



CABINET

Notice of a Meeting, to be held in the Civic Centre, Tannery Lane, Ashford, Kent TN23 1PL on Thursday, 14th February, 2019 at 7.00 pm.

The Members of the Cabinet are:-

Councillor Clarkson (Chairman) – Leader of the Council
Councillor Bell (Vice-Chairman) – Deputy Leader and Portfolio Holder for Legal and Democracy
Cllr Mrs Bell – Portfolio Holder for Environment and Land Management
Cllr Bennett – Portfolio Holder for Culture
Cllr Bradford – Portfolio Holder for Community Safety and Wellbeing
Cllr Clokie – Portfolio Holder for Planning
Cllr Galpin – Portfolio Holder for Corporate Property
Cllr Pickering – Portfolio Holder for Human Resources and Customer Services
Cllr Shorter – Portfolio Holder for Finance and IT
Cllr White – Portfolio Holder for Housing

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)

Agenda

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January 2019

4. **To Receive any Petitions**
5. **Leader's Announcements**
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DS

7 February 2019

Queries concerning this agenda? Please contact Danny Sheppard Telephone: 01233 330349 e-mail danny.sheppard@ashford.gov.uk
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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/5962/2193362.pdf
- (b) The Kent Code of Conduct was adopted by the Full Council on 19 July 2012, 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.

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Cabinet

Minutes of a Meeting of the Cabinet held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **10th January 2019**.

Present:

Cllr. Bell (Vice-Chairman in the Chair);

Cllrs. Mrs Bell, Bradford, Clokie, Galpin, Pickering, Shorter, White.

Apologies:

Cllrs. Bennett, Clarkson.

Also Present:

Cllrs Buchanan, Burgess, Hicks, Smith, Mrs Webb.

Chief Executive, Director of Finance and Economy, Head of Legal and Democracy, Head of Environment and Land Management, Head of HR and Customer Services, Grounds Maintenance Operations Manager, Facility Development Manager, Senior Recovery Officer, Senior Communications Officer, Member Services Manager (Operational).

279 Minutes

Resolved:

That the Minutes of the Meeting of the Cabinet held on the 6th December 2018 be approved and confirmed as a correct record.

280 Leader's Announcements

In the absence of the Leader, the Portfolio Holder for Corporate Property said he wanted to update Members following national press coverage of poor retail performance over the Christmas period. He was pleased to reassure Members that Ashford had bucked the trend and seen a 69% increase in footfall in the town centre during the week before Christmas, as compared to the same week last year. Christmas week itself had seen a 53% increase. This equated to approximately 80,000 and 60,000 people respectively in Ashford Town Centre during those weeks. In terms of Ashford itself, occupancy rates were now at about 80% and County Square had reported that they were the only Kennedy Wilson owned shopping mall in the country that had seen an increase in footfall in the last year. In addition, the town had recently experienced two visits from international media outlets (the New York Times and ARTE TV) with a positive focus on the town's economy. He hoped that would provide some reassurance to Members as it was fair to say that Ashford Town Centre was doing pretty well. The Deputy Leader

thanked the Portfolio Holder for his update and wanted to congratulate all involved in the continued rejuvenation of the Town Centre.

281 Revenues and Benefits Recommended Write-Offs Schedule

The Portfolio Holder introduced the report which proposed the formal write off of 342 accounts totalling £476,183.07. The proposals were in line with the Council's Revenues and Benefits Service Write Off Policy and the Director for Finance and Economy had been consulted along with the Heads of Service for the relevant areas. He advised that provision for bad debts had been made in the final accounts to account for expected write-offs during the year. All reasonable and viable options to recover the debt had been pursued and would continue if possible in to the future. It was though an important part of strong financial management to regularly review and write-off uncollectable debts.

Resolved:

- That (i) the action that accounts totalling £65,279.18 had been written off under delegated powers be noted (Financial Regulations 11.1)**
- (ii) the write offs listed in the Exempt Appendices totalling £410,903.89 be approved.**

282 High Weald AONB Management Plan 2019-2024

The Portfolio Holder introduced the report which advised that the Management Plan had been reviewed for the period 2019–2024. AONB Management Plans were statutory documents under the Countryside and Rights of Way Act 2000 and Local Authorities were required to publish an up to date plan that formulated the policy for the management of the area and for the carrying out of their functions in relation to it.

Resolved:

That the revised High Weald AONB Management Plan 2019–2024 be adopted.

283 Aspire – Two Year Update

The Portfolio Holder introduced the report which provided an update on the progress of the Cabinet's decision to bring the grounds maintenance service "in-house" in the form of Aspire Landscape Management. The report also reflected the progress of the Service since its inception in October 2016 and the future anticipated direction of the Service.

She said by any measure the move had been a resounding success and she wanted to thank Tracey Butler, James Laidlaw, David Hartley and the whole team for everything they had done to ensure that success. It was a team and a Service she was very proud to say that she was the Portfolio Holder for. Those comments were echoed by the Cabinet as a whole.

Resolved:

That the report be received and noted and the direction of travel for the Service be supported.

284 Undergraduate Work Placement and Bursary Scheme

The Portfolio Holder introduced the report which recommended the introduction of an undergraduate work placement and bursary scheme. The scheme would aim to support a local person in developing their career by providing good quality work placements as well as financial assistance whilst studying. He explained that the Council already had a good reputation for supporting young people through graduate placements and apprenticeships and this was the next logical step to enhance their offer and also attempt to help to address recruitment and retention difficulties in key service areas.

Resolved:

- That**
- (i) the introduction of the Undergraduate Work Placement and Bursary Scheme be approved.**
 - (ii) the financial commitment of doing so be noted and approved.**

285 Ashford and District Rifle Club: Request to Extend and Upgrade Facilities

The Deputy Portfolio Holder introduced the report which advised that the Cabinet had previously given approval for the lease of additional land to the Ashford and District Rifle Club to enable the construction of an Olympic length outdoor small bore rifle range. Planning permission had subsequently been achieved and the Club had grant offers from Sport England, Kent County Council and Ashford Borough Council. The Club wished to proceed at the earliest opportunity, however as the land to be leased to the Rifle Club was held by this Council as open space, notices had been placed in the local newspaper which had resulted in one objection being received. The report asked the Cabinet to consider the objection and confirm if it still wished to proceed with the transaction.

In response to a question it was confirmed that the land was being leased to the Club, not sold.

Resolved:

- That**
- (i) the objection received by the Council be noted, but it be confirmed that the approval given on the 6th December 2012 should be actioned.**
 - (ii) the Head of Culture and the Director of Law and Governance be authorised, in consultation with the Portfolio Holder for Culture to take any further actions required to give effect to these recommendations.**

286 Joint Transportation Board Minutes – 11th December 2018

Resolved:

That the Minutes of the Meeting of the Joint Transportation Board on the 11th December 2018 be received and noted.

287 Local Plan and Planning Policy Task Group Notes – 28th November 2018

Resolved:

That the Notes of the Meeting of the Local Plan and Planning Policy Task Group on the 28th November 2018 be received and noted.

288 Ashford Town Centre Place Making Board Notes – 6th December 2018

Resolved:

That the Notes of the Meeting of the Ashford Town Centre Place Making Board on the 6th December 2018 be received and noted.

289 Economic Regeneration and Investment Board Notes – 6th December 2018

Resolved:

That the Notes of the Meeting of the Economic Regeneration and Investment Board on the 6th December 2018 be received and noted.

290 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.



Agenda Item No: 6
Report To: Cabinet
Date of Meeting: 14 February 2019
Report Title: Report of Budget Scrutiny Task Group
Report Author & Job Title: Will Train
Senior Policy and Scrutiny Officer
Portfolio Holder: Cllr. N Shorter
Portfolio Holder for: Finance and IT

Summary: The Overview and Scrutiny Budget Scrutiny Task Group has scrutinised the Council's draft 2019/20 budget and regards it as sound and deliverable.

Key Decision: NO

Significantly Affected Wards:

Recommendations: The Overview and Scrutiny Committee recommends that the Cabinet:

- I. Be advised that the O&S Committee regards the Council's draft 2019/20 budget as sound and deliverable.
- II. Be advised that the O&S Committee regards the Council's reserves position as suitable to cover identified contingencies and risks.
- III. Note that the parking income budget for Elwick Place is based on generally sound assumptions but remains ambitious.
- IV. Note that the lorry clamping scheme extension is supported but represents a potential risk to the budget if fees are not set at a level which allows for operational costs to be covered.
- V. Note that there may be a risk to the budget associated with the Town Centre Place Making work if the NNDR pooling target is not achieved or if the aspirations of the Town Centre Place Making Board exceed available funding.
- VI. Consider increasing the pest control budget in recognition of the expansion of Waterbrook truck stop.
- VII. Note that improvements to the signage for the Community Toilet Scheme may necessitate expenditure beyond the

- allocated budget.
- VIII. Consider the remaining capital outlay for Elwick Place as part of the 2019/20 Capital Programme.
 - IX. Request that draft Capital and Treasury Management Strategies are included for consideration by the Budget Scrutiny Task Group in future years.
 - X. Note that there may be a risk around delivery of key projects in the event of section 106 funds not being available.
 - XI. Instruct the Planning Policy Task Group to consider ways to expand allotment provision in the Borough.
 - XII. Note that there may be a risk to the council's rental income if International House leases expiring in 2019/20 are not renewed.

The Overview and Scrutiny Committee recommends to Council:

- XIII. That GDPR training be compulsory for all members following the 2019 local elections.

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:	Medium Term Financial Plan , report to Cabinet 8 November 2018 Draft 2019/20 budget , report to Cabinet 5 December 2018
Contact:	will.train@ashford.gov.uk – Tel: (01233) 330394

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 Budget within this report.

Foreword of the Chairman of the Budget Scrutiny Task Group

2. The O&S Task Group are very grateful to the hard work by officers in preparing the budget, attending the Task Group meetings, answering our questions and bringing the process to an efficient conclusion.
3. We are pleased that the budget can be found sound and deliverable. There are risks to the budget, some of which are now commercial based due to the new commercial approach the Council is adopting. These include income from the new Elwick Road car park, adjoining the new cinema, and income from tenants in International House. Nevertheless residents should be aware that front line services are never at risk from this new approach.
4. The Council has fully embraced and welcomed additional responsibilities recently given to it by the Government, including homelessness prevention and roll out of Universal Credit. The Council has sufficient financial resources to deliver these. It also has the resources and energy to develop a strategy to enhance the town centre following the loss of some well known names.

Summary

5. 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 financial and resource challenges facing the authority and the Task Group focused on a number of key risks relating to the achievability of next year's budget.
6. During its first meeting the Task Group considered the draft 2019/20 service budgets and corporate risks related to the council's financial position, compliance with GDPR, cybersecurity and the council's corporate property portfolio. From this session, the Task Group identified five areas where it felt further scrutiny was warranted, which are detailed in paragraphs 6-30 below.
7. Notwithstanding some risks which are noted within the recommendations, the Task Group found the budget for 2019/20 to be sound and deliverable (**Recommendation 1**). The reserve position of the Council allows cover for contingencies and risks identified by officers and Members (**Recommendation 2**).

GDPR/Cybersecurity

8. In reviewing the budget risks for the council, Members noted that a number of risks related to the potential for data breaches and compliance with the General Data Protection Regulations (GDPR). The Compliance and Data Protection Manager detailed a presentation to the Task Group outlining both the changes to the enforcement powers of the Information Commissioner's Office and the duties affecting the council under GDPR.
9. In response to questions around cybersecurity and resilience, the IT Operations Manager detailed the council's arrangements as a member of the Kent Public Service Network (KPSN) and the resilience in the event of disaster recovery that this membership provided.
10. Members were satisfied that all steps were being taken to avoid data breaches and ensure compliance with GDPR. Members did feel, however, that completion of Data Protection training should be compulsory for all Members following the 2019 elections and resolved to recommend this to the full Committee (**Recommendation 13**).
11. In response to a question from a member of the task group regarding the completion of Data Protection Impact Assessments, it was felt that there would be benefit in the Council's template for such assessments being circulated to the Task Group Membership for their information.

Parking Income

12. The Task Group felt that the budgeted income for the newly opened Elwick Place car park in 2019/20 was ambitious and considered that there would be benefit in the Task Group receiving an explanation of the parking income projection, associated risks and dependencies.
13. The Deputy Head of Community Safety and Wellbeing presented information on the pricing structure for the Elwick Place car park and advised that modelling for the car park income had been based on the per space income for the existing (smaller) Vicarage Lane car park, which frequently operated at capacity.
14. It was recognised that the first month of operation for the car park had not shown a large uptake in use, but there had been little active marketing of the car park and there was significant scope to increase communications activity to drive use. The council also benefitted from a restriction on the pricing structure of the neighbouring County Square car park which precluded the operator from undercutting the council's charges, and there would be an opportunity to review charges if required.
15. On this basis, members felt that the parking income target for Elwick Place had been built on generally sound assumptions, but remained an ambitious target to achieve (**Recommendation 3**).
16. The Task Group also raised the ongoing lorry clamping trial with officers and queried what progress had been made with the trial being made permanent. The Deputy Head of Community Safety and Wellbeing advised that the trial

was under review by the Department for Transport (DfT) and whilst it was understood that DfT and Kent County Council were broadly supportive of the trial continuing on a permanent basis, this had not been confirmed and questions remained over the fee level that would be set.

17. Members supported the extension of the lorry clamping trial but noted the risk to the budget that would arise if DfT declined to set fees at a level which would allow the council to recoup the costs of operation (**Recommendation 4**).

Town Centre Place Making

18. In reviewing the draft Cultural Projects Revenue Budget for 2019/20, the Task group noted that the projected outturn for expenditure on supplies and services in 2018/19 was significantly higher than budget, however the 2019/20 budget was being maintained broadly in line with the 2018/19 budget.
19. Members were very supportive of the events that had been delivered utilising this additional spend and noted that these were opportunities that had arisen during the year; however it was felt that given the success and positive impact of these events and the continued focus on the regeneration of the town centre further events were likely to come forward in 2019/20, and a town centre events budget should be stipulated in anticipation of this.
20. The Director of Place and Space attended the Task Group and gave a presentation on the successes of the town centre events undertaken in the last year, as well as detailing the basis for funding further regeneration of the town centre going forward utilising funds which would come from the council's membership of the NNDR pool and various s106 pots, with additional funding likely to come on stream from further s106 agreements.
21. Members were advised that there was relative certainty over the identified NNDR pot but it was felt that there could be a risk to the budget if the NNDR pooling target was not achieved or if the aspirations for the town centre place making exceeded the available budget (**Recommendation 5**).

Street Scene

22. In reviewing the draft street scene revenue budget for 2019/20, the Task Group were advised that the budget covered a wide range of functions delivered by the Environment and Land Management service. Given the size of the budget, Members requested that a more detailed breakdown of the revenue budget be provided to allow for further scrutiny.
23. The Head of Environment and Land Management presented a detailed breakdown of the Street Scene budget to the Task Group covering the range of services funded from it, together with information regarding the cost and operation of the Community Toilet Scheme.
24. In response to questions around the pest control budget, the Head of Environment and Land Management confirmed that this was not a statutory function for the service but a spend had arisen in 2018/19 through providing

assistance to Public Health England in treating an area at Waterbrook affected by waterborne mosquito larvae brought into the country by a lorry, and it was proposed to maintain a pest control budget at the same level for 2019/20.

25. Members questioned whether this budget should be increased, given the expansion of the Waterbrook facility and the potential for further similar incidents which may require the council's involvement (**Recommendation 6**).
26. In response to a question the Head of Environment and Land Management advised that the council's allotments generated a relatively modest income and some allotments did not meet their water costs. The Task Group acknowledged the wider importance of allotments in terms of health and wellbeing and resolved to ask the Local Plan and Planning Policy Task Group to consider expanding allotment provision (**Recommendation 11**).
27. The Task Group discussed the Community Toilet Scheme and noted that this matter would be coming forward to the full Committee for discussion in March. Members felt that there were issues with the signage for the scheme and the Head of Environment and Land Management advised that work was ongoing to improve signage. The Task Group felt that this may require expenditure beyond the identified budget and felt that this should be considered as part of budget setting (**Recommendation 7**).

Corporate Property Income and Capital Programme

28. The Head of Corporate Property and Projects and Senior Accountant presented information on the Developer Funding Agreement for Elwick Place and updated members on progress in securing tenants for the units within the Development, as well as the lease position for the council's managed property portfolio. Members were confident that appropriate due diligence was carried out around lease arrangements and the covenant strength of tenants to ensure security in the council's rental income, but felt that there may be a risk to the budget associated with a loss of rental income if certain International House leases due to expire in 2019/20 were not renewed (**Recommendation 12**).
29. Members noted that there remained a substantial capital outflow due to be paid to the developer of Elwick Place in the 2019/20 financial year which was not shown in the Capital Programme presented. Whilst it was noted that the Capital Programme was presented as a register of future projects, Members felt that the programme should include all material capital outflow to be made in 2019/20 in order to provide assurance that the council had the ability to pay out the required capital (**Recommendation 8**).
30. In response to a question from Members, the Head of Finance advised that the Capital Strategy and Treasury Management Strategies were being prepared and would be submitted to February Cabinet with the final budget proposals. Members noted that it would be beneficial to have draft versions of these strategies available for consideration as part of next year's Budget Scrutiny process if possible (**Recommendation 9**).

31. In discussing the sole of section 106 grants in funding the capital programme, Members asked if a project would proceed with funding from borrowing if grant funding could not be secured. The Portfolio Holder for Finance and IT advised that all projects were subject to extensive due diligence which would be revisited if project circumstances changed; and projects would be scaled down or abandoned if change dictated. The Head of Finance confirmed that borrowing would only be entered into once a decision had been made to proceed on this basis.
32. The Task Group noted that whilst section 106 projects would not proceed without requisite section 106 funds being held, there was a risk around section 106 availability that needed to be considered (**Recommendation 10**).

Conclusion

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

The Overview and Scrutiny Committee recommends that the Cabinet:

- I. **Be advised that the O&S Committee regards the Council's draft 2019/20 budget as sound and deliverable.**
- II. **Be advised that the O&S Committee regards the Council's reserves position as suitable to cover identified contingencies and risks.**
- III. **Note that the parking income budget for Elwick Place is based on generally sound assumptions but remains ambitious.**
- IV. **Note that the lorry clamping scheme extension is supported but represents a potential risk to the budget if fees are not set at a level which allows for operational costs to be covered**
- V. **Note that there may be a risk to the budget associated with the Town Centre Place Making work if the NNDR pooling target is not achieved or if the aspirations of the Town Centre Place Making Board exceed available funding.**
- VI. **Consider increasing the pest control budget in recognition of the expansion of Waterbrook truck stop.**
- VII. **Note that improvements to the signage for the Community Toilet Scheme may necessitate expenditure beyond the allocated budget.**
- VIII. **Consider the remaining capital outlay for Elwick Place as part of the 2019/20 Capital Programme.**
- IX. **Request that draft Capital and Treasury Management Strategies are included for consideration by the Budget Scrutiny Task Group in future years.**
- X. **Note that there may be a risk around delivery of key projects in the event of section 106 funds not being available.**
- XI. **Instruct the Planning Policy Task Group to consider ways to expand allotment provision in the Borough.**
- XII. **Note that there may be a risk to the council's rental income if International House leases expiring in 2019/20 are not renewed.**

The Overview and Scrutiny Committee recommends to Council:

XIII. That GDPR training be compulsory for all members following the 2019 local elections.

Contact and Email

34. Will Train, Senior Policy and Scrutiny Officer
william.train@ashford.gov.uk

Agenda Item 7

Agenda Item No: 7
Report To: CABINET
Date of Meeting: 14 February 2019
Report Title: Budget 2019/20
Report Author & Job Title: Maria Stevens – Head of Finance
Lee Foreman – Senior Accountant
Maria Hadfield – Senior Accountant
Jo Stocks – Senior Accountant
Portfolio Holder Cllr. Shorter
Portfolio Holder for: Finance & ICT



Summary: This report is the culmination of a number of financial planning reports that have been received by Cabinet over the last year. In November Cabinet received a report updating the Council's Medium Term Financial Plan 2019-2024; 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 2019/20 for consideration by Cabinet. Cabinet's recommendations will then be presented to the full Council.

The budget supports the fourth year of the Council's Corporate Plan, including the Big 8 projects and a number of other approved commercial and regeneration projects.

The report covers the Housing Revenue Account, which includes a 1% reduction in rents, the fourth and last year of the four-year reduction programme, the 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 £5.00 (3.17%) rise in the Borough's annual council tax with a Band D (the standard council tax band) charge moving to £162.50 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: All

Recommendations: The Cabinet is recommended to:-

Part 1

- I. Note the budget context and MTFP position

Part 2

- II. Recommend the Revenue Budget 2019/20 including the net budget requirement of **£15,725,930 (excluding parish precepts)**
- III. Recommend the level of Discretionary Fees to be levied from 1st April 2019 (as set out in **Appendix D**)
- IV. Delegate to the Chief Finance Officer the powers to establish local discounts in Business Rates in accordance with government policy.
- V. Note the summary of reserves **Table 6** and **Appendix C**
- VI. Note the Equality Impact Assessment in **Appendix E**
- VII. Recommend the Band D council tax at **£162.50**.

Part 3

- VIII. Resolve that the Housing Revenue Account budget for 2019/20 be approved.
- IX. 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.

Part 4

- X. Capital Plan 2018/19 to 2021/22 in **Appendix G** is approved.

Part 5

- XI. Recommend to Council that the 2019/20 Capital Strategy be approved **Appendix H**
- XII. Recommend to Council that the MRP Policy as set out in **Appendix I**, the Treasury Management Strategy Statement at **Appendix J**, and the Investment Strategy at **Appendix K** are approved.

