00	88.00	88.00	0.00%
	<i>(* These fees may be prepaid)</i>					
ALL CEMETERIES	Further interment of cremated remains including casket					
	- Ashford	EX	128.00	129.00	129.00	0.00%
	- Tenterden	EX	195.00	196.00	196.00	0.00%
	Interment of a child to 16 years (NOT including coffin or tree)	EX	Free			
	Grave reservation	EX	173.00	174.00	174.00	0.00%
	Selection of grave space	EX	87.00	88.00	88.00	0.00%

NB: A SURCHARGE OF 100% ON THE ABOVE SCALE OF CHARGES IS MADE FOR PERSONS WHO LIVE OUTSIDE ASHFORD BOROUGH

DISCRETIONARY & STATUTORY FEES 2017/18

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
OTHER RELATED CHARGES						
MEMORIAL BENCH WITH DEDICATION INSCRIPTION (Subject to space being available)		EX	617.00	AT COST	AT COST	NA
TRANSFER OF EXCLUSIVE RIGHT OF BURIAL	per request	EX	50.00	50.00	50.00	0.00%
LATE ARRIVAL AT CEMETERY OF MORE THAN 30 MINS		NB	100.00	100.00	100.00	0.00%
EXTEND EXCLUSIVE RIGHT OF BURIAL FOR A PERIOD OF 5 YEARS	No more than 30 years can be held at one time	EX	85.00	85.00	85.00	0.00%
TO INTER 2 OR MORE SETS OF ASHES AT THE SAME TIME	additional fee to cover admin costs	EX	25.00	25.00	25.00	0.00%
EXHUMATION OF COFFIN IF REBURYING IN SAME PLOT		VT	AT COST	AT COST	AT COST	NA
EXHUMATION OF COFFIN IF REBURYING IN DIFFERENT PLOT		EX	AT COST	AT COST	AT COST	NA

DISCRETIONARY & STATUTORY FEES 2017/18

Planning Services

Item	Description/Comments	VAT Indicator	Charge 2015/16	Charge 2016/17	Proposed Charge 2017/18	Increase / Decrease on 2016/17
			£	£	£	%
Pre-Application Planning & Policy Advice	Level 1 will be charged for written advice on all proposals that will require consent from the Local Planning Authority under the Planning Acts, other than those listed above and in levels 2 and 3		82.00	85.00	86.00	1.18%
	Level 2 will be charged for written advice on all minor developments		164.00	165.00	167.00	1.21%
	Level 3 will be charged for meetings with officers (If the meeting is on site then travelling time will be included in the assessment)	per hour or part thereof	VT	436.00	440.00	445.00
Compliance Check <i>(Confirmation that a development has been built in accordance with the approved plans</i>	For domestic Development		78.00	80.00	81.00	1.25%
	<i>For a Domestic proposal that requires a site visit</i>		157.00	158.00	160.00	1.27%
Research of Planning History	To confirm whether or not permitted development rights have been removed from a dwelling <i>(Copies of Decision Notices are charged extra)</i>		42.00	42.00	42.00	0.00%
Formal Complaint under High Hedges Legalisation			446.00	449.00	454.00	1.11%

All other Statutory charges apply

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DISCRETIONARY & STATUTORY FEES 2017/18

Monitoring Centre

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Telecare/Lifeline						
Telecare Lifeline Installation (Within Kent)	One Off Payment per client	VT	30.00	30.00	30.00	0.00%
Telecare Lifeline Installation (Outside Kent)	One Off Payment per client	VT		60.00	60.00	
Telecare Lifeline Monitoring and Equipment Hire	Annual Fee per client	VT	154.99	154.99	156.69	1.10%
Telecare Lifeline Monitoring and Equipment Hire including TES	Annual Fee per client	VT	159.99	167.49	167.49	0.00%
Telecare Monitoring Fee only (no longer available to clients) - for purchased equipment - Prior to 1/04/11	Annual	VT	24.99	26.99	27.29	1.10%
TES Card monitoring for existing customers _Prior to 01/04/2014	One Off Payment per client	VT	10.56	12.50	12.50	0.00%
Supply of Second Pendant sensor	One off payment per client	VT	49.99	49.99	50.54	1.10%
Supply of Key safe - new style	One Off Payment per client	VT	72.60	73.50	74.31	1.10%
Supply of Key release Door Chain new style	One Off Payment per client	VT	28.19	58.99	59.64	1.10%
Telecare/Lifeline Equipment	Replacement of Equipment due to Damage/Non Return	VT	191.67	191.46	193.57	1.10%
Additional sensor installation	One Off Payment per client per visit for install of items	VT	30.00	30.00	30.00	0.00%

DISCRETIONARY & STATUTORY FEES 2017/18

Monitoring Centre

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Telecare/Lifeline						
Additional sensor Installation (Outside Kent)	One Off Payment per client	VT		60.00	60.00	
Purchase of Safe Socket	One off payment per safe socket required	VT	21.35	21.49	21.49	0.00%
Purchase of BT Cable for Lifeline	One off payment per BT cable required	VT	11.28	11.49	11.49	0.00%
Purchase of Fall Detector	One off payment per fall detector	VT	99.99	99.99	99.99	0.00%
Purchase of Carbon Monoxide Detector	One off payment per Carbon Monoxide Detector	VT	114.99	114.99	114.99	0.00%
Purchase of Flood Detector	One off payment per Flood Detector	VT	99.99	99.99	99.99	0.00%
Purchase of Pendant Easy Press	One off payment per Pendant Easy Press	VT	15.38	15.49	15.49	0.00%
Purchase of Smoke Alarm Detector	One off payment per Smoke Alarm Detector	VT	99.99	99.99	99.99	0.00%
Purchase of Power Cable	One off payment per Power Cable	VT	30.75	30.99	30.99	0.00%
Legionnaire Security Ltd: security checks for Liverpool, London & St Christopher Sites	Monthly Fee per site	VT	30.11	30.11	30.44	1.10%
Guardian Staff Safety	Monthly Fee	VT	70.04	70.04	70.04	0.00%

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DISCRETIONARY & STATUTORY FEES 2017/18

LEGAL & ELECTORAL SERVICES

Legal Fees

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
S9 Agreements	(including caution/note on Register)	NB	298.00	300.00	303.00	1.00%
S9 Transfers	Plus Land Registry Fees	NB	298.00	300.00	303.00	1.00%
S106 agreements		NB	868.00	874.00	884.00	1.14%
Grazing Licences		NB	109.00	110.00	111.00	0.91%
Licences to Assign		NB	200.00	201.00	203.00	1.00%
Sales or Easements	Up to £2,500 in value	NB	285.00	287.00	290.00	1.05%
Sales or Easements	over £2,500 in value - Basic Fee of £300.00 plus 1% of sale price	NB	320.00	322.00	326.00	1.24%
Ellingham Leases		NB	310.00	312.00	315.00	0.96%
Ellingham lease renewals		NB	210.00	211.00	213.00	0.95%
Surrenders		NB	190.00	191.00	193.00	1.05%
Landlord consent etc		NB	100.00	101.00	102.00	0.99%
Transfer of Equity (mortgage)		NB	211.00	212.00	214.00	0.94%
Redemptions		NB	109.00	110.00	111.00	0.91%
Mortgagees Enquiries		NB	92.00	200.00	202.00	1.00%
Deed of Postponement		NB	90.00	91.00	92.00	1.10%
Release of expired Statutory Charge		NB	97.00	98.00	99.00	1.02%
Waiver (Improvement Grant)		NB	97.00	98.00	99.00	1.02%
Notice of Charge		VT	72.00	72.00	73.00	1.39%
Counterpart Lease		VT	72.00	72.00	73.00	1.39%
Engross Transfer/conveyance		NB	50.00	50.00	51.00	2.00%
Notice to Assign		VT	72.00	72.00	73.00	1.39%
Wayleaves		NB	175.00	176.00	178.00	1.14%

The above represent a minimum level of charge, not a fixed level of charge.

Where the value of the time worked on a matter exceeds the proposed charge stated above, the value of the time will be charged unless it is deemed by the Head of Legal Services to not be commercial or reasonable to charge the full cost.

DISCRETIONARY & STATUTORY FEES 2017/18

LEGAL & ELECTORAL SERVICES

Electoral Services

Confirmation of Registration letters	Letters required due to the credit reference agencies not updating their information	VT	10.00	10.00	10.00	0.00%
Postal votes pack	Postal votes pack (Charge to Parish Councils for by-elections)	VT	1.30	1.30	1.30	0.00%
Poll Cards	Poll card (Charge to Parish Councils for by-elections)	VT	0.60	0.60	0.60	0.00%
	Statutory Charges (restricted availability for full register and overseas lists)					
Sales of full and edited register	Data £20 plus £1.50 per 1,000 entries or part of 1,000	NB	21.50	21.50	21.50	0.00%
Sales of full and edited register	Printed £10 plus £5 per 1,000 or part of 1,000	NB	15.00	15.00	15.00	0.00%
Overseas electors List	Data £20 plus £1.50 per 100 entries or part of 100	NB	21.50	21.50	21.50	0.00%
Overseas electors List	Printed £10 plus £1.50 per 100 or part of 100	NB	11.50	11.50	11.50	0.00%

VAT Indicator:

NB = Non Business no VAT

EX = Exempt from VAT

VT = Inclusive of VAT

DISCRETIONARY & STATUTORY FEES 2017/18

Property Services

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Licences - valuation	If external valuers are appointed, the charge will be the amount invoiced by the valuer.	EX	at cost recovery	at cost recovery	at cost recovery	n/a
Licences - inspection/administration	The cost of the site inspection has not previously been charged for. The fee may be £75 or £100 depending upon whether a new boundary fence needs to be erected.	VT	185.00	186.00	188.00	1.08%
Land sales - valuation	If external valuers are appointed, the charge will be the amount invoiced by the valuer.	EX	at cost recovery	at cost recovery	at cost recovery	n/a
Land sales - inspection/administration	Cost of the site inspection	VT	185.00	186.00	188.00	1.08%
Easements - valuation	If external valuers are appointed, the charge will be the amount invoiced by the valuer.	EX	at cost recovery	at cost recovery	at cost recovery	n/a
Easements - administration		VT	125.00	126.00	127.00	0.79%
Release of covenant - valuation	If external valuers are appointed, the charge will be the amount invoiced by the valuer.	EX	at cost recovery	at cost recovery	at cost recovery	n/a
Release of covenant - administration		VT	125.00	126.00	127.00	0.79%
Boundary disputes	Charge only applies if unlawful encroachment on Council land is found to have occurred. Final cost will depend upon complexity of dispute.	EX	185.00	186.00	188.00	1.08%
Wayleaves - inspection/administration	The cost of the site inspection has not previously been charged for.	VT	125.00	126.00	127.00	0.79%

VAT Indicator:

NB = Non Business no VAT

EX = Exempt from VAT

VT = Exclusive of VAT

DISCRETIONARY & STATUTORY FEES 2017/18

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Land Charges						
Standard Search Fee	Domestic Properties	NB				Cost Recovery
	Non-Domestic Properties	NB				
Extra Questions		NB				
	All Land Charges Fees are to be set at on full cost recovery Basis - these need to be reviewed periodically throughout the year to ensure that this is achieved.					Cost Recovery
Street Administration						
Street Naming and numbering	1 Unit	NB	48.00	49.00	50.00	2.04%
	2-10 units	NB	41.00	42.00	42.00	0.00%
	Over 10 units	NB	37.00	38.00	38.00	0.00%
New Street Name		NB	115.00	120.00	121.00	0.83%
Rename Existing Street		NB	256.00	256.00	259.00	1.17%
Address Change	per property	NB	48.00	49.00	50.00	2.04%
Building Control						
Discretionary Works	Including Party Wall surveying, Fire Risk assessments, Access audits, SBEM, SAP ratings and other surveying activities	VT				Cost Recovery
Exempt Letters		VT	39.00	40.00	40.00	0.00%

DISCRETIONARY & STATUTORY FEES 2017/18

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Waste Collection						
Bulky Collection	Base Charge	NB	24.00	24.00	24.00	0.00%
Garden Waste Bins	Wheelie Bin for Garden Waste - Previously agreed by Cabinet	NB	35.00	35.00	35.00	0.00%
New Refuse Bins	To be charged to Developers	NB	Cost Recovery			
Dog Warden Fees						
Stray Dogs	Statutory fee for dog not being on lead	NB	26.00	26.00	26.00	0.00%
Dog Control Costs	Collection/delivery of dog	NB	40.00	40.00	40.00	0.00%
Kennelling costs	Pe 24 hour period, day one due on admission	NB	10.00	10.00	10.00	0.00%
Administration charge	Office Hours	NB	15.00	15.00	15.00	0.00%
	Outside Office Hours	NB	30.00	30.00	30.00	0.00%
Vetinary Treatment	As required	NB	Cost Recovery			
Pest Control						
Wasp nest	Customer on Benefits	VT	21.00	58.50	59.00	0.85%
	Customer not on Benefits	VT	46.00	58.50	59.00	0.85%
Additional Wasp nest	Customer on Benefits	VT	4.00	10.00	10.00	0.00%
	Customer not on Benefits	VT	8.00	10.00	10.00	0.00%
Rats & Mice		VT	0.00	0.00	0.00	0.00%
Ants		VT	23.50	30.00	30.00	0.00%
Bedbugs & Cockroaches	Up to six rooms	VT	0.00	280.00	283.00	0.00%
	Additional four rooms	VT	0.00	0.00	0.00	0.00%
Fleas	Customer on Benefits - up to six rooms	VT	27.50	70.00	71.00	1.43%
	Customer not on Benefits - up to six rooms	VT	55.00	70.00	71.00	1.43%
	Additional four rooms	VT	10.00	10.00	10.00	0.00%
Other Household Pests (Flies, Lice, Silverfish)	Customer on Benefits	VT	27.50	70.00	71.00	1.43%
	Customer not on Benefits	VT	55.00	70.00	71.00	1.43%

DISCRETIONARY & STATUTORY FEES 2017/18

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Chilmington Road Travellers Site						
Rent	Charge per week	NB	46.00	46.00	47.00	2.17%
Service Charge	Charge per week	NB	40.46	40.46	41.00	1.33%
Mobile Homes						
Annual monitoring fee (Per Pitch)		NB			5.40	N/A
Check & Depositing Site Rules		NB	60.00	60.40	61.00	0.99%
Site Licence Application Fees	Band 1 - 1-10 pitches	NB	385.50	388.20	392.00	0.98%
	Band 2 - 11-50 pitches	NB	450.49	453.60	459.00	1.19%
	Band 3 - 51-99 pitches	NB	627.00	631.40	638.00	1.05%
	Band 4 - 100-199 pitches	NB	756.99	762.30	771.00	1.14%
	Band 5 - 200+ pitches	NB	936.99	943.50	954.00	1.11%
Application to transfer a site licence	Band 1 - 1-10 pitches	NB	77.10	77.60	78.00	0.52%
	Band 2 - 11-50 pitches	NB	90.10	90.70	92.00	1.43%
	Band 3 - 51-99 pitches	NB	125.40	126.30	128.00	1.35%
	Band 4 - 100-199 pitches	NB	151.40	152.50	154.00	0.98%
	Band 5 - 200+ pitches	NB	187.40	188.70	191.00	1.22%
Application to amend a site licence	Band 1 - 1-10 pitches	NB	128.50	129.40	131.00	1.24%
	Band 2 - 11-50 pitches	NB	150.16	151.20	153.00	1.19%
	Band 3 - 51-99 pitches	NB	209.00	210.50	213.00	1.19%
	Band 4 - 100-199 pitches	NB	252.33	254.10	257.00	1.14%
	Band 5 - 200+ pitches	NB	312.33	314.50	318.00	1.11%

DISCRETIONARY & STATUTORY FEES 2017/18

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Allotment Rents						
Plot rent		EX	5.00	6.00	6.00	0.00%
Key Deposit		EX		25.00	25.00	
Concessionary rate rent	50% for 1st 5 perch,full price after	EX		3.00	3.00	
Council Tax Collection						
Court costs	Summons costs	NB	60.00	60.00	61.00	1.67%
	Liability orders	NB	65.00	65.00	66.00	1.54%
Business Rates						
Court costs	Summons costs	NB	0.00	0.00	0.00	0.00%
	Liability orders	NB	180.00	180.00	182.00	1.11%
Homelessness						
Copy of File		VT	13.70	13.80	14.00	1.45%
Private Sector Housing						
Charge for service of enforcement notices Housing Act 2004	Incorporating improvement notices, prohibition orders, emergency remedial action, emergency prohibition orders, demolition orders	NB	300.00 per notice	300.00 per notice	300.00 per notice	1.20%
Charge to carry out inspections in respect of a UK entry application		NB	82.00	83.00	84.00	
Making a prohibition notice (Housing Act 2004 sec 20 or 21)	Discretion regarding matters relating to over-crowding,but other issues which require a notice to be charged at £300	NB		300.00	303.00	N/A
Charge for making an emergency prohibition order - Housing Act 2004		NB		200.00	202.00	N/A
Charge for undertaking emergency remedial action (Housing Act 2004)	Charge between £100 - £500,depending on the extent of emergency works carried out	VT		100 - 500	100 - 500	N/A
Penalty Charge notices - the smoke and carbon monoxide alarm regulations 2015	First Offence £1500,an early payment will attract a discount of 25% making it £1,125	NB		1500.00	1517.00	N/A
	For subsequent offences the penalty will be £3,500 to deter continued non-compliance.No early payment discount would apply	NB		3500.00	3539.00	N/A
House in Multiple Occupation Licence Fee	Five Year Licence - 1st property	NB	380.00	383.00	387.00	1.04%
	Five Year Licence - subsequent properties	NB	350.00	352.00	356.00	1.14%

DISCRETIONARY & STATUTORY FEES 2017/18

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
ABC Lettings						
Management charge	Agreed with landlord	VT	10% -12.5%	10% -12.5%	10% -12.5%	0.00%
Landlords one-off set up fee		VT	250.00	250.00	250.00	0.00%
Repairs Service		VT	Cost +10%	Cost +10%	Cost +10%	
Sewerage Services						
Unmeasured Water - Supplies to premises without rateable value		EX	337.71	337.71	341.00	n/a
Tourist Information Service						
Ticket Sales - Charitable Organisations	Per ticket VAT charged on commission	VT	10%	10%	10%	0.00%
Ticket Sales - Commercial	Per ticket VAT charged on commission	VT	10%	10%	10%	0.00%
Ticket Sales - Revelations St. Mary's	Per Ticket 10% charge of face value to customers	VT	10%	10%	10%	0.00%
West End Theatre Tokens	Per ticket VAT charged on commission	VT	5%	5%	5%	0.00%
Accommodation Booking Fees	Set fee paid by customer	VT	5.00	5.00	5.00	0.00%
Ticket Sales - Leas Cliff Hall	Per ticket (no commission paid by organisations)	VT	1.25	1.25	1.26	0.80%
Credit Card Payments	Charge per booking on Agency Sales	VT	1.50	1.50	1.52	0.00%
National Express	Commission reduced to 5% so booking fee introduced per ticket for values over £10 from 01/10/16	VT	10% reduced to 9% & again to 5%	Oct 16 5% + £1 per ticket over £10	5% + £1 per ticket over £10	

VAT Indicator:

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Equality Impact Assessment

Lead officer:	Head of Finance
Decision maker:	Full Council
Decision: <ul style="list-style-type: none"> • Policy, project, service, contract • Review, change, new, stop 	The report contains the annual budget for 2017/18 which is supported by the five year corporate plan 2015-2020 (including the medium term financial plan) and individual service plans
Date of decision: The date when the final decision is made. The EIA must be complete before this point and inform the final decision.	Approved annually (February each year)
Summary of the proposed decision: <ul style="list-style-type: none"> • Aims and objectives • Key actions • Expected outcomes • Who will be affected and how? • How many people will be affected? 	<p>The budgets role is to set council tax and rent levels, providing a framework to measure performance and to allocate resources to match the priorities established within the business plan.</p> <p>The Members are asked to approve the revenue and capital budgets for both the General Fund and the Housing Revenue Account for 2017/18 and associated recommendations.</p> <p>Approve the Treasury Strategy, investment policy, the fees and charges and the Housing and Council Tax Benefit E-Claim Risk Based Verification Policy for 2017/18.</p> <p>The budget affects the whole borough and its population.</p>
Information and research: <ul style="list-style-type: none"> • Outline the information and research that has informed the decision. • Include sources and key findings. 	<p>Quarterly Budget Monitoring reports for the current year 2016/17 – September/November/February Cabinet reports</p> <p>MTFP Cabinet report – October Cabinet</p> <p>Draft Budget report – December Cabinet</p> <p>Budget Scrutiny (O&S) task group – throughout December & January, each service ad budget area scrutinised</p> <p>Public consultation January and early February</p> <p>JCC – staff consultation early February</p>

<p>Consultation:</p> <ul style="list-style-type: none"> • What specific consultation has occurred on this decision? • What were the results of the consultation? • Did the consultation analysis reveal any difference in views across the protected characteristics? • What conclusions can be drawn from the analysis on how the decision will affect people with different protected characteristics? 	<p>Budget Scrutiny (O&S) task group – throughout December & January, each service ad budget area scrutinised, a report from the TG is on this agenda.</p> <p>JCC – staff consultation early February (still to occur)</p> <p>Public consultation January and early February – Borough wide consultation, communicated via website and press article (not complete)</p>
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Assess the relevance of the decision to people with different protected characteristics and assess the impact of the decision on people with different protected characteristics.

When assessing relevance and impact, make it clear who the assessment applies to within the protected characteristic category. For example, a decision may have high relevance for young people but low relevance for older people; it may have a positive impact on women but a neutral impact on men.

Protected characteristic	Relevance to Decision High/Medium/Low/None	Impact of Decision Positive (Major/Minor) Negative (Major/Minor) Neutral
<u>AGE</u> Elderly	Low/Medium	Positive – No contribution required through Council Tax support Negative – Even though grants budget increased from 2015/16 levels, Disabled Facility grants budgets are still likely to be lower than demand
Middle age	Low	Negative – Increased level of contribution through Council Tax Support Scheme.

Young adult	Low	Negative - The provision of some services is not even across the borough (rural areas). Negative – Increased level of contribution through Council Tax Support Scheme.
Children	None	
<u>DISABILITY</u> Physical	Low/Medium	Positive - The Council Tax Support Scheme will impact upon this group however additional protection has been built into the scheme for disabled people Negative – Disabled Facility grants budgets are usually lower than demand
Mental	Low	Positive - The Council Tax Support Scheme will impact upon this group however additional protection has been built into the scheme for disabled people
Sensory	Low	Positive - The Council Tax Support Scheme will impact upon this group however additional protection has been built into the scheme for disabled people
<u>GENDER RE-ASSIGNMENT</u>	None	
<u>MARRIAGE/CIVIL PARTNERSHIP</u>	None	
<u>PREGNANCY/MATERNITY</u>	None	
<u>RACE</u>	None	

<u>RELIGION OR BELIEF</u>	None	
<u>SEX</u> Men	None	
Women	None	
<u>SEXUAL ORIENTATION</u>	None	
Mitigating negative impact: Where any negative impact has been identified, outline the measures taken to mitigate against it.		

Is the decision relevant to the aims of the equality duty?

Guidance on the aims can be found in the EHRC's *Essential Guide*, alongside fuller *PSED Technical Guidance*.

Aim	Yes / No / N/A
1) Eliminate discrimination, harassment and victimisation	n/a
2) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it	n/a
3) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it	n/a

<p>Conclusion:</p> <ul style="list-style-type: none"> • Consider how due regard has been had to the equality duty, from start to finish. • There should be no unlawful discrimination arising from the decision (see guidance above). • Advise on whether the proposal meets the aims of the equality duty or whether adjustments have been made or need to be made or whether any residual impacts are justified. • How will monitoring of the policy, procedure or decision and its implementation be undertaken and reported? 	<p>There has been a full consultation process and Equalities Impact Assessment for the local council tax reduction scheme.</p> <p>Individual Services will look at discrimination for service provision, if a regular theme of those reviews suggests that financial resources are the key factor baring minorities from accessing our services then perhaps we need to elevate this higher.</p>
<p>EIA completion date:</p>	<p>27/01/2017</p>

Budget Housing Revenue Account 2016/17

SUBJECTIVE ANALYSIS - 2017/18 ESTIMATE					
Housing Revenue Account					
	Hra - Admin	Hra - Income	Hra - Other	Hra - Repairs	Total
EXPENDITURE					
Employees	2,167,980	-	-	-	2,167,980
Premises	831,870	-	-	3,295,470	4,127,340
Supplies and Services	709,670	-	60,000	33,000	802,670
Transport	116,550	-	-	-	116,550
TOTAL EXPENDITURE	3,826,070	-	60,000	3,328,470	7,214,540
INCOME					
Grants	-	-	(2,999,850)	-	(2,999,850)
Fees & Charges	(105,770)	(25,463,220)	(16,930)	-	(25,585,920)
TOTAL INCOME	(105,770)	(25,463,220)	(3,016,780)	-	(28,585,770)
NET CONTROLLABLE EXPENDITURE	3,720,300	(25,463,220)	(2,956,780)	3,328,470	(21,371,230)
NON CONTROLLABLE ITEMS					
Support Services	1,462,200	-	913,000	-	2,375,200
Capital Charges	-	-	23,967,260	-	23,967,260
Recharges	(80,750)	-	-	-	(80,750)
Transfers to/from Reserves	-	-	-	-	-
TOTAL NON-CONTROLLABLE ITEMS	1,381,450	-	24,880,260	-	26,261,710
NET EXPENDITURE	5,101,750	(25,463,220)	21,923,480	3,328,470	4,890,480

Appendix G

Capital Programme 2017/18 - 2019/20						
	Current budget	Previous Exp	2016/17	2017/18	2018/19	2019/20
	£	£	£	£	£	£
Corporate Property and Projects						
Planned Maintenance funded from borrowing	2,000,000	0	427,000	522,500	502,500	548,000
Provisional for Economic & Regeation Board	8,000,000	0	2,000,000	2,000,000	2,000,000	2,000,000
Court Wurtin - Shops	275,000	0	275,000	0	0	0
Property Company Acquisitions - based on current business plan	10,000,000	3,085,000	1,000,000	2,500,000	1,415,000	2,000,000
International House Works	650,000	204,051	110,000	112,000	112,000	111,949
Elwick Place leisure, retail and car park development	41,500,000	0	4,200,000	16,900,000	14,800,000	5,600,000
Market Gates	20,000	622	0	0	8,000	11,378
Elwick Temporary Car Park	105,000	0	20,000	85,000	0	0
Commercial Qrt Business Space (digital hub), Goods Yard Demolition	650,000	0	0	650,000	0	0
Commercial Qrt - pedestrian link path and footbridge	75,000	0	0	75,000	0	0
Taxi rank Stour Centre car park	120,000	0	0	120,000	0	0
Public realm Dover Place	500,000	0	0	500,000	0	0
Zebra crossing station approach	55,000	0	0	55,000	0	0
Total - Corporate Property and Projects	63,950,000	3,289,674	8,032,000	23,519,500	18,837,500	10,271,327
Community & Housing						
Mandatory Disabled Facility Grants						
Expenditure	2,737,600	0	684,400	684,400	684,400	684,400
External Funding	(2,377,600)	0	(594,400)	(594,400)	(594,400)	(594,400)
	360,000		90,000	90,000	90,000	90,000
Total - Community & Housing	2,737,600	0	684,400	684,400	684,400	684,400
Culture & the Environment						
Single Grants Gateway Fund	300,000	0	75,000	75,000	75,000	75,000
Stour Centre CHP, Roofing & PV Panels	2,060,000	1,377,611	0	682,389	0	0
Model Railway (AIMREC)	850,000	0	0	850,000	0	0
Park Farm S & E (Bridge Field Play & Amenities)						
Expenditure	800,000	0	50,000	750,000	0	0
External Funding	(800,000)	0	(50,000)	(750,000)	0	0
	0	0	0	0	0	0
Repton Park Community Centre						
Expenditure	1,892,000	93,732	882,053	916,215	0	0
External Funding	(1,892,000)	(93,732)	(882,053)	(916,215)	0	0
	0	0	0	0	0	0
Finberry/Cheeseman Green						
Expenditure	2,000,000	0	0	0	0	2,000,000
External Funding	(2,000,000)	0	0	0	0	(2,000,000)
	0	0	0	0	0	0
Total Culture & the Environment	7,902,000	1,471,343	1,007,053	3,273,604	75,000	2,075,000
Health, Parking and Community Safety						
CCTV	250,000	0	50,000	200,000	0	0
Street Lighting replacement	1,000,000	0	0	1,000,000	0	0
Total Health, Parking and Community Safety	1,250,000	0	50,000	1,200,000	0	0
Planning and Development						
Junction 10a M20						
Expenditure	16,000,000	0	0	8,000,000	8,000,000	0
External Funding	(16,000,000)	0	0	(8,000,000)	(8,000,000)	0
	0	0	0	0	0	0
Total Planning and Development	16,000,000	0	0	8,000,000	8,000,000	0
Environment and Customer Services						
Public toilet demolition works	330,000	0	50,000	280,000	0	0
Total Environment and Customer Services	330,000	0	50,000	280,000	0	0
General Fund Total	92,169,600	4,761,016	9,823,453	36,957,504	27,596,900	13,030,727
HRA Capital Works - as current business plan						
Programmed Works	20,745,000	0	4,286,000	4,848,000	5,360,000	6,251,000
Affordable Housing Programme Stage 1	1,233,000	0	1,107,000	126,000	0	0
Affordable Housing Programme Stage 2	1,646,000	0	1,436,000	210,000	0	0
Danemore	7,501,000	0	4,708,000	2,793,000	0	0
Court Wurtin - Flats and stairwell	300,000	0	300,000	0	0	0
Poplars	8,441,000	0	2,050,000	4,578,000	1,813,000	0
East Stour Court	5,837,000	0	0	1,925,000	1,925,000	1,987,000
	45,703,000	0	13,887,000	14,480,000	9,098,000	8,238,000
Total HRA	45,703,000	0	13,887,000	14,480,000	9,098,000	8,238,000
Total Capital Spend	137,872,600	4,761,016	23,710,453	51,437,504	36,694,900	21,268,727

Appendix G continued

Capital Programme 2017/18 - 2019/20						
	Current budget £	Previous Exp £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
CAPITAL SUMMARY						
Corporate Property and Projects	63,950,000	3,289,674	8,032,000	23,519,500	18,837,500	10,271,327
Community & Housing	2,737,600	0	684,400	684,400	684,400	684,400
Culture & the Environment	7,902,000	1,471,343	1,007,053	3,273,604	75,000	2,075,000
Health, Parking and Community Safety	1,250,000	0	50,000	1,200,000	0	0
Planning and Development	16,000,000	0	0	8,000,000	8,000,000	0
Environment and Customer Services	330,000	0	50,000	280,000	0	0
GENERAL FUND	92,169,600	4,761,016	9,823,453	36,957,504	27,596,900	13,030,727
HOUSING REVENUE ACCOUNT	45,703,000	0	13,887,000	14,480,000	9,098,000	8,238,000
TOTAL CAPITAL PROGRAMME	137,872,600	4,761,016	23,710,453	51,437,504	36,694,900	21,268,727

Funding Statement 2017/18 - 2019/20						
	Current budget £	Previous Exp £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Funding Source						
Capital Receipts - HRA	4,358,000		1,287,000	1,045,000	1,123,000	903,000
Capital Receipts - GF	660,000	0	165,000	165,000	165,000	165,000
Borrowing HRA	331,000	0	331,000	0	0	0
Borrowing GF	66,585,000	4,666,662	8,062,000	24,766,889	18,829,500	10,259,949
External grants & contributions HRA	2,645,000	0	1,294,000	1,256,000	95,000	0
External grants & contributions GF	23,069,600	93,732	1,526,453	10,260,615	8,594,400	2,594,400
Major Repairs Reserve HRA	23,413,000	0	5,992,000	5,667,000	5,810,000	5,944,000
Repairs & Renewals Reserve	105,000	0	20,000	85,000	0	0
Other Reserve HRA	14,956,000	0	4,983,000	6,512,000	2,070,000	1,391,000
Other Reserve GF	1,750,000	622	50,000	1,680,000	8,000	11,378
	137,872,600	4,761,016	23,710,453	51,437,504	36,694,900	21,268,727
	0	0	0	0	0	0
External Grants						
Homes & Communities Agency (HCA)	2,107,000	0	756,000	1,256,000	95,000	0
Section 106	5,230,000	93,732	1,470,053	1,666,215	0	2,000,000
Better Care Fund - Disabled Facility Grants	2,377,600	0	594,400	594,400	594,400	594,400
Communities and Local Government	16,000,000	0	0	8,000,000	8,000,000	0
	25,714,600	93,732	2,820,453	11,516,615	8,689,400	2,594,400

PRUDENTIAL INDICATORS & MRP POLICY 2017/18 TO 2020/21

Prudential Indicators 2017/18 to 2019/20

The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of Capital Expenditure: The Authority's planned capital expenditure and financing may be summarised as follows. Further detail is provided in the capital programme, see **Appendix G**.

Capital Expenditure and Financing	2016/17 Revised £,000	2017/18 Estimate £,000	2018/19 Estimate £,000	2019/20 Estimate £,000
General Fund	9,823	36,958	27,597	13,031
HRA	13,887	14,480	9,098	8,238
Total Expenditure	23,710	51,438	36,695	21,269
Capital Receipts	1,452	1,210	1,288	1,068
Reserves	11,045	13,944	7,888	7,346
Borrowing	8,393	24,767	18,830	10,260
External Grants	2,820	11,517	8,689	2,594
Total Financing	23,710	51,438	36,695	21,269

Estimates of Capital Financing Requirement: The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31.03.17 Revised £,000	31.03.18 Estimate £,000	31.03.19 Estimate £,000	31.03.20 Estimate £,000
General Fund	22,452	47,219	66,048	76,308
HRA	145,537	141,380	137,682	133,866
Total CFR	167,989	188,599	203,730	210,174

The CFR is forecast to rise by £42.19m over the next three years as capital expenditure financed by debt outweighs resources put aside for debt repayment.

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the Authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31.03.17 Revised £,000	31.03.18 Estimate £,000	31.03.19 Estimate £,000	31.03.20 Estimate £,000
Borrowing	23,500	48,266	67,096	77,356
HRA	117,664	114,664	113,664	108,664
PFI liabilities	22,439	21,623	20,749	19,816
Total Debt	163,603	184,554	201,509	205,836

Total debt is expected to remain below the CFR during the forecast period.

Operational Boundary for External Debt: The operational boundary is based on the Authority's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Authority's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Authority's debt.

Operational Boundary	2016/17 Revised £,000	2017/18 Estimate £,000	2018/19 Estimate £,000	2018/19 Estimate £,000
Borrowing	147,000	168,000	186,000	192,000
Other long-term liabilities	23,000	22,000	21,000	20,000
Total Debt	170,000	190,000	207,000	212,000

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act. It is the maximum amount of debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit	2016/17 Revised £,000	2017/18 Estimate £,000	2018/19 Estimate £,000	2018/19 Estimate £,000
Borrowing	344,000	386,000	422,000	434,000
Other long-term liabilities	25,000	24,000	23,000	23,000
Total Debt	369,000	410,000	445,000	457,000

Ratio of Financing Costs to Net Revenue Stream: This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2016/17 Revised %	2017/18 Estimate %	2018/19 Estimate %	2018/19 Estimate %
General Fund	0.99%	1.95%	2.72%	3.13%
HRA	15.81%	15.25%	15.25%	15.25%

Incremental Impact of Capital Investment Decisions: This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and housing rent levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the capital programme proposed earlier in this report.

These figures are the effect of the revised capital programme could have on the Council Tax and the HRA Rent but in reality is these impacts are not directly applied as the movements feed into wider budget setting processes. Additionally in relation to the HRA rents, these are directed by Government.

Incremental Impact of Capital Investment Decisions	2017/18 Estimate £	2018/19 Estimate £	2019/20 Estimate £
General Fund - increase in annual band D Council Tax	-3.79	-5.24	-1.03
HRA - increase in average weekly rents	0.53	0.22	0.16

Adoption of the CIPFA Treasury Management Code: The Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* in March 2002.

Annual Minimum Revenue Provision Statement 2017/18

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Department for Communities and Local Government's Guidance on Minimum Revenue Provision most recently issued in 2012.

The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The CLG Guidance requires the Authority to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.

For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets as the principal repayment on an annuity with an annual interest rate equal to the average relevant PWLB rate for the year of expenditure, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years (CLG Option 3).

For assets acquired by finance leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability (CLG Option 4).

MRP for Loans to wholly owned Council companies will be calculated on an annuity basis using the interest rates agreed for the loan for 50 years or an appropriate term based on the life of the asset being funded (Council approved policy).

No MRP will be charged in respect of assets held within the Housing Revenue Account.

MRP in respect of the £114m payment made in 2012 to exit the Housing Revenue Account subsidy system will be determined as being equal to the principal amount repaid on the loans borrowed to finance that payment.

Capital expenditure incurred during 2017/18 will not be subject to a MRP charge until 2018/19.

Based on the Authority's latest estimate of its Capital Financing Requirement on 31st March 2017, the budget for MRP has been set as follows:

	31.03.2017 Estimated CFR £,000	2017/18 Estimated MRP £,000
Capital expenditure before 01.04.2008	0	0
Supported capital expenditure after 31.03.2008	0	0
Unsupported capital expenditure after 31.03.2008	18,367	80
Finance leases and Private Finance Initiative	0	0
Transferred debt	0	0
Loans to wholly owned companies	4,085	144
Total General Fund	22,452	224
Assets in the Housing Revenue Account	31,537	0
HRA subsidy reform payment	114,000	3,000
Total Housing Revenue Account	145,537	0
Total	167,989	3,224

The MRP for unsupported capital expenditure after 31/03/2008 is low as this has been adjusted to represent the Council's move from the equal instalments method to the annuity method for calculating MRP.

Treasury Management Strategy Statement 2017/18

Introduction

In March 2012 the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year.

In addition, the Department for Communities and Local Government (CLG) issued revised *Guidance on Local Authority Investments* in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.

The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

External Context

External context covers the following areas and is detailed at Appendix A with supporting tables.

- Economic Background
- Credit Outlook
- Interest Rate Forecast

Local Context

The Authority currently (as at 9th January 2016) has £119m of borrowing and £46m of investments. This is set out in further detail at **Appendix 1**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance Sheet Summary and Forecast

	31.3.16 Actual £,000	31.3.17 Forecast £,000	31.3.18 Forecast £,000	31.3.19 Forecast £,000	31.3.20 Forecast £,000
General Fund CFR	15,464	22,452	47,219	66,048	76,308
HRA CFR	146,067	145,537	141,380	137,682	133,866
Total CFR	161,531	167,989	188,599	203,730	210,174
Less: Other debt liabilities *	(26,719)	(22,439)	(21,623)	(20,749)	(19,816)
Borrowing CFR	134,812	145,550	166,976	182,981	190,358
Less: External borrowing	0	(23,500)	(48,266)	(67,096)	(77,356)
Less: HRA External borrowing**	(119,664)	(117,664)	(114,664)	(113,664)	(108,664)
Internal borrowing	15,148	4,386	4,045	2,221	4,338
Less: Usable reserves	(15,604)	(17,023)	(16,213)	(16,213)	(16,213)
Less: Working capital	(6,205)	(6,205)	(6,205)	(6,205)	(6,205)
Investments	(6,661)	(18,842)	(18,373)	(20,197)	(18,080)

* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

** £119.6m of this value per annum relates to the HRA stock acquisition.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority will consider the best financing options available at the time of investments/acquisitions; currently the use of internal reserves provides an attractive option subject to the Authority holding a minimum investment balance of £8.

The Council has an increasing CFR due to the capital programme, which includes loans to A Better Choice for Property Ltd, Elwick project and Economic and Regeneration Board (the full capital plan can be seen at **Appendix G**). To cover of this capital investment, external borrowing of circa £77m is assumed over the forecasted period and is reflected in the table above, however as aforementioned decisions will be based at the time of investment/acquisition to best benefit the Authority.

Usable reserves are forecast to fall slightly over the forecasted period, this is due to reserves belong used to part fund the general fund acquisitions.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2017/18.

Borrowing Strategy

The Authority currently holds £119.6m of loans which represent the costs of the HRA Buyout. The balance sheet forecast in table 1 shows that the Authority expects to borrow up to £48.3m by in 2017/18. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £410m.

Objectives: The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead, again decisions will be bases accordingly at the time of investment/acquisition.

By using internal resources, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2017/18 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Alternatively, the Authority may arrange forward starting loans during 2017/18, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow short-term loans (normally for up to one month) to cover unplanned cash flow shortages.

Sources: The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds (except Kent County Council Pension Fund)
- capital market bond investors

- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases
- hire purchase
- Private Finance Initiative
- sale and leaseback

The Authority has previously raised all of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans and bank loans, which may be available at more favourable rates.

Municipal Bond Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee over the very small risk that other local authority borrowers default on their loans; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Cabinet.

Short-term and Variable Rate loans: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

Debt Rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Investment Strategy

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 9 months, the Authority's investment balance has ranged between £27 and £47 million, levels are expected to slowly reduce over the coming years as reserves are used to support General Fund and HRA capital programmes. Further reductions could be incurred if internal borrowing is used to support capital acquisitions rather the external borrowing.

Objectives: Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk receiving unsuitably low investment income.

Strategy: Given the inherent risk and continued low returns from short-term unsecured bank investments, the Authority aims to continue diversification into more secure and higher yielding asset classes during 2017/18. Diversification will be through the introduction of new money market funds and further use of equities which were introduced to the portfolio in 2015/16 and performed well through 2016/17. The council will work closely with its treasury management advisors 'Arlingclose' to explore new investment opportunities which will complement the portfolio including Tri-Repo's. This overall approach represents a continuation of the strategies which have been adopted over the last few years.

Approved Counterparties: The Authority may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 2: Approved Investment Counterparties and Limits

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£3m 5 years	£5m 20 years	£5 m 50 years	£3m 20 years	£3m 20 years
AA+	£3m 5 years	£5m 10 years	£5m 25 years	£3m 10 years	£3m 10 years
AA	£3m 4 years	£5m 5 years	£5m 15 years	£3m 5 years	£3m 10 years
AA-	£3m 3 years	£5m 4 years	£5m 10 years	£3m 4 years	£3m 10 years
A+	£3m 2 years	5m 3 years	£3m 5 years	£3m 3 years	£3m 5 years
A	£3m 13 months	£5 m 2 years	£3m 5 years	£1m 2 years	£1m 5 years
A-	£3m 6 months	£5m 13 months	£3m 5 years	£1m 13 months	£1m 5 years
BBB+	£1m 100 days	£5 m 6 months	£1m 2 years	£.5m 6 months	£1m 2 years
BBB or BBB-	£1m next day only	£3 m 100 days	n/a	n/a	n/a
None	£1m 6 months	n/a	£3m 25 years	£50,000 5 years	£1 m 5 years
Pooled funds	£6m per fund				

Where investments are subject to capital appreciation/depreciation, the initial value of the investment is considered in relation to the table above.

This table must be read in conjunction with the notes below

Credit Rating: Investment limits are set by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Banks Unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Unsecured investment

with banks rated BBB or BBB- are restricted to overnight deposits at the Authority's current account bank.

Banks Secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

Registered Providers: Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain the likelihood of receiving government support if needed.

Pooled Funds: Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and aim for a constant net asset value and will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Risk Assessment and Credit Ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur.

Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Specified Investments: The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,

- a UK local authority, parish council or community council, or
- a body or investment scheme of “high credit quality”.

The Authority defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

Non-specified Investments: Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares with the exception of Council owned companies. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

Table 3: Non-Specified Investment Limits

	Cash limit
Total long-term investments	£15m
CCLA property Fund *	£6m
Equities*	£8m
Council owned companies**	£110m
Total investments without credit ratings or rated below A-	£5m
Total investments (except pooled funds) with institutions domiciled in foreign countries rated below AA+	£0m

* Where investments are subject to capital appreciation/depreciation, the initial value of the investment is considered in relation to the table above.

** This limit has been increased by 100m to reflect the aspiration of the Council’s companies and provides headroom if those plans are realised, it should be noted that this is only provision for the investment but any decision to lend would be appropriately reported to, and approved by members.

Investment Limits: The Authority’s revenue reserves available to cover investment losses were £18 million on 31st March 2016. In order that no more than 34% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £6m. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment Limits

	Cash limit
Any single organisation, except the UK Central Government	£6m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£6m per group
Any group of pooled funds under the same management *	£6m per manager
Foreign countries	5m per country
Registered Providers	£10m in total
Unsecured investments with Building Societies	£5m in total
Loans to unrated corporates	£5m in total
Loans to Council subsidiaries	£110m in total
Money Market Funds	£25m in total

* Where investments are subject to capital appreciation/depreciation, the initial value of the investment is considered in relation to the table above.

Liquidity Management: The Authority uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast.

Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	Target
Portfolio average credit score	6.0

Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

	2016/17	2017/18	2018/19
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	100%	100%	100%

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

	2016/17	2017/18	2018/19
Limit on principal invested beyond year end	£15m	£15m	£15m

Other Items

There are a number of additional items that the Authority is obliged by CIPFA or CLG to include in its Treasury Management Strategy.

Policy on Use of Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

Policy on Apportioning Interest to the HRA: On 1st April 2012, the Authority notionally split each of its existing long-term loans into General Fund and HRA pools.

In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured annually and interest transferred between the General Fund and HRA at the Authority's average interest rate on investments, adjusted for credit risk.

Investment Training: The needs of the Authority's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.

Officers attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant Officers are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

Investment Advisers: The Authority has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is controlled by the need to justify the ongoing appointment of Arlingclose through the completion of a 'Use of Consultant' pro-forma as stipulated in contract procedure rules. The Authority's Treasury Management Function is also periodically reviewed by Internal and External audit

Investment of Money Borrowed in Advance of Need: The Authority may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Authority is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the

intervening period. These risks will be managed as part of the Authority's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit. The maximum period between borrowing and expenditure is expected to be 2 years, although the Authority is not required to link particular loans with particular items of expenditure.

Financial Implications

The budget for investment income in 2017/18 is £576,330, based on an average investment portfolio of £30m million at an interest rate of 1.92%. The budget for debt interest paid in 2017/18 is £168,750, based on an average debt portfolio of £20m at an average interest rate of 0.84%.

In relation to the HRA, the Interest on investment income for 2017/18 is forecast at circa 17k, based on an average investment portfolio of £3.385m at an interest rate of circa 0.5%. The budget for debt interest paid in 2016/17 is £3.6 million, based on an average debt portfolio of £119.6 million at an average interest rate of 3%. HRA balances are invested with general fund balances and an apportionment of interest is made at the end of the year through the item 8 calculation, this was covered previously in this report under 'Policy on Apportioning Interest to the HRA'.

If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

Other Options Considered

The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Finance Officer has consulted the Portfolio Holder for Finance and Budget, Resource Planning and Procurement, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A – Arlingclose Economic & Interest Rate Forecast November 2015 (minor amendments January 16 by ABC)

Economic background: The major external influence on the Authority's treasury management strategy for 2017/18 will be the UK's progress in negotiating a smooth exit from the European Union. Financial markets, wrong-footed by the referendum outcome, have since been weighed down by uncertainty over whether leaving the Union also means leaving the single market. Negotiations are expected to start once the UK formally triggers exit in early 2017 and last for at least two years. Uncertainty over future economic prospects will therefore remain throughout 2017/18.

The fall and continuing weakness in sterling and the near doubling in the price of oil in 2016 have combined to drive inflation expectations higher. The Bank of England is forecasting that Consumer Price Inflation will breach its 2% target in 2017, the first time since late 2013, but the Bank is expected to look through inflation overshoots over the course of 2017 when setting interest rates so as to avoid derailing the economy.

Initial post-referendum economic data showed that the feared collapse in business and consumer confidence had not immediately led to lower GDP growth. However, the prospect of a leaving the single market has dented business confidence and resulted in a delay in new business investment and, unless counteracted by higher public spending or retail sales, will weaken economic growth in 2017/18.

Looking overseas, with the US economy and its labour market showing steady improvement, the market has priced in a high probability of the Federal Reserve increasing interest rates in December 2016. The Eurozone meanwhile has continued to struggle with very low inflation and lack of momentum in growth, and the European Central Bank has left the door open for further quantitative easing.

The impact of political risk on financial markets remains significant over the next year. With challenges such as immigration, the rise of populist, anti-establishment parties and negative interest rates resulting in savers being paid nothing for their frugal efforts or even penalised for them, the outcomes of Italy's referendum on its constitution (December 2016), the French presidential and general elections (April – June 2017) and the German federal elections (August – October 2017) have the potential for upsets.

Credit outlook: Markets have expressed concern over the financial viability of a number of European banks recently. Sluggish economies and continuing fines for pre-crisis behaviour have weighed on bank profits, and any future slowdown will exacerbate concerns in this regard.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other

investment options available to the Authority; returns from cash deposits however continue to fall.

Interest rate forecast: The Authority's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.25% during 2017/18. The Bank of England has, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further falls in the Bank Rate look less likely. Negative Bank Rate is currently perceived by some policymakers to be counterproductive but, although a low probability, cannot be entirely ruled out in the medium term, particularly if the UK enters recession as a result of concerns over leaving the European Union.

Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50. Long-term economic fundamentals remain weak, and the quantitative easing (QE) stimulus provided by central banks globally has only delayed the fallout from the build-up of public and private sector debt. The Bank of England has defended QE as a monetary policy tool, and further QE in support of the UK economy in 2017/18 remains a distinct possibility, to keep long-term interest rates low.

A more detailed economic and interest rate forecast provided by Arlingclose is tabled below:-

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.12
Arlingclose Central Case	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Downside risk	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.40
3-month LIBID rate														
Upside risk	0.05	0.05	0.10	0.10	0.10	0.15	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.18
Arlingclose Central Case	0.25	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.29
Downside risk	0.20	0.25	0.25	0.25	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.34
1-yr LIBID rate														
Upside risk	0.10	0.10	0.15	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.23
Arlingclose Central Case	0.60	0.50	0.50	0.50	0.50	0.50	0.50	0.60	0.70	0.85	0.90	0.90	0.90	0.65
Downside risk	0.10	0.15	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.24
5-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	0.50	0.40	0.35	0.35	0.35	0.40	0.40	0.40	0.45	0.50	0.55	0.60	0.65	0.45
Downside risk	0.30	0.45	0.45	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.47
10-yr gilt yield														
Upside risk	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	1.15	0.95	0.85	0.85	0.85	0.85	0.85	0.90	0.95	1.00	1.05	1.10	1.15	0.96

Appendix 1 – Existing Investment & Debt Portfolio Position

Treasury Management Portfolio as at 9 January 2017

Counter Party	Deal Date	Rate %	Amount £	Comment
Temporary Investments				
Lloyds Banking Group	04/01/2016	0.65	3,000,000	175 day notice account
National Counties	18/11/2016	0.35	3,000,000	Matures 22/02/2017
Total Temporary Investments			6,000,000	
Long Term Investments				
Blaenau Gwent	21/10/2014	2.00	3,000,000	Matures 21/10/2019
Newport City Council	10/11/2014	1.50	2,500,000	Matures 10/07/2017
Total Long Term Investments			5,500,000	
Investment Accounts				
Santander	Various	0.25	2,500,000	Deposit Account
National Westminster Bank plc	Various	0.15	808,357	Deposit Account
Goldman Sachs	Various		50,000	AAA rated deposit facility *
ICD Portal - Invesco	Various	0.30*	5,000,000	AAA rated deposit facility *
ICD Portal - BNP Paribas	Various	0.34*	5,000,000	AAA rated deposit facility *
ICD Portal - Black Rock	Various	0.18*	1,200,000	AAA rated deposit facility *
ICD Portal - HSBC	Various	0.21*	5,000,000	AAA rated deposit facility *
Payden Global MMF	Various	variable	3,000,000	AAA rated deposit facility *
Federated MMF	Various	variable	1,500,000	AAA rated deposit facility *
Total Investment Accounts			24,058,357	
Local Authority Property Fund	Estimate	4.90	6,000,000	Rate is Net of Management Fees (Variable Rate of Return)
Total pooled funds Accounts **			6,000,000	
City Financial Multi Asset Diversified Fund	27/08/2015	variable	997,687	Long term investment **
UBS Multi Asset Income Fund	26/08/2015	variable	994,504	Long term investment **
M&G Global Dividend Fund	27/08/2015	variable	997,914	Long term investment **
Schroder Income Maximiser	03/11/2015	variable	992,152	Long term investment **
Total Equity funds **			3,982,257	
Total Investment Portfolio			45,540,614	
Long Term Borrowing				
Public Works Loan Board***	various	various	119,664,150	Maturity Date - various
Total Long Term Borrowing			119,664,150	
Grand Total Borrowing			119,664,150	

* Money Market Fund (MMF) are AAA rated deposit facilities which have variable rates of interest but have constant net asset values. Interest rates shown are as at 19/10/2016 where readily available

** Equity funds and the Property fund have variable rates of interest and also have fluctuating capital values

*** HRA borrowing

Note: the loans made to ABCFP Ltd are not shown in the investment portfolio above, for clarity though the total draw down value of loans to the company as at 9th January 2017 was 3.645m.

Debt Portfolio

The shaded row matures in 2016/17 although it is anticipated that further borrowing will be made to cover off this maturity.

Loan Amount £'000	Start Date	Interest Type	Interest Rate %	Repayment Type	Redemption Date
7,000	28/03/2012	Variable	0.6200	Maturity	27/03/2022
2,000	28/03/2012	Fixed	1.2400	Maturity	27/03/2017
3,000	28/03/2012	Fixed	1.5000	Maturity	27/03/2018
1,000	28/03/2012	Fixed	1.7600	Maturity	27/03/2019
5,000	28/03/2012	Fixed	1.9900	Maturity	27/03/2020
2,000	28/03/2012	Fixed	2.2100	Maturity	27/03/2021
2,000	28/03/2012	Fixed	2.4000	Maturity	27/03/2022
2,000	28/03/2012	Fixed	2.5600	Maturity	27/03/2023
3,000	28/03/2012	Fixed	2.7000	Maturity	27/03/2024
3,000	28/03/2012	Fixed	2.8200	Maturity	27/03/2025
1,000	28/03/2012	Fixed	2.9200	Maturity	27/03/2026
1,000	28/03/2012	Fixed	3.0100	Maturity	27/03/2027
2,000	28/03/2012	Fixed	3.0800	Maturity	27/03/2028
2,000	28/03/2012	Fixed	3.1500	Maturity	27/03/2029
2,000	28/03/2012	Fixed	3.2100	Maturity	27/03/2030
8,000	28/03/2012	Fixed	3.2600	Maturity	27/03/2031
9,000	28/03/2012	Fixed	3.3000	Maturity	27/03/2032
10,000	28/03/2012	Fixed	3.3400	Maturity	27/03/2033
11,000	28/03/2012	Fixed	3.3700	Maturity	27/03/2034
12,000	28/03/2012	Fixed	3.4000	Maturity	27/03/2035
9,000	28/03/2012	Fixed	3.4200	Maturity	27/03/2036
16,713	28/03/2012	Fixed	3.4400	Maturity	27/03/2037
5,951	29/03/2011	Fixed	5.2600	Maturity	26/03/2061
119,664					

The shaded row matures in 2016/17 although it is anticipated that further borrowing will be made to cover off this maturity.

Housing and Council Tax Benefit E- Claim Risk Based Verification Policy



ASHFORD
BOROUGH COUNCIL

1. Introduction

The Verification Framework Policy was initially introduced by the Department of Work and Pensions as guidance in line with the Social Security Administration Act 1992 for administering Housing and Council Tax Benefit claims. Since the abolition of that Policy in 2006 by the Department of Work and Pensions, Ashford Borough Council has prepared the following robust procedure for E- Claim Verification of claims for Housing Benefit.

The emphasis of this procedure is to operate a strict regime of preventing fraud and error entering the system whilst continuing with live caseload intervention and will take effect from 1st April 2017. Risk Based Verification will also be used for E- Claim Verification of claims for Council Tax Support.

2. Background

Ashford Borough Council must adhere to Housing Benefit legislation and Council Tax Support legislation. The regulations within the legislation do not specify what information and evidence they should obtain from a benefit customer. However, it does require an authority to have information which allows an accurate assessment of a claimant's entitlement, both when a claim is first made and when the claim is reviewed.

Housing Benefit Regulation 86 states

“a person who makes a claim, or a person to whom housing benefit has been awarded, shall furnish such certificates, documents, information and evidence in connection with the claim or the award, or any question arising out of the claim or the award, as may reasonably be required by the relevant authority in order to determine that person's entitlement to, or continuing entitlement to housing benefit and shall do so within one month of being required to do so or such longer period as the relevant authority may consider reasonable.”

Furthermore; Section 1 of the Social Security (Administration) Act 1992 dictates a National Insurance number must either be stated or enough information provided to trace or allocate one. This legislation applies to both customers and their partners.

(1A) No person whose entitlement to any benefit depends on his making a claim shall be entitled to the benefit unless subsection (1B) below is satisfied in relation both to the person making the claim and to any other person in respect of whom he is claiming benefit.

(1B) this subsection is satisfied in relation to a person if–

- (a) The claim is accompanied by–*
 - (i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or*
 - (ii) information or evidence enabling the national insurance number that has been allocated to the person to be ascertained; or*
- (b) the person makes an application for a national insurance number to be allocated to him which is accompanied by information or evidence enabling such a number to be so allocated.*

Given those requirements are at the core of the process of administering claims these shall be adhered to at all times and be considered process within the Quality Assurance checks completed on benefit claims assessed.

3. Risk Based Verification

Ashford Borough Council implemented an IT solution for Risk Based Verification in line with recommendations provided by the DWP in order to improve performance and improve the detection of fraud. Risk Based Verification is a method of applying different levels of checks to benefit claims according to the risk associated with those claims. This in effect means being able to target activity toward checking those cases deemed to be at highest risk of involving fraud and/or error. The baseline of fraud in Ashford Borough Council based on benefit data extracts is 5%. The purpose of Risk Based Verification is to increase the levels of fraud and error detected by focusing resource appropriately.

The process of Risk Based Verification is for the process of assessing a New Housing and/or Council Tax Support E-Claim only. Paper applications or any change of circumstances will follow separate standards.

For the purposes of applying verification on a risk basis, each claim is ranked into one of three categories; these categories are Low, Medium and High Risk.

The RBV software will integrate with Callcredit data to optimise the risk scores by checking claimant, partner and non-dependant details against Credit Reference Agency (CRA) data. This will enable CRA checks to be carried out "in process" and in real-time, which is likely to extend the percentage of Low risk claims as detection rates in the High risk cases increase. All cases where the CRA check identifies a discrepancy within Callcredit's data will come back as High risk. The CRA information from Callcredit will also be supplied to Ashford Borough Council.

The table at *Appendix 1* shows the requirement to be upheld dependent on the risk grouping. A national Insurance number and identity confirmation must be made in all cases irrelevant of the risk grouping; this is to comply with aforementioned legislation.

Low Risk 65-55%

The only checks to be made on cases classed as low risk are proof of identity, production of a National Insurance Number and if they are a student formal confirmation.

Medium Risk 25-20%

Cases in this category must have the same checks as low risk plus for every type of income or capital declared documentation proof is required. The documentation can be photocopies or scanned copies in this instance.

High Risk 20-15%

All high risk categorised cases must have the same checks as low risk and documentation provided for each declared type of income or capital; however the documents must be original. High Risk claims will be either: visited, telephoned or sent a postal review, carried out to verify the circumstances declared on the application. Additional further checks may also be carried out.

4. Recording and Monitoring

In line with Department of Work and Pensions guidance around 65-55% of cases could be Low Risk, 25-20% Medium and 20-15% High.

All risk scores are recorded by the software used to process benefits and they must be recorded on the assessment officer's notebook in I World. Ashford Borough Council also has a minimum of 2% blind sampling which means cases from lower categories are upgraded to test the software assumptions and this information can be fed back into the propensity models supporting the parameters of the Risk Based Verification Portal. Cases cannot be downgraded at any time by an assessment officer; they can be increased though with approval from a Team Leader. All cases which are upgraded are recorded along with the reasons for this so that this information can be fed through to the parameters if errors are found.

Ashford Borough Council will monitor these splits on a monthly basis by using IT tools available. The reports will show the level of splits by percentage and the level of fraud across the authority in comparison to its baseline of 5%. This detection level will also be split across the areas of Low, Medium and High Risk. Information will be derived from cell 222 within the SHBE extract file in order to be able to produce statistical data.

Ashford Borough Council also undertakes to review a sample of cases. This will help monitor the effect of Fraud and Error detection rates compared to the baseline rate. It is expected that the levels of Fraud and Error will be a small amount in Low Risk and increased for Medium and increased further still in High Risk.

Monthly monitoring of RBV risk scores distribution and the processing information will provide accurate reporting on the time-scales for processing new claims, incomplete new claims and completing new claims upon receipt of the required further documentary evidence.

5. Audit

This Policy has been produced in line with Department of Work and Pensions guidance on the use of Risk Based Verification circular S11/2011.

DWP advised in January 2012 that "Auditors will carry out their audit against the terms of the risk-based verification procedure. They will not audit or in any way assess the accuracy of the guidance; that is the job of the local authority itself, in particular the Section 151 Officer and Revenues and Benefits Manager who sign off the procedure. If individual cases have been actioned correctly against the requirements of the guidance auditors will make no comment."

Ashford Borough Council will comply with the terms of the guidance which means that the high/medium/low risk cases are noted as such and verified as such. DWP guidance states auditors will check during the annual certification that the subsidy claim adheres to the Ashford Borough Council's RBV Policy; which states the necessary level of verification needed to support the correct processing of each type of HB/CTS claim. The risk category will be recorded on each E-claim application form.

Fraud Manager

Revenue and Benefits Manager

Audit Manager

Section 151 Officer

Dated

Appendix 1

Type of Evidence	Sub-category of evidence	Low Risk	Medium Risk	High Risk	
Identity and S19	Identity	Originals or Photocopies/ Scanned copies	Originals or Photocopies/Scanned Copies	Originals required	
	S19	Originals or Photocopies/ Scanned copies	Originals or Photocopies/Scanned Copies	Originals required	
Residency/Rent	Private Tenants		Originals or Photocopies/Scanned Copies	Originals required	
	Social Landlords		Originals or Photocopies/Scanned Copies	Originals required	
	Public Sector				
	Registered		Originals or Photocopies/Scanned Copies	Originals required	
Household Composition	Partner ID/S19/Income/Capital	Originals or Photocopies/ Scanned copies	Originals or Photocopies/Scanned Copies	Originals required	
	Dependants under 18		Originals or Photocopies/Scanned Copies	Originals required	
	Non-dependants - remunerative work			Originals or Photocopies/Scanned Copies	Originals required
	Non-dependants – pass-ported benefit				
	Non-dependant - student		Originals or Photocopies/Scanned Copies	Originals required	
	Non-dependant - not in remunerative work/other			Originals or Photocopies/Scanned Copies	Originals required
Income	State Benefits				
	Earnings/SMP/SSP		Originals or Photocopies/Scanned Copies	Originals required	
	Self-employed earnings		Originals or Photocopies/Scanned Copies	Originals required	
Child Care Costs			Originals or Photocopies/Scanned Copies	Originals required	
Student Status	Income also required	Originals or Photocopies/ Scanned copies	Originals or Photocopies/Scanned Copies	Originals required	
Capital	Below lower capital limit		Originals or Photocopies/Scanned Copies accepted if over £5500 for Working Age or over £9500 for Elderly - not required if under these amounts	Originals if over £5500 for Working Age or over £9500 for Elderly - not required if under these amounts	
	Above lower capital limit		Originals or Photocopies/Scanned Copies	Originals required	
	Property		Originals or Photocopies accepted	Originals required	

2017/18 Budget Report

Budget Robustness

A Commentary on Risks Associated with Components of the Budget
Budget Report

Please note this advice takes a broad view of the council's budget. It is separate from, but complementary to the detailed view undertaken by the Overview and Scrutiny Committee's Task Group and is prepared by the council's statutory Chief Financial Officer in fulfilment of his statutory duty to advise the council on the robustness of the estimates – see also part seven of the main report.

Budget Component	Financial standing and management
1. Inflation	<p>The review of the Medium Term Financial Plan (MTFP) undertaken during 2016 has considered advice from various sources about future cost price inflation, assumptions for pay settlements, and the prospects for interest rates. December's preliminary draft budget to Cabinet included the results of this work. These assumptions were considered by the Overview & Scrutiny task group. The net impact of inflation on the council's budget is circa £500,000 pa. This primarily driven by inflation being applied to the £60m general fund expenditure, but inflationary increases in the £45m fees and charges income being restricted by both local decisions and government policy. The outcome of the EU referendum has lowered the value of the pound and introduced an inflationary pressure into the economy which is forecast to last for 12-18 months</p> <p>Government grants and other sources of income are not expected to compensate fully for the overall effects of inflationary pressures.</p> <p>Pay inflation and salary increments in the budget assumes a 1.7% full year increase. 1% salary increase (payable from April) and 0.7% for increments.</p> <p>For inflation on service contracts the budget assumes retail prices index forecasts as used by the Government's Office of Budget Responsibility (2.4%).</p> <p>For other cost inflation (excluding utilities), the budget assumes the consumer prices index forecast (0.6%). For utilities inflation the budget assumes higher cost increases, given trends and expectations (2.6%).</p>

Budget Component	Financial standing and management
<p>2. Demand-led service pressures</p>	<p>For several services the council is less able to control demand during times of economic pressure on households. In this category are services such as: homelessness, the payment of housing benefit and council tax support payments, and servicing general customer enquiries.</p> <p>During 2016 benefit caseload has declined slightly, having risen to its highest ever level in 2013/14. This reduction has reduced service pressures. The Council's local Council Tax Support Scheme has been comprehensively reviewed and the scheme agreed for 2017/18 is considered affordable with low risk to the budget. The council continues to receive financial support to administer the scheme from the major precepting authorities; this is likely to continue for a further three years, subject to a review should a new government decide to cut support from the current level. Without the preceptors support our ability to manage the demand on the service and maintain high council tax collection rates would be stretched.</p> <p>The housing market poses a number of risks to this authority, with rising house prices rents are escalating and this will create a pressure on welfare and housing services.</p> <p>Management Team receives budget monitoring information, and has some flexibility to manage demand through transferring resources from other services, and the prudent use of reserves (subject to limits). A restraint on spending will continue to ensure that resources are directed at priorities and there remains enough leeway to tackle unexpected pressures. There is a recognition that priority project workload will demand more resource if it is all to be managed according to the council's corporate plans, and some project work is of course influenced by government (for example, the welfare reform responses). The council has adequate reserves, including new homes bonus receipts to help with such pressures.</p>
<p>3. New service developments</p>	<p>The grounds maintenance service has been brought back to an in-house service. The budget has been built with this in mind. It is believed that the Budget is sufficient however due to the significant change to the service, the operations and finance will be closely monitored in 2017/18 into 2018/19.</p> <p>The Elwick development is also due to start during 2017/18 and the budget has made an allowance for the additional costs and return on the investment.</p>

Budget Component	Financial standing and management
4. Assumptions about increases in service income.	<p>The budget proposes that service income are is increased by an average of 0.7%, for legislative reasons or demand some charges will be lower of higher than this.</p> <p>This increase does not apply to car parking fees, these were reviewed and reported to members in June 2016.</p> <p>The proposed service charges are presented in detail as part of the budget report. Any amendments to the proposals may involve a slight risk to the budget.</p> <p>The Council's strategy to manage its budget is dependent on the development of service income streams from property and as the portfolio increases this becomes a more significant risk to the council. Experience of downturns suggests that many of the councils rental streams hold up well in times of recession there are some areas that may be more vulnerable (Shop and Office units).</p>
5. Housing Revenue Account	<p>The Housing Revenue, following Government announcements, has reduced rents by 1% this year and will continue to do so for a further three years. As the HRA is a ring-fenced fund this pressure needs to be managed within the fund. This change triggered a comprehensive review of the business plan that was reported to Members in December 2016 that re-set the priorities for the service, in conjunction with the review the impact of the changes was factored into the business plan which was approved on the same agenda. The plan includes some staff redundancies as well as cutting back on future developments such as the affordable housing programme.</p> <p>Regular updating of the HRA business plan and financial monitoring will occur during 2017/18.</p>
6. Estimates of the level and timing of capital receipts.	<p>Capital receipts are now low in the General Fund, the budgets and financing of the capital plan reflects this.</p> <p>The Housing Revenue Account capital receipts have increased over the last couple of years due to the invigorated 'Right to Buy' policy.</p> <p>The majority of RTB receipts need to be held to fund affordable housing (funds 30% of the total cost) within the Borough, and this Council took the opportunity to retain these receipts for this purpose, these receipts are called 1-4-1 capital receipts.</p> <p>Following the recent government announcements (reduction in rents of 1%) the estimated retained reserves within the HRA, to match-fund the affordable housing works have been significantly reduced.</p> <p>The receipts and capital plans are being closely monitored and ensure these receipts are used to avoid repayment which would attract interest of 4% above base. (See Part 3 HRA)</p>

Budget Component	Financial standing and management
7. Major Capital Projects	<p>The Council agreed the Corporate Plan at the October 2015 Cabinet meeting and work is in progress to prepare proposals for the detailed Corporate Delivery Plan.</p> <p>This plan will carefully consider the delivery of the project and the funding overall and will be monitored by the Strategic Delivery Board.</p>
8. Business Rates	<p>Advice on the risk to the council's business rates yield has been included in the report. However a major risk to the budget is the revaluation of rates and the level of appeals against new valuations that are likely to affect the overall level of rateable value within the borough.</p> <p>The level of income from business rates is affected by the overall performance of the economy, with the UK seemingly well placed to manage the global uncertainty. Business rates are monitored regularly and any downturn will be flagged in the monitoring.</p> <p>The nature of the system for accounting for business rates means that the general fund is guaranteed to get the level of income forecast in the budget, however in the event of an decrease or increase in income it will not be distributed to the general fund and preceptors until the following year. Therefore the budget is insulated from business rates risk for the current year.</p>
9. Welfare Reform	<p>The government's welfare reform agenda has been reported to cabinet and the council has established a welfare reform task group to monitor and manage the risks of this agenda. The reforms have very few direct impacts on the council however they have the potential of affecting the level of demand for council services and have an impact on the council's ability to collect taxes and rents due.</p>

Agenda Item No: 8
Report To: Cabinet
Date of Meeting: 9th February 2017



Report Title: An independent business case to examine the feasibility of establishing a new single council in East Kent.

Report Author & Job Title: Tracey Kerly
Chief Executive

Portfolio Holder Cllr G D Clarkson
Portfolio Holder for: Leader of the Council

Summary: In July last year, this Cabinet approved a Statement of Intent to explore a potential merger of the five East Kent district councils. As a result of this a business case was jointly commissioned to examine the advantages, disadvantages and feasibility of forming a single East Kent district council. This report is the culmination of that work and a recommendation needs to be made by Cabinet to Full Council as to the decision to proceed or otherwise.

Key Decision: YES

Significantly Affected Wards: All potentially

Recommendations: **The Cabinet recommends that the Council:**

- I. Notes the potential implications of the business case, as measured against the council's current financial position and its long-term vision to become more commercially-minded and self-sufficient from central government funding.**
- II. Based on the content of the business case, the Council does not pursue a merger with the other four East Kent district councils.**
- III. Agrees to retain sufficient flexibility to enable ABC to work with other authorities and partners throughout Kent and outside the county.**
- IV. Authorises the Chief Executive, in consultation with the Leader of the Council and Directors, to agree a Memorandum of Understanding as a basis for Ashford's future working relationship with a new single council.**

Policy Overview:	In line with Cabinet’s agreed aim to provide value-for-money in its service and business delivery the recommendation is not to proceed with any further discussions with the four East Kent councils
Financial Implications:	In line with the Council’s wish to remain the lowest taxing authority in Kent the recommendation is not to take this forward
Legal Implications	There are no legal implications arising from the recommendation to retain the Council’s independent status.
Equalities Impact Assessment	Attached
Exempt from Publication:	NO
Background Papers:	East Kent Districts: A Business Case for the potential creation of a single council from the five East Kent districts
Contact:	Tracey.kerly@ashford.gov.uk – Tel: (01233) 330201

Report Title: An independent business case to examine the feasibility of establishing a new single council in East Kent

Introduction and Background

1. In July last year Cabinet approved a Statement of Intent to explore a potential merger of the five East Kent district councils. Those five Authorities – Ashford, Canterbury, Dover, Shepway and Thanet – jointly commissioned the production of a business case to examine the advantages, disadvantages and potential mechanisms for a merger.
2. Led by consultants Local Partnerships with the Local Government Association (LGA), all five councils have contributed information to the business plan. The report sets out a business case for establishing a single new council in East Kent, comprising the five districts.
3. Local government currently faces significant financial pressures and the exploration of a merger was deemed to be the next logical stage in trying to provide a stable and sustainable long-term solution to those pressures.
4. Sharing of services between various combinations of councils within Kent already exists and initial consideration was given to providing a wider range of shared services, or having a single staffing structure to serve all five councils.

Development of a Merged Business Case

5. It was identified at an early stage, however, that the savings to be achieved in additional shared services would be “considerably less than could be achieved through a merger” and even a single staffing structure would still have a significant resource requirement “to support the political machinery of five autonomous councils”¹. It was therefore agreed that exploration of a full merger would be a more worthwhile option.
6. These themes are covered in detail in the full business case (attached at Appendix A); however, early on in the process, each council’s Leader and Chief Executive were asked for their ‘red lines’ – i.e. boundaries and deal breakers which could not be crossed – in achieving a single council.
7. Ashford’s line, unsurprisingly, was maintaining the lowest council tax in Kent – a benefit to all the borough’s residents that the Council was not prepared to lose.²

¹ Local Partnerships: EAST KENT DISTRICTS – A business case for the potential creation of a single council from the five East Kent districts p4

² ABC Media Statement January 2017

Ashford's Medium Term Financial Plan

8. Before looking at the options provided within the business case, it is important to remember Ashford's position in terms of the Medium Term Financial Plan, which is balanced over the next five years.
9. The table below is an extract from the business case showing ABC's MTFP for the next five years.

	17/18	18/19	19/20	20/21	21/22
	£000	£000	£000	£000	£000
Income	15,162	14,672	15,683	17,008	17,649
Expenditure	15,217	14,869	14,758	16,268	18,041
Savings Required	(55)	(197)	925	740	(392)

10. If ABC can sustain this ratio of income over expenditure, the MTFP is viable - both now and into the future.

Business Case Outputs

11. To understand the merits of the five-way business case, some of the projected outputs need to be set in context and their impacts understood.
12. The business case identified that £102m of savings (the total from the five East Kent authorities) are required for the period 2017-2025.
13. The anticipated savings of a five-way merger for this same period would be £56m, leaving a budget gap of £46m.
14. These figures assume that the new single council sets a Council Tax for Band D of £207.08 from merger. Under this regime, the taxpayers of Ashford would stand to see an increase of 38% over the current Band D charge; moreover, a tax at this level would not balance the new council's budget ... leaving it to decide whether further savings could be made or to set a higher level of Council Tax.
15. If the new council were to harmonise over a period of five years to the lowest Council Tax rate (Ashford's), this would increase the budget gap of the new authority by £38m. So Ashford's 'red line' is detrimental to the business case of a five-way merger.
16. The differences in the various areas' Council Tax - ranging from Ashford at £150 p.a. at Band D equivalent in 2016/17 to Shepway at £232 p.a. - present difficulties in the business model, so harmonisation of council tax (over varying periods) across the five authority areas is presented as an option.