Part 6

- XIII. Approve the Risk Based Verification policy as outlined in **Appendix L**
- XIV. Recommend to Council to adopt the new Council empty homes premium from 2019/20 **Appendix M**

Part 7

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

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 resources available.

Financial Implications:

The key implications of this budget are:

- Council Tax rise of £5.00 to £162.50 at a Band D
- Staff cost of living increase of £400 or 1.5% whichever is greater, second year of the two year agreement
- Housing rents to reduce by 1% as per Government policy, final year of the four year reduction plan
- 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:

Maria.steven@ashford.gov.uk – Tel: (01233) 330547
Lee.foreman@ashford.gov.uk – Tel: (01233) 330509

Report Title: Budget 2019/20

Introduction and Background

1. This report presents the final draft 2019/20 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 and covers; the general fund revenue budget; discretionary fees; the housing revenue account; the capital programme; the capital strategy; minimum revenue provision statement, the treasury management and annual investment strategies; the investment strategy and key decision thresholds and risks.
3. It follows on from the corporate plan 2015-2021 and has been scrutinised by the Overview and Scrutiny Committee's Budget Task Group. Public consultation has been sought through the council's website and other communication channels and commenced in January.
4. Full details of the revenue budget, HRA budget and capital programme will be contained in the 'Budget Book 2019/20' and will be published once the budget has been approved by Full Council.
5. This report is presented in seven parts:

Part One	-	Context and Government Grant
Part Two	-	General Fund Revenue Budget
Part Three	-	Housing Revenue Account
Part Four	-	Capital Programme
Part Five	-	Capital Strategy, MRP Policy, Treasury Management Strategy statement and the Investment Strategy
Part Six	-	Risk Based Verification and Long Term Empty Homes Policy
Part Seven	-	Robustness of the Estimates and Adequacy of Reserves

Consultation

6. Consultation with the public and the business community has taken place and the results will be reported to this meeting. To facilitate this, a summary of the Budget proposals was posted on the council's website for general access.

Portfolio Holder's Views

7. I am pleased that the Council has again set the lowest Council Tax in Kent even though this is the first year of the Council being free from Government grant funding whilst maintaining services to our residents. I would like to thank the Overview and Scrutiny task group for its work in reviewing the budget and its report, that is earlier on the agenda, shows an understanding of the risks within the budget that we will need to monitor and review over the coming year.
8. This budget has been built to support the delivery of the Corporate Plan, which includes investment in commercial activities and builds upon the solid financial planning that this administration has undertaken.
9. The Council reserves are adequate and the budget includes further significant transfers to reserves, this provides cover to support income streams from Business Rates and commercial activities should there be a decline in the

economy and can be redeployed to manage risks in the budget should spending pressures arise.

10. The budget for the housing revenue account manages the final year of reductions in housing rents that we have managed through efficiencies, whilst maintaining decent homes and continuing to invest in our housing stock.
11. This report contains far more than budgets, it contains the frameworks (for how we manage our investments, capital investments and financial procedure rules) that we will manage our finances over the coming year.

PART ONE – CONTEXT AND GOVERNMENT GRANT

The Corporate Plan

12. The Council adopted the Corporate Plan in October 2015 and 2019/20 forms the fourth year of 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
13. 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. This report discussed a future emerging budget gap and how this will be managed through managing demand on services through digital transformation and investment strategies currently being developed.
14. The Council also has A Better Choice for Property Ltd. a subsidiary company which are exploring opportunities to enable the Council to work towards the self-sufficiency agenda adopted by the Council.
15. The budget included in this report has been built in accordance with the strategy adopted.

Provisional Settlement

16. Overall it is a positive picture for next year when taking into account the reductions in government grant and New Homes Bonus, the Council accepted the Governments offer of a 4 year settlement which has provided a degree of certainty to the councils funding.

Formula Grant

17. The Revenue Support Grant (RSG) formed part of the four year settlement which was accepted at the October Cabinet meeting. For 2019/20 the Grant moved to negative grant (RSNG) for Ashford as part of this settlement, which would see the Council paying £240,000 to Government rather than receiving a grant. The Provisional Funding Settlement was announced in early January and this payment has been removed for 2019/20. This was reflected in the draft budget for 2019/20.

Business Rates

18. The calculation for business rates takes into account a number of factors (tariff, yield and Small Business Rate Relief) affect the budget.
19. The statutory business rates forecast return (called the NNDR1) has been submitted and shows a decrease to the budgeted income, however, this is offset by an increase of the section 31 grant, given by Government to compensate for the increase in reliefs that is affecting the income position.
20. The budget has a net total of Business Rate income and Section 31 grant of £4,721,050. The NNDR1, submitted to government at the end of January, is broadly in line with these figures.

21. The elements of these estimates are discussed below.

Yield

22. The NNDR1 calculates a yield for Ashford Borough Council (40%) of £19,877,566. This includes changes made to transitional relief to cushion the impact of the revaluation, accordingly, as stated above this is a risk to the budget.

Tariff

23. The level of Tariff is a fixed amount that we pay to the pool, for 2019/20 Government have set the tariff level for Ashford at £15,849,000 and this has been included in the budget.

Levy

24. 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 £1,461,000.

Section 31 Grant

25. To compensate Local Government for changes that have been imposed on the Business Rates Retention scheme by central government a grant is paid.

26. Government has for some time doubled the level of Small Business Rate relief offered. This is outside the business rate retention scheme and a compensatory grant is paid to the council in the form of a S31 Grant. The 2019/20 NNDR1 shows this figure as £2,751,192, this increase in grant income compensates for the reduction in net rates payable, which is a direct result of reliefs given by Government to businesses.

New Homes Bonus

27. The national fund for New Homes Bonus distribution was increased by £18m for 2019/20. The government also did not make changes to the payment methodology and this ensured that the Council's final settlement was in line with expectations.

28. The final budget includes a New Homes Bonus of £2,954,410, an increase of £453,180 from 2018/19 contributions.

Council Tax

29. The draft budget assumed a £5.00 (3.17%) increase in Council Tax bringing in the band D payment to £162.50 (£157.50 in 2018/19), this Council can opt to raise the Council Tax by the higher of 3% or £5 (£5 equates to 3.17%).
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 over £10 and an increasing differential in tax level with our county neighbours.

Table 1 – Proposed Council Tax increases 2019/20

District	Proposed Increase		Proposed Band D charge
Ashford	£5.00	3.17%	£162.50
Canterbury	£6.11	2.98%	£211.31
Dartford	£4.94	2.86%	£177.74
Dover	£4.92	2.70%	£187.26
Folkestone & Hythe	£5.17	2.00%	£263.56
Gravesham	£5.86	2.97%	£203.14
Maidstone	£7.59	3.00%	£260.49
Sevenoaks	£6.20	2.97%	£215.00
Swale	£5.09	3.00%	£174.92
Thanet	£6.75	2.98%	£233.19
Tonbridge & Malling	£6.08	2.99%	£209.50
Tunbridge Wells	£5.21	3.00%	£178.78

Medium Term Financial Plan

31. We have reviewed the Medium Term Finance Plan and there are no material changes from what was previously reported.

Recommendations (Part One)

32. The Cabinet is asked to:
- I. Note the budget context and MTFP position

PART TWO – GENERAL FUND REVENUE BUDGET

33. A summary of the general fund budget, including a forecast of outturn for 2018/19 as at 30 September 2018, is shown at Table 3 below.
34. Necessary changes to the preliminary draft budget have been made and raised with the Overview and Scrutiny Committee’s Budget Task Group.
35. 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 2019/20, however they acknowledged that the financial position in subsequent years is going to be increasingly challenging.

Table 3 - General Fund Summary

Budget 2018/19 £	Detail	Budget 2019/20 £
16,314,150	Service Expenditure	15,725,930
(3,387,820)	Capital Charges & Net Interest	(2,492,440)
256,250	Levies	259,130
1,228,180	Contribution to/(from) Balances	1,739,120
(4,537,670)	Retained Business Rates & S31 Grants	(4,721,050)
(2,478,400)	New Homes Bonus	(2,954,410)
(7,394,690)	Council Tax	(7,556,280)
0		0

36. The table below details contributions to reserves the form part of the proposed 2019/20 Final Budget. These contributions support the Council’s Corporate Plan to deliver Projects and mitigate risk from commercial activities.

Table 4 - Analysis of Contributions to From Balances

Detail	Budget 2019/20 £
NHB & New Initiative Reserve	883,000
Transfer to Repairs and Renewals	250,000
Economic Risk Reserve	104,410
GF Reserve Funding	301,710
Service Contingency	200,000
Contribution to/(from) Balances	1,739,120

37. A summary of service expenditure is provided at **Appendix A** and **Appendix B**. The detailed budget pages available in the draft budget book 2019/20 support this.

Principal changes to December's preliminary draft budget

38. Following government announcements and consultation on the draft budget the following changes to the draft budget have been made:-
- a) Increase in New Homes Bonus receipt £134,000 used to fund sk8side £30,000 in 2019/20 with the balance of £104,000 being transferred to the economic risk reserve. The support for Sk8side is a two year agreement and it is recommended that the funding for 2020/21 be met from the NHB project fund reserve.
 - b) Increase in community grants fund by £75,000, funded from New Homes Bonus project fund.
 - c) Increase in Town Centre events £130,000, funded from New Homes Bonus project fund.
 - d) Employee costs were also over forecast by 0.5% in the draft budget, budgets have been reduced accordingly with the £62,000 saving being retained within the service budgets for emerging growth items in 2019/20.

39. These movements are detailed in the table below:

Table 5 – movement from draft budget

	£'000
Draft budget position reported to the December Cabinet	0
New Homes Bonus – compared to draft budget	(134)
Support for Sk8side facility (from additional NHB receipt)	30
Transfer to economic risk reserve (additional NHB receipt)	104
Increase in community grants fund	75
Increase in Town Centre events funding	130
Transfer from NHB Project Fund	(205)
Reduction on service employees costs across all services	(62)
Employee cost saving held for future growth items	62
Final budget position	0

Council Tax

40. The Final Budget in summarised in **Table 3** includes a Council Tax increase of 3.17% would result in an annual Council Tax amount of £5.00 per household based on a band D property.
41. Ashford Borough Council would remain the lowest Council Tax in Kent.
42. 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

43. The inflation management strategy determined that discretionary fees for several services should be increased above the level of inflation which was 2.3% in November 2018. For 2019/20 this results in increases of around 3% on average, see **Appendix D** for details.
44. It is recognised that some of the fees and charges appear to be considerably higher than inflation and the average increase, these increase are generally a result of low fees where a small increase in monetary terms translates to a significant percentage increase. Additionally some of the services provided by the Council are reliant on external providers, such as telecare installations

- costs. Where costs have been significantly increased by contractors then these costs need to be passed on to ensure the sustainability of the service.
45. The Garages rent has been increase by CPI plus 1.5%. CPI was 2.4% in September therefore the increase will be 3.9% (to the nearest penny).
 46. The basic rate for the Council Green Waste service has stayed the same at £37.50, there is a £5.00 reduction for Direct Debit customers though to promote a digital agenda and encourage residents to switch to electronic payment methods which reduce administrative costs for the Council.
 47. The Building Control Fee Earning Account aims to break even in accordance with the building control regulations.
 48. The budget has been built with this level of fees and charges.

Reserves

49. A schedule of reserves is attached at **Appendix C**, which shows a total of revenue reserves estimated at 31 March 2019 of £12.8m, 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 2019/20 which will reduce reserves to a lower level and closer to the minimum requirement set by the council.
50. 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 31/03/2018 £000	Estimated as at 31/03/2019 £000	Estimated as at 31/03/2020 £000
General fund balance	(2,552)	(2,452)	(2,297)
Corporate Plan	(6,201)	(4,976)	(4,464)
Fund future expenditure	(3,823)	(3,790)	(3,605)
Provide for the maintenance or purchase of assets	(1,374)	(1,429)	(1,184)
Required by statute reserves	(196)	(196)	(196)
Total revenue reserves	(14,146)	(12,843)	(11,746)

51. 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.

52. 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 2019/20 this will be £2,359,000.
53. The Council has also introduced a reserve to manage fluctuations in the economy due to the Council making more commercial decisions with investment in a number of ventures including commercial property and equity investments. This reserve, the economic risk reserve, is being built up over the new few years and is project to have a balance of £700,000 by the start of 2019/20.
54. 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

55. The Overview and Scrutiny Committee budget task group has examined the detailed budget proposals and reported it findings back to the full Overview and Scrutiny Committee dated 22nd January 2019. The committee regards the 2019/20 budget as sound and deliverable.
56. 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 and is attached at **Appendix N**.

Equalities Impact Assessment

57. 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.
58. Members are referred to the attached Assessment at **Appendix E**.

Recommendations (Part Two)

59. The Cabinet is asked to:
 - II. Recommend the Revenue Budget 2019/20 including the net budget requirement of **£15,725,930 (excluding parish precepts)**
 - III. Recommend the level of Discretionary Fees to be levied from 1st April 2019 as set out in **Appendix D**
 - IV. Delegate to the Chief Finance Officer the powers to establish local discounts in Business Rates in accordance with government policy.
 - V. Note the reserves summary **Table 6 and Appendix C**
 - VI. Note the Equality Impact Assessment in **Appendix E**
 - VII. Recommend the Band D council tax at **£162.50**.

PART THREE – HOUSING REVENUE ACCOUNT

Housing Revenue Account Budget

60. The 2019/20 position is broadly in line with the position reported to Members in the 30 year HRA business plan (December 2018 Cabinet).
61. **Table 7** shows a net deficit in the HRA for 2019/20 this reflects the drawdown from HRA reserves approved for the repayment of debt and capital expenditure including a number of affordable housing projects.
62. This deficit will be funded from HRA reserves, the HRA revenue reserve was £7,183,000 at the start of 2018/19, and will be utilised for a number of affordable housing projects. The HRA business plan shows that the current plan remains affordable over the life of the plan.
63. It should be noted that the HRA Business Plan is currently being reviewed in light of the Government announcement removing the HRA debt cap. The results of this review will be reported to Members as soon as it is available.
64. The information in **Table 7** is shown in more detail, analysed to subjective level, at **Appendix F**

Table 7 – Housing Revenue Account Budget 2019/20

REVENUE BUDGET				
Housing Revenue Account				
ACTUAL	BUDGET	PROJECTED	DETAIL	ESTIMATE
2017/18	2018/19	OUTTURN		2019/20
£	£	2018/19		£
		£		
6,424,511	5,268,380	5,207,580	Supervision & Management	5,769,750
(24,704,303)	(24,978,930)	(25,287,080)	Income	(24,843,280)
16,038,828	17,445,420	17,407,660	Other	16,030,460
3,461,712	3,418,400	3,538,900	Repairs & Maintenance	3,478,370
1,220,748	1,153,270	867,060	SERVICE EXPENDITURE	435,300

Housing Revenue Account - Rents

65. In line with rent setting formula, set by Government, rents will continue to decrease by 1% per annum. Based on communication from Government 2019/20 will be the final year of these decreases, with rents expected to 'revert back' to an increase of CPI+1% in 2020/21.
66. In order to remain in line with Universal Credit payments there will be 52 weekly payments in 2019/20 even though there are 53 chargeable weeks; this is to ensure no tenant is left with excess rent over Universal Credit receivable.

67. For 2019/20 this means that the average weekly rent, for social housing, will be £88.06 (£88.95 in 2018/19). For tenants receiving housing benefit the decrease will not have any cash impact, although some council tenants could be affected by other aspects of the government's welfare reforms.
68. The 1% decrease in rent also applies to those tenants in affordable housing, although 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 (until 2020/21). The average rent for 2019/20 will be £93.26 (£94.20 in 2018/19).
69. Officers will review these calculations once the Government have released the Limit Rent calculations, any changes to the estimated rent figures will be calculated in line with any movements in the Limit Rent.
70. The impact of this reduction is being monitored by officers, and has been modelled in the 30 year Business Plan, and as such the HRA is affordable for the next 30 years.

Recommendations (Part Three)

71. The Cabinet is asked to:
 - VIII. Resolve that the Housing Revenue Account budget for 2019/20 be approved
 - IX. 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.

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 2019/20 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.
 - 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 £7m (capital & revenue), £4.8m 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. Government announced, as part of the Autumn Statement, that the HRA debt cap would be removed with immediate effect. Following this announcement the HRA Business Plan is being reviewed to incorporate a number of potential projects as well as changing the timing of existing projects, officers will continue this work and report on the results to members early this year.
75. In addition to borrowing, HRA funding sources include:
- External contributions from Home England
 - Capital receipts, including retained 'Right to Buy' capital receipts for 'one for one replacement'
 - Surpluses within the revenue budget

Borrowing and Acquisition Policy

76. At the October 2016 Cabinet meeting, the agenda item titled “Corporate Plan Update: The Corporate Delivery Programme & MTFP” re-endorsed the Borrowing and Acquisitions Strategy which was previously adopted and approved in January 2014. The strategy amalgamates a number of capital and investment projects into one Policy including:
1. Delivery of strategic priorities
 2. Property and commercial investment
 3. Development of cultural and community facilities
 4. 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, approved on a case by case basis. 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)
 - 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 £2m.
 - 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 the three R’s below:
- Recovering the borrowing within a reasonable time frame
 - Replacing income lost from grants, so that we work towards self-sufficiency

- Reputational enhancement for the Borough and the Council

Capital Expenditure 2019/20

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 £2m 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.

Regeneration Projects

Coachworks Phase 1

82. The overall budget for phase 1 of the redevelopment of the Victorian buildings and spaces in Dover Place has increased to £850,000. Architects Carl Turner have been appointed to deliver and run the project on site. Phase 1 of the project will deliver a food hall, flexible office accommodation and shared outdoor space being delivered in summer 2019. The increase is subject to approval with a report to following.

Coachworks Phase 2

83. A provisional amount of £1m has been included in future years for the second phase of this regeneration project. This amount will be supported by a business plan at a future date.

Mecca site

84. Following the purchase of 35-37 High Street Ashford, formally the Mecca building an amount of £1.3m has been included in preparation for redevelopment of the site. However the final proposal has yet to be agreed by Council and a number of options are being explored.

Green Energy

85. In July 2017 the Council purchased land at Blind Grooms Lane and along with existing sites that it already owns, has aspirations to develop with Solar PV. The aim is to reduce the Council's carbon imprint and provide a return on investment. A provisional amount of £8.5m has been included and this will be subject to future agreement by Council once a detailed business case has been developed.

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 company's business plan is looking to acquire 400 - 500 properties over the next 5 years; loans to the company have been included in the plan for the period 2018-22 totalling £72m.
87. The company has been successful in acquiring land acquisitions during 2018/19 and will look to build these out over the next few years to achieve its company objectives.

Support to Reduce Homelessness

88. The Council is continuing in its legal process to purchase a further property to support short stay temporary accommodation, similar to the Christchurch House accommodation it currently owns. The new acquisition will need conversion works to provide eight individual units with washing facilities for both families and single people. A budget of £500,000 has been included in 2019/20 to complete the works.

Culture and the Environment

89. Cabinet agreed on 6 December 2018 to submit the Heritage Lottery Funds Park for People Bid and to fund a Council contribution of £1.3m split between Section 106 contributions and Council reserves. The bid for £3m will, if successful, see investment in Victoria Park and Watercross Fields resulting in improved toilet facilities, play areas, car parking, river corridor enhancements and other wildlife habitat improvements. Making the area a high quality attraction that complements and enhances the Council's investment into the Elwick Place Plaza on the other side of the linking bridge.
90. Conningbrook lakes country park redevelopment master plan will be presented to Cabinet shortly. This will be funded by section 106 contributions, the report will describe the works in detail and the anticipated scheduled timings of the redevelopment. In anticipation of this report, the capital plan has made assumptions of the possible spending profile.

Health, Parking and Community Safety

91. A business plan is currently being developed to present proposals for a new 500-space multi storey car park on land at the rear of the Bowling Centre off Station Road in Ashford. These plans are in the initial drafting stage however, estimates indicate that this could be in the region of £9.5m. This will be subject to further due diligence and full Council approval.

Housing Revenue Account Capital Programme

92. There are a number of Housing Revenue Account projects currently underway as well as a number of projects due to being during 2019/20, as follows:
- Continuation of the affordable housing programme, while the current phase (Phase 5) of the Affordable Homes Programme is expected to be completed in 2019/20.
 - Work has started in the planning of affordable housing plan - Phase 6 and plans will come forward early in the year
 - Work to remodel East Stour Court is to begin in 2019/20, there are 29 units expected at this site.
 - A new 20 unit sheltered housing block at Halstow Way
 - Work is due to begin on the 30 units at Poplars

Recommendations (Part Four)

93. The Cabinet is asked to:
- X. Recommend to Council that the Capital Plan for 2018/19 – 2021/22 in **Appendix G** be approved.

PART FIVE – CAPITAL STRATEGY, MRP POLICY, TREASURY MANAGEMENT STRATEGY STATEMENT AND INVESTMENT STRATEGY

Capital Strategy

94. The Capital Strategy is a new requirement for 2019/20 under the revised CIPFA Prudential code 2018.
95. This new requirement demonstrates that the authority takes capital expenditure and investment decisions in line with service objectives. Providing a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.
96. The Capital Strategy also incorporates the exiting prudential indicators which are updated on an annual basis. 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 ensuring it is affordable, prudent and sustainable.
97. 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'.
98. The Capital Strategy recommended for 2019/20 is attached at **Appendix H**.

Treasury Management Strategy Statement & Annual Investment Strategy

99. The Council adopted the CIPFA Code of Treasury Management 2017 which requires the Authority to approve a treasury management strategy before the start of each financial year.
100. 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.
101. 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 31 December 2018 the Council had £114.6m of borrowing relating to HRA reform and £61m relating to general fund capital investment. The Council had investments of £47.6m at this time.
102. In 2019/20 the Council's General Fund Net Interest on Borrowing and Investments is forecast to generate a net surplus of circa £1.44m. This is a decrease of £595,000m from 2018/19 as debt expenses for the organisation have increased following the completion of the Elwick Development. The Council is continuing with the strategy of borrowing where authorised which enables the Council to take advantage of the current low interest rate environment, where returns from long term strategic investments are higher than the rate for borrowing. Officers continually evaluate and take advice on

all investment and borrowing decisions and will look to take opportunities as they arise.

103. The proposed Treasury Management Strategy Statement for 2019/20 is attached at **Appendix J** (it is a requirement to review this annually).

Investment Strategy

104. This investment strategy is a new report for 2019/20, meeting the requirements of statutory guidance issued by the government (*2018 MHCLG Investment Guidance*) in January 2018.
105. The Strategy focuses on the Council's support for local services by lending to or buying shares in other organisations and service investments (commercial investments) where the generation of income is the main purpose, although the Ministry of Housing, Communities and Local Government (MHCLG) defines property to be an investment that is held primarily or partially to generate a profit.
106. The Investment Strategy for 2019/20 is attached at **Appendix K**

HRA Debt Pools

107. 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.
108. 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 Policy Statement

109. Each year the council must agree a statement on its policy for making a minimum revenue provision (MRP) (set aside for debt repayment).
110. 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

111. Options 3 and 4 apply to new capital expenditure, and Option 3 is the most practical to adopt.
112. In relation to option 3 there are two methods under this option for estimating the MRP requirement are,
- 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.
113. The Council has previously adopted option 'a', (pre 2017/18) but now uses option 'b' as this generates short term savings for the Council and more appropriately matches the MRP expense with the cash flows for the assets going forward.
114. 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.
115. 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.
116. The Council had the ability to use bespoke MRP policies where they are deemed prudent, any bespoke MRP policies considered will be reported through Council as necessary.
117. The MRP Policy for 2019/20 is attached at **Appendix I**.

Recommendations (Part Five)

118. The Cabinet is asked to:
- XI. Recommend the Capital Strategy is approved as set out in **Appendix H**.
 - XII. Recommend that the MRP Policy **Appendix I** and the Treasury Management Strategy Statement at **Appendix J** and the Investment Strategy at **Appendix K**

PART SIX –RISK BASED VERIFICATION AND LONG TERM EMPTY HOMES POLICY

Risk Based Verification

119. 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.
120. The policy for 2019/20 needs to be adopted, and there have been no changes made.
121. The full policy can be found in **Appendix L**

Long Term Empty Property discount

122. The Council currently charges a 50% council tax premium on properties that have been empty for more than two years. New regulations have been introduced that allow Councils to increase the percentage of council tax premium that is charged from 1 April 2019, 1 April 2020 and 1 April 2021.
123. The increase in premium is to ensure that empty homes are encouraged to be occupied and income to the Council maximised.
124. Cabinet is asked to recommend to Council that the new long term empty home premium be adopted, the full policy is shown at **Appendix M**.

Recommendations (Part Six)

125. The Cabinet is asked to:
 - XIII. Approve the Risk Based Verification policy as outlined in **Appendix L**
 - XIV. Recommend to council the adoption of the revised long term empty home premium rates as per **Appendix M**

PART SEVEN – ROBUSTNESS OF THE ESTIMATES AND ADEQUACY OF RESERVES

Background

126. 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 Director of Finance & Economy) 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.
127. Next year will be the last year of the four year financial settlement which the Council accepted in October 2016. There is some uncertainty ahead as the government are currently revisiting the fair funding formula to which the Council has been consulting on accordingly. It is anticipated though that should Councils' be worse off as a result of the spending review a transitional period would be introduced.
128. Government is consulting on reforms to Business Rates to allow authorities to retain 75% of Business Rates (split between the two tiers and Fire Authorities). This principle is generally welcomed although the distribution of funding needs to be understood. The Kent and Medway Towns business rates pilot application was rejected for 2019/20, this is being raised with Government further. 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 C**.
129. For prudence and as a financial planning target our Medium Term Financial Plan reflects government formula grants to be zero, although in future years the Council may need to incorporate a negative revenue support grant (a payment to Government). The plan 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 assumes continued support from new homes bonus for projects of the total potential bonuses. The Plan also assumes increases in Council Tax at the maximum of £5 or 3% per annum whichever is the maximum building in some scope to manage funding risk if necessary.
130. Given the lengthy and comprehensive business and financial planning and the scrutiny processes leading up to this point, including members' roles in business plan, project delivery and the corporate plan, members and officers have had a full opportunity to understand the context and the issues facing the council. This has included financial planning involving the cabinet, and the full part played recently by the Overview and Scrutiny Committee and its Task Group.
131. 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

132. 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

133. 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.
134. 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.
135. This budget is set at a time when the economy is showing signs of slowing down, however there is considerable uncertainty in light of Brexit negotiations on the UK's exit from the EU. Inflation has risen, however it is expected to return to trend, and interest rates remain low. There has been a fall in consumer confidence, although unemployment levels are at low levels and wage inflation is growing. 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.
136. Ashford's local position is relatively stronger with positive signs of commercial expansion over the coming years and new housing supply remaining buoyant.
137. The Council, along with all Kent colleagues have been part of the pilot 100% business rates retention pool this year (2018/19), this was a one year agreement and generated additional one off funds for the Council, in the region of £500,000 and around £4m for East Kent Regeneration. The £500,000 will be used to increase the Economic Risk Reserve to smooth future corporate property risks.
138. With good opportunities and risks still to manage this 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.
139. During 2019/20 the Council 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 be maintained.

140. The Council has worked hard to manage budget reductions in recent years, without passing through significant increases in Council Tax or service reductions. Whilst we have been able to manage this, the Council's budgetary flexibility and ability to respond to sudden changes in spending power has been reduced. This is a particular threat when we consider regulatory changes that could be imposed upon the Council with short notice, for example the Fair Funding review, Spending Review, changes in borrowing and investment regulations, etc. To manage these risks the Council will need to continue to be actively involved in consulting with government on policy changes.

Key components of the budget

141. Detailed advice is set out in **Appendix N**, which considers the budget across a number of key components. Additionally, members have received advice and recommendations from the Overview and Scrutiny Committee Budget Task Group, which after considerable work scrutinising the draft budget regarded it as sound and deliverable.
142. The Overview and Scrutiny Budget Task Group focused on a number of key themes in forming their opinion which are identified below:-
- I. GDPR/Cyber Security
 - II. Parking Income
 - III. Town Centre Place Making
 - IV. Street Scene
 - V. Corporate Property Income and Capital Programme
143. From the above areas of coverage listed above cabinet were asked to note, and be advised of a number of matters arising, with the only proposed change in budget being to consider an increase in the pest control budget in recognition of the expansion of the Waterbrook truck stop. This has been considered and it is felt that the existing budget is sufficient. However, the service will consider the wider issues around monitoring potential pest control issues around the site with the appropriate governmental department.
144. The full report on the review of the Draft Budget was reported to, and can be found at Agenda item 6 of the Overview and Scrutiny Committee dated 22 January 2019.

Weighing-up

145. This budget is developed against a backcloth of substantial externally influence, including the uncertainty impact of Brexit upon the economy. **Appendix N** 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.
146. 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

147. Section Two covers the reserves position with a detailed forecast included in **Appendix C**.

148. 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.
149. For 2019/20 this amounts to a minimum unallocated reserve requirement of circa £2.36m. Un-earmarked reserves, after planned drawings will stand at £2.4m, and with additional earmarked reserves to take account of risk within the budget of £2.9m.
150. Earmarked reserves (excluding section 106 developer contributions), again after planned drawings stand at £10.4m. By the end of 2019/20 total revenue reserves are expected to amount to circa £11.7m (excluding Section 106 developer contributions).
151. 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.
152. As ever reserve levels need close management to ensure they remain adequate and that longer term MTFP plans for resilience are sustainable.
153. 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.
154. 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) are £1,178,000 as at 31/03/2018, however these receipts are allocated to the College on Elwick Road when the loan transfers to a grant.
155. 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 continue to make 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 there we could see future cuts in NHB funds through the fair funding review.
156. As **Appendix N** 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.
157. 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):

158. The Cabinet is asked to:
 - XV. Note the advice from the Chief Financial Officer concerning the robustness of the estimates and the adequacy of reserves, as set out in **Appendix N**

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LIST OF APPENDICES

Part Two	A	Summary of Expenditure
	B	Service Expenditure
	C	Analysis of Reserves
	D	Discretionary Fees
	E	Equality Impact Assessment
Part Three	F	HRA Budget, analysed to subjective level
Part Four	G	Capital Programme
Part Five	H	Capital Strategy
	I	Minimum Revenue Provision
	J	Treasury Management Strategy Statement
	K	Investment Strategy
Part Six	L	Risk Based Verification Policy
	M	Amendment to Long Term Empty Properties
Part Seven	N	Robustness of Estimates and Adequacy of Reserves

FINAL REVENUE BUDGET				
DIRECTORATE SUMMARY				
Actuals 2017/18 £	Budget 2018/19 £	Projected Outturn 2018/19 £	Directorate	Budget 2019/20 £
1,281,734	1,218,170	1,193,210	Chief Executive	1,328,560
4,338,711	2,787,820	3,214,271	Director of Finance & Economy	2,526,660
1,887,883	2,088,570	2,140,122	Director of Law & Governance	1,200,130
9,710,807	10,219,590	10,076,042	Director of Place & Space	10,670,580
17,219,135	16,314,150	16,623,645	Service Expenditure	15,725,930
(300,056)	(1,903,390)	(1,957,440)	Non service specific	(494,190)
16,919,079	14,410,760	14,666,205	ABC Budget Requirement	15,231,740
(16,899,992)	(14,410,760)	(14,410,760)	Financing	(15,231,740)
19,087	0	255,445		0

REVENUE BUDGET				
SERVICE SUMMARY				
Actuals 2017/18 £	Budget 2018/19 £	Projected Outturn 2018/19 £	Service	Budget 2019/20 £
1,281,734	1,218,170	1,193,210	Corporate Policy, Economic Development & Communications	1,328,560
1,425,945	1,414,090	1,544,084	Legal & Democratic Services	1,352,760
1,660,794	1,787,440	1,766,562	Planning	2,120,500
4,609,305	3,668,940	3,624,495	Finance & IT	3,852,960
19,732	105,010	102,170	HR & Customer Services	140,070
1,136,195	689,780	903,713	Housing General Fund Services	964,100
442,206	569,470	493,868	Community Safety and Wellbeing	(292,700)
4,724,330	5,186,090	5,035,930	Environmental & Land Management	5,254,840
(1,406,789)	(1,570,900)	(1,313,937)	Corporate Property & Projects	(2,290,400)
3,325,684	3,246,060	3,273,550	Culture	3,295,240
17,219,136	16,314,150	16,623,645	Service Expenditure	15,725,930
(2,897,466)	(3,387,820)	(3,441,870)	Capital Charges & Net Interest	(2,492,440)
249,629	256,250	256,250	Levies	259,130
2,347,782	1,228,180	1,228,180	Contribution to Balances	1,739,120
16,919,081	14,410,760	14,666,205	ABC Budget Requirement	15,231,740
			Income	
(710,713)	0	0	Government Grant	0
(5,292,227)	(4,537,670)	(4,537,670)	Retained Business Rates & S31 Grants	(4,721,050)
(3,401,256)	(2,478,400)	(2,478,400)	New Homes Bonus	(2,954,410)
(7,495,797)	(7,394,690)	(7,394,690)	Council Tax	(7,556,280)
19,088	0	255,445		0

General Fund Final Budget 2019/20				
Actuals 2017/18 £	Budget 2018/19 £	Projected Outturn 2018/19 £	Department	Budget 2019/20 £
			Corporate Policy, Economic Development & Communications	
157,635	71,400	39,380	Chilmington	(140)
342,826	245,100	245,100	Policy and Performance	256,290
433,158	476,150	479,550	Economic Development	639,330
348,115	425,520	429,180	Communications & Marketing	433,080
1,281,734	1,218,170	1,193,210		1,328,560
			Legal & Democratic Services	
983,036	852,470	852,489	Democratic Representation	825,050
380,085	503,210	498,685	Electoral Services	472,960
10,496	0	130,000	Legal	(4,500)
52,328	58,410	62,910	Mayor	59,250
1,425,945	1,414,090	1,544,084		1,352,760
			Planning	
30,712	117,810	117,810	Building Control	115,940
1,122,523	1,066,350	1,056,909	Development Control	1,136,210
(2,816)	(41,150)	(41,150)	Land Charges	(26,860)
(0)	31,920	49,814	Planning Administration	253,960
510,375	612,510	583,179	Strategic Planning	641,250
1,660,794	1,787,440	1,766,562		2,120,500
			Finance & IT	
40,884	35,840	(71,145)	Accountancy	72,560
16	(60)	7,360	Audit Partnership	(50)
675,537	799,670	805,170	Benefits Administration	834,800
280,477	417,870	417,870	Council Tax Collection	541,440
20	120	120	Debtors/Debt Recovery	(240)
21,230	10,840	10,840	Exchequer	47,120
(102,485)	(256,040)	(256,040)	Housing Benefits Payments	(256,000)
261,093	(64,220)	(64,220)	NNDR Collection	(38,850)
1,729,178	1,653,810	1,574,080	Non-Distributed Costs	1,661,320
149,687	7,760	55,760	ICT	12,780
175	(30)	(30)	Telephony	20
1,447,232	950,140	1,016,820	Strategic Corporate Costs	790,660
106,262	113,240	127,910	Corporate Management	187,400
4,609,306	3,668,940	3,624,495		3,852,960
			HR & Customer Services	
19,500	105,000	102,160	Human Resources	155,030
232	10	10	Visitor & Call Centre	(14,960)
19,732	105,010	102,170		140,070

Appendix B continued

			Housing General Fund Services	
134,870	117,410	113,440	Private Sector Housing	155,270
20,134	36,880	57,500	Housing Strategy and Enabling	81,980
844,664	535,270	719,080	Housing Options	746,240
741	9,060	(30,300)	Facilities Management	(10,070)
131,223	0	0	Refugee Project	(230)
4,564	(8,840)	43,993	Gypsy Site - Chilmington	(9,090)
1,136,195	689,780	903,713		964,100
			Community Safety and Wellbeing	
419,208	574,040	530,211	Community Safety,AMC,Licencing	574,860
693,640	618,160	670,581	Environmental Health	558,310
(670,642)	(622,730)	(706,924)	Parking & Engineering	(1,425,870)
442,206	569,470	493,868		(292,700)
			Environmental & Land Management	
329,756	303,490	306,430	Street Scene	340,880
2,908,586	3,292,380	3,172,380	Refuse,Recycling,Street Clean	3,280,420
1,485,988	1,590,220	1,557,120	Grounds Maintenance	1,633,540
4,724,330	5,186,090	5,035,930		5,254,840
			Corporate Property & Projects	
4,753	6,960	40,720	Project Delivery Team	19,660
0	0	0	Town Centre Development	0
(1,411,542)	(1,577,860)	(1,354,657)	Corporate Property	(2,310,060)
(1,406,789)	(1,570,900)	(1,313,937)		(2,290,400)
			Culture	
319,508	279,780	279,780	Cultural Services Management	389,310
1,659,474	1,591,700	1,591,700	Leisure Centres	1,398,380
259,113	260,080	267,660	Open Spaces and Conservation	270,620
339,519	359,760	359,760	Single Grants Gateway	446,760
227,860	236,440	236,880	Tourism & Heritage	242,680
520,209	518,300	537,770	Cultural Projects	547,490
3,325,683	3,246,060	3,273,550		3,295,240
17,219,136	16,314,150	16,623,645	NET EXPENDITURE ON SERVICES	15,725,930
			Other Items	
(2,897,465)	(3,387,820)	(3,441,870)	Capital Charges & Net Interest	(2,492,440)
249,629	256,250	256,250	Levies & Precepts	259,130
2,347,782	1,228,180	1,228,180	Contributions to/from Reserves	1,739,120
16,919,081	14,410,760	14,666,205		15,231,740

Analysis of Reserves

	2018/19			2019/20			Balance at 31st March 2020 £'000
	Balance at 31st March 2018 £'000	Transfers In £'000	Transfers Out £'000	Balance at 31st March 2019 £'000	Transfers In £'000	Transfers Out £'000	
General Fund Balance	(2,552)	0	100	(2,452)	(345)	500	(2,297)
	(2,552)	0	100	(2,452)	(345)	500	(2,297)
<i>Earmarked Reserves</i>							
Business Rate Income Res	(1,387)		200	(1,187)		260	(927)
Elections	(189)	(40)		(229)	(40)	140	(129)
Green Transport Initiatives	(60)			(60)			(60)
Land Searches Reserve	(162)			(162)			(162)
Members' IT	(18)	(5)		(23)	(5)	28	0
New Homes Bonus	(3,312)	(825)	1,550	(2,587)	(888)	800	(2,675)
New Initiatives Reserve	(2,829)		500	(2,329)		600	(1,729)
Planning Delivery Grant	(380)		380	0			0
Repairs & Renewals	(1,305)	(290)	240	(1,355)	(290)	540	(1,105)
Section 106 Monitoring Fee	(162)		20	(142)		20	(122)
Economic Risk Reserve	(200)	(500)		(700)	(250)		(950)
Service Pressure Reserve	(979)			(979)			(979)
Small property maintenance reserves	(69)	(5)		(74)	(5)		(79)
Stour Centre	(211)	(72)		(283)			(283)
Transport Initiatives	(34)			(34)			(34)
Refugee Reserve	(82)		50	(32)		32	0
Revenue Grants	(215)			(215)			(215)
<i>Developer Contributions</i>							
S106 Unapplied Grants	(5,608)		500	(5,108)		500	(4,608)
Commuted Sums Unapplied Grants	(814)		180	(634)		180	(454)
Spg6 Unapplied Grants	(897)		200	(697)		200	(497)
Total Earmarked Reserves	(18,913)	(1,737)	3,820	(16,830)	(1,478)	3,300	(15,008)

DISCRETIONARY & STATUTORY FEES 2019/20

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %	
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 fees		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	0.00%	
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 etc)	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 2019/20

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
Animal Welfare and Public Health Licences							
Dangerous Wild Animals	Discretionary	New Licence (2 year licence)	NB	931.00	954.00	977.00	2.41%
	Discretionary	Renewal (2 year licence)	NB	637.00	653.00	669.00	2.45%
	Discretionary	Variation	NB	328.00	336.00	344.00	2.38%
	Discretionary	Concurrent 2nd application	NB	83.00	85.00	87.00	2.35%
Zoos	Discretionary	Consideration	NB	1,160.00	1,189.00	1,218.00	2.44%
	Discretionary	Licence (4 year licence)	NB	1,913.00	1,961.00	2,008.00	2.40%
	Discretionary	Renewal (6 year licence)	NB	2,870.00	2,942.00	3,013.00	2.41%
	Discretionary	Dispensation - 14(1)(a)	NB	467.00	479.00	491.00	2.51%
Boarding of animals	Discretionary	(New app) Application fee - up to 50 animals	NB		260.00	260.00	0.00%
	Discretionary	(New app) Grant fee - up to 50 animals	NB		200.00	200.00	0.00%
	Discretionary	(New app) Application fee - 51 or more animals	NB		295.00	295.00	0.00%
	Discretionary	(New app) Grant fee - 51 or more animals	NB		230.00	230.00	0.00%
	Discretionary	(Renewal) Application fee - up to 50 animals	NB		225.00	225.00	0.00%
	Discretionary	(Renewal) Grant fee - up to 50 animals	NB		200.00	200.00	0.00%
	Discretionary	(Renewal) Application fee - 51 or more animals	NB		255.00	255.00	0.00%
	Discretionary	(Renewal) Grant fee - 51 or more animals	NB		230.00	230.00	0.00%
Selling of Animals	Discretionary	(New app) Application fee	NB		280.00	280.00	0.00%
	Discretionary	(New app) Grant fee	NB		215.00	215.00	0.00%
	Discretionary	(Renewal) Application fee	NB		240.00	240.00	0.00%
	Discretionary	(Renewal) Grant fee	NB		215.00	215.00	0.00%
Home boarding or day care	Discretionary	(New app) Application fee	NB		245.00	245.00	0.00%
	Discretionary	(New app) Grant fee	NB		180.00	180.00	0.00%
	Discretionary	(Renewal) Application fee	NB		210.00	210.00	0.00%
	Discretionary	(Renewal) Grant fee	NB		180.00	180.00	0.00%