17. There are still questions on the statutory mechanism of harmonisation and the equitability issues that harmonisation would create but, even if it were possible, the outcome for Ashford's residents would be a range of increases in Council Tax – the largest one being a one-off increase of 29.5%.
18. The following paragraphs highlight one or two of the key points of interest from the attached business case.

The Benefits of Merger

19. The main argument supporting Ashford not joining a five-way council is, as we have seen, financial – and principally that affecting council tax.
20. Other issues raised in the business case include size providing greater resilience and economies of scale which it would do but, given our financial position, we would contend that many of these benefits would be more beneficially achieved for Ashford by sharing services – possibly more creatively and with a smarter use of technology – or by seizing opportunities for innovation and joint working.
21. One of the leading business case themes is the economic case, in terms of growth, regeneration and wider economic renewal, but at Ashford these are areas we have been focussing on and actively engaged in for some time now, and our achievements are starting to be seen through delivery of our Corporate Plan priority projects. In addition, Ashford's job growth has been consistently high, showing a 47% increase since 1997. We acknowledge, however, that there is always room for further growth and we would welcome the opportunity to explore mutually beneficial opportunities with the single council if the four councils vote for a single authority.
22. Ashford has also benefited substantially through both SELEP, with a substantive amount of the LEP funding coming to the borough, and through New Homes Bonus (reflecting what's been built in the borough already). Our planned future agenda continues in this vein where we think Ashford can be confident on a 'broader stage' – but joint approaches to substantial infrastructure projects may well be of benefit to the wider area in the future.
23. Finally, although a single local plan is highlighted as one of the possible benefits of merger, there are already statutory requirements around the duty to co-operate and we would maintain that planning processes and outcomes are being mutually improved around plan making and planning issues spanning local authority boundaries, and we hope this would continue with the development of a single authority.

Projected Savings

24. Part 4 of the business case gives the financial detail, where £8.7m p.a. (in today's prices) could be saved through a five-way merger – mainly through staff and management cost savings.

25. Modelled to 2024/25, the cumulative projected savings would be £56 million³.
26. It is assumed that the remaining savings requirement will be delivered through a combination of pre-merger savings and service transformation initiatives. At this stage the known impact that this level of savings and transformation would have on the services and service standards delivered by the new authority is not fully understood.

Other Consequences

27. The main consequence to Ashford and its residents of a merger would be the lack of savings that Ashford would achieve – and the concomitant requirement that Ashford would raise its council tax.
28. There are, however, some other outcomes that have been predicted which would arise as a result of a five-way East Kent council. One of these issues is the ‘democratic deficit’: the requirement that the number of councillors representing constituents would have to be reduced in order to cut democratic costs.

Other Options Considered

29. With the thought that Ashford might not proceed, the remaining four East Kent councils are considering a four-way merger to see what could be achieved via this means.
30. ABC, however, needs to be clear about its ‘drivers’ and their resulting options. The Council’s current financial position is strong; we have a clear Medium Term Financial Plan in place and a vision to continue our evolution into becoming more commercially minded and independent of central government funding. Merging, for Ashford, would not provide savings; but we have not ruled out exploring further opportunities to work more closely or to share services with East Kent or other authorities in the future.

Conclusion

31. Ashford’s position – partly because of its low council tax level – is not really comparable with the four other East Kent authorities in terms of council tax levels and savings requirements.
32. Because of its low council tax - and other factors highlighted in the report - it is important to note that a five-way merger into a single council would benefit neither Ashford nor its neighbouring councils.
33. It is important to note, however, that Ashford will be seeking to participate in economic partnerships etc., and we have made it clear that we will still want to be involved and play an active part in the East Kent Regeneration Board and other East Kent partnerships.

³ Local partnerships: EAST KENT DISTRICTS - A business case for the potential creation of a single council from the five East Kent districts p45

34. To this end, a Memorandum of Understanding is being composed which, if a single council for the four remaining East Kent districts is pursued, will be considered.

Portfolio Holder's Views

35. As Portfolio Holder, I should like to comment as follows:

In the light of the Government's devolution agenda, financial challenges facing local government, and the opportunity to drive improvements, it was only right and proper that we thoroughly examined the idea of a potential merger, and we entered the process with an open mind.

We, at Ashford, following the conclusions drawn from the business case, have decided to make the recommendation to withdraw from any further discussions at this stage to allow the other parties the opportunity to progress discussions on the potential of a four-way East Kent single council.

We do, however, wish to retain – and possibly build upon in the future – our close working relationships and develop any options that could be of mutual benefit.

We wish Canterbury, Dover, Shepway and Thanet well in their pursuit of a single council at district level.

*G D Clarkson
Leader of the Council*

Contact and Email

Tracey Kerly, Chief Executive:
tracey.kerly@ashford.gov.uk

Gerry D Clarkson, Leader
Ashford Borough Council

Equality Impact Assessment



Date of initial assessment	01/12/2016 – Initial EIA screening		
Service	Thanet District Council Canterbury City Council Shepway District Council Dover District Council Ashford Borough Council		
Proposal to be assessed	A business case for the potential creation of a single East Kent council		
New or existing policy or function?	New		
External (i.e. public-facing) or internal?	External		
Lead officer	Madeline Homer	Chief Executive	Thanet District Council
	Colin Carmichael	Chief Executive	Canterbury City Council
	Alistair Stewart	Chief Executive	Shepway District Council
	Nadeem Aziz	Chief Executive	Dover District Council
	Tracey Kerly	Chief Executive	Ashford Borough Council

<p>Please outline your proposal, including:</p> <ul style="list-style-type: none"> • Aims and objectives • Key actions • Expected outcomes • Who will be affected and how • How many people will be affected 	<p>Summary:</p> <p>The Leaders of Ashford, Canterbury, Dover, Shepway and Thanet District Councils have undertaken a series of discussions to examine options for closer collaboration, leading to a shared view that a merger of the five East Kent districts merits further serious consideration. The Statement of Intent confirmed the Leaders' thinking on the purpose of a merger and the principles that would underpin evaluation of the business case. The creation of a new unitary council for East Kent is not under consideration.</p> <p>In response to financial challenges facing local government and the opportunity to drive improvements and growth in the East Kent area, during the summer of 2016 the five East Kent councils gave approval, based on the Statement of Intent, to explore the advantages and disadvantages of a merger of the five East Kent District Councils of:</p> <ul style="list-style-type: none"> • Ashford; • Canterbury; • Dover; • Shepway; • Thanet; • and to also examine how a single district council could operate. <p>The East Kent districts already have a well-established track record of collaboration and sharing services, which reflects a similar approach to delivery; for example:</p> <ul style="list-style-type: none"> • East Kent Services (EKS) provides 'back-office' functions (such as HR and payroll) as well as customer contact and revenues and benefits (Canterbury, Dover and Thanet). • East Kent Housing (EKH), an arm's length organisation, provides services to Canterbury, Dover, Shepway and Thanet. • East Kent Audit Partnership, which is an in house shared service, supports Canterbury, Dover, Shepway and Thanet. • The East Kent Engineering Partnership involving Canterbury City Council, Thanet DC, Dover DC and Shepway DC. • East Kent Spatial Development Company (EKSDC), which was set up as an infrastructure, delivery and regeneration organisation to bring forward employment land where viability was an issue and/or there was a lack of private sector interest. <p>Aims and Objectives:</p> <p>There is provisional evidence to suggest that creating an East Kent district could deliver savings as well as reinforcing the ability of local Government to provide better outcomes for the residents, businesses and visitors to the area. Historically, East Kent has worked well collaboratively on such issues and the work sought to build on these relationships for the benefits of our communities.</p> <p>With the aim to deliver:</p>
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	<ul style="list-style-type: none"> • A more effective local government that is lean and commercial in its approach; • A reduction in the numbers of different management structures; • Clarification of governance for clear decision for each level of powers; • Upwards and downwards devolution of services in order to achieve best fit and most logical and effective outcomes. <p>The proposal aims to explore the benefits and savings that could be achieved through the establishment of a single East Kent district authority.</p> <p>Expected Outcomes: To be confirmed after public engagement commencing in March 2017</p> <p>Who will be affected and how? At this stage very high level information is known, for example:</p> <ul style="list-style-type: none"> • All residents living in the five districts • All staff employed by the five councils • All staff employed by organisations commissioned to carry out services/functions on their behalf by one (or more) of the five councils. • All Elected Members in the five districts <p>Impacts against the relevant protected characteristics are not known at this stage.</p> <p>How many people will be affected? The total population of the East Kent districts (five councils) was 647,300 in 2015 and expected to rise to 690,800 by 2021. The impacts could possibly be further reaching than this.</p> <p>The council tax support scheme changes were the subject of an extensive Equalities Impact Assessment . Dover District Council and Canterbury City Council have very similar schemes to Thanet District Council, but Shepway District Council is different. If the schemes need to be merged (as well as any possible harmonisation of council tax itself), there could be an uneven effect on some of the (working age) population. Details at this stage are unknown.</p>																					
<p>What relevant data or information is currently available about the customers who may use this service or could be affected? Please give details; for example “x% of customers are female” or “x% of customers are aged over 60”</p>	<p>Demographic data:</p> <table border="1" data-bbox="669 1107 1935 1347"> <thead> <tr> <th></th> <th>Population mid-year estimates, 2015</th> <th>KCC Population forecast 2021</th> </tr> </thead> <tbody> <tr> <td>Ashford</td> <td>124,300</td> <td>137,700</td> </tr> <tr> <td>Canterbury</td> <td>160,000</td> <td>171,200</td> </tr> <tr> <td>Dover</td> <td>113,200</td> <td>121,400</td> </tr> <tr> <td>Shepway</td> <td>110,000</td> <td>113,700</td> </tr> <tr> <td>Thanet</td> <td>139,800</td> <td>146,800</td> </tr> <tr> <td>Total East Kent population</td> <td>647,300</td> <td>690,800</td> </tr> </tbody> </table>		Population mid-year estimates, 2015	KCC Population forecast 2021	Ashford	124,300	137,700	Canterbury	160,000	171,200	Dover	113,200	121,400	Shepway	110,000	113,700	Thanet	139,800	146,800	Total East Kent population	647,300	690,800
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	<p>All East Kent districts have identified significant common demographical challenges:</p> <ul style="list-style-type: none"> • An ageing population: for example, in Canterbury, compared to the rest of England, the district has fewer people in their 30s, 40s, and 50s but a higher proportion of people over the age of 65. In 2013 about one in five residents were over 65; this is estimated to increase to one in four by 2031. All five districts face similar challenges. • Areas of multiple deprivation: for example, Thanet remains Kent's most deprived local authority district in the Index of Multiple Deprivation (IMD) 2015. Nationally, Thanet is ranked at 21 out of 326 authorities, placing it within England's 10% most deprived authorities. There are similar issues in other coastal towns such as Folkestone and Dover, and Canterbury district has ten areas that rank in the top 20% most deprived areas in England. <p>Overall, the East Kent economy has performed relatively well compared to the rest of Kent and the South East, with particularly strong performances in Ashford and Canterbury and Dover showing the least strong.</p> <p>Overall, in common with much of the rest of the South East, East Kent has seen population growth, particularly of working age people. East Kent exports significant labour outside the region, particularly to London. Notably, there is also a relatively high degree of 'self-containment', with Ashford and Canterbury providing employment to the coastal districts. The types of employment currently available across the five districts are slightly different and complementary. For example, Ashford has more information / communications, wholesale retail and transport than the East Kent average, whereas, Dover has more accommodation, food services and recreation.</p> <p>In terms of housing, completion rates have started to recover after the 2008 credit crunch, with particular pressure points in Ashford and Canterbury in terms of affordability.</p>
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Is the decision relevant to the aims of the Public Sector Equality Duty, which are listed below? Guidance on the aims can be found in the EHRC's PSED Technical Guidance		
Aim	Yes/No	Explanation
Eliminate discrimination, harassment and victimisation	Yes	Should the merger go ahead there could be opportunities to achieve this aim that should not be missed. Staff The Business Case covers the workforce for each of the East Kent Councils which will, by the nature of the organisations, include individuals who are covered by one or more of the full range of

		protected characteristics, as defined within the Equalities Act 2010. Currently no significant detrimental impacts have been identified which cannot be readily mitigated through existing HR policies, enhancements to existing policies and protocols. If the decision outcome is to proceed with the creation of a new single East Kent district council, there could be some potential inequalities which may stem from the merger proposals if not proactively addressed.
Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it	Yes	Should the merger go ahead the potential for consistency across the district and therefore advancement of equality of opportunity should be enhanced.
Foster good relations between persons who share a relevant protected characteristic and persons who do not share it	Yes	Should the merger go ahead the potential for consistency across the district and therefore there could be opportunities to foster good relations which should not be missed

Assess the relevance of the proposal to people with different protected characteristics, and assess the impact of the proposal on people with different protected characteristics.			
Protected characteristic	Relevance to proposal High/Medium/Low/None	Impact of proposal Positive/Neutral/Negative	Explanation
Age			Unknown at this stage
Disability			Unknown at this stage
Gender reassignment			Unknown at this stage
Marriage and civil partnership			Unknown at this stage
Pregnancy and maternity			Unknown at this stage
Race			Unknown at this stage
Religion or belief			Unknown at this stage
Sex			Unknown at this stage
Sexual orientation			Unknown at this stage
Other groups: for example – low income/ people living in			Unknown at this stage

rural areas/ single parents/ carers and the cared for/ past offenders/ long-term unemployed/ housebound/ history of domestic abuse/ people who don't speak English as a first language/ People without computer access etc.			
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Are you going to make any changes to your proposal as a result of these findings, in order to mitigate any potential negative impacts identified?	Following a period of public engagement more information about how a potential East Kent merger will affect people with or without a protected characteristic will be collected and the Equality Impact Assessment will be updated with new information.
Is there any potential negative impact which cannot be minimised or removed? If so, can it be justified?	None identified at this stage. This will be reviewed following a period of public engagement

What additional information would increase your understanding about the potential impact of this proposal?	<p>Separate conversations have continued to take place across the whole of Kent on the possibility of making a bid to Government for the devolution of powers and funding from Government to the public sector in Kent.</p> <p>The East Kent district councils, whilst being party to these discussions are also keen to build on the economic and social cohesion of the area of East Kent. In response to this, the districts have been engaging in further complimentary activity with the county, to explore devolution options around; Highways, Public Health and Community Safety. Strategically, a single East Kent district could enable the development of strong, strategic leadership at all levels throughout East Kent, offering economies of scale, greater resilience and the capacity and capability to further enhance and improve the value for money and quality of the services delivered, placing East Kent in a stronger position as the discussions progress.</p>
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	Information regarding the potential impact on people during a period of public engagement will also inform the EIA.
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Next stage:

Date of revised assessment	Click here to enter a date.
Have you made any changes to your initial assessment?	
Did you undertake consultation? – if yes, give date and the consultation results:	If a decision is taken to progress, the councils will carry out a programme of public and stakeholder engagement.
Do you have new information which reveals any difference in views across the protected characteristics?	
Can any new conclusions be drawn as to how the proposal will affect people with different protected characteristics?	
Are you going to make any changes to your proposal as a result of these findings, in order to mitigate any potential negative impacts identified?	
Is there any potential negative impact which cannot be minimised or removed? If so, can it be justified?	

EAST KENT DISTRICTS

A business case for the potential
creation of a single council from
the five East Kent districts





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EXECUTIVE SUMMARY

Introduction

This report sets out a business case for establishing a single new council in East Kent comprising the current five individual districts – Ashford Borough Council, Canterbury City Council, Dover District Council, Shepway District Council and Thanet District Council.

Background and Options Considered

The five districts in East Kent all face significant financial pressures and have been exploring joint initiatives to provide a stable and sustainable long-term solution for the locality. They already have a track record of collaboration and have considered whether greater sharing of services could be the preferred solution for providing financial sustainability. Indeed, further sharing of services remains a viable option if this business case for a merger is not taken forward. Options could include one council delivering a function on behalf of the others, or East Kent Services (EKS - a shared 'back-office' function between Canterbury, Dover and Thanet) providing a wider range of shared services on behalf of all five councils. As an alternative, a single staffing structure could be established to serve all the councils. These are fundamentally different approaches, but both are credible alternatives to a merger. However, when compared to the option of a formal merger these options are considered to be sub-optimal for a number of reasons described below:

- the projected staffing savings for one council delivering a function on behalf of the others, or an extension of EKS, would be considerably less than could be achieved through a merger, as the current senior management costs for each council would not be significantly impacted
- if a single staffing structure could be established to serve all the councils there would still be the significant resource requirement to support the political machinery of five autonomous councils
- any shared service arrangement would lose the benefits of 'speaking with one voice' on important issues
- shared arrangements may not be as stable as a merged council because there always remains the potential for them to be reversed

Therefore, this business explores the implications and opportunities of a full merger of the five districts.

Approach

This business case uses a HM Treasury five case model considering the case for change through a number of different perspectives, which are described below.

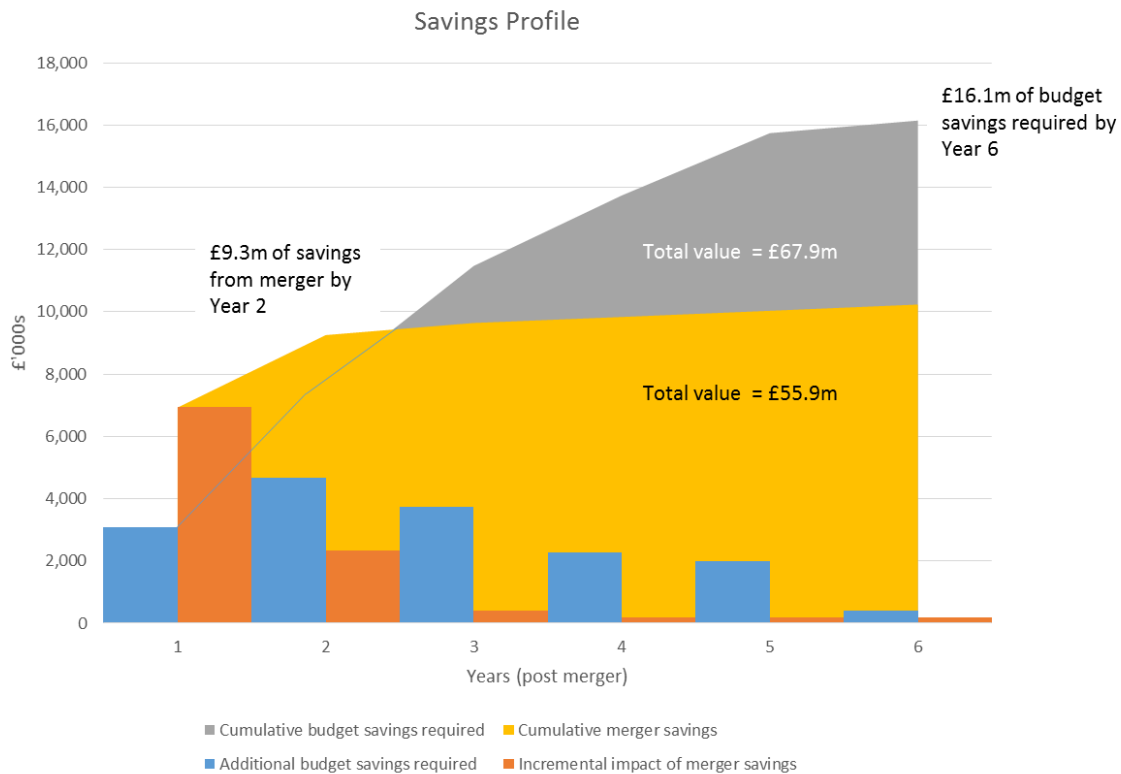
The Financial and Commercial Cases

Under the current arrangements for local government finance, long term estimates for major income streams such as Business Rates and New Homes Bonus are difficult to predict. In projecting the baseline budget position for the five districts, significant assumptions have had to be made about key variables such as expenditure growth and government funding. Under a prudent scenario agreed with the councils' Section 151 officers, the combined savings that



would need to be identified by 2024/25, if the five districts continued to operate individually, are estimated to be £21.0m¹, with £4.9m of these required prior to merger.

Of the remaining £16.1m, this business case identifies c. £9.3²m of savings that could be achieved within two years of merging, largely made up of staff savings through structural changes and some consolidation of services. The graph below illustrates how the profile of savings required and savings identified relate to each other.



These savings are considered to be at the lower end of what could ultimately be delivered through merger. If, like others, the new council takes the opportunity of merger to transform services, it is estimated that a further additional 50%, i.e. £4m - £5m, of savings could be delivered per annum.

In order to deliver a new merged council, there will be one-off transition costs that are estimated to be c. £8.3m³ in today's prices (2016/17), covering, for example, redundancy costs, harmonisation of technology, communications and engagement, etc.

The new council would also need to determine a single rate of council tax for the new merged district. The current range of rates across the five existing districts is large. In engaging with DCLG to develop this business case, a senior DCLG civil servant, has made it clear that a new council would have a variety of options in determining its preferred approach to harmonising council tax. The proposed approach would be agreed in advance with DCLG and set out in the statutory order required to establish the new council.

¹ An alternative, more pessimistic scenario, is illustrated in section 4 - Financial Case; this projects a combined savings requirement by 2024/25 of £30.4m.

² This differs to the £8.7m in Table 11 as a result of inflation.

³ The value of £8.704m in the table overleaf has been adjusted for inflation.



Harmonising to the highest rate would involve significant increases for some existing districts which is likely to be politically unacceptable. This business case models three possible approaches to council tax harmonisation:

- A) harmonisation to the lowest rate over five years
- B) harmonisation to the average rate over five years
- C) harmonisation to the average rate in Year 1

Drawing on the points above, the table and subsequent paragraphs below summarise the financial case for a merger.

	A Harmonise to the lowest rate as at 2023/24 (over 5 years)		B Harmonise to the average rate as at 2023/24 (over 5 years)		C Harmonise to the average rate as at Year 1 (2019/20)	
Period	(2017/18 - 2024/25)		(2017/18 - 2024/25)		(2017/18 - 2024/25)	
Option	As-Is	Single District	As-Is	Single District	As-Is	Single District
	Cumulative (£'000s)		Cumulative (£'000s)		Cumulative (£'000s)	
Value of cash to be saved by 31 March 2025	(102,189)	(102,189)	(102,189)	(102,189)	(102,189)	(102,189)
<i>Less impact of savings to be made pre-merger</i>	34,279	34,279	34,279	34,279	34,279	34,279
Cash to be saved post-merger	(67,910)	(67,910)	(67,910)	(67,910)	(67,910)	(67,910)
Savings generated by merging	0	55,946	0	55,946	0	55,946
Sub-Total	(67,910)	(11,964)	(67,910)	(11,964)	(67,910)	(11,964)
Merger savings as a % of total requirement	0%	82%	0%	82%	0%	82%
Add:						
Costs of merging						
Transition Costs	0	(8,704)	0	(8,704)	0	(8,704)
Council Tax Loss	0	(37,863)	0	(830)	0	(54)
Risk adjustment	0	(3,475)	0	(3,475)	0	(3,475)
	0	(50,041)	0	(13,008)	0	(12,232)
Balance of savings to be identified	(67,910)	(62,005)	(67,910)	(24,972)	(67,910)	(24,196)
Balance of savings to be identified (%)	100%	91%	100%	37%	100%	36%
Balance of savings identified (%)	0%	9%	0%	63%	0%	64%

It can therefore be concluded that:

- the merger of the five district councils is an action that has the potential to make a significant contribution to the savings required over the six year period to 2024/25
- the impact of savings on the annual budget of the new authority should pay back the estimated transition costs in a little over a year
- once the merger is implemented and the reductions in operating costs achieved, the changes will have eliminated £8.7m, in 2016/17 prices, of annual expenditure from budgets which represents c.11% of the current combined net revenue expenditure of the five districts. The extent to which this saving benefit resides within the council or is transferred to residents, depends upon the choice of approach to harmonising council tax rates

It is likely that the new council would want to transform the services it inherits and leverage its scale, once it has been created, and additional savings of up to 5% of overall expenditure should be achievable based on research of other merger authorities. This would equate to



between £4m and £5m savings per annum over and above those identified in the table above⁴.

Other Aspects of the Business Case for Creation of a New Council

Whilst important, the financial and commercial positions are only two aspects of the case for change. The other aspects explored in this report are summarised below.

Strategic Case

In strategic terms, a single East Kent district makes sense. It enables the development of strong, strategic leadership at all levels throughout East Kent, offers economies of scale, greater resilience and the capacity and capability to further enhance and improve the value for money and quality of the services delivered.

A merged organisation would also be able to offer greater value for money and consistency of approach, particularly for customers operating across different districts, for example in the areas of planning, licensing and environmental health requests.

Whilst the new council would not be a unitary authority, in considering the option(s), a merged council opens up the possibility of devolution at two levels:

- Firstly, from the County to the new district. Engagement with Kent CC is ongoing, exploring areas such as aspects of operational highways maintenance (for example, street furniture and verge cutting), public health and community safety
- Secondly, from the new district to town and parish councils. For example, aspects of services that are best dealt with at a local level such as public conveniences, open spaces and local assets such as community centres. Again, consideration of the extent and nature of 'downward' devolution is ongoing

There remain important decisions to be made as to the precise nature this devolution would take and any cost implications, including the potential for such an approach to reduce the economies of scale which can be derived from a merger.

There is, therefore, potential for East Kent to achieve an optimum balance of strong, strategic leadership and local responsiveness through mechanisms such as devolution of services and decision making to Town and parish councils. In the process of developing this business case, a range of stakeholders have been engaged across the East Kent area and it is clear that there is broad support for the principle of creating a new council subject to further detail being provided in due course. The business community, in particular, strongly recognises the ability of a single district to take a strategic lead for the whole region, speaking with a louder voice on issues such as transport and planning (engaging with South East Local Enterprise Partnership (SELEP) and Kent Country Council, Highways England (HE), Network Rail (NR) and others) and skills (engaging with Department for Education (DfE), Department for Business, Energy & Industrial Strategy (BEIS) etc.). The new, larger, council should create opportunities to have greater influence with these organisations, securing more funding from both private and public sector sources.

⁴ For the avoidance of doubt, the savings and transition costs modelled and appraised within this business case solely concern the restructuring of the existing five district councils. The business case does not investigate the transformation potential of a single district as this will be for the new entity and its Members to determine.



Economic Case

In economic terms a single, larger district would have the scale to operate and deliver economic outcomes more effectively. East Kent's growing coherence as an economic unit provides the scope to better exploit the synergies between the different constituent areas and this can be better achieved through merger than through collaboration between existing districts.

All districts recognise that future funding of local government will be increasingly dependent on economic performance. The opportunities for a single new council include:

- **Creating a single political vision:** with the benefits to potential investors and partners of greater certainty (for example captured in a single local plan)
- **Creating a new council that fits with the underlying functional economic geography of the area:** providing greater capacity and capability (a single team). In addition, a larger authority is likely to have greater scale to borrow and increase investment in priority areas
- **Promotion of housing growth** – for example by scaling-up as a single team with greater capacity and capability to increase the quantity of new housing and the speed of delivery
- **Development of infrastructure** - supported by a coherent and costed plan that would provide increased certainty to potential developers. This should help create a productive investment environment which should feed through over time into increasing local revenue sources for the new council, particularly via business rates
- **Supporting coastal communities** - for example, by promoting increased tourism through a co-ordinated and complementary offer across the area
- **Developing a cultural 'offer'** that leverages East Kent's considerable existing assets and attractions
- **Exploring income generation opportunities** - through a co-ordinated East Kent-wide approach rather than through competition between the existing districts
- **Promoting complementary specialisms** in different areas of East Kent (for example by expanding Higher Education facilities beyond Canterbury)

Management Case

Moving five districts into one would be the most ambitious yet tackled by district councils and the associated transformational and culture change would represent a major programme of work requiring careful management of a number of inter-related areas:

- **Programme and Project Management** - dedicated resources, using proven programme and project management methodologies
- **Governance** - Member and Officer led governance arrangements. This would include a Steering Group / Implementation Executive who would provide strategic and political leadership for the overall programme to create a new council and a Programme Board responsible for the delivery of benefits
- **Finance** – dedicated work-streams to deal with issues such as staff, assets, and liabilities transfer as well as budget amalgamation
- **People** – dedicated work-streams to prepare new staffing structures, recruit new posts and to plan for pay and conditions harmonisation



- **Stakeholder Engagement** - a comprehensive Stakeholder Engagement strategy and plan for the duration or the transition period
- **Risk Management** – an approach to identify and mitigate risks as early as possible

The actions would also need to take account of the key milestones for progressing with a merger:

- each council to agree whether or not to proceed with business case – 22nd March 2017
- Secretary of State approval - Autumn 2017
- new council legally takes effect (Vesting Day) – April 2019
- elections to the new council – May 2019

Summary

In summary, creating a single new council is an ambitious but logical next step of the type that central government been supportive of elsewhere, and has the potential to provide a stable and sustainable long-term solution for East Kent.



INTRODUCTION

This business case explores the opportunities and challenges of establishing a single new council in East Kent comprising the current five individual districts – Ashford Borough Council, Canterbury City Council, Dover District Council, Shepway District Council and Thanet District Council.

The approach adopted is an adaptation of the HM Treasury 'Green Book' Guidance for Business Cases, which is made up of five separate elements. In each section, the opportunities and challenges of a single new council are considered against the current position of the five individual districts. The five elements are:

1. the strategic case: covering the vision and strategic ambitions for the area
2. the economic case: covering growth, regeneration and wider economic renewal
3. the commercial case: setting out the rationale for the values modelled within the financial case
4. the financial case: establishing the value for money and affordability of the proposals
5. the management case: exploring the way in which the new council might be delivered.



1. STRATEGIC CASE

1.1 Introduction

This section of the business case considers the strategic aspects of establishing a single district council and whether the opportunities offered are greater than those available to the five individual districts continuing to remain separate. It explores the implications and opportunities for better delivery of the desired ambitions of the five councils.

1.2 Background and Options Considered

Local government is under significant pressure; resources are scarce, yet demand is rising through population growth and demographic changes. Many councils are considering options they have not looked at previously, to help with reducing finances and to increase capacity: all councils are struggling to some extent and in different ways. The East Kent districts are no exception to this general rule and, in response to earlier financial challenges, believe that the status quo is not an option.

The East Kent districts already have a well-established track record of collaboration and sharing services, which reflects a similar approach to delivery; for example:

- East Kent Services (EKS) provides ICT, HR, payroll, customer contact and revenues and benefits services (Canterbury, Dover and Thanet)
- East Kent Housing (EKH), an arm's length organisation, provides housing services to Canterbury, Dover, Shepway and Thanet
- East Kent Audit Partnership, supports Canterbury, Dover, Shepway and Thanet
- The East Kent Engineering Partnership involving Canterbury, Thanet, Dover and Shepway
- East Kent Spatial Development Company (EKSDC), which was set up as an infrastructure, delivery and regeneration organisation to bring forward employment land where viability was an issue and/or there was a lack of private sector interest

In response to the significant challenges that they face, the five East Kent districts - Ashford, Canterbury, Dover, Shepway and Thanet – have been considering options that can provide a long-term, sustainable solution. Two options have been explored; further extending the current shared services approach and a full merger of the five districts into a single new (district) council.

In the process of developing this business case, a range of stakeholders have been engaged across the East Kent area and it is clear that there is broad support for the principle of creating a single new council subject to further detail being provided in due course.

1.2.1 Potential to Extend the Current Arrangements

A high level analysis of the possibility of deepening and extending the current arrangements into a single shared management arrangement serving the five councils has been considered. There would be some advantages of such an arrangement; for example:



- the scale of the change needed is far less significant than a full merger and is therefore simpler to implement
- many of the transition costs identified in the case for full merger would not be incurred (for example on communication, member induction etc.)

Indeed, further sharing of services remains a viable option if this business case for a merger is not taken forward. Options could include one council delivering a function on behalf of the others, or EKS providing a wider range of shared services on behalf of all five councils. As an alternative a single staffing structure could be established to serve all the councils. These are fundamentally different approaches, but both are credible alternatives to a merger. However, when compared to the option of a formal merger these options are considered to be sub-optimal for a number of reasons:

- the projected staffing savings for one council delivering a function on behalf of the others, or an extension of EKS, would be considerably less than could be achieved through a merger, as the current senior management costs for each council would not be significantly impacted
- if a single staffing structure could be established to serve all the councils there would still be the significant resource requirement to support the political machinery of five autonomous councils. No other council has attempted this to date
- senior management would, therefore, have insufficient time to devote to the strategic support that is needed to achieve the significant, strategic ambitions for East Kent
- the benefits of speaking with one voice on important issues, if a single council were not created, would be more difficult to achieve. Officers and Members would, rightly, put the needs of their own communities and residents first. Therefore the collective will for all parties to act in the common interests of East Kent would be constrained
- any shared arrangement carries inherent uncertainty because shared services are always reversible with the risk of partners pulling out following a change of administration or as a result of serious disagreements. This could present significant challenges in relation to long-term planning and investment for the districts, and consequently would not give potential investors and partners the reassurance or certainty they would be seeking

For these reasons, the districts are exploring whether the creation of a new council provides the preferred route to long-term stability and sustainability.

1.2.2 The Strategic Advantages of Creating a New Council

The creation of a new council comprising the five East Kent districts is an ambitious but logical next step, building on the success and momentum of the current shared service arrangements. A merger also goes with the grain of central government public pronouncements and can provide a stable and sustainable long-term solution for the locality. A merged district would cover a large geographical area and in this case size matters; for example, providing economies of scale and a (single) strategic voice for East Kent, better able to put the case for the area with partners such as the South East Local Enterprise Partnership (SELEP), Kent County Council, Central Government and national agencies such as Highways England (HE), Network Rail (NR) and the Homes and Communities Agency (HCA).



A larger, more resilient district also provides opportunities for transformation of service delivery because of the greater scale and shared resources, providing lower cost, higher quality services for citizens.

The remainder of this business case therefore considers the merger of the five districts in detail.

1.3 Strategic Context

East Kent is increasingly being recognised as a distinctive, cohesive geographical and economic area. The leaders recognise the opportunity to build on that strength by exploring uniting as one district, recognising that this also has the potential to allow them to control their destiny. Their vision for the future is for:

A vibrant East Kent region that balances regeneration and growth with the many rural and cultural jewels within the area. Our residents will enjoy a good quality of life, with support available for those who most need it. We will maximise the potential of our built and natural environment and develop a diverse and thriving economy whilst being financially self-reliant.

This vision will be achieved through:

- improving economic development and growth
- stronger local leadership (and addressing the 'democratic deficit')
- building resilience and capability to meet growing service and quality expectations
- a constant focus on delivering value for money

1.4 Improving Economic Development and Growth (see also section 2 – Economic Case)

All East Kent districts have identified significant common challenges:

- an ageing population: for example, in Canterbury, compared to the rest of England, the district has fewer people in their 30s, 40s, and 50s but a higher proportion of people over the age of 65. In 2013 about one in five residents were over 65; this is estimated to increase to one in four by 2031. All five districts face similar challenges
- areas of multiple deprivation: for example, Thanet remains Kent's most deprived local authority district in the Index of Multiple Deprivation (IMD) 2015. Nationally, Thanet is ranked at 21 out of 326 authorities, placing it within England's 10% most deprived authorities. There are similar issues in other coastal towns such as Folkestone and Dover, and Canterbury district has ten areas that rank in the top 20% most deprived areas in England
- a need to improve economic performance, as measured through Gross Value Added (GVA), which is currently mixed across the sub-region and below that of the best districts in both Kent and the South East
- declining budgets and the need to operate more efficiently
- responding to increasing housing demand and costs
- the need for investment in growth and infrastructure projects
- improving education, skills and employment opportunities



- aligning and integrating across the wider public sector to collaborate more effectively with other public sector partners to better deliver desired strategic outcomes
- using technology more effectively
- responding to ongoing welfare reform

In summary, a new council would potentially be well placed to ensure that East Kent is in a favourable position to positively respond to all these challenges. For example, experience elsewhere indicates that merging delivery models brings increased resilience and enables more resource to be devoted to services/ functions which are judged to be strategically more important (see section 1.5 below for further consideration of the opportunities for increasing resilience).

In addition, the corporate plans for the East Kent districts identify a number of key high level priorities, many of which are common. These are summarised in Table 1 below, with a more detailed analysis included as Appendix A.

Driver	Focus	Councils
Economy	Building the range and skill level of the borough's job offer	All
Economy	Growing business	All
Economy	Town Centre Improvements	ABC / CCC / DDC / SDC
Economy	Increasing tourism spending	ABC / CCC / DDC / SDC
Economy	Supporting or pursuing Infrastructure developments	ABC / CCC / DDC
Economy	Attracting inward investment	ABC / DDC / TDC
Economy	Boosting the rural economy	ABC / CCC
Housing	Meeting the needs of residents	All
Housing	Housing supply	ABC / CCC / DDC / SDC
Housing	Planning process	ABC / CCC / DDC / SDC
Housing	Expanding home ownership	ABC / CCC / SDC / TDC
Place	Open spaces	All
Place	District presentation	All
Place	Leisure Offer	ABC / CCC / DDC
Place	Cultural Focus	ABC / CCC
Place	Heritage and Wildlife	CCC
People	Health and wellbeing	ABC / CCC / DDC / TDC
People	Community protection	CCC / DDC / SDC / TDC
Council governance	Service standards	All



Council governance	Grant funding plans	ABC / CCC / DDC / SDC
Council governance	Income generation	ABC / CCC / DDC / SDC
Council governance	Collaboration with other bodies	ABC / CCC / DDC / TDC
Council governance	Making savings	ABC / DDC / SDC
Council governance	Devolution/Community Engagement	DDC / SDC

(NOTE: ABC = Ashford Borough Council; DDC = Dover District Council; CCC = Canterbury City Council; SDC = Shepway District Council; and TDC = Thanet District Council)

Table 1: Summary of key common challenges across the East Kent districts

The bigger delivery area footprint would also offer a wider range of commercial opportunities; for example a merged building control function is likely to have the necessary scale to be able to be more commercially competitive. Commercialisation opportunities such as income generation are covered in more detail in section 2 – Economic Case.

1.5 Stronger Local Leadership

There is potential for East Kent to achieve an optimum balance of strong, strategic leadership through a single voice and local responsiveness through mechanisms such as devolution of services and decision making to local councils and areas. Devolution from Kent County Council to a merged East Kent Council and then from East Kent Council to Town and Parish Councils would facilitate decision-making and service delivery at the optimum level.

Furthermore, a larger organisation offers a greater opportunity to plan at a more strategic level and take advantage of growth opportunities at the East Kent scale, making linkages and collaborations more effectively. For example, such linkages might be on:

- a more integrated approach to transport and planning (with Kent County Council)
- education and employment opportunities across a wider area (with KCC, HE/FE partners, businesses etc.)
- strategies that would provide benefit to the whole East Kent area (for example, in relation to Housing Strategy, an East Kent Strategic Housing Market Assessment would fully reflect the local housing market)

Early engagement with the business community in the region (including the FE sector) indicates support for a single East Kent local plan, able to capitalise and leverage the greater scale of the new council. The coherence of the East Kent economic region (discussed further in section 2) should allow the elimination of any overlaps / duplication in current plans and a clear sense of where the sub-regional priorities lie.

The business community also strongly recognises the ability of a single district to take a strategic lead for the whole region, speaking with a louder voice on issues such as transport and planning (engaging with SELEP, HE, NR and others) and skills (engaging with DfE, BEIS etc.). The new – larger – council should create opportunities to have greater influence



with organisations such as SELEP, securing more funding from both private and public sector sources.

It also offers the opportunity to develop a more strategic approach to areas such as external funding and communications. For example, a single integrated communications and marketing team could deliver campaigns more effectively on subjects that are universal across all the existing council district areas such as inward investment, litter, waste, council tax / benefits, getting online and community safety.

A larger single new council would be able to offer greater consistency of approach, particularly for customers operating across different districts for example in the areas of planning, licensing and environmental health requests.

Whilst the new council would not be a unitary authority, in considering the option(s), Leaders and Chief Executives are keen to explore the possibility of devolution at two levels:

- Firstly, from the County to the new district. Engagement with Kent CC is ongoing, exploring areas such as aspects of operational highways maintenance (for example, street furniture and verge cutting), public health and community safety.
- Secondly, from the new district to town and parish councils. For example, aspects of services that are best dealt with at a local level such as public conveniences, open spaces and local assets such as community centres.

Again, consideration of the extent and nature of ‘downward’ devolution is ongoing, including the potential for such an approach to undermine the economies of scale which can be derived from creating a new council.

While a new council will bring many opportunities in relation to stronger leadership, the East Kent councils have also recognised a need to ensure that decisions are taken at the right level to maximise engagement and empowerment of local communities.

There are 123 parish and town councils in East Kent. The districts of Ashford, Canterbury and Thanet are, however, not fully ‘parished’. In Canterbury, the council engages with residents’ associations and community organisations in unparished areas. These vary in their size and capacity from one area to another. A community governance review in Canterbury district is now overdue, although no date has yet been fixed. There are community forums in the unparished (urban) parts of Ashford which help facilitate community engagement and involvement. A recent community governance review concluded that two of the five community forum areas would be parished by 2019.

Discussions have commenced with representatives of parish and town councils across the area to seek their views on a potential merger, and to consider whether there may be opportunities to devolve functions and services from district to parish councils. A meeting convened by the Campaign for Democracy in Canterbury and the Canterbury Society also considered these matters. Feedback from both has informed the development of this section of the business case.

There are various approaches that East Kent could take if a new, merged council was formed, to seek to provide stronger, more effective local leadership, none of which are mutually exclusive: indeed, the more, the better. These options are informed by consideration of relevant experience from other councils in England. It is not the role of the LGA or Local Partnerships to recommend any individual approach to addressing these challenges, but to present a range of options for consideration. These are as follows:



a) Support and develop members of the new council to understand and carry out their roles to the full, both as local community leaders and, where relevant, as strategic leaders for the whole place.

Both the community and strategic leadership roles are essential to the council. For a new East Kent council to achieve the additional impact for the area in terms of economic growth that is envisaged, it would be critical that those members taking strategic leadership roles are appropriately supported. There is potential, discussed below, for enhanced mechanisms for engagement in local communities: whatever form this takes, it would be essential to support members to understand and fully implement their roles within these and in support of the council's wider objectives. Being a councillor in the new council may involve ways of working which are different from the status quo.

b) Through engagement with parish and town councils, offer opportunities for local councils to:

- **Build their capacity and capability**
- **Receive devolved functions and services and asset transfers, by mutual agreement: this includes the potential for local councils to request powers/ functions, and not simply to receive them**

It is important to stress that it is envisaged that any such devolution would take place on a voluntary basis: no local council would be forced to take on any services they did not wish to.

If this is done in a planned, supported way, it is to be expected that over time, a greater number and range of services could be devolved to local level - even more so if the council acts effectively and proactively as place-shaper. It would be beneficial to share the learning from local councils as and when services are devolved, for the benefit and encouragement of the remaining councils.

The new council would need to consider what support to offer to local councils to ensure the success of this approach. The council could either provide this direct or commission others (for example, KALC) to provide this support. The approach being proposed in Buckinghamshire in relation to the transfer of services and assets, with associated support, is a useful model. Support could also include promotion of the role of the local councillor, to encourage the involvement of a more diverse range of people.

c) Encourage local councils to cluster together to build capacity and take more devolved responsibilities, by mutual agreement.

This may aid the spread of devolution in areas where local councils are too small to be able to consider it alone.

d) Subject to community governance reviews, support the establishment of parish/ town councils in areas currently unparished.

Given the significant change involved in a move to a merged district council, the councils may wish to consider revisiting community governance reviews in places where they have already been held, to enable consideration of the changed circumstances.

e) Identify and/or establish local councils which can play a strategic role in each area.

There are examples from other areas where this has been identified as a useful way of building local capacity and focus. For example, Wiltshire have devolved significant responsibilities to Salisbury City Council, which did not exist prior to establishing the unitary authority in 2009. Salisbury currently employs 60 staff and delivers a range of services not far removed from the scale of a district council. Similarly, a town council is being established in Lowestoft following a community governance review, and in parallel



with consideration of plans for a merger between Suffolk Coastal and Waveney district councils.

f) Establish Area Boards to provide a framework for decision making at local level.

This is an approach adopted in a number of recently established unitary councils, in order to ‘bridge the gap’ between the new council and local communities and ensure responsive, local governance. It aims to ensure a consistent approach across the whole place, irrespective of the strength or engagement of local councils (but seeking to involve them throughout). Meetings are held in local communities within each Area, and locations may vary to maximise public engagement.

Councillors serving a larger area than was previously the case are supported to engage with their local communities and with parish and town councils: there is also the potential for the county councillor(s) to engage with their local Area Board. The approach can also support the development of community capacity and resilience.

Wiltshire has been recognised⁵ as a good example of putting locality governance into practice in a large (unitary) council (see Appendix E).

g) Consider the potential for community hubs

These act as an impetus for joining up public services in local communities (most likely in larger towns, potentially in conjunction with e), above). Discussions underway with the County Council in West Kent, and the One Public Estate programme, have the potential to contribute to this thinking.

h) Ensure the new council employs best practice in relation to community and stakeholder engagement, including, but not limited to:

- forms of public decision-making meetings which encourage participation
- use of social media
- strategic use of consultation and engagement to ensure communities experience meaningful and consistent engagement

1.6 Building Resilience and Capability

Alongside the rest of local government, the East Kent districts are under considerable financial pressure. In response, all have reduced staff numbers, which has inevitably led to loss of both capacity, capability and resilience, with some areas affected more than others (in order to preserve front-line services as far as possible).

Recent research⁶ into local government reorganisations has concluded that larger councils are most likely to generate economies of scale and be resilient in the context of continued budget pressures. A larger, merged district provides opportunities to build resilience and capability:

- Resilience: a new, merged authority would have a larger pool of resources in all functional areas, providing the ability to move work around when there are pressures

⁵ *Independent analysis of governance scenarios and public service reform in county areas*: EY, 2016

⁶ “Learning lessons from local government reorganisation: an independent study” *Phil Swann, Shared Intelligence*



in particular geographical areas. In providing service-based submissions to support this business case, officers from all five councils referenced the need for increased resilience across a range of service areas including Regulatory Services, Electoral Services, Planning, Regeneration, Finance and Waste. A new entity also offers the potential to build increased resilience around corporate duties such as Equalities, Emergency Planning, Policy and Strategy development, Risk Management and Business Continuity as well as providing capacity to support customer insight, data analysis, and research

- Staff retention: a larger single authority would also be able to create a structure that offers more career opportunities and offers greater appeal in the jobs market and so is able to recruit and retain high calibre staff. Officers consistently made reference to difficulties in attracting and recruiting to specialist roles and to the fact that the small staff numbers in certain functional areas means that capacity to respond to service needs is often impacted by factors such as long term absence and unusual service demand
- Capability: increasingly, smaller local authorities have used external resources for support in specialist technical areas such as procurement advice. A larger merged district offers the possibility of employing specialist resources, providing cost savings

Other key capability-related benefits from establishing a new entity include:

- The wider knowledge base which would exist in relation to highly specialist areas (such as Contaminated Land or Air Quality Monitoring) as well as the potential to have a wider ranging skill set in house, such as Town Planners, Transport Planners, Ecologist and Urban Designers, are difficult to sustain at the existing district level
- Greater capacity to undertake Digitalisation and Transformation activity. Lack of capacity in this area is currently a barrier to driving through efficiencies and delivery improvements across service areas
- The scale and capacity to take on more responsibility for delivering services from Kent County Council, if agreed and appropriate, and to ensure that services can be more effectively delivered at a local level to better meet community needs

In addition, as indicated above, by bringing services together, business processes would have to be reviewed in order to harmonise approaches. This provides the opportunity to adopt the best performing practices, raising the quality of delivery and customer service. Again, East Kent Services (EKS) has demonstrated this in practice.

Ultimately, these improvements to both resilience and capability would mean a better, more consistent service for citizens and a more stable work environment for staff and councillors.

1.7 Value for Money and Innovation

The Financial Case details the potential savings that might be made if the five districts were to merge. In summary, these are estimated at £8.8 million per annum, largely derived from reductions in staff / posts as result of rationalising the management and administrative teams. Significant savings include:

- senior management posts
- support roles



- middle management of administrative and back office functions
- some savings through early consolidation by bringing services together (five into one)
- savings through the integration of political and governance arrangements (for example there would only be one of each of the following; Leader, set of governance arrangements, constitution, set of elections, performance reporting, strategies, policies and procedures, membership of regional bodies)

These savings are largely structural and a relatively conservative view has been taken. These should be considered the minimum savings that can be delivered. Further savings and benefits are likely to be derived post-merger, for example from:

- further service consolidation and sharing best practice, raising the performance of all current districts to that of the highest performer in any service area
- prioritisation of resources across potentially overlapping projects and programmes
- greater economies of scale in procurement: by including larger sums or greater numbers of contracts into contract renegotiation, leverage can be applied to reduce the suppliers' costs
- streamlined and simplified partnership(s) arrangements with other public and private bodies. For example, early feedback from engagement with health partners suggests an appetite to explore new ways to collaborate to deliver services

From experience of councils who have reorganised elsewhere, the process often involves two stages. The first delivers immediate savings from structural changes; the second allows more radical transformation once the new council is established. Whilst the details will be an issue for the leadership of the new council, examples might include:

- to improve services for citizens by reducing demand (for example, such as clients chasing the progress of delayed service applications) and, using new technology solutions to improve the quality of services for citizens, and their efficiency (such as moving citizens to 'self-serve' and electronic transactions)
- to better support members and officers to deliver their roles in communities; for example, through access to information/data including ward profiles and partners / organisations working in their area and mobile access to information / services to respond to citizen enquiries
- to provide opportunities for staff: although new ways of working will require behaviour and culture change from staff, there would be greater career opportunities as part of a larger council that is able to achieve more than individual councils can

It would be for the new council to develop a programme to deliver the second stage of transformation from April 2019 onwards.

1.8 Initial Responses from Stakeholders at a Strategic Level

Early soundings have been taken across a number of key stakeholder groups to gauge their attitude to, and potential support for, a single merged East Kent district. It is clear there is



broad support for the principle of creating a single new council. The views of various bodies and groups are summarised below:

- Kent County Council: the council is supportive of the sub-county devolution work and they have confirmed their ongoing co-operation with the investigations into a merger of the five East Kent districts into a single district council
- Kent Association of Local Councils: keen to continue to discuss potential for devolution to local council level and for the benefits for the area of a new, larger council to be well understood; some concerns relating to the perceived challenge of managing a very large organisation and the need to demonstrate that local identity would not be lost
- MPs: the majority were very supportive, the remainder neutral
- business community understand the reasons for a merger and can see there is great potential. They strongly recognise the ability of a single district to take a strategic lead for the whole region, speaking with a louder voice on issues such as transport and planning (engaging with SELEP, HE, NR and others) and skills (engaging with DfE, BEIS etc.). Again, keen to have more details and to ensure that the quality of services does not deteriorate and that there is clear access to decision-makers.
- other public sector organisations, such as health, further education, who attended a breakfast briefing, and police (local divisional commander) who have expressed support in principle. They also pointed to the benefits of the greater co-terminosity between the various public sector organisations' operating boundaries.

1.9 CONCLUSION OF THE STRATEGIC CASE

Strategically, a single East Kent district makes sense. It enables the development of strong, strategic leadership at all levels throughout East Kent, offers economies of scale, greater resilience and the capacity and capability to further enhance and improve the value for money and quality of the services delivered.



2. ECONOMIC CASE

2.1 Introduction

This section of the business case considers the potential economic impact of a single district council relative to the current five districts. It explores the implications and opportunities for growth and regeneration that the new council offers compared to the status quo.

2.2 Context

The five East Kent districts of Ashford, Canterbury, Dover, Shepway and Thanet are home to a little over a third of Kent's total population; some 635,669 people. The five councils are contiguous, occupying around a third of the eastern portion of the county, with four of the five being coastal – a sea frontage that stretches from Whitstable on the Thames Estuary in the north, Margate / Broadstairs / Ramsgate to the east round to Dover, Folkestone and onto Dungeness, Hythe, Romney Marsh and Lydd in the south.

Recent work undertaken by Nathaniel Litchfield Partners (NLP) as a part of the ongoing development of an East Kent Growth Framework (EKGF), has provided some up to date (post credit crunch) data on the position in East Kent. A brief summary of key points is provided below under three headings – Economy, People and Place – with more detailed information available in Appendix B.

Economy

Overall, the East Kent economy has performed relatively well compared to the rest of Kent and the South East, with particularly strong performances in Ashford and Canterbury and Dover showing the least strong. Forecasts indicate significant growth potential over the next 20 years, though not as high as the predicted SE average.

People

Overall, in common with much of the rest of the South East, East Kent has seen population growth, particularly of working age people. East Kent exports significant labour outside the region, particularly to London. Notably, there is also a relatively high degree of 'self-containment', with Ashford and Canterbury providing employment to the population of the coastal districts.

Place

In terms of housing, completion rates have started to recover after the 2008 credit crunch, with particular pressure points in Ashford and Canterbury (council areas) in terms of affordability. Key infrastructure routes include high-speed rail links to St Pancras International (HS1) and a number of strategic roads such as the M20 and A2/M2. Current usage suggests that HS1 in particular, offers further opportunities for passenger growth.

Overall the current data suggests that:

- there is a degree of economic cohesion to the sub-region, evidenced by the relatively high rates of self-containment



- Ashford and Canterbury act as ‘attractors’ to the sub-region for both housing and employment
- the types of employment currently available across the five districts are slightly different and complementary. For example, Ashford has more information / communications, wholesale retail and transport than the East Kent average, whereas, Dover has more accommodation, food services and recreation (see Appendix B for more details)
- there are opportunities to further enhance the links between the strong FE and Higher Education (HE) sectors in Canterbury with the wider sector specialisms of the other districts; for example advanced manufacturing in Thanet; creative industries in Thanet and Shepway (see Appendix B for more details of current sector specialisations across the five districts)

2.3 The Opportunity – Economic Development and Regeneration

It is recognised by members and officers alike that future funding of local government will be increasingly dependent on economic performance. It therefore makes sense to create a new council that fits with the underlying functional economic geography of the area. This would also mean the new council would have greater opportunity to demonstrate its contribution to a regional/sub-regional industrial strategy. As such, a single new council would be better able to fulfil its economic potential than individual councils collaborating. This would be delivered through a single political vision and greater capacity and capability (a single team) delivering refreshed sub-regional spatial priorities in a more coordinated way.

As outlined in the strategic case, the five districts face similar problems and, as a single authority, can direct resources to areas of greatest need, rather than competing with each other. A single district can take a broader perspective, exploiting the links and complementarities identified above and explored in more detail below. In addition, a larger authority is likely to have greater scale to borrow and increase investment in priority areas.

As outlined in paragraph 2.2, work is currently underway on a new East Kent Growth Framework (EKGF) that will replace the East Kent Growth Plan (EKGP) published in 2013. The emerging analysis, undertaken by NLP, has identified four themes at an East Kent level:

- place-making and shaping: creating attractive places to live and work through revitalising the existing built environment and creating new spaces. Within East Kent, town / city centres, providing a key focus for place making activity, with significant scope to enhance the quality of urban spaces and the public realm
- unlocking development through infrastructure: funding key pieces of infrastructure to unlock sites and development opportunities as well as alleviating pressure and addressing constraints within East Kent’s existing infrastructure networks. This covers a range of infrastructure provision including highways, rail, air, ports, broadband and utilities
- delivery of business space: delivering high quality enterprise, innovation and incubator space to support existing businesses to grow and to enable East Kent to compete for inward investment and attract high value, knowledge-based activity and jobs



- supporting productivity within business: upskilling existing residents and attracting high skilled workers to drive innovation and productivity within East Kent's business base, and helping businesses to access the support and finance they need to grow

The next stage of the work involves looking at suggested priority projects from all five districts and categorising them as 'strategically significant (for East Kent as a whole)' or 'locally significant' (clearly some projects might be both), mapped against the four strategic objectives above. This will provide a platform to take a view of future investment priorities for the sub-region as a whole and feed into the refreshed strategic plan being developed by the SELEP. As stated elsewhere, speaking as a single voice for East Kent, the new council is likely to carry greater influence than five individual districts, with an increased chance of securing funding and delivering the strategically significant projects. The NLP work is due to complete in early 2017.

At this stage, what can be said at a very high ('macro') level, is that there appears to be a spectrum of possibilities in terms of future policy and investment, ranging from:

- concentrating on Ashford and Canterbury and relying on 'trickle down' growth in coastal areas – through to.....
- allowing Ashford and Canterbury to continue 'as is' and focusing on the coastal strip to directly stimulate growth and regeneration.

In reality, the new district is likely to pick somewhere along this spectrum, aiming to directly stimulate growth across the whole sub-region, as well as capitalising on the stronger areas to attract investment for the new council area as a whole. Specific areas of opportunity are explored in more detail below

Housing growth

In provision of housing, some areas already exceed locally generated need; for example, Ashford, Dover and Folkestone.

The award of garden town status to an area of Shepway creates the justification for a well-resourced delivery unit, which can then also be capitalised upon by the new council as a whole.

This provides opportunities to:

- scale-up as a single team with greater capacity and capability to increase the quantity of new housing and the speed of delivery
- share services and prioritise to better achieve strategic outcomes
- directly deliver housing and infrastructure more efficiently
- develop a more strategic relationship with the LEP (and access to LEP funding)
- improve the area's reputation with the private sector
- engage more broadly with the market and supply chain to procure at greater scale and secure better value financially

With pressure on affordable housing in Ashford and Canterbury, there may be opportunities to look more broadly across the sub-region to invest in neighbouring areas (in both housing and transport infrastructure to provide the necessary connectivity) to relieve that pressure.



A recent analysis / evaluation of Barratt Developments' socio-economic impact⁷ of housing estimates the economic multiplier effect of new housing to be 2.41 while an economic study conducted by L.E.K. Consulting⁸ estimate this at 2.84. The results of both studies indicate a significant wider economic benefit of increasing housing supply through new development.

Infrastructure – nationally important with international links

Existing assets include the Ports of Dover and Ramsgate; rail, including HS1 and Ashford International station with links across Europe; Eurotunnel; roads such as the M20 and A2. A single district would be able to:

- take a more strategic approach to infrastructure providers, such as SELEP, Network Rail and Highways England, as well Kent County Council and national government., speaking with a single (louder) voice
- communicate at a strategic level rather than a project level
- ensure that individual initiatives are considered in a more effective way and at a more strategic level

Although there are some examples elsewhere in England of cross border working to develop shared local plans, these have not yet been done across five individual districts (though there is an example of four councils doing so). Ultimately, a single new council would allow the authority to 'scale-up', combining five individual teams into one, to develop a sub-region-wide single local plan, providing strong strategic leadership across the whole area. Early engagement with the business community recognised, and were attracted to, the potential in this area.

The existence of a single local plan, supported by a coherent and costed infrastructure plan would provide increased certainty for potential developers of housing, retail and commercial properties that their schemes would be supported and clarity as to how planning gain would be taxed and spent by the authority. This creates a productive investment environment which should feed through over time into increasing local revenue sources for the new council, particularly via business rates. This is supported by research such as work undertaken by the CEBR⁹ in 2013, they calculate the long term multiplier effect of infrastructure investment on economic output as 2.84, identical to the value attributed to housebuilding by the aforementioned LEK report but acknowledged as purely a coincidence.

Coastal communities

The sub-region enjoys an extensive coastline with existing attraction / tourist destinations of Herne Bay; Whitstable; Deal; Sandwich; Folkestone; Hythe; Margate; Ramsgate and Broadstairs. There are opportunities to further exploit these to increase visitor footfall from both within and outside the sub-region. In 2013, Visit Britain commissioned Deloitte and Oxford Economics to analyse the economic contribution of the tourism economy in the UK. They concluded that for every £1 spent on tourism, the overall impact was £2.80 and that for every 1% increase in tourism expenditure, tourism employment increased by 0.89%.

Visit Kent undertook an economic impact assessment of tourism across authority areas in 2015 and the results for the five districts are summarised below.

⁷ NLP, (2014), Barratt Developments' Socio-Economic Footprint FY2014

⁸ L.E.K. Consulting, (2009), Construction in the UK Economy: The Benefits of Investment

⁹ CEBR Securing our economy: The case for infrastructure (2013)



	Ashford		Canterbury		Dover		Shepway		Thanet	
	2013	2015	2013	2015	2013	2015	2013	2015	2013	2015
Day trips										
Day trips volume (000s)	3,810	3,924	6,380	6,571	3,650	3,889	3,980	4,099	2,900	3,387
Day trips value (£'000s)	133,000	133,878	213,794	215,205	111,410	116,009	122,067	122,872	106,430	119,391
Overnight trips										
Number of trips (000s)	384	392	635	649	385	424	440	473	458	494
Number of nights (000s)	1,203	1,228	2,610	2,671	1,345	1,397	1,341	1,398	1,667	2,059
Trip value (£'000s)	71,381	71,835	142,589	145,983	79,775	88,745	75,550	81,714	95,001	122,087
Total Value (£'000)	204,381	205,713	356,383	361,188	191,185	204,754	197,617	204,586	201,431	241,478
Actual Jobs	5,296	5,482	8,833	9,378	5,140	5,562	4,509	4,796	5,932	7,312
Increase in spend		1%		1%		7%		4%		20%
Increase in jobs		4%		6%		8%		6%		23%

Table 2: Economic value of tourism in East Kent

The table shows the economic value of increasing tourism across East Kent, particularly in respect of employment which increased proportionally more than spend across all five districts between 2013 and 2015, reflecting a higher employment multiple than the national average calculated within the Visit Britain report.

Cultural development at sub-region level

East Kent has considerable existing assets and attractions including: Margate – Turner Contemporary and the creative quarter; Folkestone – Creative foundation; Canterbury – a UNESCO world heritage site with over 50 scheduled monuments and the Marlowe theatre; Dover – the castle (English Heritage’s most popular visitor destination). There may be an opportunity to develop a sub-regional ‘offer’ that leverages more of these strengths in combination and encourages longer stays in the area rather than day trips, thus increasing the spend per visit to include, for example, accommodation, evening meals and entertainment.

In addition, there are opportunities to improve the links between tourism, economic development and housing growth across the area. As set out in the Strategic Economic Plan (SEP) for the SELEP, increasing employment in relatively low value areas such as the service industries can provide a first step / escalator to broader job opportunities, if considered as a part of an overall approach to economic development. A sub-regional approach for East Kent could unlock further funding from the LEP through providing a coherent strategy for the area.

Income generation

There are a number of existing areas / mechanisms which the new council could exploit more effectively as a single voice to achieve more, rather than (potentially) competing, including:

- renewable energy: further exploitation and development of off-shore capability
- a commercial approach to property investment and direct housing delivery
- the East Kent Spatial Development Company (EKSDC), mentioned in the introduction to this section



Specialisation

As demonstrated through the economic analysis outlined above, the new council has the opportunity to promote complementary specialisms in different areas. For example:

- higher Education – focused on Canterbury with its three existing universities and opportunities to provide ‘satellite’ hubs – for example an Engineering faculty hub in Thanet / Manston Business park
- raising the current under-representation of high value office based sectors (such as professional services)
- economic and housing growth – focused on Ashford then Dover (when markets improve)
- economic growth; for example, Discovery park Dover, Dover Harbour expansion
- cultural growth; for example, Folkestone (underpinned by Roger de Haan’s Creative Foundation), Canterbury (Marlowe Theatre) and Margate (Turner Contemporary)

2.4 A Joint Response to External Challenges

A number of the key features of East Kent as a sub-region could be impacted by the uncertainty in the lead-up to and negotiation of Brexit. The new council could help to better mitigate those risks and ensure the East Kent area is better placed to seize new opportunities as they arise. Examples of impacts include:

- key pieces of infrastructure depend upon European trade and tourism for income (HS1, Ashford IPS, Dover Harbour). Changes to operations, security and immigration associated with Brexit could have an impact on this infrastructure – as well as a knock on impact on local transport across East Kent (hence operation Stack). The impact, and potential response is a cross authority issue
- key elements of the economy are dependent directly and indirectly upon the European connection – in addition to the direct transport infrastructure. For example:
 - Discovery Park (the Enterprise Zone in Sandwich) is aimed at attracting international investment from English speaking countries who also require good continental connections
 - University of Kent, which brands itself as the UK’s European University, (and other Canterbury HE organisations) offer a number of European focused courses. It is attractive to international students (including those from beyond the EU) because of these courses and the close European ties
- past economic growth across the area (particularly in Ashford) has been underpinned by European companies wanting to benefit from UK flexibilities as well as international firms wanting a UK location with easy access to the EU market
- tourism – all of the districts depend to some extent on tourism. The perception that potential visitors have of the area remaining open and welcoming during and following Brexit will have an impact on the contribution of tourism to the economy



2.5 CONCLUSION OF THE ECONOMIC CASE

As for the strategic case, the economic case makes sense. A single larger district has the scale to operate and deliver economic outcomes more effectively and East Kent has a growing coherence as an economic unit. There is scope to better exploit the synergies between the different constituent areas and this can be better achieved through merger than through collaboration between existing districts.



3. COMMERCIAL CASE

A new council comprising the current five district councils presents a number of commercial opportunities as well as challenges.

3.1 Opportunities

3.1.1 Benefits from Scale

The first set of opportunities are a function of the increased size of the new council. It would represent the biggest district council in the country with estimated net revenue expenditure almost three times that of the current biggest district council, Northampton, and is also the biggest merger currently under consideration.

This scale should enable reductions to be made in the combined staffing budget of the present authorities in two stages through:

- Stage 1 - the removal of duplicate posts, particularly at a management level, and also through service consolidation and process harmonisation. These savings (equating to approximately 10% of overall expenditure) have been detailed in the Financial Case in section 4
- Stage 2 – service transformation (and associated additional savings) achieved through, for example:
 - Sharing best practice,
 - Raising the performance of all current districts to that of the highest performer in any service area,
 - Streamlining procurement and contract management arrangements,
 - Finding innovative ways to streamline partnerships and collaboration with other public and private sector partners,
 - Automating processes, rationalising ICT systems and exploiting digital technology.

Stage 2 is likely to happen after the districts have been merged – post April 2019. At this stage no savings have been included in the Financial Case for transformation. However, based on experience from elsewhere, it should be possible to achieve additional savings over and above those achieved in stage 1. For some mergers, stage 2 has resulted in similar levels of savings to those delivered by the structural savings from merger. However, in some cases the Stage 2 savings were delivered following the creation of unitary authorities in 2009; clearly the new council for East Kent would not be a unitary authority. In addition, local authorities have made significant efficiency savings in the austerity period since 2009. Therefore, the likelihood is that any transformation savings for the new council would be somewhat less.

That said, the new council would want to transform the services it inherits, once they have been brought together, and an indicative level of up to 5% of overall expenditure should be achievable based on research of other merger authorities. **This would equate to between £4m and £5m savings per annum over and above those outlined in the financial**



case¹⁰. Many of these savings, such as adoption of best practice business processes and rationalising procurement arrangements should be achievable at a relatively low cost. Other areas, such as exploitation of digital technology, will require some investment in order to deliver savings.

Secondly, the scale of the new council should allow the new authority to assemble and maintain the necessary capacity and capability to deliver the objectives that are common across the area, particularly with respect to economic development, as highlighted in the economic case.

Thirdly, with Government policy on local government funding placing increasing dependency upon the local business rate tax base, there is, undoubtedly, greater ability to absorb the impact of local economic shocks, replicating the concept of a business rate pool.

With the exception of the transformation savings, these benefits are assessed and quantified within the financial case along with the additional savings opportunities that are less a function of size but more a result of collapsing five organisations into one as set out below.

3.1.2 Additional Savings

Democratic Services

The creation of a merged single district should mean a reduction in the number of councillors and the costs of managing and maintaining the democratic aspect of local government in terms of meetings and election administration. The actual number of councillors will be a matter for the Boundary Commission to decide: choices about the form of governance and how councillors in the new council engage with local communities would be a matter for the new council to decide. The level of potential savings would be reduced by the proposed devolution to Town and Parish Councils and possible creation of Area Boards to negate any democratic deficit.

Property

At present, there are five civic offices, housing the administrative functions of each council. A new council would enable a new property model to be developed, building its transformation programme to establish more flexible and remote based working, and reducing the requirement for office space. Rationalisation of the property portfolio may range from the freeing up of a second civic office (in addition to the one civic office which is already assumed in the core business case) through to the disposal of all existing civic offices and consolidation on one site for the new council's civic headquarters.

Audit

The creation of a new council would mean there would only be one set of financial statements requiring auditing, rather than five. The consolidation of systems, processes and controls is likely to increase the internal audit resource requirement in the first three years but this would be offset by the audit savings from needing just one external audit appointment rather than five.

¹⁰ Examples of the scale of savings achieved by local government restructuring elsewhere are provided in Table 18 within section 4.4.4.



Service Consolidation

Each council is responsible for a set of core services which, although featuring some local differences, have fundamentally the same requirements across the following areas:

Service Area	Opportunity
Revenues and Benefits	A shared service (East Kent Services (EKS)) delivers the Revenues and Benefits service for three of the five councils and it is anticipated that by bringing the remaining two into this arrangement, savings can be generated from hardware and software contracts and improvements made in operational resilience.
Housing	East Kent Housing (EKH) an arms-length management organisation (ALMO), was set up by four of the five authorities to manage and maintain their respective social housing stock. A merged single district would enable the fifth housing service to be either consolidated within the ALMO or a combined function to be brought back in-house within the new authority, realising management and administrative cost savings.
Planning	The existence of a single authority should enable greater resilience (particularly of specialised resources) some savings to be found in aspects of Planning, particularly planning strategy and policy. However, the realisation of the strategic case for a new single district is likely to lead to greater demands on the planning service over the medium to longer term. In addition the possible creation of Area Boards may place additional demands on those planning resources
Waste Collection	The creation of a new council creates the ability to harmonise collections and benefit from economies of scale in the acquisition, management and operation of staff, plant, vehicles and equipment and roll out and management of recycling initiatives. (See Footnote 11) As with Planning, an increase in economic activity, as targeted by the merger would feed through as an increased demand on this service.

Table 3: Summary of service areas and opportunities

Contract Management

Overall, the increased purchasing power and opportunity to homogenise contract specifications and contract management approaches should permeate through to savings across major areas of third party spend, particularly in respect of ICT, housing repairs and waste collection. At present, four of the five councils have externalised waste collection and, under a single district, these contracts would novate to the new organisation and involve operating through the initial years with three suppliers (Biffa, Serco and Veolia) until the contracts were either terminated or expired. Similarly, three of the four owners of EKH hold



housing repair contracts with Mears, featuring different specifications and payment mechanisms.¹¹

3.3 Implementation Challenges

As well as the concerns raised through the engagement exercises, i.e. balancing the strategic with local responsiveness, there are other practical features of a merger that would need to be addressed.

3.3.1 Approvals Process

The approach to approvals and governance is covered in section 5 – Management Case.

3.3.2 Transition Costs

The cost of operating these interim and shadow arrangements prior to April 2019, as well as the costs of transitioning the operations of the five councils into a single authority need to be assessed and set against the savings outlined above.

The reduction in staff would be through a mix of churn and redundancy and the cost of this is expected to represent the largest single element of the transition cost estimate. The cost of redundancy payments and any associated pension entitlements have been assessed as part of the Financial Case.

There would also be costs incurred in the following areas;

Implementation Activity	Observations
ICT	Although there is a good degree of commonality across the five authorities in terms of platforms and applications, action would be required to ensure business as usual service can be maintained, involving implementation of certain 'workarounds', upgrades, extensions and staff training.
Planning, pre-launch, set up and implementation	Work involved in planning, logistics, relocation, closing down systems and accounts, establishing the physical and virtual infrastructure for a new organisation, budgets, recruitment etc.
Professional support	Specialist external advice required for particular matters e.g. TUPE, novating existing contracts
Communications and engagement	Stakeholder engagement and communications e.g. staff, residents and businesses. Creation of a new brand and associated signage, stationery etc.

Table 4: Implementation activity and observations

¹¹ It should be noted that for both waste collection and housing repairs, it is uncertain whether savings could be achieved on existing price levels through a re-tender, due to inflationary pressures and new EU waste directives that have affected both these areas since they were originally procured. The potential savings would be relative to the prices expected if new contracts are let under the existing structural arrangements.

3.3.3 Council Tax Harmonisation

A merged single district council would need to determine its own funding requirements and calculate its council tax rate accordingly. Ideally, a rate would be calculated and applied that ensures the value of council tax income generated is the same as the value that would have been generated had the five councils remained separate. Table 5, below, shows what this would mean in terms of an annual change for residents across each of the five districts in the proposed merger year 2019/20.

Council	2016/17	2018/19	2019/20	Annual increase
	Band D Equivalent Rate (£)			
Ashford	150.00	160.00	207.08	29.4%
Canterbury	194.31	204.31	207.08	1.4%
Dover	172.44	182.44	207.08	13.5%
Shepway	232.56	242.56	207.08	-14.6%
Thanet	214.92	224.92	207.08	-7.9%

*Assumes rates increase at the greater of £5 or 1.99%

Table 5: Single council tax rate required to maintain income level as now

As can be seen, with the exception of residents in Canterbury, the move to a harmonised rate in the first year of operation of the new council would result in large percentage movements in council tax rates, dependent upon location. For residents in Shepway and Thanet, they would experience a high percentage reduction in their council tax whereas residents in Ashford and Dover would bear high percentage increases. In general, there is a limit on the increase that can be applied to a household's council tax charge in any one year and this would be exceeded for Ashford and Dover residents. (The limit is the greater of £5 or 1.99%). A higher increase can be levied but only if this is as a result of creating a new Authority, as in the case, or it is agreed by residents through a referendum. DCLG have stated there are a variety of ways that the tax rate can be harmonised within the limits which could mean the single merged district operating with differential rates for a significant period of time. This creates an administrative burden and could also be perceived as inequitable and unfair for residents.

A number of options for harmonising rates are assessed within the financial case but all involve a loss of income compared to what would be billed if the councils stayed as they were. This is because:

- a) the harmonisation process assumes the increase of prevailing predecessor council rates will be moderated to allow lower rate areas to catch up to a harmonised rate; and
- b) the annual increases in the new rate deliver a lower cash sum until the rate exceeds the threshold at which a 1.99% increase becomes greater than £5.