DISCRETIONARY & STATUTORY FEES 2019/20

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
Animal Welfare and Public Health Licences							
Dangerous Wild Animals	Discretionary	New Licence (2 year licence)	NB	931.00	954.00	977.00	2.41%
Riding Establishments	Discretionary	(New app) Application fee - up to 10 horses	NB		280.00	280.00	0.00%
	Discretionary	(New app) Grant fee - up to 10 horses	NB		215.00	215.00	0.00%
	Discretionary	(New app) Application fee - 11 or more horses	NB		310.00	310.00	0.00%
	Discretionary	(New app) Grant fee - 11 or more horses	NB		245.00	245.00	0.00%
	Discretionary	(Renewal) Application fee - up to 10 horses	NB		240.00	240.00	0.00%
	Discretionary	(Renewal) Grant fee - up to 10 horses	NB		215.00	215.00	0.00%
	Discretionary	(Renewal) Application fee - 11 or more horses	NB		270.00	270.00	0.00%
	Discretionary	(Renewal) Grant fee - 11 or more horses	NB		245.00	245.00	0.00%
Keeping animals for exhibition	Discretionary	(New app) Application fee	NB		230.00	230.00	0.00%
	Discretionary	(New app) Grant fee	NB		165.00	165.00	0.00%
	Discretionary	(Renewal) Application fee	NB		190.00	190.00	0.00%
	Discretionary	(Renewal) Grant fee	NB		165.00	165.00	0.00%
Breeding Establishments	Discretionary	(New app) Application fee - up to 5 dogs	NB		230.00	230.00	0.00%
	Discretionary	(New app) Grant fee - up to 5 dogs	NB		165.00	165.00	0.00%
	Discretionary	(New app) Application fee - 6-10 dogs	NB		245.00	245.00	0.00%
	Discretionary	(New app) Grant fee - 6-10 dogs	NB		180.00	180.00	0.00%
	Discretionary	(New app) Application fee - 11+ dogs	NB		260.00	260.00	0.00%
	Discretionary	(New app) Grant fee - 11+ dogs	NB		200.00	200.00	0.00%
	Discretionary	(Renewal) Application fee - up to 5 dogs	NB		190.00	190.00	0.00%
	Discretionary	(Renewal) Grant fee - up to 5 dogs	NB		165.00	165.00	0.00%
	Discretionary	(Renewal) Application fee - 6-10 dogs	NB		210.00	210.00	0.00%
	Discretionary	(Renewal) Grant fee - 6-10 dogs	NB		180.00	180.00	0.00%
	Discretionary	(Renewal) Application fee - 11+ dogs	NB		225.00	225.00	0.00%
	Discretionary	(Renewal) Grant fee - 11+ dogs	NB		200.00	200.00	0.00%

DISCRETIONARY & STATUTORY FEES 2019/20

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
Variation to increase animals or activities	Discretionary	Application fee	NB		90.00	90.00	0.00%
	Discretionary	Grant fee	NB		40.00	40.00	0.00%
Variation to reduce animals or activities	Discretionary	Grant fee	NB		40.00	40.00	0.00%
Request for re-rating inspection	Discretionary	Application fee	NB		90.00	90.00	0.00%
	Discretionary	Grant fee	NB		40.00	40.00	0.00%
Public Health Licences							
Acupuncture	Discretionary	Initial registration practitioner/premises	NB	173.00	177.00	177.00	0.00%
	Discretionary	Additional practitioner/premises	NB	106.00	109.00	109.00	0.00%
	Discretionary	Minor variation	NB	29.00	30.00	30.00	0.00%
Tattooing (including semi-permanent skin-colouring)	Discretionary	Initial registration practitioner/premises	NB	334.00	342.00	342.00	0.00%
	Discretionary	Additional practitioner/premises	NB	106.00	109.00	109.00	0.00%
	Discretionary	Minor variation	NB	29.00	30.00	30.00	0.00%
Electrolysis	Discretionary	Initial registration practitioner/premises	NB	173.00	177.00	177.00	0.00%
	Discretionary	Additional practitioner/premises	NB	106.00	109.00	109.00	0.00%
	Discretionary	Minor variation	NB	29.00	30.00	30.00	0.00%
Cosmetic Piercing (excluding ear piercing)	Discretionary	Initial registration practitioner/premises	NB	334.00	342.00	342.00	0.00%
	Discretionary	Additional practitioner/premises	NB	106.00	109.00	109.00	0.00%
	Discretionary	Minor variation	NB	29.00	30.00	30.00	0.00%
Ear Piercing	Discretionary	Initial registration practitioner/premises	NB	173.00	177.00	177.00	0.00%
	Discretionary	Additional practitioner/premises	NB	29.00	30.00	30.00	0.00%
	Discretionary	Minor variation	NB	29.00	30.00	30.00	0.00%
Hairdressing	Statutory	Registration		No fee payable			

DISCRETIONARY & STATUTORY FEES 2019/20

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
Sex Establishments Licence							
Sex Shops, Sex Cinemas and Sexual Entertainment Venue Licences	Discretionary	Grant	NB	3,236.00	3,317.00	3,397.00	2.41%
	Discretionary	Renewal	NB	300.00	308.00	315.00	2.27%
	Discretionary	Transfer	NB	300.00	308.00	315.00	2.27%
Street Trading and Consents							
Publicity Displays	Statutory			No fee payable			
Street Collection Permit	Statutory			No fee payable			
Street Trading Licence	Discretionary	Yearly	NB	73.00	75.00	77.00	2.67%
Ashford Town Market pitch fee (per ft)	Discretionary	Collected by DD	NB	1.00	1.00	1.10	10.00%
Casual Street Trading Licence/Consent For One Off Event	Discretionary	Grant	NB	12.00	13.00	14.00	7.69%
Casual Street Trading Licence for Market	Discretionary	Monthly	NB	26.00	27.00	28.00	3.70%
Street Trading Consent	Discretionary	Yearly	NB	73.00	75.00	77.00	2.67%
New Site Street Trading Consent - static	Discretionary	Grant -if planning permission already granted	NB	101.00	104.00	106.50	2.40%
New Site Street Trading Consent - static	Discretionary	Grant - if no planning permission at time of application	NB	202.00	207.00	212.00	2.42%
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	£102 per site plus £26 per additional site	0.00%
Hawker Street Trading Consent	Discretionary	Yearly	NB	73.00	75.00	77.00	2.67%
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	152.00	152.00	156.00	2.63%
Town Centre Commercial Booking	Discretionary	Small, local businesses, weekdays and Sundays	NB	51.00	51.00	52.00	1.96%
Town Centre Commercial Booking	Discretionary	Small, local businesses, Saturdays	NB	76.00	76.00	78.00	2.63%
Town Centre Commercial Booking	Discretionary	1 day (Saturday)	NB	200.00	200.00	205.00	2.50%

DISCRETIONARY & STATUTORY FEES 2019/20

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
Street Trading Consent Rents							
Furners Wood Lay-by - cherry stall	Discretionary	Monthly rents	NB	150.00	150.00	153.50	2.33%
Furners Wood Lay-by - hot food	Discretionary	Monthly rents	NB	225.00	225.00	230.50	2.44%
Great Chart - A28 Tenterden bound - Food	Discretionary	Monthly rents	NB	225.00	225.00	230.50	2.44%
Great Chart - A28 Tenterden bound - Non Food	Discretionary	Monthly rents	NB	150.00	150.00	153.50	2.33%
Great Chart - A28 Ashford bound - Food	Discretionary	Monthly rents	NB	225.00	225.00	230.50	2.44%
Great Chart - A28 Ashford bound Non Food	Discretionary	Monthly rents	NB	150.00	150.00	153.50	2.33%
Hothfield - A20 Maidstone bound - Non Food	Discretionary	Monthly rents	NB	150.00	150.00	153.50	2.33%
Hothfield - A20 Maidstone bound - Food	Discretionary	Monthly rents	NB	225.00	225.00	230.50	2.44%
Hothfield - A20 Ashford bound - Non Food	Discretionary	Monthly rents	NB	150.00	150.00	153.50	2.33%
Hothfield - A20 Ashford bound - Food	Discretionary	Monthly rents	NB	225.00	225.00	230.50	2.44%
Henwood	Discretionary	Monthly rents	NB	206.50	206.50	211.50	2.42%
Recreation Ground Road car park	Discretionary	Monthly rents	NB	380.00	380.00	389.00	2.37%
Potters Corner, Hothfield	Discretionary	Monthly rents	NB	225.00	225.00	230.50	2.44%
Hall Avenue, Sevington	Discretionary	Max 28 days use per year	NB	240.00	240.00	246.00	2.50%
Chilham Mill	Discretionary		NB	225.00	225.00	230.50	2.44%
Council Land							
Charity	Discretionary			No fee payable			
Commercial (e.g. circuses and funfairs)	Discretionary	per operating day	NB	270.00	277.00	284.00	2.53%
	Discretionary	per non-operating day	NB	190.00	195.00	200.00	2.56%
Food Hygiene							
Level 1 course	Discretionary		EX		35.00	35.00	0.00%
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%

DISCRETIONARY & STATUTORY FEES 2019/20

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
Food Safety Charges							
Food Surrender Certificate	Discretionary		NB	97.00	99.00	99.00	0.00%
Food surrender inspection and issuing of certificate	Discretionary		NB	95.00	97.00	100.00	3.09%
Disposal/tipping costs charge at cost	Charged by tip			N/A	N/A	N/A	N/A
Export Certificate for food manufacture	Discretionary		NB	55.00	60.00	60.00	0.00%
Miscellaneous							
Scrap Metal Site Licence	Discretionary		NB	308.00	316.00	324.00	2.53%
Scrap Metal Collectors Licence	Discretionary		NB	207.00	212.00	217.00	2.36%
Scrap Metal Site Licence - Renewal	Discretionary		NB	207.00	212.00	217.00	2.36%
Scrap Metal Collectors Licence - Renewal	Discretionary		NB	103.00	106.00	109.00	2.83%
Scrap Metal Variations	Discretionary		NB	78.00	80.00	82.00	2.50%
Scrap Metal Replacement Licence	Discretionary		NB	11.00	11.00	11.50	N/A
Gambling Act							
New small casino	Statutory Maximum	New application	NB	6,570.00	6,734.00	6,896.00	2.41%
		Annual fee	NB	3,730.00	3,823.00	3,915.00	2.41%
		Variation	NB	2,690.00	2,757.00	2,823.00	2.39%
		Transfer	NB	1,564.00	1,603.00	1,641.00	2.37%
		Re-instatement	NB	1,314.00	1,347.00	1,379.00	2.38%
		Provisional statement	NB	6,570.00	6,734.00	6,896.00	2.41%
		Provisional statement holders	NB	2,335.00	2,393.00	2,450.00	2.38%
		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 2019/20

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2017/18	Charge 2018/19	Proposed Charge 2019/20	Increase / Decrease on 2018/19
				£	£	£	%
New large casino	Statutory Maximum	New application	NB	7,860.00	8,057.00	8,250.00	2.40%
		Annual fee	NB	7,520.00	7,708.00	7,893.00	2.40%
		Variation	NB	3,555.00	3,644.00	3,731.00	2.39%
		Transfer	NB	1,835.00	1,881.00	1,926.00	2.39%
		Re-instatement	NB	2,070.00	2,122.00	2,150.00	1.32%
		Provisional statement	NB	7,860.00	8,057.00	8,250.00	2.40%
		Provisional statement holders	NB	3,860.00	3,957.00	4,052.00	2.40%
		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	12,380.00	12,690.00	12,995.00	2.40%
		Annual fee	NB	11,610.00	11,900.00	12,186.00	2.40%
		Variation	NB	5,800.00	5,945.00	6,087.00	2.39%
		Transfer	NB	4,230.00	4,336.00	4,440.00	2.40%
		Re-instatement	NB	4,230.00	4,336.00	4,440.00	2.40%
		Provisional statement	NB	12,380.00	12,690.00	12,995.00	2.40%
		Provisional statement holders	NB	6,030.00	6,181.00	6,329.00	2.39%
		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	2,250.00	2,306.00	2,361.00	2.39%
		Annual fee	NB	700.00	718.00	735.00	2.37%
		Variation	NB	1,540.00	1,579.00	1,617.00	2.41%
		Transfer	NB	855.00	876.00	897.00	2.40%
		Re-instatement	NB	855.00	876.00	897.00	2.40%
		Provisional statement	NB	2,250.00	2,306.00	2,361.00	2.39%
		Provisional statement holders	NB	930.00	953.00	976.00	2.41%
		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 2019/20

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2017/18	Charge 2018/19	Proposed Charge 2019/20	Increase / Decrease on 2018/19
				£	£	£	%
Betting Premises (excluding tracks)	Statutory Maximum	New application	NB	2,290.00	2,347.00	2,403.00	2.39%
		Annual fee	NB	455.00	466.00	477.00	2.36%
		Variation	NB	1,300.00	1,333.00	1,365.00	2.40%
		Transfer	NB	855.00	876.00	897.00	2.40%
		Re-instatement	NB	855.00	876.00	897.00	2.40%
		Provisional statement	NB	2,250.00	2,306.00	2,361.00	2.39%
		Provisional statement holders	NB	930.00	953.00	976.00	2.41%
		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	1,760.00	1,804.00	1,847.00	2.38%
		Annual fee	NB	700.00	718.00	735.00	2.37%
		Variation	NB	1,180.00	1,210.00	1,239.00	2.40%
		Transfer	NB	855.00	876.00	897.00	2.40%
		Re-instatement	NB	855.00	876.00	897.00	2.40%
		Provisional statement	NB	1,760.00	1,804.00	1,847.00	2.38%
		Provisional statement holders	NB	930.00	953.00	976.00	2.41%
		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	1,760.00	1,804.00	1,847.00	2.38%
		Annual fee	NB	605.00	620.00	635.00	2.42%
		Variation	NB	795.00	815.00	835.00	2.45%
		Transfer	NB	855.00	876.00	897.00	2.40%
		Re-instatement	NB	855.00	876.00	897.00	2.40%
		Provisional statement	NB	1,760.00	1,804.00	1,847.00	2.38%
		Provisional statement holders	NB	770.00	789.00	808.00	2.41%
		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 2019/20

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2017/18	Charge 2018/19	Proposed Charge 2019/20	Increase / Decrease on 2018/19
				£	£	£	%
Adult Gaming Centre	Statutory Maximum	New application	NB	1,760.00	1,804.00	1,847.00	2.38%
		Annual fee	NB	705.00	723.00	740.00	2.35%
		Variation	NB	795.00	815.00	835.00	2.45%
		Transfer	NB	855.00	876.00	897.00	2.40%
		Re-instatement	NB	855.00	876.00	897.00	2.40%
		Provisional statement	NB	1,760.00	1,804.00	1,847.00	2.38%
		Provisional statement holders	NB	930.00	950.00	973.00	2.42%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%
Temporary Use Notices	Statutory Maximum	New application	NB	204.00	204.00	204.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
Licensed Premises Gaming Machine Permit	Statutory Maximum	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%

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LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
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%

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LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
Hackney Carriage/Private Hire							
Hackney Carriage & Private Hire Drivers Licence	Discretionary	For 1 year	NB	51.00	52.00	56.00	7.69%
		For 3 years	NB	101.00	104.00	112.00	7.69%
Vehicle Licence	Discretionary	New	NB	308.00	316.00	320.00	1.27%
		Renewal	NB	288.00	295.00	300.00	1.69%
Additional Hackney Carriage & Private Hire Drivers licence	Discretionary		NB	20.00	21.00	25.00	19.05%
Private Hire Operators	Discretionary	1-3 Vehicles	NB	126.00	129.00	134.00	3.88%
		4-10 Vehicles	NB	424.00	435.00	445.00	2.30%
		11-20 Vehicles	NB	848.00	869.00	890.00	2.42%
Drivers Badge (replacement)	Discretionary		NB	11.00	11.00	11.50	4.55%
Fee for Returned (Bounced) Cheques	Discretionary		NB	16.00	16.00	16.50	3.13%
Transfer of vehicle licence (including plate)	Discretionary		NB	20.00	20.00	30.00	50.00%
Replacement Plate (internal/external)	Discretionary		NB	26.00	20.00	20.00	0.00%
Additional Vehicle under an Operators Licence	Discretionary	Category 1-3	NB	293.00	129.00	132.00	2.33%
	Discretionary	Category 4-10			300.00	307.00	2.33%
	Discretionary	Category 11-20	NB	424.00	435.00	445.00	2.30%
Replacement Licence	Discretionary		NB	11.00	11.00	11.50	4.55%
Hackney carriage knowledge test	Discretionary			51.00	52.00	55.00	5.77%
CRB	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 2019/20

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
Season Tickets (Ashford)						
	Edinburgh Road Reserved 12 months	VT	1,520.00		Scheme withdrawn	
	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 Business Permit 12 months	VT		360.00	360.00	0.00%
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%
	<i>*Season Tickets issued for Bridewell Lane car park are also valid in the rear car park at Tenterden</i>					
	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%

DISCRETIONARY & STATUTORY FEES 2019/20

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
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 B Annual - Off Street Residents Parking Permit	VT	135.00	135.00	135.00	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%
Other Permits						
	Visitor's permits each	EX	1.00	1.00	1.00	0.00%
	Admin Charge for loss of staff card/permit	VT	5.00	5.00	10.00	100.00%
	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%
	International House permit discounted 12 months	VT	380.00	380.00	380.00	0.00%
	International House permit full price 12 months	VT	760.00	760.00	760.00	0.00%
	Admin charge for lost permit	VT	10.00	10.00	10.00	0.00%
Misc Charges						
	Waivers/Dispensations - per week or part week	VT	30.00	30.00	30.00	0.00%
	Waivers/Dispensations - Additional Charge for occupying on street pay and display bay, per bay per day (only applies for individual days if fully week £30 charge applies effectively 2 days free)	VT	10.00	10.00	10.00	0.00%
	Waivers/Dispensations - Additional Charge for occupying on street pay and display bay, per bay per week	VT	30.00	30.00	30.00	0.00%
	Bay Suspensions per week	VT	50.00	50.00	50.00	0.00%
	Replacement of lost cones per cone	VT	20.00	20.00	20.00	0.00%
	Locked car park-vehicle release fee	VT	55.00	55.00	55.00	0.00%
	Clamping release fee - Day	VT	40.00	40.00	40.00	0.00%
	Clamping release fee - Night	VT	40.00	150.00	150.00	0.00%
	Install white access highlight markings (dog-bones)	VT	121.00	121.00	121.00	0.00%
	Refresh white access highlight markings (dog-bones)	VT	158.00	158.00	158.00	0.00%
	Printing Charges Up to 5 pages per page	VT	0.50	0.50	0.50	0.00%
	Printing Charges more than 5 pages per page	VT	0.10	0.10	0.10	0.00%

DISCRETIONARY & STATUTORY FEES 2019/20

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
Car Park Charges (Ashford)						
	Civic Centre and Stour Centre car park minimum charge up to 2 hours	VT	0.80	1.50	1.50	0.00%
	Civic Centre and Stour Centre car park per hour over 2 hours. Linear Charge in 5p increments	VT	1.00	1.10	1.10	0.00%
	Civic Centre and Stour Centre car park charge over 4 hours Mon-Fri	VT	10.00	11.00	11.00	0.00%
	Civic Centre and Stour Centre car park charge over 4 hours Sat and Sun	VT	4.50	5.00	5.00	0.00%
	Civic Centre and Stour Centre car park per hour Coach Charge (Linear Charge in 5p increments)	VT	1.50	1.70	1.70	0.00%
	Civic Centre and Stour Centre car park Coach charge over 4 hours	VT	10.00	11.00	11.00	0.00%
	Dover Place car park per hour	VT	1.00	1.10	1.10	0.00%
	Dover Place car park over 4 hours	VT	4.50	5.00	5.00	0.00%
	Elwick Road car park per hour	VT		1.10	1.10	0.00%
	Elwick Road car park over 4 hours	VT		5.00	5.00	0.00%
	Elwick Place car park up to 2 hours	VT		2.20	2.20	0.00%
	Elwick Place car park up to 3 hours	VT		3.30	3.30	0.00%
	Elwick Place car park up to 4 hours	VT		4.40	4.40	0.00%
	Elwick Place car park up to 5 hours	VT		5.50	5.50	0.00%
	Elwick Place car park over 5 hours	VT		11.00	11.00	0.00%
	Elwick Place car park after 4pm to 9am next day	VT		1.00	1.00	0.00%
	Elwick Place car park Travelodge	VT		7.50	7.50	0.00%
	Edinburgh Road car park per hour	VT	1.00	1.10	1.10	0.00%
	Edinburgh Road car park charge over 4 hours	VT	4.50	5.00	5.00	0.00%
	Flour Mills car park per hour	VT	1.00	1.10	1.10	0.00%
	Flour Mills car park charge over 4 hours	VT	4.00	4.40	4.40	0.00%
	Henwood car park per hour	VT	0.80	0.90	0.90	0.00%
	Henwood car park charge over 4 hours	VT	3.20	3.60	3.60	0.00%
	Station Road Ashford car park per hour	VT	1.00	1.10	1.10	0.00%
	Station Road Ashford car park charge over 4 hours	VT	4.50	5.00	5.00	0.00%
	Vicarage Lane car park per hour	VT	1.00	1.10	1.10	0.00%
	Vicarage Lane car park charge over 4 hours	VT	10.00	11.00	11.00	0.00%

DISCRETIONARY & STATUTORY FEES 2019/20

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
Car Park Charges (Tenterden)						
	Bridewell Lane car park per hour	VT	1.10	1.10	1.10	0.00%
	Bridewell Lane car park over 4 hours	VT	5.00	5.00	5.00	0.00%
	Recreation Ground Road car park per hour	VT	1.10	1.10	1.10	0.00%
	Recreation Ground Road car park over 4 hours	VT	11.00	11.00	11.00	0.00%
	Station Road car park Tenterden per hour	VT	1.10	1.10	1.10	0.00%
	Station Road car park Tenterden over 4 hours	VT	11.00	11.00	11.00	0.00%
	Station Road car park Tenterden per hour Coach charge	VT	1.70	1.70	1.70	0.00%
	Station Road car park Tenterden over 4 hours	VT	11.00	11.00	11.00	0.00%
	Tenterden Leisure Centre car park per hour	VT	1.10	1.10	1.10	0.00%
	Tenterden Leisure Centre car park over 4 hours	VT	11.00	11.00	11.00	0.00%
	Tenterden Leisure Centre car park Coach charge per hour	VT	1.70	1.70	1.70	0.00%
	Tenterden Leisure Centre car park Coach charge over 4 hours	VT	11.00	11.00	11.00	0.00%
On Street Parking Charges						
	Charge per hour before 6pm	EX	1.10	1.10	1.10	0.00%
	Charge after 6pm for parking up to 1 hour	EX	1.10	1.10	1.10	0.00%
	Charge after 6pm for parking over one hour	EX	3.00	3.00	3.00	0.00%
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:

EX = Exempt from VAT

VT = Inclusive of VAT

DISCRETIONARY & STATUTORY FEES 2019/20

Charge for the Supply of Information and Photocopies of Documents

Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
General Photocopying	Per sheet of photocopy (for the first 10 sheets)	VT	0.37	0.38	0.39	2.63%
	Further Copies	VT	0.18	0.18	0.19	5.56%
Fax	First Page	VT	1.42	1.46	1.50	2.74%
	Each page thereafter	VT	0.76	0.78	0.80	2.56%
Notices and Extracts	Authenticated Building Control Regulation Approval or Completion Certificate (photocopy - copying charge only)	VT	10.11	10.36	10.67	2.99%
	Architects Plans (A3 & A4)	VT	0.37	0.38	0.39	2.63%
	Architects Plans (A2+)	VT	6.32	6.48	6.67	2.93%
Fact sheets	Major Development Proposals in Ashford (per page)	VT	1.73	1.77	1.82	2.82%
	All other fact sheets (per page)	VT	0.37	0.38	0.39	2.63%
Requests for Planning Information*		VT	54.49	55.85	57.53	3.01%
Requests for Building Control Information*		VT	54.49	55.85	57.53	3.01%
Inspection of approved Building Regulation Plans*		VT	54.49	55.85	57.53	3.01%
Gas and Pipeline Extracts*		VT	6.81	6.98	7.19	3.01%
Hard Copy Provision of Weekly List		VT	177.18	181.61	187.06	3.00%
Postage and Packing		VT	0.95	0.97	1.00	3.09%

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

DISCRETIONARY & STATUTORY FEES 2019/20

Sale of Documents and Room Hire

Item	Description/Comments	VAT Indicator	Charge 2017/18	Charge 2018/19	Proposed Charge 2019/20	Increase / Decrease on 2018/19	
			£	£	£	%	
Minutes	Council and Committees - per annum	VT	187.68	192.37	198.14	3.00%	
	(excluding the Planning Committee) - per cycle	VT	37.95	38.90	40.07	3.01%	
	Cabinet only	- per annum	VT	124.40	127.51	131.34	3.00%
		- per cycle	VT	25.47	26.11	26.89	2.99%
	Planning Committee only	- per annum	VT	124.40	127.51	131.34	3.00%
		- per cycle	VT	25.47	26.11	26.89	2.99%
	A single committee and its Sub- Committee (excluding the Planning Committee)	- per annum	VT	63.09	64.67	66.61	3.00%
		- per cycle	VT	13.09	13.42	13.82	2.98%
Agendas and Reports	Council and Committees - per annum	VT	335.98	344.38	354.71	3.00%	
	(excluding the Planning Committee) - per cycle	VT	67.77	69.46	71.54	2.99%	
	Cabinet only	- per annum	VT	628.36	644.07	663.39	3.00%
		- per cycle	VT	26.93	27.60	28.43	3.01%
	Planning Committee only	- per annum	VT	628.36	644.07	663.39	3.00%
		- per cycle	VT	26.93	27.60	28.43	3.01%
	A single committee and its Sub- Committee (excluding the Planning Committee)	- per annum	VT	67.77	69.46	71.54	2.99%
		- per cycle	VT	14.11	14.46	14.89	2.97%
<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	8.80	9.02	9.29	2.99%	
	- requested by commercial bodies	VT	43.24	44.32	45.65	3.00%	
	Council Year Book	VT	3.52	3.61	3.72	3.05%	
	Copy of Lease, Order etc	VT	7.74	7.93	8.17	3.03%	
Copy of Byelaws - Statutory Fee	VT	0.26	0.27	0.28	3.70%		
Room Hire	Council Chamber - Up to 4 hours	VT	163.69	163.69	164.00	0.19%	
	- Full Day	VT	287.34	287.34	288.00	0.23%	
	- Evening after 5pm	VT	263.48	263.48	264.00	0.20%	
	Committee Rooms	- Up to 4 hours	VT	85.79	85.79	86.00	0.24%
		- Full Day	VT	154.09	154.09	155.00	0.59%
		- Evening after 5pm	VT	148.30	148.30	149.00	0.47%

VAT Indicator:

VT = Inclusive of VAT

DISCRETIONARY & STATUTORY FEES 2019/20

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
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	NB	1,122.00	1,122.00	1,152.86	2.75%
	(2) Double Grave Depth	NB	1,237.00	1,237.00	1,271.02	2.75%
	(3) Triple Grave Depth	NB	1,446.00	1,446.00	1,485.77	2.75%
	(4) Child under 3 months (Resident)	NB	FREE			
	(5) Child under 3 Months (Non Resident)	NB	80.00	80.00	82.20	2.75%
	(6) Child aged 3 to 5 years (Resident) <i>(NB If grave required to be reopened to enable further family burial(s) the fees in (2) and (3) apply)</i>	NB	FREE			
	(7) Child aged 3 to 5 years (Non Resident) (please note 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>	NB	80.00	80.00	82.20	2.75%
	(8) Child aged 5 to 18 years (Resident) <i>(NB If grave required to be reopened to enable further family burial(s) the fees in (2) and (3) apply)</i>	NB	FREE			
	(9) Child aged 5 to 18 years (Non Resident) (please note 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>	NB	260.00	260.00	267.15	2.75%
	(10) Cremated Remains - Garden of Remembrance Willesborough	NB	403.00	403.00	414.08	2.75%
	(11) Single grave depth - includes boarding out with timber	NB	1,339.00	1,339.00	1,375.82	2.75%

DISCRETIONARY & STATUTORY FEES 2019/20

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
REOPENING OF EXISTING GRAVES/OPENING OF PRE-PURCHASED GRAVES	(1) Single Grave Depth	NB	530.00	530.00	544.58	2.75%
	(2) Double Grave Depth	NB	650.00	650.00	667.88	2.75%
	(3) Triple Grave Depth	NB	930.00	930.00	955.58	2.75%
	(4) Cremated Remains	NB	111.00	111.00	114.05	2.75%
<i>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</i>						
<i>NB IF NOT ALREADY DETAILED ABOVE 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)</i>						

DISCRETIONARY & STATUTORY FEES 2019/20

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
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	NB	1,125.00	1,125.00	1,155.94	2.75%
	(2) Single Grave Depth (plus purchase of right of burial in adjoining grave) (i.e. single depth charge plus purchase charge)	NB	1,607.00	1,607.00	1,651.19	2.75%
	(3) Child under 3 months (Resident)	FREE				
	(4) Child under 3 Months (Non Resident)	NB	80.00	80.00	82.20	2.75%
	(5) Child aged 3 to 5 years (Resident) <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 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>	NB	80.00	80.00	82.20	2.75%
	(7) Child aged 5 to 18 years (Resident) <i>(NB If grave required to be reopened to enable further family burial(s) the fees in (2) and (3) apply)</i>	FREE				
	(8) Child aged 5 to 18 years (Non Resident) (please note 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>	NB	260.00	260.00	267.15	2.75%
	(9) Cremated Remains - Garden of Remembrance - Large Plot	NB	472.00	472.00	484.98	2.75%
	(10) Cremated Remains - Garden of Remembrance - Small Plot	NB	326.00	326.00	334.97	2.75%
REOPENING OF EXISTING GRAVES/OPENING OF PRE-PURCHASED GRAVES	(1) Single Grave Depth	NB	606.00	606.00	622.67	2.75%
	(2) Double Grave Depth	NB	716.00	716.00	735.69	2.75%
	(3) Cremated Remains	NB	182.00	182.00	187.01	2.75%
<i>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</i>						
<i>NB IF NOT ALREADY DETAILED ABOVE 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)</i>						

DISCRETIONARY & STATUTORY FEES 2019/20

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
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	NB	510.00	510.00	524.03	2.75%
	(2) One cremation plot - (holds 4 sets of ashes)	NB	285.00	285.00	292.13	2.50%
RIGHT TO ERECT A MEMORIAL	(1) Right to erect a headstone or tablet (including inscription to one person) (Resident) - Adult - Child up to 18 years	NB	167.00	167.00	171.59	2.75%
		NB	FREE			
	(2) Right to erect a headstone or tablet (including inscription to one person) (Non Resident) - Adult - Child up to 18 years	NB	334.00	334.00	343.19	2.75%
		NB	167.00	167.00	171.59	2.75%
	(3) Right to erect a kerbstone (including inscription to one person) (Resident) - Adult - Child to 18 years	NB	241.00	241.00	247.63	2.75%
		NB	FREE			
	(4) Right to erect a kerbstone (including inscription to one person) (Non Resident) - Adult - Child to 18 years	NB	482.00	482.00	495.26	2.75%
		NB	241.00	241.00	247.63	2.75%
	(5) Additional inscription (per person after first)	NB	55.00	55.00	56.51	2.75%
	(6) Right to place a vase (including inscription to one person)	NB	80.00	80.00	82.20	2.75%

DISCRETIONARY & STATUTORY FEES 2019/20

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
Cemetery Charges - All Cemeteries						
PURCHASE OF WOODEN CROSS INCLUDING PLAQUE	(Ashford Borough Cemeteries only)	VT	40.00	40.00	41.10	2.75%
FAMILY MANAGED BURIALS	Additional administrative cost of this option	NB	166.00	166.00	170.57	2.75%
FAMILY HISTORY SEARCH	Per Name	VT	26.00	26.00	26.72	2.75%
	Over 4 Names	VT	80.00	80.00	82.20	2.75%
<i>NB IF NOT ALREADY DETAILED ABOVE 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)</i>						
MAINTENANCE OF GRAVES	(1) Maintenance and Planting twice yearly with plants supplied by the Council	VT	157.00	157.00	161.32	2.75%
	(2) Cleaning of kerbstone (per annum)	VT	93.00	93.00	95.56	2.75%
	(3) Cleaning of headstone or memorial (per annum)	VT	156.00	156.00	160.29	2.75%
WOODLAND BURIALS						
BYBROOK CEMETERY	Woodland Burial Fee including grave purchase, digging, plaque and post					
	- one grave	EX	723.00	723.00	742.88	2.75%
	- two adjacent graves	EX	1,349.00	1,349.00	1,386.10	2.75%
	- double depth in new section	EX		1,349.00	1,386.10	2.75%
	Interment of cremated remains (in grave space) including	EX	621.00	621.00	638.08	2.75%
	Selection of grave space	EX	88.00	88.00	90.42	2.75%
<i>(* These fees may be prepaid)</i>						
TENTERDEN CEMETERY	Woodland Burial Fee including grave purchase, digging, plaque and post					
	- one grave	EX	787.00	787.00	808.64	2.75%
	- two adjacent graves	EX	1,416.00	1,416.00	1,454.94	2.75%
	Interment of cremated remains (in grave space) including	EX	692.00	692.00	711.03	2.75%
	Selection of grave space	EX	88.00	88.00	90.42	2.75%
<i>(* These fees may be prepaid)</i>						

DISCRETIONARY & STATUTORY FEES 2019/20

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
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Cemetery Charges - All Cemeteries

ALL CEMETERIES	Further interment of cremated remains including casket					
	- Ashford	EX	129.00	129.00	132.55	2.75%
	- Tenterden	EX	196.00	196.00	201.39	2.75%
	Interment of a child to 18 years (Resident) (NOT including coffin or tree)	EX	Free			
	Interment of a child to 18 years (Non Resident) (NOT including coffin or tree)	EX		335.00	344.21	2.75%
	Grave reservation	EX	174.00	174.00	178.79	2.75%
	Selection of grave space	EX	88.00	88.00	90.42	2.75%

NB IF NOT ALREADY DETAILED ABOVE 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)

OTHER RELATED CHARGES

MEMORIAL BENCH WITH DEDICATION INSCRIPTION (Subject to space being available)		EX	AT COST	AT COST	AT COST	N/A
TRANSFER OF EXCLUSIVE RIGHT OF BURIAL	per request	EX	50.00	50.00	51.38	2.75%
LATE ARRIVAL AT CEMETERY OF MORE THAN 30 MINS		NB	100.00	100.00	102.75	2.75%
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	87.34	2.75%
TO INTER 2 OR MORE SETS OF ASHES AT THE SAME TIME	additional fee to cover admin costs	EX	25.00	25.00	25.69	2.75%
EXHUMATION OF COFFIN IF REBURYING IN SAME PLOT		VT	AT COST	AT COST	AT COST	N/A
EXHUMATION OF COFFIN IF REBURYING IN DIFFERENT PLOT		EX	AT COST	AT COST	AT COST	N/A

NB IF NOT ALREADY DETAILED ABOVE 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 2019/20

Planning Services

Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
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	VT	87.00	89.00	92.00	3.37%
	Level 2 will be charged for written advice on all minor developments	VT	168.00	172.00	177.00	2.91%
	Level 3 will be charged for meetings with officers (If the meeting is on site then travelling time will be included in the assessment)	VT	449.00	460.00	474.00	3.04%
Compliance Check (Confirmation that a development has been built in accordance with the approved plans	For domestic Development	VT	82.00	84.00	87.00	3.57%
	For a Domestic proposal that requires a site visit	VT	161.00	165.00	170.00	3.03%
Research of Planning History	To confirm whether or not permitted development rights have been removed from a dwelling	VT	43.00	44.00	45.00	2.27%
	(Copies of Decision Notices are charged extra)			0.00	0.00	
Formal Complaint under High Hedges Legalisation		VT	458.00	469.00	483.00	2.99%

All other Statutory charges apply

VAT Indicator:

NB = Non Business no VAT

EX = Exempt from VAT

VT = Inclusive of VAT

DISCRETIONARY & STATUTORY FEES 2019/20

Monitoring Centre

Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
Telecare/Lifeline						
Telecare Lifeline Installation (Within Kent)	One Off Payment per client	VT	30.00	30.00	35.00	16.67%
Telecare Lifeline Installation (Outside Kent)	One Off Payment per client	VT	60.00	60.00	65.00	8.33%
Telecare Lifeline Monitoring and Equipment Hire	Annual Fee per client	VT	156.69	161.00	166.00	3.11%
Telecare Monitoring Fee only (no longer available to clients) - for purchased equipment - Prior to 1/04/11	Annual	VT	27.29	28.00	32.00	14.29%
Supply of Second Pendant sensor	One off payment per client	VT	50.54	52.00	54.00	3.85%
Supply of Key safe - new style	One Off Payment per client	VT	74.31	76.00	78.00	2.63%
Supply of Key release Door Chain new style	One Off Payment per client	VT	59.64	61.00	63.00	3.28%
Telecare/Lifeline Equipment	Replacement of Equipment due to Damage/Non Return	VT	193.57	199.00	205.00	3.02%

DISCRETIONARY & STATUTORY FEES 2019/20

Monitoring Centre

Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
Additional sensor installation	One Off Payment per client per visit for install of items	VT	30.00	31.00	35.00	12.90%
Additional sensor Installation (Outside Kent)	One Off Payment per client	VT	60.00	62.00	65.00	4.84%
Purchase of Safe Socket	One off payment per safe socket required	VT	21.49	22.00	23.00	4.55%
Purchase of BT Cable for Lifeline	One off payment per BT cable required	VT	11.49	12.00	13.00	8.33%
Purchase of Fall Detector	One off payment per fall detector	VT	99.99	103.00	106.00	2.91%
Purchase of Carbon Monoxide Detector	One off payment per Carbon Monoxide Detector	VT	114.99	118.00	121.00	2.54%
Purchase of Flood Detector	One off payment per Flood Detector	VT	99.99	103.00	106.00	2.91%
Purchase of Pendant Easy Press	One off payment per Pendant Easy Press	VT	15.49	16.00	17.00	6.25%
Purchase of Smoke Alarm Detector	One off payment per Smoke Alarm Detector	VT	99.99	103.00	106.00	2.91%
Purchase of Power Cable	One off payment per Power Cable	VT	30.99	32.00	33.00	3.13%

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DISCRETIONARY & STATUTORY FEES 2019/20

LEGAL & ELECTORAL SERVICES

Legal Fees						
Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
S9 Agreements	(including caution/note on Register)	NB	303.00	311.00	320.00	2.89%
S9 Transfers	Plus Land Registry Fees	NB	303.00	311.00	320.00	2.89%
S106 agreements		NB	884.00	906.00	933.00	2.98%
Grazing Licences		NB	111.00	114.00	117.00	2.63%
Licences to Assign		NB	203.00	208.00	214.00	2.88%
Sales or Easements	Up to £2,500 in value	NB	290.00	297.00	306.00	3.03%
Sales or Easements	over £2,500 in value - Basic Fee of £300.00 plus 1% of sale price	NB	326.00	334.00	344.00	2.99%
Ellingham Leases		NB	315.00	323.00	333.00	3.10%
Ellingham lease renewals		NB	213.00	218.00	225.00	3.21%
Surrenders		NB	193.00	198.00	204.00	3.03%
Landlord consent etc		NB	102.00	105.00	108.00	2.86%
Transfer of Equity (mortgage)		NB	214.00	219.00	226.00	3.20%
Redemptions		NB	111.00	114.00	117.00	2.63%
Mortgagees Enquiries		NB	202.00	207.00	213.00	2.90%
Deed of Postponement		NB	92.00	94.00	97.00	3.19%
Release of expired Statutory Charge		NB	99.00	101.00	104.00	2.97%
Waiver (Improvement Grant)		NB	99.00	101.00	104.00	2.97%
Notice of Charge		NB	61.00	63.00	65.00	3.17%
Counterpart Lease		NB	61.00	63.00	65.00	3.17%
Engross Transfer/conveyance		NB	51.00	52.00	54.00	3.85%
Notice to Assign		NB	61.00	63.00	65.00	3.17%
Wayleaves		NB	178.00	182.00	187.00	2.75%

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 2019/20

LEGAL & ELECTORAL SERVICES

Legal Fees						
Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
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%

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DISCRETIONARY & STATUTORY FEES 2019/20

Property Services

Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
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	188.00	193.00	199.00	3.11%
Land sales - valuation	If external valuers are appointed, the charge will be the amount invoiced by the valuer. Initial payment of £500 is requested	EX	at cost recovery	at cost recovery	at cost recovery	n/a
Land sales - inspection/administration	Cost of the site inspection £297 up to sales value of £2500, where sales value exceeds £2500 cost will be £334 + 1% of sales value. Reflects more appropriate charge.	VT	188.00	297.00	306.00	3.03%
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	127.00	130.00	134.00	3.08%
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	127.00	130.00	134.00	3.08%
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	188.00	193.00	199.00	3.11%
Development Administration Fee	To cover overheads in relation to officer time for processing, site visits for monitoring purposes for duration of works, insurance checks, review of method statements and risk assessments.	VT	n/a	411.00	423.00	2.92%
AutoCAD plan production fee	Production of drawings for the purpose of ABC legal agreements	VT	n/a	103.00	106.00	2.91%
Wayleaves - inspection/administration	The cost of the site inspection has not previously been charged for.	VT	127.00	130.00	134.00	3.08%

VAT Indicator:

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DISCRETIONARY & STATUTORY FEES 2019/20						
Other Charges						
Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
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	37.50	37.50	0.00
Garden Waste Bins (DD charge)	Wheelie Bin for Garden Waste	NB	35.00	35.00	35.00	0.00
Dog Warden Fees						
Stray Dogs	Statutory fee for dog not being on lead	NB	26.00	27.00	28.00	0.04
Dog Control Costs	Collection/delivery of dog	NB	40.00	41.00	42.00	0.02
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	31.00	32.00	0.03
Vetinary Treatment	As required	NB	Cost Recovery			
Allotment Rents						
Plot rent		EX	6.00	6.00	7.00	16.67%
Key Deposit		EX	25.00	25.00	25.00	0.00%
Concessionary rate rent	50% for 1st 5 perch, full price after	EX	3.00	3.00	3.50	16.67%
Chilmington Road Travellers Site						
Rent	Charge per week	NB	45.19	46.15	47.53	3.00%
Service Charge	Charge per week	NB	41.00	35.92	37.00	3.00%
Mobile Homes						
Annual monitoring fee	Charge per pitch	NB	30.00	5.40	5.40	0.00%
Check & Depositing Site Rules		NB	61.00	63.00	65.00	3.17%
Site Licence Application Fees	Band 1 - 1-10 pitches	NB	392.00	402.00	414.00	2.99%
	Band 2 - 11-50 pitches	NB	459.00	470.00	484.00	2.98%
	Band 3 - 51-99 pitches	NB	638.00	654.00	674.00	3.06%
	Band 4 - 100-199 pitches	NB	771.00	790.00	814.00	3.04%
	Band 5 - 200+ pitches	NB	954.00	978.00	1007.00	2.97%
Application to transfer a site licence	Band 1 - 1-10 pitches	NB	78.00	80.00	82.00	2.50%
	Band 2 - 11-50 pitches	NB	92.00	94.00	97.00	3.19%
	Band 3 - 51-99 pitches	NB	128.00	131.00	135.00	3.05%
	Band 4 - 100-199 pitches	NB	154.00	158.00	163.00	3.16%
	Band 5 - 200+ pitches	NB	191.00	196.00	202.00	3.06%