3.3.4 Merging of Balance Sheets

The process of merging the five districts into a new council would create a set of logistical risks that would need to be managed (see management case). There are also financial risks represented in each authority's balance sheet as a function of normal business which would be inherited by the new authority. A high level, desk top assessment, of the balance sheet of



each council as at 31 March 2016, based on published financial statements, has been undertaken along with a review of forthcoming capital expenditure. A summary of the review is contained in Appendix C. It should be noted that a decision to proceed with a merger proposal would require a more detailed analysis of the respective financial risks and liabilities that are carried by each organisation than has been possible within the time and information available for this exercise.

3.4 CONCLUSION OF THE COMMERCIAL CASE

On the basis of the evidence provided, the commercial opportunities offered by establishing a single new council from the five East Kent districts outweigh the challenges. However, those challenges would need to be carefully managed through the transition (see section 5 - Management Case - for more details on the transition arrangements).

4. FINANCIAL CASE

4.1 Introduction

This section of the business case considers the budgetary impact of a single district council relative to the combined projections for the current five districts. It also assesses the cost of transitioning the five districts into a single district council and the implications of risk and optimism bias for the estimates. The overall aim is to determine whether a single district council is likely to deliver a better financial outcome than the existing as-is position and that the journey for achieving such change can be funded.

4.2 Current Baseline Position

The table below shows the projected income and expenditure for the five districts over the period 2017/18 to 2024/25 and the level of annual savings that will be required to balance the budgets in each of those years. This shows the five districts would need to collectively eliminate c.£4.9m of spending prior to merging and that a further £16.1m of cost pressure would be inherited by a new single district for the period to 2024/25. These projections are based on each council's latest draft of the Medium Term Financial Plan (MTFP) forecasts, extended out, as applicable, on the basis of the following assumptions¹²:

- council tax rate increases at the greater of £5 or 1.99%
- council tax base increases at 1.5%
- business rate income increases at 2%
- net revenue expenditure increases at 2%
- New Homes Bonus phases out over four years from 2020/21

Period Start	01-Apr-17	01-Apr-18	01-Apr-19	01-Apr-20	01-Apr-21	01-Apr-22	01-Apr-23	01-Apr-24
Period End	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
Period	1	2	3	4	5	6	7	8
Income (£'000s)								
Ashford	15,162	14,672	15,683	16,353	16,216	15,966	15,727	16,216
Canterbury	17,527	15,682	14,927	15,267	15,239	15,223	15,219	15,455
Dover	14,348	13,862	13,560	13,200	12,837	12,663	12,497	12,635
Shepway	15,645	15,109	14,833	14,811	15,157	15,511	15,874	16,244
Thanet	18,604	18,423	18,331	17,849	17,597	17,361	17,141	17,444
Total	81,287	77,748	77,334	77,481	77,047	76,724	76,457	77,995
Expenditure (£'000s)								
Ashford	15,217	14,869	14,758	16,268	18,041	18,402	18,770	19,145
Canterbury	17,527	17,344	18,559	20,424	20,833	21,249	21,674	22,108
Dover	14,355	14,886	15,452	15,947	16,266	16,591	16,923	17,261
Shepway	15,645	15,616	15,837	16,359	16,686	17,020	17,360	17,708
Thanet	18,604	19,921	20,689	21,103	21,587	22,090	22,359	22,807
Total	81,349	82,636	85,296	90,101	93,413	95,352	97,087	99,029
Net Position (£'000s)								
Ashford	(55)	(197)	925	85	(1,825)	(2,436)	(3,043)	(2,929)
Canterbury	0	(1,662)	(3,632)	(5,157)	(5,593)	(6,026)	(6,456)	(6,652)
Dover	(7)	(1,024)	(1,893)	(2,747)	(3,428)	(3,928)	(4,426)	(4,627)
Shepway	(0)	(507)	(1,005)	(1,548)	(1,529)	(1,509)	(1,487)	(1,463)
Thanet	0	(1,498)	(2,358)	(3,254)	(3,990)	(4,728)	(5,218)	(5,362)
Total	(62)	(4,888)	(7,962)	(12,620)	(16,366)	(18,628)	(20,629)	(21,034)
<i>Net Position post merger</i>	-	-	(3,073)	(7,732)	(11,478)	(13,740)	(15,741)	(16,146)
<i>Additional year on year resource requirement</i>	(62)	(4,826)	(3,073)	(4,658)	(3,746)	(2,262)	(2,001)	(405)
<i>Cumulative resource requirement</i>	(62)	(4,950)	(12,912)	(25,532)	(41,898)	(60,526)	(81,155)	(102,189)
<i>Net Cumulative resource requirement post merger</i>	-	-	(3,073)	(10,805)	(22,283)	(36,023)	(51,764)	(67,910)

Table 6: Baseline projections

¹² These assumptions have been agreed with each council's S151 officer

These assumptions have been agreed with each council's S151 officer.

4.3 Alternative Baseline

The current baseline position shown in Table 6 has been re-assessed in recognition that councils are operating in an era of unprecedented financial uncertainty for them. The local government sector is being subjected to a sustained period of budget reductions as part of the Government's strategy for reducing the Public Sector Borrowing Requirement (PSBR). The wider pressures on the PSBR from areas such as health spending demands could result in further cuts and pressures for local government. Consequently, an alternative baseline has been cast to reflect adverse movements in current forecast assumptions. This would increase the cost pressure for the new council from £16.1m, as per Table 6, to £25.5m over the six year period to 31 March 2025. The relevant changes to the previous assumptions are summarised below and the impact on respective council's baselines shown in the subsequent Table 7.

- Business rate income increases at 0%
- Net Revenue expenditure increases at 3%

	Period Start	01-Apr-17	01-Apr-18	01-Apr-19	01-Apr-20	01-Apr-21	01-Apr-22	01-Apr-23	01-Apr-24
	Period End	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
	Period	1	2	3	4	5	6	7	8
Income (£'000s)									
Ashford		15,162	14,672	15,565	16,087	15,814	15,427	15,048	15,395
Canterbury		17,527	15,682	14,836	15,087	14,966	14,855	14,754	14,892
Dover		14,348	13,862	13,461	13,004	12,548	12,269	11,996	12,027
Shepway		15,645	15,109	14,739	14,621	14,869	15,124	15,384	15,651
Thanet		18,604	18,423	18,206	17,596	17,214	16,845	16,489	16,654
Total		81,287	77,748	76,807	76,395	75,412	74,519	73,671	74,619
Expenditure (£'000s)									
Ashford		15,217	14,869	14,903	16,589	18,577	19,134	19,708	20,299
Canterbury		17,527	17,344	18,741	20,827	21,451	22,095	22,758	23,440
Dover		14,355	14,886	15,604	16,261	16,749	17,251	17,769	18,302
Shepway		15,645	15,616	15,993	16,682	17,182	17,697	18,228	18,775
Thanet		18,604	19,921	20,892	21,519	22,228	22,969	23,477	24,181
Total		81,349	82,636	86,132	91,876	96,187	99,146	101,940	104,998
Net Position (£'000s)									
Ashford		(55)	(197)	662	(502)	(2,762)	(3,707)	(4,660)	(4,905)
Canterbury		0	(1,662)	(3,905)	(5,740)	(6,486)	(7,240)	(8,004)	(8,549)
Dover		(7)	(1,024)	(2,142)	(3,257)	(4,201)	(4,982)	(5,773)	(6,275)
Shepway		(0)	(507)	(1,254)	(2,060)	(2,312)	(2,574)	(2,844)	(3,124)
Thanet		0	(1,498)	(2,686)	(3,923)	(5,014)	(6,124)	(6,988)	(7,527)
Total		(62)	(4,888)	(9,325)	(15,481)	(20,775)	(24,627)	(28,270)	(30,380)
<i>Net Position post merger</i>		-	-	(4,437)	(10,593)	(15,887)	(19,739)	(23,381)	(25,492)
<i>Additional year on year resource requirement</i>		(62)	(4,826)	(4,437)	(6,156)	(5,294)	(3,852)	(3,642)	(2,110)
<i>Cumulative resource requirement</i>		(62)	(4,950)	(14,275)	(29,756)	(50,531)	(75,159)	(103,428)	(133,808)
<i>Net Cumulative resource requirement post merger</i>		-	-	(4,437)	(15,030)	(30,917)	(50,656)	(74,037)	(99,529)

Table 7: Alternative baseline projections

4.4 Position for a Merged District

4.4.1 Savings

The commercial case outlines a range of saving opportunities that could arise from merging the five district councils. The valuation basis of these is set out below.



Staff

A 'span of control' approach has been applied to the assessment of savings from reducing senior officer numbers. The table below shows the number of staff assumed at each management tier, relative to the number that exist at present.

Span of control				
Tier	Salary (£'000s)	Current no.	Target no.	Post saving
1	> £99,999	6	1	5
2	> £95,000	6	4	2
3	> £73,000	18	16	2
4	> £50,000	105	64	41
Total				50
Full cost saving (£'000s)				3,455

Table 8: Management savings

There would also be savings achievable from eliminating duplicated posts and consolidating roles at non-management level. A review of service descriptions and establishment role lists has led to an assumption that approximately 7% of staff costs could be saved from this aspect.

As a result of these two elements and discounting for charges to the HRA and staff savings planned for pre-2019/20, an annual staff cost saving of £6,848k, inclusive of on-costs¹³, has been accounted for in the business case. It has been assumed that 75% of these savings will be made in the first year of the new council's operation, with the full value of savings being taken in Year 2 onwards.

Members

There are currently 213 councillors serving the five districts as shown in the table below.

Authority Name	Electors at 1/12/2015	Number of Wards	Council Size	Electors per Councillor
Ashford	88,505	35	43	2,058
Canterbury	102,393	21	39	2,625
Dover	85,488	21	45	1,900
Shepway	78,619	13	30	2,621
Thanet	98,856	23	56	1,765

Table 9: Member information

Each councillor receives an annual basic allowance which is enhanced for special responsibility roles such as, for example, being Leader or portfolio holder. The creation of a single district would lead to the costs of special responsibility allowances being

¹³ Employer pension and National Insurance contributions



approximately a fifth of what they account for currently (c £0.5m). It is also anticipated that the total number of councillors would be less than the current figure of 213 and more likely to be in the range of 90 – 120 resulting in a saving of total basic allowance payments. For the purposes of the projections in this business case, it has been assumed that the new district would operate with 90 councillors in receipt of a basic allowance equivalent to the highest current prevailing rate. On the basis of these assumptions, an annual saving of £949k has been accounted for in the business case, with 100% of the savings being taken from Year 1 onwards. However, as considered in section 1.5 ‘Stronger Local Leadership’, the new council would need to design a new form of governance¹⁴ which may impact on this level of saving, dependent upon the approach taken. As a proxy indicator of the additional cost, a democratic function based on 120 councillors would result in an additional cost of c. £164k.

Addressing the Democratic Deficit

The Management Case highlights a number of risks with a new single district, one of which, (as referenced in Appendix D – initial Risk Log), Loss of Localism, has begun to be explored in the Strategic Case. Any approach adopted by the new council to address the ‘democratic deficit’ would be entirely on a voluntary basis. At one level, expanding the presence of Town and Parish Councils into areas, as yet ‘un-parished’ could be a chosen solution which could be cost neutral with the levy of an appropriate precept. At the other end of the cost range could be an enhanced area management model featuring area boards with democratic representation. These would need officer and administrative support that could, conservatively, add £600k to the operating budget of a new council. To reflect this, the business case at this stage has taken some account of the staffing implications (a smaller percentage reduction in Democratic Services and Planning staff) and has identified (see paragraph above) an additional cost of retaining 30 councillors. These assumptions must be considered further if the decision is taken to proceed with a merger and any additional cost burdens from an agreed enhanced democratic model will need to be accounted for in the final business case.

Property

Each council has a main corporate administrative building (CAB) which accommodates the bulk of its staff. Although the assumed staff reductions, 11% as a percentage of existing staff costs, would not realise significant additional space, it is unfeasible to assume that a new council would operate into the medium and long term with five CABs. An assumption has been made that revenue savings¹⁵ would be achievable by reducing the number of CABs from five to four and a saving, equivalent to the average running costs of a current CAB, has been shown in the table below.

¹⁴ Through discussions with the Boundary Commission

¹⁵ utilities (gas, electricity, water) insurance, routine repairs and maintenance, soft facilities management (cleaning, security, reception)



Authority	Administrative Centre	Site name	Value (£'000s)	Capacity (workstations)	Running costs per annum (£'000s)
Ashford	1. Ashford	Civic Centre, Tannery Lane	5,500	400	808
Canterbury	2. Canterbury	Military Road, Canterbury	5,512	450	715
Dover	3. Whitfield	Whitecliffs Business Park	5,656	388	375
Shepway	4. Folkestone	Civic Centre	2,200	230	202
Thanet	5. Margate	Cecil Street	2,400	355	351
		Total	21,268	1,623	2,451
		Average	4,254	365	490

Table 10: Property information

It has been assumed that the transition from five into four buildings would be undertaken over two years with half the achievable saving accounted for in Year 1, and the full saving coming through by Year 3.

ICT

The ICT service of three of the five councils is operated by a shared service initiative called East Kent Services (EKS). As a result of discussion with EKS, an annual saving of £250k has been assumed as the benefit achievable from bringing Shepway and Ashford into the EKS arrangement as a result of creating a single district council. This saving would principally arise from harmonising ICT contract management and contract specifications. It has been assumed that this saving would start to materialise in the second year of the new council's operation with the full saving being taken from Year 3 onwards.

External audit

The current combined core external audit fee for the five councils is approximately £340k per annum. A saving on this figure of £200k has been assumed for the audit fee of a new single district council.

The table below summarises the savings referenced above and accounted for in the business case.

Annual Savings (2016/17 prices)		%
	£'000s	
Staffing	6,848	78%
Members	949	11%
Property	490	6%
ICT	250	3%
External Audit	200	2%
Total	8,737	100%

Table 11: Annual savings

4.4.2 Transition Costs

There would also be costs incurred in transitioning the five councils into a single council in order to realise these savings. The modelling assumptions for these are set out below.



Staffing

The redundancy costs arising from rationalising management and consolidating roles have been estimated with reference to prevailing policy and the average age and length of service of staff. For those staff where the redundancy payment, including pension enhancement, could exceed £95k¹⁶, the cost has been capped at £95k. A total sum of £3,084k has been assumed for the staffing element of transition costs and 50% of these are accounted for in the year prior to the new council being created and 50% in the year of the new council's creation.

ICT

An estimate for the costs of amalgamating the ICT requirements of Ashford and Shepway into the EKS operation has been included based on a review of ICT integration costs for other council merger business cases and discussion with EKS, taking into account the high degree of commonality across the five councils in terms their ICT Platforms and Applications. At this stage, it is necessary to attach a significant margin of error to the value assumed. This represents the mid-point of a necessary wide range of £0.5-2m with 50% of these accounted for in the year prior to the new council being created and 50% in the year of the new council's creation.

Planning and pre-launch

A value of £700k has been assumed to account for the cost of relocation planning and closedown planning. This has been accounted for in the year prior to the new council being established.

Implementation

A team of 10 FTEs at an average salary of £50k (including on costs for 2.5 years) has been assumed to commence in the year prior to merger (2018/19).

Professional support

A value of £500k has been assumed based on the average cost incurred by councils involved in recent mergers and re-structures, principally the creation of unitary councils in 2009. This value is to account for the costs of professional HR (TUPE) and legal (contract novation etc.) advice that would be required. The cost has been assumed to be incurred equally over the year prior to the new council being created and 50% in the year of the new council's creation.

Communications

These are the costs of communicating the change process, keeping stakeholders informed and changing signage, logos, websites and other physical and virtual media. A figure of £500k, based on referencing the costs incurred by previous re-structures, has been assumed. This has been accounted for equally over the year prior to the new council being created and the year of the new council's creation.

¹⁶ The government has committed to introducing a cap on all public sector exit payments at £95,000 and expects proposals to be set out and agreed by the end of 2016/17.



Set Up

These are primarily the costs of inducting new Members and staff into the new single council. A figure of £250k, based on referencing the costs incurred by previous re-structures, has been assumed. This has been accounted for equally over the year prior to the new council being created and the year of the new council's creation.

Provision

A contingency provision of 10% has been applied to the quantum of transition costs set out above.

The table below summarises the transition costs referenced above and accounted for in the business case.

Total Transition Costs (2016/17 prices)	
	£'000s
Staffing	3,084
ICT	1,250
Planning and pre-launch	700
Implementation	1,250
Professional support	500
Communications	500
Set Up	250
Provision	753
	8,287

Table 12: Total transition costs¹⁷

4.4.3 Council Tax Harmonisation

A further cost is incurred as a result of the need for the new council to adopt a unified council tax rate. The concept of council tax harmonisation is explained in the commercial case with the financial implications set out below.

The current council tax rates for 2016/17 for each of the districts are

Council	2016/17 Band D Equivalent Rate (£)
Ashford	150.00
Canterbury	194.31
Dover	172.44
Shepway	232.56
Thanet	214.92

Table 13: Existing council tax rates

¹⁷ This value differs from the value evident in Table 19 as a result of the impact of assumed inflation on the latter. The former is expressed as at 2016/17 price levels whereas the figures in Table 19 are expressed in nominal terms i.e. assumed inflation levels have been applied.



We have modelled a convergence period of five years from commencement of the new organisation and calculated the impact of converging to both:

- A) the lowest prevailing rate and
- B) the rate which would achieve the same level of income in the fifth year as would be achieved if the councils stayed as they currently are.

The tables below shows the loss incurred under both scenarios over the modelled period to 2024/25.

A) Harmonisation to the lowest rate over five years

Period Start	01-Apr-17	01-Apr-18	01-Apr-19	01-Apr-20	01-Apr-21	01-Apr-22	01-Apr-23	01-Apr-24
Period End	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
Period	1	2	3	4	5	6	7	8
Council Tax Foregone (£'000s)								
Ashford	0	0	0	0	0	0	0	0
Canterbury	0	0	442	883	1,338	1,803	2,278	2,314
Dover	0	0	171	344	522	702	886	893
Shepway	0	0	693	1,362	2,018	2,660	3,291	3,335
Thanet	0	0	579	1,167	1,765	2,372	2,989	3,057
Total	0	0	1,885	3,756	5,642	7,537	9,444	9,599

Table 14: Annual lost council tax income

This would involve the following annual rate changes for residents;

- Ashford – £5 per annum¹⁸
- Canterbury – 1.96% decrease
- Dover – 0.3% increase
- Shepway – 5.24% decrease
- Thanet – 3.81% decrease

B) Harmonisation to the average rate over five years

Period Start	01-Apr-17	01-Apr-18	01-Apr-19	01-Apr-20	01-Apr-21	01-Apr-22	01-Apr-23	01-Apr-24
Period End	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
Period	1	2	3	4	5	6	7	8
Council Tax Foregone (£'000s)								
Ashford	0	0	(290)	(620)	(999)	(1,435)	(1,932)	(1,985)
Canterbury	0	0	37	69	99	124	146	97
Dover	0	0	(122)	(260)	(416)	(591)	(786)	(797)
Shepway	0	0	313	624	941	1,264	1,593	1,633
Thanet	0	0	194	396	605	823	1,049	1,057
Total	0	0	132	209	230	185	69	5

Table 15: Annual lost council tax income

This would involve the following annual rate changes for residents;

- Ashford – 7.24% increase
- Canterbury – 2.1% increase
- Dover – 4.5% increase
- Shepway – 1.24% decrease

¹⁸ Councils are permitted to raise their council tax rate by the maximum of £5 or 1.99%, whichever is the greater. Any rise in excess of this requires a majority vote in favour via a referendum process.

- Thanet – 0.2% increase

We have also modelled the position if the new council adopted a rate which generated the same value of council Tax income in 2019/20 as would be generated if the five councils remained separate.

C) Harmonisation to the average rate in Year 1

Period Start	01-Apr-17	01-Apr-18	01-Apr-19	01-Apr-20	01-Apr-21	01-Apr-22	01-Apr-23	01-Apr-24
Period End	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
Period	1	2	3	4	5	6	7	8
Council Tax Foregone (£'000s)								
Ashford	0	0	(1,859)	(1,877)	(1,898)	(1,927)	(1,955)	(1,985)
Canterbury	0	0	99	93	93	94	96	97
Dover	0	0	(741)	(764)	(773)	(781)	(789)	(797)
Shepway	0	0	1,564	1,575	1,582	1,595	1,612	1,633
Thanet	0	0	978	979	998	1,017	1,038	1,057
Total	0	0	40	6	3	(2)	2	5

Table 16: Annual lost council tax income

This would involve the following one off rate changes for residents;

- Ashford – 29.5% increase
- Canterbury – 1.4% increase
- Dover – 13.6% increase
- Shepway – 14.6% decrease
- Thanet – 7.9% decrease

4.4.4 Risk and Optimism Bias

The financial projections also need to take account of the costs of mitigating risks inherent in delivering a major organisational project, as outlined in the management case.

The key risks identified that could have a financial impact as a result of either their mitigation or realisation are summarised in the table below, reflecting concerns around the scale and timing of net saving realisation. An adjustment to reflect the estimated quantified impact has been accounted for in the financial projections.

The S151 officers have also expressed concern as to how the baseline funding requirement of a new council will be calculated and that the benefit projections are incumbent on central government not making compensating adjustments which erode or eliminate the merger benefit. This is to be raised in discussions with DCLG and appropriate assurances are to be sought by way of mitigation.

No.	Risk	Description	Pre-Mitigation		Pre-Mitigation		Risk Premium	Application
			Impact	Probability	Impact	Probability		
1	Changes in the expected costs and benefits of the merger	The merger may not achieve the identified savings, either through delayed benefit realisation or increased transition costs, with the risk that financial sustainability is not delivered after merger	M	M	M	L	5.25%	Value of savings
8	Lack of capacity to implement the merger	The uncertain environment created by a proposed merger may result in key staff leaving the existing councils before the new entity is created. The loss of capacity to manage the merger may result in delays in implementing the new council	M	M	M	L	5.25%	Savings profile

Table 17: Risk quantification



The concept of optimism bias also needs to be addressed to take account of the potential that costs may be under-estimated and savings over estimated. The merger of five districts would break new ground for local government organisation and as such there is no comparable evidence base against which the cost and saving estimates assumed within this business case can be assessed. However, some sense can be gauged from looking at previous examples of local government re-structure, particularly examples of district shared management and the creation of unitary councils. The table below highlights the savings and transition costs associated with a number of examples and compares these with the savings and transition costs¹⁹ assumed in this business case.

Authority	Initiative	Annual Saving (£m)	Annual Saving per capita (£)	Transition Costs (£m)	Transition Costs per capita (£)
Cornwall	Unitarisation	20	37.41		
Durham	Unitarisation	26	50.22	14.65	28.53
Northumberland	Unitarisation	20	63.02	21.32	67.48
Shropshire	Unitarisation	23	49.44	14.55	30.70
Wiltshire	Unitarisation	21	30.83	20.35	29.75
East Kent	District merger	9	13.74	8	13.04
Breckland & South Holland	District shared management	1	7.06		
Bromsgrove and Redditch	District shared management	2	16.35	1	9.24
Cherwell and S Northants	District shared management	4	17.76		
Chiltern and S Bucks	District shared management	2	8.50		

Table 18: Savings and Transition Costs comparisons

This shows that the level of savings assumed within this business case is at the low end of what has been achieved from combining councils into unitaries elsewhere and that the transition costs, as a percentage of savings, are also lower too. Although the projected savings are greater than what has been achieved through shared management initiatives between two districts, this is to be expected as this case involves the merger of five councils and savings beyond purely management. Given this, a provision for optimism bias has not been included in the projections but a range of sensitivities have been modelled to illustrate the impact of the financial estimates experiencing optimism bias. The sensitivities are included as part of the following section which brings the component parts of the financial appraisal together.

4.5 Overall Position

The table below compares the projected as-is position with the new single council under all three council tax harmonisation approaches.

¹⁹ Savings uplifted to 2016/17 price levels where applicable



Option	A		B		C	
	Harmonise to the lowest rate as at 2023/24 (over 5 years)		Harmonise to the average rate as at 2023/24 (over 5 years)		Harmonise to the average rate as at Year 1 (2019/20)	
Period	(2017/18 - 2024/25)		(2017/18 - 2024/25)		(2017/18 - 2024/25)	
	As-Is	Single District	As-Is	Single District	As-Is	Single District
	Cumulative (£'000s)		Cumulative (£'000s)		Cumulative (£'000s)	
Value of cash to be saved by 31 March 2025	(102,189)	(102,189)	(102,189)	(102,189)	(102,189)	(102,189)
<i>Less impact of savings to be made pre-merger</i>	34,279	34,279	34,279	34,279	34,279	34,279
Cash to be saved post-merger	(67,910)	(67,910)	(67,910)	(67,910)	(67,910)	(67,910)
Savings generated by merging	0	55,946	0	55,946	0	55,946
Sub-Total	(67,910)	(11,964)	(67,910)	(11,964)	(67,910)	(11,964)
Merger savings as a % of total requirement	0%	82%	0%	82%	0%	82%
Add:						
Costs of merging						
Transition Costs	0	(8,704)	0	(8,704)	0	(8,704)
Council Tax Loss	0	(37,863)	0	(830)	0	(54)
Risk adjustment	0	(3,475)	0	(3,475)	0	(3,475)
	0	(50,041)	0	(13,008)	0	(12,232)
Balance of savings to be identified	(67,910)	(62,005)	(67,910)	(24,972)	(67,910)	(24,196)
Balance of savings to be identified (%)	100%	91%	100%	37%	100%	36%
Balance of savings identified (%)	0%	9%	0%	63%	0%	64%

Table 19: Financial Summary over eight years

As noted in section 4.2, irrespective of whether a decision is taken to proceed with a merger, the councils will need to eliminate £4.9m of expenditure from their budgets in 2018/19 and find a further £16.1m over the following six years to 31 March 2025. The cumulative value of these required savings is £102m as shown in Table 19 above. The table compares the cumulative impact of the savings, transition costs and lost council tax income as a result of merging the five districts against the projected position if no changes occurred at all. The table highlights that a merger would deliver only 9% of the savings required between 2019/20 and 2024/25 if council tax rates were harmonised under the approach described as Option A per section 4.4.3 above. However, harmonisation under Option B or C results in a much lower value of income loss and consequently a merger, under either of these approaches, is projected to contribute between 63-64% to the savings requirement over the period to 31 March 2025.

This calculation also takes into account the transition costs, which equate to approximately one year's worth of savings²⁰, and a provision for the impact of the risks highlighted in section 4.4.4. As the table identifies, in the absence of such costs and risks, the gross savings projected from merging would deliver approximately 82% of the savings estimated as required between 1 April 2019 and 31 March 2025.

4.6 Sensitivity Testing

As explained in section 4.4.4, rather than adjust for optimism bias, a series of sensitivities have been performed on the projections set out in Table 19 above. The table below sets out

²⁰ The transition costs will start to be incurred prior to the creation of the new council and will therefore fall on the individual districts to finance. Consequently, a protocol will need to be agreed by all districts which agrees the process by which the costs will be funded and, if necessary, governs the use of cash reserves to ensure that sufficient financing ability is available.



the results of two sensitivity tests. The first illustrates the percentage reduction in saving estimates that would need to occur before the net benefit of merging districts is nil and, similarly, the second illustrates the percentage increase in transition costs that would need to occur for the net benefit of merging to be nil.

Harmonisation Option	A	B	C
Costs of merging	(50,041)	(13,008)	(12,232)
Savings generated by merging	55,946	55,946	55,946
Net benefit of merging	5,905	42,938	43,714
% change in Savings for the Net Benefit to be zero	-11%	-77%	-78%
Transition Costs	(8,704)	(8,704)	(8,704)
Additional Transition Costs for the Net Benefit to be zero	(5,905)	(42,938)	(43,714)
% change in Transition Costs for the Net Benefit to be zero	68%	493%	502%

Table 20: Sensitivity scenarios

The table above shows that savings would need to come in over 75% less than assumed, under harmonisation options B and C, for the as-is Case to be financially preferable. This margin of error is a lot lower under harmonisation option A where a fall in expected savings of more than 11% would result in the as-is case to be financially preferable.

The table also shows that transition costs would need to be approximately six times greater than currently modelled under harmonisations options B and C, for the cumulative benefit of merging to be eliminated over the modelled period. Under option A, however, a 68% increase on modelled transition costs would eliminate the net benefit.

4.7 CONCLUSION OF THE FINANCIAL CASE

The merger of the five district councils is an action that has the potential to make a significant contribution to the savings that will be required to be made over the six year period to 2024/25. It would involve relatively substantial one-off costs that account for just under one year's worth of projected savings and there are choices to be explored further as to how such costs would be financed. Once the merger is implemented and the reductions in operating costs achieved, the changes will have eliminated £8.7m, in 2016/17 prices, of annual expenditure from budgets which represents c. 11% of the current combined net revenue expenditure of the five districts. The extent to which this saving benefit resides within the council or is transferred to residents, depends upon the choice of approach to harmonising council tax rates.



5. MANAGEMENT CASE

5.1 Introduction

This section of the business case addresses the ‘achievability’ of the proposed option. Its purpose therefore, is to set out the actions that would be required to ensure the successful delivery of the proposal in accordance with best practice.

5.2 Programme and Project Management (PPM) Methodology and Governance

Moving five districts into one represents a major programme of change, not only the structure and operation of the organisation but also the culture. Research of previous major re-organisations has shown that dedicated resources are required to deliver change of this magnitude and that resourcing this change using officers on a part- time basis who have another ‘day job’ is not a viable option.

The districts currently use programme and project management methodologies based on (respectively) Managing Successful Programmes (MSP)²¹ and PRINCE2²². As these are well-recognised approaches, we assume the new programme would adopt these (in the form they have been implemented in the districts).

The proposed Governance structure of the programme is set out in the schematic and subsequent paragraphs below.

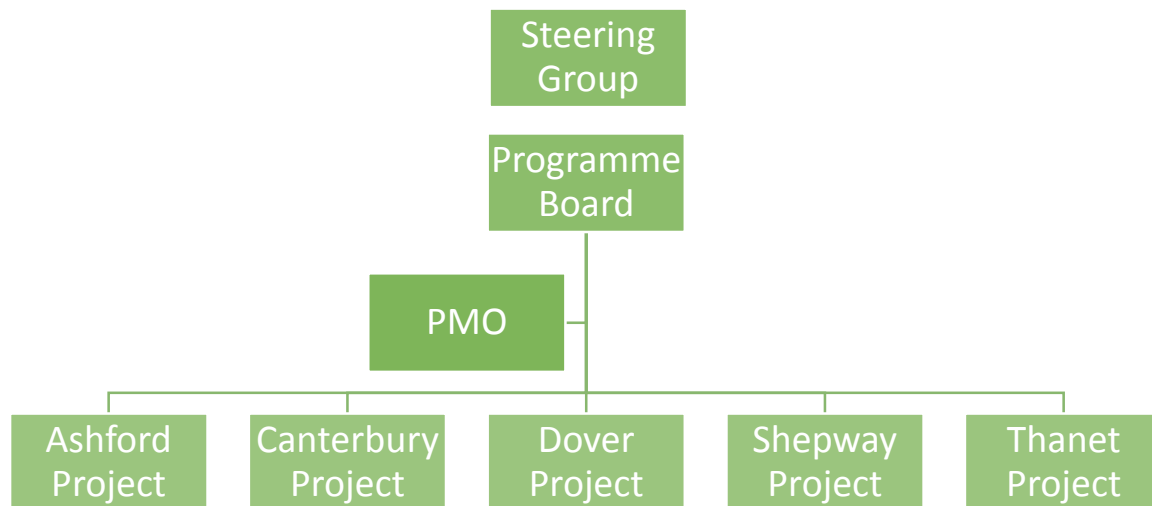


Figure 1: Proposed governance structure for implementation programme

²¹ MSP is a methodology which supports the management of multiple projects that typically aim to deliver strategic organisational benefits in a complex business environment

²² PRINCE2 (an acronym for **PR**ojects **IN** Controlled Environments) is a process-based method for effective project management.



Steering Group

The Steering Group would provide strategic and political leadership for the overall programme to create a new council and is responsible for:

- agreeing the scope of the programme
- appointing the programme board
- appointing the programme director
- providing decisions and steers as required on the scope and strategic issues
- monitoring progress on delivery
- managing risks that have been escalated from the programme board

The Steering Group would comprise the leaders from each council or their designated substitute. In addition, other councillors may be involved (e.g. portfolio holders). It would be good practice to ensure that Member representation on the Steering Group reflects the current political balance of the existing councils.

If Secretary of State approval is granted for the new council to be established then an Implementation Executive would be established as the decision making body for the new council until Members of the new authority are elected. It is assumed that at this point the Steering Group would fold into the Implementation Executive (with the same membership).

The Steering Group (Implementation Executive) would meet monthly (more frequently when required). It would be chaired by one of the leaders on an agreed rotating basis. The programme director would report to the Steering Group.

Programme Board

The Programme Board is responsible for delivery of the programme benefits. The Programme Director is the Senior Responsible Owner for the programme to create a new council and accountable to the Steering Group for delivery of the programme.

The Programme Board would:

- review the scope of the programme and make recommendations to the Steering Group
- provide decisions and steers as required by the constituent projects
- monitor progress on delivery
- manage risks that have been escalated from the projects

The Programme Board would be chaired by the Programme Director and comprise the Chief Executives from the five districts, a nominated S151 officer to act as the finance director for the programme, a nominated legal representative and a nominated HR lead (both of the latter to act on behalf of the five districts).



Programme Management Office (PMO)

The Programme Management Office (PMO) would provide administrative support to the programme and project managers, as well as act as the secretariat for the Steering Group and Programme Board.

Projects

Each district would appoint a project manager to lead the work-streams to create a new council for their authority. The aim of each project would be to ensure that all aspects of the change required in their district to give effect to the new combined district are delivered by 31st March 2019 within budget and to agreed quality levels.

5.3 PPM Management Plans

As indicated above, the programme would be managed using a combination of MSP and PRINCE2 (as implemented within the districts). As a minimum this would include:

- a Programme Initiation Document (PID)
- Project Initiation Documents (PIDs) for each of the underlying projects
- project plans / GANTT charts setting out the activities at project level
- a Programme plan capturing key activities milestones and dependencies (drawn from the project plans and including programme-level activities)
- a Risk Management strategy and approach for the programme, expected to include a programme-level risk register and risk registers for each project (see also section 5.6 below)

5.4 Transition Arrangements

It is anticipated that a detailed transition plan would be developed if there is agreement to proceed by the council in March 2017. The key transitional activities are described at a high level below:

5.4.1 Governance

- Establishing Member and Officer led governance arrangements (see sections above regarding Steering Group and Programme Board). These bodies would need to articulate a clear overall vision, constitution, structure and required outcomes for the programme and new council
- Developing a benefits management approach which allocates clear responsibility for the delivery of benefits, which would be tracked at both the Steering Group and Programme Board level. Milestones against the delivery of key benefits would need to be incorporated into the detailed transition plan.
- Agreeing transition ground-rules which all the councils can sign-up to. As an example these may include:
 - agreeing the reserves that each authority has committed and the balances forecast at vesting day



- no major actions taking place to change the position on reserves, assets, debts and risks without prior disclosure with partners
- no senior staff recruitment without prior disclosure / discussion with partners

5.4.2 Finance

- developing comprehensive data sets regarding staff, assets and current contracts
- planning staff, assets, and liabilities transfer to the new entity (see commercial case)
- budget amalgamation and setting a budget structure for the new council, including agreeing a process for council tax harmonisation (see commercial case)
- planning contract novation / rationalisation and re-tendering as appropriate
- asset planning – this business case assumes that there would be some asset rationalisation. There is also likely to be a need to invest in those assets that would be retained

5.4.3 People

- recruiting the Programme Management Team and other lead officers to support the establishment of the new council
- developing a communications strategy to engage staff, members and other stakeholders, keeping them up to date on progress and articulating the benefits of the new council
- developing HR guidance and processes to minimise external recruitment, retain expertise (e.g. through 'ring-fencing' of posts), ensuring a smooth redeployment of staff and supporting effective collaborative working during the transition period.
- recruiting senior posts (advertised openly)
- preparing new staffing structures
- planning for pay and conditions harmonisation, including role descriptions and pay structures
- planning (voluntary) redundancy activity - it will be important to commence this work as early as possible in order to achieve savings as profiled (i.e. 75% of savings achieved in year one of the new council , the majority of which are staffing savings)
- planning the induction of staff and Members

5.4.4 Stakeholder Engagement

As discussed in the Strategic Case, the programme would need to develop a Stakeholder Engagement strategy and plan. This should cover

- Identification of all key stakeholders and interested parties regarding transition plans (including staff, Unions, MPs, Kent County Council, Parish and Town Councils, partnerships, the business community, the voluntary sector and other local public bodies)
- Developing appropriate engagement mechanisms for each stakeholder or stakeholder group and using those to inform a comprehensive communications plan

- Engaging DCLG on plans to create a new council and other relevant issues (e.g. plans to maintain City status for Canterbury)

5.4.5 Localism - Options for Consideration by the East Kent Councils

Considering proposals to provide stronger, more effective local leadership as described in section 1.8 of this business case and implementation of the agreed approach.

5.5 Costs

The costs of the initial programme to establish the new council (from April 2017 to October 2019) have been included within the transition costs in section 4 – the Financial Case.

5.6 Next Steps – Timetable

An indicative timetable for progressing with a merger has been set out below.

Activity	Indicative Timings
Engagement with DCLG on draft business case	Early 2017
Each council to agree to proceed with business case subject to any engagement required / agreed	22 March 2017
Possible engagement period	Spring 2017
Executive decision by cabinet of each council to proceed with project for a new East Kent Council	July 2017
Proposals to merger submitted to DCLG (demonstrating clear political commitment from districts involved)	July 2017
Government – agree to implementation	Autumn 2017
District councils invited to make representations (optional)	Autumn 2017
Final Decisions	Autumn 2017
DCLG to prepare necessary statutory instruments modifying existing merger legislation where required (in order to establish new organisation, wind up the old ones and make transitional arrangements)	Autumn 2017
Each council invited to give formal consent to merger / new entity	Autumn 2017
New entity considered by Houses of Parliament	Autumn 2017
Secretary of state decision	Autumn 2017
Boundary commission undertake electoral review (NB this is optional but preferred approach of DCLG – alternative is an Order that creates a new council, using temporary wards as basis for the first election, and subsequent election boundaries considered by Boundary Commission).	Autumn 2017 to Autumn 2018
Establish Implementation Executive (decision making body until members of the new authority are elected)	Nov / Dec 2017
Agree initial structure for the new council	Dec 2017
Likely TUPE consultation period commences (to be confirmed on the basis of legal advice)	Dec 2017 / Jan 2018



Activity	Indicative Timings
Implementation Executive commences recruitment of senior posts (externally advertised)	Early 2018
Implementation Executive agrees Council tax harmonisation discretionary order with DCLG	2018
Implementation Executive sets first year budget for the new authority and council tax rate	Late 2018/ early 2019
First year budget for the new authority and council tax rate confirmed by all Councillors	Late 2018/ early 2019
New council legally takes effect (Vesting Day)	April 2019
Elections to new council	May 2019

Table 21: Indicative time-line for implementation

5.7 Risk Management

In addition to the benefits which the creation of a new council can deliver, and the additional opportunities for growth, there are also significant risks. By providing key stakeholders with visibility and clarity about the risks in creating the new entity, there is the opportunity to understand and appreciate their impact and develop mitigating actions.

Appendix D contains a table that provides an initial list of key risks in relation to the creation of a new council. An exhaustive list of risks should be maintained and monitored as part of the ongoing Governance process in order to put in place the steps to mitigate risks as early as possible, in accordance with the risk management strategy developed and implemented by the programme.

5.8 CONCLUSION OF THE MANAGEMENT CASE

The merger of five districts into a single new council is a major change programme that would require dedicated resource and effort. In addition, the delivery date for the new arrangements is challenging. Whilst further detailed planning is required to establish a firmer set of programme milestones, if the approach set out in this section of the business case is adopted in accordance with the proposed timescale, implementation on time appears feasible.



APPENDIX A – Detailed analysis of strategic objectives set out in the East Kent districts Corporate Plans

Driver	Focus area	Auth	Methods to deliver growth
Economy	Attracting investment	ABC	Seek inward investment in new projects using council resources as trigger where needed
		DDC	Work with SELEP and partners to stimulate investment
			Promote existing enterprise zone
			Branding to drive investment
	TDC	Actively seek inward investment with exploration of enterprise zones	
	Town centre	ABC	Elwick Place development (Ashford)
			Attract occupiers (incl. independent retailers) to Park Mall
		CCC	Establish sustainable town centre management activity (Herne Bay)
			Development of activity on Pier (Herne Bay)
			Town centre developments and improvements (Canterbury, Whitstable, Herne Bay)
		DDC	Continuation of district regeneration programme
	Support delivery of Coastal Communities Fund		
	SDC	Support town centres	
	Range and skill level of job offer in area	ABC	Delivery of Ashford college
			Invest in new space for 'high tech' companies
			Support development of apprenticeship schemes.
		CCC	Create hi-tech work spaces via a business hub and planning
			Encourage retention of graduates with suitable jobs (Canterbury)
			Work with education providers to develop relevant local skills to enable job growth
			Use procurement to secure jobs and apprenticeships for local people
		DDC	Work with employers and training providers to identify skill shortages
Improve access to local job opportunities through annual job fair			
Support Discovery park enterprise zone to attract new businesses into district			
SDC		Work to ensure the retention of a further education offer in Folkestone	
		Provision of apprenticeship scheme	
TDC		Work with partners to develop skills agenda	



	Encouraging and enabling business	ABC	Focus on business space delivery in local plan
			Commercial Quarter development (Ashford)
			Incubator units for entrepreneurs
		CCC	Support diversification through business development (Whitstable)
			Deliver business start-up space
		DDC	Betteshanger sustainable business parks development (inc. business incubation hub)
			White Cliffs business park phases 2,3,4 development
		SDC	20 hectare development of office/industrial development by 2031
	Increase supply of business incubation units		
	TDC	Maximise commercial opportunities for key assets	
	TDC	Write local plan in support for growing the economy	
	Infrastructure improvements	ABC	M20 J10a
			A28 dualling
			Eurostar signalling
		CCC	A2 junctions (Canterbury)
New park and ride services (Canterbury, Whitstable)			
Herne and Sturry relief roads			
Car park improvements – accessibility and presentation			
Tackle congestion			
DDC		Support solution to operation Stack	
		Support third thames crossing	
	Support rail accessibility and Thanet Parkway		
	A2 dualling		
	Improvements to parking		
DDC	Improvements to access – North Deal (A258)		
	Bus Rapid Transport system and Cable Car (Dover)		
Boost rural economy	ABC	Encourage rural business projects	
		Encourage projects to boost tourism	
		High speed broadband improvements	
	CCC	Support new business ideas	



Housing	Tourism	DDC	Improved digital connectivity (across district)	
		ABC	Encourage projects to boost tourism	
			Build on success of Tourism Symposium	
			Provide modern visitor information service	
		CCC	Increase amount of overnight and holiday accommodation	
			Marketing and visitor signage improvements (Herne Bay)	
			New hotels (Canterbury)	
		DDC	Complete Kingsmead regeneration (Canterbury)	
			Work to bring the Open Golf Championship back to Sandwich	
			Tourism developments across the district	
		SDC	Continue to support the White Cliffs Country Tourism Alliance	
			Targeted projects to increase number of visitors and improve reputation	
	Housing supply	ABC	Ensure community benefits from attractive coastline	
			Local plan to meet need for market housing – growth over 5, 10, 15 years	
		CCC	Deliver 16,000 homes and infrastructure by 2031	
		DDC	District regeneration programmed development	
			Address five-year land supply deficit	
			Review SHLAA and identify sites previously ruled out as floor risk now to be included for housing	
		SDC	Average 350-400 new houses built per year by 2018	
			Reduce number of long-term empty homes in the district	
			Identify suitable land for housing development	
			2000-2500 new affordable dwellings by 2031	
		Expanding home ownership	ABC	Develop a staircase to ownership & support right to buy extension
				Deliver more affordable housing in rural and urban areas
	CCC		Build housing for those struggling to afford market prices	
	SDC		100 new affordable homes built each year to 2018, 32 of which to be low cost ownership	
Meeting the needs of residents	TDC	Ensure access to affordable housing for residents		
		ABC	Increase in housing choices for older people	
	ABC	Encourage new purpose built rental accommodation for commuters		
		CCC	Reduce homelessness	



Place			Encourage purpose-built student accommodation
			Intervene to improve the quality of private rented accommodation
			Enable independent living
		DDC	Increase no. of homes benefitting from Warm Homes and Energy Switch initiatives
			Review disabled facilities grant to improve efficiency
			Update Housing strategy to meet local need, increase choice
		SDC	Reduce homelessness and support families at risk of losing a home
			Intervene to improve the quality of private rented accommodation
			Maintain average SAP rating in council homes
		TDC	Ensure local residents have access to good quality housing
	Planning process	ABC	Include space and quality standards as development requirements
			Strengthen approach to planning enforcement
			Housing management companies managed by local residents where possible
		CCC	Insist on high quality design for new developments
			Take enforcement action against planning breaches
		DDC	Support town and parish councils in developing neighbourhood plans
		SDC	Introduce CIL charging to contribute to local infrastructure
	Support town and parish councils in introducing neighbourhood plans		
	Open spaces	ABC	Develop best mix of new and existing parks and green spaces
			Incorporate public art and cutting edge design
			Create Landscape Action Team
Bring forward green corridor action plan to improve presentation, signage, planting and water quality			
Masterplan future development at Conningbrook			
Planned improvement to key public space and parks			
CCC		Maintain Purple Flags accreditation	
		Environmental improvements in Herne and Sturry to complement new relief roads	
		Implement a street tree replacement programme (Canterbury)	
		Investigate extending pedestrian area in city centre (Canterbury)	
		Create and maintain high-quality open spaces	
		Make parks, play areas and open spaces people want to use	



			Retain blue flags and In Bloom awards
		DDC	Increase number of projects that directly involve local communities in improving green spaces
			Deliver improved grounds maintenance service from March 2017
		SDC	Transfer parks, open spaces and assets to town and parish councils where appropriate
			Provide public spaces which are clean and well maintained
			Achieve Blue Flag status for Sandgate
			Retain existing Green Flag status and expand to other parks
	TDC	Keep parks and open spaces clean for residents and visitors	
	Leisure Offer	ABC	Develop cycle town strategy linking green spaces
			Invest in new and refurbished sports, culture and leisure facilities
			Extend recreational offer at key sites (Conningbrook, JRS)
			Strengthen sport through the Local Plan and master planning
			Work with the private sector on leisure provision
			Support Tenterden's leisure offer
		CCC	Ensure affordable, varied and locally accessible leisure facilities
			Rebuild or refurbish Kingsmead
			New leisure facility in Whitstable
			Promote walking trails and cycling routes
			Enable improvement of cycle routes
		DDC	Develop proposals for a new leisure centre
Cultural focus		ABC	Deliver town centre cinema and associated attractions
	Continue support for Revelation St Mary's		
	Develop Create and exploit its brand		
	Attract cultural industries		
	Strengthen culture through the Local Plan and master planning		
	Work with the private sector on cultural provision		
	Support Tenterden's cultural offer		
	CCC	Offer broad programme at the Marlowe Theatre	
		Develop multi-screen cinema at Kingsmead	
Educate and interest public through museums programmes and collections			



			Develop a fascination for theatre through youth work
			Encourage and produce range of festivals, markets and events
			Support and publicise venues with youth appeal
			Facilitate local entertainment and community venues
	District presentation	ABC	Improve presentation through green corridor action plan
		CCC	Work with residents, universities and businesses to keep district clean
			Regular street cleaning
			Efficient waste and recycling collections
			Remove flyposting and graffiti
			Prevent littering through awareness campaign and rigorous enforcement
			Enforce rigorously against fly-tipping
			Explore options to improve KCC owned verges and roundabouts
		DDC	Deliver a recycling and waste service that customers are satisfied with & that DDC are proud of
			Provide a simple, effective and reliable street cleaning service
			Enforcement and education on 'enviro-crime' such as littering and dog fouling
		SDC	Review and improve enforcement activity relating to dog fouling, littering, flytipping and flyposting
	TDC	Continue to improve waste and recycling services, reduce waste and increase recycling	
		Maintain zero tolerance approach to encourage positive behaviour to help environment	
	Heritage and Wildlife	CCC	Manage and invest in heritage sites across the district
			Enable expansion of Duncan Down
Implement Reculver management plan			
Extend and enhance Canterbury's riverside network			
Deliver Seasalter levels environmental restoration project (in partnership with RSPB)			
People	ABC	Support best solutions for healthy and active communities in new developments	
		New approach to activities for growing elderly population	
	CCC	Rigorously apply standards to food safety	
		Tackle health inequalities through work with specific target groups	
		Focus early intervention work on target groups	
		Focus community support resources on individuals and families most in need	
		Provide Lifeline service for vulnerable people	



			Work with others to tackle isolation and financial hardship
			Raise staff awareness on how to meet needs of vulnerable groups (e.g. dementia sufferers)
			Sign-post individuals in need to other organisations that can provide support
		DDC	Maintain standards of food safety
			Support delivery of an Integrated Care Organisation for the South Kent Coast Area
			Work to address wider determinants of health – improving housing, promoting healthy lifestyles
			Manage effective prevention through Council services inc. Licensing, environmental protection
		TDC	Reduce health inequalities focussing on particular target groups and neighbourhoods
			Support people to make better lifestyle choices
		Community protection	CCC
	'Design out crime' through urban planning		
	Enforce action against ASB		
	Work with communities and police on crime prevention and detection including effective use of CCTV		
	DDC		Limit the impact of dangerous flooding
			Deliver community safety initiatives to reduce levels and impact of crime and ASB across district
			Work with communities to improve resilience and preparedness for extreme weather (e.g. flooding)
	SDC		Promote improved understanding of equality and diversity
			Support people into work through the Troubled Families Programme
	TDC		Deliver a risk-based approach to tackling anti-social behaviour
	Council governance	Grant funding plans	ABC
Achieve and maintain independence from central government funding			
			Housing growth to deliver NHB
CCC			Be financially self-reliant (without needs based grant) by 2019
DDC			Recognition of forecast reduction of grant to almost nil by 2020, no explicit plan
Income generation		SDC	Maximise income and alternative funding schemes
			Maximise return on ICT innovation fund
		ABC	Develop trading companies to generate income
			Find and exploit new funding opportunities
CCC	Invest in borough		
	Commercial approach where possible with aim of being self-financing		



			Make the most of ability to attract additional funding and investment
		DDC	Expand property portfolio Generate additional income and best return from own assets
		SDC	Establish a regeneration and housing company
	Making savings	ABC	Manage costs and inflation
		DDC	Focus on 'Spend and save'
			Maximise use of technology and digital services
			Keep tight control of spend, robust management of assets, procurement and income
		SDC	Redesign service models – commercial approach to procurement
			Reduce office accommodation costs
	5% overall operational savings per year		
	Service standards	ABC	Handling complaints effectively, fairly and in a timely manner
			Avoid unnecessary contact
			Use consultation to inform actions
		CCC	Only consult where there is a genuine opportunity to influence the decision
			Fulfil duties under Equalities Act 2010 in service delivery
			Maximise service accessibility to local people and businesses
		DDC	Improve public communication (both digital and traditional)
			Support and develop workforce
			Maintain transparency, openness and accountability in decision making and information provision
		SDC	Improve customer service standards
Widen times and means to contact the Council			
Retain Customer Service Excellence Accreditation			
Develop and promote range of training opportunities			
TDC		Operate in an open, honest and accountable manner	
	Provide clear, meaningful and timely communications		
	High performance standards for staff		
	Recruit and retain skilled, committed and motivated people		
Collaboration with other bodies	ABC	Consider closer collaboration with public sector (in borough or neighbouring) to save costs	
	CCC	Work in partnership 'where it makes sense'	



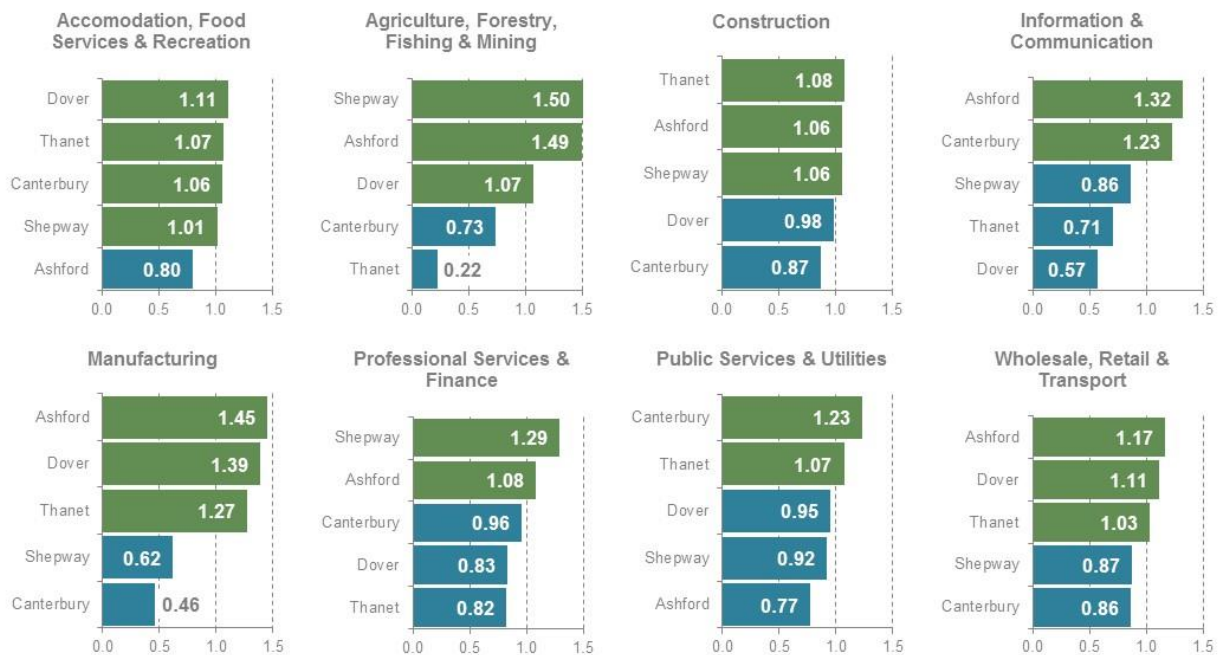
		DDC	Explore sharing resources and staff with other councils to reduce costs
			Collaborate to achieve efficiencies and 'protect services that matter'
		TDC	Work with partners to improve community safety
			Collaborative partnership to reduce health inequalities
	Devolution/ Community engagement	DDC	Support communities using Right to Bid, Right to Challenge etc.
			Support ward Councillors in developing community leadership role
			Increase voter registration through targeting unregistered households
		SDC	Transfer of assets to Town/Parish Councils
Provide a community participation and empowerment strategy to develop Ward Councillor role			



APPENDIX B – More Detailed Analysis of Economic Context of East Kent

Economy

- Kent as a whole has registered the second highest level of job growth out of the South East Counties since 1997. In terms of the total workforce jobs, the East Kent economy is about a third of the total for Kent (c270,000 out of c820,000) and the level of job growth is comparable at 22%
- Ashford and Canterbury provide more than half the jobs in East Kent, with only Dover recording a reduction in jobs since 1997
- Whilst EK does have a greater share of public sector jobs and a smaller share of higher value sector jobs, recent job growth has been relatively strong in several of the latter; for example professional services and finance; information and communication
- The five districts complement each other in terms of the particular sector specialisation they support relative to the overall East Kent pattern – see Figure 2 and paragraphs below. This provides opportunities to capitalise upon those specialisms without competing with different areas within the sub-region



Source: Experian (September 2016) / NLP analysis

Figure 2: sector specialisation across East Kent (showing the relative strength of a sector compared to the rest of East Kent)

- Ashford – information and communications; wholesale retail and transport; manufacturing
- Canterbury – information and communications; public service and utilities



- Dover – accommodation, food services and recreation; wholesale, retail and transport
- Shepway – agriculture, forestry, fishing and mining; professional services and finance
- Thanet – construction; manufacturing
- Productivity within both Kent and East Kent has improved, but less than for the South East as a whole and the gap is widening
- More than 60% of the economic output growth in East Kent since 1997, was delivered by Canterbury and Ashford
- Business start-up rates in East Kent have generally been low, but the growth in enterprises has been stronger.

People

- East Kent has recorded significant working-age population growth over the last 20 years and this trend is expected to continue in most areas; the share of working-age population is very similar to the rest of Kent and the South East
- East Kent is a strong net importer of people, particularly to Canterbury. Internal migration within East Kent also indicates that there is a strong net outflow from Canterbury to other parts of the sub-region.
- There is a high degree of self-containment within East Kent – most people who move house do so either within the same local authority or within the sub-region (between 72% and 82% for the latter). Taken together with the previous bullet point, this suggests that Canterbury acts as an ‘attractor’ for the region as a whole.
- The ‘mosaic’ classification undertaken by Experian indicates an interesting pattern of dominant groups across the sub-region (see Figure 3 below). The majority of East Kent is either ‘Country Living’ or ‘Rural Reality’ compared to significant areas of ‘Prestige Positions’ in west Kent, where commuting to London predominates. However, there are notable areas of retired populations (‘Senior Security’) around the East Kent coastal stretches and a diversification of group types around Ashford and Canterbury. Looking forward the opportunity for East Kent as a whole could be to spread that diversification whilst retaining the character of the sub-region as a sought after rural location.

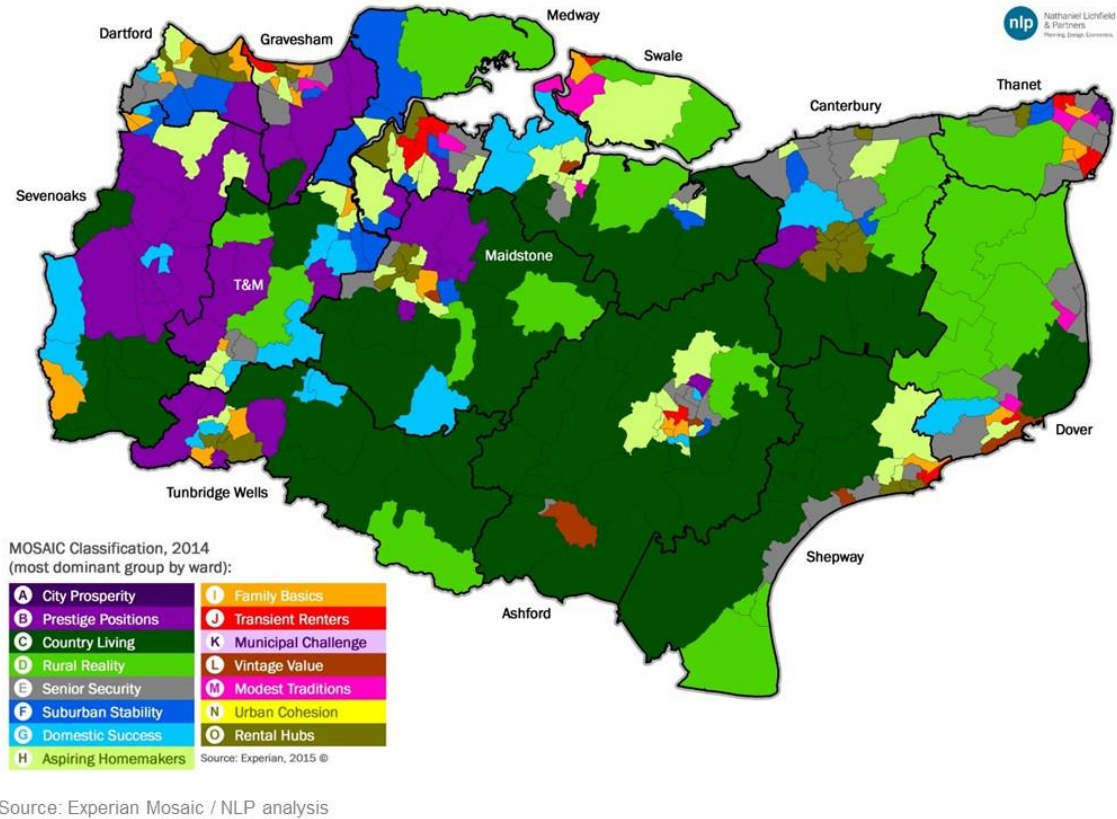
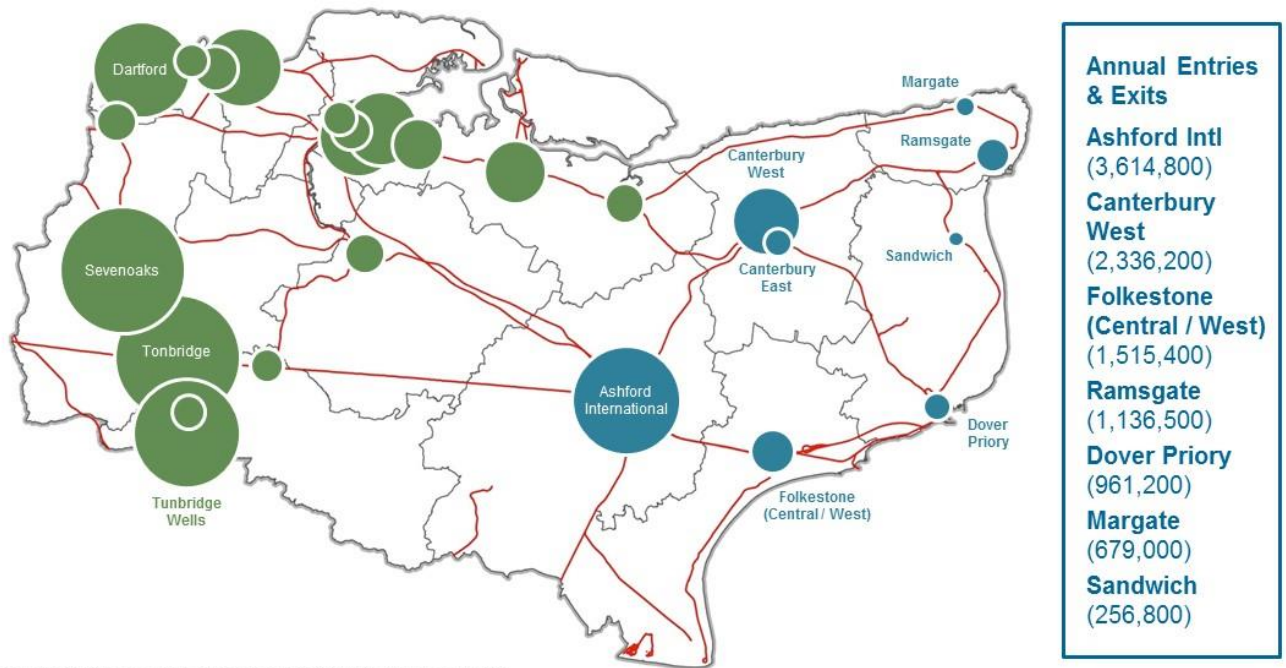


Figure 3: Mosaic Classification 2014 for Kent

- There has been a decrease across the whole of East Kent in the number of people with no qualifications. However, qualification attainment is highest at all levels within Canterbury and lowest in Thanet
- East Kent is a considerable net exporter of labour, with a substantial number of workers commuting to London. Commuting patterns within the sub-region indicate that both Canterbury and Ashford support the employment needs of a large share of the residents of the area as a whole. However, 'self-containment' in terms of jobs is highest for the most eastern authorities

Place

- Housing completion rates have started to recover after the credit crunch and associated down-turn. Ashford and Canterbury have the greatest proportion of detached and semi-detached stock of the East Kent districts and also both face the greatest challenges in terms of affordability
- Station usage in East Kent is lower than the rest of Kent, reflecting London commuter belts (see Figure 4 below). However, there are noticeable 'hot spots' in Canterbury and even more so in Ashford. Overall rail station usage has increased across the sub-region since the introduction of high speed rail services.



Source: Office of Rail and Road (2014/15) / NLP analysis

Figure 4: Rail Station usage in East Kent compared to the rest of Kent

- Road infrastructure includes key local and strategic links such as the M20, A2/M2, A21 and A229
- Employment floor-space in East Kent as a whole is dominated by the industrial foot-print in Ashford and Dover, whereas office space growth in Thanet and Ashford has been offset by losses elsewhere.

APPENDIX C – Balance Sheet Review

The table below shows a summary of the balance sheet position of each Authority per their latest published financial statements as at 31 March 2016.

As at 31 March 2016									
£'000s									
Council	Long Term Assets	Current Assets	Current Liabilities	Long Term Liabilities	Net Assets	General Reserves	HRA Reserves	Unusable Reserves	Total Reserves
Ashford	359,337	15,580	(16,886)	(207,708)	150,323	25,841	7,868	116,614	150,323
Canterbury	505,119	40,465	(25,080)	(190,359)	330,145	33,985	6,726	289,434	330,145
Dover	282,847	58,396	(20,109)	(165,647)	155,487	36,111	9,402	109,974	155,487
Shepway	207,409	25,918	(14,015)	(119,966)	99,346	26,583	5,864	66,899	99,346
Thanet	237,647	38,276	(26,109)	(132,907)	116,907	24,860	5,296	86,751	116,907
Total	1,592,359	178,635	(102,199)	(816,587)	852,208	147,380	35,156	669,672	852,208

Table 22: net asset value of each of the five East Kent Districts

Net Asset Value

As the table demonstrates, the net asset value represents the difference between the total value of assets held by each local authority and the total value of their liabilities.

The typical assets are a mix of large, long term items such as land and property, and shorter term, lower value items such as cash balances and money due to it, as at the year end.

The liabilities are also split into larger, long term items such as pension fund deficits and money borrowed for capital investment as well as shorter term items such as money owned by the council at the year end.

A desk top review of the assets and liabilities of each council has been undertaken, which has highlighted the following notable features.



Notable assets and liabilities	
Ashford	<p>Leading the development of land at Elwick Road to enable the Elwick Place development consisting of a multiplex cinema, hotel and restaurants.</p> <p>Hold investment properties generating £1.6m pa</p> <p>PFI housing assets of £14m contracted until 2037</p> <p>Has two wholly owned subsidiaries, A Better Choice for Property Limited and A Better Choice for Building Consultancy Limited</p> <p>Guarantor for the Pension Liabilities of Ashford Leisure Trust</p> <p>Provision for the repayment of Regional Infrastructure Funding (RIF), used to pay for works to the Drovers Roundabout and the M20 junction 9 and footbridge. RIF funding was paid to KCC for the schemes by SEEDA. A condition of these agreements is that, money collected from developers in respect of these works through the planning process by Ashford Borough Council will be paid to HCA. However, the Council's liability is limited to the total amount received in each case.</p>
Canterbury	<p>Generates £4.7m of income from £76m of commercial and industrial property;</p> <p>Recently incurred £74m of debt to fund the purchase of a stake in the Whitefriars shopping centre, with borrowing costs to be covered by rental income;</p> <p>Responsible for maintaining a number of heritage assets such as city walls and the Westgate;</p> <p>£3.6m outstanding of a £5.5m loan to Kent County Cricket club;</p> <p>Accountable for a share of the pension liability of East Kent Housing (EKH) along with other EKH partners</p>
Dover	<p>£300k pa from investment income on assets valued at £2.2m. This income is from investment properties, which are shown on the balance sheet based on the capitalisation of rental income</p> <p>Dover has a pension fund liability of £77m. However, this is a technical accounting liability. The level of annual contributions is determined by the pension fund actuaries who are content that the pension fund is sustainable and is being properly funded.</p> <p>Accountable for a share of the pension liability of East Kent Housing (EKH) along with other EKH partners</p> <p>Enterprise Zone Relief is granted to businesses in the Discovery Park, Sandwich, which is a designated Enterprise Zone. This practice is in common with all Enterprise Zones. The Enterprise Zone will not be affected by the proposed merger and does not have a material bearing on the business case</p>
Shepway	<p>The Council has set up a wholly owned subsidiary entity to generate additional income streams for the Council and to provide residential housing in the district (Oportunitas Ltd)</p> <p>Generates £90k pa from investment income on assets valued at £6.8m, 80% of which is agricultural holdings</p> <p>Accountable for a share of the pension liability of East Kent Housing</p>
Thanet	<p>The Council now owns the Dreamland site in Margate. This site comprises land that is used as an amusement park/fairground and a cinema complex with associated facilities.</p> <p>Receives £1.3m of Investment income pa on property valued at £25m</p> <p>Council acts as Guarantor for £0.5m loans to Your Leisure</p> <p>Accountable for a share of the pension liability of East Kent Housing (EKH) along with other EKH partners</p> <p>Responsible for the Port of Ramsgate</p>

Table 23: notes on assets and liabilities of each district

Further “due diligence” work is now required by the s151 officers to consider whether there are significant risks or issues within or outside of the balance sheets that should be shared with, and understood by, the councils.

Total Reserves

The net asset value of each local authority equates in value to what it holds as Reserves. A significant proportion of the Total Reserves value is classified as unusable whereby they are simply a result of accounting transactions rather than a resource that can be used e.g. a record of how much the value of assets have increased. Of the usable element i.e. can be applied to new activity and investment, these have been split between those that are ring fenced under legislation for social housing i.e. Housing Revenue Account (HRA) and those that can be applied for general use.

The value of general usable reserves available to each local authority is a useful measure of their relative worth and when adjusted for size, by comparing the value on a per household basis, highlights that broadly each council has usable reserves of between £6-700 per household. This is with the exception of Dover which has a figure that is almost 66% higher



at c. £1000 per household.

	Ashford	Canterbury	Dover	Shepway	Thanet
Total usable reserves per property (£)	633	684	972	722	594

Table 24: value of useable reserves

Dover is holding £12.5m in reserve for the town's regeneration and economic development with their capital programme identifying spend of £11m which includes £8.5m over the next two years on a new leisure facility and major town hall refurbishment.

Canterbury is also planning to invest in a new leisure facility in 2018/19 and invest £5m in a decked car park.

Shepway has set up a company to operate commercially in property development and management and is intending to make a loan of £2m to its company for property acquisition.

Thanet's capital programme is configured around its' ports and seaside facilities, mainly involving repairs and renewal type spend e.g. sea walls and specialist vehicle replacement. Its reserves also include £5.5m to expand its social housing stock within its Housing Revenue Account through both acquisition and new build.

All five local authorities operate a Housing Revenue Account, featuring a combined portfolio of approximately 21,000 dwellings. Table 25 below provides some summary metrics in relation to each of these accounts.



Year to 31 March 2016					
	Ashford	Canterbury	Dover	Shepway	Thanet
	£'000s				
Income					
Dwelling rents	23,985	23,857	19,767	14,921	13,030
Other	4,532	2,152	1,402	1,331	932
Sub-total	28,517	26,009	21,169	16,252	13,962
Expenditure					
R&M	3,708	6,137	2,732	2,935	3,275
Management	5,178	5,915	3,905	4,049	3,392
Depreciation	5,400	3,511	1,730	8,168	3,322
Share of corporate costs	864	121	466	187	149
Interest payable	3,745	2,368	2,843	1,753	811
Sub-total	18,895	18,052	11,676	17,092	10,949
Net	9,622	7,957	9,493	(840)	3,013
Other*	(7,275)	(7,021)	16,625	19,658	(1,318)
Total	2,347	936	26,118	18,818	1,695
Reserves (£'000s)	7,868	6,726	9,402	5,864	5,296
No. of dwellings	5,030	5,165	4,374	3,370	3,031
Annual Rental per dwelling (£)	4,768	4,619	4,519	4,428	4,299
Asset value	234,047	272,065	183,498	145,459	114,926
Asset value per dwelling (£)	46,530	52,675	41,952	43,163	37,917
Yield per dwelling	10.2%	8.8%	10.8%	10.3%	11.3%
Reserves per dwelling (£)	1,564	1,302	2,150	1,740	1,747

Table 25: summary metrics of HRA accounts for each district

It is inadvisable to draw conclusions as to the relative financial strength of each HRA upon a single year's set of figures²³. The annual rental per dwelling shows little variation between councils, which would be expected, given the basis of rent calculation. It indicates a relatively homogenous type of offering although Ashford appears to feature proportionally more, larger, properties than Thanet at the other end of that scale.

There is variation in the value of reserves per dwelling but these will be a function of the 30 year viable business plans that councils had to produce four years ago as part of the self-financing HRA policy implementation. The recent Government decision to cap rent rises will impact on the income assumed within the plans while other policy changes are in the

²³ The "Net" figure shows the accounting position of each councils' account based upon typical income and expenditure elements. The accounting requirement to assess changes in asset valuations means that the account can be subject to disproportionate movements as a result of reflecting increases or decreases in asset value and these are shown within the subsequent line - 'Other*'.



pipeline e.g. high value housing disposal which will, if implemented, also impact on the resource levels assumed within the projections.