DISCRETIONARY & STATUTORY FEES 2019/20

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
Application to amend a site licence	Band 1 - 1-10 pitches	NB	131.00	134.00	138.00	2.99%
	Band 2 - 11-50 pitches	NB	153.00	157.00	162.00	3.18%
	Band 3 - 51-99 pitches	NB	213.00	218.00	225.00	3.21%
	Band 4 - 100-199 pitches	NB	257.00	263.00	271.00	3.04%
	Band 5 - 200+ pitches	NB	318.00	326.00	336.00	3.07%
Homelessness						
Copy of File		VT	14.00	10.00	10.00	0.00%
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	
Charge to carry out inspections in respect of a UK entry application		NB	84.00	86.00	120.00	39.53%
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	303.00	311.00	320.00	2.89%
Charge for making an emergency prohibition order - Housing Act 2004		NB	202.00	207.00	213.00	2.90%
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	100 - 500	N/A
Penalty Charge notices - the smoke and carbon monoxide alarm regulations 2015	First Offence £5,000, an early payment will attract a discount of 50% making it £2,500	NB	1,517.00	2,500.00	2,500.00	0.00%
	For subsequent offences the penalty will be £5,000 to deter continued non-compliance. No early payment discount would apply	NB	3,539.00	5,000.00	5,000.00	0.00%
House in Multiple Occupation Licence Fee	Five Year Licence - 1st property	NB	387.00	397.00	563.71	41.99%
	Five Year Licence - subsequent properties	NB	356.00	365.00		2.56%
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%	

DISCRETIONARY & STATUTORY FEES 2019/20

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2017/18 £	Charge 2018/19 £	Proposed Charge 2019/20 £	Increase / Decrease on 2018/19 %
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	1.25	0.00%
Credit Card Payments	Charge per booking on Agency Sales	VT	1.50	1.50		0.00%
National Express	Commission reduced to 5% so booking fee introduced per ticket for values over £10 from 01/10/16		Oct 16 5% + £1 per ticket over £10	5% + £1 per ticket over £10	5% + £1 per ticket over £10	
Council Tax Collection						
Court costs	Summons costs	NB	61.00	60.00	60.00	0.00%
	Liability orders	NB	66.00	65.00	65.00	0.00%
Business Rates						
Court costs	Summons costs	NB	0.00	0.00	0.00	0.00%
	Liability orders	NB	182.00	180.00	180.00	0.00%
Land Charges						
Standard Search Fee	Domestic Properties	NB	Cost Recovery			
	Non-Domestic Properties	NB	Cost Recovery			
Extra Questions		NB	Cost Recovery			
	<i>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.</i>					

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 2019/20 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 2019/20 and associated recommendations.</p> <p>Approve the capital strategy, investment strategy treasury strategy, investment policy, fees and charges, and the Housing, long term empties policy and Council Tax Benefit E-Claim Risk Based Verification Policy for 2019/20.</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 2018/19 –</p> <p>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 and budget area scrutinised with further focus on key areas of risk.</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 budget area scrutinised, a report from the task group is referenced within this report.</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 appropriate media channels.</p>	
<p>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.</p> <p>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.</p>		
<p>Protected characteristic</p>	<p>Relevance to Decision High/Medium/Low/None</p>	<p>Impact of Decision Positive (Major/Minor) Negative (Major/Minor) Neutral</p>
<p><u>AGE</u> Elderly</p>	<p>Low/Medium</p>	<p>Positive – No contribution required through Council Tax support</p>
<p>Middle age</p>	<p>Low</p>	<p>Negative – Increased level of contribution through Council Tax Support Scheme.</p>

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	
<p>Mitigating negative impact: Where any negative impact has been identified, outline the measures taken to mitigate against it.</p>	<p>The negative impacts relate to the Council Tax Support scheme which was introduced in 2017/18 and requires middle aged and young adults to contribute to Council Tax when in receipt of benefit. This was an agreed policy following consultation and therefore no mitigation is recommended.</p>	

<p>Is the decision relevant to the aims of the equality duty? Guidance on the aims can be found in the EHRC's <i>Essential Guide</i>, alongside fuller <i>PSED Technical Guidance</i>.</p>	
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>06/02/2019</p>

Budget Housing Revenue Account 2019/20

SUBJECTIVE ANALYSIS - 2019/20 BUDGET					
Housing Revenue Account					
	Supervision & Management	Income	Other	Repairs & Maintenance	Total
EXPENDITURE					
Employees	2,371,410	-	-	-	2,371,410
Premises	707,250	-	-	3,473,870	4,181,120
Supplies and Services	911,170	-	209,000	28,500	1,148,670
Transport	126,530	-	-	-	126,530
TOTAL EXPENDITURE	4,116,360	-	209,000	3,502,370	7,827,730
INCOME					
Grants	-	-	(2,999,850)	-	(2,999,850)
Fees & Charges	(84,520)	(24,843,280)	(2,000)	(24,000)	(24,953,800)
TOTAL INCOME	(84,520)	(24,843,280)	(3,001,850)	(24,000)	(27,953,650)
NET CONTROLLABLE EXPENDITURE	4,031,840	(24,843,280)	(2,792,850)	3,478,370	(20,125,920)
NON CONTROLLABLE ITEMS					
Support Services	1,839,780	-	878,500	-	2,718,280
Capital Charges	-	-	17,944,810	-	17,944,810
Recharges	(101,870)	-	-	-	(101,870)
Transfers to/from Reserves	-	-	-	-	-
TOTAL NON-CONTROLLABLE ITEMS	1,737,910	-	18,823,310	-	20,561,220
NET EXPENDITURE	5,769,750	(24,843,280)	16,030,460	3,478,370	435,300

Capital Programme 2018/19 - 2021/22						
	Current budget	Previous Exp	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£	£
Corporate Property and Projects						
Planned Maintenance funded from borrowing	2,000,000	0	500,000	500,000	500,000	500,000
Provisional for Economic Investment & Regeneration Board	8,000,000	0	2,000,000	2,000,000	2,000,000	2,000,000
Property Company Acquisitions - based on current business plan	72,007,000	6,007,000	13,500,000	27,500,000	15,000,000	10,000,000
Elwick Place leisure, retail and car park development	42,330,000	20,124,000	22,206,000	0	0	0
International House Works	650,000	297,080	50,000	100,000	150,000	52,920
Coachworks Phase 1	850,000	9,480	450,000	390,520	0	0
Coachworks Phase 2	1,000,000	0	0	0	1,000,000	0
Commercial Qrt - pedestrian link path and footbridge	75,000	0	0	75,000	0	0
Power supply seperation for Civic Centre	100,000	0	0	100,000	0	0
Solar PV (various sites)	8,500,000	0	0	90,000	4,030,000	4,380,000
Mecca preparation for redevelopment	1,300,000	0	200,000	1,100,000	0	0
Total - Corporate Property and Projects	136,812,000	26,437,560	38,906,000	31,855,520	22,680,000	16,932,920
Community & Housing						
Mandatory Disabled Facility Grants						
Expenditure	3,358,000	0	952,000	802,000	802,000	802,000
External Funding	(2,798,000)	0	(662,000)	(712,000)	(712,000)	(712,000)
	560,000	0	290,000	90,000	90,000	90,000
Conversion of 112 Beaver Road Homeless Shelter	500,000	0	0	500,000	0	0
Total - Community & Housing	3,858,000	0	952,000	1,302,000	802,000	802,000
Information Technology						
Digital Transformation	350,000	0	200,000	150,000	0	0
Total - Information Technology	350,000	0	200,000	150,000	0	0
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	1,377,610	50,000	300,000	332,390	0
Victoria Park Rejuvenation Project	4,418,000	0	0	140,200	960,000	3,317,800
Courtside Pitchside Replacement 3G & Lighting	306,000	0	0	0	306,000	0
Conningbrook Lakes Country Park development	3,100,000	0	0	100,000	1,500,000	1,500,000
Memorial Gardens Enhancement	150,000	0	150,000	0	0	0
Expenditure	150,000	0	150,000	0	0	0
External Funding	(6,965,000)	0	(150,000)	(140,200)	(1,857,000)	(4,817,800)
	3,369,000	1,377,610	125,000	475,000	1,316,390	75,000
Total Culture & the Environment	10,334,000	1,377,610	275,000	615,200	3,173,390	4,892,800
Health, Parking and Community Safety						
CCTV	480,000	29,000	451,000	0	0	0
Street Lighting replacement	1,000,000	7,960	992,040	0	0	0
Monitoring Centre Re-location	230,000	0	0	230,000	0	0
Multi Story Car park	9,500,000	0	0	1,500,000	7,500,000	500,000
Total Health, Parking and Community Safety	11,210,000	36,960	1,443,040	1,730,000	7,500,000	500,000
Planning and Development						
Junction 10a M20						
Expenditure	16,000,000	0	10,000,000	4,000,000	2,000,000	0
External Funding	(16,000,000)	0	(10,000,000)	(4,000,000)	(2,000,000)	0
	0	0	0	0	0	0
Total Planning and Development	16,000,000	0	10,000,000	4,000,000	2,000,000	0
General Fund Total	178,564,000	27,852,130	51,776,040	39,652,720	36,155,390	23,127,720
HRA Capital Works - as current business plan						
Programmed Works	20,453,000		5,221,000	4,657,000	5,430,000	5,145,000
Affordable Housing Programme	10,699,810	3,299,810	2,000,000	1,400,000	500,000	3,500,000
Danemore	7,800,000	3,557,650	4,047,350	195,000	0	0
Court Wurtin - Flats and stairwell	375,000		0	375,000	0	0
East Stour Court	6,378,090	15,000	150,000	2,777,970	2,854,360	580,760
Street Purchases	3,000,000		3,000,000	0	0	0
The Poplars	7,618,690	618,690	100,000	1,900,000	2,500,000	2,500,000
Halstow Way	5,667,810		100,000	1,839,790	1,890,380	1,837,640
Land Purchases for Affordable Homes	2,400,000		0	1,200,000	0	1,200,000
	64,392,400	7,491,150	14,618,350	14,344,760	13,174,740	14,763,400
Total HRA	64,392,400	7,491,150	14,618,350	14,344,760	13,174,740	14,763,400
Total Capital Spend	242,956,400	35,343,280	66,394,390	53,997,480	49,330,130	37,891,120

Capital Programme 2018/19 - 2021/22						
	Current budget £	Previous Exp £	2018/19 £	2019/20 £	2020/21 £	2021/22 £
CAPITAL SUMMARY						
Corporate Property and Projects	136,812,000	26,437,560	38,906,000	31,855,520	22,680,000	16,932,920
Community & Housing	3,858,000	0	952,000	1,302,000	802,000	802,000
Information Technology	350,000	0	200,000	150,000	0	0
Culture & the Environment	10,334,000	1,377,610	275,000	615,200	3,173,390	4,892,800
Health, Parking and Community Safety	11,210,000	36,960	1,443,040	1,730,000	7,500,000	500,000
Planning and Development	16,000,000	0	10,000,000	4,000,000	2,000,000	0
GENERAL FUND	178,564,000	27,852,130	51,776,040	39,652,720	36,155,390	23,127,720
HOUSING REVENUE ACCOUNT	64,392,400	7,491,150	14,618,350	14,344,760	13,174,740	14,763,400
TOTAL CAPITAL PROGRAMME	242,956,400	35,343,280	66,394,390	53,997,480	49,330,130	37,891,120

Funding Statement 2018/19 - 2021/22						
	Current budget £	Previous Exp £	2018/19 £	2019/20 £	2020/21 £	2021/22 £
Funding Source						
Capital Receipts - HRA	8,357,230	2,513,710	1,683,000	1,192,880	788,830	2,178,810
Capital Receipts - GF	860,000	0	365,000	165,000	165,000	165,000
Borrowing HRA	5,067,950		536,990	2,530,960	500,000	1,500,000
Borrowing GF	149,427,000	27,842,650	39,949,040	33,690,000	30,512,390	17,432,920
External grants & contributions HRA	8,761,500	1,374,000	2,890,000	1,469,410	2,191,840	836,250
External grants & contributions GF	25,763,000		10,812,000	4,852,200	4,569,000	5,529,800
Major Repairs Reserve HRA	20,452,570		5,221,370	4,657,070	5,429,380	5,144,750
Other Reserve HRA	21,753,150	3,603,440	4,286,990	4,494,440	4,264,690	5,103,590
Other Reserve GF	2,514,000	9,480	650,000	945,520	909,000	0
	242,956,400	35,343,280	66,394,390	53,997,480	49,330,130	37,891,120
External Grants						
Homes & Communities Agency (HCA)	7,821,500	1,374,000	1,950,000	1,469,410	2,191,840	836,250
Section 106	4,857,000	0	1,090,000	140,200	1,857,000	1,769,800
Heritage Lottery fund	3,048,000	0	0	0	0	3,048,000
Better Care Fund - Disabled Facility Grants	2,798,000	0	662,000	712,000	712,000	712,000
Communities and Local Government	16,000,000	0	10,000,000	4,000,000	2,000,000	0
	34,524,500	1,374,000	13,702,000	6,321,610	6,760,840	6,366,050

Capital Strategy Report 2019/20

Introduction

This report is the Council's capital strategy, this is a new requirement for 2019/20 under the revised CIPFA Prudential code 2018. This new requirements demonstrates that the authority takes capital expenditure and investment decisions in line with service objectives. Providing a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government, this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

In 2019/20, the Council is planning capital expenditure of just under £54m as summarised below:

	2018/19 Revised £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
General Fund services	51,776	39,653	36,155	23,128
Council Housing (HRA)	14,618	14,345	13,175	14,763
Total Expenditure	66,394	53,997	49,330	37,891

The main General Fund capital projects include:

£27m loans to support the property company acquisitions.

An initial £1.5m for design and preliminary ground works for a new multi storey car park.

In preparation of the redevelopment of the recently purchased Mecca building, £1m has been earmarked for possible demolition costs.

The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately, and includes the building of 70 new homes over the forecast period.

Governance

Service managers prepare Project Initial Documents (PID's) throughout the year. The PID's are supported by input from relevant professional colleagues such as Accountants, Planners and Legal specialists before presentation to Management Team. The Management Team will appraise all projects based on a comparison of service priorities, value for money, affordability and sustainability. Projects that meet an acceptable risk and return criteria will be included in the authorities capital programme. Some projects will be included as provisional figures awaiting further

work to determine the final cost, but are included to give an idea of the overall level of resource commitment by the Council. The final capital programme is then presented to Cabinet and Council in February each year.

- Full details of the Council's capital programme were reported to Cabinet on the 14th February 2019 as part of the 2019/20 budget report.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing). The planned financing of the above expenditure is as follows:

Table 2: Capital financing

	2018/19 Revised £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
Capital Receipts	2,048	1,358	954	2,344
Reserves	10,158	10,097	10,603	10,248
Borrowing	40,486	36,221	31,012	18,933
External Grants	13,702	6,322	6,761	6,366
Total Financing	66,394	53,997	49,330	37,891

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned [MRP] and use of capital receipts are as follows:

Table 3: Replacement of debt finance

	2018/19 Revised £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000
MRP	335	704	731	758	787
HRA Debt Repayment	1,000	5,000	2,000	7,000	2,000
HRA PFI Repayment	568	636	709	783	862
Total Repayment	1,903	6,340	3,440	8,541	3,649

- The Council's full minimum revenue provision was reported to Cabinet on the 14th February 2019 as part of the 2019/20 budget report.

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to £243,318 during 2019/20. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement

	31.03.18 Actual £'000	31.03.19 Revised £'000	31.03.20 Estimate £'000	31.03.21 Estimate £'000	31.03.22 Estimate £'000
General Fund	35,131	74,745	107,731	137,512	154,187
HRA	139,723	138,692	135,587	133,378	127,095
Total CFR	174,854	213,437	243,318	270,890	281,282

Asset management:

To ensure that capital assets continue to be of long-term use, the Council has an asset management strategy in place. The strategy recognises the critical role that real estate plays both in service delivery and in supporting the delivery of the Council's Corporate Plan 2015 to 2020 and seeks to align property management in the wider sense to the corporate vision, plan and policies.

- The strategy setting out the Council's high level strategic framework for managing its corporate property portfolio and can be read here:
<https://ashford.gov.uk/transparency/policies-and-strategies/policies/>

Asset disposals:

When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2021/22, if certain criteria are met. Repayments of capital grants, loans and investments also generate capital receipts.

Property is identified for disposal on the following criteria:

- It makes no contribution to the delivery of the Council's services or Corporate priorities nor generates any income and it has no potential for the future service delivery or strategic, regeneration, redevelopment purposes or
- Property or land site has been identified which would achieve a more cost effective service delivery and the existing site has no potential for future alternative service delivery or strategic, regeneration, redevelopment purposes.
- The Council's Property Acquisition and Disposal Strategy can be read here:
<https://www.ashford.gov.uk/media/2192/property-acquisition-investment-and-disposal-strategy.pdf>

Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account.

Where the Council has cash injections through the year from income and grants, these surpluses are offset against capital cash shortfalls to reduce overall level of borrowing in year.

Due to decisions taken in the past, the Council currently (as at 31/12/2018) has £61m of short term borrowing at an average interest rate of 0.92% and long term borrowing of £115m which relates to the HRA buy out, this debt is largely fixed with an average rate of around 3%. The Council as at the 31/12/2018 also had £47m of investments which an average rate of 2.34%.

Borrowing strategy: The Council's current strategy (excluding HRA debt which is fixed) is to take short term borrowing to take advantage of the low interest rate environment. However, with rates slowly rising provision has been made in the 2019/20 budget to look at fixing a proportion of debt to balance the short term benefits of low interest rates (currently around 0.85%) with the surety of costs associated with foxed long term borrowing (currently around (2.0 to 3.0%).

Projected levels of the Council's total outstanding debt shown below, compared with the capital financing requirement as shown at table 4 above.

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	31.03.18 Actual £'000	31.03.19 Revised £'000	31.03.20 Estimate £'000	31.03.21 Estimate £'000	31.03.22 Estimate £'000
Total Debt	(172,365)	(207,944)	(239,223)	(260,803)	(273,628)
Total CFR	174,854	213,437	243,318	270,890	281,282

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt.

Authorised Limit for Borrowing	2018/19 Limit £'000	2019/20 Limit £'000	2020/21 Limit £'000	2021/22 Limit £'000
Borrowing	436,000	500,000	544,000	572,000
Other long-term liabilities	24,000	23,000	23,000	23,000
Total Debt	460,000	523,000	567,000	595,000

Operational Boundary for Borrowing	2018/19 Limit £'000	2019/20 Limit £'000	2020/21 Limit £'000	2021/22 Limit £'000
Borrowing	193,000	225,000	247,000	261,000
Other long-term liabilities	21,000	20,000	19,000	18,000
Total Debt	214,000	245,000	266,000	279,000

Investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council's policy on treasury investments is to strike the balance between security, liquidity and yield. Cash that is likely to be spent in the near term is invested securely through money market funds which diversify investments extensively through secondary investments. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

- Further details on treasury investments are in treasury management strategy which was reported to Cabinet on the 14th February 2019 as part of the 2019/20 budget report.

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance and the Economy and staff, who must act in line with the treasury management strategy approved by council. Quarterly updates on treasury management activity are presented to Cabinet as part of the budget monitoring report.

Investments for Service Purposes

The Council on occasion makes investments to assist local public services, including making loans to local organisations to promote economic growth. In light of the

public service objective, the Council is willing to take more risk than with treasury investments.

Governance: Decisions on service investments are made by the relevant service manager in consultation with the Director of Finance and Economy and will be reported to full Council for approval where appropriate.

Commercial Activities

With central government financial support for local public services declining, the Council invests in commercial property partly for financial gain and lends to its subsidiary A Better Choice for Property Ltd for the same reason.

With financial return being an objective, the Council accepts higher risk on commercial investment than with treasury investments. The principal risk exposures include general decline in the economy or decline in sectors of the economy, possible long void periods, fall in property values. These risks are managed by diversification of the commercial portfolio, between retail, industrial and office accommodation. This portfolio mix ensures the Council is not over exposed in one sector of the economy if a down turn occurs. The Council also has leases with strong covenants in terms of length of lease, which ensures the council can budget with a measure of surety to manage debt repayments. The portfolio is monitored closely and lease renewal negotiations are started at an early stage to enable officers to engage in early marketing of units if they are to become void. The Council has a history of investing in and holding its commercial assets for a long period of time, therefore over coming any short term fluctuations in real estate values.

Governance:

Property and most other commercial investments are capital expenditure and purchases will therefore also be approved as part of the capital programme. As such they are subject to the same due diligence and Project Initiation Documentation as other projects.

- Details of the Council's Acquisition Strategy can be found here:
<https://www.ashford.gov.uk/media/2192/property-acquisition-investment-and-disposal-strategy.pdf>

Liabilities

In addition to debt of £172m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £1m) per annum although this will reduce over the long term.

Governance: Decisions on incurring new discretionary liabilities are taken the Director of Finance and will be approved accordingly through the appropriate reporting channels including Cabinet/Council where necessary. The risk of liabilities crystallising and requiring payment is monitored by the Accountancy Team.

Revenue Budget Implications (general fund)

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to

the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 9: Prudential Indicator: Proportion of financing costs to net revenue stream

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
Financing costs (£,000)	(1,090)	(1,761)	(740)	1,832	2,148
Proportion of net revenue stream	(6.73%)	(12.22%)	(4.86%)	11.82 %	13.66 %

Where the percentage is negative this indicates that the net financing costs a negative indicating that investment income is greater than the debt expenses.

The net financing costs as a percentage of revenue increases over the forecast period as investment balances slightly reduce as reserves are used to fund projects and interest received on the Elwick Development falls out of financing costs figure, and moves into the general fund income. Debt costs are also due to increase as interest rate forecasts assume that interest rates will rise over the period which will increase borrowing costs as the current strategy of short term borrowing is more susceptible to interest rate fluctuations. This strategy will be continually reviewed as per the treasury management strategy.

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Director of Finance and Economy is satisfied that the proposed capital programme is prudent, affordable and sustainable and the Council has adequate controls to review investment decisions should the funding outlook adversely change. The projects planned are supported by robust business cases that generate positive cash in-flows to the Council, the capital plan supports the growth and prosperity of the Borough which will underpin other income streams to the Council such as business rates and fees and charges income.

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Director of Finance and Economy is an experienced CIPFA qualified accountant.