APPENDIX D - Risk Log

The table below describes key risks and mitigating actions relating to the creation of a new council

Risk	Description	Mitigation
1. Changes in the expected costs and benefits of the merger	The merger may not achieve the identified savings, either through delayed benefit realisation or increased transition costs, with the risk that financial sustainability is not delivered after merger	<ul style="list-style-type: none"> • Establish a clearly defined benefits management process to enable the rapid identification of benefits which are unlikely to be realised. • Establish a comprehensive change programme – with strands dealing with people change, process change, technology change and asset rationalisation • Programme management resource to forecast and track both benefits and transition / investment costs and report regularly to the Steering Group and Programme Board
2. Adverse impact on Business-As-Usual	The implementation of the new entity will involve a high degree of change. Maintenance (and improvement) of service delivery in this uncertain environment will be a challenge. There is a risk of a ‘dip’ in service performance whilst the transition to the new entity is completed	<ul style="list-style-type: none"> • Establish a clearly defined implementation and change management approach (see above – Risk 1) to support the transition to the new entity • Develop a communications strategy to help articulate how service levels may change during the transition period and support expectation management.
3. Loss of localism	A merged district would cover a large geographical area with the potential for a perceived reduction in local leadership and representation	<ul style="list-style-type: none"> • Actively consider options laid out in Appendix x of this business case which describes approaches to seek to provide stronger, more effective local leadership
4. Merger not approved	The proposals to merger are not supported by DCLG and / or by the Secretary of State	<ul style="list-style-type: none"> • Steering Group and Programme Board to take responsibility for active ongoing engagement with DCLG in relation to the process and to take account of government expectations / requirements • Steering Group and Programme Board to articulate clear overall vision, structure and outcomes for the new council • Active ongoing engagement with all key stakeholders including DCLG, MPs, Ministers, Boundary Commission, County Council as well as other locally based bodies



Risk	Description	Mitigation
5. National / regional issues impacting on feasibility of merger	The position of the current government in relation to local government reorganisation is still emerging. Moreover, the national political landscape is unusually volatile, due largely to issues relating to Brexit. It is possible that a general election may be held in the near future - all which could impact, directly or indirectly, on the proposed merger. Furthermore, It is possible that at a regional level other developments may take place (e.g. instigated by the County) which may impact adversely on the feasibility of a merger	<ul style="list-style-type: none"> • Ongoing monitoring of national / regional developments, taking appropriate steps to respond at a Steering Group and Programme Board level • See also mitigations in relation to (Risk 4 above)
6. Insufficient clarity about vision, structure and operating processes	Members are unable to agree a clear overall vision, structure and outcomes for the new entity due to differences in political, operational and investment priorities	<ul style="list-style-type: none"> • Establish governance arrangements as described in Management Case (section x), with the aim of embedding senior political and management sponsorship • A key aim of the Steering Group / Implementation Executive will be to agree a long term, strategic vision with clear outcomes. • Establish ongoing reporting of progress in delivering the outcomes
7. Resistance to change	Issues of merging organisational cultures; concerns about loss of control and influence; as well as issues such as harmonisation of working practices and harmonisation of local terms and conditions, could all lead to staff and Member resistance and lack of buy-in to the new arrangements	<ul style="list-style-type: none"> • See mitigations in relation to (Risk 6 above) • Undertake stakeholder mapping • Utilise a communications strategy to engage staff, members and other stakeholders, keeping them up to date on progress and articulating the benefits of the merger • Plan induction of staff and Members to the new entity, underpinned by effective HR policies and transitional arrangements.
8. Lack of capacity to implement the merger	The uncertain environment created by a proposed merger may result in key staff leaving the existing councils before the new entity is created. The loss of capacity to manage the merger may result in delays in implementing the new council	<ul style="list-style-type: none"> • Establish dedicated Programme Team and systematic approach to Project and Programme Management as described in Management Case (section x), • Establish suitable succession arrangements, implement effective documentation standards to ensure continuity and promote open communication among the programme team





APPENDIX E – Key elements of Wiltshire’s Unitary Council approach to local governance, for consideration in East Kent

- Board area boundaries were established after extensive engagement with local councils and other stakeholders, and data mapping. Boundaries reflect actual communities and the way people live their lives, not administrative convenience – even if this means there are uneven numbers of council members attending each Board.
- Boards are chaired by a Wiltshire councillor from the local area: other councillors from the area also attend, as do senior members and officers from the council.
- Very clear roles and responsibilities for the Boards have been identified and set out in the council’s constitution, with specific delegated powers and budgets. Topics delegated are issues with real relevance to the local area – such as road repairs, traffic problems and speeding in villages, litter, facilities for young people and affordable housing.
- Board meetings do not follow traditional decision-making formats, for example they may begin with networking, use a coffee house style, and allow the whole forum to vote whenever possible, in order to encourage wider engagement. Wider community engagement events also increase local dialogue and capacity building
- In addition to their delegated powers, the Boards also have a role as fora for engagement on issues affecting the local area but with wider significance, such as the development of Local Plan policies.
- Wider partners and stakeholders such as health and police attend, so that representatives of all public services in the area come together.
- Local people can come along to each meeting, raise and discuss issues with the councillors. The councillors take these views into account when making final decisions.
- Community Engagement Managers support the chair and local councillors in their role, providing a link between the board, local people and organisations in the local community to tackle local issues and help people get involved in the work of the Area Board in the area. The community engagement work which goes on outside meetings is as important as the content of the meetings.
- Parish and town councillors attend each Area Board meeting to represent the views and interests of their local communities.

Agenda Item No: 9

Report To: Cabinet

Date of Meeting: 9th February 2017

Report Title: Kingsnorth Recreation Centre: Section 106 Expenditure

Report Author & Job Title: Ben Moyle, Facilities Development Officer

Portfolio Holder / Portfolio Holder for: Cllr Jessamy Blanford, Holder for Culture, Leisure, Environment & Heritage.



Summary:

This report seeks Cabinet approval for the release of Section 106 contributions from Park Farm South and East developments to be used for the enhancement of Kingsnorth Recreation Centre as detailed in the attached plans.

Kingsnorth Parish Council and Kingsnorth Recreation Centre Trust have jointly approved draft plans to reconfigure the Recreation Centre as phase 1 of a long term plan to develop the offer at the Centre for sport, fitness and community activities.

The plans include expansion of the gym, provision of a dedicated spin studio, improved changing, shower and toilet facilities and enhancements to the area of the building currently hired to Little Acorns nursery, including a dedicated entrance (refer Appendix 1 for layout proposed).

Key Decision: YES

Significantly Affected Wards: Kingsnorth area and surrounding wards

Recommendations: **The Cabinet is recommended to:-**

- I. Approve the release of Section 106 contributions of £128,574.84, subject to indexation, for the enhancement of Kingsnorth Recreation Centre to Kingsnorth Parish Council subject to signing of a S106 funding agreement between the Council and the Parish Council;**
- II. Authorise the Head of Culture and the Director of Law and Governance in consultation with the Portfolio Holder for Culture, Leisure, Environment & Heritage to take any further actions required to give effect to these recommendations;**
- III. Welcome the approach by the Parish Council to support the development of the site, including the Entrance Park, as a leisure and community hub.**

Policy Overview:	Relevant to the 5 year Business Plan because this project will make a significant and positive contribution to improving sports and recreation facilities in the area and improve the level of use of the Recreation Centre.
Financial Implications:	<p>The Council has received the relevant Section 106 contribution from Park Farm South and East Developments</p> <p>By approving this contribution the Council is not committing any further funding, capital or revenue, and will ensure the building works is adequately funded before releasing any money.</p>
Legal Implications	A legally binding funding agreement will be entered in to between the Parish Council and the Council prior to the potential release of the S106 contributions
Equalities Impact Assessment	See Attached
Other Material Implications:	No
Exempt from Publication:	No
Background Papers:	No
Contact:	ben.moyle@ashford.gov.uk – Tel: (01233) 330475

Report Title: Kingsnorth Recreation Centre: Section 106 Expenditure

Introduction and Background

1. This report is to ask for Member's approval to release S106 contributions to enable Kingsnorth Parish Council and Kingsnorth Recreation Centre Trust to fund the reconfiguration of the Recreation Centre as phase 1 of a long term plan to make the Centre a sports and community hub as indicated in the emerging Local Plan.
2. To identify the purpose of the proposed enhancements to the Recreation Centre and explain the conditions on which the monies will be released and monitored.
3. To delegate authority to the relevant Service Heads in consultation with the Portfolio Holder to manage any further liaison required with Kingsnorth Parish Council and the Kingsnorth Recreation Centre Trust to enable the completion of the project.

Proposal/Current Position

4. The Kingsnorth Recreation Centre is used by a wide range of community groups including gym members, the nursery, the Parish Council, short mat bowls, fitness classes, celebrations and a wide variety of local social and community groups and clubs.
5. The plans include expansion of the gym, provision of a dedicated spin studio, improved changing, shower and toilet facilities and improvements to the area of the building currently hired to Little Acorns nursery including a dedicated entrance. All enhancements are aimed at increasing participation and thus income to be re-invested in the Centre. Planning permission has recently been submitted for the enhancements (refer Appendix 1).
6. The signed S106 agreements for the Park Farm South and East developments makes provision for sums of £46,421 and £82,153.84 totalling £128,574.84, to be paid to the Council and to be used towards the enhancement of leisure and recreation in the area and at the Recreation Centre. The Section 106 Working Group consider the expenditure of the S106 monies on these works is in line with the provisions of the S106 agreement.
7. An Architect has been appointed by the Parish Council to bring the project to Planning Permission. The Architect has approached the Council for planning and design advice and produced plans given existing and predicted usage following consultation with user groups, the Parish Council and residents.
8. Planning Permission for the enhancements is expected to be considered by March.

9. Ongoing asset repair liabilities to the Council will remain in line with the 99 year Lease and Trust Deed between the Council and Kingsnorth Parish Council (acting as Custodian Trustee) of 21st April 1998. The Council is responsible for structure and replacement of major plant, the Recreation Centre Trust (appointed by the Custodian Trustee to manage the Centre) is responsible for day to day maintenance and repair.
10. Officers are also working closely with the Parish Council on the potential leisure related developments on the public open space adjacent to the Recreation Centre (known locally as the 'Entrance Park'). Although at this stage it is unlikely that such developments will have a direct impact on the internal layout of the Recreation Centre. It is important to note that both the Parish Council and the Recreation Centre Trust are aware of the potential impact of such developments and have taken them into account in their proposed designs for the building.
11. A master planning exercise undertaken with the Parish Council for the Entrance Park will include the potential for relocating the Ashford Outdoor Bowls Club from the town centre. There are clear synergies with the incumbent short mat bowls and the Parish Council envisage the Bowls Club being an anchor for provision of facilities and activities on the site aimed specifically at the Over 60s. Further facility development may include additional indoor sports provision or a small sided 3G pitch suitable for walking football and netball.

Implications and Risk Assessment

12. It is important the Council enters into a S106 funding agreement with the Parish Council for this proposed arrangement.
13. The funding agreement will be with Kingsnorth Parish Council, who, in consultation with the Recreation Centre Trust will undertake the enhancements. A funding agreement will require the Parish Council to spend the money only on the improvements outlined in this report. It will also require the works to be completed within an agreed timescale.
14. Construction costs have not been identified by the Parish Council at present but are anticipated to exceed the S106 funds available. As such the funding agreement will state that the shortfall will need to be secured by the Parish Council.
15. The Section 106 contribution may not cover the full cost of construction. It is for this reason that it is recommended Members give conditional approval subject to the Parish Council not only agreeing within the funding agreement to secure any shortfall but provides a satisfactory business plan to demonstrate that build completion estimates are to be fully funded.

Equalities Impact Assessment

16. Members are referred to the attached assessment. The key issues arising are that the decision will have no impact on people with different protected characteristics and will positively impact on all sections of the community.

Other Options Considered

17. There are significant housing and leisure developments in the area most notably in Bridgefield. When set against the master plan for the whole parish the Parish Council felt that use of the contributions would have most impact and benefit for the local community by being centred on the Recreation Centre.

Consultation Planned or Undertaken

18. Key officers from Cultural Services have consulted with the Parish Council and Recreation Centre Trust and will continue to consult with the partners, the Portfolio Holder and the Ward Member, Cllr Mrs Tina Heyes as the project progresses.

Reasons for Supporting Option Recommended

19. This is considered the best use of the S106 monies as agreed by the Parish Council and supported by the Council. It has formed part of an initial master planning exercise of the whole site including relocation of the town centre bowls club and additional facilities identified by the Parish Council for the local community. Further consultation is required but works to the Recreation Centre do not impact on the future provision being suggested.

Next Steps in Process

20. Kingsnorth Parish Council will fully cost the project based on the architect's draft plans and produce a strategic risk assessment.
21. Based on the project costs the funding agreement between the Council and the Parish Council will be confirmed to enable the Parish Council to identify to the Council the source of their additional funding, if required, to ensure the project is not under funded and can be completed without additional support from the Council.
22. The Council will then release S106 contributions to Kingsnorth Parish Council in line with the funding agreement.

Conclusion

23. The enhancements to Kingsnorth Recreation Centre are aimed at increasing participation and thus improving income to be re-invested in the centre. Cabinet is asked to approve the release of the aforementioned S106 funds (once received) provided that all other funding for the pavilion is in place and the recipient of the Council's funding enters into an appropriate funding agreement with the Council.

Portfolio Holder's Views

24. Kingsnorth Recreation Centre will become a key central hub for the area as housing developments come on stream. The improvements to the centre will form the first phase of a key project to provide a suitable mix of facilities on the site and I am therefore happy to support this Cabinet report.

Cllr Jessamy Blanford (Culture, Leisure, Environment & Heritage)

Contact and Email

Ben Moyle x475

ben.moyle@ashford.gov.uk

Equality Impact Assessment

1. An Equality Impact Assessment (EIA) is a document that summarises how the council has had due regard to the public sector equality duty (Equality Act 2010) in its decision-making. Although there is no legal duty to produce an EIA, the Council must have **due regard** to the equality duty and an EIA is recognised as the best method of fulfilling that duty. It can assist the Council in making a judgment as to whether a policy or other decision will have unintended negative consequences for certain people and help maximise the positive impacts of policy change. An EIA can lead to one of four consequences:

- (a) No major change – the policy or other decision is robust with no potential for discrimination or adverse impact. Opportunities to promote equality have been taken;
- (b) Adjust the policy or decision to remove barriers or better promote equality as identified in the EIA;
- (c) Continue the policy – if the EIA identifies potential for adverse impact, set out compelling justification for continuing;
- (d) Stop and remove the policy where actual or potential unlawful discrimination is identified.

Public sector equality duty

2. The Equality Act 2010 places a duty on the council, when exercising public functions, to have due regard to the need to:

- (a) Eliminate discrimination, harassment and victimisation;
- (b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it (ie tackling prejudice and promoting understanding between people from different groups).

3. These are known as the three aims of the general equality duty.

Protected characteristics

4. The Equality Act 2010 sets out nine protected characteristics for the purpose of the equality duty:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership*
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

*For marriage and civil partnership, only the first aim of the duty applies in relation to employment.

Due regard

5. Having 'due regard' is about using good equality information and analysis at the right time as part of decision-making procedures.

6. To 'have due regard' means that in making decisions and in its other day-to-day activities the council must consciously consider the need to do the things set out in the general equality duty: eliminate discrimination, advance equality of opportunity and foster good relations. This can involve:

- removing or minimising disadvantages suffered by people due to their protected characteristics.
- taking steps to meet the needs of people with certain protected characteristics when these are different from the needs of other people.
- Encouraging people with certain protected characteristics to participate in public life or in other activities where it is disproportionately low.

7. How much regard is 'due' will depend on the circumstances. The greater the potential impact, the higher the regard required by the duty. Examples of functions and decisions likely to engage the duty include: policy decisions, budget decisions, public appointments, service provision, statutory discretion, decisions on individuals, employing staff and procurement of goods and services.
 8. In terms of timing:
 - Having 'due regard' should be considered at the inception of any decision or proposed policy or service development or change.
 - Due regard should be considered throughout development of a decision. Notes shall be taken and kept on file as to how due regard has been had to the equality duty in research, meetings, project teams, consultations etc.
 - The completion of the EIA is a way of effectively summarising this and it should inform final decision-making.
- The duty is a non-delegable one. The duty will always remain the responsibility of the public authority.
 - The duty is a continuing one so that it needs to be considered not only when a policy, for example, is being developed and agreed but also when it is implemented.
 - It is good practice for those exercising public functions to keep an accurate record showing that they have actually considered the general duty and pondered relevant questions. Proper record keeping encourages transparency and will discipline those carrying out the relevant function to undertake the duty conscientiously.
 - A public authority will need to consider whether it has sufficient information to assess the effects of the policy, or the way a function is being carried out, on the aims set out in the general equality duty.
 - A public authority cannot avoid complying with the duty by claiming that it does not have enough resources to do so.

Case law principles

9. A number of principles have been established by the courts in relation to the equality duty and due regard:
 - Decision-makers in public authorities must be aware of their duty to have 'due regard' to the equality duty and so EIA's must be attached to any relevant committee reports.
 - Due regard is fulfilled before and at the time a particular policy is under consideration as well as at the time a decision is taken. Due regard involves a conscious approach and state of mind.
- A public authority cannot satisfy the duty by justifying a decision after it has been taken.
- The duty must be exercised in substance, with rigour and with an open mind in such a way that it influences the final decision.

The Equality and Human Rights Commission has produced helpful guidance on "Meeting the Equality Duty in Policy and Decision-Making" (October 2014). It is available on the following link and report authors should read and follow this when developing or reporting on proposals for policy or service development or change and other decisions likely to engage the equality duty. [Equality Duty in decision-making](#)

Lead officer:	Ben Moyle
Decision maker:	Cabinet
Decision: <ul style="list-style-type: none"> • Policy, project, service, contract • Review, change, new, stop 	Release Section 106 contributions to Kingsnorth Parish Council for the enhancement of Kingsnorth Recreation Centre.
Date of decision: The date when the final decision is made. The EIA must be complete before this point and inform the final decision.	9 th February 2017
Summary of the proposed decision: <ul style="list-style-type: none"> • Aims and objectives • Key actions • Expected outcomes • Who will be affected and how? • How many people will be affected? 	To ask for Member's approval to release S106 contributions to enable Kingsnorth Parish Council and Kingsnorth Recreation Centre Trust to fund the reconfiguration of the Recreation Centre as phase 1 of a long term plan to make the Centre a sports and community hub as indicated in the Local Plan. Centre users from all sections of the community will benefit from the enhancement. Over 1000 people per week use the centre. The improvements will help lift participation.
Information and research: <ul style="list-style-type: none"> • Outline the information and research that has informed the decision. • Include sources and key findings. 	The draft plans have been drawn up by an architect on the instruction of the Parish Council and Recreation Centre Trust in consultation with centre users and have been duly approved by both bodies.
Consultation: <ul style="list-style-type: none"> • What specific consultation has occurred on this decision? • What were the results of the consultation? • Did the consultation analysis reveal any difference in views across the protected characteristics? • What conclusions can be drawn from the analysis on how the decision will affect people with different protected characteristics? 	Key officers from Cultural Services have consulted with the Parish Council and Recreation Centre Trust and will continue to consult with the partners, the portfolio holder and the ward member as the project progresses. The consultation has resulted in the belief that this is the best use of the contributions. The decision will have no impact on people with different protected characteristics.

Assess the relevance of the decision to people with different protected characteristics and assess the impact of the decision on people with different protected characteristics.

When assessing relevance and impact, make it clear who the assessment applies to within the protected characteristic category. For example, a decision may have high relevance for young people but low relevance for older people; it may have a positive impact on women but a neutral impact on men.

Protected characteristic	Relevance to Decision High/Medium/Low/None	Impact of Decision Positive (Major/Minor) Negative (Major/Minor) Neutral
<u>AGE</u> Elderly	MEDIUM	POSITIVE
Middle age	MEDIUM	POSITIVE
Young adult	MEDIUM	POSITIVE
Children	MEDIUM	POSITIVE
<u>DISABILITY</u> Physical	MEDIUM	POSITIVE
Mental	MEDIUM	POSITIVE
Sensory	LOW	NEUTRAL
<u>GENDER RE-ASSIGNMENT</u>	NONE	NEUTRAL
<u>MARRIAGE/CIVIL PARTNERSHIP</u>	NONE	NEUTRAL
<u>PREGNANCY/MATERNITY</u>	NONE	NEUTRAL
<u>RACE</u>	NONE	NEUTRAL
<u>RELIGION OR BELIEF</u>	NONE	NEUTRAL
<u>SEX</u> Men	NONE	NEUTRAL
Women	NONE	NEUTRAL
<u>SEXUAL ORIENTATION</u>	NONE	NEUTRAL

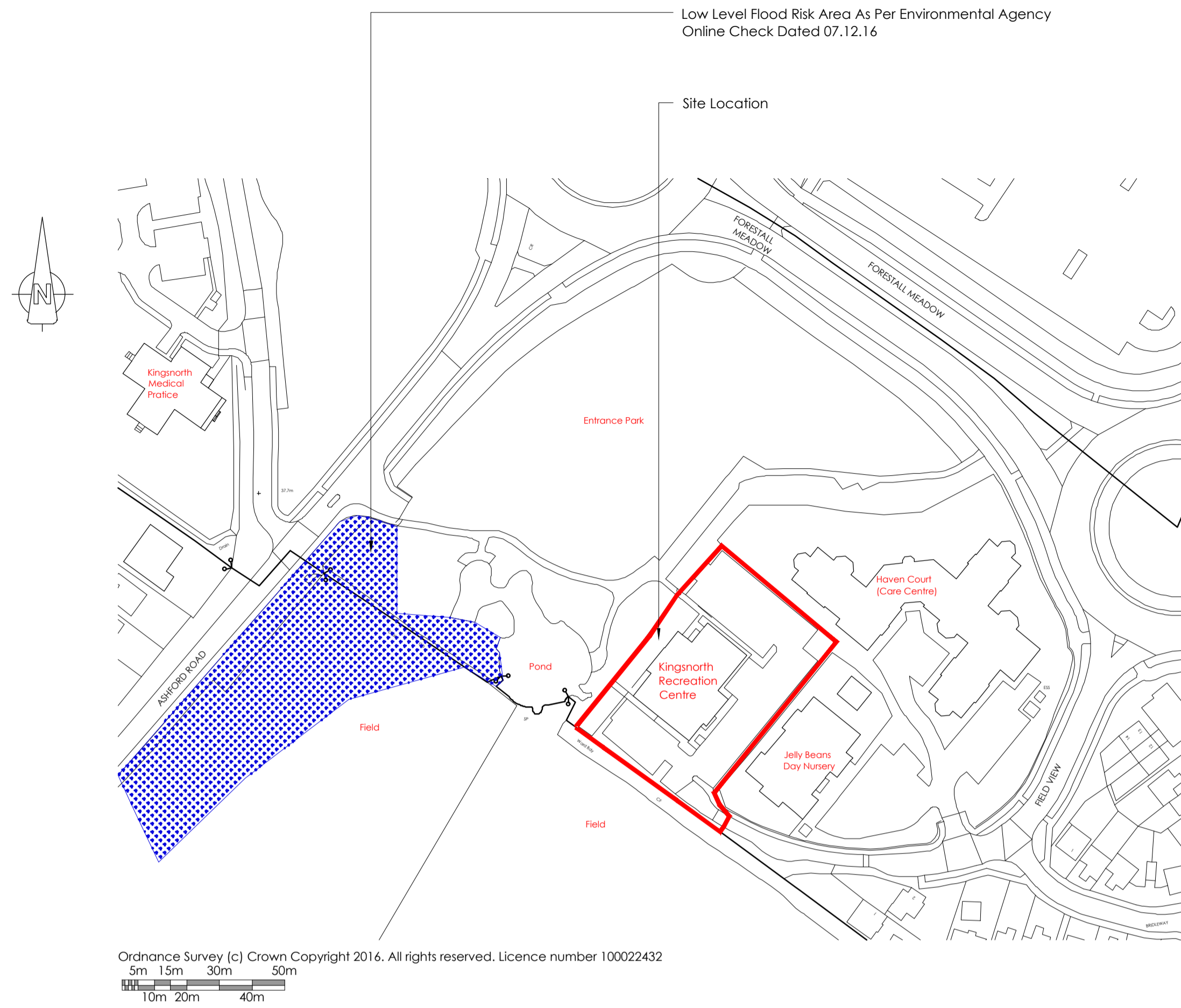
Mitigating negative impact: Where any negative impact has been identified, outline the measures taken to mitigate against it.	N/A
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Is the decision relevant to the aims of the equality duty?

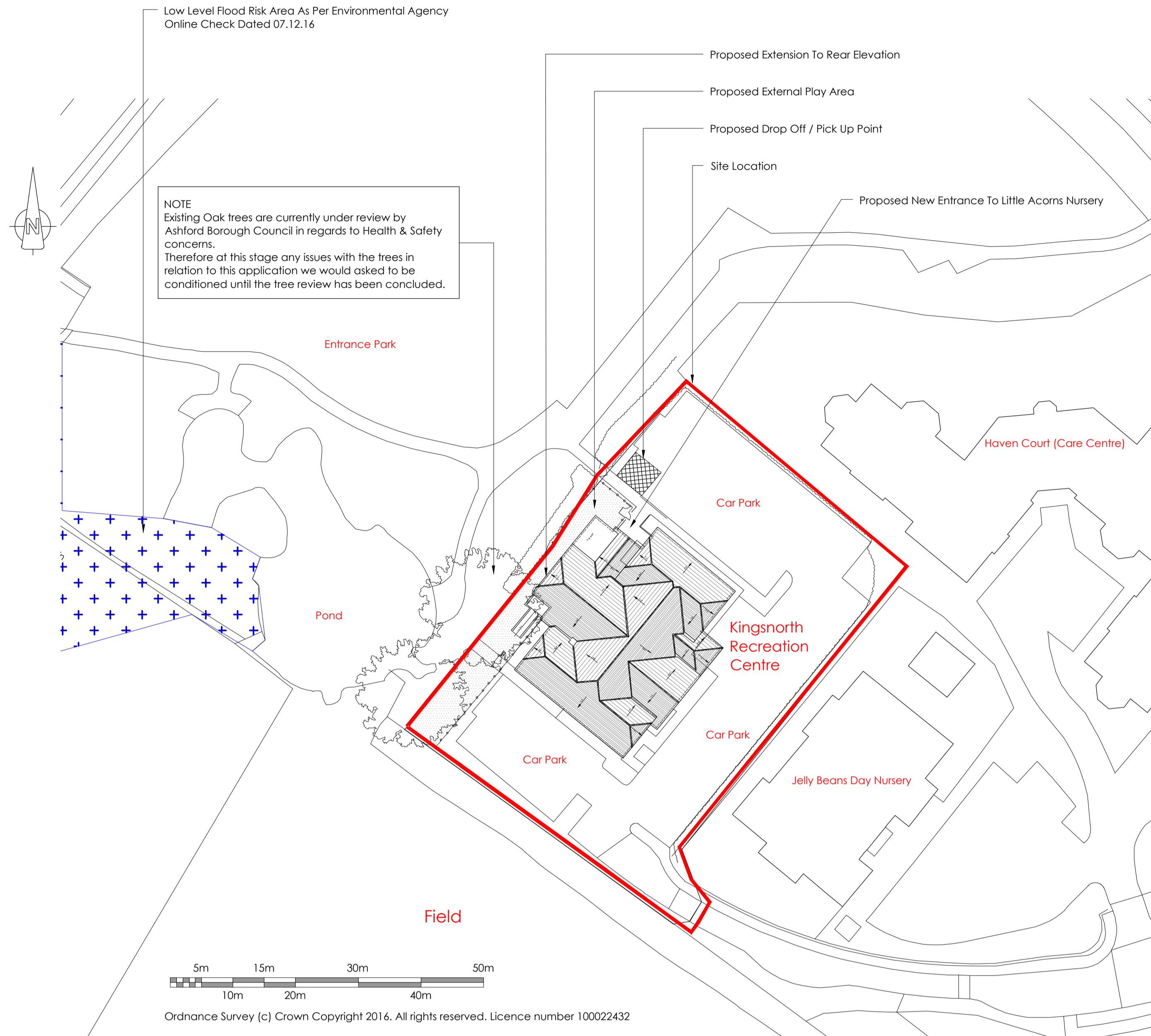
Guidance on the aims can be found in the EHRC's [Essential Guide](#), alongside fuller [PSED Technical Guidance](#).

Aim	Yes / No / N/A
1) Eliminate discrimination, harassment and victimisation	YES
2) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it	YES
3) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it	YES

<p>Conclusion:</p> <ul style="list-style-type: none"> • Consider how due regard has been had to the equality duty, from start to finish. • There should be no unlawful discrimination arising from the decision (see guidance above). • Advise on whether the proposal meets the aims of the equality duty or whether adjustments have been made or need to be made or whether any residual impacts are justified. • How will monitoring of the policy, procedure or decision and its implementation be undertaken and reported? 	<p>Due regard has been made to the equality duty, from start to finish of the consultation and scoping process.</p> <p>There will be no unlawful discrimination arising from the decision</p> <p>The proposal meets the aims of the equality duty as all sections of the community including those with protected characteristics will benefit from the enhancements to the centre.</p> <p>Monitoring of the policy, procedure or decision and its implementation be undertaken and reported will be undertaken by the partners.</p> <p><i>The council's revised policy register will assist services to meet this</i></p>
<p>EIA completion date:</p>	<p>15-1-17</p>



Site Location Plan
scale 1:1250



Site Block Plan
scale 1:500

notes

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project

client
Kingsnorth Parish Council
project title
Kingsnorth Recreation Centre
Field View, Kingsnorth
Ashford Kent TN23 3NZ

drawing

drawing title
Site :Location and Block Plan

scale (A1)	date	drawn	checked
As Shown	Dec 16	DD	

reference

project no.	discipline	drawing no.	revision
433	/	/ 01	

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project

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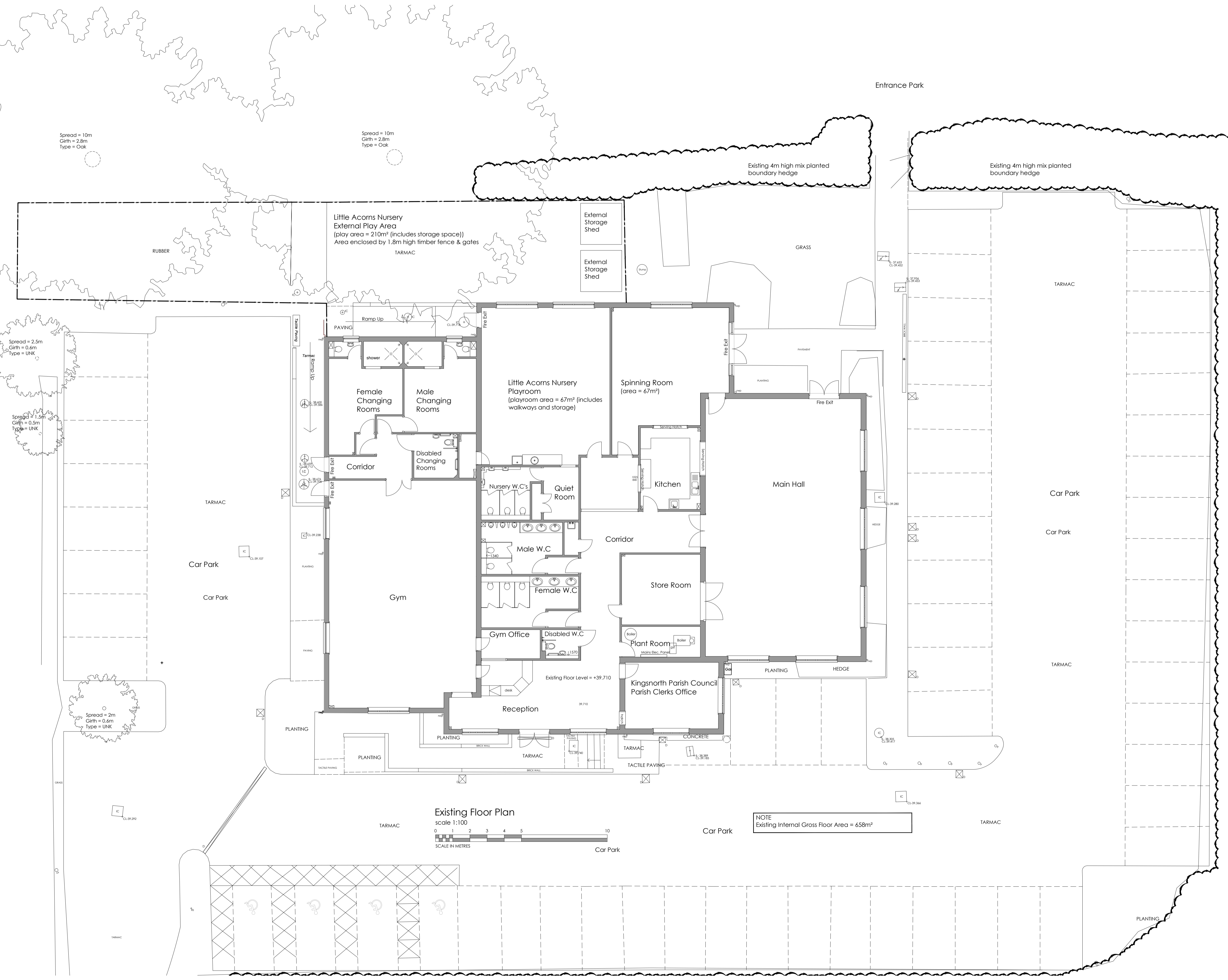
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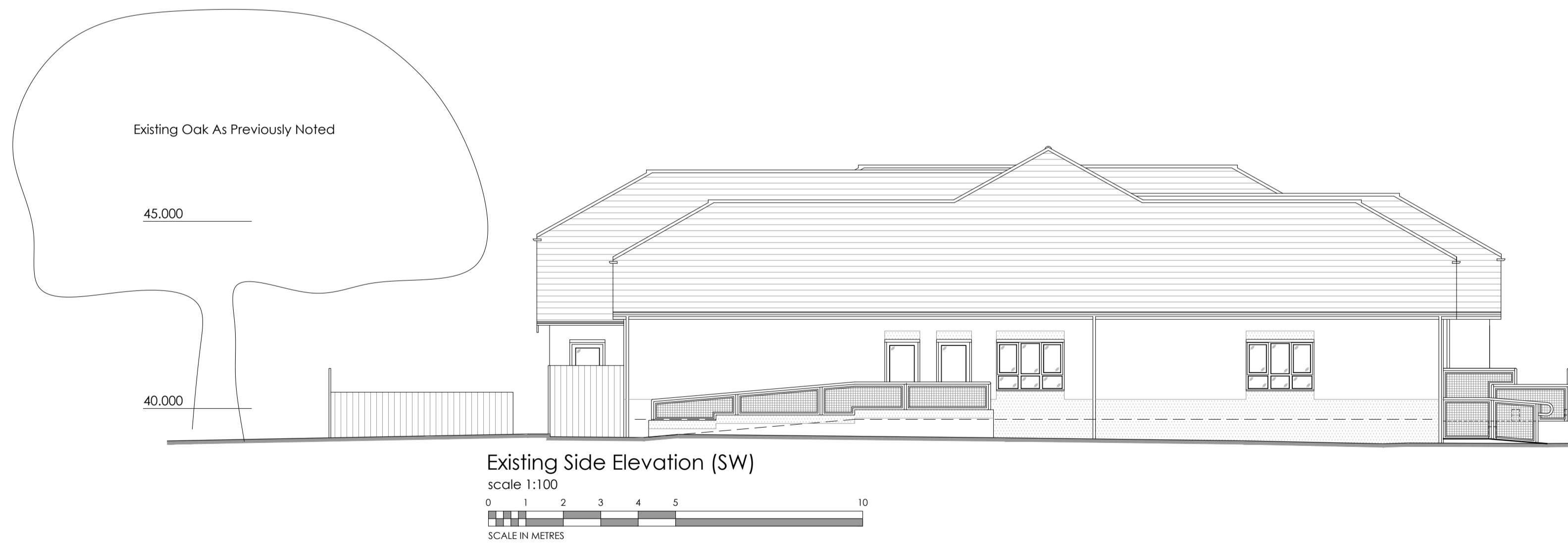
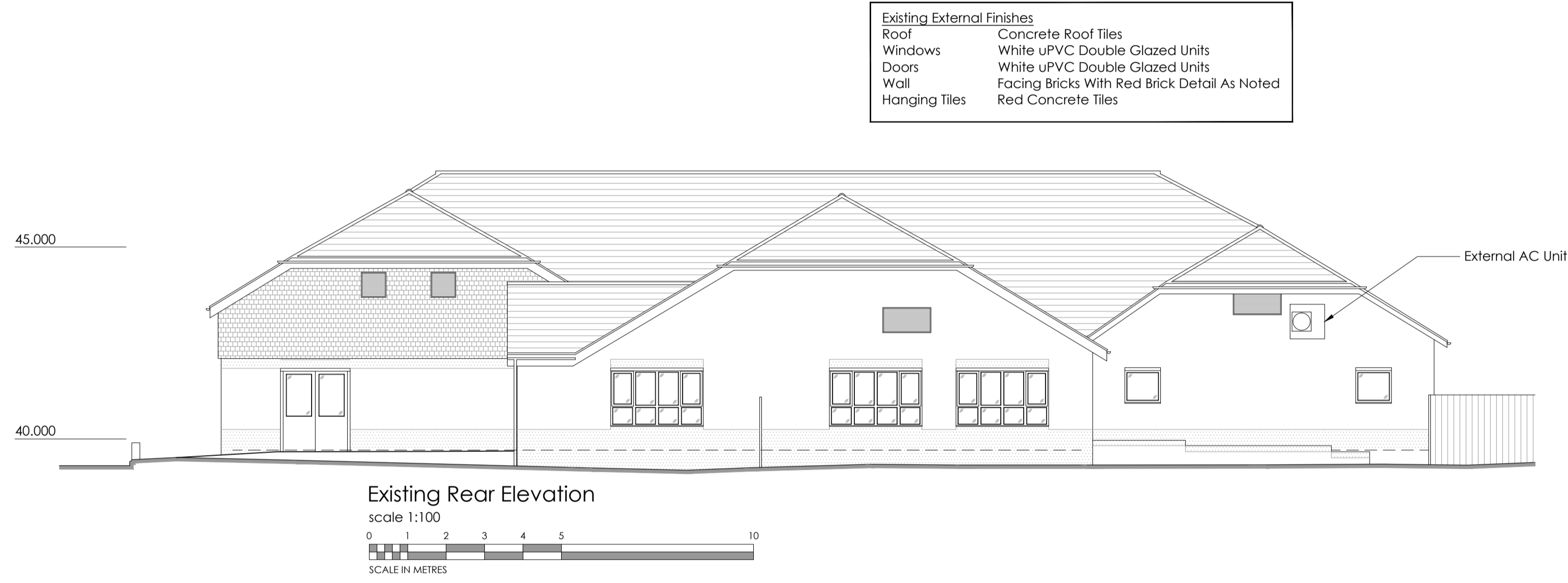
project no. discipline drawing no. revision

433 / / 02



Existing Floor Plan
scale 1:100
SCALE IN METRES

NOTE
Existing Internal Gross Floor Area = 658m²



notes

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project

client
Kingsnorth Parish Council

project title
Kingsnorth Recreation Centre
Field View, Kingsnorth
Ashford Kent TN23 3NZ

drawing title
Existing Elevations

scale (A1) date drawn checked
1:100 Dec 16 DD

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433 / / 03

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project

client
Kingsnorth Parish Council
project title
Kingsnorth Recreation Centre
Field View, Kingsnorth
Ashford Kent TN23 3NZ

drawing title

Existing Roof Plan

scale (A1) date drawn checked
1:100 Dec 16 DD

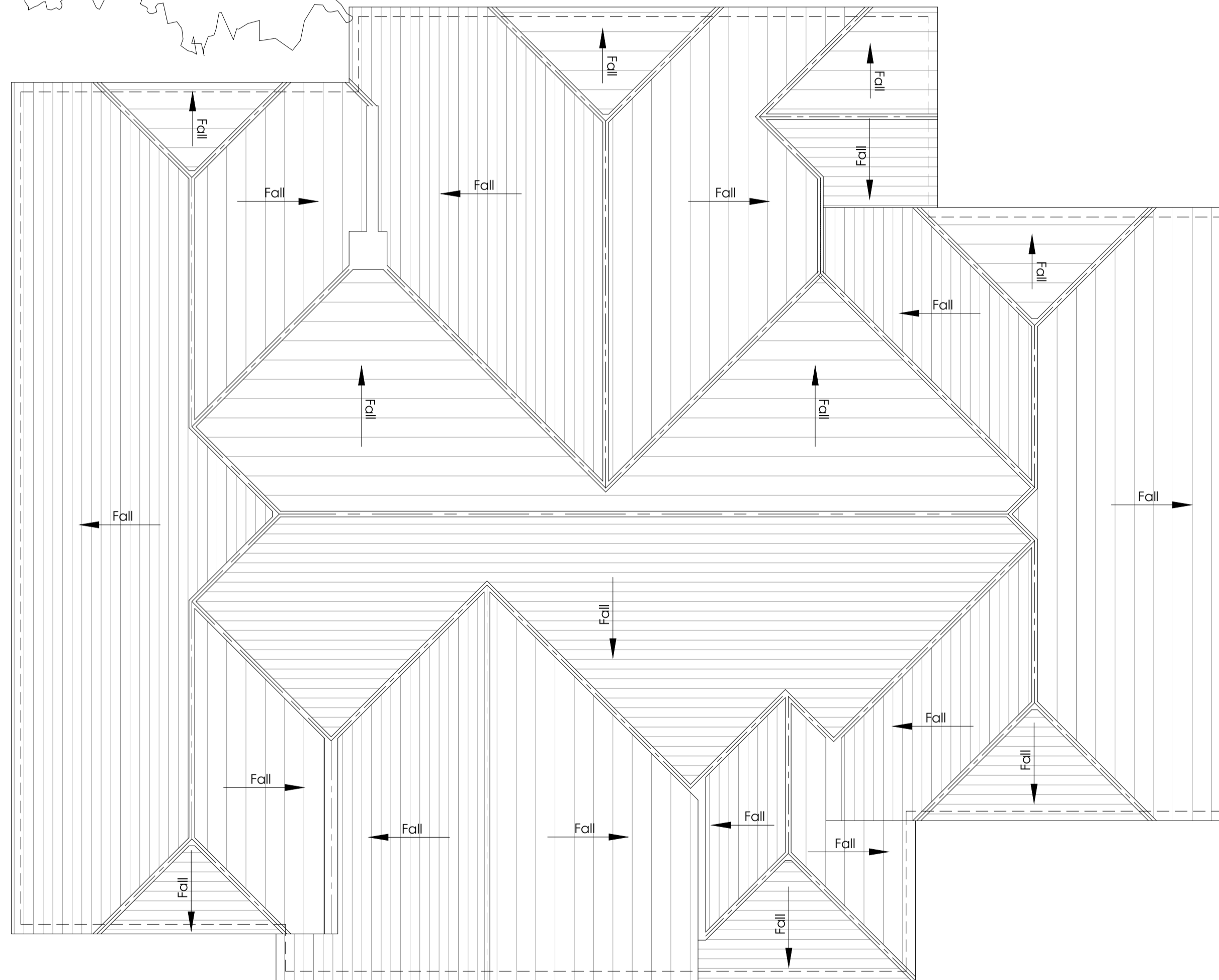
reference

project no. discipline drawing no. revision
433 / / 04

NOTE
Existing Oak trees are currently under review by Ashford Borough Council in regards to Health & Safety concerns. Therefore at this stage any issues with the trees in relation to this application we would asked to be conditioned until the tree review has been concluded.

Spread = 10m
Girth = 2.8m
Type = Oak

Spread = 10m
Girth = 2.8m
Type = Oak



Existing Roof Plan
scale 1:100
0 1 2 3 4 5 10
SCALE IN METRES

notes

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drawing title

scale (A1) **date** **drawn** **checked**

reference

NOTE
Nursery toilets and sinks to be connected to new drainage inspection chambers (*IC) and new pipe work laid to falls and to connect into existing chamber as indicated. All to be designed accordingly for Building Control Approval.

NOTE
Extent of roof system to boundary hedge to be confirmed prior to commencement of foundation works and as required proposed foundation to be designed accordingly for Building Control Approval.

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Girth = 2.8m
Type = Oak

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Girth = 2.8m
Type = Oak

Landscaping Note
External play area of 216m² to landscaped as follows
144m² to have a hard play surface
72m² to have a soft play surface
Exact layout of external play area and location of external storage all to be confirmed

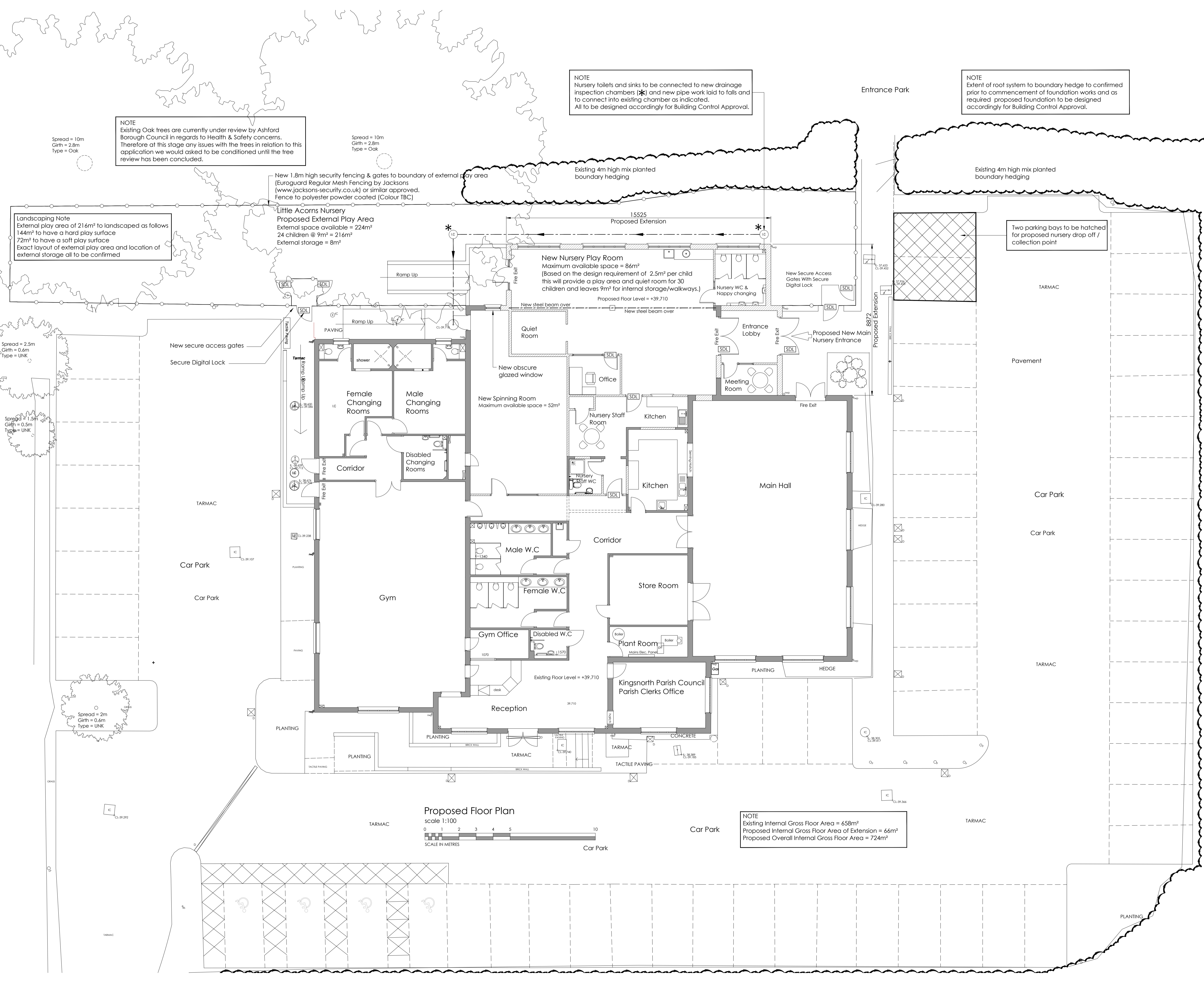
Little Acorns Nursery
Proposed External Play Area
External space available = 224m²
24 children @ 9m² = 216m²
External storage = 8m²

New 1.8m high security fencing & gates to boundary of external play area (Euroguard Regular Mesh Fencing by Jacksons (www.jacksons-security.co.uk) or similar approved. Fence to polyester powder coated (Colour TBC)

Spread = 2.5m
Girth = 0.6m
Type = UNK

Spread = 1.5m
Girth = 0.5m
Type = UNK

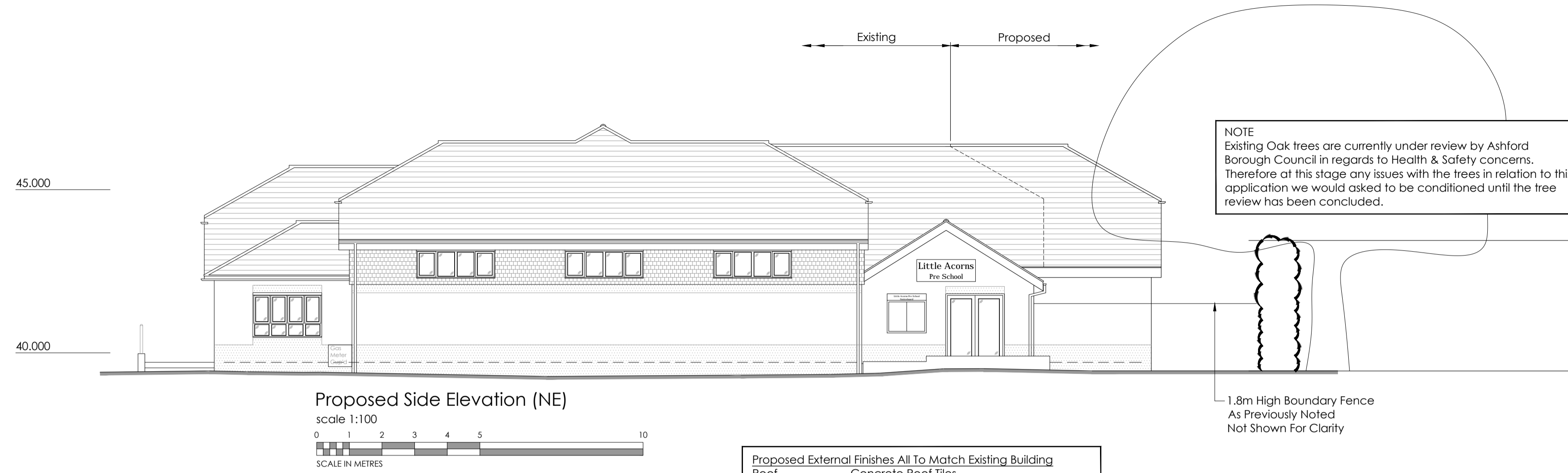
Spread = 2m
Girth = 0.6m
Type = UNK



Proposed Floor Plan
scale 1:100
SCALE IN METRES

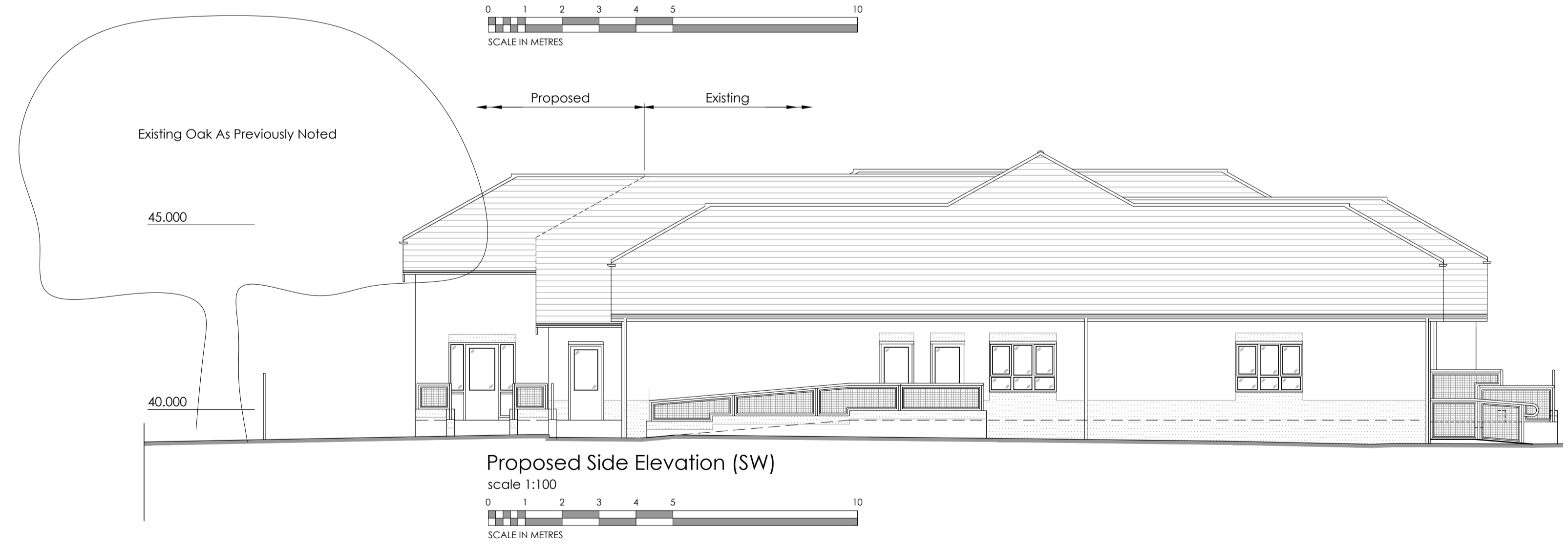
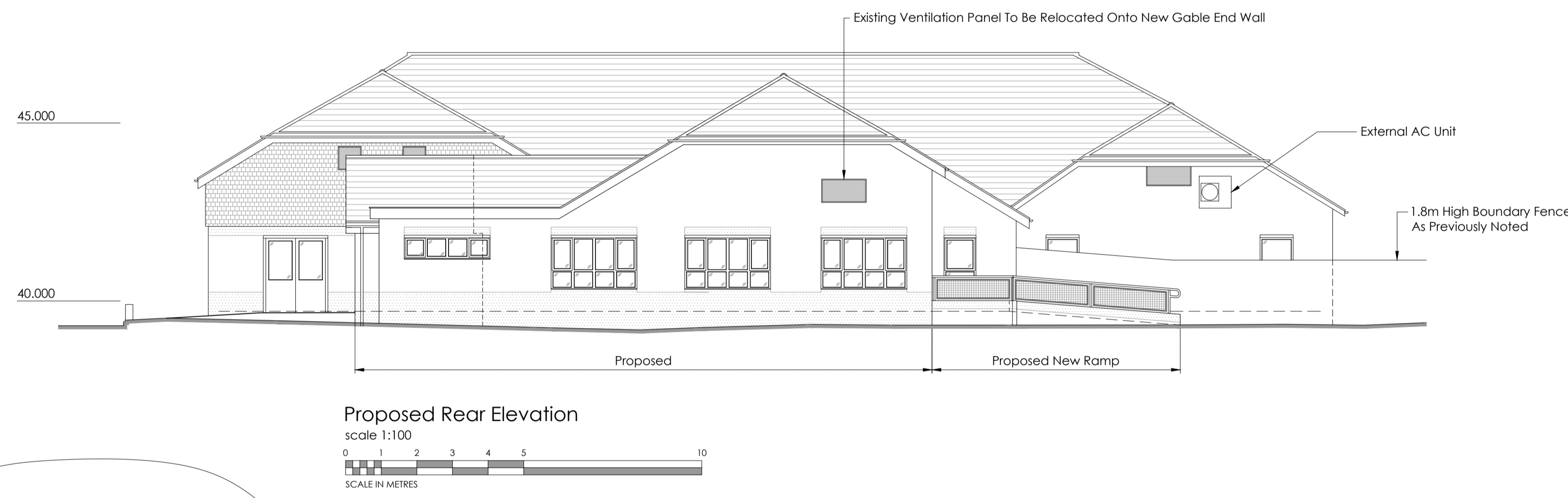
NOTE
Existing Internal Gross Floor Area = 658m²
Proposed Internal Gross Floor Area of Extension = 66m²
Proposed Overall Internal Gross Floor Area = 724m²

project no. 433 / discipline / drawing no. / 05 revision



Proposed External Finishes All To Match Existing Building

Roof	Concrete Roof Tiles
Windows	White uPVC Double Glazed Units
Doors	White uPVC Double Glazed Units
Wall	Facing Bricks With Red Brick Detail As Noted
Hanging Tiles	Red Concrete Tiles



notes

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Kingsnorth Parish Council

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Kingsnorth Recreation Centre
Field View, Kingsnorth
Ashford Kent TN23 3NZ

drawing title
Proposed Elevations

scale (A1) date drawn checked
1:100 Dec 16 DD

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drawing title

Proposed Roof Plan

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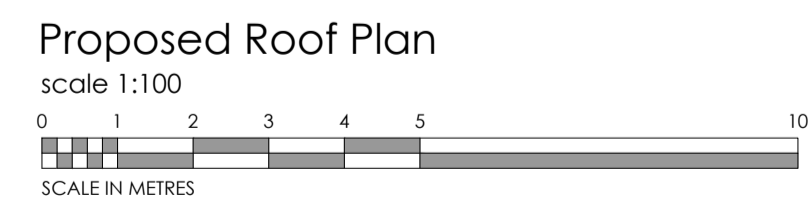
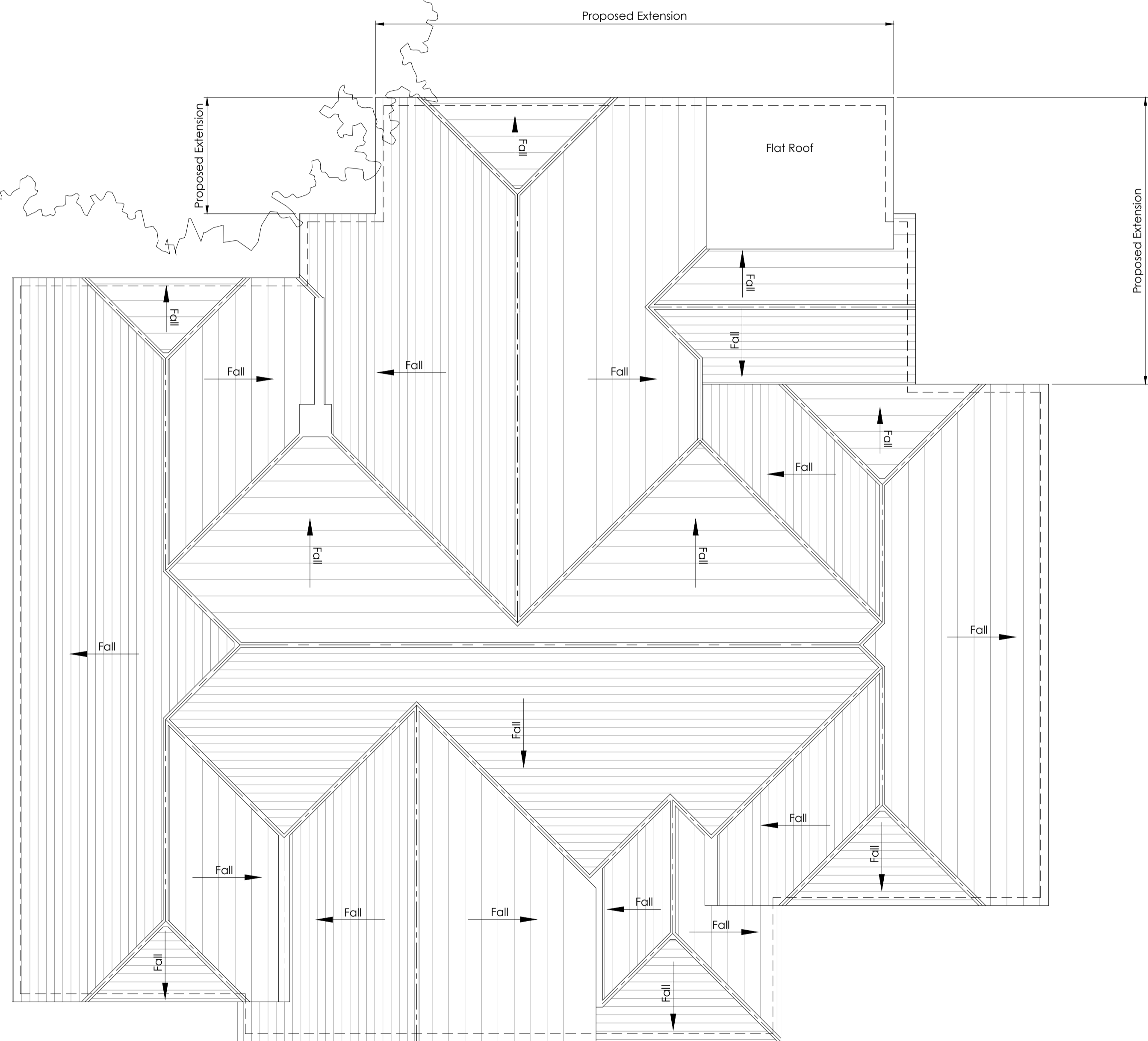
reference

project no. discipline drawing no. revision
433 / / 07

NOTE
Existing Oak trees are currently under review by Ashford Borough Council in regards to Health & Safety concerns. Therefore at this stage any issues with the trees in relation to this application we would asked to be conditioned until the tree review has been concluded.

Spread = 10m
Girth = 2.8m
Type = Oak

Spread = 10m
Girth = 2.8m
Type = Oak



Agenda Item No: 10
Report To: Cabinet
Date of Meeting: 9th February 2017
Report Title: Conningbrook Lakes Country Park – Water Quality
Report Author & Job Title: Len Mayatt – Cultural Services Manager

Portfolio Holder Cllr. Jessamy Blanford
Portfolio Holder for: Culture, Leisure, Environment & Heritage

Summary: This report presents the case for introducing a range of measures to improve the quality of the water at Conningbrook Lakes Country Park, so enabling the ongoing establishment of the lake as a key water sports facility for the Borough.

Key Decision: YES

Significantly Affected Wards: Willesborough

Recommendations: **The Cabinet is recommended to:-**

- I. Approve the introduction of a range of measures aimed at reducing the levels of active blue-green algae and invasive aquatic weed in the lake.**
- II. Approve forward funding of up to £150,000 to be drawn down on a phased approach over the next two years.**
- III. Delegate authority to the Head of Culture and the Head of Finance in consultation with the Portfolio Holder for Culture, Leisure, Environment & Heritage to take any further actions required to deliver these recommendations.**

Policy Overview: Supports the Council's Corporate Priority 3; Active & Creative Ashford.

Financial Implications: Provision of up to £150,000 to fund the required works. Ongoing maintenance will be maintained within the existing revenue budget for the Country Park.

Legal Implications

Equalities Impact Assessment The proposed works will have a positive impact on all users of the Conningbrook Lakes user groups.

**Other Material
Implications:**

Reducing the level of blue-green algae in the water column will reduce the level of potential risk to human health and some animals.

**Exempt from
Publication:**

NO

**Background
Papers:**

Laguna Science, Baseline Assessment and Rehabilitation Plan.

Contact: Len Mayatt, Cultural Projects Manager.
len.mayatt@ashford.gov.uk 01233 330490

Or, Terry Jones, Nature, Conservation & Tourism Officer.
terry.jones@ashford.gov.uk 01233 330621

Report Title: Conningbrook Lakes Country Park – Water Quality Management.

Introduction and Background

1. Conningbrook Lakes Country Park is a strategically important leisure facility for the Borough, supporting the Council's Corporate Priority 3: Active & Creative Ashford. The lake within the park has proven to be an especially popular facility with a range of activities regularly taking place on the main lake. This includes triathlons, sailing, rowing and kayaking.
2. As part of the ongoing maintenance of the Country Park, which already has a management plan in place, Laguna Science have been commissioned to provide guidance on how best to manage the maintenance of the main lake to restrict the development of blue-green algae and invasive aquatic weed – principally through improving oxygen levels in the water, as well as refining the management of the lake and shoreline.
3. The pressure on the lake will increase as the enabling residential development on the site is delivered. Therefore, to ensure that current and future demand on the lake is met, it is important the Council uses the most appropriate and cost effective measures to ensure the lake is available for use on a consistent basis.

Proposal/Current Position

4. The report produced by Laguna Science confirms the presence of blue-green algae and invasive aquatic weed which is a natural phenomenon encountered in numerous lakes and waterways in the UK and around the world. However, it is possible to introduce a range of measures to significantly reduce the impact of the weed and algae for water sports.
5. During 2016 the lake was closed at various times due to the presence of substantive quantities of blue-green algae and aquatic weed, which resulted in a number of activities and club events being cancelled.
6. The Laguna Science Report summarises the main goal of the proposed works as “.....to create a safe environment for water-based activity and provide a lake of high water quality status, good aesthetic appearance that supports a diverse ecology with associated low maintenance requirements.”
7. By introducing the measures recommended by Laguna Science in a phased programme, the levels of contaminants in the water will reduce and allow the lake users to book the facility with greater confidence, so allowing the programme of activities and events to grow over the coming years.

8. Laguna Science has recommended a mixture of interventions to be introduced. They consist of measures to reduce levels of sunlight and oxygen levels in the lake to restrict the development of the blue-green algae and growth of aquatic weed. Other measures will assist in the management of nutrient levels in the lake. The schedule of main recommendations is attached at **Appendix I**, with indicative costs for each element.
9. It is recommended all of the measures are introduced, as in unison they will provide the best opportunity to tackle the challenges the lake faces. However, they can be introduced in a phased approach which will allow the maintenance team time to evaluate the impact of each element and develop the most appropriate maintenance regime.
10. It is important to acknowledge that the timing of the delivery of the enabling residential development may have an impact on the scheduling of the introduction of some of the measures proposed by Laguna Science. Therefore, there will be close liaison with the Council's Project Team to ensure there is no detrimental impact on the proposed works or the development. In particular, the enabling residential development may impact on the introduction of the proposed aeration system. Therefore, work on that element will proceed once a clearer picture of the developers work programme has evolved.
11. A final decision on the timing and need to introduce an aeration system can be taken in late 2017/early 2018 once the other measures have been introduced and the timetable for the enabling residential development is known.
12. Works are expected to cost up to £150,000. S106 payments are due from the agreed enabling housing development attached to the country park but the Council will need to consider forward funding to ensure that the first phase of works are provided for summer 2017.
13. There is an existing annual maintenance budget for the upkeep of the lake of £15,000. At this stage it is anticipated that the ongoing maintenance requirements for the proposed aeration system and weed cutting/removal will be maintained within that budget. However, as the future maintenance costs are estimated at this stage, expenditure will be closely monitored to assess whether this revenue budget is appropriate.
14. In addition Laguna Science have recommended continuing with the water quality monitoring programme the Council already has in place (ensuring water samples are taken from the most appropriate locations in the lake) which is considered to be an essential part of the safe operation of the lake and evaluation of the benefits of proposed works.
15. The Laguna Science report also suggests managing the fish stocks in the lake more proactively and restricting livestock access to the lake. The Council will therefore work closely with Mid-Kent Fisheries and Kent Wildlife Trust respectively to address these issues (the livestock have already been removed).

Implications and Risk Assessment

16. The aquatic weed will continue to grow and regularly interrupt usage of the lake if it is not addressed. This would have a negative impact on the Boroughs ability to provide a quality leisure facility on a consistent basis.
17. The aquatic weed is currently cut and removed to the lake side on two or three occasions per year during the growing season. This work is dependant on the availability of specialist contractors who provide the necessary equipment; and the seasonal growth rate, which is affected by the weather and levels of nutrients in the lake.
18. By introducing measures aimed at reducing the level of weed growth in the lake and adapting our approach to cutting and removing it from the lake side, we believe it will be possible to maximise the benefit of the existing maintenance budget used for weed clearance operations.
19. Introducing an aeration system into the lake and regularly applying an approved blue dye into the water column will significantly reduce the development of the algae, keeping it below potentially harmful levels.
20. The use of dye in the lake (which is based on a food colourant) will require approval from the Environment Agency (EA). Discussions have commenced with the EA locally as it is known they have approved the use of this dye in other similar lakes (Bray Lakes in Berkshire for example)
21. It is possible that the recommendations and proposed actions will not deliver the anticipated improvements. However, significant research has been undertaken with knowledgeable consultants and other lake operators to reduce that risk. A programme of water quality monitoring and practical measures will continue to ensure the algal bloom growth is monitored and controlled as far as reasonably possible.
22. A programme of benchmarking with other recreational lakes and stakeholders such as the Environment Agency and Royal Yachting Association (who have indicated an interest in developing Conningbrook Lakes as a formal training venue) will be developed to gauge the success of the proposed works.

Equalities Impact Assessment

23. At this stage it is believed that the proposed works will have a positive impact on all users of the Conningbrook Lakes user groups.

Consultation Planned or Undertaken

24. The proposals have been presented to the Conningbrook Lakes Country Park & Victoria Park Steering Group, who supported this approach. Similarly, the proposals have been discussed with Mid Kent Fisheries (one of the operating partners at Conningbrook Lakes Country Park) who also support the approach taken.

25. Further consultation is planned with other operating partners who use the lake and Ashford Leisure Trust who manage the bookings and event programme there as the detail of the proposed measures is developed. Kent Wildlife Trust have been advised of the proposals and asked to be kept informed of discussions relating to the potential impact on fish stock and wildlife at the site. TriSpirits who organise the triathlon events support the proposals to improve the water quality.
26. Discussions will also be concluded with the Environment Agency as noted above.

Other Options Considered

27. The aquatic weed growth and blue-green algae are naturally occurring issues, the recommended interventions (and contractors we intend to seek quotations from for the works) have been used in different locations to address similar issues. Therefore, the request to proceed with the proposed measures is presented as the preferred option.
28. The first alternative option would be not to introduce any of the proposed measures. However, this approach is not recommended as it would mean there will be a significant risk of the lake facing further extended periods of closure in the years ahead. A summary of current and potential future usage is provided in **Appendix II** for information.
29. The second alternative option would be only to introduce some of the measures recommended by Laguna Science. Although, each individual intervention will have a limited impact on the water quality on their own, it is the combination of all of the proposed interventions that will have the greatest impact with the highest chance of ensuring the lake is regularly available for use.
30. It should be noted that the Laguna Science report considered other potential interventions such as the introduction of barley straw and ultrasonic devices into the lake to tackle the algae and aquatic weeds. However, these were discounted as not being suitable for use at Conningbrook Lakes because of the scale of the lake and limited evidence to support usefulness the technology.
31. The report also suggested the introduction of lake mats to prevent plant growth at key points around the lake. However, after further discussion it was agreed these would have limited beneficial impact and would not be cost effective at this time.

Reasons for Supporting Option Recommended

32. It is important to the Council, local residents and stakeholders to ensure as far as possible that the lake is available for use on a consistent basis to help club development and establish the park as a sport and leisure venue.
33. Laguna Science was appointed to undertake a baseline survey of the lake and propose ongoing solutions to problems recently encountered. The Laguna Science report indicated a range of inter-related management issues

are impacting on the aesthetic quality, water quality, ecological functioning and amenity use of the water. No single action will resolve the management issues with the lake and it will take a combination of measures and a proactive ongoing maintenance strategy to achieve the desired objectives.

34. The proposals from Laguna Science are supported by research undertaken by Officers who have consulted with operators of other water sports facilities.
35. Therefore, as noted above in the main body of the report, it is recommended that the full suite of interventions is introduced in a phased approach.

Next Steps in Process

36. If the project funding is approved the next steps will be to complete consultation with user groups and stakeholders; complete negotiations with the Environment Agency; undertake a tendering exercise for the specialist aeration equipment and initiate the implementation of the various interventions recommended by Laguna Science.
37. Key Milestones for the introduction of the proposed measures will be:
 - Pursue Environment Agency approval for applying blue dye (March 2017)
 - Introduction of new aquatic plants (April 2017)
 - Application of chalk dressing (April 2017)
 - Application of blue dye (April 2017)
 - Complete a specification for the Aeration System (June 2017)
 - Ongoing weed cutting and harrowing (June to September 2017)
 - Complete a procurement exercise for the Aeration System (September 2017)
 - Complete installation of aeration system (Spring 2018)

Conclusion

38. If approved, this improvement to the water quality for local clubs and users will make a positive contribution to the Boroughs leisure facilities.

Portfolio Holder's Views

39. It was disappointing that last summer we had to cancel several events at the Conningbrook Lakes because of the problems described in this report. It is essential for the Council to take steps to resolve these problems to enable the various water-based sports to take place, such as sailing and kayaking, so that residents of all ages can learn new skills and have an enjoyable time with new sports in the countryside.

Contact and Email

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Conningbrook Lakes Country Park – Water Quality Report

Appendix I

Measures proposed by Laguna Science

1. Introduction of an aeration system A diffuser based aeration system designed to increase oxygen levels in the lake and reduce the growth of blue-green algae by “mixing” the water.	£75,000 to £90,000
2. Purchase and planting of aquatic plants Introduce additional marginal aquatic plants and lilies around the perimeter of the lake to reduce sunlight into the lake to help combat both aquatic weed and blue-green algae.	£20,000
3. Purchase and apply a chalk dressing Two applications of finely powdered chalk to aid with settlement of silt “floc” cloud and enhance breakdown of organic material, closely linked to the installation of the aeration system.	£14,000
4. Purchase and apply blue dye Application of blue dye to inhibit plant and filamentous algae growth.	£4,000
5. Harrowing & harvesting aquatic weeds Regular weed cutting and removal as well as “harrowing” of the lake bed in the central areas of the lake to reduce weed re-growth.	£8,000
6. Contingency	£14,000
Total	£150,000*

*Individual costs are indicative at this stage.

Conningbrook Lakes Country Park – Water Quality Report

Appendix II

2016 usage of the main lake

Conningbrook Sailing Club.	Used daily.	150 members
Tri-Spirits (Triathlon).	Weekly training.	100 members. 6 events per year x 300 people
Pirate canoe club.	Weekly use.	20 members.
John Wallace Academy.	Weekly use.	10 students.
Kent Scouts. Most weekends for 8 months of the year.		30-40 at a time.
Fishermen.	Daily.	5-10 per day (and overnight)
Children's groups and visits – nature walks etc. weekly.		10-15 at a time.
Kent Wildlife Trust. Nature walks and volunteers.		20+ attendees
Green Gym, health walks.	Monthly.	20+ attendees

Potential extra usage (new)

- Sea cadets. Every other weekend for 8 months of the year. 100 members.
- Pay & Play Canoe club. Daily for 10 months of the year.
- Windsurfing & Paddleboarding. Daily
- Regatta's and waterbased events. 6 per year. 100 plus participants. 400+ spectators.
- Regular regional events hosted by Tri-Spirits.
- At least one local charitable organisation are currently considering using the lakes for a series of regular fund raising activities over the next five years.

Equality Impact Assessment

1. An Equality Impact Assessment (EIA) is a document that summarises how the council has had due regard to the public sector equality duty (Equality Act 2010) in its decision-making. Although there is no legal duty to produce an EIA, the Council must have **due regard** to the equality duty and an EIA is recognised as the best method of fulfilling that duty. It can assist the Council in making a judgment as to whether a policy or other decision will have unintended negative consequences for certain people and help maximise the positive impacts of policy change. An EIA can lead to one of four consequences:

- (a) No major change – the policy or other decision is robust with no potential for discrimination or adverse impact. Opportunities to promote equality have been taken;
- (b) Adjust the policy or decision to remove barriers or better promote equality as identified in the EIA;
- (c) Continue the policy – if the EIA identifies potential for adverse impact, set out compelling justification for continuing;
- (d) Stop and remove the policy where actual or potential unlawful discrimination is identified.

Public sector equality duty

2. The Equality Act 2010 places a duty on the council, when exercising public functions, to have due regard to the need to:

- (a) Eliminate discrimination, harassment and victimisation;
- (b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it (ie tackling prejudice and promoting understanding between people from different groups).

3. These are known as the three aims of the general equality duty.

Protected characteristics

4. The Equality Act 2010 sets out nine protected characteristics for the purpose of the equality duty:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership*
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

*For marriage and civil partnership, only the first aim of the duty applies in relation to employment.

Due regard

5. Having 'due regard' is about using good equality information and analysis at the right time as part of decision-making procedures.

6. To 'have due regard' means that in making decisions and in its other day-to-day activities the council must consciously consider the need to do the things set out in the general equality duty: eliminate discrimination, advance equality of opportunity and foster good relations. This can involve:

- removing or minimising disadvantages suffered by people due to their protected characteristics.
- taking steps to meet the needs of people with certain protected characteristics when these are different from the needs of other people.
- Encouraging people with certain protected characteristics to participate in public life or in other activities where it is disproportionately low.