The Council's also identifies and supports staff training needs through the staff appraisal process, and 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 for relevant professional qualifications.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council

currently employs Arlingclose Limited as treasury management advisers, and a variety of property consultants which are identified to ensure their strengths reflect the requirements of the council. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

Minimum Revenue Provision Annual Minimum Revenue Provision Statement 2019/20

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 (CLG) Guidance on Minimum Revenue Provision most recently issued in 2018.

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.

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 interest rate in line with PWLB rates 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), unless a bespoke MRP policy is more appropriate, bespoke MRP policies will be reported to Council accordingly.

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 term, 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 £119m 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. The outstanding balance in relation to the HRA subsidy will be £114m as at 1st April 2019.

Capital expenditure incurred during 2019/20 will not be subject to a MRP charge until 2020/21.

Based on the Authority's latest estimate of its Capital Financing Requirement on 31st March 2019, the budget for MRP has been set as follows:

	31.03.2019 Estimated CFR £'000	2019/20 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	55,238	704
Finance leases and Private Finance Initiative	0	0
Transferred debt	0	0
Loans to wholly owned companies	19,507	1,423
Total General Fund	74,745	2,127
Assets in the Housing Revenue Account	25,028	0
HRA subsidy reform payment	113,664	5,000
Total Housing Revenue Account	138,692	0
Total	213,437	7,127

Treasury Management Strategy Statement 2019/20

Introduction

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the potential loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

Treasury risk management is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management 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 the CIPFA Code.

- Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy which was reported to Cabinet on the 14th February 2019 as part of the 2019/20 budget report.

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 Council (as at 31st December 2018) had £175.6m borrowing, of which £61m related to the General Fund and £114.6 to the Housing Revenues Account. The Council also had investments of £49.5m. This is set out in further detail at **Appendix B**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance Sheet Summary and Forecast

	31.3.18	31.3.19	31.3.20	31.3.21	31.3.22
	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
General Fund CFR	35,131	74,745	107,731	137,512	154,187
HRA CFR	139,723	138,692	135,587	133,378	127,095
Total CFR	174,854	213,437	243,318	270,890	281,282
Less: Other debt liabilities *	(20,749)	(19,816)	(18,884)	(17,776)	(16,687)
Borrowing CFR	154,105	193,621	224,434	253,114	264,595
Less: External borrowing	(37,078)	(76,000)	(112,242)	(142,755)	(160,188)
Less: HRA External borrowing**	(113,664)	(111,195)	(107,164)	(99,164)	(95,664)
Internal borrowing	3,363	6,426	5,027	11,195	8,743
Less: Usable reserves	(42,789)	(42,288)	(40,381)	(40,381)	(40,381)
Less: Working capital	(3,898)	(3,898)	(3,898)	(3,898)	(3,898)
Investments	(43,324)	(39,760)	(39,252)	(33,084)	(35,536)

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

** £113.6m 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 Council will consider the best financing options available at the time of investments/acquisitions; currently the Council is taking the opportunity to borrow short term money from the market to take advantage of low interest rates and enable long term investments to remain in place. However the 2019/20 interest payable budget does make provision for around £15m of borrowing to be placed over the longer term to get mitigate interest rate risk. The best approach will be considered 'as always' and placements made accordingly throughout 2019/20.

The Council has an increasing CFR due to the capital programme, which includes loans to A Better Choice for Property Ltd, Mecca, multi-story car park and the funding work undertaken by the Economic and Regeneration Board (the full capital plan was reported to Cabinet on the 14th February 2019 as part of the 2019/20 budget report). To cover off this capital investment, external borrowing of circa £160m for the general fund is assumed over the forecasted period and is reflected in the table above. However, this is only planned at present and decisions on individual investments will be reported and fully considered at the time of investment/acquisition to best benefit the Council.

Usable reserves are forecast to fall slightly over the forecasted period, this is due to general fund and HRA reserves being used to part 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 in 2019/20, although forecasts show that for the 2019/20 and 2020/21 the Council will be slightly over borrowed.

Borrowing Strategy

The Council currently holds £114.6m of loans which represent the costs of the HRA Buyout and £61m of general fund loans which are being used to fund previous capital expenditure. The balance sheet forecast in table 1 shows Council expects to have borrowing of up to £187m by the end of 2019/20. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £460m.

Objectives: The Council'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. The Council monitors interest rate forecasts and takes advice where appropriate to determine when/if rates should be fixed.

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; again decisions will be made accordingly at the time of investment/acquisition.

The Council is currently using short term borrowing which enables the Council to pay interest below that forecasted in business plans, and take advantage of the low interest rate environment, however provision has been made in the 2019/20 interest payable budget to accommodate some long term borrowing should that be an advantageous strategy for the Council. By using borrowing rather than internal resources this has enabled long term investments funded from reserves to remain in place which support the borrowing costs and provides a return to the Council. The benefits of changing strategy will be monitored regularly considering interest rate forecasts (which are forecast to continue to rise modestly) and try to capture the moment when fixing borrowing long term will be advantageous over short term funds. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2019/20 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Alternatively, the Council may arrange forward starting loans during 2019/20, 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 Council may borrow further 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
- any other UK public sector body
- 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 Council 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 Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits 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 Council 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 2019/20

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 9 months, the Council's investment balance has ranged between £42m and £78m, 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: The CIPFA Code requires the Council 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 Council'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. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative interest rates: If the UK enters into a recession in 2019/20, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

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 2019/20. Diversification will be through money market funds and further use of new equities, having originally introduced the existing funds to the portfolio in 2015/16. 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 and Alternatives. This overall approach represents a continuation of the strategies which have been adopted over the last few years.

Approved Counterparties: The Council 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
None	£1m 6 months	n/a	£3m 25 years	£50,000 5 years	£1 m 5 years
Pooled funds and real estate investment trusts		£15m per fund or trust			

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 a selection of external rating agencies. 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.

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 generally a lower risk of insolvency, although they are not zero risk. 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 and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Pooled Funds: shares or units 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 very low or no volatility 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 Council 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 Council's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £1m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity

Risk Assessment and Credit Ratings: Credit ratings are obtained and monitored by the Council'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 Council 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 and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above 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 Council'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.

Investment Limits: The Council’s revenue reserves available to cover investment losses are forecast to be £19m on 31st March 2019. In order that no more than 53% 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 £10m. 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 3: Investment Limits

	Cash limit
Any single organisation, except the UK Central Government	£10m each
UK Central Government	unlimited
Any group of organisations under the same ownership**	£10m per group
Any group of pooled funds under the same management *	£15m per manager
Foreign countries	£5m per country
Registered providers and registered social landlords	£10m in total
Unsecured investments with Building Societies	£5m in total
Loans to unrated corporates	£5m in total
Loans to Council subsidiaries	£100m in total
Money Market Funds	£60m in total
Real estate investment trusts	£15m in total

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

** Except where significant segregation of assets is confirmed which would stop any cross subsidising of investments in the event of default.

Liquidity Management: The Council 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 Council’s medium term financial plan and cash flow forecast.

Treasury Management Indicators

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

Security: The Council 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

Maturity Structure of Borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of 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 a year: The purpose of this indicator is to control the Council'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:

	2019/20	2020/21	2021/22
Limit on principal invested beyond year end	£15m	£15m	£15m

Other Items

The CIPFA Code requires the Authority to include the following 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 Council 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 Council 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 Council 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.

Financial Implications

The general fund budget for net investment interest for 2019/20 is £1.44m, this represents debt expenses of £1.75m and interest of £3.05m of which £621,930 is interest from the Elwick Development. The remaining £2.42m is based on an investment portfolio of around £71.5m which is anticipated to provide an average return of 3.4%, this represents the change in strategy to now borrow for capital investments and place reserves in long term investments such as equities. The sum invested also includes loans to the Council's subsidiary, A Better Choice for Property Ltd in the region of £30m.

The budget for debt interest paid in 2019/20 is 1.75m, this is based on an average debt portfolio of £114m at an average interest rate of 1.53%.

In relation to the HRA, the Interest on investment income for 2019/20 is forecast at circa £30,670 which represents interest payable on their reserves. The budget for debt interest paid in the HRA for 2019/20 is forecast at £3.74m, based on an average long debt portfolio of £113.6m (HRA buyout) and internal borrowing charges from the GF with an overall average interest rate of 3.29%. 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. The actual

position against budget is monitored through the Council's budget monitoring processes and reported to management on a quarterly basis accordingly.

Other Options Considered

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 IT, 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 December 2018**External Context**

Economic background: The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2019/20.

UK Consumer Price Inflation (CPI) for October was up 2.4% year/year, slightly below the consensus forecast and broadly in line with the Bank of England's November Inflation Report. The most recent labour market data for October 2018 showed the unemployment rate edged up slightly to 4.1% while the employment rate of 75.7% was the joint highest on record. The 3-month average annual growth rate for pay excluding bonuses was 3.3% as wages continue to rise steadily and provide some pull on general inflation. Adjusted for inflation, real wages grew by 1.0%, a level still likely to have little effect on consumer spending.

The rise in quarterly GDP growth to 0.6% in Q3 from 0.4% in the previous quarter was due to weather-related factors boosting overall household consumption and construction activity over the summer following the weather-related weakness in Q1. At 1.5%, annual GDP growth continues to remain below trend. Looking ahead, the BoE, in its November Inflation Report, expects GDP growth to average around 1.75% over the forecast horizon, providing the UK's exit from the EU is relatively smooth.

Following the Bank of England's decision to increase Bank Rate to 0.75% in August, no changes to monetary policy has been made since. However, the Bank expects that should the economy continue to evolve in line with its November forecast, further increases in Bank Rate will be required to return inflation to the 2% target. The Monetary Policy Committee continues to reiterate that any further increases will be at a gradual pace and limited in extent.

While US growth has slowed over 2018, the economy continues to perform robustly. The US Federal Reserve continued its tightening bias throughout 2018, pushing rates to the current 2%-2.25% in September. Markets continue to expect one more rate rise in December, but expectations are fading that the further hikes previously expected in 2019 will materialise as concerns over trade wars drag on economic activity.

Credit outlook: The big four UK banking groups have now divided their retail and investment banking divisions into separate legal entities under ringfencing legislation. Bank of Scotland, Barclays Bank UK, HSBC UK Bank, Lloyds Bank, National Westminster Bank, Royal Bank of Scotland and Ulster Bank are the ringfenced banks that now only conduct lower risk retail banking activities. Barclays Bank, HSBC Bank, Lloyds Bank Corporate Markets and NatWest Markets are the investment banks. Credit rating agencies have adjusted the ratings of some of these banks with the ringfenced banks generally being better rated than their non-ringfenced counterparts.

The Bank of England released its latest report on bank stress testing, illustrating that all entities included in the analysis were deemed to have passed the test once the

levels of capital and potential mitigating actions presumed to be taken by management were factored in. The BoE did not require any bank to raise additional capital.

European banks are considering their approach to Brexit, with some looking to create new UK subsidiaries to ensure they can continue trading here. The credit strength of these new banks remains unknown, although the chance of parental support is assumed to be very high if ever needed. The uncertainty caused by protracted negotiations between the UK and EU is weighing on the creditworthiness of both UK and European banks with substantial operations in both jurisdictions.

Interest rate forecast: Following the increase in Bank Rate to 0.75% in August 2018, the Authority's treasury management adviser Arlingclose is forecasting two more 0.25% hikes during 2019 to take official UK interest rates to 1.25%. The Bank of England's MPC has maintained expectations for slow and steady rate rises over the forecast horizon. The MPC continues to have a bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. Arlingclose believes that MPC members consider both that ultra-low interest rates result in other economic problems, and that higher Bank Rate will be a more effective policy weapon should downside Brexit risks crystallise when rate cuts will be required.

The UK economic environment remains relatively soft, despite seemingly strong labour market data. Arlingclose's view is that the economy still faces a challenging outlook as it exits the European Union and Eurozone growth softens. While assumptions are that a Brexit deal is struck and some agreement reached on transition and future trading arrangements before the UK leaves the EU, the possibility of a "no deal" Brexit still hangs over economic activity (at the time of writing this commentary in mid-December). As such, the risks to the interest rate forecast are considered firmly to the downside.

Gilt yields and hence long-term borrowing rates have remained at low levels but some upward movement from current levels is expected based on Arlingclose's interest rate projections, due to the strength of the US economy and the ECB's forward guidance on higher rates. 10-year and 20-year gilt yields are forecast to remain around 1.7% and 2.2% respectively over the interest rate forecast horizon, however volatility arising from both economic and political events are likely to continue to offer borrowing opportunities.

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

Appendix J

	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.17
Arlingclose Central Case	0.75	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.13
Downside risk	0.00	-0.50	-0.75	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-0.85
3-mth money market rate														
Upside risk	0.10	0.10	0.10	0.10	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.17
Arlingclose Central Case	0.90	0.95	1.10	1.30	1.40	1.40	1.40	1.35	1.35	1.35	1.35	1.35	1.35	1.27
Downside risk	-0.20	-0.45	-0.60	-0.80	-0.90	-0.90	-0.90	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.76
1-yr money market rate														
Upside risk	0.20	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.33
Arlingclose Central Case	1.15	1.25	1.35	1.50	1.70	1.60	1.50	1.40	1.35	1.35	1.35	1.35	1.35	1.40
Downside risk	-0.35	-0.50	-0.60	-0.80	-0.90	-0.90	-0.90	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.77
5-yr gilt yield														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.37
Arlingclose Central Case	1.15	1.25	1.35	1.50	1.50	1.40	1.35	1.35	1.30	1.30	1.30	1.30	1.30	1.33
Downside risk	-0.50	-0.60	-0.65	-0.80	-0.80	-0.70	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.66
10-yr gilt yield														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.37
Arlingclose Central Case	1.50	1.65	1.70	1.80	1.80	1.75	1.75	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Downside risk	-0.55	-0.70	-0.70	-0.80	-0.80	-0.75	-0.75	-0.70	-0.70	-0.70	-0.70	-0.70	-0.70	-0.71
20-yr gilt yield														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.37
Arlingclose Central Case	2.00	2.10	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.18
Downside risk	-0.60	-0.70	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.73
50-yr gilt yield														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.37
Arlingclose Central Case	1.90	1.95	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.99
Downside risk	-0.60	-0.70	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.73

Appendix B – Existing Investment & Debt Portfolio Position as at 31/12/2018

Counter Party	Deal Date	Rate %	Amount £	Fair Value £	Comment
Investment Accounts					
Goldman Sachs	Various	0.61%	50,000	51,295	**
ICD Portal - BNP Paribas	Various	0.67%	10,000,000	10,000,000	*
ICD Portal - Black Rock	Various	0.65%	2,783,000	2,783,000	*
ICD Portal - HSBC	Various	0.60%	0	0	
ICD Portal - Invesco	Various	0.63%	9,650,000	9,650,000	
Payden Global MMF	Various	0.73%	3,000,000	2,988,937	**
Total Investment Accounts			25,483,000	25,473,232	
Long Term Investments					
Local Authority Investments					
Blaenau Gwent	21/10/2014	2.00%	3,000,000	3,000,000	Matures 21/10/2019
Property Investment					
CCLA Local Authority Property Fund	Various	4.52%	10,000,000	11,269,109	
A Better Choice of Property Ltd.***	Various	3.69%	175,000	517,016	Value as at 31/03/2018
Equity Funds**					
City Financial Multi Asset Diversified Fund	27/08/2015	3.57%	997,687	918,024	**
UBS Multi Asset Income Fund	26/08/2015	2.03%	2,993,552	2,889,223	**
M&G Global Dividend Fund	27/08/2015	2.75%	997,914	1,461,902	**
Schroder Income Maximiser	03/11/2015	7.28%	992,152	1,043,643	**
CCLA Diversified Income Fund	Various	3.07%	3,000,000	2,942,067	**
Total Long Term Investments			22,156,305	24,040,984	
Total Investment Portfolio			47,639,305	49,514,216	

* Money Market Fund (MMF) are AAA rated deposit facilities which have variable rates of interest but have constant net asset values. Interest rates are shown at the time of producing this report.

** Equity funds and the Property fund have variable rates of interest and also have fluctuating capital values, the amount stated is the current fair value.

*** A Better Choice Of Property Ltd. is a solely owned subsidiary of ABC

Debt Portfolio as at 31 December 2018

Counter Party	Deal Date	Rate %	Amount £	Fair Value	Comment
Temporary Borrowing					
Greater Manchester Pension Fund	11/06/2018	0.80%	15,000,000		Maturity 21/05/2019
Somerset Pension Fund	06/09/2018	0.97%	8,000,000		Maturity 05/04/2019
Greater London Authority	28/09/2018	1.02%	25,000,000		Maturity 05/04/2019
Durham County Council	31/07/2018	0.92%	8,000,000		Maturity 30/04/2019
London Borough of Newham Council	21/05/2018	0.90%	5,000,000		Maturity 23/04/2019
Total Temporary Borrowing			61,000,000		
Long Term Borrowing					
Public Works Loan Board***	various	various	114,664,150		Maturity Date - various
Total Long Term Borrowing			114,664,150		
Grand Total Borrowing			175,664,150		

*** HRA borrowing

Note: the loans made to ABCFP Ltd are not shown in the investment portfolio above, for completeness though the total draw down value of loans to the company as at 31st December 2018 was £18.626m.

Breakdown of HRA Debt Portfolio as at 31/12/2018

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
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
114,664					

Investment Strategy Report 2019/20

Introduction

The Authority invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy is a new report for 2019/20, meeting the requirements of statutory guidance issued by the government (*2018 MHCLG Investment Guidance*) in January 2018, and focuses on the second and third of these categories.

Treasury Management Investments

The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The balance of treasury management investments is expected to fluctuate between £25m and £50m during the 2019/20 financial year.

Contribution: The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

Further details: Full details of the Authority's policies and its plan for 2019/20 for treasury management investments are covered in a separate document, the treasury management strategy which was reported to Cabinet on the 14 February 2019 as part of the Budget Setting Report.

Service Investments: Loans

Contribution: The Council lends money to local businesses, parish councils and its employees to support local public services and stimulate local economic growth. These service investments include loans to Councils subsidiary A Better Choice for Property Ltd. which is delivering a high quality private landlord function for privately rented residential units, in addition supporting council services over a long term when dividends are payable. Other examples include temporary loans to businesses to enable/facilitate development and investment within the borough, such as the Elwick development and K-College funding, and small loans to Parish councils to support urgent local issues in advance of raising precepts to fund the expenditure.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of

the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes in £'000

Category of Borrower	Net figure in accounts	Approved Limit
Subsidiaries	5,935	100,000
Parish Councils	45	200
Suppliers	0	10,000
Local businesses	0	1,000
Employees	0	100
TOTAL	5,935	111,200

Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's statement of accounts from 2018/19 onwards will be shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

Risk assessment: The Authority assesses the risk of loss before entering into and whilst holding service loans by:-

Subsidiaries: The Council loans money to its subsidiary A Better Choice for Property Ltd. (the Property Company) to enable it to make acquisitions in support of its business plan. The development of the property company was in response to government funding cuts and the ambition of the Council to be self-sufficient of government grant through its entrepreneurial approach and commercial mind-set.

The original concept of the property company was subject to legal and professional advice and a full business model developed and approved by full council. The company became operational in November 2014 and made its first acquisitions.

With the Council being the sole shareholder of the property company it has good oversight and awareness of the ongoing obligations of the Company and receives reports to its Trading and Enterprise Board (TEB) which was established to oversee the Council's subsidiary companies.

TEB approved the Business Plans of the Property Company and recommends to Council any increases in the facilities agreement which provide the framework under which the property company can borrow money from the Council. The £100m approved limit recommended at Table 1 represents the current value approved by Council. However, for the money to be drawn down detailed business cases are

presented to the TEB, and Full Council where appropriate for sign off before borrowing is approved.

In relation to monitoring risk of default, the loan facilities agreement has a number of financial covenants, one of which is the loan to current value (total borrowings outstanding to value of assets) which is monitored and reported to TEB on an annual basis.

The facilities agreement also ensures that the Council has appropriate security over sums borrowed with first charge, or an appropriate form of security over the assets of the Company. Should the property market move against the property Company then the Council will review and consider its options accordingly.

Parish Councils: The Council has made a number of loans in recent years to support parish councils with liquidity issues and to help fund costs associated with locally defending planning applications.

Where the council makes these loans appropriate loan agreements are in place to ensure that the money is recovered in a timely manner. In relation to risk the loans to Parish Councils are effectively secured against the ability of the Parish Council to raise precepts to repay borrowed amounts.

Suppliers/Local Businesses/Employees: the Council as at 31/03/2018 did not have any significant loans made to these groups, however it is felt prudent to make a provisional limit available under this strategy should the arise materialise in 2019/20.

As with the other groups above, any decision to lend within the limits stipulated within Table 1 would require further approval at an appropriate level, with supporting evidence to support any decision before funds were released.

Service Investments: Shares

Contribution: The Council invests in the shares for its subsidiary so that it can develop and high quality private landlord function as aforementioned under service investment loans.

Security: One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:-

Table 2: Shares held for service purposes in £'000

Category of company	31.3.2018 actual			2019/20
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Subsidiaries	175	313	488	1,000

Risk assessment: Shares in the Council's subsidiary property company have been made to enable the property company to have an element of working capital which enable it to explore investment opportunities.

The investment in Council subsidiary is not purely for financial return but to enable the development of a high quality landlord function in the local area with a view to changing the offerings available to private tenants, such as longer tenancy terms.

As the sole shareholder of the Property Company the council would have to consider any risk to share values in the wider context and encompass the loans as outlined earlier in this strategy.

As with all company related matters, any concerns the Council or company have would be reported through the TEB accordingly.

Liquidity: In relation to the property company the Council views this as a long term investment and has therefore not defined a maximum period for which the funds are deposited.