7. How much regard is 'due' will depend on the circumstances. The greater the potential impact, the higher the regard required by the duty. Examples of functions and decisions likely to engage the duty include: policy decisions, budget decisions, public appointments, service provision, statutory discretion, decisions on individuals, employing staff and procurement of goods and services.
 8. In terms of timing:
 - Having 'due regard' should be considered at the inception of any decision or proposed policy or service development or change.
 - Due regard should be considered throughout development of a decision. Notes shall be taken and kept on file as to how due regard has been had to the equality duty in research, meetings, project teams, consultations etc.
 - The completion of the EIA is a way of effectively summarising this and it should inform final decision-making.
- The duty is a non-delegable one. The duty will always remain the responsibility of the public authority.
 - The duty is a continuing one so that it needs to be considered not only when a policy, for example, is being developed and agreed but also when it is implemented.
 - It is good practice for those exercising public functions to keep an accurate record showing that they have actually considered the general duty and pondered relevant questions. Proper record keeping encourages transparency and will discipline those carrying out the relevant function to undertake the duty conscientiously.
 - A public authority will need to consider whether it has sufficient information to assess the effects of the policy, or the way a function is being carried out, on the aims set out in the general equality duty.
 - A public authority cannot avoid complying with the duty by claiming that it does not have enough resources to do so.

Case law principles

9. A number of principles have been established by the courts in relation to the equality duty and due regard:
 - Decision-makers in public authorities must be aware of their duty to have 'due regard' to the equality duty and so EIA's must be attached to any relevant committee reports.
 - Due regard is fulfilled before and at the time a particular policy is under consideration as well as at the time a decision is taken. Due regard involves a conscious approach and state of mind.
- A public authority cannot satisfy the duty by justifying a decision after it has been taken.
- The duty must be exercised in substance, with rigour and with an open mind in such a way that it influences the final decision.

The Equality and Human Rights Commission has produced helpful guidance on "Meeting the Equality Duty in Policy and Decision-Making" (October 2014). It is available on the following link and report authors should read and follow this when developing or reporting on proposals for policy or service development or change and other decisions likely to engage the equality duty. [Equality Duty in decision-making](#)

Lead officer:	Len Mayatt
Decision maker:	Cabinet
Decision: <ul style="list-style-type: none"> • Policy, project, service, contract • Review, change, new, stop 	<p>Project to improve the quality of water in the main lake at Conningbrook Lakes Country Park.</p> <p>To approve funding for the proposed works and provide delegated authority to deliver the suggested works.</p>
Date of decision: The date when the final decision is made. The EIA must be complete before this point and inform the final decision.	9 th February 2017
Summary of the proposed decision: <ul style="list-style-type: none"> • Aims and objectives • Key actions • Expected outcomes • Who will be affected and how? • How many people will be affected? 	<p>This report presents the case for introducing a range of measures to improve the quality of the water at Conningbrook Lakes Country Park, so enabling the ongoing establishment of the lake as a key water sports facility for the Borough.</p> <ol style="list-style-type: none"> I. Approve the introduction of a range of measures aimed at reducing the levels of active blue-green algae and invasive aquatic weed in the lake. II. Approve forward funding of up to £150,000 to be drawn down on a phased approach over the next two years. III. Delegate authority to the Head of Culture and the Head of Finance in consultation with the Portfolio Holder for Culture, Leisure, Environment & Heritage to take any further actions required to deliver these recommendations. <p>All users of the lake will be affected, as the proposed works will improve the quality of the water, making the water safer for them.</p> <p>Over the course of a year there will be in the region of 1000 users of the main lake.</p>
Information and research: <ul style="list-style-type: none"> • Outline the information and research that has informed the decision. • Include sources and key findings. 	<p>Laguna Science were appointed to undertake a baseline assessment of the water quality and to provide proposals to remedy the problems currently encountered with blue-green algae and aquatic weed.</p> <p>They have concluded there is a problem with those two specific issues, which need to be addressed to improve the water quality and allow greater use of the lake as a water sports facility.</p> <p>Laguna have proposed a range of measures to facilitate those improvements as described in the Cabinet Report.</p>
Consultation: <ul style="list-style-type: none"> • What specific consultation 	Key officers from Cultural Services have consulted with the

<p>has occurred on this decision?</p> <ul style="list-style-type: none"> • What were the results of the consultation? • Did the consultation analysis reveal any difference in views across the protected characteristics? • What conclusions can be drawn from the analysis on how the decision will affect people with different protected characteristics? 	<p>Conningbrook Lakes Country Park & Victoria Park Steering Group and the Environment, Conservation & Heritage Task Group have both received presentations on the Laguna Science report and supported the proposals.</p> <p>Similarly, the proposals have been discussed with Mid Kent Fisheries (one of the operating partners at Conningbrook Lakes Country Park) who also support the approach taken.</p> <p>TriSpirits (triathletes), Kent Wildlife Trust (KWT) and the Environment Agency (EA) have also been advised of the proposals.</p> <p>To date the response to the proposals has been supportive, although the EA will need to provide specific approval for the introduction of blue dye. KWT would like some further information on the proposals relating to managing the fish stock and the impact of wildfowl on the water quality.</p> <p>The decision will have no impact on people with different protected characteristics.</p>
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Assess the relevance of the decision to people with different protected characteristics and assess the impact of the decision on people with different protected characteristics.

When assessing relevance and impact, make it clear who the assessment applies to within the protected characteristic category. For example, a decision may have high relevance for young people but low relevance for older people; it may have a positive impact on women but a neutral impact on men.

Protected characteristic	Relevance to Decision High/Medium/Low/None	Impact of Decision Positive (Major/Minor) Negative (Major/Minor) Neutral
<u>AGE</u> Elderly	MEDIUM	POSITIVE
Middle age	MEDIUM	POSITIVE
Young adult	MEDIUM	POSITIVE
Children	MEDIUM	POSITIVE
<u>DISABILITY</u> Physical	MEDIUM	POSITIVE
Mental	MEDIUM	POSITIVE

Sensory	LOW	NEUTRAL
<u>GENDER RE-ASSIGNMENT</u>	NONE	NEUTRAL
<u>MARRIAGE/CIVIL PARTNERSHIP</u>	NONE	NEUTRAL
<u>PREGNANCY/MATERNITY</u>	NONE	NEUTRAL
<u>RACE</u>	NONE	NEUTRAL
<u>RELIGION OR BELIEF</u>	NONE	NEUTRAL
<u>SEX</u> Men	NONE	NEUTRAL
Women	NONE	NEUTRAL
<u>SEXUAL ORIENTATION</u>	NONE	NEUTRAL

Mitigating negative impact: Where any negative impact has been identified, outline the measures taken to mitigate against it.	N/A
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Is the decision relevant to the aims of the equality duty?	
Guidance on the aims can be found in the EHRC's Essential Guide , alongside fuller PSED Technical Guidance .	
Aim	Yes / No / N/A
1) Eliminate discrimination, harassment and victimisation	YES
2) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it	YES
3) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it	YES

Conclusion:	
<ul style="list-style-type: none"> Consider how due regard has been had to the equality duty, from start to finish. There should be no unlawful discrimination 	Due regard has been made to the equality duty, from start to finish of the consultation and scoping process. The quality of the water in then lake will have the same impact on all users of the lake not any specific grouping (protected characteristics or not)

<p>arising from the decision (see guidance above).</p> <ul style="list-style-type: none"> • Advise on whether the proposal meets the aims of the equality duty or whether adjustments have been made or need to be made or whether any residual impacts are justified. • How will monitoring of the policy, procedure or decision and its implementation be undertaken and reported? 	<p>There will be no unlawful discrimination arising from the decision</p> <p>The proposal meets the aims of the equality duty as all sections of the community including those with protected characteristics will benefit from the enhancements to the centre.</p> <p>Monitoring of the policy, procedure or decision and its implementation be undertaken and reported will be undertaken by the partners.</p> <p><i>The council's revised policy register will assist services to meet this</i></p>
<p>EIA completion date:</p>	<p>24/1/17</p>



ASHFORD BOROUGH COUNCIL

Conningbrook Lake Baseline Assessment and Rehabilitation Plan

2nd November 2016

Final Report Version 1.2



ASHFORD
BOROUGH COUNCIL

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1 INTRODUCTION

Laguna Science Ltd was commissioned by Ashford Borough Council to undertake an assessment and prepare a report for the Main Lake in Conningbrook Lakes Country Park at Ashford in Kent.

The purpose of this assessment was to determine the current chemical and biological conditions in the Main Lake, with emphasis on its nutrient status and water quality conditions, to allow formulation of a long-term management strategy that fits with the waterbody's current and future designated recreational amenity uses.

The lake had been suffering from issues associated with excessive growth of Canadian Pondweed (*Elodea canadensis*) and the development of potentially toxic blue-green algae (cyanobacteria) blooms. These are common symptoms of the process of nutrient enrichment and are impacting on the current use of the lake for water-based recreational activities. Therefore, the primary objective of the assessment has been to formulate approaches to address the excessive growth of submerged aquatic plants and the development of algae blooms together with an outline long-term maintenance strategy for the waterbody.

2 BACKGROUND

Conningbrook Main Lake is a mature gravel pit located in Conningbrook Lakes Country Park in Ashford, Kent. This site is under the management of Ashford Borough Council and Kent Wildlife Trust. There are three lakes in the Country Park and it is the Main Lake which is the waterbody that has been focus of this assessment. These lakes were formed through extraction of aggregates from alluvial deposits associated with the River Great Stour corridor which flows along the eastern border of the site. The quarried areas subsequently were inundated with groundwater, present in the superficial geological deposits, to form the waterbodies currently present within the Country Park.

The use and management of lakes is at present based on a 5-year lease arrangement by the local authority from Brett that commenced in 2015, with a view to a subsequent extended lease being agreed to secure the long-term future of the Country Park. In addition, there are proposals for the future development of a 300 property, residential development together with commercial activities on areas of land that continues to be quarried immediately to north of the main lake. Therefore, the waterbodies within the Country Park will be of importance in terms of the landscape context, drainage management and provision of recreational amenity for these proposed developments.

Historically, the main use of the Main Lake was for recreational specimen angling and it was a Nationally important fishery, being the site of capture for the current British carp record. The main lake is currently being developed by the local authority as a recreational amenity lake to support a range of water-based activities that include non-powered water sports, such as paddle boarding, rowing, canoeing and sailing, and open water swimming including the hosting of triathlon events. These activities are controlled on the lake by Ashford Leisure Trust. Recreational angling continues at the lake on a limited syndicate ticket basis under the control of Mid-Kent Fisheries.

Currently water-based recreational activities on the main lake are being significantly impacted by interference caused by excessive growth of submerged aquatic plants and the development of potentially toxic blooms of blue-green algae (cyanobacteria). The latter has led to closure of the lake to water-sports activities during the summer of 2016 to protect site users from the potential harmful effects of algae contact and ingestion.

The primary goal of the long-term management strategy is to create a safe environment for water-based activity and provide a lake of high water quality status, good aesthetic appearance that supports a diverse ecology with associated low maintenance requirements.

3 ASSESSMENT METHODOLOGY

The baseline assessment of the lake was based on:

- A review of historical reports and water quality monitoring data provided by Ashford Borough Council; and
- A site survey visit undertaken on 23rd September 2016.

It should be noted that the optimal period for undertaking chemical and biological baseline surveys of lakes is from the beginning of July through to the end of September. This is the period when water temperatures and biological activity are at a peak and the worst-case water quality conditions and ecological management issues tend to be displayed by a waterbody.

3.1 Historical Reports and Data

A range of historical reports and water quality monitoring data were collated and supplied by Ashford Borough Council for the lake and its surrounding area. The range of information provided is detailed below:

- Conningbrook Lakes Country Park Information Leaflet produced by Ashford Borough Council.
- Figure showing the Water Depths in the Main Lake.
- Land at Conningbrook Lakes - Ecological Management Strategy Report by Bioscan Oct 2012 (ref E1353R5fv)
- Land at Conningbrook Lakes - Ecology and Nature Conservation Report by Bioscan Oct 2012 (ref E1353R3fv)
- Geo-Environmental and Geotechnical Site Assessment by Ecologia Jan 2012 (ref 11.136.0 v3)
- Supplementary Site Investigation Report by Ecologia Jan 2012 (ref (ref 11.136.1 v3)
- Site Sensitivity Map by WSP 2012
- Topographical Survey Map by BDB May 2012
- River Stour: Rehabilitation Recommendations by Alconbury Environmental Consultants Feb 2012
- Flood Risk Assessment by RMB Consultants (Civil Engineering) Ltd Oct 2012
- Surface Water Management Strategy by RMB Consultants (Civil Engineering) Ltd Oct 2012
- Conningbrook Lakes Ground Conditions Assessment by WSP Sept 2012
- Conningbrook Lakes Country Park Management Plan 2016 - 2020 by Kent Wildlife Trust May 2016
- Water Quality and Algae Monitoring Data from 2015 - 2016 including letter responses from the Environment Agency; and
- Site Visit Letter Report by Environment Agency Sept 2016

This information and data were reviewed to provide background historical information on the lake and aid in formulation of a tailored management and monitoring strategy.

3.2 Field Survey Visit

During the site visit the following assessments were undertaken from a boat and the lake banks:

- Visual appraisal of the lake and its surrounds;
- Collection of composite surface water and discrete lower water column samples for chemical analyses;
- Collection of composite surface phytoplankton (algae) samples and field inspection of zooplankton samples;
- Measurement of water transparency by Secchi disc; and
- *In-situ* measurement of dissolved oxygen and temperature profiles in the deepest areas of the waterbody.

3.2.1 Visual Appraisal

A visual assessment of the Main Lake was undertaken to inspect and assess a range of aspects on the physical and ecological condition of the lake and its surrounds. This included inspections of inflow and outflow points, accessibility, amenity use of the lake, presence of litter, visual water quality indicators and odour, bank and marginal edge condition, presence of aquatic plants and algal blooms, surrounding land use and presence of waterfowl. A photographic record was made during the visit.

3.2.2 Water Sample Collection and Analyses

A total of 4(no.) composite surface water samples were collected from the Main Lake. The waterbody was divided into 4 areas for the purposes of sample collection with 5(no) separate sub-samples collected from each area respectively. The locations used for each sub-sample collection point were recorded by GPS (accuracy during survey of 3 - 5m) and are shown in Figure 1 and summarised in Table 1.

The samples from each area were collected using a stainless-steel bailer and these sub-samples combined in a clean bucket to form a single composite sample for each area of the lake (Samples WS1 to WS4). This composite sample was then mixed in the bucket and sample bottles supplied by the laboratory filled from the bucket. Composite sampling was used as the results from the testing are more representative of conditions in the lake and overcomes the spatial variability in water quality typically seen in many lowland lakes.

Two discrete water samples (WS5 and WS6) were also collected from the lower water column. The deepest areas of the lake were identified using a Raymarine Dragonfly 4DV high resolution echo-sounder. The discrete water samples were recovered using a vertical water bottle sampler with a messenger weight to trigger closure of the device at a depth above any sediment accumulations shown on the echo-sounder. At each of these monitoring locations the water samples were recovered from a depth of 4.5m and decanted into the sample bottles.

The collected samples were stored in cool boxes with ice packs and delivered to a UKAS / MCerts accredited laboratory by same-day courier, and were received by the laboratory in the afternoon on the day of collection. The samples were analysed for the following range of chemical parameters on a standard 10-day analytical turn-around:

pH, suspended solids, biochemical oxygen demand (BOD), chloride, ammoniacal nitrogen*, nitrate, nitrite, total oxidised nitrogen, chlorophyll a, total phosphorus*, soluble reactive phosphorus (orthophosphate)*, total hardness and alkalinity.

*Ammoniacal nitrogen, total phosphorus and soluble reactive phosphorus were analysed using low detection level analytical methods.

As there is no principal point source inflow into the lake, no inflow sample was collected for analysis.

Table 1 - Water Quality and Phytoplankton (algae) Sampling Locations

Sample Code	Depth	Sub-sample	Location
WS1	Surface	a	TR 03312 43307
	Surface	b	TR 03337 43226
	Surface	c	TR 03310 43147
	Surface	d	TR 03342 43179
	Surface	e	TR 03216 43256
WS2	Surface	a	TR 03216 43415
	Surface	b	TR 03277 43436
	Surface	c	TR 03339 43467
	Surface	d	TR 03308 43483
	Surface	e	TR 03231 43473
WS3	Surface	a	TR 03237 43506
	Surface	b	TR 03296 43557
	Surface	c	TR 03263 43565
	Surface	d	TR 03202 43568
	Surface	e	TR 03138 43573
WS4	Surface	a	TR 03237 43647
	Surface	b	TR 03208 43705
	Surface	c	TR 03173 43710
	Surface	d	TR 03157 43672
	Surface	e	TR 03192 43647
WS5	4.5m		TR 03240 43555
WS6	4.5m		TR 03306 43469

3.2.3 Phytoplankton and Zooplankton Sampling

Phytoplankton (algae) samples were collected from the combined composite surface water samples (WS1 - WS4) as detailed above in section 3.2.2. The 1 litre samples were placed in a cool box with icepacks and delivered with the water samples to the laboratory. On arrival at the laboratory the samples were fixed and preserved with Lugol's iodine. In the laboratory, the samples were homogenised and sub-sampled and examined using a Sedgwick-Rafter counting slide under a light microscope. The samples were analysed to determine the following:

- Estimate of total algal cell density;
- Estimate of algal cell density by species; and
- Presence of potentially toxic blue-green algae (cyanobacteria).

Zooplankton samples were collected by trawling a plankton net (153 µm mesh) through the water column at four of the sampling stations used for *in-situ* dissolved oxygen and temperature profiling (see Table 3 in section 3.2.5). The recovered samples were informally inspected on site for the presence and relative composition of large and small-bodies zooplankton species.

3.2.4 Secchi Disc Depth

A Secchi disc is a method for measuring lake water turbidity, which is related to algae density and suspended solids concentrations, and was undertaken using a 20cm diameter black and white quadrant disc. The extinction depth (the depth at which the disc is no longer visible from the surface) was recorded to the nearest 10cms.

Secchi disc measurements were recorded at 12(no.) locations around the Main Lake which are shown in Figure 2 and Table 2.

Table 2 : Secchi Disc Monitoring Locations

Site No.	Location
1	TR 03268 43604
2	TR 03263 43633
3	TR 03238 43674
4	TR 03180 43652
5	TR 03192 43587
6	TR 03210 43512
7	TR 03335 43463
8	TR 03310 43265
9	TR 03336 43207
10	TR 03299 43168
11	TR 03218 43190
12	TR 03205 43263

3.2.5 Dissolved Oxygen and Temperature Profiling

The measurement of dissolved oxygen concentration and temperature at a lake surface is of little value as this can show wide daily variations when algae blooms are present. In addition, the majority of low oxygen concentrations problems tend to occur in the deeper water areas and towards the lake bed. Therefore, it is more useful to measure the temperature and dissolved oxygen concentrations through the water column in these deepest areas of the lake, which is a technique known as profiling. Deeper areas of the lake were identified with the echo-sounder to select the monitoring locations.

Dissolved oxygen and temperature profiles were measured at 0.5m depth intervals using a Hach Lange GHQ30D dissolved oxygen meter with 10m probe cable. Prior to measurements, the meter was calibrated on site using the manufacturer’s recommended 100% air saturation method. Measurements were recorded to just above silt level.

The locations of the recorded profiles are shown in Figure 3 and Table 3.

Table 3: Dissolved Oxygen and Temperature Profiling Locations

Site No.	Location	Profile measured	Zooplankton Sampling Stations
1	TR 03276 43497	0-4.0m	Sampled
2	TR 03266 43551	0-4.0m	Sampled
3	TR 03216 43648	0-3.0m	Not sampled
4	TR 03214 43571	0-4.0m	Not sampled
5	TR 03203 43220	0-2.5m	Not sampled
6	TR 03262 43130	0-2.5m	Sampled
7	TR 03320 43233	0-3.5m	Sampled

4 RESULTS

4.1 Overview of Historical Information and Data

4.1.1 Formation of the Main Lake

The lakes in Conningbrook Country Park are a result of open-cast sand and gravel aggregate excavations undertaken from 1979 to the present day. The northern part of the main lake is reported to be a result of much older excavations than the area to the south of the island where mineral extraction was completed in approximately 2006. Further excavations were undertaken in 2015 where the causeway connecting the existing island to the eastern bank was removed.

The main lake has resulted from excavation undertaken into the superficial geological deposits which comprise of three types across the footprint of the lake. These are:

- Alluvium (majority of lake area);
- River Terrace Deposits (central western bank area); and
- Head Brickearth (south-western area of the lake).

4.1.2 Hydrogeology and Hydrology

The maintenance of water level in the Main Lake is reported to be a result of superficial groundwater inundation of the former aggregate excavations. Groundwater levels are recorded to be as shallow as 0.9m below ground level in areas across the site. The general flow of superficial groundwater is eastward across the site towards the Great Stour watercourse which forms the eastern boundary of the Country Park. It is reported that the lake water level is relatively constant and at an elevation of approximately 1.5m above the level in the Great Stour. This infers that the degree of hydraulic connectivity between the lake and the river is likely to be very limited with the Main Lake appearing to be effectively isolated from the watercourse to the east. (RMB Consulting 2012)

Some water quality data are available from the ground investigations works undertaken by Ecologia in 2012. These data demonstrated some contamination of near-surface groundwater across the site as a whole, with elevated concentrations of ammonia, BOD and some poly-aromatic hydrocarbons (PAHs) recorded.

In addition to the main lake, there are other surface water features associated with the site that include:

- Two smaller waterbodies to the north (known as the 'Eco Lake' and Northern Lake);
- The Great Stour river which bounds the southern and eastern boundary of the Country park and flows in a northerly direction.
- A series of drainage ditches in the northern part of the Country Park that direct surface water into the lake features and the Great Stour.

There is a piped surface drainage input into the north-west corner of the Main Lake which discharges surface drainage collected from the area around the Julie Rose Stadium and a lake outflow that enters an open ditch that discharges directly into the Great Stour.

The site is vulnerable to fluvial flood risk and a flood risk assessment of the site was undertaken in 2012 by RMB Consultants. The flood maps taken from the Environment Agency modelling data presented in this report show inundation of the Main Lake by river flood water for 1 in 20 year and greater defended and undefended storm events.

Proposals were developed and presented to the Environment Agency in 2013 by Alconbury Environmental Consultants for a range of works on the Great Stour channel to improve its habitat

quality. The reach of river channel adjacent to the Main Lake has historically suffered from habitat degradation as a result of dredging and straightening engineering works.

4.1.3 Ecology

The site is subject to an active ecological enhancement programme implemented by collaboration between Ashford Borough Council and the Kent Wildlife Trust. The Wildlife Trust is currently implementing a 5-year management agreement that commenced in November 2014. The Country Park site has no statutory ecological site designations, although the adjacent Great Stour is classified as a local wildlife site (LWS).

This work has included compartmentalising different areas of the Country Park and implementing different management regimes to maximise the ecological biodiversity and benefit to wildlife. A range of measures have been recommended for the Main Lake and its surrounds that include:

- Livestock grazing of surrounding grassland;
- Tree management including coppicing around the lake margins;
- Management of fish stocks;
- Creating shallow marginal areas for establishing additional stands of marginal aquatic vegetation; and
- Management of reed beds through seasonal cutting.

Waterfowl numbers tend to increase on the lake during the winter and a range of non-breeding duck species were recorded during the Bioscan ecological surveys undertaken in 2011-12 including Wigeon (120), Tufted duck (106), Pochard (31), Teal (5), Gadwall (149) and Shoveler (5). The values in brackets indicate the maximum number recorded during those winter surveys. The use of the lake by waterfowl is of importance due to the potential nutrient loading into the lake from waterfowl.

4.1.4 Historical Water Quality Monitoring Data

Water quality samples have been collected for microbiological quality and the presence of blue-green algae blooms from mid-2015 to the present. These are the key parameters that need to be monitored on the lake to ensure the safety of users participating in water sports activities on the Main Lake. There appears to be no historical monitoring data for chemical water quality which is of importance in terms of the ecological functioning of the lake. Further discussion on future water quality monitoring strategy and the interpretation of the data is discussed in Section 6.

Microbiological Water Quality

Microbiological water quality monitoring has been undertaken for three Bathing Water Indicators which are total coliforms, *E.coli* and intestinal *enterococcus*. It should be noted that the revision of the Bathing Water Directive in 2006 (2006/7/EC) requires that only *E.coli* and intestinal *enterococcus* are monitored. The results for a series of monitoring visits are then combined to form percentile values for comparison against the quality standards. The data obtained is insufficient to calculate the status but the results of microbial contamination were found to be very low. One slightly elevated intestinal enterococcus value at 430 cfu / 100ml was recorded in July 2016.

Blue-green Algae (Cyanobacteria)

Blue green algae monitoring has shown the presence of the algae during the spring-summer period of 2015 and 2016. This has included elevated concentrations of *Anabaena* sp. reported above the WHO warning threshold value of 20000 cells / ml and causing formation of scums which resulted in closure of the lake during the summer and early autumn of 2016.

However, the reporting of data as presented in these previous monitoring samples does not provide enough information to allow risk to site users from blue-green algae to be adequately

evaluated by the local authority and Ashford Leisure Trust. Further discussion of monitoring approach for blue-green algae is presented in Section 6.

4.1.5 Proposed Future Development

A future development of 300 residential properties is proposed for the area to the north of the Main Lake, together with commercial areas for the importation, packing, storage and distribution of aggregates. As part of this development a Water-Sports and Visitor hub will also be developed adjacent to the lake. The country park lakes will form key focal landscape and ecological features and recreational amenity facility within the locale of the new development.

It should be noted that the outline surface drainage strategy for the proposed development is that SUDS approaches are adopted. This includes drainage of 11.15 ha, of which 6.13 ha will be impermeable, towards the Main Lake. The drainage system will include a series of swales and detention ponds to attenuate flows and provide a degree of treatment before discharge into the lake. The key point here is that surface drainage entering the lake from residential and landscaped areas that have received fertiliser application has the potential to increase the nutrient loading to the waterbody. Increasing the nutrient loading to the lake may exacerbate the negative water quality and ecological effects that arise from the processes associated with nutrient enrichment.

4.2 Visual Appraisal and Lake Description

4.2.1 Physical and Landscape Features

The Main Lake in Conningbrook Lakes Country Park is a mature gravel pit formed from previous aggregate quarrying works. The lake is approximately 690m long, and 220 metres at its widest point and covers an area of approximately 13.96ha.

A water depth (bathymetric) plan of the lake was provided by Ashford Borough Council and is presented in Figure 4.

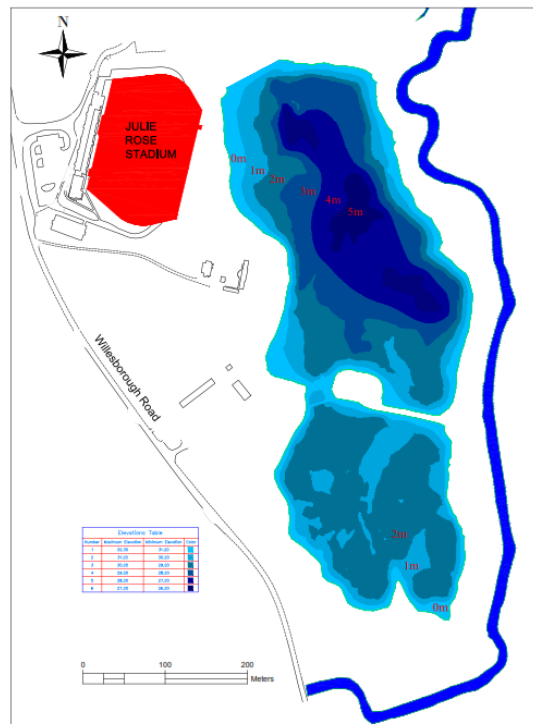


Figure 4: Bathymetric Plan of Conningbrook Main Lake (plan provided by Ashford Borough Council).

Working around the lake from a boat during the survey with a high resolution echo-sounder, indicated that the depth map to be relatively representative. Water depths of up to 5.5 metres to hard bed were recorded in the area of the lake to the north of the island. The lake bed appeared to be relatively uniform in profile and it was noted there were accumulations of suspended floc sediment present in the deeper areas and depressions on the lake bed. These accumulations appeared to be up to around 1 metre in depth. The bed profile in the southern area of the lake was found to be less uniform, showed greater variability and generally of shallower water depths. It was also found that the depth map of this area (see Figure 4) was less representative and water depths greater than 3 metres were found at several locations with the echo-sounder.

The lake is elongated in shape and orientated in a south to north direction. Originally the Main Lake was two waterbodies separated by a causeway. The causeway has been removed, the eastern part of the causeway excavated in 2015, to form a single waterbody with a small elongated island feature. The area to the north of the island was formed from earlier gravel extraction activities whilst excavation on the southern area was completed in around 2006. As a result, the southern end of the lake has a less mature appearance in terms of its bankside vegetation giving a more open visual aspect.

The lake is located within the southern part of a newly established country park setting which is bounded to the west by the A2070 and the Great Stour along the eastern perimeter. The Julie Rose Stadium is adjacent to the north-west bank of the main lake. To the north of the lake there are two additional smaller waterbodies together with ongoing aggregate extraction works.

The recently formed island feature is approximately 100m length and 40m in width. A floating pontoon bridge was installed from the east bank to the island but the central section of this has been removed to provide an access and launch point with a disabled access ramp on the western side of the island (see Photograph 1 in Appendix A). There are proposals being developed to construct a boat launch ramp immediately to the south of the floating platform on the west bank. A small car park with gravel surface car is located to west of this launch area (see Photograph 2 in Appendix A). Between the car park and launch area is an area of short grassland designated as an amenity area and includes a wooden shelter and litter bins. No litter was observed on the lake surrounds or water surface.

Public footpath access is only available at present around south-western, southern and eastern banks of the main lake. The northern and north-west banks currently have no public access due to on-going quarrying activities in this area. Footpaths are informal and comprise of mown strips through the rough grassland areas that surrounds the lake in these public access areas (see Photograph 3 in Appendix A).

Access to the water edge is generally restricted to informal fishing pegs located at various points around the lake and comprise of mown areas with accompanying thinning of bankside trees. It was noted that fishing pegs had been used for depositing aquatic plants from previous cutting works and the plant material had been left to decompose on the lake bank. (See Photograph 4 in Appendix A). It was further noted that the trees located adjacent to some of the fishing positions were overgrown in places and require some pruning to facilitate ease of angling activities (see Photograph 5 in Appendix A).

A gravel access area to the lake has been constructed on the western bank. This has been placed to aid and provide safe exit point from the lake for competitors in triathlon events (see Photograph 6 in Appendix A). There was little evidence of bank erosion around the lake margins which are well consolidated with established terrestrial and semi-aquatic marginal vegetation. The only area where some bank erosion was noted was on the small peninsula on the southern bank where grazing livestock visit the lake to drink (see Photograph 7 in Appendix A).

The principal water input into the lake is from near surface groundwater inundation from the local superficial geology. A discharge point that collects surface drainage from the area around the Julie Rose Stadium discharges into the north-west corner of the Main Lake. An outflow for the

lake is located on the northern bank and discharges into an open ditch that flows eastward to the Great Stour. A further drainage channel flows, containing established emergent aquatic vegetation, flows into the ditch from the north (see Photograph 8 in Appendix A). The lake outflow was not operating at the time of visit and reported to rarely discharge.

The Great Stour flows parallel to the south and eastern bank of the main lake. The river channel appears that it has been subject to historical engineering works in these areas resulting in a straightening and uniformity of the channel. The water level in the river appeared to be approximately 1.5m below the level in the lake at the time of the visit suggesting that hydraulic connectivity between these two surface water features is very limited (see Photograph 9 in Appendix A).

The lake surrounds consist of rough grassland areas that are managed through grazing by sheep and cattle to enhance ecological biodiversity. Established bankside trees, together with scrub, are present around most of the northern area of the lake and in the south-western corner (see Photograph 10 in Appendix A). The south-east corner of the lake has fewer trees and a more open aspect. The stands of trees are dominated by a variety of willow species (*Salix* sp.) and Alder (*Alnus* sp.)

4.2.2 Water Quality and Aquatic Ecological Features

At the time of the site visit, the water within the lake displayed a moderate transparency and bloom of blue-green algae (cyanobacteria). The blue-green algae were showing signs of scum formation in marginal areas but most notably where the algae had been trapped within filamentous algae growth that had developed on the surface growth of submerged aquatic plant beds (see Photograph 11 in Appendix A). Where blue-green algae form such scums they present the greatest potential health risk to site users due to the concentration of the algae and their toxins. At the time of the visit, the site was closed to water-based activity due to the blue-green algae bloom and warning signs about the potential health effects posted by the local authority in areas of public access.

There was no detectable odour around the lake at the time of the visit. No surface foams or visible pollution by hydrocarbons were present.

The lake shows extensive growth of Canadian Pondweed (*Elodea canadensis*). It was not possible to assess the extent of these submerged aquatic plants on the lake bed but across approximately 20 to 30% of the lake area the plants had grown to the surface. The majority of this surface growth was present in the north-western part of the lake, along the north-eastern bank in the area around the island and along the southern bank (see Photograph 12 in Appendix A). Where the *Elodea* had reached the surface, filamentous algae had developed around the plants, which as previously indicated, were causing aggregations of blue-green algae.

Established beds of emergent aquatic plants are present in areas around the lake and island margins. These stands of emergent plants were generally more established within the older northern part of the lake. The development of these beds was typically limited to a narrow vegetated fringe of up to 5m in width. This will be a result of the apparent relatively steep gradient of the lake margins limiting the availability of suitable shallow water depths. The diversity of marginal species was relatively moderate with the dominant species being Reedmace (*Typha maxima*) (see Photograph 13 in Appendix A). Other species present include Reed Canary Grass (*Phalaris arundinacea*), Common Spike Rush (*Eleocharis palustre*), Soft Rush (*Juncus effusus*), Hard Rush (*Juncus inflexus*), Water Mint (*Mentha aquatica*), Yellow flag (*Iris pseudocorus*) and Water Plantain (*Alisma plantago-aquatica*). The latter is shown in Photograph 14 in Appendix A. Some of these plants are only present with limited abundance and distribution around the lake.

Fish populations in the lake are reported to be at relatively low abundance (Mid Kent Fisheries pers comm.) with the lake managed as a specimen fishery with a limited syndicate membership of anglers. However, the actual status of the fish populations is relatively unknown as angling on

the lake has always tended to target specimen carp on this renowned fishery. The carp stock is believed to be around 30 fish ranging in size from around 5 - 22kg. Tench, pike, perch and eels are thought to be present at a relatively low abundance. There were no swarms of non-biting midges (*chironomid* sp.) observed around the lake margins which can occasionally develop when fish population abundance is low.

Number of waterfowl on the lake at the time of the visit were relatively low with 3(no.) Mute swan, 15 (no.) Mallard and 25(no.) Coot. No geese were observed to be present and it is reported that they rarely use the lake. This is a benefit in terms of management of lake water quality as overwintering flocks of geese can significantly contribute to phosphorus loading and nutrient enrichment in a lake. This is likely to result from the limited access available from the lake to areas of short grassland which these birds use for grazing. The steep margins of the island combined with dense vegetation will also discourage its use by geese.

During the visit a flock of approximately Herring gulls (see Photograph 15 in Appendix A) alighted on the lake for a short period to bathe and preen.

4.3 Water Quality Results

Results of the chemical analysis of the water samples collected from the lake and potable mains supply are presented in Table 4. Certificates of analysis are presented in Appendix B.

Table 4: Results of Chemical Analyses of Collected Water Samples

Determinand	LOD (mg/l)	Sample Number					
		WS1 (0m)	WS2 (0m)	WS3 (0m)	WS4 (0m)	WS5 (4.5m)	WS6 (4.5m)
Total Phosphorous (as P)	0.026	0.046	0.043	0.047	0.043	0.168	0.361
Soluble Reactive Phosphorous (as P)	0.02	<0.02	<0.02	0.06	<0.02	0.04	0.07
Nitrite (as N)	0.08	<0.08	<0.08	<0.08	<0.08	<0.08	<0.08
Nitrate (as N)	0.7	<0.7	<0.7	<0.7	<0.7	<0.7	<0.7
Ammoniacal Nitrogen (as N)	0.06	0.20	0.09	0.07	0.11	0.57	0.87
Total oxidised Nitrogen (as N)	0.7	<0.7	<0.7	<0.7	<0.7	<0.7	<0.7
Alkalinity (as CaCO ₃)	2.8	61.6	59.1	59.8	59.6	68.7	85.3
Total Hardness (as CaCO ₃)	3.2	83.1	80.9	82.9	81.8	86.0	96.1
pH *	1	8.1	8.1	8.1	8.0	7.8	7.7
Total Suspended Solids	1.0	4	8	2	1	21	28
Chloride (as Cl)	3.7	36.5	35.8	35.5	35.2	35.4	35.0
Biochemical Oxygen Demand + ATU (5 day)	1	1	1	2	<1	4	5
Chlorophyll 'a'	0.00005	0.0116	0.0125	0.0277	0.0141	-	-

Table Notes:

Values in brackets after sample code indicates sampling depth.

LOD = Limit of detection

*As pH units

Value denotes elevated value

Care needs to be adopted when interpreting these data, that represent a 'snapshot' of conditions, against water quality environmental quality standards which are typical based on annual average or percentile values derived from a series of routine samples collected over an extended period.

It is not appropriate to use values developed under the Water Framework Directive (WFD) for comparative purposes for this reason and also due to the fact that the Main Lake falls outside the minimum area criteria of 50ha to be classified as a WFD waterbody.

For ease of interpretation, the results are compared to water quality guideline values presented in Table 5 that are derived from pre-WFD UK EQS and EC values for protection of coarse fish. Table 6 shows the OECD guidelines (1992) which are used to determine the trophic status (degree of nutrient enrichment or eutrophication) of lakes.

Table 5: Guideline Values for Water Quality

Determinand	Units	Normal range	Threshold value for protection of coarse fish
pH	pH units	6 - 9	6 - 9
Biochemical Oxygen Demand (BOD)	mg/l	4	6
Ammoniacal nitrogen as N	mg/l	0.6	0.78
Suspended solids	mg/l	15	25
Dissolved oxygen	mg/l	>5	4

Table 6: Trophic Status of Lakes under the OECD Classification Scheme (1992)

Trophic Status	Total Phosphorous (mg/l)	Chlorophyll a (mg/l)	Secchi Disk Depth (m)
Ultra Oligotrophic <i>(very low nutrient status)</i>	<0.004	<0.001	>12.0
Oligotrophic <i>(low nutrient status)</i>	<0.01	<0.0025	>6.0
Mesotrophic <i>(moderate nutrient status)</i>	0.01 - 0.035	0.0025 - 0.008	6.0 - 3.0
Eutrophic <i>(nutrient enriched status)</i>	0.035 - 0.1	0.008 - 0.025	3.0 - 1.5
Hypereutrophic <i>(highly nutrient enriched status)</i>	>0.1	>0.025	<1.5

4.3.1 Lake Water Quality Status

The chemical water quality status of the Main Lake is generally good but it shows a number of elevated values which are commonly associated with the process of nutrient enrichment or eutrophication.

pH, Hardness and Alkalinity

The lake displayed a relatively high water hardness and alkalinity and a pH that was slightly alkaline (i.e greater than pH 7). The slightly alkaline pH may be further associated with the photosynthetic activities of algae and submerged aquatic plants that are present in the lake that tends to cause daytime increase in alkalinity as carbon dioxide is utilised. It is expected that there will be some diel fluctuations in pH levels as algae and aquatic plants switch from daytime photosynthesis (carbon dioxide utilised) to night-time respiration (carbon dioxide generated).

However, such fluctuations are likely to be limited as the water will be well buffered by its high alkalinity.

Phosphorus and Soluble Reactive Phosphate

Elevated results were recorded for total phosphorus concentrations which is a indicator of lake nutrient enrichment. Typically in freshwater systems, phosphorus is the limiting nutrient to algae and aquatic plant growth. Nutrient enriched lakes are characterised by a number of management issues that include potential for the development of poor water quality conditions (particularly for dissolved oxygen), development of algal blooms or excessive aquatic plant growth, odour generation and a reduction in ecological diversity.

Comparison of the total phosphorus data with the OECD classification of trophic status (see Table 6) indicate that a geometric mean total phosphorus results of 0.044 mg/l for the surface water samples would classify the lake as being having a eutrophic or nutrient enriched status. Highly elevated concentrations of total phosphorus were recorded for water samples WS5 (0.168 mg/l) and WS6 (0.361 mg/l) which is likely to be associated with release of phosphorus from sediments on the lake bed under low oxygen conditions in the lower water column (see section 4.6). These results therefore reflect an internal loading of phosphorus from accumulated sediments that will contribute towards promoting the development of excessive aquatic plant and algae growth.

Soluble reactive phosphorus is the form of phosphorus that is biologically available for use by aquatic plants and algae. At all but one surface sampling location this was found to be very low and below the limit of analytical detection. These results reflect the fact that the majority of available phosphorus is likely to have been incorporated into existing aquatic plant and algae growth. However, as these plants show seasonal dieback then an increase in available phosphate concentrations may be expected.

Nitrogen Compounds

Nitrogen based compounds, such as nitrate, also contribute to aquatic plant and algae growth but are not generally a limiting factor in freshwater systems. However, in some waterbodies, nitrogen can become limited and such systems have a tendency for increased potential to develop of blue-green algae (cyanobacteria) blooms, which can be potentially toxic and harmful. This results from blue-green algae having the ability to fix nitrogen directly from the atmosphere and gain a competitive advantage over other phytoplankton (algae) in such nitrogen limited situations. Lakes that have a total nitrogen to total phosphorus ratio of less than 10 : 1 are usually considered to be nitrogen limited in the UK and have an increased tendency for blue-green algae development.

It is not possible to calculate an accurate Total N : Total P ratio from the data as total oxidised nitrogen concentrations were below the limit of analytical detection. However, was it obvious from these data is that nitrogen was present at low concentrations and the likelihood is that the system does show some nitrogen limitations. As with phosphate, it is likely that nitrogen becomes more limited as the growth season progresses and these nutrients become 'locked up' in aquatic plant growth which may increase the potential for blue-green algae blooms in the mid to late summer period.

It should be highlighted that care needs to be adopted with placing too much emphasis on the use of N : P ratios as there are many factors that influence and contribute to the development of blue-green algae blooms.

Ammoniacal nitrogen values were generally found to be within the normal range for a lowland freshwater lake. Elevated ammoniacal nitrogen concentrations were recorded in the discrete water samples (WS5 and WS6) collected from the lower water column.

Ammoniacal nitrogen is a by-product of these biological breakdown processes and build-up of ammonia concentrations, which can be toxic to aquatic life, can occur where oxygen concentrations are depressed (see section 4.6). The elevated concentrations will be associated with biological degradation processes occurring in the lower water column which was also reflected in the elevation of biochemical oxygen demand (BOD) concentrations recorded for these samples.

Suspended Solids, BOD and Chloride

Suspended solids were found to be low in the lake and this is reflected in the relatively good water transparency displayed by the lake. An increase in suspended solids was noted in the lower water column. During the sampling visit, it was noted that there appears to be a layer of unconsolidated 'floc' sediment that has accumulated in the deeper areas of the lake bed. This was evident from the echo-sounder display, during sampling of the lower water column and in places this appeared to be up to 1 metre deep.

Biochemical oxygen demand (BOD) is a measure of oxygen demand created by biological degradation processes within water, such as the breakdown of organic matter by bacteria. BOD was found to be at low concentrations at the time of a visit with an increase in samples collected from the lower water column. It may be expected that BOD concentrations will increase as seasonal die back of aquatic flora and fauna occurs with the onset of colder weather.

Chloride concentrations, which are used to assess salinity, were within the normal range for a freshwater system.

Chlorophyll a

Chlorophyll 'a' is the pigment present in algae and therefore is generally reflective of the density of algae cells in the water. Comparison of the chlorophyll 'a' data with a mean value of 0.016mg/l with the OECD classification in Table 6 would also classify the lake as being eutrophic (nutrient enriched). The eutrophic status was further confirmed by the recorded Secchi disc measurements being in the eutrophic status range (see section 4.5). The elevated chlorophyll 'a' concentrations will be associated with the bloom of algae present in the lake at the time of the visit.

4.4 Phytoplankton and Zooplankton Results

4.4.1 Phytoplankton (algae)

Results of the analysis of the four composite algae samples are presented in Table 7. The algae present in the samples are common species to lowland lakes and at a relatively moderate density for a nutrient enriched system. Three species dominated the phytoplankton community composition which were:

- *Melosira* (diatom)
- *Actinastrum* (green algae)
- *Microcystis* (blue-green algae)

Total overall cell density ranged between 7395 to 9253 cells / ml. The density of algae present will be suppressed by the extensive growth of Canadian Pond weed in the lake and also due to grazing pressure by zooplankton which are afforded refuge from fish predation by the higher aquatic plants.

In terms of the recreational use of the lake, the key consideration is the presence of blue-green algae that can form potentially harmful toxic scums. *Microcystis* is noted as toxic and scum forming species. Scums of *Microcystis* were observed in some of the marginal areas and had also accumulated in filamentous algae which had developed on the surface growth of Canadian Pondweed. *Microcystis* density ranged from 1786 (WS4) to 6431 (WS3) cells/ml with the highest

density being recorded in the central area of the northern part of the lake. This demonstrates that blue-green algae concentrations can vary widely across a lake which is mainly due to the algae tending to be moved easily in the surface layers by the prevailing winds. It also shows the importance of taking multiple samples across a lake to allow a representative density to be ascertained and determine exposure risk for site users.

Typically, blue-green algae investigations by the statutory authorities will collect a sample of marginal scum. This provides the worst-case scenario but is often associated with the margins and not always representative of the potential exposure of recreational users out in the main body of the lake.

The concentrations of *Microcystis* were below the WHO lower risk threshold of 20,000 cells / ml, although the 10µg/l (0.01mg/l) chlorophyll 'a' concentrations were exceeded (see Table 4). However, care needs to be adopted when interpreting blue-green algae data and ideally where filamentous, flake or colonial forms are present, additional measurements of algae should be recorded in the laboratory. For example, *Microcystis* tends to be present as two distinct colony sizes of 90 µm and 200 µm. Within the Environment Agency Guidance (2000) a density of 40(no). 90µm colonies / ml is the equivalent of the WHO lower 20,000 cells / ml threshold as is 4(no.) of the 200µm colonies. Recommendations on sampling and analysis for blue-green algae blooms will be described in the monitoring section in the discussion part of this report (see Section 6).

Table 7: Results of Analysis of Collected Phytoplankton Samples

	WS1	WS2	WS3	WS4
Diatoms				
<i>Stephanodiscus</i>	36			71
<i>Cyclotella</i>		572	250	179
<i>Melosira</i>	71	1608	1143	893
<i>Navicula</i>		71		
<i>Nitzschia</i>		107		
<i>Synedra</i>				71
Total	107	2358	1393	1215
Green Algae				
<i>Actinastrum</i>	5609	1786	1000	2072
<i>Ankistrodesmus</i>	36		36	
<i>Crucigenia</i>	250			
<i>Cosmarium</i>			107	71
<i>Scenedesmus</i>	572	429		715
<i>Coelastrum</i>				286
Total	6466	2251	1143	3144
Blue-green Algae				
<i>Microcystis</i>	2322	2179	6431	1786
Total	2322	2179	6431	1786
Others				
<i>Ceratium</i>	36			107
<i>Euglena</i>	36			
<i>Rhodomonas</i>	71	214	143	500
<i>Cryptomonas</i>		286	143	214
<i>Gymnodinium</i>		36		
<i>Mallomonas</i>		71		
Total	143	607	286	822
Total cell density	9038	7395	9253	6966

4.4.2 Zooplankton

Collected zooplankton samples were inspected on an informal basis in the field. Formal counting and identification of samples was not undertaken as zooplankton populations can show rapid fluctuations in abundance and compositions in response to algal blooms. Therefore, there is often little value from a single sampling visit.

Zooplankton graze on phytoplankton and this is undertaken more efficiently by larger species such as *Daphnia*. Therefore, a high density of large zooplankton species in a lake can help reduce phytoplankton density and therefore contribute towards improved water transparency.

Three types of zooplankton were present in the samples which included *Cyclops*, *Bosmids* and *Daphnia* species. *Daphnia* made up a moderate proportion of the zooplankton community. The presence of *Daphnia* at moderate densities is indicative that the abundance of small cyprinids (carp family i.e juvenile roach and bream) is probably relatively low in the lake and that the established beds of Canadian Pondweed also act to provide refuge for the zooplankton from predation. The larger zooplankton tend to be selectively predated by juvenile cyprinid fish and in lakes where a high abundance of these fish are present, then the zooplankton community will tend to be dominated by small species such as cyclops and bosmids. These small zooplankton species being less efficient grazers of algae tends to result in an increase in algal density and associated reduction in water transparency where there is a high levels of fish predation pressure.

It should be noted that zooplankton do not generally consume blue-green algae. Many blue-green algae, being colonial or filamentous in form, are too large for the zooplankton to graze.

4.5 Secchi Disc Depth

The results of Secchi Disc measurements are present in Table 8.

Table 8: Secchi Disc Measurements

Site No.	Extinction Depth (m)
1	1.6
2	1.5
3	1.6
4	1.4
5	1.8
6	1.7
7	1.6
8	1.6
9	1.5
10	1.5
11	1.5
12	1.4

Secchi Disc extinction depths ranged from 1.4 to 1.8m with an average depth of 1.56m. These results can be compared to the OCED Guidelines (1992) presented in Table 6 which would again classify the nutrient status of the lake as being of eutrophic (nutrient enriched) status.

4.6 Dissolved oxygen and Temperature Profiles

Results of the measured dissolved oxygen and temperature through the water column are presented in Appendix C.

Water temperature was found to be within the normal range for the time of the site visit with an average temperature of 18.8°C. Water temperature ranged from a maximum of 19.6°C at the surface to a minimum of 17.4°C at the bed. Water temperatures were found to be relatively uniform through the water column with a slight decline with increasing water depth. There was no evidence of thermal stratification (the water column dividing into distinct warm and cold water layers). Thermal stratification is generally seen on deeper water bodies where water depths are greater than 7 to 8 metres.

Measurement of dissolved oxygen found concentrations to be depressed on what would typically be expected at the time of the visit given the presence of an algae bloom and extensive beds of aquatic vegetation. Typically, in these conditions it would be expected that higher concentrations of dissolved oxygen would be present in the surface layers of the lake due to oxygen produced by plant photosynthesis. Dissolved oxygen concentrations at the lake surface were recorded to be between 5.54 - 7.05 mg / l (59.1 - 76.1% saturation). Across the lake a decline in dissolved oxygen concentrations was observed with increasing water depth and in some deeper areas was below the 4mg/l threshold EQS for the protection of coarse fish.

At sampling site 4 (see Graph 4 in Appendix C), the dissolved oxygen probe was allowed to enter the 'cloud' of floc silt that appears to have accumulated in the deeper areas of the lake. A rapid decline of dissolved oxygen was recorded within this 'cloud' of silt. The lack of oxygen in this 'cloud' will be associated with oxygen demand created by microbial activity breaking down organic material. This has implications in terms of the water quality within the lake, as under such conditions the key plant nutrient phosphorus tends to be readily mobilised back into the water column as observed in water samples WS5 and WS6. This release of phosphorus from the sediment, a process known as internal nutrient loading, can further contribute towards the development algal blooms and excessive plant growth. The lack of oxygen also reduces the rate of breakdown of the organic material in the silt and leads to release of other degradation chemicals such as ammonia which is potentially harmful to aquatic life. This effect is shown diagrammatically in Figure 5.

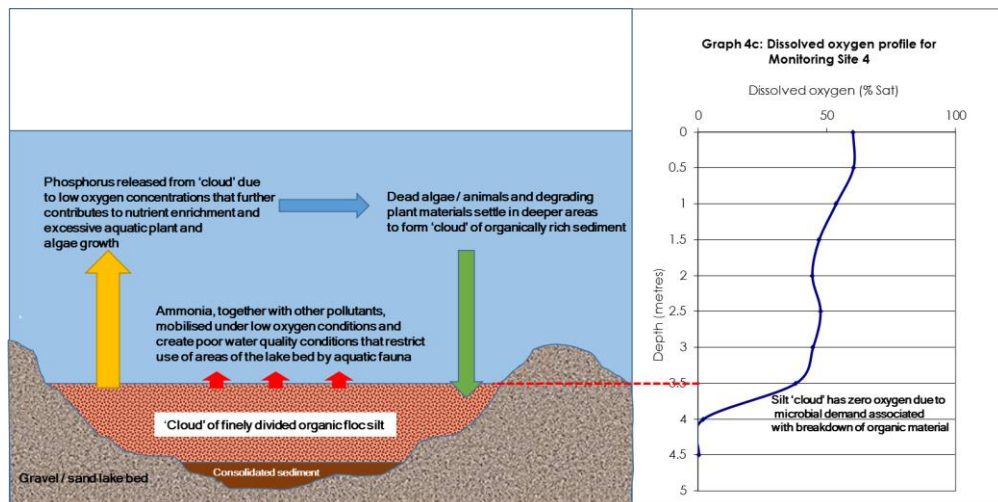


Figure 5: Diagram showing effects of 'cloud' floc silt on Dissolved Oxygen and Water Quality.

The accumulation of the 'cloud' of sediment in the deeper areas of the lake will create areas that present hostile conditions for both aquatic invertebrate fauna and use by fish.

5 DISCUSSION

The baseline assessment of the Main Lake in Conningbrook Lakes Country Park has identified a range of management issues that are impacting on the aesthetic quality, water quality status, ecological functioning and amenity use of the waterbody.

Key management issues are:

- Nutrient enrichment;
- Accumulations of 'floc' sediment;
- Excessive growth of submerged aquatic plants; and
- Blue-green algae blooms.

These issues are interrelated and result from the process of nutrient enrichment of the waterbody the affects the ecology of the lake with associated impacts on water quality.

There is no single action that will fix the management issues within the lake and a combination of measures and a pro-active maintenance strategy will need to be implemented to achieved the desired objectives for the waterbody. Where waterbodies are required to serve a wide range of amenity functions there is inevitably conflict in terms of amenity requirements and management. For example, fish populations required to support a recreational fishery can have a direct impact on water quality status and therefore the performance of the waterbody for other water-based activities. As such, there is often a need for comprises to be established to allow all activities to be supported across a single waterbody. The segregation of various activities into specific parts of the lake is sometimes adopted with different management regimes applied to these areas. It is assumed for the Main Lake that the management will be for all activity to be undertaken across the entire lake area.

5.1 Nutrient Management

The Main Lake is currently in a eutrophic or nutrient enriched state. This is a common feature of lowland lakes and impacts on a range of aspects of lake performance. The nutrient enrichment of the waterbody is likely to have arisen due to loadings of phosphorus, and to a lesser degree nitrogen, from a range of sources that include:

- Elevated phosphorus concentrations with groundwater;
- Periodic flood inundation of the lake;
- Phosphorus mobilisation from local soil excavations;
- Use of the lake by waterfowl and gulls;
- Inputs of angling bait; and
- Leaf litter entry from surrounding trees.

The primary objective of the long-term lake management strategy should be to implement measures to reduce the availability of nutrients which increase the potential for excessive submerged aquatic plant growth and algal bloom development. Nutrient loading into the lake may be divided into internal and external sources of loading.

5.1.1 Reducing external nutrient inputs

There is only limited potential for reducing external nutrient inputs into the Main Lake as the principal water supply is from groundwater inundation for which it will not be possible to implement any measures to reduce its nutrient status. In addition, the Great Stour periodically inundates the lake during flood events and again it will not be possible to control loadings of phosphorus from this source.

Surface Drainage Inputs

There is currently a drainage pipe input into the north-west corner of the lake that discharges surface drainage into the lake during rainfall events. The catchment of this drainage system should be established to ensure that it not discharging drainage from the grassed sports areas in the Julie Rose Stadium, that are likely to receive high rates of fertiliser application into the lake. The use of any fertiliser within the surface drainage catchment of the lake should be avoided.

Within the outline drainage strategy for the new development area to the north of the Main lake, it is proposed that some surface drainage is directed towards the lake. This surface drainage may include elevated concentration of phosphorus from fertiliser applied to landscaped and garden areas, together with detergent run-off from car washing on driveways. This is also the case for the construction phase of the development, where soil disturbance may lead to mobilisation of phosphorus from soils and elevated concentrations being present in surface drainage. The implementation of both construction and operational drainage systems should be based on a designs and approaches that minimises the potential for increasing nutrient loading into the lake. The outline operational drainage proposals include the use of swales and detention basins. These will assist to a degree in reducing nutrient inputs by allowing the settlement of sediment, to which phosphorus often adheres. It should be noted that the use of constructed wetlands for water treatment of the drainage water, is usually only of limited success for the reducing phosphorus concentrations.

Livestock

Areas surrounding the lake are grazed by cattle and sheep for ecological management purposes. As there are no drinking water facilities for the animals, they are allowed free access to the lake and its margins. This is evident at the southern end of the lake where some bank erosion has occurred due to the activities of livestock. Excrement from the animals entering the water will contribute to nutrient enrichment and potential for microbiological contamination.

Ideally livestock would be prevented from entering the lake and this would require drinking facilities to be provided. An approach for this would be erect stock fencing between the grazing areas and lake margin. The fence would require occasional gateways to allow access to the lake edge for site users. The use of fencing would have further benefit in that it would allow a buffer strip of vegetation to be created around the lake margin.

Approaches for providing drinking water for the animals may include excavation of a small groundwater supplied pool in the grazing area or excavating a channel back from the lake margin into the grazing area. The lake end of the channel could be planted with Reedmace to assist in ameliorating the effects of any nutrient or bacteria inputs into the channel.

The use of fencing and creation of a lake buffer zone should be discussed with Kent Wildlife Trust (KWT).

Waterfowl and their feeding

Waterfowl can contribute high nutrient loadings to lakes through their droppings both directly into the water and from wash-off from deposits on surrounding areas. The main species associated with problems are geese. The presence of large over wintering flocks of geese on lake can significantly contribute to nutrient enrichment. However, currently the lake is not used by geese and this is most likely to result from the limited accessibility between the lake and areas of short grassland suitable for grazing and roosting. The steep margins of the island combined with its established marginal reed growth forming a barrier and dense vegetation is also likely to be unattractive to geese flocks.

The lake supports a moderate density of a range of duck species during the winter months and probably provides a site of good winter habitat for the birds. These birds will be contributing to external nutrient loading but there are no effective measures available to control the use of the lake by these birds. The nutrient loading from these birds is like to be relatively low in comparison to inputs from groundwater or flood inundation.

It is recommended that the surrounding grassland areas are maintained at longer lengths to discourage the attractiveness of the lake to geese. It is not evident that there is currently much feeding of the waterfowl by visitors. However, this could change with the future planned nearby residential development. If this were to be the case, then it is recommended that information boards are erected to discourage the feeding of waterfowl by the public.

Collection and removal of Leaf Litter

Leaf litter inputs into a lake contribute to siltation and organic matter and nutrient loading. Ideally collection of leaves from the lake surrounds and any accumulations in marginal areas that occur during the autumn should be collected and removed.

There are large numbers of trees surrounding the lake perimeter and so control of leave litter input is likely to prove challenging. However, where possible collection of large deposits of leaves and their disposal away from the lake would be of benefit.

Angling Bait

Bait used by anglers provides a further source of nutrient input. Currently angling on the lake is only available to a limited syndicate of anglers and therefore the overall bait inputs into the waterbody are relatively low in relation to its area. If the fishery is further developed in the future and increased number of anglers start to use the fishery, then it is recommended that consideration is given to restrictions on the quantities of bait used during a fishing session.

5.1.2 Reducing internal nutrient availability

The Main Lake was shown to have a eutrophic status at the time of the visit with elevated concentrations phosphorus recorded. Additional phosphorus will be seasonally 'locked' into existing algae, plant and invertebrates which is released back into the water as these undergo seasonal dieback of algae in the autumn and winter. Therefore, phosphorus concentrations are often reach peak concentrations during the winter months.

A further important phosphorus source is found in accumulations of organic sediment which will tend to be released into the water under low oxygen conditions (see Figure 5). Therefore, there is a need to take steps to reduce these internal sources of phosphorus for which a range of approaches may be adopted.

Chemical Treatment

The waterbody may be subject to chemical treatment to make the phosphorus biologically unavailable. Within the UK the only approved treatment for reducing phosphorus concentrations in lakes is a product called 'Phoslock'. This is a lanthanum clay based compound that when added to the lake and forms a permanent chemical bond with the phosphorus. The 'Phoslock' is mixed with the lake water and added as a slurry which sinks through the water and binds with the phosphorus before settling on the bed where it also tends to forms a sealing cap on any sediment deposits.

It should be noted that 'Phoslock' has a limited chemical capacity to bind phosphorus. Therefore, the benefits of this treatment in lake systems for which groundwater is the principal water source and that are also subject to periodic flood inundation is likely to be short term and necessitate the requirement for frequent repeat applications. 'Phoslock' is an expensive product at around £2500

/ tonne and at an application rates of around 1-2 tonnes / 0.4 ha then the cost per treatment for the Main Lake is likely to be in the region of £87000 - £174000 per dosing without application labour costs.

Given the high costs and expected short-term benefits of any treatment it is not recommended that this would be a cost-effective method of controlling internal nutrient loading within the Main Lake.

Aquatic Plant Harvesting

The harvesting of aquatic plants at the end of the growth season can be used as an approach for reducing phosphorus availability in a lake. The removal of plant growth effectively removes phosphorus from the lake system. Weed cutting has previously been undertaken on the lake but the removed weed was left to decompose on the lake margins and therefore the nutrients are likely to have leached back into waterbody.

Aquatic plant harvesting should be undertaken during the early autumn before seasonal dieback commences. During harvesting works only a proportion of the submerged plants should be removed with 70% removal being the maximum. Complete clearance of the submerged plants creates a potential risk of the lake switching to a system dominated by phytoplankton (algae) blooms given its nutrient enriched status. Harvesting should also include the top growth of beds of emergent marginal plants such as reedmace. Cutting of these plants is a beneficial action as it will encourage further growth of the marginal plants the following year and aid in establishment of a more widespread vegetated fringe.

All removed plant material should be disposed of at distance from the lake and it is recommended that it is ideally taken to a local authority composting facility if available.

Aeration

The installation of an aeration / mixing system into the lake will prevent the development of low oxygen conditions in the lower water column. Low oxygen conditions promote the remobilisation of phosphorus from sediments in the lake. By raising dissolved oxygen concentrations, an oxidised layer (known as the oxidised microzone) forms at the sediment / interface and prevents release of the nutrients into the water. There are further advantages on using an aeration system are discussed in more detail in section 5.4.3.

Fish Stock Management

Large bottom feeding species of fish such as carp and bream, through their feeding activities and excretions can promote the release of phosphorus from lake bed sediments. It is recommended that the fishery is managed in line with its heritage as an important carp fishery and maintained as a specialist specimen fishery with a relatively low stock density of large fish. No stocking of other fish species should be undertaken.

5.2 Sediment Conditioning

Accumulations of finely divided organic sediment have accumulated within the deeper areas of the lake. These have formed a 'cloud' of organic material which has a very low dissolved oxygen concentration and contributing to internal nutrient loading within the lake. The low oxygen concentrations within the 'cloud' are also likely to be slowing down decomposition processes on this organic material.

The depth of sediment does not appear to be significant in relation to the retained water depth of the lake, which would warrant consideration of dredging, however it is likely that it is impacting on nutrient status of the lake and resultant water quality conditions.

It would be beneficial to cause consolidation of the sediment 'cloud' and also increase dissolved oxygen concentrations in the lower water column to reduce internal nutrient loading. Therefore, it is recommended that treatment of the sediment is undertaken using a combination of finely powered chalk, such as 'Siltex', and the deployment of a diffuser based aeration system. This combination approach has been shown to help breakdown organic matter and cause consolidation of sediments. In addition, there is potential for some limited binding of phosphorus to chalk's calcium that would be maintained by increasing dissolved oxygen concentrations.

It is recommended that the chalk application is undertaken in advance of any aeration system installation so that the silt has become more consolidated prior to any aeration system operation. This will aid in reducing nutrient mobilisation from the sediment layer in the lake. It is likely that there may be some initial short-term increases in nutrient concentrations in the lake due to mixing by the expectation would be that this approach in cause a reduction in loadings in the longer term.

The chalk is a relatively low cost treatment and is usually applied as an initial dose of 1 tonne / 0.4 hectares and a follow-up dose after 6 months of 800kg / 0.4 ha. Therefore, the initial dose would be 35 tonnes with a subsequent dose of 28 tonnes distributed across the lake from a boat. The cost for both doses of finely powered chalk would be approximately £8200 (ex VAT) excluding labour application costs.

It should be noted there are chalk products available which are combined with bacteria which are claimed to have an enhanced effect on sediment degradation and a charge at a highly elevated cost. It should be noted that these bacteria are already present in the lake and it is a better approach to simply creating the correct conditions in the lake for them to flourish naturally. This is generally the case for bacteria based lake products that offer a wide range of improvement claims.

5.3 Aquatic Plant Management

Excessive growth of Canadian Pondweed is causing interference to amenity use of the lake for both angling and recreational water sports. Growth of submerged plants in nutrient enriched systems is becoming an increasing issue in lowland activity lakes as there is currently no permitted aquatic herbicides that are permitted for use within the UK. Therefore, a combination of other control measures now need to be employed.

To date management of the lake has been restricted to periodic weed cutting operations using 'Truxor' weed cutters. However, this has only shown limited success in managing the submerged aquatic plant issues.

In terms of management of the submerged aquatic plants it is important that complete clearance is not undertaken as this would create a potential risk of the lake switching to an algae dominated system due to its nutrient enriched status. The presence of aquatic plants inhibits the development of phytoplankton algae blooms through various mechanism that include utilisation of available plant nutrients, shading, providing a predation refuge for zooplankton which graze on phytoplankton and release of algicidal chemicals. A coverage of around 30% coverage of the lake area with submerged plants should be maintained.

Plant management within the lake is likely to be an on-going process over several years to achieve the desired results and balance between plant presence and amenity use.

5.3.1 Cutting

Given the amenity use of the lake, it is recommended that submerged plant growth is allowed to develop around shallow marginal areas with the deeper central area of the lake maintained free of plants for activities to pursued. Access and egress points to the lake together with the channels in front of angling pegs should also be maintained free of submerged plants.

Where weed cutting is undertaken, as much cut plant material should be removed as practically possible, as fragments of Canadian Pondweed can form new plants. Recovered plant material

should be disposed of at a site remote from the lake, as previously discussed, to prevent nutrient-rich leachate draining back into the lake.

It would be advantageous to maintain the submerged plants with limited surface growth, to prevent the issue observed during the site visit, of accumulations of blue-green algae becoming trapped and effectively forming a scum. Such scums would present an increase potential health risk to site users undertaking water-based activities.

5.3.2 Harrowing

Harrowing is the use of trowled chain or rake behind a powered boat and is generally undertaken in the early spring when the submerged plants are starting to grow. The technique works by disrupting emerging plant shoots, burying seeds and increasing lower water turbidity and light availability. This technique has been successfully used on a number of lakes used for sailing to successfully manage submerged plant issues.

Usually repeat harrowing needs to be undertaken at 6 - 8 week intervals through the plant growth season. Harrowing undertaken over several years tends to reduce the plants ability to reproduce successfully resulting in a reduction in overall plant growth. As with weed cutting, harrowing works are labour intensive activities.

A downside of harrowing is that it is causing disturbance of bed substrates and where low dissolved oxygen levels are present may cause increased potential for mobilisation of nutrients. Ideally harrowing would be undertaken where adequate concentrations of dissolved oxygen are maintained in the lower water column.

Harrowing may be applied as a technique for managing the submerged plants in the central area of the Main Lake to try and achieve an area clear of plants. In terms of the areas to be harrowed then it would need to take account of any installed aeration system to prevent snagging and potential damage to the installed system. Therefore harrowing could be undertaken between lines of any diffusers placed on the lake bed (see Figure 6 in section 5.4). The layout of any aeration system should be optimised to facilitate harrowing activities.

5.3.3 Lake Mats

Another effective method of preventing submerged aquatic plant development is using self-sinking frame-mounted geotextile to cover areas of the lake bed.



(Image courtesy of Lake Mats)

This approach prevents plant growth by stopping light and also the chemistry changes that occur in the sediment below the cover can cause the roots of the plants to die back. This approach is commonly used in the USA to keep areas of the lake weed free. It is recommended that a lake mat is deployed in front of access and egress points of the western bank of the Main lake to maintain submerged plant free areas. These mats are available commercially in the USA and sold as 'Lake Mat-Pro™'. Another type of mat is also available which is sold as a Muck-Mat™. This is similar to a lake mat but is reinforced with an underlying geogrid and design to prevent lake users from sinking into lake silt. This may provide a more robust solution if there is expected to be a lot of user traffic at access and egress points.

It is recommended that the mats could be installed in front of the launching area and triathlon exit point. The mats can be periodically removed to dislodge any settled sediment on top of them.

5.3.4 Lake Dye Application

Lake dyes have been developed to absorb the red-yellow wavelengths plants use for photosynthesis and successfully inhibit plant and filamentous algae growth. The dyes are not so successful in controlling phytoplankton (algae) which tend to accumulate at the lake surface. Previously these dyes have only been available in blue or black but a relatively new dye product 'Lake Shadow™' has been developed for Grade 1 list waterbodies which combines the blue dye with red and yellow pigment so the dye is effectively nearly colourless. However, this 'colourless' dye requires an increased application rate to achieve the same effect as the blue dye in terms of plant control. These dyes provide a relatively low cost and effective approach for inhibiting plant and filamentous algae growth within waterbodies.

The dye is applied in the spring and periodic top-ups are required through the year to maintain the dye intensity. Based on the estimated lake volume of approximately 420 million litres, 15 x 5 kg bottles of blue type dye would be required for an initial dose combined with 12 x 5kg bottle for a monthly top up to maintain dye intensity through the year. The total annual cost for applications on the Main Lake of 27 x 5kg bottles of liquid dye concentrate would be in the region of £3375 (ex VAT) without labour costs for application.

The main issue with dye application is preventing its entry into controlled watercourses as it can be classed as a pollutant. The Environment Agency have already raised concerns about use of lake dye on the Main Lake due to it being a groundwater fed waterbody and the proximity to the Great Stour including periodic flood inundation. It would appear from previous studies that the lake is relatively hydraulically isolated from the river due to difference in water level. Therefore, the concerns from the Environment Agency would centre on dye entering the watercourse from the lake outflow (which is reported to rarely operate) or during flooding events (when the dye would be significantly diluted). Further discussions should be held with the Environment Agency on seeking consent for use of lake dye.

5.3.5 Aquatic Plant Introductions

Further introductions of aquatic plants may be made into the lake to assist in managing the issues associated with excessive growth of Canadian Pondweed. The purposes of these introductions are:

- To direct nutrients into other aquatic plant growth beyond Canadian Pondweed, phytoplankton and filamentous algae;
- To establish lily beds to provide shading to reduce algae and submerged plant growth;
- To enhance the visual appearance of the lake and diversity of marginal vegetation; and
- To further stabilise the banks to reduce erosion.

It is recommended that both lilies and emergent marginal plants are introduced as these should be unaffected by any lake dye applications, if its use is permitted. The introduced plants should

be native species and ideally sourced locally and may be planted into areas of suitable water depths directly into the lake bed substrate

Emergent marginal plants can be used to further extend the marginal vegetation fringing around the lake and also enhance species diversity. Species that may be considered for introduction include:

Water Mint - *Mentha aquatica*

Marsh Marigold - *Caltha pulstris*

Sedges - *Carex rostrata*, *C. riparia*, *C. acutiformis*

Water Plantain - *Alisma plantago*

Arrowhead - *Sagittaria latifolia*

Lesser Reedmace - *Typha angustifolia*

Yellow Flag - *Iris pseudacorus*

Sweet Flag- *Acorus calamus*

Reedmace - *Typha latifolia*

Common Reed - *Phragmites australis*

For marginal plant species, it is also important that there is sufficient light falling on the lake margins and some thinning of bankside trees may be required to ensure suitable planting conditions are developed. Aquatic plant introductions should be made in April such that the plants have a full growth season to establish before seasonal die-back. Introduced plants, once established, should be subject to the recommended seasonal harvesting as described in section 5.1.2. If large numbers of waterfowl, particularly geese, take up residence on the lake after plant introductions then there may be a requirement to provide the plants with temporary protection until establishment to prevent losses to grazing.

There are only two common native lily species in the UK. These are the White Lily (*Nymphaea alba*) and the Yellow Lily (*Nuphar lutea*). The yellow species can demonstrate vigorous excessive growth which can have maintenance implications. Therefore, consideration should be made to the use of white lily only. Given the shallower water depths the southern end of the lake is likely to provide more suitable planting depths for lily introductions.

5.4 Algae Bloom Control

The development of phytoplankton (algae) blooms is a common feature of nutrient enriched lakes particularly where there is an absence or low abundance of aquatic plants. Algae blooms can have a direct impact on water quality through changes in pH and dissolved oxygen concentrations associated with day-time photosynthesis and night-time respiration.

In terms of amenity lakes there are two algae types that cause significant issues which are:

- Filamentous algae- unsightly mats of algae that develop across the bed and often rise to the surface which can interfere with boating and angling; and
- Blue-green algae (cyanobacteria) - these algae can form potentially toxic scums which present health risks and can cause closure of a lake.

Minimising nutrient availability and establishing and maintaining beds of submerged aquatic plants will both contribute to reducing the potential for algae bloom development. On many nutrient enriched waterbodies, supplementary measures are often implemented to assist in algal bloom control.

5.4.1 Barley straw

Decomposing barley straw has well documented algicidal properties. However, its deployment on lakes tends to show variable success that often results from incorrect application. For barley straw to be successful it needs to be introduced into the lake at the correct time, requires a top application during the summer and needs to be widely distributed around the lake. Most failures of barley straw applications result from the need to adequately distribute the straw around the lake. The chemicals released by the straw as it decomposes includes high reactive hydrogen peroxides that only have a short effective distance from the straw. Therefore, if straw is just placed in one corner of the lake any algicidal effect will be very localised. The needs for the extensive distribution of straw, which is introduced as floating loosely packed netting booms, is usually not compatible with lakes that are used for recreational activities. The costs for deployment and maintenance of sufficient straw across the lake to provide a positive outcome in terms of algae control is also likely to be prohibitive.

Given the above constraints imposed by use of barley straw its deployment is not recommended on the Main Lake.

Extract of barley straw is commercially available as an alternative to deployment of barley straw however, the effectiveness of this type of product in controlling algal blooms on large waterbodies has yet to be adequately demonstrated.

5.4.2 Ultrasonic Devices

Ultrasonic devices have been developed to control algae. However, there is little scientific evidence of the effectiveness of these devices on reducing algae density, especially on larger bodies of water. The devices are reported to work by causing disruption of gas vacuoles which provide the algae with buoyancy, causing them to sink to the bed and die. However, it is unlikely on larger lakes that the devices can generate sufficient energy to cause gas vacuole collapse over any distance and any localised algae mortality is overcome by the rapid reproduction rates. Given the unproven performance of these devices on large waterbodies, their deployment into the Main Lake is not recommended.

5.4.3 Water Mixing

Water mixing, through use of propeller mixers or aeration diffusers driven by compressed air, has been proven as a technique for ameliorating the development of blue-green algae blooms. Most of the scientific studies on this technique for control of blue-green algae have focused on deep water supply reservoirs where depths are greater than 10m where successful result have been achieved. However, there is an increasing body of anecdotal and monitoring evidence suggesting that positive benefits in blue-green algae control can be achieved in shallower lakes if a relatively vigorous mixing regime is pursued. This is a technique that is now called Vigorous Eplimnetic Mixing (VEM) in the USA. The mixing of a lake does not necessarily prevent blue-green algae blooms from developing, however it tends to shift the blue-green algae community towards non-scumming species such as *Planktothrix* (formerly *Oscillatoria*) that present a lower risk to site users than scum forming species such as *Anabaena* and *Microcystis*. Mixing of a lake tends to impact on blue-green algae bloom development in three key ways:

- Increasing dissolved oxygen concentrations in the lower water column helping with reducing internal nutrient loadings;
- Mixes the algae down to depth on deeper lakes where they become light limited. A similar effect may be achieved on a shallower lake through combining mixing with the use of lake dye.
- A vigorous mixing regime disrupts the development of a bloom which seem to favour still water conditions.

There are further benefits to be gained from lake mixing that include oxidation of organic material leading to consolidation of sediments, increase habitat availability by raising dissolved oxygen concentrations in areas of the lake bed where there are depressed oxygen levels, reducing the concentration of bathing water bacteria by increasing exposure to UV radiation, preventing odour and ice formation.

On amenity lakes, the approach for mixing is to usually use an array of fine bubble diffusers across the lake bed which are supplied with compressed air through self-sinking airlines from a bankside compressor station. Therefore, all the equipment on this type of system sits on the lake bed and prevents no interference to either boating or angling activities. The systems are robust with a low maintenance requirement but do have an operational cost in terms of electricity supply and on-going periodic maintenance. The use of propeller mixers are generally avoided on activity lakes due to the potential health and safety risks. Diffuser based systems operate by creating columns of air rising from the diffusers to the lake surface which act as air lifts drawing poor quality water from the bed and exposing it to the atmosphere where it is oxygenated. Circulations cells develop around each diffuser which is known as primary mixing sphere and is a function of water depth. The primary mixing cell is a radial distance of 5 to 7 times the water so deeper waterbodies require less diffusers to mix the waterbody. Secondary circulation currents develop between the primary mixing areas such that the entire water is mixed.

The appearance of an operating diffuser is shown in the following photograph.



To create a vigorously mixed regime to assist in the amelioration of blue-green algae blooms, it important that there are sufficient numbers of diffusers deployed at the correct spacing within a lake. This usually is achieved by ensuring the primary mixing spheres from each diffuser are close or overlapping.

An example of a diffuser based mixing approach that could be adopted is shown in Figure 6 for the northern part of the Main Lake. No layout has been shown on the southern lake area due to uncertainties over the water depth profile. The system shown is based on mixing the central amenity area of the lake in water depths below the 3m contour. The coloured circles represent the primary sphere of mixing influence from each diffuser. It should be noted that the system layout is based on the ISS-Flowthrough aeration system design which is different to traditional diffuser based aeration systems which require an individual airline to each diffuser.

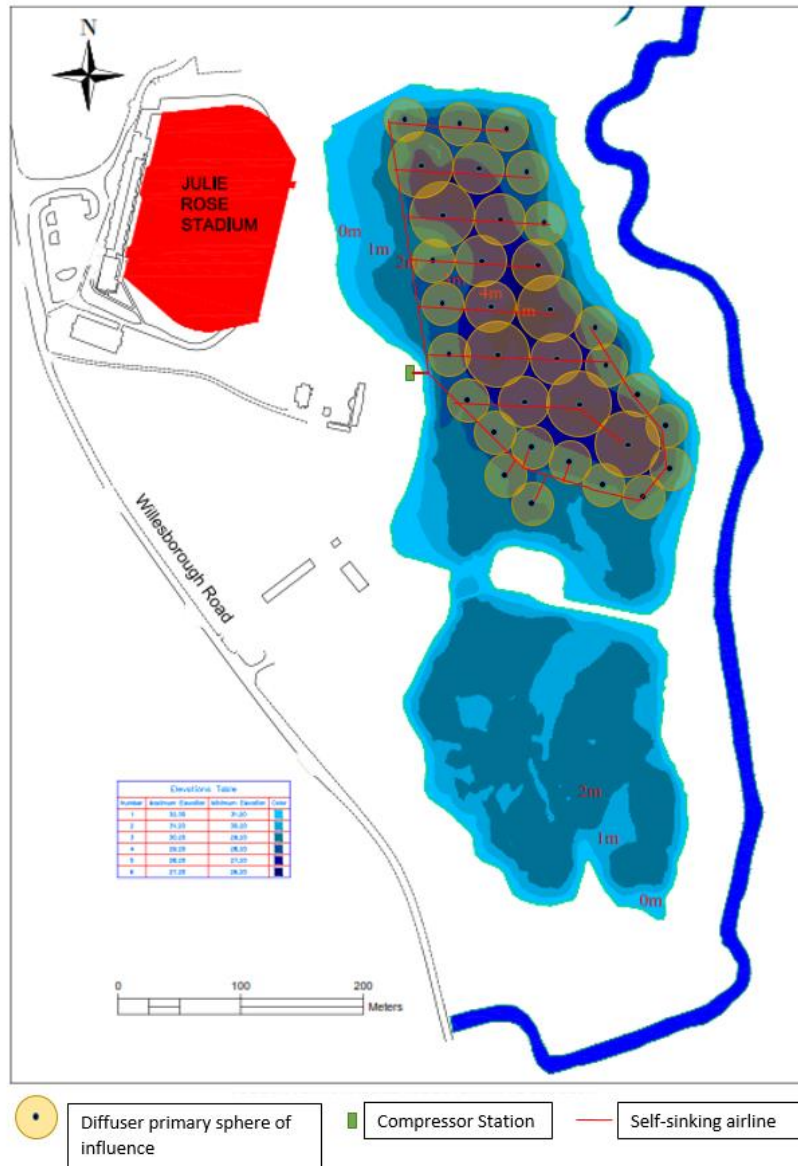


Figure 6: Example Diffuser and Airline Layout (based figure supplied by Ashford Borough Council)

The costs for installation of the example system shown in Figure 5 would be likely to be in the region of XXXXXXXXXXXX. The system would need to be operated on a 24 / 7 basis between April and the end of September and for 30 minutes each day between October and March. The example system would have a power requirement of around 7KW and so an approximate annual running cost of around £3500. Electrical costs for operating such a system could be offset by installing solar panels on the roof of the proposed Watersports Hub. It should be noted that lake mixing systems cannot be powered directly to generate sufficient reliable power to create the vigorously mixed regime necessary to assist in ameliorating blue-green algae blooms.

6 MONITORING PROGRAMME

In addition to the management recommendations set out in section 5, it is recommended that a routine water quality monitoring programme is developed on the lake to monitor its performance and also provide relevant information to inform and assess risk to site users. Two key areas of water quality should be monitored which are microbiological water quality in accordance with the sampling protocols set out in the 2006/7/EC Bathing Water Directive and Blue-green algae monitoring.

In adopting a sampling regime care needs to be taken during both the sample collection to ensure that results are representative of likely user exposure. As such, composite samples collected from a number of fixed monitoring points across the lake area should ideally be sampled to provide adequate coverage of the lake. Care should be taken in both sample handling, storage and ensuring delivery to the testing laboratory is achieved within the window of sample viability. During sampling the sampler should also complete a standard sampling observation sheet to record conditions on the lake at the time of sampling i.e presence of waterfowl, visible pollution, algae blooms, foam or scum formation etc.

Interpretation of data also needs to be undertaken carefully as many of the standards are based not thresholds against which percentile values from a series of samples are compared. The development of a detailed monitoring protocol is outside the scope of this report and therefore the information below is provided as outline guidance.

6.1 Microbiological Monitoring

Microbiological monitoring should be undertaken in accordance with the sampling regime set out in the EC Bathing Water Directive 2006/7/EC. This requires a series of samples to be taken on a minimum of monthly basis through the bathing period (suggest April - September). Samples should be analysed for *E.coli* and intestinal *enterococcus* only. The laboratory should be requested to undertake actual counts with dilutions where high concentrations are present rather than providing results as greater than values to aid with interpretation. Percentile values should be calculated to compare with the Directive standards.

Additional sampling may be required following a flood event into the lake to determine bathing water indicator bacteria concentrations as there may be potential for inflow of contaminated water, for example from storm overflows into the river.

Care needs to be adopted in the interpretation of intestinal *enterococcus* results. Elevated results may be the result of a large presence of waterfowl on a lake at the time of sampling, although these bacteria present a very low risk to human health. It is now possible for laboratories to undertake speciation of the intestinal *enterococcus* to determine if the source is avian, bovine, human etc at a low additional cost. This information provides an extra layer of useful information when interpreting monitoring results.

6.2 Blue-green Algae Monitoring

Blue-green algae monitoring should also be routinely undertaken on the lake between April or September or outside of this period if there are visible signs of suspected blue-green algae being present. A water sample should also be collected alongside the algae samples for testing for chlorophyll a.

For sampling of blue-green algae, the sample should be representative of likely user exposure. If a small patch of scum has accumulated in a corner of the lake, collecting a sample of this scum will provide the worst-case scenario but would not be representative. Prior to sampling it is often useful for the sampler to walk around the lake to make field notes on the distribution of algae at the time of sampling.

In terms of analysis of the analysis samples, they should be analysed for species composition and estimates of total cell density and density by species. For the blue-green species estimates of mean colony or filament size should also be recorded and ideally concentration recorded as number of filaments or colonies. This will then allow the data to be compared to the concentration of colonial and filamentous species that are equivalent to the lower WHO warning threshold of 20000 cells / ml.

7 SUMMARY RECOMMENDATIONS

A summary of recommendations is provided below:

1) Reduce external nutrient loading.

- Measures include:
- Examining current and future surface drainage inputs into the lake and minimising the nutrient loading;
- Restricting livestock access to the lake and providing dedicated drink facility;
- Discouraging feeding of waterfowl through signage;
- Collection of leaf litter where practically possible and disposal remotely from the lake; and
- Restrictions on the use of bait if increased numbers of anglers use the lake in the future.

2) Reduce internal nutrient loading

- No 'Phoslock' treatment of lake to be undertaken;
- Seasonal harvesting of submerged and emergent aquatic plants and disposal remotely from the lake;
- Installation of a diffuser based aeration system; and
- Management of fish stock at a low density with an emphasis on a specimen carp fishery.

3) Sediment Conditioning and Consolidation

- Two applications of finely powered chalk to aid with settlement of silt 'floc' cloud and enhance breakdown of organic material (particularly when combined with aeration).

4) Aquatic Plant Management

- Routine cutting of plants to maintain a 30% cover by area around marginal areas;
- Harrowing of lake bed in central areas of lake;
- Use of lake mats to prevent plant growth at access and egress points to the lake;
- Use of lake dye to inhibit plant and filamentous algae growth (subject to EA consent); and
- Introduction of additional marginal emergent aquatic plants and lilies.

5) Algal Bloom Control

- No use of barley straw or extract due to interference with activities, costs and inconsistency in effectiveness;
- No use of ultrasonic equipment due to unproven performance on large lakes;
- Application of vigorous mixing regime using a diffuser based aeration system;

6) Monitoring

- Establish routine monitoring programme for microbiology water quality and blue-green algae testing.

Following issue of the draft report (version 1.1), a series of questions were provided by Ashford Council. These questions and response to them are provided in Appendix D.

8 PROGRAMME OF WORKS

A proposed sequence of rehabilitation / maintenance works is presented in Table 9. This sequence assumes that works would start immediately and would be undertaken as a 2-year programme. The speed of implementation will be dependent on resource availability. The works detailed in 2018 may be considered, apart from the fish introductions, as the basis of long-term routine maintenance works.

Table 9: Sequencing and timing of Rehabilitation and Maintenance Works

WORKS	2016			2017												2018												
	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	
Aquatic plant harvesting	█																											
Submerged plant harrowing						█			█									█			█							
Submerged plant cutting*								█	█	█										█	█	█						
Powdered chalk application**						█						█																
Lake dye initial dose***						█											█											
Lake dye maintenance dosing***							█	█	█	█	█	█	█	█	█					█	█	█	█	█	█	█	█	█
Aquatic plant introductions (Phase 1) - Lilies							█																					
Aquatic plant introductions (Phase 2) - Marginal Plants																			█									
Aeration system installation							█																					
Aeration system full time operation							█	█	█	█	█	█								█	█	█	█	█	█			
Aeration system annual maintenance																		█										
Stock fencing of margins					█																							
Creation of livestock drinking facility				█																								
Fish stock management****																	█	█										
Routine microbiology WQ monitoring							█	█	█	█	█									█	█	█	█	█				
Routine blue-green algae monitoring							█	█	█	█	█									█	█	█	█	█				

*As required. **Further applications can be made as required in future years.

*** Subject to approval from statutory regulators. **** One off introduction of specimen carp. Maximum number to be introduced 70 fish.

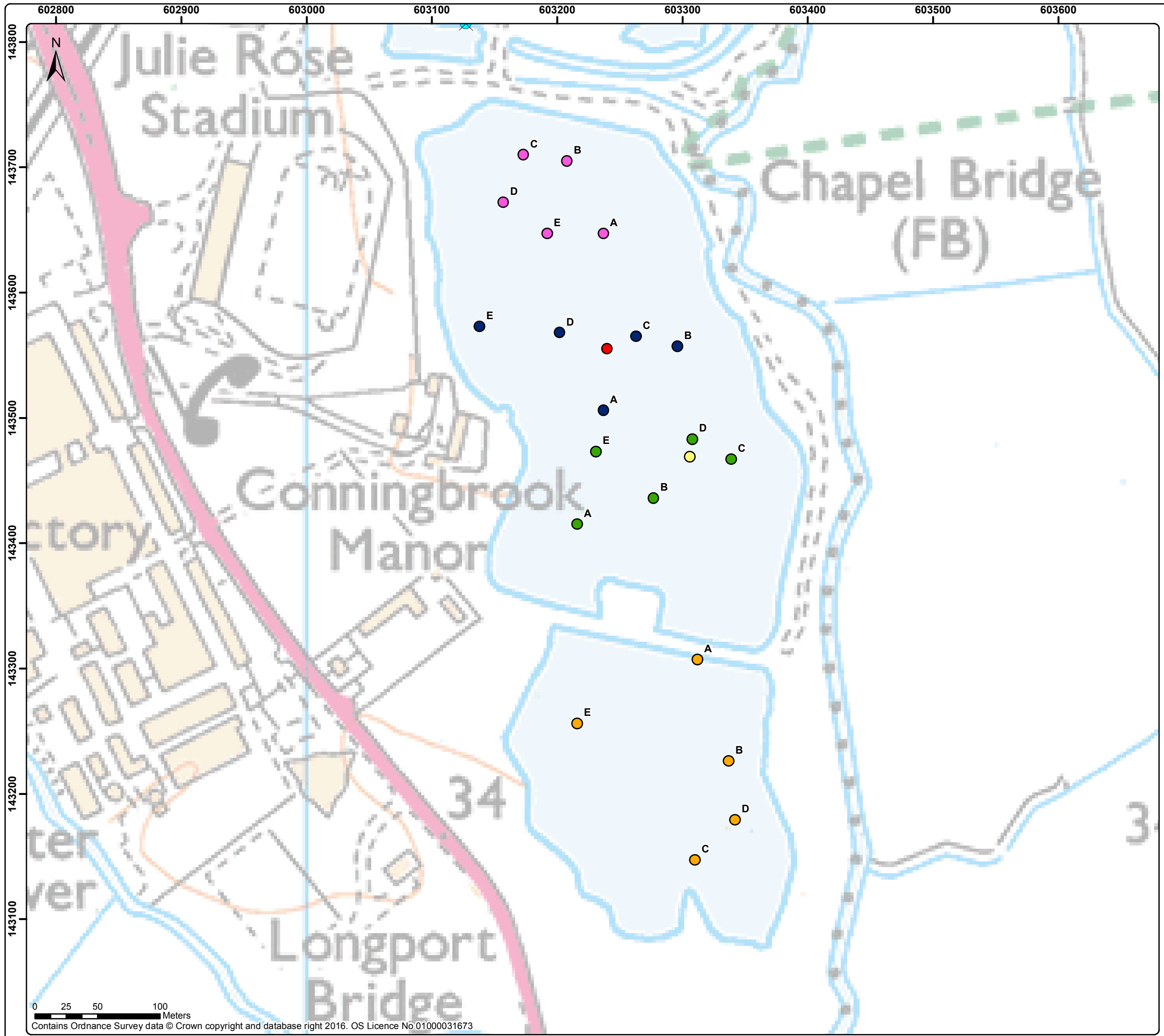
9 BUDGET COSTINGS

The costings for rehabilitation and management of the Main Lake are presented in Table 10. These costings should only be viewed as indicative. If a particular option is pursued, then it is recommended that full detailed costing should be prepared.

Table 10: Indicative Costing for Management Actions

Work Element		Cost Estimate
Aquatic plant harvesting	Removal and disposal of aquatic plants.	£8,000 per annum
Submerged plant harrowing	Harrowing of central activity areas of the lake	£4,000 per annum
Submerged plant cutting	Annual plant cut (mid-summer)	£6,000 per annum
Powdered chalk application	Supply and application of chalk	£8200 for supply of chalk £6000 for application
Lake dye application	Supply and application of Lake Dye (Blue type)	£4000 supply of dye per annum £1500 application of dye per annum
Aquatic plant introductions (Phase 1) - Lilies	Supply and introduction of aquatic plants	£10,000
Aquatic plant introductions (Phase 2) - Marginal Plants	Supply and introduction of aquatic plants	£10,000
Aeration system installation	Planted directly into overburden	xxxxxxxxxxxxx for supply and installation (subject to detailed quote from supplier)
Aeration system full time operation	Electrical costs	£3500 per annum
Aeration system annual maintenance	Maintenance of compressors and annual cleaning of diffusers	£1500 per annum
Stock fencing of margins	Stock fencing of area of lake margin to create buffer zone and prevent livestock access to lake. Require agreement with KWT.	£15,000 (depends on area to be fenced.
Creation of livestock drinking facility	Creation of shallow channel or pond	£5000
Fish stock management	Introduction of additional specimen carp to support recreational fishery	To be arranged by Mid-Kent Fisheries.
Routine microbiology WQ monitoring	6 months of monitoring (assumed to be undertaken by local authority personnel).	£1000
Routine blue-green algae monitoring	6 months of monitoring (assumed to be undertaken by local authority personnel).	£1000

Figures



Key
Water Quality and Phytoplankton Sampling Locations

Sample Code

- WS1
- WS2
- WS3
- WS4
- WS5
- WS6



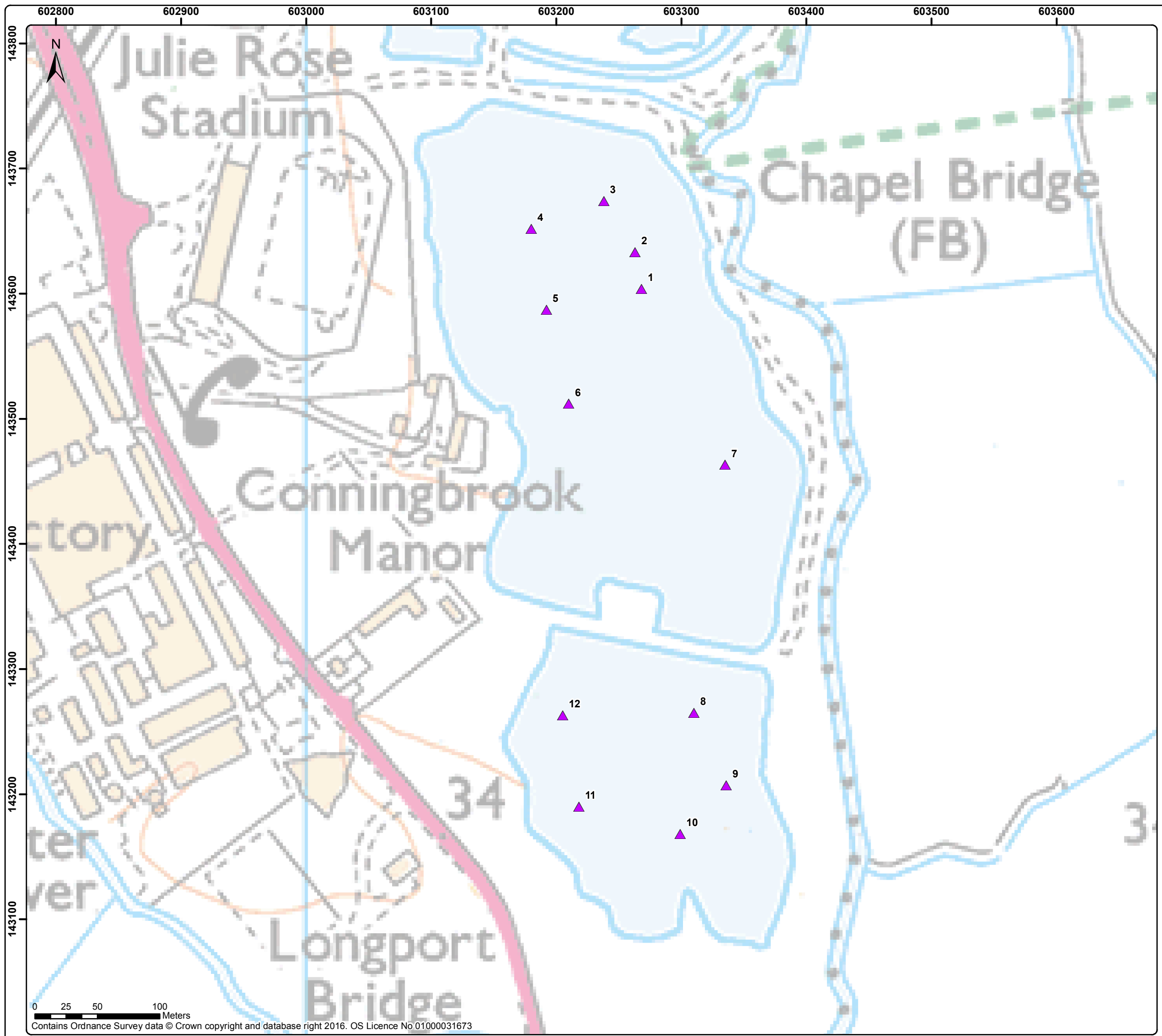
Project:
Conningbrook Lake

Title: **Figure 1:**
Water Quality and Phytoplankton Sampling Locations

Status: Draft	Revision: 0	Page Size: A3
Drawn by: AS	Reviewed by: RS	Date: 10.10.2016



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Key

▲ Secchi Disc Measurement Locations



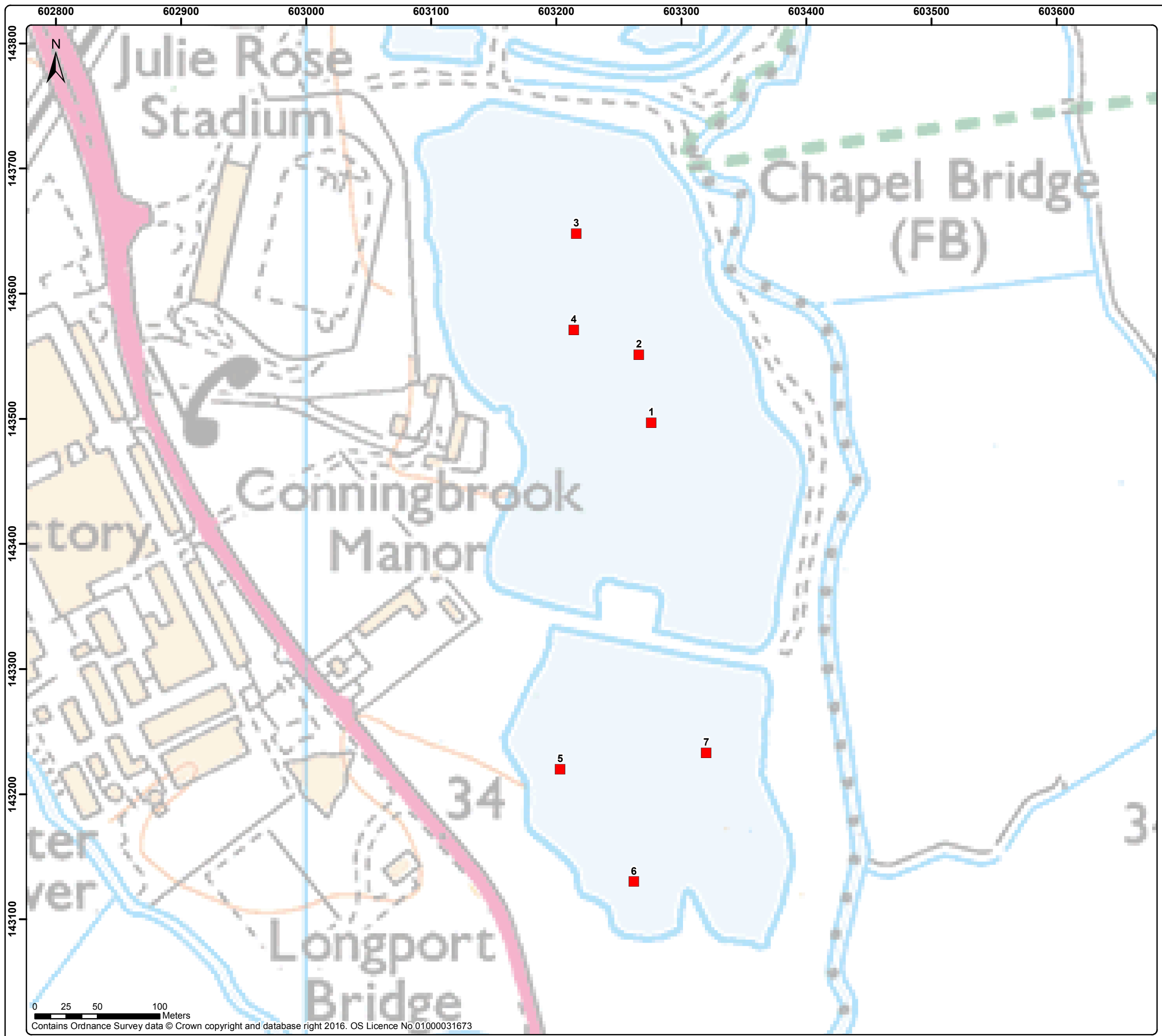
Project:
Conningbrook Lake

Title:
**Figure 2:
Secchi Disc Measurement Locations**

Status: Draft	Revision: 0	Page Size: A3
Drawn by: AS	Reviewed by: RS	Date: 11.10.2016

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Key

■ Dissolved Oxygen and Temperature Profiles



Project:
Conningbrook Lake

Title: **Figure 3:
Dissolved Oxygen and
Temperature Profiling Locations**

Status: Draft	Revision: 0	Page Size: A3
Drawn by: AS	Reviewed by: RS	Date: 11.10.2016

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Appendix A. Site Photographs



Photograph 1: Pontoon access point to the lake.



Photograph 2: Car park with leisure area.



Photograph 3: Mown informal access footpath in south-west corner of the main lake.



Photograph 4: Angling peg showing decomposing cut aquatic plant deposits.



Photograph 5: Angling peg showing bankside trees requiring some pruning.



Photograph 6: Gravel 'beach' used as an exit point for triathlon swimming events.



Photograph 7: Eroded area on the southern bank due to livestock.



Photograph 8: Vegetated ditch drainage channel in the north-west corner of the main lake.



Photograph 9: Great Stour along the eastern bank of the Main Lake.



Photograph 10: View to northern end of the Main Lake showing established bankside trees.



Photograph 11: Blue-green algae and associated scum formation with filamentous algae.



Photograph 12: Surface growth of Elodea and filamentous algae in the north-west corner of the lake.



Photograph 13: Established bed of marginal Reedmace (*Typha maxima*)



Photograph 14: Hard Rush, Water Mint and Water Plantain on the western bank.



Photograph 15: Flock of Herring Gull on the Main Lake.



Appendix B. Analysis Certificates

Certificate of Analysis

ANALYSED BY



Report Number: **COV/1320983/2016**

Laboratory Number: **15577378**

Sample Source: **Laguna Science**

Sample Point Description:

Sample Description: **WS 1 0m**

Sample Matrix: **Surface Water**

Sample Date/Time: **23 September 2016 09:00**

Sample Received: **23 September 2016**

Analysis Complete: **07 October 2016**

Issue **1**

Sample **1** of **10**

Test Description	Result	Units	Analysis Date	Accreditation	Method
Phosphate, Ortho as P LL	<0.02	mg/l	29/09/2016	N Cov	WAS067
Phosphorus UL Total as P	46	ug/l	06/10/2016	N Cov	WAS060
pH	8.1	pH units	27/09/2016	N Cov	WAS039
Alkalinity as CaCO3	61.6	mg/l	06/10/2016	N Cov	WAS025
Total Hardness as CaCO3	83.1	mg/l	28/09/2016	N Cov	WAS049
Ammoniacal Nitrogen as N (LL)	0.20	mg/l	29/09/2016	N Cov	WAS067
Chloride as Cl	36.5	mg/l	26/09/2016	Y Cov	WAS036
Nitrite as N	<0.08	mg/l	26/09/2016	Y Cov	WAS036
Nitrate as N	<0.7	mg/l	26/09/2016	Y Cov	WAS036
Nitrogen, Total Oxidised as N	<0.7	mg/l	26/09/2016	Y Cov	WAS036
Total Suspended Solids	4.00	mg/l	30/09/2016	N Cov	WAS006
BOD + ATU (5 day)	1	mg/l	05/10/2016	Y Cov	WAS001

Analyst Comments for 15577378:

No Analyst Comment

Accreditation Codes: Y = UKAS / ISO17025 Accredited, N = Not UKAS / ISO17025 Accredited, M = MCERTS.

Analysed at: Cov = Coventry(CV4 9GU), Che = Chester(CH4 9EP), Ott = Otterbourne(SO21 2SW), S = Subcontracted, Trb = Subcontracted to Trowbridge(BA14 0XD), Wak = Wakefield(WF5 9TG).

For Microbiological determinands 0 or ND=Not Detected, For Legionella ND=Not Detected in volume of sample filtered. The LOD for the Legionella analysis will increase where the volume analysed is <1000g (1g is approximately equivalent to 1ml for sample volume analysed).

I/S=Insufficient sample For soil/sludge samples: AR=As received, DW=Dry weight.

Signed:

Name: **R. Stocks**

Date: **07 October 2016**

Title: **Inorganic Team Leader**

ALS Environmental Ltd

Torrington Avenue, Coventry, CV4 9GU
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Certificate of Analysis

ANALYSED BY



Report Number: **COV/1320983/2016**

Laboratory Number: **15577379**

Sample Source: **Laguna Science**

Sample Point Description:

Sample Description: **WS 2 0m**

Sample Matrix: **Surface Water**

Sample Date/Time: **23 September 2016 09:15**

Sample Received: **23 September 2016**

Analysis Complete: **07 October 2016**

Issue **1**

Sample **2** of **10**

Test Description	Result	Units	Analysis Date	Accreditation	Method
Phosphate, Ortho as P LL	<0.02	mg/l	29/09/2016	N Cov	WAS067
Phosphorus UL Total as P	43	ug/l	06/10/2016	N Cov	WAS060
pH	8.1	pH units	27/09/2016	N Cov	WAS039
Alkalinity as CaCO3	59.1	mg/l	06/10/2016	N Cov	WAS025
Total Hardness as CaCO3	80.9	mg/l	28/09/2016	N Cov	WAS049
Ammoniacal Nitrogen as N (LL)	0.09	mg/l	29/09/2016	N Cov	WAS067
Chloride as Cl	35.8	mg/l	26/09/2016	Y Cov	WAS036
Nitrite as N	<0.08	mg/l	26/09/2016	Y Cov	WAS036
Nitrate as N	<0.7	mg/l	26/09/2016	Y Cov	WAS036
Nitrogen, Total Oxidised as N	<0.7	mg/l	26/09/2016	Y Cov	WAS036
Total Suspended Solids	8.00	mg/l	04/10/2016	N Cov	WAS006
BOD + ATU (5 day)	1	mg/l	05/10/2016	Y Cov	WAS001

Analyst Comments for 15577379:

No Analyst Comment

Accreditation Codes: Y = UKAS / ISO17025 Accredited, N = Not UKAS / ISO17025 Accredited, M = MCERTS.

Analysed at: Cov = Coventry(CV4 9GU), Che = Chester(CH4 9EP), Ott = Otterbourne(SO21 2SW), S = Subcontracted, Trb = Subcontracted to Trowbridge(BA14 0XD), Wak = Wakefield(WF5 9TG).

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Certificate of Analysis

ANALYSED BY



Report Number: **COV/1320983/2016**

Laboratory Number: **15577380**

Sample Source: **Laguna Science**

Sample Point Description:

Sample Description: **WS 3 0m**

Sample Matrix: **Surface Water**

Sample Date/Time: **23 September 2016 09:30**

Sample Received: **23 September 2016**

Analysis Complete: **07 October 2016**

Issue **1**

Sample **3** of **10**

Test Description	Result	Units	Analysis Date	Accreditation	Method
Phosphate, Ortho as P LL	0.06	mg/l	29/09/2016	N Cov	WAS067
Phosphorus UL Total as P	47	ug/l	06/10/2016	N Cov	WAS060
pH	8.1	pH units	27/09/2016	N Cov	WAS039
Alkalinity as CaCO3	59.8	mg/l	06/10/2016	N Cov	WAS025
Total Hardness as CaCO3	82.9	mg/l	28/09/2016	N Cov	WAS049
Ammoniacal Nitrogen as N (LL)	0.07	mg/l	29/09/2016	N Cov	WAS067
Chloride as Cl	35.5	mg/l	26/09/2016	Y Cov	WAS036
Nitrite as N	<0.08	mg/l	26/09/2016	Y Cov	WAS036
Nitrate as N	<0.7	mg/l	26/09/2016	Y Cov	WAS036
Nitrogen, Total Oxidised as N	<0.7	mg/l	26/09/2016	Y Cov	WAS036
Total Suspended Solids	2.00	mg/l	30/09/2016	N Cov	WAS006
BOD + ATU (5 day)	2	mg/l	05/10/2016	Y Cov	WAS001

Analyst Comments for 15577380:

No Analyst Comment

Accreditation Codes: Y = UKAS / ISO17025 Accredited, N = Not UKAS / ISO17025 Accredited, M = MCERTS.

Analysed at: Cov = Coventry(CV4 9GU), Che = Chester(CH4 9EP), Ott = Otterbourne(SO21 2SW), S = Subcontracted, Trb = Subcontracted to Trowbridge(BA14 0XD), Wak = Wakefield(WF5 9TG).

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I/S=Insufficient sample For soil/sludge samples: AR=As received, DW=Dry weight.

Signed:

Name: **R. Stocks**

Date: **07 October 2016**

Title: **Inorganic Team Leader**

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Certificate of Analysis

ANALYSED BY



Report Number: **COV/1320983/2016**

Laboratory Number: **15577381**

Sample Source: **Laguna Science**

Sample Point Description:

Sample Description: **WS 4 0m**

Sample Matrix: **Surface Water**

Sample Date/Time: **23 September 2016 09:45**

Sample Received: **23 September 2016**

Analysis Complete: **07 October 2016**

Issue **1**

Sample **4** of **10**

Test Description	Result	Units	Analysis Date	Accreditation	Method
Phosphate, Ortho as P LL	<0.02	mg/l	29/09/2016	N Cov	WAS067
Phosphorus UL Total as P	43	ug/l	06/10/2016	N Cov	WAS060
pH	8.0	pH units	27/09/2016	N Cov	WAS039
Alkalinity as CaCO3	59.6	mg/l	06/10/2016	N Cov	WAS025
Total Hardness as CaCO3	81.8	mg/l	28/09/2016	N Cov	WAS049
Ammoniacal Nitrogen as N (LL)	0.11	mg/l	29/09/2016	N Cov	WAS067
Chloride as Cl	35.2	mg/l	26/09/2016	Y Cov	WAS036
Nitrite as N	<0.08	mg/l	26/09/2016	Y Cov	WAS036
Nitrate as N	<0.7	mg/l	26/09/2016	Y Cov	WAS036
Nitrogen, Total Oxidised as N	<0.7	mg/l	26/09/2016	Y Cov	WAS036
Total Suspended Solids	1.00	mg/l	30/09/2016	N Cov	WAS006
BOD + ATU (5 day)	<1	mg/l	05/10/2016	Y Cov	WAS001

Analyst Comments for 15577381:

No Analyst Comment

Accreditation Codes: Y = UKAS / ISO17025 Accredited, N = Not UKAS / ISO17025 Accredited, M = MCERTS.

Analysed at: Cov = Coventry(CV4 9GU), Che = Chester(CH4 9EP), Ott = Otterbourne(SO21 2SW), S = Subcontracted, Trb = Subcontracted to Trowbridge(BA14 0XD), Wak = Wakefield(WF5 9TG).

For Microbiological determinands 0 or ND=Not Detected, For Legionella ND=Not Detected in volume of sample filtered. The LOD for the Legionella analysis will increase where the volume analysed is <1000g (1g is approximately equivalent to 1ml for sample volume analysed).

I/S=Insufficient sample For soil/sludge samples: AR=As received, DW=Dry weight.

Signed:

Name: **R. Stocks**

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Certificate of Analysis

ANALYSED BY



Report Number: **COV/1320983/2016**

Laboratory Number: **15577382**

Sample Source: **Laguna Science**

Sample Point Description:

Sample Description: **WS 5 4.5m**

Sample Matrix: **Surface Water**

Sample Date/Time: **23 September 2016 10:00**

Sample Received: **23 September 2016**

Analysis Complete: **07 October 2016**

Issue **1**

Sample **5** of **10**

Test Description	Result	Units	Analysis Date	Accreditation	Method
Phosphate, Ortho as P LL	0.04	mg/l	29/09/2016	N Cov	WAS067
Phosphorus UL Total as P	168	ug/l	06/10/2016	N Cov	WAS060
pH	7.8	pH units	27/09/2016	N Cov	WAS039
Alkalinity as CaCO3	68.7	mg/l	06/10/2016	N Cov	WAS025
Total Hardness as CaCO3	86.0	mg/l	28/09/2016	N Cov	WAS049
Ammoniacal Nitrogen as N (LL)	0.57	mg/l	29/09/2016	N Cov	WAS067
Chloride as Cl	35.4	mg/l	26/09/2016	Y Cov	WAS036
Nitrite as N	<0.08	mg/l	26/09/2016	Y Cov	WAS036
Nitrate as N	<0.7	mg/l	26/09/2016	Y Cov	WAS036
Nitrogen, Total Oxidised as N	<0.7	mg/l	26/09/2016	Y Cov	WAS036
Total Suspended Solids	21.0	mg/l	04/10/2016	N Cov	WAS006
BOD + ATU (5 day)	4	mg/l	05/10/2016	Y Cov	WAS001

Analyst Comments for 15577382:

No Analyst Comment

Accreditation Codes: Y = UKAS / ISO17025 Accredited, N = Not UKAS / ISO17025 Accredited, M = MCERTS.

Analysed at: Cov = Coventry(CV4 9GU), Che = Chester(CH4 9EP), Ott = Otterbourne(SO21 2SW), S = Subcontracted, Trb = Subcontracted to Trowbridge(BA14 0XD), Wak = Wakefield(WF5 9TG).

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I/S=Insufficient sample For soil/sludge samples: AR=As received, DW=Dry weight.

Signed:

Name: **R. Stocks**

Date: **07 October 2016**

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Page 6 of 11

Certificate of Analysis

ANALYSED BY



Report Number: **COV/1320983/2016**

Laboratory Number: **15577383**

Sample Source: **Laguna Science**

Sample Point Description:

Sample Description: **WS 6 4.5m**

Sample Matrix: **Surface Water**

Sample Date/Time: **23 September 2016 10:15**

Sample Received: **23 September 2016**

Analysis Complete: **07 October 2016**

Issue **1**

Sample **6** of **10**

Test Description	Result	Units	Analysis Date	Accreditation	Method
Phosphate, Ortho as P LL	0.07	mg/l	29/09/2016	N Cov	WAS067
Phosphorus UL Total as P	361	ug/l	06/10/2016	N Cov	WAS060
pH	7.7	pH units	27/09/2016	N Cov	WAS039
Alkalinity as CaCO3	85.3	mg/l	06/10/2016	N Cov	WAS025
Total Hardness as CaCO3	96.1	mg/l	28/09/2016	N Cov	WAS049
Ammoniacal Nitrogen as N (LL)	0.87	mg/l	29/09/2016	N Cov	WAS067
Chloride as Cl	35.0	mg/l	26/09/2016	Y Cov	WAS036
Nitrite as N	<0.08	mg/l	26/09/2016	Y Cov	WAS036
Nitrate as N	<0.7	mg/l	26/09/2016	Y Cov	WAS036
Nitrogen, Total Oxidised as N	<0.7	mg/l	26/09/2016	Y Cov	WAS036
Total Suspended Solids	28.0	mg/l	04/10/2016	N Cov	WAS006
BOD + ATU (5 day)	5	mg/l	05/10/2016	Y Cov	WAS001

Analyst Comments for 15577383:

No Analyst Comment

Accreditation Codes: Y = UKAS / ISO17025 Accredited, N = Not UKAS / ISO17025 Accredited, M = MCERTS.

Analysed at: Cov = Coventry(CV4 9GU), Che = Chester(CH4 9EP), Ott = Otterbourne(SO21 2SW), S = Subcontracted, Trb = Subcontracted to Trowbridge(BA14 0XD), Wak = Wakefield(WF5 9TG).

For Microbiological determinands 0 or ND=Not Detected, For Legionella ND=Not Detected in volume of sample filtered. The LOD for the Legionella analysis will increase where the volume analysed is <1000g (1g is approximately equivalent to 1ml for sample volume analysed).

I/S=Insufficient sample For soil/sludge samples: AR=As received, DW=Dry weight.

Signed:

Name: **R. Stocks**

Date: **07 October 2016**

Title: **Inorganic Team Leader**

ALS Environmental Ltd

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Page 7 of 11

Certificate of Analysis

ANALYSED BY



Report Number: **COV/1320983/2016**

Laboratory Number: **15577384**

Sample Source: **Laguna Science**

Sample Point Description:

Sample Description: **Algae 1 0m**

Sample Matrix: **Surface Water**

Sample Date/Time: **23 September 2016 10:30**

Sample Received: **23 September 2016**

Analysis Complete: **07 October 2016**

Issue **1**

Sample **7** of **10**

Test Description	Result	Units	Analysis Date	Accreditation	Method
Algae, Total	9038	cells/ml	07/10/2016	Y Cov	W44
Chlorophyll "a" COLD	11.56	ug/l	30/09/2016	Y Cov	W45

Analyst Comments for 15577384: No Analyst Comment

Accreditation Codes: Y = UKAS / ISO17025 Accredited, N = Not UKAS / ISO17025 Accredited, M = MCERTS.

Analysed at: Cov = Coventry(CV4 9GU), Che = Chester(CH4 9EP), Ott = Otterbourne(SO21 2SW), S = Subcontracted, Trb = Subcontracted to Trowbridge(BA14 0XD), Wak = Wakefield(WF5 9TG).

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I/S=Insufficient sample For soil/sludge samples: AR=As received, DW=Dry weight.

Signed:

Name: **R. Stocks**

Date: **07 October 2016**

Title: **Inorganic Team Leader**

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Certificate of Analysis

ANALYSED BY



Report Number: **COV/1320983/2016**

Laboratory Number: **15577385**

Sample Source: **Laguna Science**

Sample Point Description:

Sample Description: **Algae 2 0m**

Sample Matrix: **Surface Water**

Sample Date/Time: **23 September 2016 10:45**

Sample Received: **23 September 2016**

Analysis Complete: **07 October 2016**

Issue **1**

Sample **8** of **10**

Test Description	Result	Units	Analysis Date	Accreditation	Method
Algae, Total	7395	cells/ml	07/10/2016	Y Cov	W44
Chlorophyll "a" COLD	12.51	ug/l	30/09/2016	Y Cov	W45

Analyst Comments for 15577385:

No Analyst Comment

Accreditation Codes: Y = UKAS / ISO17025 Accredited, N = Not UKAS / ISO17025 Accredited, M = MCERTS.

Analysed at: Cov = Coventry(CV4 9GU), Che = Chester(CH4 9EP), Ott = Otterbourne(SO21 2SW), S = Subcontracted, Trb = Subcontracted to Trowbridge(BA14 0XD), Wak = Wakefield(WF5 9TG).

For Microbiological determinands 0 or ND=Not Detected, For Legionella ND=Not Detected in volume of sample filtered. The LOD for the Legionella analysis will increase where the volume analysed is <1000g (1g is approximately equivalent to 1ml for sample volume analysed).

I/S=Insufficient sample For soil/sludge samples: AR=As received, DW=Dry weight.

Signed:

Name: **R. Stocks**

Date: **07 October 2016**

Title: **Inorganic Team Leader**

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Certificate of Analysis

ANALYSED BY



Report Number: **COV/1320983/2016**

Laboratory Number: **15577386**

Sample Source: **Laguna Science**

Sample Point Description:

Sample Description: **Algae 3 0m**

Sample Matrix: **Surface Water**

Sample Date/Time: **23 September 2016 11:00**

Sample Received: **23 September 2016**

Analysis Complete: **07 October 2016**

Issue **1**

Sample **9** of **10**

Test Description	Result	Units	Analysis Date	Accreditation	Method
Algae, Total	9253	cells/ml	07/10/2016	Y Cov	W44
Chlorophyll "a" COLD	27.68	ug/l	30/09/2016	Y Cov	W45

Analyst Comments for 15577386: No Analyst Comment

Accreditation Codes: Y = UKAS / ISO17025 Accredited, N = Not UKAS / ISO17025 Accredited, M = MCERTS.

Analysed at: Cov = Coventry(CV4 9GU), Che = Chester(CH4 9EP), Ott = Otterbourne(SO21 2SW), S = Subcontracted, Trb = Subcontracted to Trowbridge(BA14 0XD), Wak = Wakefield(WF5 9TG).

For Microbiological determinands 0 or ND=Not Detected, For Legionella ND=Not Detected in volume of sample filtered. The LOD for the Legionella analysis will increase where the volume analysed is <1000g (1g is approximately equivalent to 1ml for sample volume analysed).

I/S=Insufficient sample For soil/sludge samples: AR=As received, DW=Dry weight.

Signed:

Name: **R. Stocks**

Date: **07 October 2016**

Title: **Inorganic Team Leader**

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Certificate of Analysis

ANALYSED BY



Report Number: **COV/1320983/2016**

Laboratory Number: **15577387**

Sample Source: **Laguna Science**

Sample Point Description:

Sample Description: **Algae 4 0m**

Sample Matrix: **Surface Water**

Sample Date/Time: **23 September 2016 11:15**

Sample Received: **23 September 2016**

Analysis Complete: **07 October 2016**

Issue **1**

Sample **10** of **10**

Test Description	Result	Units	Analysis Date	Accreditation	Method
Algae, Total	6966	cells/ml	07/10/2016	Y Cov	W44
Chlorophyll "a" COLD	14.09	ug/l	30/09/2016	Y Cov	W45

Analyst Comments for 15577387: No Analyst Comment

Accreditation Codes: Y = UKAS / ISO17025 Accredited, N = Not UKAS / ISO17025 Accredited, M = MCERTS.

Analysed at: Cov = Coventry(CV4 9GU), Che = Chester(CH4 9EP), Ott = Otterbourne(SO21 2SW), S = Subcontracted, Trb = Subcontracted to Trowbridge(BA14 0XD), Wak = Wakefield(WF5 9TG).

For Microbiological determinands 0 or ND=Not Detected, For Legionella ND=Not Detected in volume of sample filtered. The LOD for the Legionella analysis will increase where the volume analysed is <1000g (1g is approximately equivalent to 1ml for sample volume analysed).

I/S=Insufficient sample For soil/sludge samples: AR=As received, DW=Dry weight.

Signed:

Name: **R. Stocks**

Date: **07 October 2016**

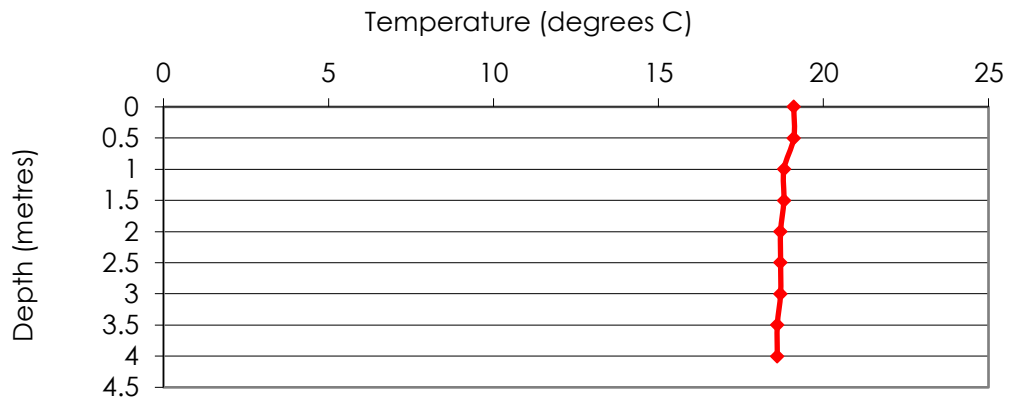
Title: **Inorganic Team Leader**

ALS Environmental Ltd

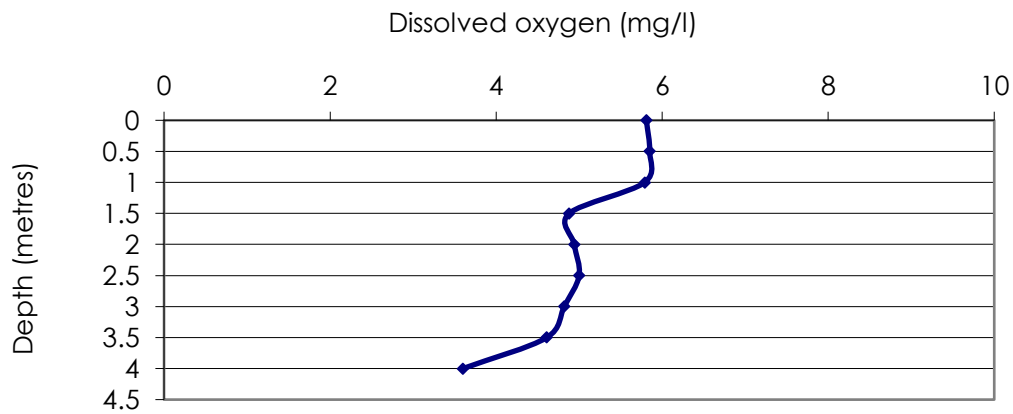
Torrington Avenue, Coventry, CV4 9GU
Tel:+44 (0)24 7642 1213 Fax:+44 (0)24 7685 6575

Appendix C. Oxygen and Temperature Profiles

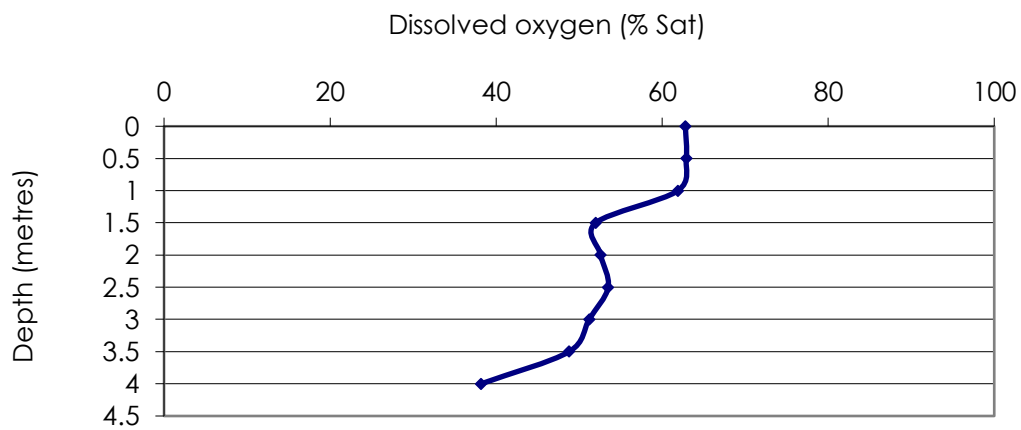
Graph 1a: Temperature profile for Monitoring Site 1



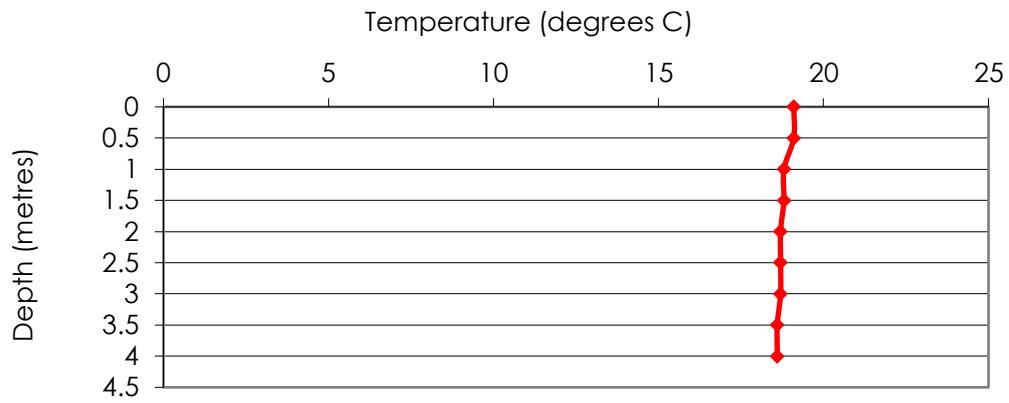
Graph 1b: Dissolved oxygen profile for Monitoring Site 1



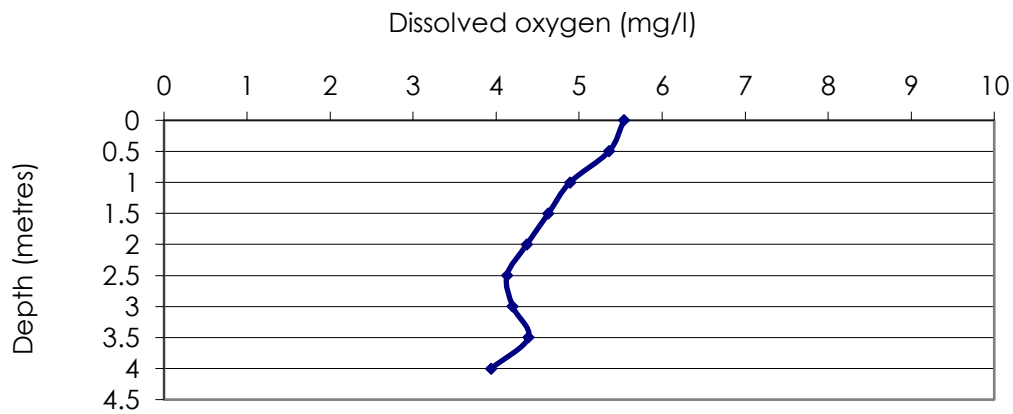
Graph 1c: Dissolved oxygen profile for Monitoring Site 1



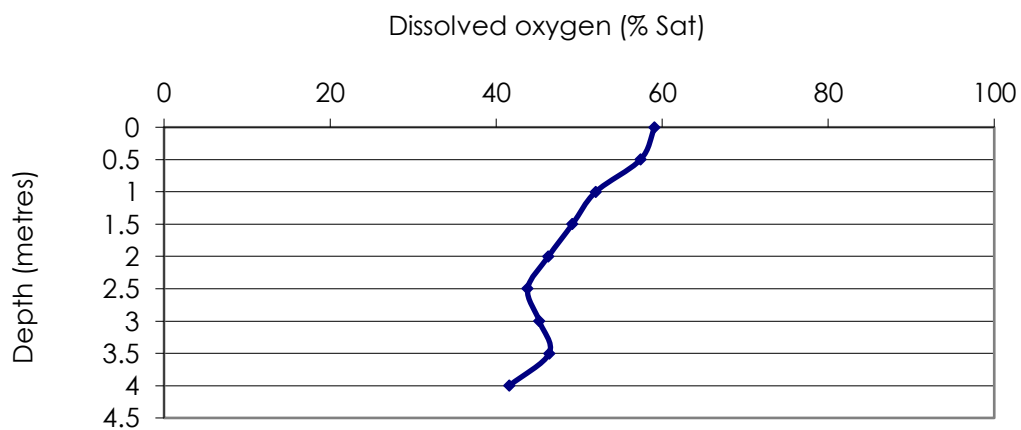
Graph 2a: Temperature profile for Monitoring Site 2



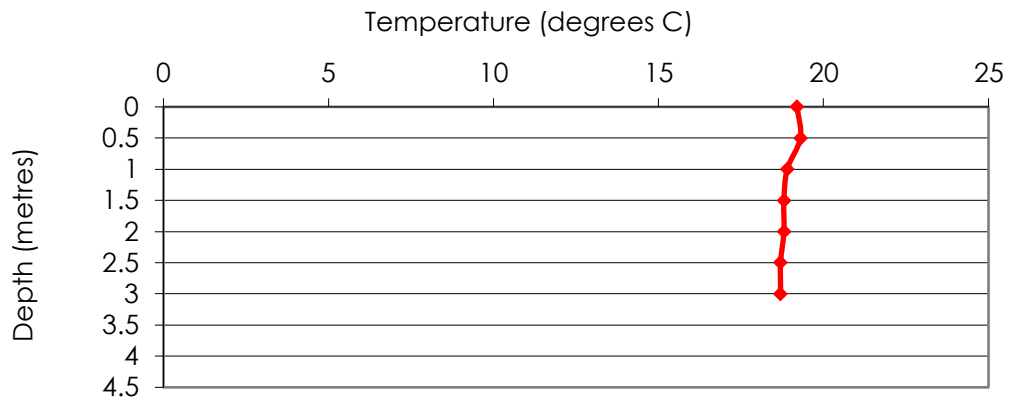
Graph 2b: Dissolved oxygen profile for Monitoring Site 2



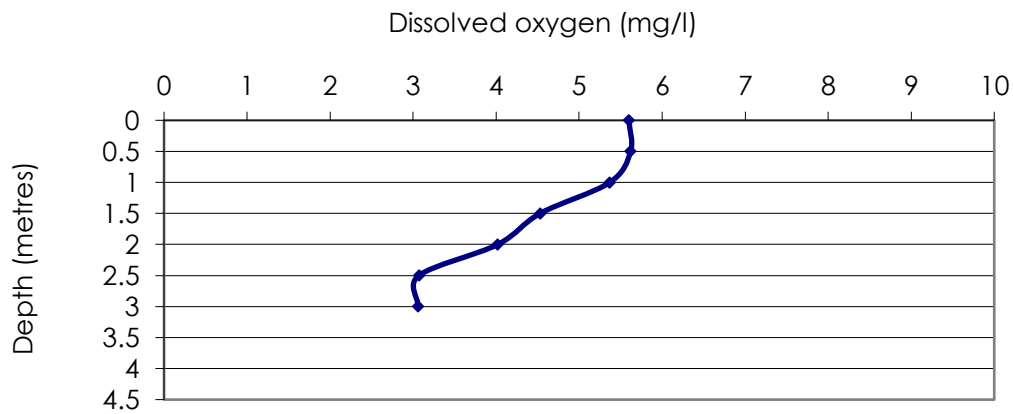
Graph 2c: Dissolved oxygen profile for Monitoring Site 2



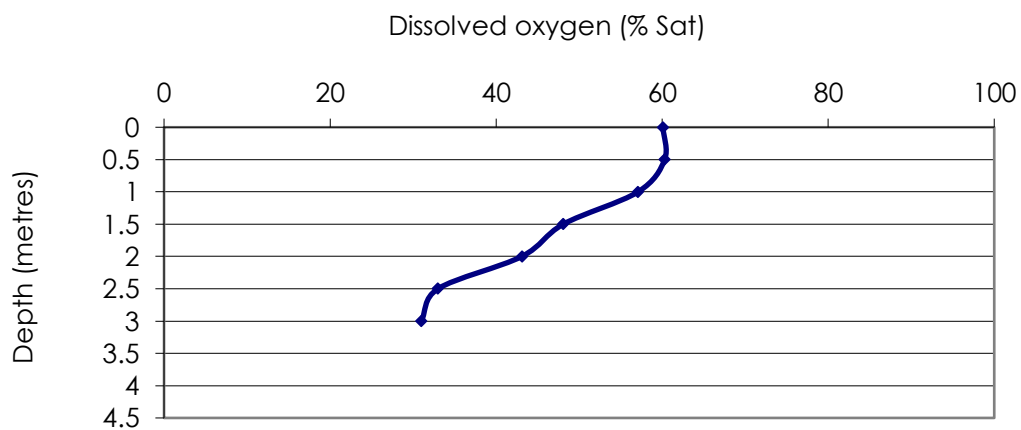
Graph 3a: Temperature profile for Monitoring Site 3



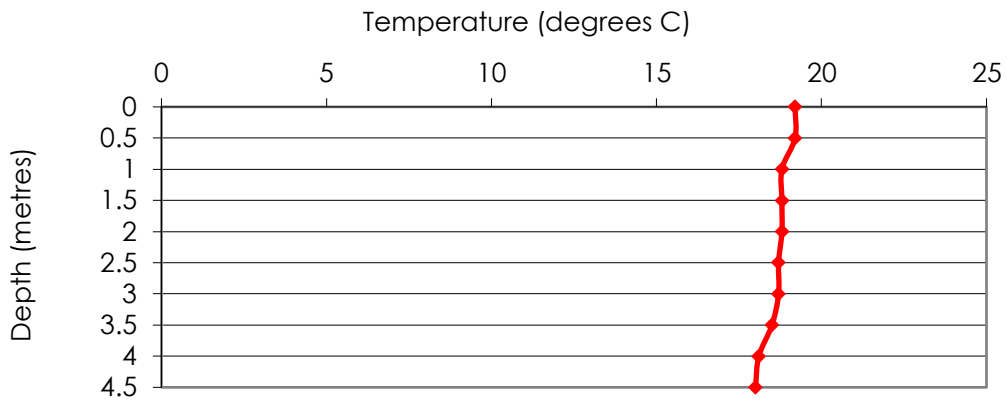
Graph 3b: Dissolved oxygen profile for Monitoring Site 3



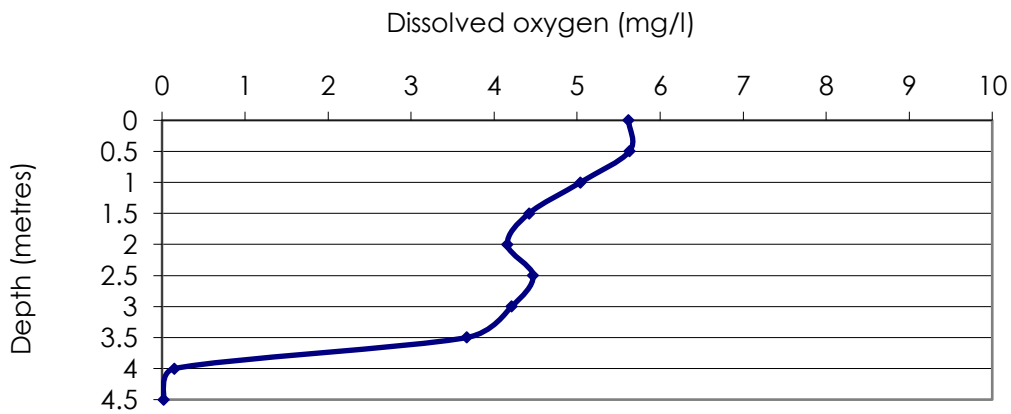
Graph 3c: Dissolved oxygen profile for Monitoring Site 3



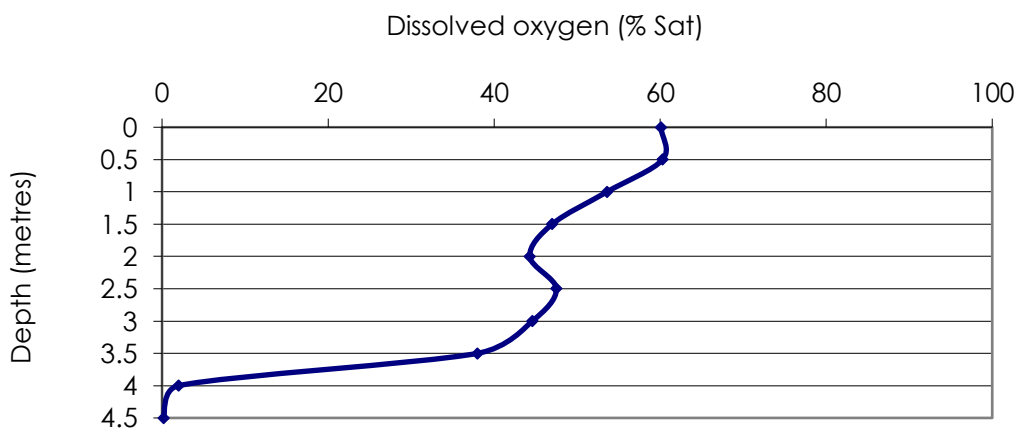
Graph 4a: Temperature profile for Monitoring Site 4



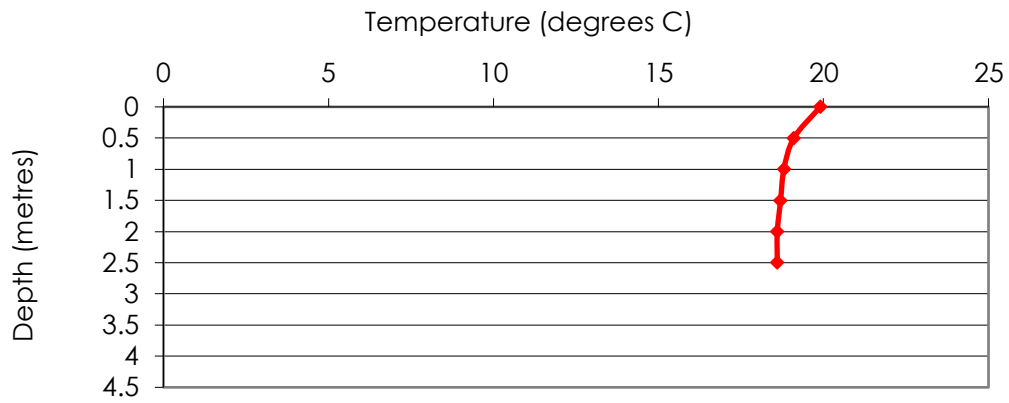
Graph 4b: Dissolved oxygen profile for Monitoring Site 4



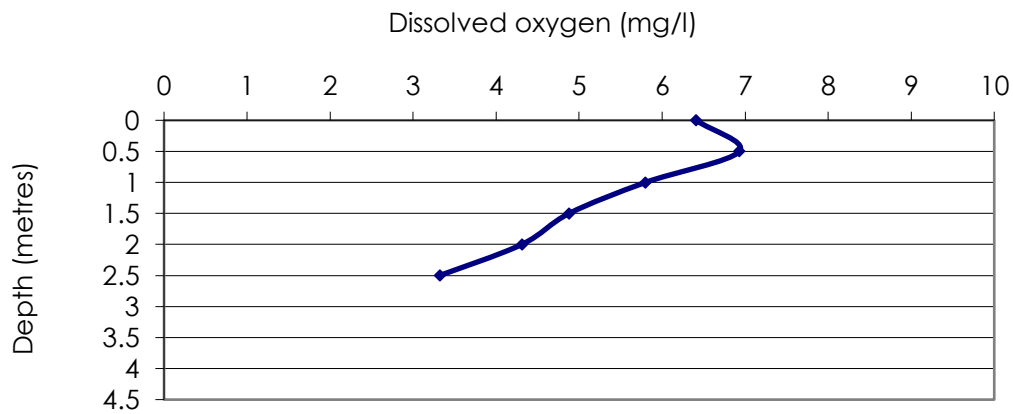
Graph 4c: Dissolved oxygen profile for Monitoring Site 4



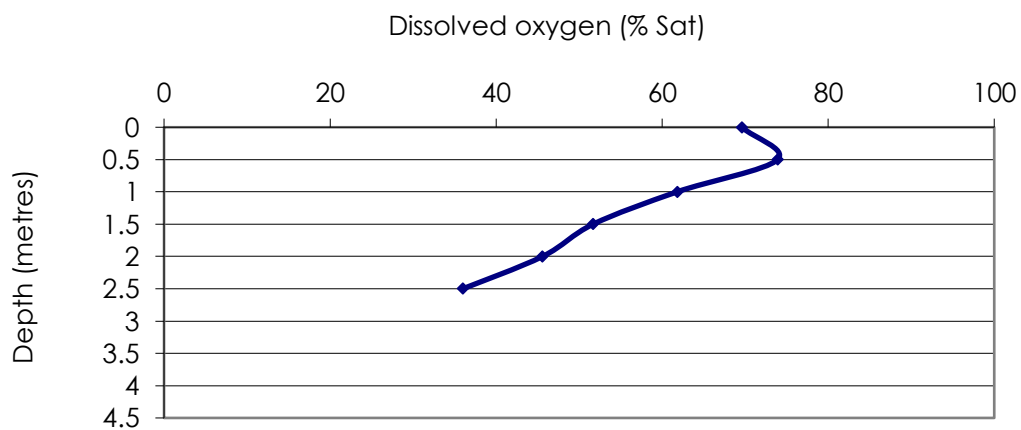
Graph 5a: Temperature profile for Monitoring Site 5



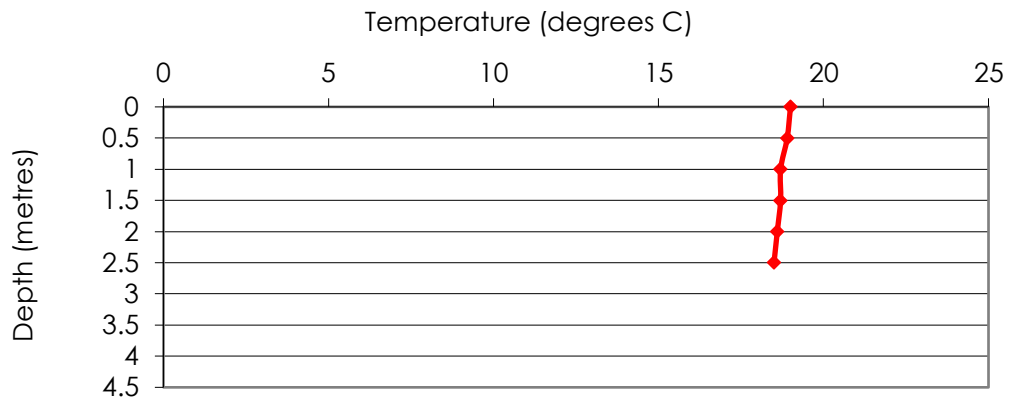
Graph 5b: Dissolved oxygen profile for Monitoring Site 5



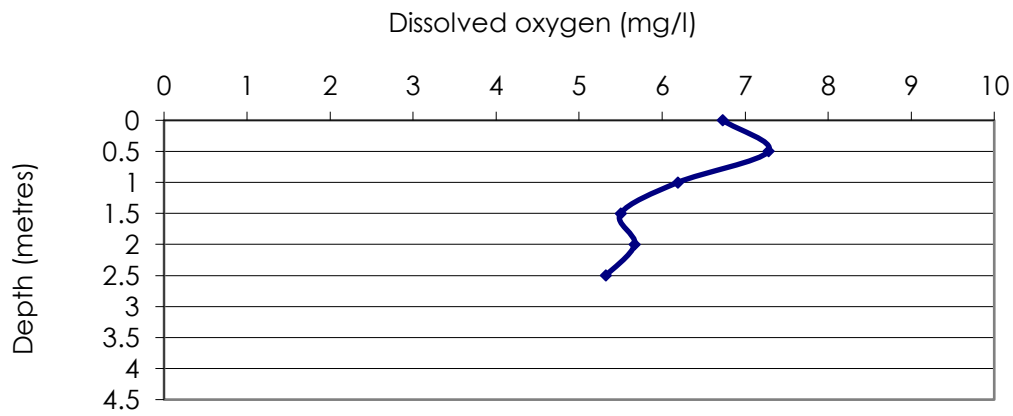
Graph 5c: Dissolved oxygen profile for Monitoring Site 5



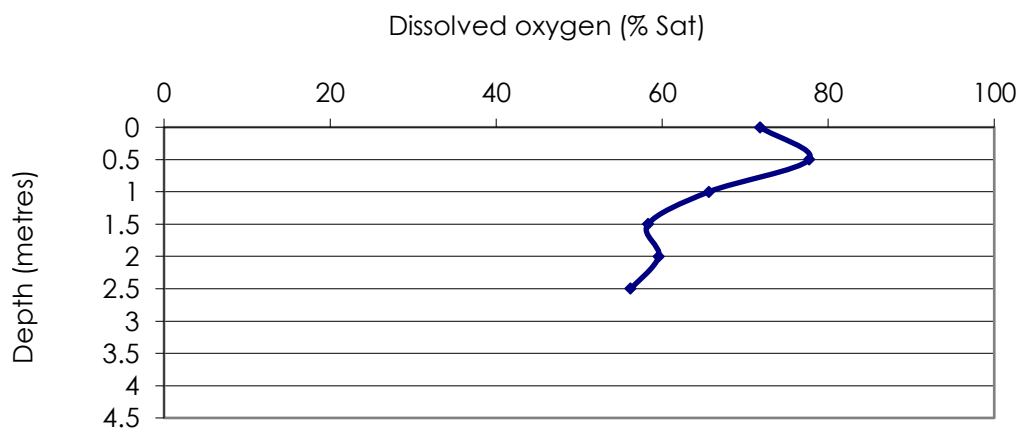
Graph 6a: Temperature profile for Monitoring Site 6



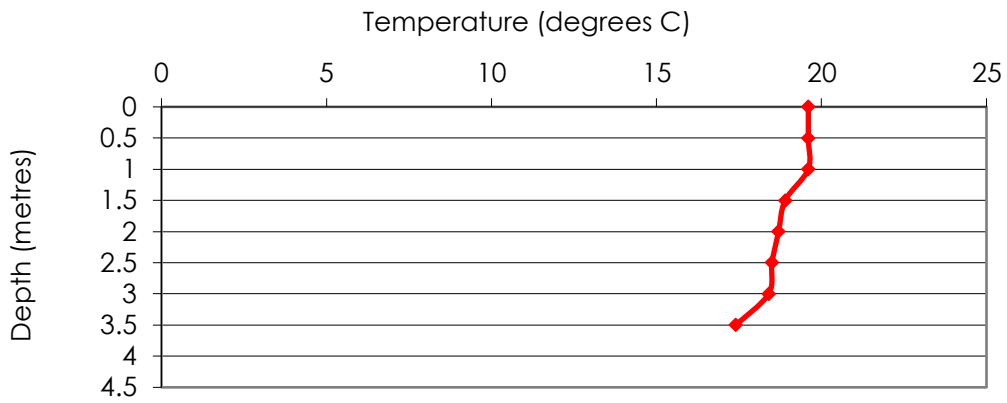
Graph 6b: Dissolved oxygen profile for Monitoring Site 6



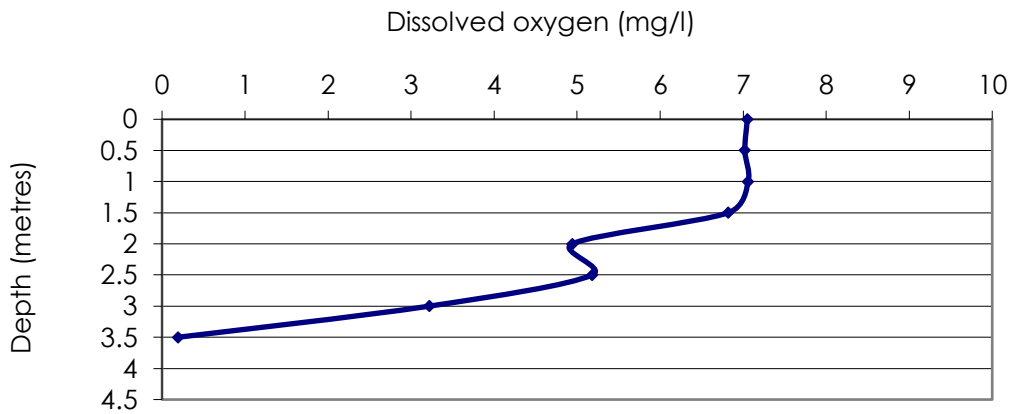
Graph 6c: Dissolved oxygen profile for Monitoring Site 6



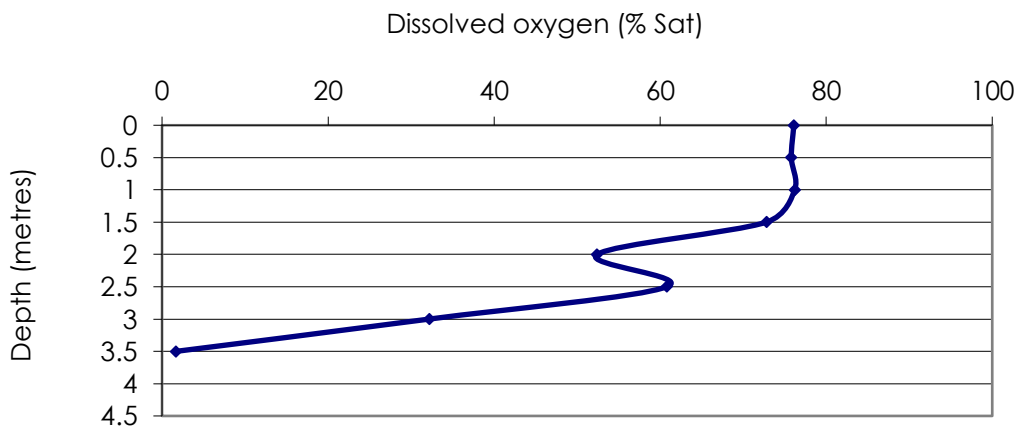
Graph 7a: Temperature profile for Monitoring Site 7



Graph 7b: Dissolved oxygen profile for Monitoring Site 7



Graph 7c: Dissolved oxygen profile for Monitoring Site 7





Appendix D. Questions and Responses from Draft Report

The following questions, following issue and review of the draft report (version 1.1), were received from Terry Jones of Ashford Borough Council. Responses to these questions are provided.

Question 1

I understand that the report recommends a package of measures that taken together will offer a good basis (even if not certainty) for maintaining a weed and toxic algae free lake in the long term. However – are there some measures that might be omitted – while still providing a reasonable chance of success?

The package of measures recommended should provide a good basis for the on-going management of aquatic weed and algae bloom issues in Conningbrook Lake. It is important to emphasise that there is no instant cure for the problems displayed for the waterbody and it will require an on-going pro-active management and maintenance programme to address the management issues associated with nutrient enrichment. The likelihood is that initial works will result in some instability in the lake ecosystem in the short-term before it settles to a new equilibrium.

The measures are recommended to be implemented as a complete package to address specific elements in management of the lake such as water quality, sediment accumulations, internal nutrient loading, limiting and reducing plant growth, re-directing nutrient into other plant growth and reducing the potential for harmful blue-green algae blooms developing. Implementing the full range of recommendations is likely to provide the greatest chance of achieving the desired objectives for the waterbody.

Question 2

Assuming the recommended programme is implemented in full over 2016-2018 – will it still be necessary to harrow and harvest weed in subsequent years?

Aquatic plant growth can show significant variability between years depending on climatic conditions. For example, a mild winter and following warm summer may enhance the development of aquatic plant growth. It is likely there will always be some requirement for weed cutting and particularly the autumn harvesting of both submerged and marginal plants as this provides a good approach for removing nutrients from the lake. The degree of plant cutting and harvesting required is likely to be variable and dependent on whether the use of lake dye is permitted by the Environment Agency. It is important that aquatic plants are maintained in the lake as discussed within the report to maintain the balance within the lake and stop the waterbody switching to a system dominated by phytoplankton blooms.

The expectation would be that gains would be made from repeated harrowing for maintaining a clear area for activities in the centre of the lake. Successful harrowing applied over several seasons, reduces the ability of the plants to regenerate leading typically leading to a reduction in aquatic weed management effort over time.

Question 3

Or will the continued use of blue dye and aeration be sufficient to maintain the lake in a relatively weed free condition?

As indicated above in the response to question 2, there will always be a requirement for some plant maintenance. If lake dye is permitted, then this should inhibit plant growth resulting in a

reducing removal requirement. The main functions of the aeration system are to improve water quality conditions through the maintenance of dissolved oxygen concentrations and to create mixing in the lake to discourage the development of harmful blue-green algae species. Further beneficial effects from the use of aeration are likely to include:

- Reductions in sediment accumulations;
- Reducing the degree of internal nutrient loadings;
- Allowing fish and invertebrates to colonise areas of the lake where previously hostile low oxygen concentrations were present;
- Reduction of aquatic weed growth in the immediate vicinity of the diffusers;
- Reduction in bathing water indicator bacteria concentrations.

Question 4

The installation of the proposed aeration system is obviously the most costly element. Would it still be possible to control weed and algae growth if we omitted this recommendation but implemented all the other measures?

The aeration system is proposed as it should assist in the amelioration of potentially harmful blue-green blooms. Such blooms are likely to be the main cause for potential future closure of the lake. If an aeration system is not installed, then the likelihood is that there would be an increased maintenance requirement for aquatic plants and potential algae bloom development. Other algae control measures such as barley straw may need to be considered in the absence of aeration and mixing although these would be difficult to implement effectively given the amenity use of the lake and how the straw needs to be deployed.

It should be noted that the use of aeration and mixing, particularly on shallow waterbodies will not necessarily prevent the development of blue-green algae. The effect of mixing tends to shift the composition of the algae community towards less harmful non-scum forming blue green algae species that reduce the risk to site users.

Question 5

How do other recreational / water sports centres manage access onto water bodies where there is a presence of toxic algae blooms?

Other sites do permit continued use of the water for activities when blue-green algae are present. The main risk is presented by areas where scums form and the algae and their toxins are concentrated. For toxic algae blooms, it is important that risk to users is adequately assessed by use of an appropriate monitoring approach which is representative of likely user exposure and that provides the necessary data that allows the degree of risk to be properly determined. This was discussed in outline in the monitoring strategy of the report but it is recommended that a formal monitoring strategy and risk assessment approach is developed for activities on the lake to ensure the safety of users.

Where blooms are present other operating sites may also adopt additional measures to protect users that include:

- Closure of areas of the lake where the scums have accumulated. This requires active monitoring as the scums tend to be mobile with prevailing winds;
- Developing fringes of aquatic vegetation to reduce potential exposure to visitors around the lake from marginal scum accumulations;

- Temporary limiting full immersion activities and the use of wet suits (which can trap a layer of algae-laden water next to the skin); and
- Providing shower facilities and recommending users shower after immersion.

Agenda Item No: 11
Report To: CABINET
Date of Meeting: 9th February 2017



Report Title: M20 Junction 10a – allocation of capital spend

Report Author & Job Title: Simon Cole - Head of Planning Policy & Economic Development

Portfolio Holder Cllr. Bennett (Planning and Development)
Portfolio Holder for: Cllr Bradford (Highways, Wellbeing and Safety)

Summary: In order to assist in the delivery of Highways England's proposal for a new M20 Junction 10a, the Department of Communities and Local Government has agreed to provide the Council with a fund of £16m to spend in 2016/17 on capital projects subject to the Council agreeing to repay the money from developer contributions to the Homes and Communities Agency.

The sum (alongside contributions from Highways England and the SELEP) will ensure that there is sufficient funding available to promote and construct the scheme if the Development Consent Order for it is granted by the Secretary of State later this year.

Due to the size of the sum involved, this must be approved by Full Council and this report seeks the Cabinet's recommendation for this.

Key Decision: NO

Significantly Affected Wards: The junction 10A project directly affects a group of wards in the area around it, notably Weald East, Saxon Shore, North Willesborough, Highfield and South Willesborough.

Recommendations: **The Cabinet is recommended to:-**

- I. **Recommend that Full Council authorises the £16m capital spend made available by the DCLG on the proposed scheme for M20 Junction 10a.**

Policy Overview: This Council has sought a new junction 10A for many years; the need for it is identified in Supplementary Planning Guidance to the Ashford Borough Local Plan SPG6 (2001 and 2004), the adopted Core Strategy (2008) and the Urban Sites & Infrastructure DPD (2012); and the new Local Plan to 2030 will rely on a new junction 10A to access a significant

proportion of the planned growth to 2030.

The junction is therefore one of the Council's 'Big 8' projects, and making arrangements for funding and delivering it are in the interests of both the proper planning of the area and the economic, social and environmental wellbeing of the Borough and its residents and workers.

Financial Implications:

The proposed funding arrangements for junction 10A do not involve any direct Council funding, either initially or by way of repayment. This report sets out a proposed arrangement to put in place the balance of funding that is needed in order for the scheme to be committed by Highways England once it has development consent. This would be on a forward-funded basis, with repayments to be made to HCA from developer contributions that have been received or accrue in the future, rather than from the Council's own resources.

Legal Implications:

The granting of the £16m from the DCLG is subject to the Council and the Homes and Communities Agency (HCA) entering an Agreement in respect of the repayment of the funding from subsequent developer contributions to the HCA or if the proposed Junction 10a scheme does not proceed. When the funding is secured, a separate Agreement over the handling and spending of the funding when it is passed to Highways England will be needed between the Council and Highways England.

Equalities Impact Assessment

Not Required because this decision raises no policy issues relating to protected characteristics.

Other Material Implications:

None

Exempt from Publication:

NO

Background Papers:

None

Contact:

Simon.cole@ashford.gov.uk – Tel: (01233) 330642

Report Title: M20 Junction 10a – allocation of capital spend

Introduction and Background

1. The proposal to construct a new motorway junction to the east of Ashford (Junction 10a) is one of the Council's 'Big 8' priority projects and is crucial to the long term delivery of new development and investment in the town. The proposal is being delivered by Highways England as part of their highway investment programme with fixed contributions of £19.7m from the South East Local Enterprise Partnership (SELEP) and £16m from the Borough Council.
2. It has always been envisaged that the Council's 'contribution' would be in the form of financial contributions from developers – principally those whose sites are released by the additional capacity that Junction 10a would release.
3. However, in order for the scheme to progress, it is necessary for Highways England to be able to demonstrate that they have access to the necessary funding in advance of the scheme being delivered. This has meant that 'forward funding' of the Council's contribution is required.
4. Given the scale of the forward funding required, it is not possible for the Borough Council to provide from its own resources and so, with the assistance of the Homes & Communities Agency (HCA), discussions have been under way since early last year to resolve this issue.
5. In November 2016, the Department for Communities and Local Government (DCLG) wrote to the Chief Executive to advise that the DCLG would provide the Council with £16m in connection with the Council's commitment in respect of the proposed Junction 10a, subject to an agreement being in place with the HCA to ensure recovery of the full amount from ensuing developer contributions or if the project does not proceed. The budget from which DCLG has provided this funding is time constrained and the council will need to show that it has been spent in the current financial year.
6. At the time of drafting this report, it is expected that the Agreement with the HCA will be concluded before the Cabinet meeting.

Proposal/Current Position

7. In order to pass this sum to Highways England for the purposes of delivering Junction 10a, the Council's formal approval of a capital grant to Highways England will be required. This report proposes that the Cabinet makes such a recommendation to Full Council when it meets on the 16th February.

Implications and Risk Assessment

8. The £16m award from DCLG will need to be repaid to the HCA from developer contributions in accordance with the terms of the Funding Agreement with the HCA. The Agreement does not require the Council to underwrite any of the sum, or place the Council at any financial risk in the event that development does not come forward and the anticipated contributions accumulated.
9. A similar proposition was considered by the Cabinet in March 2016 when it was thought that the HCA itself may have been able to provide the necessary forward funding for the Junction 10a scheme. At that time, Cabinet agreed the principle of repaying the forwarded sum through developer contributions in accordance with an Agreement with the HCA. The terms considered then now form the basis for the Agreement to repay the sum now, albeit the funding has come from DCLG and not the HCA
10. A separate Agreement with Highways England will be needed to govern the use of the £16m for the delivery of the project by Highways England.
11. Failure to utilise the £16m for the purposes of delivering the Junction 10a scheme may jeopardise the deliverability of the scheme which in turn would have significant adverse implications for the Council's Development planning and the soundness of the emerging Local Plan to 2030. In these circumstances, additional congestion around the Junction 10 area would arise with no deliverable scheme available to resolve the situation.

Equalities Impact Assessment

12. Not necessary in relation to the funding decisions proposed in this report. Highways England will need to ensure that the design of a J10A scheme takes account of identifiable impacts upon protected groups. The recent Government consultation on the proposed scheme was accompanied by an Equalities Statement which can be read at :-
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482890/Equalities_statement_NPPF_fin.pdf

Consultation Planned or Undertaken

13. No external consultation is proposed or has been undertaken and is not applicable in this instance.

Other Options Considered

14. Several other options have been considered previously. Highways England were approached to see if they could forward fund the £16m on the basis of a similar means of developer contribution-funded repayments. Whilst there was an awareness of the issue, Highways England was not able to come forward with a solution.

15. As mentioned above, it was initially thought that the HCA may be able to provide the necessary forward funding but in discussions throughout 2016, it became apparent that this would not be straightforward, or indeed, possible, as the nature of the funding did not fall under their normal budgeted priorities. Despite this it should be noted that HCA officers have continued to be extremely helpful and supportive of the Council's objectives and have helped to facilitate the solution that is now available.
16. Finally, the option for the Council to underwrite the forward funding itself was considered, potentially through borrowing the necessary sum. However, this would have necessitated the council carrying the risk of development not coming forward as quickly as anticipated to repay the sum and leaving the council financially exposed. In addition, the CIL Regulations as currently drafted in respect of the ability to use CIL payments to repay borrowed funding for infrastructure also would have made this a risky option to take.

Reasons for Supporting Option Recommended

17. The forward funding from DCLG provides the best opportunity of ensuring that the necessary funding to deliver the proposed scheme is available without placing any financial risk on the Council. The Agreement with the HCA does not require the council to underwrite any of the sum from its own resources and there is a strong likelihood that current and future development proposals released by Junction 10a will provide the necessary developer contributions to repay the sum to the HCA in full.

Next Steps in Process

18. If the Cabinet agrees to the recommendation, then the matter will be referred for a formal decision to the Full Council meeting on the 16th February.

Conclusion

19. The purpose of this report is largely procedural given the scale of the capital spending proposed but it is also an opportunity to confirm the Cabinet's support for the delivery of the Junction 10a scheme subject to the confirmation of the Development Consent Order which is now being examined. The opportunity to resolve a long standing concern over the availability of forward funding for the scheme is greatly welcomed and represents an important milestone in the delivery of this project which is vital to Ashford's future growth.

Portfolio Holders' Views

20. Cllr Bradford states "The delivery of Junction 10a is integral to the future success of our Borough and I fully support the capital spend necessary to get the ball rolling".
21. Cllr Bennett states "This is our opportunity to provide a vital part of the jigsaw that will support the long awaited delivery of the Junction 10A scheme, the

key infrastructure project that will unlock development potential for the future. As the report indicates it brings little or no risk and I support the recommendation to Full Council.”

Contact and Email

22. Simon Cole – Head of Planning Policy & Economic Development (simon.cole@ashford.gov.uk). Tel: 01233 330642

Agenda Item No: 12

Report To: CABINET

Date of Meeting: 9 FEBRUARY 2017

Report Title: Revenues & Benefits Recommended Write-Offs Schedule

Report Author & Job Title: Peter Purcell
Revenues & Benefits Manager

Portfolio Holder Cllr. Shorter
Portfolio Holder for: Finance, Budget & Resource Management



Summary	This report proposes the formal write off of 446 debts totalling £332,469.31. The proposals are in line with the Council's Revenues & Benefits Service Write Offs policy. Existing bad debt provisions already more than cover the sums involved.
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Key Decision: NO

Significantly Affected Wards: None

Recommendations: **The Cabinet is recommended to:-**

- (i) Note the action that accounts totalling £56,216.86 have been written off under the delegated powers (Financial Regulations 11.1)**
- (ii) Approve the write offs listed in the Exempt Appendices totalling £276,252.45**

Policy Overview: The regular review and writing off of un-collectable debts is part of strong financial management.

Financial Implications: None – provision for bad debts has been made in the final accounts.

Legal Implications None

Equalities Impact Assessment Not Required because it is done as part of the budget.

Other Material Implications: None

Exempt from Publication: **YES : The Exempt Appendix is Not for Publication by virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972.**

Contact: peter.purcell@ashford.gov.uk

Report Title: Revenues & Benefits Recommended Write-Offs Schedule

Introduction and Background

- The write offs being recommended are in accordance with the Revenues & Benefits Service Write Off Policy that was approved by the Executive Committee on 20 March 2003. Over recent years, due to the economic climate there has been a significant increase in NNDR (Business Rates) write offs, the majority of these relate to companies that have ceased trading.

Proposal/Current Position

- Details of the write-offs being recommended are listed in the Exempt Appendices to this report and are summarised along with the debts written off under delegated powers by the Head of Finance as follows:

	Value of debts written off under delegated powers £	Value of debts recommended for write off (see attached appendicies) £	Provision for Bad Debts at 1.4.16 £	Provision for Bad Debts Balance (Current) £	Value of outstanding Debt at 1.4.16 £
Council Tax	42,513	48,332	2,415,831	2,314,575	3,694,075
NNDR	12,037(cr)	104,019	783,154	571,093	1,677,951
HB overpaymts	5,843	35,658	1,207,956	1,149,607	3,019,890
Sundry Debtors	967	4,897	133,488	125,853	419,786
Housing Rents	18,930	83,347	728,433	626,156	815,244
TOTAL	56,216	276,253	5,268,862	4,787,284	9,626,946

Implications and Risk Assessment

2. The write offs do not have an immediate financial effect on the current year's budget as the bad debt provision is greater than the write-off total. However, the making of that provision did have a cost implication at the time the provision was made; those being sundry debtors at full cost, council tax approximately 10% cost (90% financed by Kent County Council, Police and Crime Commissioner of Kent & Kent Fire Authority), housing benefit overpayments 60% cost due to existing subsidy arrangements and NNDR 40% (50% financed by the Government and 10% by Kent County Council). The Housing accounts are provided for in full in the Housing Revenue Account.
3. Under delegated powers (Financial Regulations 1.1) the Head of Finance has written off 182 Council Tax accounts (£42,513.41), 92 NNDR accounts (£12,037.15cr), 32 Housing Benefit Overpayment accounts (£5,843.21), 4 Sundry Debtor accounts (£967.12) and 55 Housing Revenue Accounts (£18,930.27)..

Equalities Impact Assessment

4. Not required as it is done as part of the budget.

Consultation Undertaken

5. Head of Finance
6. Councillor N Shorter Portfolio Holder

Other Options Considered

7. In most cases a number of methods of collection were attempted before the debt was recommended for write off.

Reasons for Supporting Option Recommended

8. Debts to be written off are considered on an on-going basis and reported to Committee regularly
9. The Service's Write Off policy has been followed and in many cases a number of methods of recovery followed before the debts have been recommended for write off.

Next Steps in Process

10. Members are requested to agree the write off of the uncollectable debts.

Conclusion

11. The regular review and writing off of un-collectable debts is part of strong financial management.

Portfolio Holder's Views

12. This is one of a regular series of reports to Cabinet showing recent write-offs from bad debts over £1,000.00. The total amount of £332,469.31 (which includes all debts over and under £1,000.00) is a significant amount however this should be considered in the context that £130m of debt is raised each financial year and the amount written off each year is less than half of one percent.

Contact and Email

13. Peter Purcell – Revenues & Benefits Manager
14. peter.purcell@ashford.gov.uk,

Agenda Item No: 13
Report To: CABINET
Date of Meeting: 9th February 2017
Report Title: Domestic Abuse Annual Report
Report Author & Job Title: James Hann (Health, Parking and Community Safety Manager) and Sarah Rigby (Domestic Abuse Coordinator)
Portfolio Holder Cllr Brad Bradford
Portfolio Holder for: Highways, Wellbeing and Safety



Summary: This paper sets out for comment the progress the council and its partners have made on projects relating to domestic abuse over the past 12 months. It specifically addresses:

- The current position on the Kent and Medway Independent Domestic Violence Advisory Service and the work of the council's Domestic Abuse Coordinator
- The partnership approach tackling domestic abuse and for applying to national organisations for additional funding
- The proposal to make permanent the post of Domestic Abuse Coordinator

Key Decision: NO

Significantly Affected Wards: All

Recommendations: **The Cabinet is recommended to:-**

- I. Note the work of the Independent Domestic Violence Advisors and Domestic Abuse Coordinator**
- II. Endorse the work of partners in tackling domestic abuse**
- III. Support the partnership approach in working with domestic abuse charities and neighbouring local authorities to apply for additional resources to tackle domestic abuse**
- IV. To agree continued funding for domestic abuse work in the borough and the making permanent the post of Domestic Abuse Coordinator**

Policy Overview: Our work on domestic abuse is as an important part of the council's aspirations to build a platform that ensures support and protection is provided to those who are among the most vulnerable.

Financial Implications:	The council allocated up to £50,000 per year for three years in 2014 to support the work on tackling domestic abuse which includes funding for the post of Domestic Abuse Coordinator. The proposal to make the post of Domestic Abuse Coordinator permanent has been included within the Medium Term Financial Plan and therefore this report has no additional financial implications.
Legal Implications	None
Equalities Impact Assessment	Not relevant to this update report. Work in this area does however have a positive impact and services are universally available.
Other Material Implications:	Proposal to make the post of Domestic Abuse Coordinator permanent will necessitate a contractual change
Exempt from Publication:	No
Background Papers:	None
Contact:	james.hann@ashford.gov.uk sarah.rigby@ashford.gov.uk

Report Title: Domestic Abuse Annual Report

Introduction and Background

1. This report highlights key achievements from the last year as well as our actions for tackling domestic abuse in the future. Data has been provided by a range of partners.
2. There have been a number of notable successes across the county and the borough over the last 12 months. There are still many challenges ahead with an increased number of domestic abuse reports to police, increased referrals to MARAC¹ and an increase in attendance at the One Stop Shop².
3. The last year has seen agencies dealing with an increasing workload and more often than not a reduction in resources. Professionals across the health, police, fire, voluntary, local authority and charitable sectors have to work in partnership more than ever.
4. The purpose of the report is to demonstrate what has been achieved over the last 12 months and what we want to achieve in the future. This relies on the continued work of partners within the borough; something Ashford can pride itself on. What has been achieved so far and what we hope to achieve would not be possible without those who are dedicated to dealing with domestic abuse. This is particularly the case when one considers the increasing work pressures that exist. A huge effort is being made to ensure those suffering domestic abuse are afforded protection and safety as well as working towards preventing domestic abuse.

Current Position

5. Ashford Borough Council has committed to providing £50,000 of funding towards the Kent Domestic Abuse Consortium (KDAC) for the provision of an Independent Domestic Violence Advisor (IDVA) for Ashford, as well as to fund a Domestic Abuse Coordinator post within the council. The coordinator post provides assistance to the Ashford Domestic Forum (ADAF), coordinates support groups available to victims and ensures statutory partners and related organisations are coordinating their work in tackling domestic abuse.
6. The co-commissioned Independent Domestic Violence Advisory Service in Ashford is delivered locally through the Rising Sun Domestic Violence and Abuse Service. The Ashford IDVA has continued to provide a service to high risk victims throughout 2016.

¹ A Multi Agency Risk Assessment Conference (MARAC) is a local, multi agency victim-focussed meeting where information is shared on the highest risk cases of domestic violence and abuse between different statutory and voluntary sector agencies.

² The One Stop Shop is a confidential service for people experiencing domestic violence

7. The role of the MARAC IDVA is to address the safety of those identified as experiencing high risk domestic abuse. Acting as a primary contact IDVAs work proactively with their clients from point of crisis to assess the level of risk, discuss a range of options and develop safety plans. IDVAs act as an advocate on the victim's behalf, exploring options and support. The service aims to encourage and enable the victim's voice to be heard by service providers and agencies, ensuring the advice and support offered safeguards the victim and their family.
8. To give an idea of the scale of work that they undertake each quarter there are around 50 to 60 service referrals to the IDVA. Of all MARAC cases 80% have been supported within Ashford. Those not supported would have either declined the service or received alternative assistance. The Ashford IDVA engaged with 91% of clients referred to them, and those reporting a reduction of risk were 94% after the IDVA's intervention.
9. In January 2015 an independent evaluation of the Kent and Medway IDVA Service was published. This included that for every £1 invested in the Kent & Medway IDVA service a saving of £25.18 is generated i.e. it saves money investing in domestic abuse.
10. Through Rising Sun other provisions have been available to Ashford residents. They offer a counselling service which is managed by a highly qualified and experienced psychotherapist who assesses all women who require the counselling service and matches them to a volunteer counsellor. Women are offered 12 sessions initially, which is free to all women who have experienced domestic abuse.
11. Kent Police have recorded over 20,000 incidents of domestic abuse across Kent every year since 2006. Between January 2015 and December 2016, the Borough of Ashford had 1,501 high risk cases.
12. Domestic abuse continues to be one of Kent Police's priorities. They are committed to protecting those at risk of domestic abuse and prevent further harm. Ashford currently has a full time police officer who deals with medium risk cases in the borough, as well as offering support to partners. Ashford also has a number of Police Community Support Officers (PCSOs) who have supported the work of partners and continue to use their skills and knowledge to help victims of domestic abuse and hold perpetrators to account.
13. From September 2017 the police are changing the way they support vulnerable people, creating a Vulnerability Investigation Team working from a hub that will be based in Folkestone. The safeguarding hub will focus on domestic abuse, vulnerable adults, adult serious sexual offences and vulnerable children. We will work with our police colleagues to ensure a smooth transition to the new arrangements.

Ashford One Stop Shop

14. Between July 2015 and June 2016 3,173 people were assisted at the domestic abuse One Stop Shops in Kent, an increase of 31.7% compared to the previous year.

15. Ashford has one of the busiest One Stop Shops (OSS) in the county. Kent have a network of One Stop Shops, unlike many any other area in the country. The Kent network is overseen by the county wide operational group and each district has a local sub group.
16. Domestic abuse is a key priority for the Ashford Community Safety Partnership. Advice, further information and thee action plan for 2016/17 can be found at: <http://www.ashford.gov.uk/domestic-violance>
17. The lead for this priority area is the ADAF, a local charity that oversees Ashford's One Stop Shop, as well as other key projects.
18. Ashford's OSS has a high level of staff attendance and good reputation for partnership working. Throughout 2016 we have seen this continue, with fewer pressures on our partners as a consequence of the management support being provided by the Domestic Abuse Coordinator post. At a time when resources are reduced and there are added pressures and caseloads, it is important victims of domestic abuse, regardless of their risk level, can access face to face support and advice. Agencies from across the county will often come to observe the running of the Ashford OSS.
19. This year has seen the council's Housing Options Team attend the OSS on a fortnightly basis. They provide one hour support sessions, ensuring those attending with urgent housing need can be dealt with quickly and efficiently. This is proving highly successful for clients at the OSS with positive feedback from both victims and professionals.
20. The table below illustrates the rise in visitors to the Ashford OSS year-on-year. The data relates to the period 1 October to 30 September each year.

No of visitors 2011/12	No of visitors 2012/2013	No of visitors 2013/14	No of visitors 2014/15	No of visitors 2015/16
169	239	239	316	386

21. During the period 2015/16, of those attendees whose ethnicity was recorded, 86% were white British and 14% from other ethnicities.
22. The number of male victims who attended the OSS accounted for 3.3% of the total attendance.
23. Ashford has a high proportion of visitors from within the borough (93%). Victims can access services outside of their local authority area if they fear being seen by the perpetrator, or due to concerns with disclosing information to local services.
24. There is also a positive amount of returning visitors, with over 30% of visitors attending an OSS on two or more occasions.
25. Support was not only provided by those who actually attended the OSS but indirectly 613 children were supported. While it is difficult to evaluate the

outcomes for individual people, 100% report that the visitor and support given was helpful (response rate 74%).

26. The recording of outcomes has been a challenge, as dealing with service users at the point of crisis and requesting them to provide feedback on the service is always sensitive and can sometime be extremely difficult. The data capture for outcomes is something which partners must work towards in the coming year. The success of the OSS is, however best reflected by some of the visitor's stories and feedback, an example of which is provided at Appendix A.
27. As more people access the OSS, there is a need to continue to meet this demand and provide services to keep victims and their families safe. At the OSS support includes, KCC's Early Help and Preventative Services staff, a health visitor (who specialises in domestic abuse), a caseworker from Porchlight, Kent Police, pro bono legal assistance from local legal practices and the Domestic Abuse Coordinator as regular support. Kent Fire and Rescue Service have dedicated a volunteer who will be able to offer support in the coming year.
28. Agency referrals are the main signpost to the OSS, with the majority of the total visitors reporting they heard about the service through an agency. This is a reflection of the partnership working within Ashford, and we hope to continue to build on this awareness with local services.
29. Due to the growth in demand for the OSS's service as evidenced by the high number of visitors, the council and the ADAF are aiming to open a rural drop-in service in 2017 for Tenterden and surrounding areas.

Multi-agency funding bids

30. Rising Sun, the ADAF and council are working in partnership to submit a funding application to the Big Lottery Fund for a three year project to provide a Community Development IDVA who would focus on engaging with representatives from agencies representing hard to reach communities. This will involve strengthening knowledge and understanding of the issues involved for these communities and gaining their trust to seeking support if experiencing abuse. Those communities we are trying to reach include those from rural areas and minority communities.
31. The council, in partnership with the ADAF and Rising Sun, recently submitted a grant funding bid to the Department for Communities and Local Government for £100,000. The council and its partners are aware that the provision of accommodation for victims of domestic abuse is costly and with decreasing funds to provision of women's refuges, continues to be a challenge to find appropriate placements. Whilst a bid for funding was unsuccessful in 2015, it is the vision of the council, the ADAF and Rising Sun that this work will continue to ensure those most vulnerable due to domestic abuse can be provided with suitable and cost effective accommodation.
32. The bid proposes to provide increased refuge spaces and other accommodation for women from hard to reach communities who are fleeing domestic abuse. The bid included letters of support from the Chief

Superintendent of Kent Police (Divisional Commander – East Division), the Chair of the ADAF and the Chief Executive of Rising Sun Domestic Violence and Abuse Service.

Group work (Freedom Programme & Recovery Toolkit)

33. Ashford's main support programme is the Freedom Programme which over 12 week provides information and support to help victims of domestic abuse recognise the impact of domestic abuse on them and their children's lives, understand the behaviour they are/were exposed to and also to understand warning signs in possible future relationships.
34. This programme has been provided in Ashford for a number of years and is delivered by a range of partners. The enormous support provided by KCC's Early Help and Preventative Services (EHPS) is particularly noted. The majority of facilitators for this group are provided by the EHPS, as well as other partners such as the Kent Community Health (NHS) Foundation Trust, KCC (especially the education service) and the council. The rooms including crèche are provided free of charge via the Beaver Community Trust, a commissioned service within Ashford by KCC.
35. In 2015 the Recovery Toolkit was developed as a complimentary programme for victims of domestic abuse. It was designed to prove a follow up to the Freedom Programme and was introduced as a direct response to feedback from those who had attended the Freedom Programme.
36. The Recovery Toolkit is a psycho-educational resource which includes a cognitive behavioural therapy module. It can be offered to women, and also men, and provides a follow on to the Freedom Programme. The Recovery Toolkit was offered for the first time in early January 2016 and reports have been extremely positive. Over 90% of those who sign up to the programme attend, and this is a usually high attendance rate. It is hoped to continue offering this each academic term to run alongside the Freedom Programme.
37. Through the Local Children's Partnership Group (LCPG), the council and its partners have developed a preventative programme for young people. Through funding allocated to the LCPG from KCC's Early Help and Preventative Services a programme has been developed that engages with girls at John Wallis, Wye, Towers and Homewood schools. Homewood is also supporting a trial One Stop Shop approach within the school.
38. The Office of the Police and Crime Commissioner agreed to match fund the local commitment to the programme for boys and Norton Knatchball, Homewood, North, Towers, Kennington and Wye schools, as well as the Aspire programme have all engaged in the programme.

Training and Awareness

39. In 2015 a new offence of "controlling or coercive behaviour in an intimate or family relationship" was created under the Serious Crime Act 2015 section 76. The offence came into force in December 2015 and it closed a gap in the law around psychological and emotional abuse that stops short of physical abuse. The offence carries a maximum sentence of 5 years' imprisonment, a fine or

both. Changes in legislation plus turn round in staff have meant that training and awareness needs to continually be developed and offered to partners to ensure front line professionals are able to cope with changes to provide the best service possible for victims.

Other developments

40. In 2015 the ADAF was successful in receiving charitable status. This has enabled them to apply for more varied funding streams, to continue with the work its partner agencies deliver as well as providing a flight fund for local victims who are destitute and must leave in an emergency. The High Sheriff of Kent held a fund raising event over the summer to specifically raise awareness and money for the ADAF.
41. As previously mentioned, preventative work is a key element for the ADAF. Working with partner agencies to develop programme content and services that are appropriate for young people, helping them further understand healthy relationships and develop their understanding of domestic abuse is vital. This includes work on child sexual exploitation, which is also a priority for the Ashford Community Safety Partnership.
42. Another priority moving forward is to ensure adequate provision of perpetrator programmes. There is currently a national pilot to assess the importance of working directly with high risk perpetrators. Ashford, like other areas across Kent, does not currently offer any perpetrator programmes. This is due to a lack of funding. The council has arranged for the Domestic Abuse Coordinator to receive training on delivering perpetrator sessions. We will work with our partners in the county to develop a programme for perpetrators of domestic abuse, in the hope this will be another step in breaking the cycle of abuse.

Commissioning across Kent

43. Domestic abuse support services on a county basis have been funded through a mixture of commissioned services, grant funding and charitable funds. The landscape of service provision varies across the county with different levels of support available in different areas of Kent.
44. The three largest services currently commissioned by KCC are Women's Refuges, Independent Domestic Violence Advisors (IDVA) and Floating Support (including refuges). These contracts were due to come to an end in 2016. The IDVA service is additionally funded by partners, with the Office of the Police and Crime Commissioner holding the contract.
45. KCC are proposing to integrate these existing services into a single service, being delivered by service providers. They will then subcontract some elements in order to improve client journeys and provide clarity on where to go for support. The aim of the integration is to ensure consistency of support available wherever a client is living and the proposal includes the introduction of a central referral process to ensure those accessing the service can be referred appropriately at their first contact.
46. The borough council is included in a "Lot" with Canterbury City Council and Shepway District Council. At the time of writing, the tenders have been

submitted and are being evaluated. Officers from the borough council have been included in part of the evaluating process and an announcement is expected in early February 2017.

47. Officers will continue to work with the new service to ensure a seamless transition and continue the coordinated approach and joined up partnership working which has continued in Ashford for many years.

Implications and Risk Assessment

48. Local authorities play a vital and central role in tackling domestic abuse. As well as providing services and raising awareness, the council's role at the heart of local communities means that they are well placed to facilitate local partnerships, bringing all the agencies together to tackle this issue. As well as the direct and devastating damage to the victim or their families, there are significant costs to the local authority in terms of providing social service support, emergency housing costs, lost of economic output and costs to the police and health services.
49. The level of direct funding by the council since 2014 has been £50,000 per year. The budget falls within the Health, Parking & Community Safety Service's core budget and this level of funding appears in the Medium Term Financial Plan. It is proposed that this funding continues with the fixed term Domestic Abuse Coordinator post being made permanent.

Equalities Impact Assessment

50. Not relevant to this update report. Work in this area does however have a positive impact and services are universally available.

Consultation Planned or Undertaken

51. In preparing this report the views of our major stakeholders were sought. The following paragraphs indicate what they feel about the support provided by the council as well as updating on their particular focus.

Chair of the Ashford Domestic Abuse Service:

52. *"The One Stop Shop for advice and help with matters concerning Domestic Abuse continues to be extremely busy and in the run-up to Christmas saw days where 20 victims attended per day. The pressure of this demand is challenging, especially now that our dedicated Domestic Abuse Health Visitor has been tasked by her NHS management to only attend on alternate weeks. Some further changes by the NHS are in the pipeline, and how this role will pan out after the spring is unclear. In addition we were unable to have the regular help of the ADAF Vice-Chair owing to family illness. A further concern is the high number of attendees with very young children.*
53. *ADAF is confident that the work of the One Stop Shop is not only meeting the targets set by the Community Safety Partnership, but is also identifying*

women and men who are at a higher risk of serious harm than they realise and then getting them the expert help they need. There is no doubt that lives have been saved as a result. In 2017 ADAF will be working with those interested in funding educational projects to produce a programme for secondary school children on recognising abuse in their own homes and also what is inappropriate behaviour in their own relationships. This is of crucial importance if we are to break the cycle of Domestic Abuse. We are also very grateful to Ashford Borough Council for their continued support for our work.”

Kent Police (Inspector Andrew Bidmead, Community Safety Unit:

54. *“I can confirm that the One Stop and DA Co-ordinator`s role are integral to ensuring that vulnerable victims and witnesses are encouraged to report incidents with continued support and safeguarding in place. These elements are vital to the service delivery within the district and are key to the future success of our safeguarding strategy. For the year ending December 2016, at force level, recorded DA crimes increased by 36% compared to the year ending 2015- up by 5151 offences on last year. This does not include DA secondary incidents.*

Chief Executive, Rising Sun Domestic Violence and Abuse Service:

55. *“As the Rising Sun Domestic Violence and Abuse Service providing a range of specialist domestic abuse support services to victims throughout the Ashford Borough Council, it is essential for us to work closely with partner agencies including the Ashford Domestic Abuse Coordinator. The strong working relationship we have with the coordinator enables those living within the Ashford borough and experience domestic abuse to have robust safety planning for themselves and their families including children and young people bespoke to their needs. Working in a multi-agency partnership is the most effective way to approach the domestic abuse at both an operation and strategic level. The coordinator within Ashford plays a key role in developing and sustaining partnership working with a range of agencies, enabling a much improved response to the complexity of working with adults, children and young people affected by this. As an organisation we value very much the work of the coordinator and very grateful for this service.”*

Other Options Considered

56. Clearly there is always more that can be done on this important agenda. Cuts have hit domestic abuse services hard and in some situations the quality of support given has suffered. There is a need to consider the wider impact this has on our society. Domestic abuse comes at a huge cost to the public purse, and this will not change until there is a change in society’s attitudes towards this crime. Prevention and rehabilitation is of fundamental importance as is ensuring that the services we provide are consistently provided.
57. Joint working is the key to a successful response to domestic abuse. It is the vision of the council that we continue to work towards securing funding for services which can save lives, as well as aid recovery, awareness raising and prevention. Working for and with our partners is crucial in terms of providing

support to each other, sharing knowledge and best practice, coordinating awareness raising, undertaking training, and preventative measures.

58. As stated above the funding for the domestic abuse coordinator currently ends in January 2018. If the funding for this role is not continued then the council could try to provide the services delivered by this role by incorporating it into other council staff roles. They could end its commitment to partnership work with partners on domestic abuse. Without funding the council would not be in a position to continue its partnership work to support high risk victims through the IDVA services.

Reasons for Supporting Option Recommended

59. The council has shown a strong lead in domestic abuse in the last two years. Our partnership approach, combined with dedicated specialist staff and support for the IDVA service, has been recognised by our partners and is greatly valued.
60. Domestic abuse is not going away. The local picture of domestic abuse is reflected nationally. Reporting of domestic abuse continues to rise with police forces and service providers all reporting increasing referrals. The latest county data indicates that reports of domestic abuse crimes increased by 36% last year, with an additional 5,151 offences being recorded.
61. Councils have a key role, alongside other agencies, in tackling domestic abuse by safeguarding survivors, offering services to reduce the impact of the abuse and holding perpetrators to account. It's easiest to understand this role by dividing it into three areas: councils input into local partnerships; their corporate response, and direct service provision. All this is complimentary to the work undertaken by the voluntary sector, criminal justice professionals and other public service providers.
62. The impact of domestic abuse is felt beyond the victim and perhaps most poignantly on the children that are part of the family unit. By helping the victims of domestic abuse the council and its partners are supporting the families of those victims and providing an opportunity for a brighter future.

Next Steps in Process

63. Officers will continue to work in partnership with the ADAF, Rising Sun and our other partners in tackling domestic abuse. We will work on the combined bid for a Community Development IDVA to develop the services to engage with hard to reach communities. We will continue our commitment to the One Stop Shop and ensuring this and the programmes to help victims are coordinated and successfully delivered.
64. If the recommendation of funding is agreed the current post holder of the Domestic Abuse Coordinator will be offered a permanent position.

Conclusion

65. With the appointment of a full time Domestic Abuse Coordinator, the council has been able to direct activity to support victims of domestic abuse, both through the OSS and through support programmes. We have been able to offer training sessions to partner agencies and local services to ensure continued development of those engaging with victims of domestic abuse. The scope of domestic abuse is constantly changing and it is important professionals stay up to date with new legislation and policy.
66. Domestic Abuse continues to be one of the priorities for the Ashford Community Safety Partnership, with its main aim being to raise awareness through education, in association with partners.
67. The work being undertaken across the borough to support the domestic abuse agenda has been extremely valuable. Services are dealing with more victims than ever before, feedback from other agencies and organisations has been positive and many women and their children have been supported. The council continues to have a very serious interest and part to play in helping families in crisis. In continuing to fund this area of work we are able to help ensure that services are coordinated and that the borough has the necessary dedicated professions to keep helping those at real risk.

Portfolio Holder's Views

68. In Ashford we are fortunate to have many excellent services committed to preventing domestic abuse. Tremendous work is undertaken by a range of agencies, some being specifically mentioned in this report. I take this opportunity to thank those who are involved in this important work. It is important for the council to continue to play its part, something that is achieved by making the crucial post of Domestic Abuse Coordinator permanent and continuing to championing their work. By doing so we can ensure that victims are supported and enable to build a better future for themselves and their families. We need to continue working to prevent domestic abuse and, where it is happening, enable people to access support that is right for them. We have a role, be it as individuals or organisation to tackle this important issue that really can make the difference between life and death.

Contact and Email

69. James Hann - james.hann@ashford.gov.uk
Sarah Rigby – sarah.rigby@ashford.gov.uk

Appendix A

Letter from Recovery toll kit client:

For me Recovery Toolkit is having a great effect on my psychological, emotional, physical and spiritual wellbeing. As I read through my folder each week and register the distance I have travelled alone - amazing!

The thought diary is a wonderful tool, ah "aha" moment for me, I now nip negative thoughts in the bud, I think to myself-"don't go there" and I smile. Thank you so much for all the time and effort you put into both the preparation and method of delivery. You are enabling me to change from feeling worthless (a wimp) to being a winner. I am also learning much from our group.

This feedback was taken from Kent Community Health Team NHS magazine, which featured Ashford's lead DA Health Visitor and the invaluable work she continues to do for victims in Ashford.

Agenda Item No: 14
Report To: CABINET
Date of Meeting: 9 February 2017



Report Title: Transforming Health and Social Care in Kent and Medway
Report Authors & Job Title: Sheila Davison - Head of Health, Parking & Community Safety and Christina Fuller - Head of Culture
Portfolio Holder: Cllr Bradford
Portfolio Holder for: Highways, Wellbeing and Safety

Summary:	Report for information on the Health & Social Care Sustainable Transformation Plan for Kent & Medway including Ashford CCG update.
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Key Decision: NO

Significantly Affected Wards: None specifically

Recommendations: **The Cabinet is recommended to:-**

- I. note the information provided on the Health & Social Care Sustainable Transformation Plan (STP) for Kent & Medway,
- II. provide feedback, and encourage Members to participate and influence the on-going process of transforming our local health and social care service,
- III. encourage Members to engage with their local Community Networks, and
- IV. provide support for the direction of travel proposed within the STP and the aspiration to provide support for better health and wellbeing, better standards of care and better use of staff and funds.

Policy Overview: The transformation plan will bring a profound shift in where and how care is delivered. The model presented is founded on the principle of health and care services working together to promote and support independence. The decisions made by our local health and social care colleagues will be critical in terms of ensuring appropriate care for our growing population and also in regard to the provision of services for our new and developing communities. The council has a key role to play in terms of its wider public health responsibilities i.e. the influence on wellbeing as delivered through the

corporate plan e.g. supporting growth, provision of secure and appropriate housing, promotion of an active and healthy community and protection of the environment.

Financial Implications:

At present it is not possible to identify the direct or indeed indirect resource implications for the Council associated with the STP. The plan sets out a broad direction of travel and does not provide any detail relevant to specific service transformation. The cost of health and social care at a macro economic level has significant public sector implications that will affect our council and all other areas of the county.

Legal Implications: No direct legal implications for the Borough Council

Equalities Impact Assessment: Not applicable

Other Material Implications: None

Exempt from Publication: No

Background Papers: None

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Report Title: Transforming Health and Social Care in Kent and Medway

Introduction and Background

1. On the 23rd November 2016, the draft Health & Social Care Sustainable Transformation Plan (STP) for Kent & Medway was released. This document sets out the thinking behind the need to change health services over the next five years to achieve the right type and level of care for the future.
2. The Leader of the Council made an announcement at the December 2016 Cabinet on this subject, indicating that officer leads from the Clinical Commissioning Group (CCG) and the hospital trust be asked to provide a presentation on the STP to a future Cabinet in 2017. A commitment was also made to keep Cabinet informed of progress as more information becomes available.
3. This report provides additional information to that given by the CCG and the hospital trust in their presentations before this meeting. It specifically encourages Members to participate and influence the on-going process of transforming our local health and social care service.

What are STPs?

4. STPs are five year plans covering all aspects of NHS spending in England. Forty-four areas have been identified as the geographical 'footprints' on which the plans are based, covering an average population size of 1.2 million people. A named individual leads the development of each STP.
5. The scope of STPs is broad and long term, covering the period from October 2016 to March 2021. Initial NHS England guidance asked health organisation leaders to consider three main issues:
 - a. improving quality and developing new models of care;
 - b. improving health and wellbeing;
 - c. improving efficiency of services.
6. They were asked to identify the key priorities needed for their local area to meet these challenges and achieve financial balance for the NHS. The plans were to cover all aspects of NHS spending, as well as focusing on better integration with social care and other local authority services.
7. The timelines for developing STPs and the process for approving them have been somewhat fluid. The original deadline for submitting plans was the end of June 2016 but this deadline was pushed back to the end of October 2016. Additional planning requirements have also been added as the process has gone on. The intention now is for the plans to be assessed by national NHS bodies, and used to form the basis of new operational plans for NHS organisations and contracts between commissioners and providers.

8. The development of STPs is by necessity a complex and challenging process. The timescales for production have been ambitious and expectations have changed and in some cases grown throughout the process. The need to engage with many different organisations and groups, especially in the larger STP areas, has also been a challenge. The involvement of local authorities has been reported to be very varied between areas. In most cases the leader has come from CCGs and NHS trusts or foundation trusts.

How are STPs different from earlier approaches to health planning?

9. For some time now there has been a shift in emphasis towards more integrated models of care in order to meet the changing needs of the population. STPs reflect this change by placing emphasis on collaboration though what is referred to as 'place-based planning', rather than on traditional competitive approaches. Practically this means the integration of primary care, community, mental health and social care, and the transfer of elements of care that would have been provided within an acute setting into the community.
10. The STPs also make it clear that the growing financial problems in different parts of the NHS can't be addressed in isolation. Instead, providers and commissioners are being asked to come together to manage the collective resources available for NHS services for their local population.
11. This emphasises the need for a place-based approach to planning and delivering health and social care services, including collaboration with other services and sectors beyond the NHS to focus on the broader aim of improving population health and wellbeing – not just on delivering better quality and more sustainable health care services.

What does the Kent and Medway's STP say?

12. The document 'Transforming health and social care in Kent and Medway' forms our local STP. It covers eight CCGs, seven NHS providers, two county councils and 13 district councils. The named lead for Kent and Medway is Glen Douglas (Chief Executive, Maidstone and Tunbridge Wells NHS Trust). The Kent and Medway STP was submitted to NHS England in October 2016 and made public on the 23 November 2016.
13. The STP does not contain specific details as to how individual services will be transformed. It is a broad strategy document that sets out the case for change (demographics, health inequalities, increase in long-term health conditions, quality of care and financial pressures). It states the aim of delivering an integrated health and social care model that focuses on quality, is outcome-focused, people-centred, coordinated and easy to access. There is an emphasis on enabling people to stay well, live independently and remain at home for as long as possible.
14. A model of integrated provision is placed centre-stage, with health and care services working together. Key aspects are as follows:
 - Developing local care built on clusters of general practices and then aggregating into Multispecialty Community Providers (MCP) and

potentially larger accountable care organisations that hold capital budgets. The objective is to operate at a scale that can allow service integration (across primary care, community, mental health and social care) that is currently considered impossible.

- Managing demand for actual services, enabling reductions in acute activity and length of stay and reduce pressure on hospital beds (net savings of £160m by 2020/21).
 - Developing a Kent & Medway-wide strategy for hospital care to ensure provision of high-quality specialist services at scale and also consider opportunities to optimise service and estate.
 - Transformation of four key elements:
 - Care Transformation – preventing ill health, intervening earlier and bringing excellent care close to home
 - Productivity – maximising synergies and efficiencies in shared services, procurement and prescribing
 - Enablers – investing in estates, digital infrastructure and the workforce needed to underpin high-performing systems
 - System leadership – developing the commissioner and provider structures which will unlock greater scale and impact
 - The financial strategy aims to direct the system back to sustainability, reducing a £486m ‘do-nothing’ gap (including social care pressures) to £29m by 2021.
 - The timetable indicates that some elements of the core transformation will influence 2017/18 operational planning with the first holistic transformation being launched in 2018.
15. Further detail is provided within the STP on the change programme to date, the case for change (population grown, demand growth, health inequalities, aging population, quality of care and sustainability) in terms of finance and workforce.
16. The full document is available at <https://www.kmpt.nhs.uk/information-and-advice/stp.htm>. This site also includes frequently asked questions, information on the patient and carer consultative committee and details of those leading development of the STP. Additional information as provided by NHS east Kent is available at <http://eastkent.nhs.uk>.

Update since the STP was published – the Ashford CCG perspective

17. Since the STP was published, Ashford CCG has provided an update to the Ashford Health and Wellbeing Board¹ including details of their Operational plan for 2017-19. This indicates that they are in a good position to deliver against the expectations within the STP i.e. tailoring a comprehensive, integrated local care and health service which is tailored to communities,

¹ <http://vm-abcapps/committeeSystem/ViewAgenda.aspx?MeetingId=3083>

provided through MCP, and supported by a chain of high quality, smaller, acute hospitals with access to safer specialist service.

18. They highlight their initial five year strategic visions, published in 2014, that set out the intention to transform services through their Community Networks approach. Reference is made to the Encompass model² which is being used to test out these new models of care. The CCG is looking to wrap community services around groupings of GP practices and commission and manage higher-acuity and other out-of-hospital services at scales in order to meet rising demand, respond to more complex health needs, and deliver prevention at scale. The CCG indicate this will enable them to take forward the development of acute hospital care as fewer patients will require acute hospital support. With regard to acute care, it is acknowledged that change is necessary to improve patient experience and outcomes, achieve a more sustainable workforce infrastructure, and make best use of their estate, reducing environmental impact and releasing savings. They wish to create centres of acute clinical expertise that see greater separation between planned and unplanned care. The aim being to end the current pattern of much needed surgery being delayed because of pressure on beds for non-elective patients.
19. The update also refers to the necessary changes being sought across Kent and Medway in regard to integration with social care.
20. As far as the 2017-19 Operating Plan is concerned, it indicates a focus on year one of the STPs changes and in particular the local care change agenda:
 - a. implementing and supporting governance and organisational arrangements
 - b. ensuring primary care is prepared and resources to take on its extended role by investing £5 per head per practice
 - c. ensuring through collaborative work that services are better placed to support the frail elderly, those of working age with enduring conditions to prevent admission ensuring appropriate placement and support at home
 - d. moving ambulatory care in a range of priority specialities from hospital settings to a locally focused model of care delivery
 - e. remodelling local mental health crisis services
21. Further objectives for the CCG are set out in this document as relevant to national priorities, constitutional targets and specific Ashford CCG priorities.

Implications and Risk Assessment

22. The STP is underpinned by the knowledge that health is primarily determined by factors other than health care. District councils influence many of these factors through delivery of their core functions and through their wider role supporting communities, working with businesses and supporting other service providers. The services that are particularly important in this regard

² <https://www.england.nhs.uk/ourwork/new-care-models/vanguards/care-models/community-sites/encompass/>

for Ashford Borough Council are housing, benefits, environmental health, planning, culture, leisure, and community safety. While the challenge of diminishing public funds is significant, the STP is an opportunity for health and social care to fully recognise the borough council's contribution to wellbeing and build it into the transformation work, collaborating to protect and promote good health.

23. Specific examples of the work undertaken by Ashford Borough Council that directly contribute to wellbeing and are of direct relevance to the STP's object to prevent ill health and desire to bring care closer to home are as follows:

Housing

- We ensure a supply of quality housing that is critical to good mental and physical health. This includes ensuring our housing provision takes into account our growing and indeed ageing population.
- We work with partners to deliver best housing that is designed to meet specific needs including assisted living and specialist provision in order to facilitate hospital discharge. Farrow Court for example is a fully dementia-friendly housing scheme. Further homes are to be provided including learning disability and recuperative care units, which will enable people leaving hospital to stay there while a care package or adaptations are put in place in their own home.
- We tackle homelessness by providing a range of prevention services and work with partners to tackle the long-term causes.
- We assess individuals for Disabled Facilities Grants which fund adaptations to enable people to stay in their own homes for as long as possible and avoid hospital admissions.
- We provide emergency housing and provide support to those who are rough sleeping.

Environmental health

- We regulate food safety, and health & safety, investigate food-borne illnesses and infectious diseases, and undertake food hygiene training to reduce illness and prevent accidents.
- We respond to statutory nuisance complaints that can cause considerable mental and physical health problems.
- We monitor air quality, and tackle problem areas thus mitigating the effects on health of poor air quality.
- We ensure compliance with the smokefree legislation.

Leisure services, parks, green spaces, community, and cultural facilities

- We provide leisure centres, parks, playgrounds and green spaces to enable and encourage physical activity.
- We promote physical activity through club development and supporting locally organised events and programmes.
- We provide community and cultural facilities contributing to mental health and social wellbeing.
- We provide and support arts festivals and cultural programming that contribute to a healthy lifestyle.
- We work closely with and grant aid the voluntary/third sector to develop provision that supports health inequality and promotes better choices for those most vulnerable.

Health Promotion

- We are partners in operating the new One You shop in Ashford Town Centre that provides smoking, health weight and mental health support to our residents.
- We provide smoke-free playgrounds and support public health campaigns aimed at tackling smoking.
- We restrict the advertisement of smoking and alcohol on our public buildings.

Community safety

- We provide a 24/7 public CCTV and lifeline service.
- We work with premises that sell alcohol to promote responsible drinking and reduce the sale of high strength alcohol.
- We tackle alcohol-related anti-social behaviour and crime through partnerships with police, voluntary organisations etc.
- We promote road safety to prevent collisions that kill or seriously injure.
- We provide support for domestic abuse preventative work including employing our own Domestic Abuse Coordinator.
- We provide grants to community groups engaged in wellbeing projects and administer grants from other agencies e.g. supporting families programme and Police and Crime Commissioner.

Employment and welfare

- We work with business to provide the right local conditions for growth and reducing unemployment which can be a symptom and cause of poor health. This includes direct and significant financial investment in Ashford town centre.
- We process housing benefit and council tax support, and signpost individuals to debt advice, credit unions and budgeting help.
- We work with the county council to deliver the Troubled Families Programme, providing intensive support to families to reduce school truancy, crime and anti-social behaviour, and support family members into employment.
- We employ Welfare Intervention Officers whose work includes supporting those with health and mental health problems. Welfare, employment and benefits advice and support provided to reduce inequalities.

Planning

- We promote health and wellbeing by requiring new developments to provide green spaces and routes that encourage Active Travel i.e. walking and cycling.
- We promote access to public transport and proximity to amenities.
- We ensure our long-term local plans support health and wellbeing, securing local infrastructure and investment.

24. Whilst the above list is by no means exhaustive but it does illustrates the opportunities that are available to prevent ill health and to support people to live or be treated independently at home and thus reduce demand on health and social care services. This must be recognised and actively pursued as the STP develops and detailed service decisions are made.

25. The STP highlights opportunities available to optimise the health and social care estate. It is important for any spatial estate strategies to work in synergy with the council's developing local plan and other stakeholders' infrastructure provision. This is vital with regard to health and social care for established communities but also our newly developing communities such as Chilmington Green. Local planning needs to ensure that health and well-being objectives are reflected in planning policies in both Local and Neighbourhood Plans. Crucially, this also includes the ability for the planning system to help deliver the health infrastructure necessary to support new and existing communities in line with new models of health service provision. The goal is to promote healthy communities and embed those principles into the design of new developments. The input from health providers and commissioners is key to providing a robust and joined-up strategic and operational approach and the opportunity to build and strengthen partnership and communications with the council to help realise this objective should be taken forward.
26. As well as responding to and supporting a growing population, it is vital to ensure that services respond specifically to the increasing elderly demographic. The transformation is an opportunity to make this happen. This is particularly relevant to the council's work with partners to deliver the best housing choices for older people, and others requiring supported housing, in well-designed accommodation that meets their needs.
27. The council's housing options team work closely with the mental health services to try to ensure a smooth transition from hospital or to respond to homelessness issues relevant to hospital discharge. There is, however, scope to broaden this work and to work more collaboratively over planned hospital discharge procedures where a housing or homelessness issue may delay or prevent discharge from hospital or where discharge presents a pressure on the homelessness service.
28. There is no specific resource implication identified for the council at this point in time, not least because there is so little detail within the STP as to what is actually going to change. The cost of health and social care at a macro economic level does of course have significant public sector implications that will affect our council as it will others around the country.
29. More locally the decisions made by our health and social care colleagues will be critical in terms of ensuring appropriate care for our growing population and also in regard to the provision of services for our new and developing communities. The council has a key role to play in terms of its wider public health responsibilities e.g. supporting growth, provision of secure and appropriate housing, promotion of active and healthy communities, and protection of the environment.
30. Finally, while closing shortfalls in NHS finances is clearly necessary, there is a risk that the new care models that have prevention at their heart are unlikely to deliver short-term savings and thus be side-lined.

Equalities Impact Assessment

31. Not applicable.

Consultation Planned or Undertaken

32. There has been considerable consultation by the NHS, social care and public health in Kent and Medway over recent months regarding the STP^{3, 4}. This is continuing with many opportunities for the public to engage with the process. A commitment has been given that at the appropriate time there will be full public consultation about any substantial changes proposed. The STP indicates that work is on going to develop and evaluate potential opportunities before public consultation from June 2017.
33. The STP is regularly discussed locally at the Ashford Health & Wellbeing Board with presentations being provided over recent months by the CCG and East Kent Hospitals University NHS Foundation Trust. The most recent update being the presentation to the Ashford Health & Wellbeing Board mentioned earlier in this report.
34. At county level, the Kent Health & Wellbeing Board and the KCC Health Overview & Scrutiny Committee have regularly debated the STP. This work will continue as the plans are developed and the transformation programme becomes clear.
35. A key priority moving forward will be for the STP leaders to strengthen involvement in the content of the plans, particularly as they move into making recommendations and subsequent implementation. The local authority has a role to play in this and the CCG have given a commitment to work with the Ashford Health & Wellbeing Board and to keep the council informed of the changes as and when more information becomes available.

Other Options Considered

36. Not applicable.

Reasons for Supporting Option Recommended

37. The council recognises the importance of the STP to us all at both a professional and personal level. It wishes to work with health and social care leaders in order to design and deliver the best possible integrated and collaborative services.

Next Steps in Process

³ Transforming health and social care in Kent and Medway – updated November 2016 - http://www.kent.gov.uk/__data/assets/pdf_file/0017/65204/The-core-narrative-STP.pdf

⁴ Better health and care in east Kent: Time to change - <http://eastkent.nhs.uk/wp-content/uploads/2016/08/East-Kent-Better-health-and-care-online-leaflet.pdf>

38. There are no specific actions identified in this report for the council. Officers will continue to work with local leaders on the development of the STP and subsequent implementation. Members are encouraged to participate in the STP process and, when possible, influence the transformation of local health and social care services for Ashford. Engagement with the three local Community Networks is emphasised. Further details on how to do this are provided at <http://www.ashfordccg.nhs.uk/get-involved/>.

Conclusion

39. The need for radical change is clear in order to face what are significant health and social care challenges. There is widespread support for the integration approach, a commitment to collaborative working, and support for the emphasis placed on prevention.

Portfolio Holder's Views

40. *As Portfolio Holder for wellbeing I take an active interest in the development of the health and social care issues affecting our constituents. While the STP highlights significant challenges it also offers ambitious alternatives which are focused on improving the services provided. We will continue to work with NHS and social care leaders in Kent as the plans develop and encourage consultation to ensure that no changes to the services people currently receive will be made without local engagement and, where required, formal public consultation.*

Cllr Brad Bradford – Portfolio Holder for Highways, Wellbeing and Safety

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Agenda Item No: 15

Report To: Cabinet

Date of Meeting: 9 February 2017

Report Title: Budget Monitoring Report – Quarter 3, 2016/17

Report Author & Job Title: Maria Seddon – Accountancy Manager
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Portfolio Holder: Cllr. Shorter

Portfolio Holder for: Finance & Budget, Resource Management and Procurement



Summary: This report presents an assessment of an outturn position for this financial year based on the first three quarters of the year for the General Fund, the Housing Revenue Account and the Collection Fund.

There is currently a forecasting an overall favourable variance of £121,000, however it needs to be noted that quarter one underspends were transferred to reserves (approved in quarter 1).

The details of this variance are within the report including highlighting any current risks following this review.

The Housing Revenue Account is projecting an overall deficit of £444,000 which is lower than the budgeted position.

Key Decision: NO

Significantly Affected Wards: All

Recommendations: **The Cabinet is recommended to:-**

I. note the Budget Monitoring position as at 31 December 2016

Policy Overview: The budget is a key element supporting the delivery of the Council's wider Policy Objectives

Financial Implications: At this stage in the year the General Fund is reporting an underspend against budget of £121,000. The outturn will continue to be monitored and reviewed as pressures and savings/income opportunities arise to keep the outturn within budget.

The Housing Revenue Account is reporting a deficit

£755,000 compared to a budgeted deficit of £3,088,000, for this quarter's movements see the Housing Revenue Account section.

There are no movements to the Council's reserve balances t report and they remain healthy.

Legal Implications	N/A
Equalities Impact Assessment	Not Required because it is done as part of the budget. Policy changes are assessed separately.
Other Material Implications:	None
Exempt from Publication:	NO
Background Papers:	N/A
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Report Title: Budget Monitoring Report Quarter 3 of 2016/17

Introduction and Background

1. This report is to inform Members of the projected outturn for the financial year based on the first three quarters information (April to December) for the General Fund, Housing Revenue Account, and the Collection Fund.

Proposal/Current Position

2. The Cabinet is asked to note the budget monitoring position for the General Fund, Housing Revenue Account, the Collection Fund and Treasury Management schedule.

Budget monitoring assessment to end of December 2016

Key Variations

Corporate & Strategy

3. Vacancy savings throughout the organisation are reported in this area and covered in a section later in the report.

Housing Services

4. An assessment of Bed and breakfast has taken place and based on increasing demand the outturn has been increased by £56,000. It should be noted that the Budget for 2017/18 is based on current levels due to new initiatives being introduced. This budget needs to be monitored closely.
5. To discourage fly-tipping security fencing has been erected around the utility area at Chilmington Gypsy site, this has cost around £20,000 in addition to the budget.

Legal & Democratic

6. Additional expenditure is shown in this area due to the due diligence work that was required for the Elwick development and further legal work that was required for the loan to the College campus. The costs relating to the Elwick project are in line with the projects budget and are being recharged to the capital scheme and will not form a revenue pressure.

Net Interest

7. Additional interest from equity based investments is expected to be £75,000 above the estimate this has primarily been driven by the performance of stock markets since the referendum result.
8. The Loan for the construction of the college campus has been draw down and the Interest receivable from the loan of £25,000 has been brought into the forecast. Upon completion of the construction and after the college meets a

number of trigger points the loan will be converted into a grant with interest no longer receivable.

Table 1 – General Fund Budget Outturn Forecast as at 31 December 2016

Service	Current Budget (net)	Forecast Outturn (net) to 31/03/17	Variance (B-A)	Movement from previous quarter
	A	B		
	£'000	£'000	£'000	£'000
Corporate & Strategy	1,401	1,359	(42)	(40)
Cultural Services	2,779	2,812	33	(12)
Financial Services	2,542	2,539	(3)	0
Housing Services	836	911	75	89
Environmental & Customer Services	4,838	4,723	(115)	0
Corporate Property & Projects	(1,364)	(1,314)	50	31
Health, Parking & Community Safety	804	656	(148)	(16)
HR, Communications & Technology	283	386	103	34
Legal & Democratic	1,384	1,342	(42)	(107)
Planning & Development	1,907	1,887	(20)	0
Net Service Expenditure	15,410	15,301	(109)	(21)
Capital Charges and net interest	(1,476)	(2,058)	(682)	(100)
Levies, Grants and Precepts	271	271	0	0
Contribution to reserves	1,317	1,992	675	0
Budget Requirement	15,522	15,506	(116)	(121)
Financing:				
Revenue Support Grant	(1,270)	(1,270)	0	0
NNDR. Pool	(3,410)	(3,410)	0	0
NNDR S31 Grant	(538)	(538)	0	0
Council Tax	(6,564)	(6,564)	0	0
CTS Payment For Parish Council	42	42	0	0
New Homes Bonus	(3,782)	(3,782)	0	0
	0	(16)	(116)	(121)

Vacancy Management

- The budget contains a number of savings targets to be delivered by managing vacancies totalling £108,130. At the end of December savings of £122,930 have been achieved, being £14,800 over target and projected to be £40,000 by the end of the year.

Housing Revenue Account

10. The Housing Revenue Account has gone through a major review this year, which was reported to Cabinet in December, and work following this review is nearing completion and will be fully implemented by the end of the financial year.

Table 5 - Housing Revenue Account Outturn Position as at 31 Dec 2016

Budget Page	Current Budget A £'000	Forecast Outturn to 31/03/17 B £'000	Variance (B-A) £'000	Movement from previous quarter £'000
Income	(24,272)	(25,325)	(1,056)	(281)
Supervision and Management	5,529	5,139	(390)	(370)
Repairs and Maintenance	3,450	2,943	(507)	(319)
Other	18,463	18,073	(390)	0
Net Revenue Expenditure	3,170	827	(1,611)	(970)
Capital Works - Decent Homes	4,424	4,123	(301)	(164)
<i>Capital Works financed by:</i>				
Major Repairs Allowance (from Self Financing Determination)	(4,465)	(4,465)	0	0
Contribution to/(from) Major Repairs Reserve	(41)	(41)	0	0
Net Capital Expenditure	(82)	(383)	(301)	(164)
Total Net Expenditure	3,088	444	(2,644)	(1,134)

Variances

Income

11. Rent income has increased as a result of an increase in the number of void conversions to affordable rents which have a higher rent than social housing.

Supervision and Management

12. Works on New Town play area have been delayed until next year creating a favourable variance of £131,000. This will need to be allocated to the Reserve to allow for the expenditure to be funded next year.
13. Land study costs have reduced due to developments being delayed or not required resulting in a favourable variance of £50,000.
14. The outturn includes salary savings from vacancies and maternity leave totalling £164,000.

Repairs and Maintenance

15. The Gas Heating contract, to service and maintain heating systems, has been retendered achieving better value than expected saving £171,000 this year.

16. The balance of this variance is made up of savings from unscheduled works budgets that are not being commissioned.

Capital Works – Decent Homes

17. Savings have been achieved through works not being done to some scheduled properties for various reasons amounting to £343,000, this is offset by additional works on contracts of £222,000.

Capital Monitoring

Junction 10a

18. As reported elsewhere on the agenda the Council will receive £16,000,000 forward funding from Communities and Local Government for a new motorway junction and associated link roads to relieve congestion at junction 10 of the M20. The new junction will be known as 10A and will deliver growth in southern and eastern Ashford. In a similar arrangement to the RIF agreement that funded improvements to Junction 9 and Drivers roundabout, this funding will be repaid to the HCA from S106 and CIL collected by the Council from developers.

Property Portfolio

19. The Property Company has drawn down and further £560,000 in loans in 2016/17. This has been used to purchase 3 apartments in the newly refurbished Panorama Building and a 3 bedroom mid terrace property in Arcon Road, South Ashford.

Elwick Place

20. The Council has completed on the final land purchase to facilitate the development at a cost of £35,000 and incurred other associated costs of the development of £43,500, which will be funded by New Homes Bonus. A further commitment has been incurred in Legal Services of £200,000, to prepare the necessary legal documents, this figure was included within the financial appraisal of the scheme.

Spearpoint Pavilion

21. In October the football pavilion at The Ridge, Kennington was completed; the final expenditure in 2016/17 was £677,100. This project has been funded by the Football Foundation, Sport England and S106 funding.

Grounds Maintenance Service

22. The construction of the new grounds maintenance depot at Carlton Road, was completed in September at a cost of £1,180,000. A further £512,000 has been spent on major pieces of equipment to facilitate the running of the service.

Ellingham Industrial Estate

23. The works to construct 3 new units at Ellingham Road industrial estate have been completed in 2016/17 expenditure in this year of £194,000.

Planned Maintenance Schedule Works

24. Work has been completed on the Sk8side building costing £29,700, replacing the existing roof and refurbishing and making good to the interior fittings. £15,000 has been spent on Ellingham Industrial Estate repairing footpaths and access ways. New flooring has been laid at the Stour Centre at a cost of £6,600.

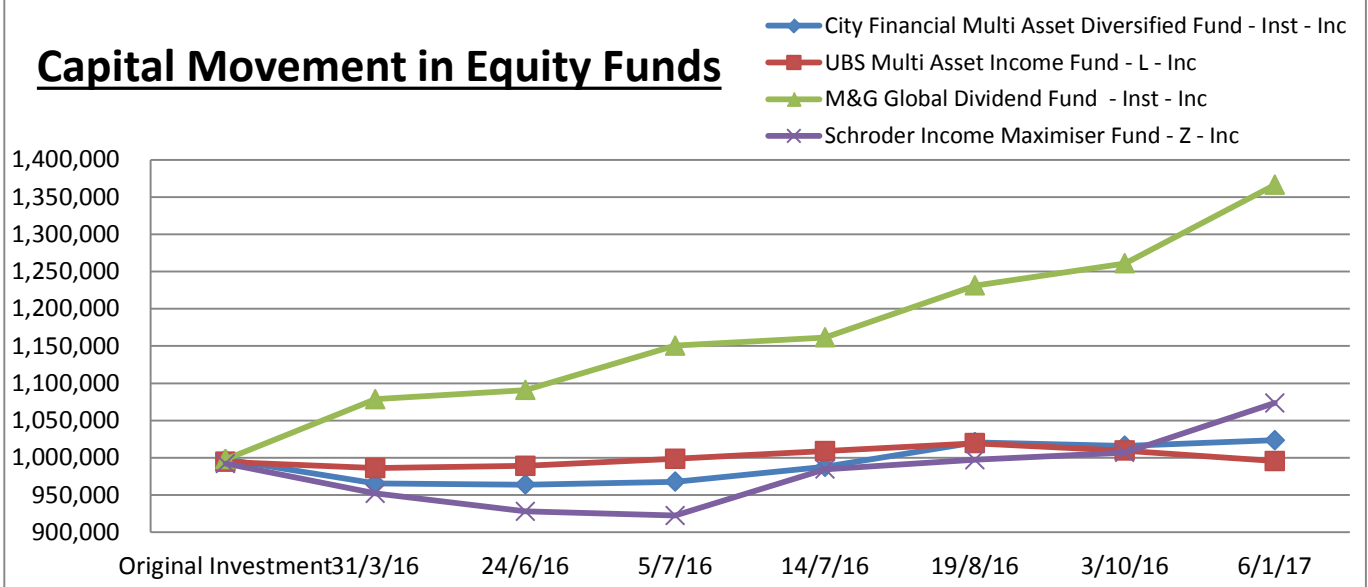
Treasury Management

25. Quarter 3 saw a strengthening of UK Equities and an upturn in the valuation of the Council's Corporate Property investment with CCLA having seen a markdown following the Brexit vote. Q3 did include the result of the US presidential election and despite some minor turbulence in the markets the Council's investment in the M&G Global Investment fund which is heavily invested in US equities continues to strengthen in capital value.
26. Last quarter saw concerns for Deutsche (and possibly Germany) with continued uncertainty around the fines which could be levied by US authorities, this was (subject to final approval) resolved just prior to Christmas with a proposed settlement of £5.9bn.
27. There have been increasing concerns over Italian banks, Monte dei Paschi which has been supported by the Italian Government, for clarification the Council has no direct exposure to Monte dei Paschi, and no secondary exposure through our money market funds (MMF's) which have no exposure to Italy as a Country.
28. the Bank of England has maintained interest rates to 0.25%, this has continued to weaken the return on MMF's although they are still paying more as they have to hold large amounts of readily available investments (cash).

Equity Funds

29. The original investment in equity funds total £3.98m with a current capital valuation of £4.46m giving a capital gain of £475,689 in addition to average revenue returns of circa 4.3%.
30. The components of the equity fund which deal with multi assets (City Financial and UBS) remained relatively flat during the quarter, the two funds predominately invested in US and UK equities (M&G and Schrodgers) continue to strengthen allowing for a minor blip following the outcome of the US Election.
31. The graph and supporting figures below show the movement in capital values of these funds and the indicative yield, shaded in grey.

Capital Movement in Equity Funds

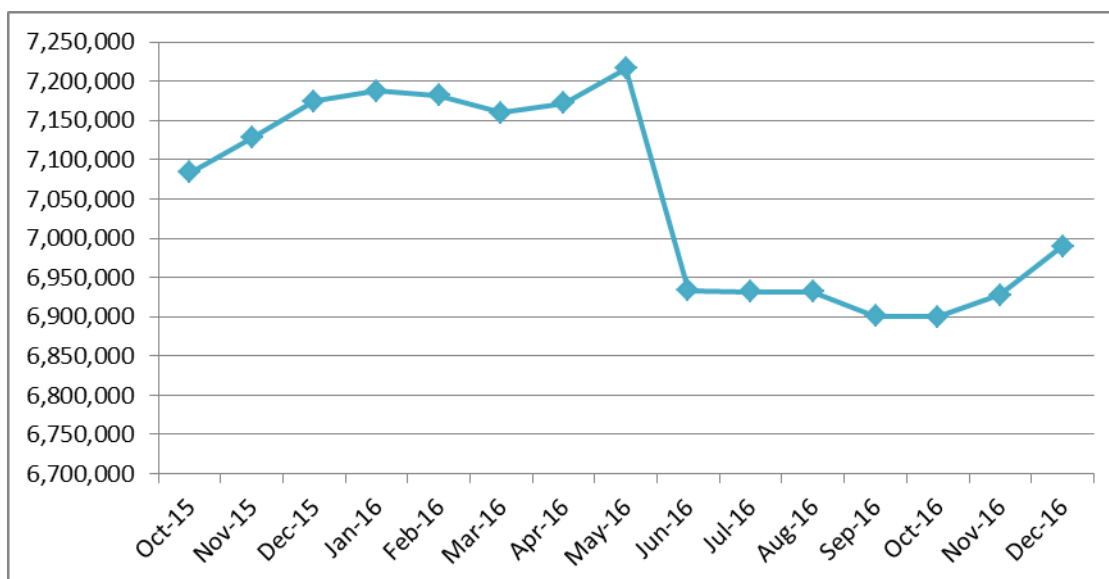


Fund	Original Investment	31/3/16	19/8/16	3/10/16	6/1/17	Forecast Interest Yield
City Financial Multi Asset Diversified Fund	997,687	965,605	1,020,637	1,015,887	1,023,585	2.47%
UBS Multi Asset Income Fund - L - Inc	994,504	986,089	1,019,475	1,009,539	995,429	4.10%
M&G Global Dividend Fund - Inst - Inc	997,914	1,078,660	1,231,373	1,260,903	1,366,433	2.78%
Schroder Income Maximiser Fund - Z - Inc	992,152	951,921	997,241	1,006,897	1,073,498	7.68%
Total Portfolio Balance	3,982,256	3,982,275	4,268,727	4,293,226	4,458,945	4.26%

* Original Investments were made between 26/08/2015 and 3/11/2015.

CCLA Corporate Property Portfolio

32. The original investment in the CCLA fund is £6,000,000, with a current capital value of £6,989,477 with an average return of circa 4.9%.
33. Corporate property values had a visible markdown following the 'Brexit' vote but these have started to recover over the past few months as below.



34. A full schedule of the treasury management positions as at 9 January 2017 are shown at Appendix A, this excludes loans to the Councils Property Company and K College which are £3,645,000 and £2,000,000 respectively.

Portfolio Holder's Views

35. To be given at the meeting

Contact and Email

36. Maria Seddon - Maria.seddon@ashford.gov.uk

Treasury Management Portfolio as at 9 January 2017

Counter Party	Deal Date	Rate %	Amount £	Comment
Temporary Investments				
Lloyds Banking Group	04/01/2016	0.65	3,000,000	175 day notice account
National Counties	18/11/2016	0.35	3,000,000	Matures 22/02/2017
Total Temporary Investments			6,000,000	
Long Term Investments				
Blaenau Gwent	21/10/2014	2.00	3,000,000	Matures 21/10/2019
Newport City Council	10/11/2014	1.50	2,500,000	Matures 10/07/2017
Total Long Term Investments			5,500,000	
Investment Accounts				
Santander	Various	0.25	2,500,000	Deposit Account
National Westminster Bank plc	Various	0.15	808,357	Deposit Account
Goldman Sachs	Various		50,000	AAA rated deposit facility *
ICD Portal - Invesco	Various	0.30*	5,000,000	AAA rated deposit facility *
ICD Portal - BNP Paribas	Various	0.34*	5,000,000	AAA rated deposit facility *
ICD Portal - Black Rock	Various	0.18*	1,200,000	AAA rated deposit facility *
ICD Portal - HSBC	Various	0.21*	5,000,000	AAA rated deposit facility *
Payden Global MMF	Various	variable	3,000,000	AAA rated deposit facility *
Federated MMF	Various	variable	1,500,000	AAA rated deposit facility *
Total Investment Accounts			24,058,357	
Local Authority Property Fund	Estimate	4.90	6,000,000	Rate is Net of Management Fees (Variable Rate of Return)
Total pooled funds Accounts **			6,000,000	
City Financial Multi Asset Diversified Fund	27/08/2015	variable	997,687	Long term investment **
UBS Multi Asset Income Fund	26/08/2015	variable	994,504	Long term investment **
M&G Global Dividend Fund	27/08/2015	variable	997,914	Long term investment **
Schroder Income Maximiser	03/11/2015	variable	992,152	Long term investment **
Total Equity funds **			3,982,257	
Total Investment Portfolio			45,540,614	
Long Term Borrowing				
Public Works Loan Board***	various	various	119,664,150	Maturity Date - various
Total Long Term Borrowing			119,664,150	
Grand Total Borrowing			119,664,150	

* Money Market Fund (MMF) are AAA rated deposit facilities which have variable rates of interest but have constant net asset values. Interest rates shown are as at 19/10/2016 where readily available

** Equity funds and the Property fund have variable rates of interest and also have fluctuating capital values

*** HRA borrowing

Agenda Item No:

Report To: Cabinet

Date of Meeting: 09/02/2017

Report Title: Ashford Borough Council's Performance – Quarter 3 2016/17

Report Author & Job Title: Nicholas Clayton-Peck, Senior Policy, Performance and Scrutiny Officer

Portfolio Holder Cllr. Shorter
Portfolio Holder for: Finance, Budget & Resource Management



Summary:

This report seeks to update members and the public on the performance of the Council against its Corporate Plan during Quarter 3 2016/17. This includes information on what the Cabinet has achieved through its decision-making, key performance data, and consideration of the wider borough picture which impacts upon the Council's work.

The organisation's approach to the monitoring of its performance against this plan has been revised. Accordingly, attached are summary highlights from the new online Performance 'Dashboard' for each of the Council's Corporate Plan areas.

Key Decision: NO

Significantly Affected Wards: N/A

Recommendations: The Cabinet is recommended to:-

- I. Note the Council's performance against the Corporate Plan in Quarter 3 of 2016/17.

Policy Overview: In December 2015 the Council agreed a new Corporate Plan - "*The Five Year Corporate Plan – for Aspiration, Action and Achievement*".

This also provided an opportunity to refresh the way in which performance against this new Corporate Plan (and its priority areas) was measured, presented and engaged with by officers and members.

Financial Implications: N/A

Legal Implications N/A

Equalities Impact Assessment Not required because the report relates to a summary of past performance rather than any item requiring decision.

Other Material Implications: N/A

Exempt from Publication: NO

Background Papers: N/A

Contact: Nicholas.Clayton@ashford.gov.uk – Tel: (01233 300208)

Report Title: Ashford Borough Council's Performance – Quarter 3 2016/17

Introduction

1. The report seeks to provide a headline overview of performance against the Council's Corporate Plan for Quarter 3 2016/17.
2. This report provides a summary of the main developments affecting performance during the quarter, whilst the attached highlight summaries provide the key trend data underlying this.

Background

3. Each quarter the Cabinet and Overview and Scrutiny committees receive an update on how and how well the Council is achieving its objectives.
4. In December 2015 the Council agreed a new Corporate Plan - "*The Five Year Corporate Plan – for Aspiration, Action and Achievement*". This provided an opportunity to refresh the way in which performance against this new Corporate Plan (and its priority areas) was monitored, presented and engaged with by officers and members.
5. Whilst this approach is naturally an evolving one, the aim is for this Performance Dashboard (the Dashboard) to inform the work of both officers and members, providing an ongoing tool which facilitates insight and understanding across the organisation on the state of progress against our goals.
6. As part of the Council's wider governance arrangements, such performance information is used to reflect on the organisation's approach – leading to doing things differently where needed in order to offer efficient services and effective outcomes. As such, in September 2016 the Dashboard was also presented to the Audit Committee.
7. It should also be noted that this is the first version of the Dashboard, with an emphasis on making sure the core data, components and insight begin to work as a management tool. As such, analysis is constantly being added as the latest data is added to the system and interventions are made. Feedback from more regular use of the site, and further integration of service planning and programme management data will provide further developments (and a deepening) of the overall performance picture.

Summary of Performance Developments in Quarter 3 2016/17

Activity

8. Quarter 3 saw successful activity on a variety of initiatives which will have a positive impact on the outcomes set out in the Council's corporate plan –

October

- a. Plans to build a new £70m junction on the M20 at Ashford went out to consultation following the acceptance of the application for a development consent order by the Planning Inspectorate.
- b. Following a review of homelessness (and public consultation), Cabinet agreed to incorporate the findings of this engagement to inform and approve a new Homelessness Strategy. This Strategy sets a 10-point action plan to address local challenges. These include not placing any 16 or 17 year olds in B&B accommodation, not placing families in bed and breakfast accommodation unless in an emergency (and then for no longer than 6 weeks), and enhancing prevention work and engagement across the private and public sectors.
- c. The borough's first proposed Neighbourhood Plan, covering Wye, was recommended for approval to council by Cabinet members.
- d. Ashford's new state-of-the-art sports centre at Spearpoint Pavillion was officially opened.
- e. Launch of the new Aspire Landscape Management service, covering the day-to-day work of mowing, pruning, planting, clearing and litter picking on various spaces owned by the Council.

November

- f. Final approval was given for funding to construct a mixed-use leisure development incorporating cinema, hotel, food and beverage establishments, car park and retail use in Elwick Road. Work is likely to start early in 2017.
- g. The council held a one-month trial for a new health and fitness activity campaign, called Active Everyday, to encourage those aged over 60 to consider at least 10 minutes of exercise a day. The project provides a monthly calendar of suggested daily activities which range from light exercise, such as NHS health walks, short mat bowls and walking football, to more intense exercises like a bike ride or a Multi Activity Session. The various activities are all fun and local.
- h. Launch of the Report-It app. This improved online reporting system makes it easier for residents to report issues such as fly-tipping, littering, dog fouling, vandalism, anti-social behaviour or planning enforcement issues. The new mobile friendly system replaces some of the council's online forms and allows residents to report incidents and then track their progress via a unique reference number.

December

- i. The latest vacancy rate figures for high street shops were released, standing at just under 9%. This is below the national average of 9.5%, and is the lowest since rates were first recorded here in 2008.
- j. Work continued on the new Ashford College campus, with the building set to welcome its first students in September 2017.
- k. The latest figures on the impact of the visitor economy on the borough were released. This independent research commissioned by Visit Kent showed that Ashford saw a 6% increase in attraction spend in 2015. Visits to the district rose to 4.3 million trips, with the total number of jobs supported by tourism rising to 5,482 (equates to 1 in 10 of all jobs).
- l. Farrow Court was named a joint winner of the Residential-Major category at the 2016 Kent Design and Development awards.
- m. Completed refurbishment works on the Sk8side complex to create a fresh, well insulated, low-maintenance, energy efficient building with a modern finish.
- n. Volunteers from the Ashford Volunteer Centre were awarded a certificate by Ashford Borough Council in recognition for their outstanding contribution and work in the borough recently.
- o. DEFRA's latest recycling league tables confirmed that Ashford remains the top recycler in the county.
- p. The Cabinet agreed to keep the borough's council tax at the lowest level of any Kent authority, subject to consultation of the draft budget.
- q. The Council's external auditors confirmed that the authority continues to deliver good value for money and effective use of its resources, whilst for the second year in a row the Department for Work and Pensions gave an unqualified opinion on the council's housing benefit work – meaning that the authority is working accurately and efficiently in this area.
- r. Whilst the planning department received and decided upon just under 400 applications during the quarter, the Planning Committee considered just over 15 applications, including -
 - a £55m scheme for a new supermarket, 216 homes, a brewery and visitor centre on a brownfield site on Victoria Way.
 - Approved the erection of 40 houses, of which 14 are affordable, in Rolvenden.
 - Approved 31 residential apartments on the former Travis Perkins site, Victoria Crescent, Ashford.
- s. The council also received two awards at the prestigious national Engagement Excellence Awards. The council was not only commended for its work around staff engagement, it was also successful in both the 'Best Branding' and 'Most strategic communications for public sector / charity organisations' categories.

Commentary on performance trends

9. Whilst the majority of the trends captured within the summaries attached to this report have remained broadly steady over the last quarter, the following trends are worth highlighting –
- a. Footfall in September and October reflected a similar upturn in numbers seen in the same months of the previous year, with general performance over the last six months remaining stable at +/- 10% of the around 4,500 daily average visitors.
 - b. As noted above, vacancy rates for both the high street and Ashford's shopping centres continues to fall – with both now sitting at around 9%.
 - c. The overall unemployment rate remains relatively unchanged, having remained at 1.6% (+/-0.1%) since February 2016, although unemployment amongst those 18-24 has risen from 2.6% to 3% in the same period – and is still above the average seen across the rest of the county.
 - d. By the end of the quarter the number of households in Bed & Breakfast (B&B) remained around 20, although there was a similar peak at the same time last year. The overall trend, however, has remained steadily increasing since the beginning of 2016.
 - e. Across the over 1,000 food businesses across the borough, the percentage compliant with hygiene standards when inspected has remained stable over the last six months, remaining within half a percent during that period.

Conclusions

10. The majority of performance goals the council is working towards remain either on-target or near-target, and (a) to € above demonstrate a continuing healthy growth profile for Ashford.
11. As noted above, the information included within this report provides merely a high-level snapshot of the information available constantly through the live Dashboard site management tool, which also includes live links to the data behind each graph or table.

Equalities Impact Assessment

12. N/A

Consultation Planned or Undertaken

13. N/A

Other Options Considered

14. N/A

Reasons for Supporting Option Recommended

15. N/A

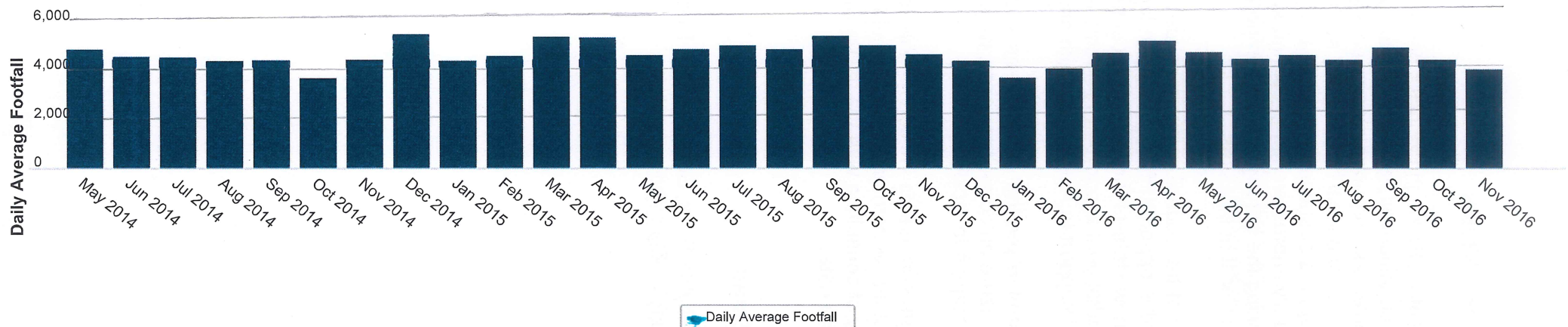


Ashford Borough Council Performance Dashboard

Headline Report

Enterprising Ashford

Town Centre Footfall



Footfall in September and October reflected an uptick seen in the previous year, and more generally footfall has remained relatively steady during the last three months.

The wider state of Ashford town centre remains generally strong, with footfall during 2015 bucking the national trend and increasing by 5% against to the year before, compared to a national trend of a 1.6% decrease. The number of visitors parking has increased slightly, in some part due to the free parking initiative.

In August 2016 a total of 40 new parking terminals were installed across Ashford and Tenterden. These new machines include a larger screen and can accept a wider variety of payment methods.

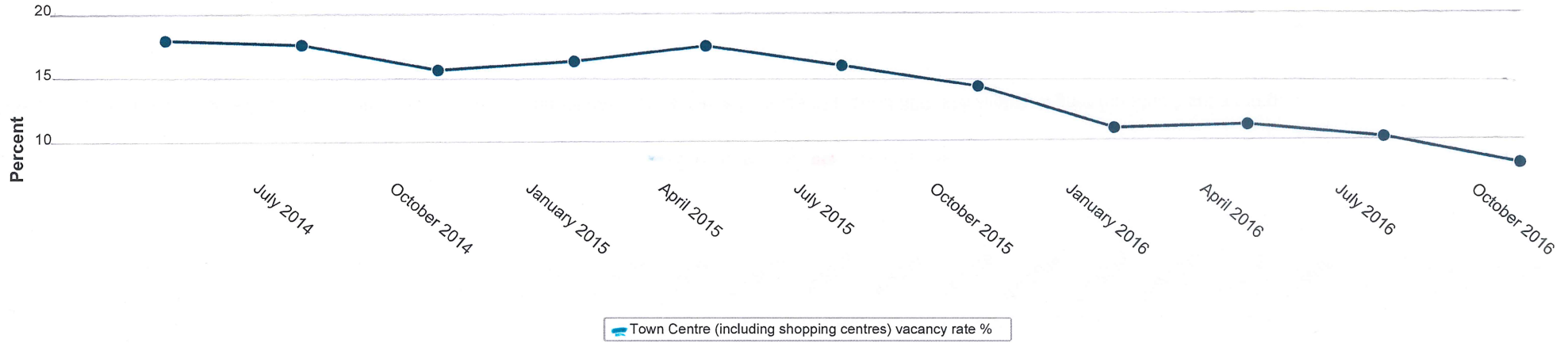
Portfolio Holder's Views

16. Overall, Ashford Borough Council's performance remains strong, with many activities and initiatives, led or supported by this council which will significantly help to deliver our corporate objectives. More specifically, efforts to support our high street and local businesses, such the purchase of Park Mall, have helped support a sustained fall in vacancy rates alongside strong footfall traffic. Equally impressive is the continued increase in not only the number of tourists visiting the borough, but the important economic impact this sector provides for local businesses.
17. The launch of the council's new in-house ASPIRE landscape management team provides opportunities to raise the look and feel across the borough, whilst the new state-of-the-art sports centre at Spearpoint Pavillion and the launch of additional support for residents to make healthy choices represent meaningful support to Ashford's health and wellbeing.
18. It is also good to see that, when areas such as temporary accommodation do show a pressure on council services, we are proactive in putting in place the revised strategies to tackle them.
19. The highlight summaries included in this report present merely a top line snapshot of our performance, and I would urge all colleagues to take the opportunity of consulting with the online Dashboard itself for further context, analysis and data.

Contact and Email

20. Nicholas Clayton-Peck, Senior Policy, Performance and Scrutiny Officer,
Nicholas.clayton@ashford.gov.uk

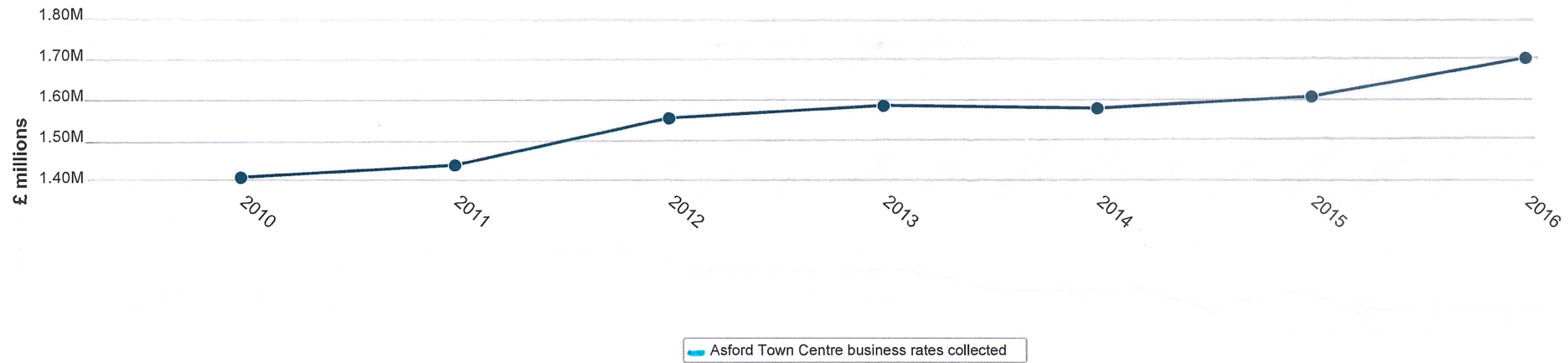
Ashford Town Centre Vacancy Rates



The latest vacancy rate is just under 9%. This is below the national average of 9.5%, and is the lowest since rates were first recorded in 2008.

Vacancy rates have fallen across the town centre overall over the last year. Park Mall's historically higher rates have also begun to fall since the Council took over direct operations in 2015, with over half of the vacant units now full and footfall up by around 7%. The rejuvenation has been directly attributed with improving customer spend in neighbouring stores such as Wilko.

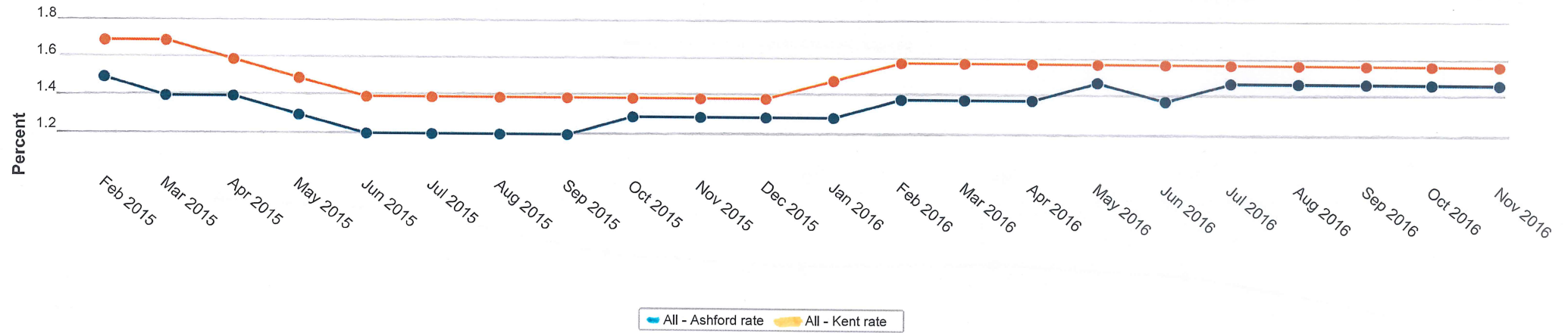
Town Centre Development and Future Plans



In November final approval was given for funding to construct a mixed-use leisure development incorporating cinema, hotel, food and beverage establishments, car park and retail use in Elwick Road. Work is likely to start early in 2017.

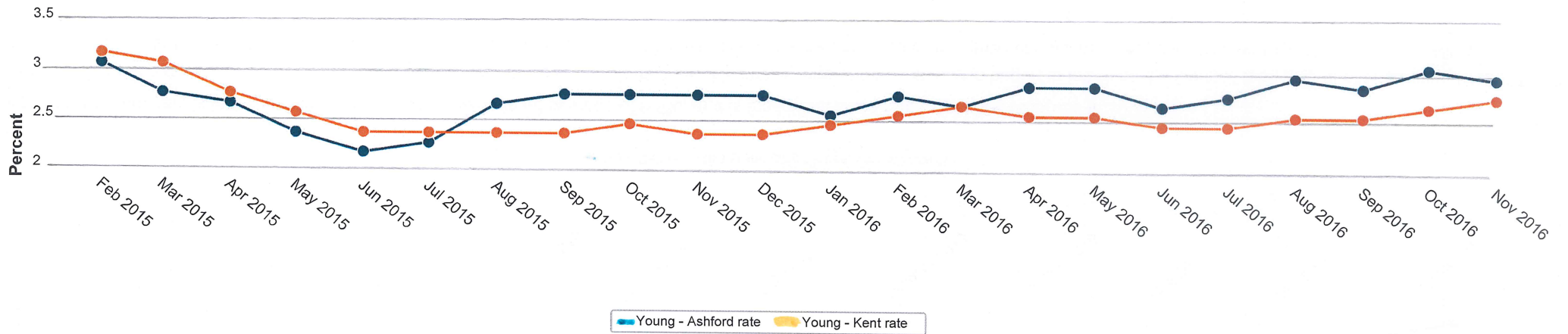
Unemployment

All



Following a small rise in the previous quarters, the total number claiming either Jobseekers Allowance or Universal Credit principally for the reason of being unemployed has levelled out and now stands at just above **1,150**. This is around 10% more than at the same time last year, constituting around **1.5%** of Ashford's working age population.

Young People



The number of young people (18-24) claiming unemployment benefit has also remained steady at around **300**, still slightly higher than the Kent average.



Ashford Borough Council Performance Dashboard

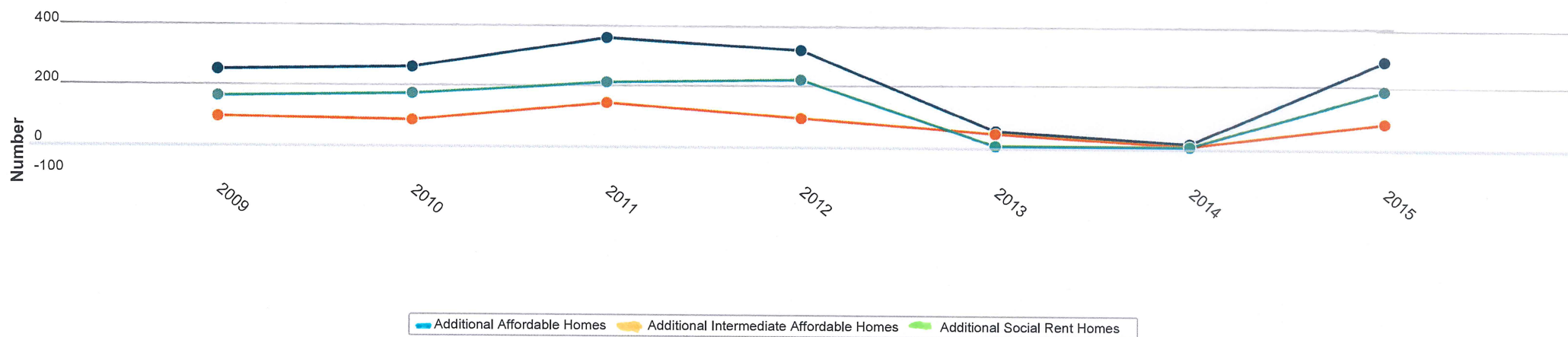
Headline Report

Living Ashford

Affordable Housing

The total additional Affordable Homes is made up of the following two main areas -

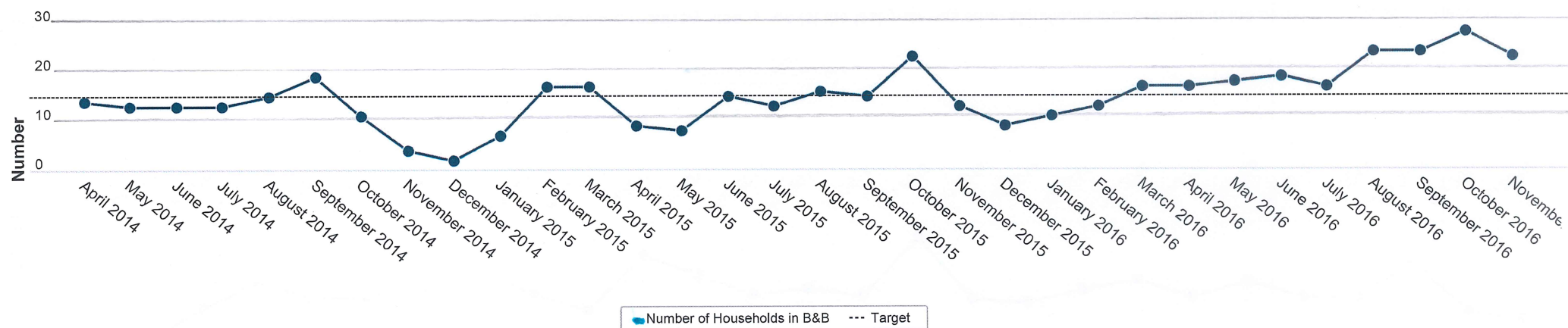
- Intermediate Affordable Homes, which includes intermediate rent and affordable home ownership; and
- Social Rent Homes, which include affordable rent homes



The economic downturn that occurred in 2008 had negative consequences for the housing market, though impacts for affordable housing completions were not felt until later - with a low point occurring in 2013. This position has since somewhat reversed.

In 2016 Cabinet approved a set of revised eligibility criteria to widen the scope of affordable housing delivery in the Borough to meet local housing needs. This will allow for a wider range of models to be considered in the future whilst maintaining quality development and management, opening up opportunities to explore alternative delivery models to boost supply where traditional forms of affordable housing delivery may not be viable.

Temporary Accommodation



By the end of the quarter the average number of households in Bed & Breakfast (B&B) had increased to around 20, (although there was a similar increase at the same time last year). B&B costs for 2015/16 were very marginally below budget, however pressure still remains going forward on the service.

In response, in October Cabinet agreed to incorporate the findings of a recent consultation to inform and approve a new Homelessness Strategy. This Strategy sets a 10-point action plan to address local challenges. These include not placing any 16 or 17 year olds in B&B accommodation and enhancing prevention work and engagement across the private and public sectors.

House prices and the number of homes sold

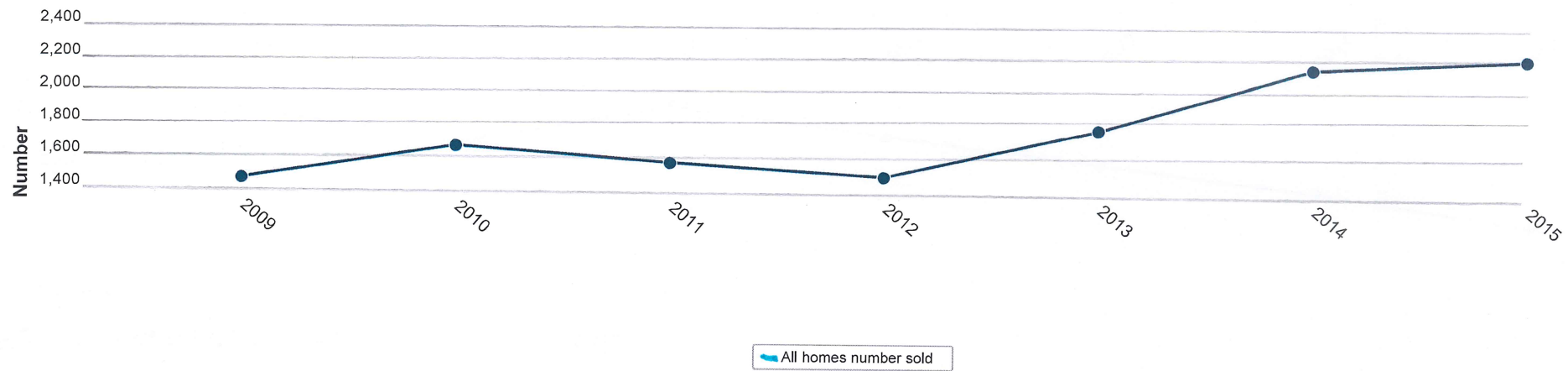
House Price



The average house price in Kent (KCC area) during 2015 was **£283,323**. The average price in Kent (KCC area) has increased for four consecutive years and is now **21%** higher than where they were in 2008.

There were **26,455** property transactions in Kent during the year, **2.87%** lower than in the year before.

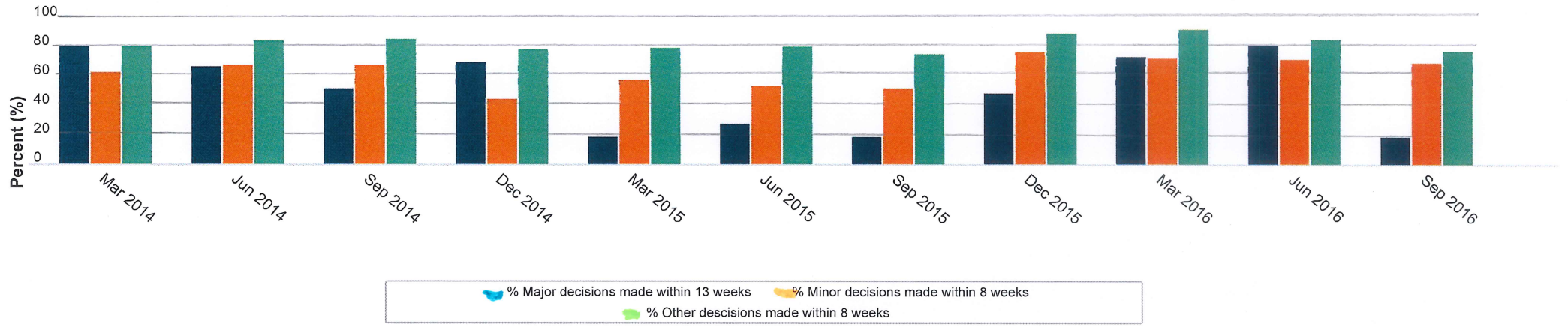
Number of Houses Sold



Planning



The number of planning applications considered by the council has remained relatively steady, whilst the last year has seen significant improvement in the percent of decisions made within target.



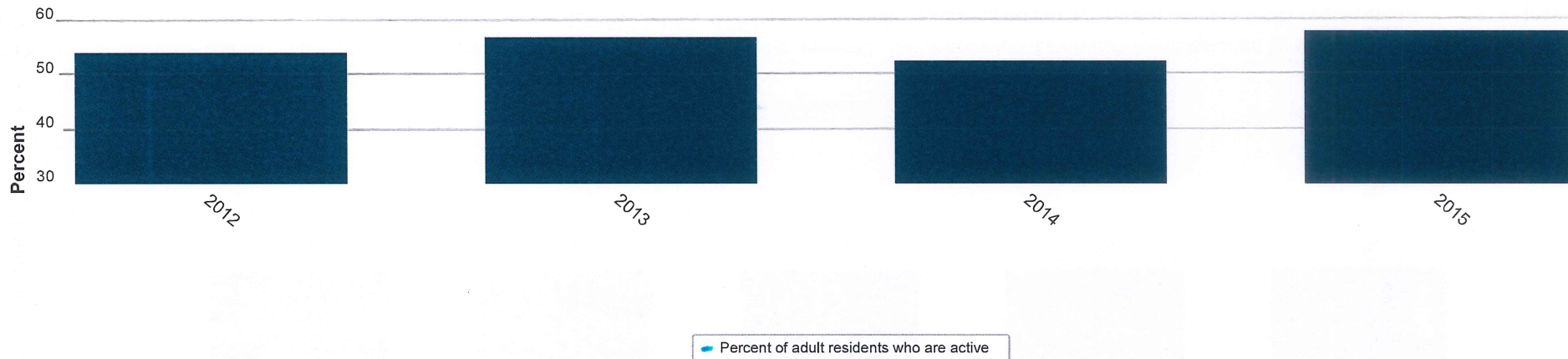


Ashford Borough Council Performance Dashboard

Headline Report

Active and Creative Ashford

Healthy Lives and Active Living



Sport

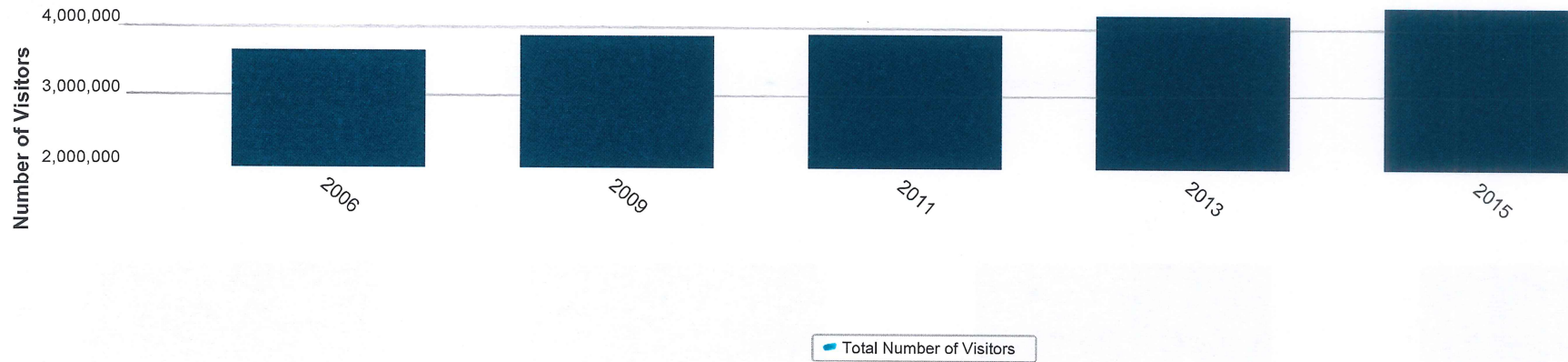
In October Ashford's new state-of-the-art sports centre at Spearpoint Pavillion was officially opened, and by the end of the year a refurbishment of the Sk8side complex had been completed. November later saw the launch of a one-month trail for a new health and fitness activity campaign called Active Everyday to encourage those aged over 60 to consider at least 10 minutes of exercise a day. The project provides a monthly calendar of suggested daily activities which range from light exercise, such as NHS health walks, short mat bowls and walking football, to more intense exercises like a bike ride or a Multi Activity Session.

Supporting Culture and Creativity

The Voluntary and Community Sector

In December volunteers from the Ashford Volunteer Centre were awarded a certificate by Ashford Borough Council in recognition for their outstanding contribution and work in the borough recently.

Tourism



In December the latest figures on the impact of the visitor economy on the borough were released. This independent research commissioned by Visit Kent showed that Ashford saw a 6% increase in attraction spend in 2015. Visits to the district rose to 4.3 million trips, with the total number of jobs supported by tourism rising to 5,482 (equates to 1 in 10 of all jobs). The total value of tourism across the borough, including all visitor spend, as well as associated and indirect spending was £278 million.



Ashford Borough Council Performance Dashboard

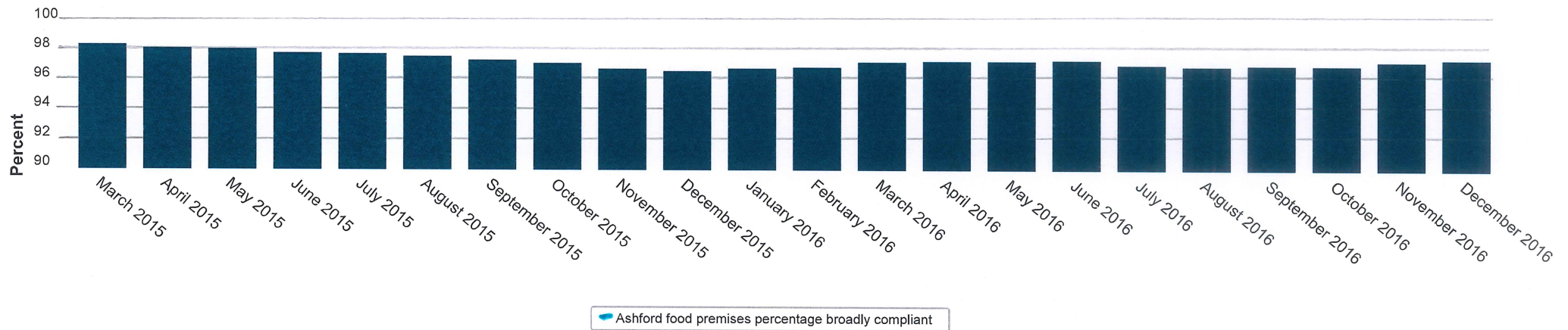
Headline Report

Attractive Ashford

Quality Across the Borough

Food Business Hygiene

There are almost 1,300 registered food businesses within the Borough. All are inspected on a regular basis according to their risk category.



This graph shows the percentage of businesses that are broadly compliant with food hygiene standards. Any business found to be non-compliant either receives a formal letter or a revisit. The percentage compliant upon inspected has remained within a half percent range during the last six months.

Guidance is provided to food businesses in the first instance and notices are service if conditions do not improve. Food businesses are also given a food hygiene rating which can view at <http://www.ashford.gov.uk/food-hygiene-rating-scheme> (<http://www.ashford.gov.uk/food-hygiene-rating-scheme>).

In September 2016 the Council approved a revised Food Safety Policy, which ensures a consistent approach to food safety inspections, enforcement and food sampling in line with current nationally accepted standards.

ASPIRE - Improving the presentation of the borough

A new in-house ground maintenance service was rolled out during early October 2016. The new service, called Aspire Landscape Management, will cover the day-to-day work of mowing, pruning, planting, clearing and litter picking on various spaces owned by the Council including open green space, parks, floral beds, cemeteries, areas around housing sites, open green space, hedges, sports pitches and associated footpaths.

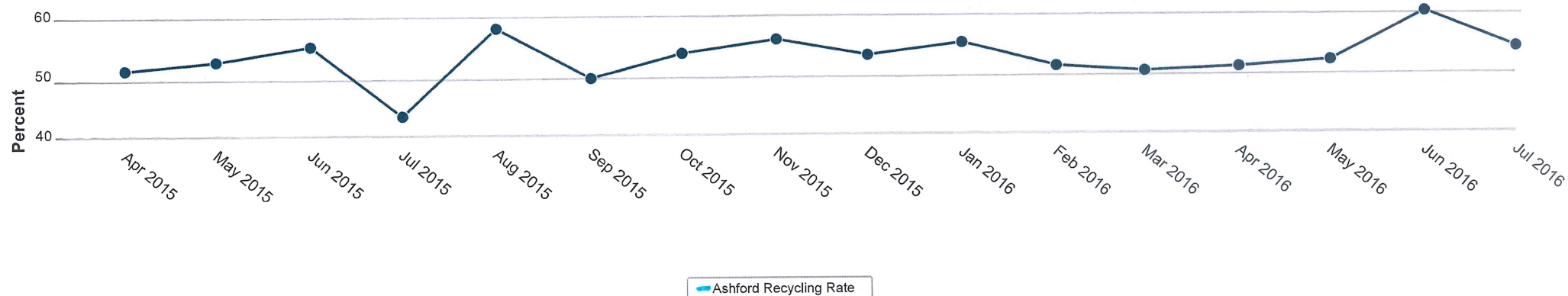
This initiative is a key part of delivering the adopted Land Management Improvement Plan, which aims to make the borough a pleasant and enjoyable place to live, work, visit and enjoy, enhance Ashford's overall appearance and attractiveness and raise civic pride and make the borough more attractive for residents, visitors and businesses.

Other Measures to Improve Ashford

In September 2016 the Community Toilet Scheme, which sees local businesses including shops, cafes and restaurants working in partnership with the Council to open up their toilet facilities to the public free of charge, rolled out across Ashford.

November saw the launch of the Report-It app. This improved online reporting system makes it easier for residents to report issues such as fly-tipping, littering, dog fouling, vandalism, anti-social behaviour or planning enforcement issues. The new mobile friendly system replaces some of the council's online forms and allows residents to report incidents and then track their progress via a unique reference number.

Recycling



As expected, following two straight years of impressive increases in recycling rates, recycling rates have levelled-out over the last year, with the important next step to consolidate this improved performance.

December's DEFRA's latest recycling league tables confirmed that Ashford remains the top recycler in the county.

Ashford Borough Council

Report of the Chairman of the Member Training Panel – 6th December 2016

1 Introduction

1.1 A Meeting of the Member Training Panel was held on the 6th December 2016

The Members present were:-

Councillor Wedgbury (Chairman);
Councillor Mrs Dyer (Vice-Chairman);
Councillors A Howard, Macpherson, Smith.

Apologies:-

Councillors Krause, Link.

Also Present:-

Danny Sheppard - Senior Member Services Officer.

2 Chairman's Report – 23rd March 2015 and Matters Arising

2.1 Members praised the final pack of Framework Documents that had been produced for new Members, which included the 'What to Expect as an Ashford Borough Councillor' document produced with input from this Panel. It was accepted that a lot of information was thrown at new Members, and this could initially seem overwhelming. There was an understanding that Members would find their own way and 'learn by doing' to a great extent, but it was also important to provide them with as much base 'ammunition' to get started as possible.

2.2 The idea of producing some sort of achievement portfolio to act as a record of training for each Member was raised. The Senior Member Services Officer said that this had not been taken forward thus far, but he did keep a record of all training undertaken and this was something that could potentially be pursued in the future.

2.3 **Resolved:**

That the report be received and noted.

3 Member Training Update

3.1 The Senior Member Services Officer introduced the report which gave an update on Member Training undertaken in this Council term since the May 2015 Elections, and began to look ahead to the future. Since the appointment of the Panel's new Chairman Councillor Wedgbury in May, he had held numerous informal meetings with Officers and they had discussed or

commenced a number of training initiatives. Panel discussion on the key topics is grouped together below: -

Survey/Training Needs

- 3.2 Officers had long wanted to undertake some meaningful training needs analysis and have a more pro-active process in engaging Members on the issue of training. This issue had also been raised in a recent internal audit. The Panel agreed that Members should be contacted at least once a year and rather than a simple 'tick-box' survey, this should take more of a discussion format, either by telephone, e-mail or face to face.

Modern.gov

- 3.3 The Senior Member Services Officer advised that the Council was looking to introduce an externally hosted on-line Committee Management System – Modern.gov. Whilst formal approval had not yet been agreed, Officers and Senior Members (including the Chairman) had been given a demonstration of the system and fully supported its introduction. There were numerous benefits to the system which were outlined within the report, but one of the key factors for this Panel would be that it would allow for the creation of a bespoke training library for Members. Some sort of on-line portal of this type had been a long-standing desire and it was hoped that this area of Modern.gov would be able to house paperwork from all training provided by the Council or attended by Members, useful documents, fact sheets and links to e-learning opportunities. Whilst these were all clear benefits, it was also recognised that the introduction of Modern.gov would create a training need in itself as Members would need to be trained in its use.

Suggested Future Sessions

- 3.4 After discussion the Panel proposed the following topics as an initial programme of training to be pursued in 2017/18: -
- Planning and Licensing Committee Refreshers (Particularly for newly elected or appointed Councillors).
 - Basic Planning Training from the Point of View of a Ward Member.
 - Councillors Role as a Trustee or on Outside Bodies.
 - Media Training.
 - Data Protection.
 - Equalities and Diversity.
 - Safeguarding.
 - Social Media.
 - TBC – Issues associated with the potential introduction of Modern.gov

It should be noted that this list is by no means exhaustive and can be amended as the year goes on.

- 3.5 The proposed session on Planning for Ward Members was particularly welcomed. The Panel considered some basic awareness of legalities, dealing with constituents and others when a planning issue arises in a Member's Ward and what should/should not be said/done in the circumstances would be beneficial for all Members, not just those who sat on the Planning Committee.

- 3.6 Bespoke training for Cabinet Members and Media Training for Senior Members had both been suggested in the report. The Panel considered these may be a little Political and elitist and asked for bespoke training for Cabinet Members to be removed from the programme and for media training to be made available to all Councillors. The Senior Member Services Officer advised that media training may have to be held more than once to be targeted at the right groups, but he would propose that the topic be offered to all Members.
- 3.7 Some specialist training in Social Media was added to the list by the Panel. This was considered to be an increasingly relevant topic for elected Members and some guidance on the pros and cons and 'dos and don'ts' would be useful.
- 3.8 On the topic of Safeguarding, a Member wondered if all Councillors should be DBS (previously CRB) checked. Although this may not be a day to day aspect of life for a Borough/District Councillor, there may be instances where Members were invited in to family homes or found themselves in awkward situations, or may witness something that required further investigation. A DBS check would safeguard that individual and the Council. It was agreed that this was something that could be covered as part of any training on the subject.

General Comments

- 3.9 A Councillor who had recently been elected in a by-election said that he did find the amount of information he was given initially to be a little overwhelming. Given his experience, he thought more consideration should be given to breaking down the salient information in to a more easy to digest format as building blocks to get new Councillors started. Perhaps in the style of 'the top five things you may come across in your early days'. The Panel considered that the Modern.gov library could assist with that.
- 3.10 Members commented on the Prevent (Counter Terrorism) training that had taken place earlier that day. Whilst the topic itself was extremely important and the training had been delivered particularly well, there was some concern that the course had been a little political and some of the information given about where to look for potential terrorists appeared to be misleading/inaccurate. Perhaps the course needed to be geared slightly differently.
- 3.11 It was recognised that e-learning was not a universally popular option, but it did have its place and was another tool that the Council had at its disposal. It was considered that e-learning would be more useful for some of the more standard or legislative topics and could tie in well with any training library.
- 3.12 The benefits of training delivered by webinars were also emphasised and a Member volunteered to participate in one and give her feedback.

3.13 **Resolved:**

That

- (i) the contents of the report and the ongoing work on Member training and development be noted.**

- (ii) Members should be contacted at least once a year to assess training needs and review training in general. Rather than a simple 'tick-box' survey, this should take more of a discussion format.**
- (iii) the list of potential training sessions listed in this report form the basis of the Member Training Programme for 2017/18.**

Councillor J N Wedgbury
Chairman – Member Training Panel

Local Plan & Planning Policy Task Group

Notes of a Meeting of the Local Plan & Planning Policy Task Group held on the **22nd December 2016**.

Present:

Cllr. Clarkson (Chairman);
Cllr. Bennett (Vice-Chairman);

Cllrs. Mrs Blanford, Burgess, Clokie, Hicks, Michael, Shorter, Wedgbury.

In accordance with Procedure Rule 1.2 (iii) Councillors Burgess and Hicks attended as Substitute Members for Councillors Galpin and Heyes respectively.

Apologies:

Cllrs. Chilton, Galpin, Heyes.
Principal Solicitor – Strategic Development; Housing Enabling Officer

Also Present:

Cllrs. Link, Miss Martin, Pickering.

Simon Cole – Head of Planning Policy and Economic Development; Ian Grundy (IG) – Principal Policy Planner; Ashley Taylor (AT) – Principal Policy Planner; Matthew Nouch – Policy Planner; Rosie Reid – Member Services & Ombudsman Complaints Officer.

1 Declarations of Interest

- 1.1 Cllr. Bennett made a Voluntary Announcement as he was a member of the Weald of Kent Protection Society.
- 1.2 Cllr. Mrs Blanford made a Voluntary Announcement as she was a member of the Weald of Kent Protection Society and the Campaign to Protect Rural England.
- 1.3 Cllr. Burgess made a Voluntary Announcement as he was a member of the Weald of Kent Protection Society.
- 1.4 Cllr. Clarkson made a Voluntary Announcement as he was a member of the Weald of Kent Protection Society and the Chairman of A Better Choice for Property Ltd.
- 1.5 Cllr. Clokie made a Voluntary Announcement as he was a member of the Weald of Kent Protection Society.

2 Notes of the Local Plan and Planning Policy Task Group Meeting held on 6th October 2016

- 2.1 The Task Group Members agreed that the Notes of the Local Plan and Planning Policy Task Group Meeting held on 6th October 2016 were an accurate record.

3 Review of the Demographic Assumptions for the Ashford Strategic Housing Market Assessment (SHMA)

- 3.1 A Member expressed concern about the figures used to identify the revised Local Plan housing target. The Chairman said that the consultants who had been invited to comment on the validity of the figures used were satisfied with the soundness of the approach.
- 3.2 Several Members said that they considered this matter to now be closed and that the Council should progress a review of the draft Local Plan on the basis of the content of the revised SHMA report from GL Hearn.
- 3.3 A Member asked about the long term strategy regarding infrastructure. The Chairman responded that at the moment the main focus was on publishing the Local Plan to 2030. The Council was currently spending more on infrastructure than any other nearby authorities. It was important to maximise opportunities, which need not necessarily be expensive or complicated. A Member said that the current road structure was limited in terms of potential expansion, and that it was important to look at building more arterial roads around the town centre. The Chairman said that this was not on the Council's agenda at present. The Head of Planning Policy and Economic Development said it was important to ensure that the infrastructure capability would support growth. He pointed out that infrastructure needed to be related to new development. Officers were currently working to collate infrastructure plans for each proposed development, and were in discussions with KCC, who were responsible for a large part of the infrastructure in the Borough and other service providers. The NHS also needed to be involved, as some of their requirements would become clearer in due course. The Council would work with other service providers going forward, as it was important to identify their needs and ensure they were planned for. An infrastructure plan would be appended to the final version of the Local Plan when it was published, and this would seek to identify what developments should contribute and when. The Chairman said he had annual discussions with KCC regarding education and plans for integrating new schools with developments.
- 3.4 A Member said there had been many new developments over the last 15 years, and there was much development planned for the future. He questioned whether the current road structure was adequate. The Chairman responded that the road structure, although not always ideal, was still relatively good.
- 3.5 One Member said that as a rural Councillor, she often had feedback from residents who feared that the infrastructure would not be able to cope with

new development. She considered that the Council needed to communicate the situation better, so residents understood that infrastructure was a priority Council focus. She said broadband was needed in rural areas so residents could communicate better with the Council, and have access to information on the Council's website. The Head of Planning Policy and Economic Development said the Council made efforts to communicate as much as resources allowed. It was not always easy to ascertain the needs of partner organisations, but officers did all they could within the limitations of resources. However, officers were always prepared to look at opportunities to communicate better with residents to provide more understanding. The Member said that there were some sites being considered in rural areas which were controversial. She considered the Council should take ownership of communication so residents better understood the pressures facing the Council. The Chairman said that the Council had undertaken extensive consultation and explanations over the development of the Local Plan, and he was satisfied with the time and effort spent on communication.

- 3.6 A Member said KCC were giving priority to broadband development in the Borough. The Chairman advised that the Council had identified a need to have broadband in every area across the Borough, and the Portfolio Holder for Information, Technology and Communications was working on this. Planning consent for every new development included an obligation to include provision for broadband. The Head of Planning Policy and Economic Development advised that the Council was ahead of other authorities in this respect. However, work was still needed to bring broadband provision up to 100% across the Borough, particularly focusing on rural areas, rather than replacing existing facilities in the urban area.

4 Local Plan to 2030 – Allocations strategy update and 5 year housing land supply

- 4.1 The Head of Planning Policy and Economic Development advised that this report emanated from the discussion at the Task Group in October, when Members indicated their wish for officers to establish a 5 year housing land supply through allocations in the emerging Local Plan. The Head of Planning Policy and Economic Development gave a short presentation which covered:

- The current position
- The new position (using the 'Sedgefield' approach)
- The new position (using the 'Liverpool' approach)
- New allocations

He said it was important for Members to decide which approach would be most suitable for Ashford, and agree the strategic buffer level.

4.2 The Chairman opened up the item for discussion and the following points were raised:

- A Member said either of the presented approaches created a problem if developers were not delivering on agreed sites. He considered that it was important to continue lobbying Government to provide incentives to developers to get on with building and thus prevent land banking.
- Members discussed the pros and cons of the two approaches and favoured the Liverpool approach, although agreed that neither approach was ideal. The Head of Planning Policy and Economic Development advised that, subject to further legal advice, the Liverpool approach should be embedded into the Local Plan and form the basis for a development delivery and allocation strategy, and subsequently promoted at the Local Plan examination. It was hoped that the Government would address the issue of housing land supply in a White Paper early in 2017.
- A Member asked when information would be available regarding rural areas. The Head of Planning Policy and Economic Development responded that a report would be coming to this Task Group around March which would provide more information regarding quantities of housing planned for rural areas, as well as any additional proposed sites for allocation in the draft Local Plan. During January and February officers would be working on options and discussions would take place with Ward Members, the Leader and the Portfolio Holder. However, a decision at the meeting today would decide the direction of the forthcoming work. If it was agreed to use the Liverpool approach, there would be less pressure to identify rural sites. In any event, allocations in rural areas would be limited, as far as possible, to adjoining existing settlements, or easily accessible sites.
- One Member suggested that more use should be made of storeys in new developments to help meet housing demand. However, other Members were against the idea as they did not favour the high-rise effect which might ensue, and considered that it could detract from the cohesion of community.
- There was some discussion about a buffer figure in the context of a Liverpool method of calculating 5 year housing land supply. The Head of Planning Policy and Economic Development advised that a 5% buffer would be a prudent starting point and recommended that the Council should adopt this figure.
- A Member expressed concern about the need to avoid ribbon development, which could prevent well-structured future development. The Chairman said that it was important to identify sites on the outer edges of the town centre which could be developed quickly, without opposition from residents, and which had established road networks.

Recommended

- (i) **The Task Group agrees, subject to further legal advice, that the allocation strategy for the Local Plan to 2030 should be based on a ‘Liverpool’ approach to meeting 5 year housing land supply.**
- (ii) **The Task Group endorses the principle of investigating potential residential site allocations on land served by the main arterial roads into Ashford that is not covered by national land use designations or constrained by major infrastructure improvements.**

5 Local Plan Consultation Responses Update

- 5.1 The Principal Policy Planner (AT) introduced this item. She said the report set out responses to consultation, but further work and research was needed in order to assimilate the feedback. A further report would come to the Task Group in due course. A provisional timetable for the next steps had been prepared.
- 5.2 A Member asked about the potential for using flat-pack houses, as currently used in the north of England. He questioned whether it would help increase the rate of build. The Head of Planning Policy and Economic Development said officers had not yet spoken with flat-pack providers, but may well investigate this option further in due course.

6 Reviewing the London Plan

- 6.1 The Principal Policy Planner (IG) introduced this item. He said the Mayor of London had published the first stage of the London Plan and a draft timetable. The draft Plan indicated that although the Mayor would be seeking to meet as much of London’s housing needs within its boundaries, there may be a need for some neighbouring authorities to assist in meeting London’s housing needs.
- 6.2 A Member asked about the implications of the London Plan on the Ashford Local Plan. The Principal Policy Planner responded that the Ashford draft Local Plan would already be established by the time the London Plan came into being. The Ashford draft Local Plan already anticipated an element of out-migration from London. The only risk lay in not knowing how specific the London Plan would be, but this was considered more of a theoretical than practical risk. A Member noted that the Council had a duty to cooperate. He recalled the London overspill programme of the 1950s and 60s and said this changed the character and nature of the Borough’s villages and town centre. He considered that Ashford now had a major link with London and there was a high risk that Ashford could be affected by the London Plan. He urged that, although the Council would be obliged to cooperate, care should be taken not to change the nature of Ashford.

NOTES OF THE ECONOMIC REGENERATION & INVESTMENT BOARD

21st December 2016

Attending: Cllr Clarkson
Cllr Shorter

Tracey Kerly (TK)
Richard Alderton (RA)
Dean Spurrell (DS)
Stewart Smith (SS)
Paul McKenner (PMcK)
Ben Lockwood (BL)
Maria Seddon (MS)
Charlotte Hammersley (CH)
Terry Mortimer (TWM)
Rosie Reid (RR) – minutes

Apologies: Cllrs Bell, Galpin, Ovenden
Steve Parish

<p>1. Declarations of Interest</p> <p>Cllr Clarkson made a Voluntary Announcement as he was a Director of A Better Choice for Property Ltd.</p> <p>Cllr Shorter made a Voluntary Announcement as he was a Director of Kent Play Clubs and A Better Choice for Building Consultancy Ltd.</p> <p>TK, MS and PMcK made Voluntary Announcements as they were Directors of A Better Choice for Property Ltd.</p> <p>TK made a Voluntary Announcement as she was a Director of A Better Choice for Building Consultancy Ltd.</p>	
<p>2. Minutes of the previous meeting</p> <p>The Minutes of the previous meeting of the Economic Regeneration and Investment Board on 23rd November 2016 were agreed as a correct record.</p>	
<p>3. Major Projects Review</p> <p>RA said that corporate project management had improved a great deal, thanks to the work of the newly-appointed Programme Manager. The new project schedule provided control over resources to deliver a realistic agenda. As it was half-way through the current Administration</p>	

period he suggested this was an appropriate time to review progress. He also suggested that the concept of the 'Big 8' should remain, and that this should be a progress review on those projects alone. Progress on other secondary projects could be considered separately. Service planning should be aligned to programme management and budget setting, in particular in relation to the capital budget and choices that must be made. Decisions were also required on how to use discretionary S106 funding to complement the capital budget. The intention was to join these elements in a report to Cabinet in March, and report to the Ashford Strategic Delivery Board on a more regular basis. All strands relating to resource management would be brought together in this mid-term review. All agreed that it was important to maintain strong relationships with the rest of the Kent authorities and refresh the Council's relationship with KCC.

The Leader said he wanted the Council to be more aware of time management and to be in a position to cut down on time frames. He also considered a traffic management review was needed, particularly before the opening of the college when there would be more traffic on the road.

4. Conningbrook Update

PMcK advised that an agreement had now been reached with a developer, and the valuation was in accordance with the valuation work done by Canterbury City Council. It was expected that contracts would be exchanged the following day. Capital receipt would be used towards the College, and S106 monies would be invested in the Country Park in line with the agreement.

The Board agreed that it was essential to resolve some of the fundamental problems at Conningbrook, such as the algae in the lake and the unsatisfactory road provision. This was particularly pressing as the national triathlon championships would be held at the Julie Rose stadium next year and the Council's reputation would be at stake if conditions were not acceptable. SS advised that a report would be submitted to call over in January on the consultant's solution to the algae problem, and a decision was expected by Cabinet in February.

5. Elwick Road

PMcK said that agreements would be signed this week, and that due diligence had been completed. The cinema operator was proposing to sign during the first week of January.

6. Commercial Quarter

SS said that agreements had been exchanged and the contractors would be on site in early January. Some floors were still to be let, but most of the main marketing work had been done.

Regarding the Youth Theatre, SS advised that a meeting had been

<p>arranged with the developer for mid January, and a quotation had been received for demolition work. Notice had been served on the tenants, but there was some discussion about re-siting equipment still on site.</p>																
<p>7. Start up Business Units</p> <p>SS clarified that a possible site was the land adjacent to the grounds maintenance depot. The proposal was to create light industrial units with a view to letting them out. Consultation had been undertaken with tenants in existing industrial units which indicated a pressing demand for new units to be provided. A report would be submitted to Cabinet early next year.</p>																
<p>8. Regional Growth Fund</p> <p>RA advised that the Autumn Statement had made announcements which would affect the South East as a whole. The Spurs project was likely to be funded, but it was considered that the town centre enhancement project would miss out on funding. More information would be available in January. RA said it was important to consider how to increase the priority of existing Council projects.</p>																
<p>9. Any Other Business</p> <p>A question was asked about the recent presentation on the proposals for regenerating the Newtown Works. RA said this should be added to the list of major corporate projects over the next two years. He would provide an update to the Board every other month.</p> <p>The Leader advised that there would be some merit in locating a 5-star hotel in Ashford, with an international conference centre. There was some discussion about this proposal and the Leader explained that there was an obligation to review the Town Centre Area Action Plan, which would allow for a fresh strategic plan for the town centre as a whole.</p>																
<p>10. Dates of Next Meetings</p> <table data-bbox="284 1512 1023 1697"> <tr> <td>25th January</td> <td>2pm</td> <td>Council Chamber</td> </tr> <tr> <td>24th February</td> <td>10am</td> <td>Council Chamber</td> </tr> <tr> <td>23rd March</td> <td>2pm</td> <td>Council Chamber</td> </tr> <tr> <td>27th April</td> <td>2pm</td> <td>Council Chamber</td> </tr> <tr> <td>25th May</td> <td>2pm</td> <td>Council Chamber</td> </tr> </table>	25 th January	2pm	Council Chamber	24 th February	10am	Council Chamber	23 rd March	2pm	Council Chamber	27 th April	2pm	Council Chamber	25 th May	2pm	Council Chamber	
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25 th May	2pm	Council Chamber														

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Agenda Item No: 20
Report To: CABINET
Date: 9TH FEBRUARY 2017
Report Title: SCHEDULE OF KEY DECISIONS TO BE TAKEN
Report Author: Corporate Director (Law and Governance)



Summary:	To set out the latest Schedule of Key Decisions to be taken by the Cabinet of Ashford Borough Council.
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Key Decision: NO

Affected Wards: Where appropriate, individual Wards are indicated.

Recommendations : **That the Cabinet receive and note the latest Schedule of Key Decisions.**

Policy Overview: Under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, there is no longer a legal requirement to publish a Forward Plan of Key Decisions, however there is still a requirement to publish details of Key Decisions 28 clear days before the meeting they are to be considered at. The Council maintains a live, up to date rolling list of decision items on the Council's website, and that list will be presented to the Cabinet each month, in its current state, for Members' information.

Financial Implications: Nil

Other Material Implications: Nil

Exemption Clauses: Nil

Background Papers: None

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**CABINET
SCHEDULE OF KEY DECISIONS TO BE TAKEN**

The following Key Decisions will be taken by Ashford Borough Council's Cabinet on the dates stated.

Ashford Borough Council's Cabinet is made up of: - Councillors Gerry Clarkson; Neil Bell; Clair Bell; Mike Bennett; Jessamy Blanford; Gareth Bradford; Paul Clokie; Graham Galpin; Callum Knowles; Neil Shorter.

Copies of the reports and any other relevant documents that are submitted to the Cabinet in connection with a proposed decision will be available for inspection, or on screen, five clear days before the decision date at the Civic Centre, Tannery Lane, Ashford and at The Town Hall, 24 High Street, Tenterden, during opening hours, or at www.ashford.gov.uk/councillors_and_committees.aspx

Decision Item	Report Summary	Relevant Portfolio Holder	Report Author	Open or Exempt	Added to Schedule
9th February 2017					
Financial Monitoring – Quarterly Report	<i>Quarterly budget monitoring report</i>	Cllr Shorter	Maria Seddon	Open	13/2/16
Revenue Budget 2017/18	<i>To present the draft revenue budget for 2017/18 to the Cabinet for recommendation to Council.</i>	Cllr Shorter	Paul Naylor/Ben Lockwood	Open	13/2/16
Corporate Performance Report	<i>The report seeks to give members and the Borough's residents an overview of how the Council is performing. It seeks to do this in a transparent and easily-accessible manner, giving a key performance 'snapshot'.</i>	Cllr Shorter	Nicholas Clayton-Peck	Open	13/2/16

Decision Item	Report Summary	Relevant Portfolio Holder	Report Author	Open or Exempt	Added to Schedule
Annual Report of Work Undertaken on Domestic Abuse and to Support Victims of Domestic Abuse	<i>Sets out for comment the progress the Council and its partners are making on projects focusing on domestic abuse over the past 12 months since the agreement by the Council to allocate up to £50,000 per year for three years to support the work on tackling domestic abuse.</i>	Cllr Bradford	James Hann/Elizabeth Mannington	Open	13/2/16
ABC's Response to NHS Consultation Document – Transforming Health and Social Care	<i>To Provide details of the consultation response made by the Leader and Portfolio Holder to the consultation document and Emphasise the council's wider public health role</i>	Cllr Bradford	Sheila Davison	Open	24/11/16
Revenues & Benefits Recommended Write-Offs Schedule	<i>Proposed formal write-off of debts</i>	Cllr Shorter	Peter Purcell	Open (Exempt Appendix)	16/1/16
Conningbrook Country Park – Water Quality Management	<i>To summarise the options available to the Council to address the water quality issues and the timescale for implementing the necessary works.</i>	Cllr Mrs Blanford	Len Mayatt	Open	8/12/16
Kingsnorth Recreation Centre – Section 106 Expenditure	<i>To seek Cabinet approval for the plans and release of Section 106 funds from Park Farm South and East developments.</i>	Cllr Mrs Blanford	Christina Fuller/ Ben Moyle	Open	15/12/16

Decision Item	Report Summary	Relevant Portfolio Holder	Report Author	Open or Exempt	Added to Schedule
Business Case to Examine a Merger of East Kent District Councils	<i>Culmination of a business case to examine the merger of five East Kent district councils and the subsequent creation of a new local government district area of East Kent</i>	Cllr Clarkson	Tracey Kerly	Open	9/1/17
9th March 2017					
Private Sector Housing Assistance Policy	<i>To seek agreement to the approval of the policy document and adoption of the Fuel Poverty Strategy developed by (KEEP).</i>	Cllr Clokie	Julian Watts	Open	11/7/16
Delivery Programme	<i>To provide an update on project delivery and review intentions for the next two years to inform the work programme of the Strategic Delivery Board.</i>	Cllr Shorter	Charlotte Hammersley/ Richard Alderton	Open	23/12/16
Smoke and Carbon Monoxide Alarm (England) Regulations 2015	<i>To seek agreement to prepare and publish a statement of principles which the Council will apply in exercising its powers to require a relevant landlord to pay a financial penalty for non-compliance</i>	Cllr. Clokie	Julian Watts	Open	13/1/17
Provision of Additional Light Industrial Units in Ashford		Cllr Shorter	Phil Bond	Exempt	27/1/17

Decision Item	Report Summary	Relevant Portfolio Holder	Report Author	Open or Exempt	Added to Schedule
6th April 2017					
Annual Pay Policy Statement	<i>A review of the annual Pay Policy Statement and Ashford Living Wage Allowance</i>	Cllr Knowles	Michelle Pecci	Open	11/3/16
Short Term Accommodation		Cllr Clokie	Donna Michael	Open	12/9/16
Management Restructure		Cllr Clarkson	Michelle Pecci	Open	19/1/17
Pluckley Neighbourhood Plan		Cllr Bennett	Ashley Taylor	Open	25/1/17
11th May 2017					
Financial Monitoring – Quarterly Report	<i>Quarterly budget monitoring report</i>	Cllr Shorter	Maria Seddon	Open	13/5/16
Cemetery Memorial Safety Policy	<i>Report back on adoption of policy and set of operational guidelines to manage the forward process relating to the safe management of memorials in Ashford.</i>	Cllr Mrs Bell	TBC	Open	26/2/16

Decision Item	Report Summary	Relevant Portfolio Holder	Report Author	Open or Exempt	Added to Schedule
Royal Military Canal, Proposed Shared Pathway Progress Update.	<i>To provide an update on progress against the agreed project measures and on support from external agencies and very early indications of potential funding sources. The main focus of the Report will be to discuss the land acquisition options available for the project and identify the most appropriate agreement for ABC to enter into. Formal approval of the preferred acquisition option will be required. The Report will also provide a position statement on potential capital and revenue costs for the delivery phase.</i>	Cllr Mrs Blanford	Len Mayatt	Open (Exempt Appendix)	29/9/16
Planning Restructure		Cllr Bennett	Richard Alderton	Open	19/1/17
8th June 2017					
Final Outturn 2016/17	<i>Final budget outturn for previous financial year</i>	Cllr Shorter	Ben Lockwood	Open	10/6/16
Annual Report 2016/17	<i>The Annual Report will build upon the contents of quarterly performance monitoring, but will also include the following information – An Introduction from the Leader and Chief Executive; Facts and figures about Ashford; Timeline of key achievements in the Borough over the calendar year; Borough achievements; and a Financial Summary.</i>	Cllr Knowles	Nicholas Clayton-Peck	Open	10/6/16

Decision Item	Report Summary	Relevant Portfolio Holder	Report Author	Open or Exempt	Added to Schedule
Section 106 Agreements – Annual Progress Report	<i>Focus on s106 contributions received in the last year, contributions secured in new agreements and projects that have been supported by s106 funding.</i>	Cllr Bennett	Lois Jarrett	Open	10/6/16
13th July 2017					
Revenues & Benefits Recommended Write-Offs Schedule	<i>Proposed formal write-off of debts</i>	Cllr Shorter	Peter Purcell	Open (Exempt Appendix)	18/7/16
10th August 2017					
Corporate Performance Report	<i>To give Members and residents an overview of how the council is performing with a key performance ‘snapshot’.</i>	Cllr Shorter	Nicholas Clayton-Peck	Open	11/8/16
Corporate Commercial Property – Annual Report	<i>To advise of the revenue performance of the Council’s corporate property portfolio during the last financial period and to advise of proposals to increase profitability in the coming financial period.</i>	Cllr Shorter	Stewart Smith	Open	11/8/16
Financial Monitoring – Quarterly Report	<i>Quarterly budget monitoring report</i>	Cllr Shorter	Maria Seddon	Open	11/8/16
14th September 2017					

Decision Item	Report Summary	Relevant Portfolio Holder	Report Author	Open or Exempt	Added to Schedule
12th October 2017					
9th November 2017					
Corporate Performance Report	<i>To give Members and residents an overview of how the council is performing with a key performance 'snapshot'.</i>	Cllr Shorter	Nicholas Clayton-Peck	Open	11/11/16
Financial Monitoring – Quarterly Report	<i>Quarterly budget monitoring report</i>	Cllr Shorter	Maria Seddon	Open	11/11/16
7th December 2017					
Draft Budget 2018/19	<i>To present the preliminary draft service budget and outline MTFP for the purposes of subsequent formal scrutiny by the O&S Task Group and public consultation.</i>	Cllr Shorter	Ben Lockwood	Open	9/12/16
Council Tax Base	<i>To present for approval the estimated 2018/19 Council tax base calculation for the Borough and each parished area, on which the major preceptors and local Parish Councils will base their requirements.</i>	Cllr Shorter	Ben Lockwood	Open	9/12/16

Decision Item	Report Summary	Relevant Portfolio Holder	Report Author	Open or Exempt	Added to Schedule
Housing Revenue Account (HRA) Business Plan 2016 - 2046	<i>An annual update of the HRA Business Plan financial projections. This report updates the position for the period 2016-46.</i>	Cllr Clokie	Sharon Williams	Open	9/12/16
11th January 2018					
Revenues & Benefits Recommended Write-Offs Schedule	<i>Proposed formal write-off of debts</i>	Cllr Shorter	Peter Purcell	Open (Exempt Appendix)	13/1/17

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first name.surname@ashford.gov.uk***

27/1/17