If the Council made acquisitions of shares in other entities, it would consider the business model and set an initial investment period in conjunction with professional advisors. Where investment periods are defined as 'long term' they would still be regularly reviewed and the investment time frame re-set accordingly based on the prevailing circumstances at the time. Longer term investments would generally be placed with a 5 year outlook subject to review.

Non-specified Investments: Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

Commercial Investments: Property

Contribution: The Council invests in local, commercial property with the intention of making a contribution to the local economy through regeneration and a profit that will be spent on local public services.

The most recent example of this would be the completion of the Elwick development which has transformed empty space into a vibrant facility containing a Cinema, eateries and hotel. This site will generate rental income from the investment in addition to generating additional business rates to the council.

Another recent example would be the light industrial units which have been constructed at Carlton Road, these units have been developed to support small businesses expand in the local area and provide more units to support the Council existing offering at Ellingham industrial estate. Again, in addition to the economic benefits of Carlton Road it is expected to provide an income stream to the Council which can be used to maintain the current level of public services.

The final example of Council intervention in supporting local prosperity was the acquisition of Park Mall, this shopping mall had high void rates and little prospects of improvement, however following the Council's acquisition and work in offering attractive tenancies and support to small businesses, this area has turned into a thriving mall once more with very few empty properties.

The table below shows the material investment that are held by the Council and valuation information.

Table 3: Property held for investment purposes in £'000

Property	Actual	31.3.2018 actual		31.3.2019 expected	
	Purchase cost	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
Ellingham Industrial estate units	2,780*	1,428	4,208	0	4,208
Park Mall (retail units) purchase	4,404	4,171	8,575	0	8,575
International House (Offices)	7,731	5,604	13,335	0	13,335
Carlton Road light industrial units Acquired in 2018/19	6,823	0	0	0	6,823
Elwick completed in 2018/19 – Restaurants, Cinema, Hotel	19,299 (as at 31/03/2018)	0	19,299	22,305 (Additional Spend)	41,604
TOTAL	41,037	11,203	45,417	0	74,545

* Historical value as at 2007 – Acquisition of site was purchased between 1935 and 1980 as it was acquired in stages.

It is anticipated that the Ashford Market has stayed relatively flat during 2018/19 due to economic uncertainty, therefore valuation for 31 March 2019 are not expected to materially change from the 31 March 2018 valuation.

Security: In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

A fair value assessment of the Authority's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2018/19 year end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

Risk assessment: The Authority assesses the risk of loss before entering into, and whilst holding property investments by engaging professional consultants to ensure

the existing valuation of the acquisition is fair, and also provide commentary on the market the asset will be competing within. As a council though it is accepted that these assets are not purely acquired for financial gain and therefore the return on investment required will not be as high as for a private investor when considering an acquisition. That being said the Council will not pay above a fair valuation unless it had a significant strategic purpose to the Authority.

As part of the business plan the council will consider the ongoing requirements of the investment in terms of repairs and maintenance and future capital costs, it will also understand the requirement to tenant commercial property and consider how tenants will be attracted and lease renewals conducted where incumbent tenants are in place. As part of this process the Council will carry out due diligence on any new tenant to ensure that they are financially sound and able to meet the lease obligations.

The ongoing monitoring of tenants is performed by Council as part of its budget monitoring arrangements, the Council's Corporate Property Team deal with lease events and the repairs and maintenance of assets.

This report currently reflects that the asset values are above acquisition costs and therefore the asset values are greater than the level of debt. It is accepted that capital values rise and fall and therefore significant consideration is also given to the income streams of the assets to ensure that the cash inflows are sufficient to meet related expenditure, i.e. borrowing, repairs and maintenance costs.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. When making acquisitions the Council takes a long term view and anticipates the borrowing requirement accordingly. In terms of liquidity the Council has the ability to borrow from a number of sources and therefore it is unlikely that an event occurred where the Council would be required to sell assets to re-pay the linked debt.

Loan Commitments

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments carry similar risks to the Authority and are included here for completeness.

The Authority has contractually committed to make up to £100m of loans to its Subsidiary A Better Choice for Property Ltd. as part of the facilities agreement, should it request it and it is supported by an approved business plan. This is covered under service loans.

Capacity, Skills and Culture

Elected members and statutory officers:

The Council has treasury management advisors that are contracted to provide training and support to both officers and members. This includes regular strategy meetings which statutory officers and the responsible portfolio holder attend. The CFO has to be a member of professional accountancy body and participate in its

Continual Professional Development scheme so that their skills are maintained and current.

Commercial deals:

On the occasions that the Council undertakes to make a commercial deal the statutory officers are required to ensure that Members have appropriate information to make an informed decision. This requires the Council to seek appropriate professional advice to inform decisions from properly qualified advisors. This advice is then reported to members to support the decision making process. As mentioned previously the Council has contracted Treasury Management advisors, Valuers and other specialists to ensure that there is ready access to support.

Corporate governance:

The Council's Constitution outlines the decision making process that has been put in place and the governance arrangements to ensure transparency and openness in decision making. Investment decisions are taken in the context of the Council's Corporate Plan and medium term financial plans.

Investment Indicators

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

Total risk exposure: The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down.

Table 5: Total investment exposure in £'000

Total investment exposure	31.03.2018 Actual	31.03.2019 Forecast	31.03.2020 Forecast
Treasury management investments	38,900	25,000	30,000
Service investments: Loans	5,935	19,500	47,000
Service investments: Shares	488	488	488
Commercial investments: Property	45,417	74,545	77,000
TOTAL INVESTMENTS	90,740	119,533	154,488
Commitments to lend	38,565	80,500	53,000
TOTAL EXPOSURE	129,305	200,033	207,488

How investments are funded: Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Authority's investments are funded by usable reserves and income received in advance of expenditure.

Table 6: Investments funded by borrowing in £'000

Investments funded by borrowing	31.03.2018 Actual	31.03.2019 Forecast	31.03.2020 Forecast
Service investments: Loans	5,935	19,500	47,000
Commercial investments: Property	30,065	57,000	65,000
TOTAL FUNDED BY BORROWING	36,000	76,000	112,000

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 7: Investment rate of return (net of all costs)

Investments net rate of return	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
Service investments: Loans	2.91%	2.37%	2.25%
Service investments: Shares	0%	0%	0%
Commercial investments: Property	4.24%	2.82%	3.68%
ALL INVESTMENTS	4.24%	2.67%	2.98%

The table above does not include the Elwick Development due to the timing of completion and the complexities of the funding agreement which could distort the figures at present. Once the final contributions are calculated for the scheme then it will be incorporated into the above Ratio.

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 2019. 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. As per DWP Circular A34/2004 checks performed by DWP can be accepted as sufficient by Local Authorities for the purpose of awarding HB/CTS. A CIS check should be carried out and evidenced, a dated notebook will suffice.

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: Credit Reference Agency checked, 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

COUNCIL TAX LONG-TERM EMPTY HOME PREMIUM

SUMMARY

The Council currently charges a 50% council tax premium on properties that have been empty for more than two years. New regulations have been introduced that allow Councils to increase the percentage of council tax premium that is charged from 1 April 2019, 1 April 2020 and 1 April 2021. It is recommended that these changes are introduced.

Cabinet is asked to agree the recommendation set out below to ensure that empty homes are encouraged to be occupied and income to the council is maximised.

RECOMMENDATION

Cabinet is asked:

- To recommend to Council to adopt the new Council Tax empty home premiums from the 2019/20 financial year onwards.

BACKGROUND

From 1 April 2013 a long term empty home premium of 50% has been applied to council tax accounts that have been empty for more than two years. The definition of empty for council tax purposes is unoccupied and substantially unfurnished.

This provision was introduced by government as a tool to assist local authorities in the drive to bring empty properties back into use.

On 1 November 2018 the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 was introduced, which allows Councils to apply a higher percentage of premium for long term empty dwellings with effect from 1 April 2019.

This premium cannot apply to homes that are empty due to the occupant living in armed forces accommodation for job-related purposes or to annexes being used as part of a main property. The Council can also choose not to charge a premium for properties that are being actively marketed for rent or sale – however this is not a requirement in the legislation and such cases will be considered on a case-by-case basis.

This new legislation increases the premium's maximum level to 100% from 1st April 2019, to 200% from 1st April 2020 and to 300% from 1st April 2021, in each case depending upon the amount of time the property is empty.

AMENDMENTS

Amendments will allow Councils to introduce an increase in the existing premium and two further phases of premium as detailed here:

From 1 April 2019	100% premium for properties empty 2 years +
From 1 April 2020	100% premium for properties empty 2 – 5 years 200% premium for properties empty 5 years +
From 1 April 2021	100% premium for properties empty 2 – 5 years 200% premium for properties empty 5 – 10 years 300% premium for properties empty 10 years +

The amendments have effect for financial years beginning on or after 1 April 2019 and it does not matter if the start date of the property being empty is before this comes into force.

It is expected that this increase in the premium will allow Councils to strengthen the incentive for owners of empty homes to bring them back into use.

No public consultation is required to introduce this change. Information about the change will be made available on the Council's website.

Liabile parties will be able to appeal via standard Council Tax appeal routes if they disagree with the granting of a premium on an account based upon facts of an individual case, for example, they state that the property is not empty. The principle of a premium will not be open to appeal.

FINANCIAL IMPLICATIONS

The estimated financial impact of increasing the premium from 1st April 2019 is shown below (these are based on existing properties that are currently receiving the empty premium, so these figures are only a guide as the number of properties will change over time):

Long term empty (empty 2 years+)

Number of accounts	86
50% premium charge value	£63,569
ABC benefit	£6,350

if premium increased from 1 April 2019:

100% premium charge value	£127,138
ABC benefit	£12,700
ABC additional benefit	£6,350

PROCESS

A Council resolution is required to introduce the amendments.

2019/20 Budget Report Budget Robustness

A Commentary on Risks Associated with Components of the Budget

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
<p>1. Pressure on the 2018/19 Budget and impact going forward.</p>	<p>Homelessness – This has been a pressure in the past few years. Changes in legislation and the expansion of the homeless prevention team are working to reduce the pressure in this area by through preventative measures which should ease the pressure on temporary accommodation costs. Early indications show that this approach is effective and costs at Q2 budget monitoring showed no new pressures. Where homelessness cannot be prevented then initiatives such as Christchurch House will support the existing budget.</p> <p>In addition to the above a further £100,000 was added to the 2019/20 budget to further develop incentive schemes.</p> <p>Planning / Planning Reserve – There has been unprecedented recruitment issues (circa 30% vacancy rate) within the planning service which have led to increased costs through the need to engage consultants to meet the operational needs of the Service. To support the service in 2019/20 and beyond additional funding has been added to the budget to support re-engineering of the services. This additional funding will be coupled with a new structure within the service which will support the above investment.</p> <p>The planning reserve is anticipated to be fully utilised in 2018/19 and pressures arising in 2019/20 will be funded from the general reserve. However, the planning reserve is subject to these cyclical movements as planning appeals are fought (in the absence of a local plan) and the Local Plan is currently being approved by the planning inspectorate. With this stronger position it is anticipated that the planning appeal costs of recent years will now dissipate for a period.</p> <p>Although a Local Plan is about to be in place it relies upon developers utilising the identified land supply to deliver development in the borough, prevent further speculative applications on unidentified sites.</p> <p>Corporate Property – Pressures have arisen in this area through a need to employ new Officers to strengthen the Council's contract management arrangements. Tough economic conditions have also meant the previously anticipated rent increases have not been deliverable.</p>

Budget Component	Financial standing and management
	<p>For 2019/20 the new services structure has been fully built into the budget so this will not be a recurring issue. Rents have been revised to agreed levels and will therefore be received in accordance with forecast for 2019/20.</p> <p>Legal Services – legal services have had pressures arising from the need for temporary staffing in 2019/20 and a reduction in chargeable time to external clients. It is anticipated that a new legal structure and recruitment drive in 2019/20 will reduce the budgetary risk from having to engage consultants.</p>

Budget Component	Financial standing and management
2. Commercialisation	<p>2019/20 will see a number of large commercial projects coming to fruition such as Elwick, and the Carlton Road industrial units. Budgets have been built into the budget to reflect anticipated income streams, however, the first years of large schemes can be hard to accurately forecast while units are let and the site becomes established.</p> <p>Should the performance of the new assets not perform as forecast then the Council can utilise the New Initiative Reserve to support the budget or the Economic Risk Reserve which was set up last year.</p> <p>The Council has a contingent liability for 2 floors of CQ38 which will be triggered if the developer is unable to let the space, Officers are working closely with the Developer to ensure that this risk is mitigated.</p>
3. Demand-led service pressures	<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 2018/19 the Borough transferred to the Full Universal Credit service that will see all New claims to be made under the new benefit and not the legacy benefit of Housing Benefit. The levels of claimants on UC is currently under 1,000 but as this number increases services will need to adapt to the changing demand of these customers, for example managing the impact on rent collection levels, Council Tax Collection and Council Tax Support Claims.</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 & performance monitoring, and has some flexibility to manage demand through transferring resources from other services, and the prudent use of reserves (subject to limits).</p> <p>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).</p> <p>The council has adequate reserves, including new homes bonus receipts to help with such pressures.</p>
4. New service developments	<p>Digitalisation is a key priority for the organisation to ensure systems work effectively and efficiently to deliver excellent services for our external stakeholders. The digitalisation programme will also target internal systems to ensure efficiencies through digitalisation can be maximised to create staffing capacity to manage business growth within existing resources.</p>

Budget Component	Financial standing and management
	<p>Reserve funding of £150,000 has been earmarked to support the digital agenda roll-out.</p> <p>The Elwick development opened in December 2018 and the budget has made an allowance for the additional costs and income from the scheme.</p> <p>Members have expressed concern over the resourcing of the planning department to cover workloads and the costs of planning appeals.</p>
<p>5. Assumptions about increases in service income.</p>	<p>The budget proposes that service income are is increased by an average of 3.0%, for legislative reasons or demand some charges will be lower of higher than this.</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. The budget has been built to reflect the vacancy levels at International house and the other commercial property that the Council operates. If tenants are found we would expect there to be an increase in income.</p> <p>Experience of downturns suggests that many of the council's rental streams hold up well in times of recession there are some areas that may be more vulnerable (Shop and Office units).</p>
<p>6. Housing Revenue Account</p>	<p>The Housing Revenue Account continues to see rents reduce by 1% this year following government policy and will have to manage this pressure within the HRA as it is a ring-fenced fund.</p> <p>The HRA debt cap has now been removed and the ability to build affordable housing without the restrictions of the debt cap. The business plan is currently being reviewed to reflect new opportunities.</p> <p>Regular updating of the HRA business plan and financial monitoring will occur during 2019/20.</p>
<p>7. Estimates of the level and timing of capital receipts.</p>	<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>

Budget Component	Financial standing and management
	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)
8. 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>
9. 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 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. 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 a 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> <p>In 2018/19 the Council was part of the 100% business rates retention pilot and bid to be a pilot under the 75% retention scheme for 2019/20. Unfortunately the Kent Pool was not selected for the 75% pilot and has reverted back to the 50% national scheme. No additional income was built into the draft budget in anticipation of being in the 75% Pilot and although disappointing, this has no impact on the 2019/20 budget presented in this report.</p>
10. Welfare Reform	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.
11. Inflation, Interest Rates and Pay Award	<p>Inflation is a factor that needs to be managed carefully within any financial planning regime. The council benefitted from the low levels of inflation over the last few years, however, nearing the end of 2017/18 inflation started to rise and has continued to do so and MTFP reflects a higher inflation level for 2019/20 which falls back to the 2% target by 2020/21.</p> <p>Interest rates have been forecast in line with the Arlingclose (Treasury Management Advisors) forecasts. As a net investor the General Fund is more affected by its ability to generate returns on its cash balances rather than borrowing cheaply. Savings have</p>

Budget Component	Financial standing and management
	<p>been made in recent years by not borrowing to fund projects and using cash balances, however as interest rates rise the council will want to lock into low long term rates.</p> <p>Pay – during 2018/19 a two year pay settlement was approved for 2018/19 and 2019/20 of 1.5% or £400 whichever was the higher for the individual employee, however increments are also due for new employers and these have been allowed for in the budget.</p>
12. Brexit	<p>This area gives rise to a number of separate risks, such as the Economy, Transport, Labour, and the transition period. The Audit Committee is reviewed a separate risk register at its December meeting.</p> <p>The Council's management team is also continuing to meet to identify risks and develop contingencies in relation to a number of brexit scenarios which could impact upon the borough.</p> <p>The Council is also applying for central government funding to help support costs associated with mitigating possible impacts resulting to the above.</p>

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Agenda Item No:	8
Report To:	Cabinet
Date of Meeting:	14 February 2019
Report Title:	Financial Monitoring – 3 rd Quarter
Report Author & Job Title:	Lee Foreman – Senior Accountant Maria Hadfield – Senior Accountant (Capital Monitoring)
Portfolio Holder	Cllr. Shorter
Portfolio Holder for:	Finance & IT

Summary: This report presents the forecast outturn for 2018/19 as at the end of Quarter 3 (quarter 3), 31 December 2018 and covers the performance and forecasts for the General Fund and Housing Revenue Account (HRA), with commentary supporting key variances in the body of the report.

The current projections indicate that the General Fund will have a deficit of £104,000 at year end which is a reduction of £150,000 on Quarter 2, this position has been supported by the use of the service pressure contingency which is deployed to mitigate pressures in the Planning Service.

The HRA is forecasting a year end underspend of £1,478,000 against the original budget, this underspend has increased from the Quarter 2 position, where an overall underspend of £895,000 was reported, movements are explained later in the report.

The report provides an update on large capital projects and provides an update on the Council's Treasury Management Activity.

Key Decision: No

Significantly Affected Wards: None

Recommendations: The Cabinet is recommended to:-

- I. Note the forecast outturn position for the General Fund and the Housing Revenue Account
- II. Note the Capital Monitoring and Treasury Management position
- III. Approve the release of Section 106 contributions of £235,081, to Tenterden schools Trust, for the

provision of a 3G artificial turf pitch at Homewood School

IV. Approve revenue funding of £30,000 a year for two years to support service provision as the Sk8side

Policy Overview: The Budget is a key element supporting the delivery of the Council's wider policy objectives

Financial Implications: The General Fund is reporting an overall pressure of £104,000 having deployed the service contingency of £200,000 to offset additional planning costs which can be no longer be contained within its own reserve.

Planning have earmarked reserves which will be reviewed in line with expenditure over the last quarter to ensure any appropriate spend can be allocated to these reserves accordingly.

The Housing Revenue Account is reporting an overall underspend of £446,000.

Legal Implications N/A

Equalities Impact Assessment As part of Budget Setting 2018/19 a full assessment was undertaken

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Report Title: Financial Monitoring – Quarter 3

Introduction and Background


1. This report captures the forecast outturn position for 2018/19 quarter 3 which ended on the 31st December 2018.
 2. The report considers each of the following areas of the Council: General Fund, Housing Revenue Account, Capital Spend and Treasury Management.
 3. The current General Fund position is showing an overspend of £104,000 which is a decrease of £150,000 on quarter 2. The movement in forecast from quarter 2 to quarter 3 is shown at Table 1 at a Directorate level, and then further broken down at Table 2 to a head of service level.
 4. The reduction in the quarter has been supported through the deployment of the service pressure contingency budget of £200,000, and the use of some of the in-year repairs and maintenance budget of £167,000, these measures can be seen on the 'contribution to reserves' line of **Table 2**.
 5. After allowing for the above reserve allocation, the in-year transfer to reserves is still forecast to be £861,000 which will strengthen the Council's financial position and providing funding for future plans.
 6. Going into the last quarter, options to mitigate the residual pressure, such as reviewing the use of planning earmarked reserves, and reducing repairs and maintenance works to essential works only, will potentially move then outturn to a balanced position.
 7. It is also anticipated based on previous years that risks allowed for do not always materialise and spending plans slip creating a further surplus for the actual outturn position.
- 

Table 1 – General Fund Budget Outturn Forecast as at 31/12/2019 – Directorate

*	Directorate	Current Budget (net)	Forecast Outturn (net) to 31/03/19	Variance	Movement from Quarter 2
		A £'000	C £'000	(C-A) £'000	£'000
a	Chief Executive	1,223	1,205	(19)	11
b	Director Of Finance & Economy	2,955	3,417	462	203
c	Director Of Law & Governance	1,980	2,143	162	3
d	Director Of Place & Space	10,157	10,276	118	200
	Net Service Expenditure	16,316	17,041	724	417
e	Non service specific items	(1,904)	(2,524)	(621)	(567)
	Budget Requirement	14,412	14,516	104	(150)
f	Financing:	(14,412)	(14,412)	0	0
	Total movement	(0)	104	104	(150)

Table 2 - General Fund Budget Outturn Forecast as at 31/12/2019 – Service

*	Service	Current Budget (net)	Forecast Outturn (net) to 31/03/19	Variance	Movement from Quarter 2
		A £'000	C £'000	(C-A) £'000	£'000
a	Chilmington Management Organisation	71	43	(28)	4
a	Corporate Policy, Economic Development & Communications	1,152	1,162	9	7
b	Corporate Property & Projects	(1,531)	(1,137)	394	177
b	Finance & ICT	3,804	3,549	(255)	(76)
b	Housing Services	682	1,005	323	102
c	Community Safety and Wellbeing	504	490	(14)	(4)
c	HR & Customer Services	70	91	21	(11)
c	Legal & Democratic Services	1,406	1,562	156	18
d	Culture	3,242	3,298	56	24
d	Environmental & Land Management	5,180	5,011	(169)	(25)
d	Planning	1,736	1,967	231	200
	Net Service Expenditure	16,316	17,041	724	417
e	Capital Charges and net interest	(3,388)	(3,642)	(254)	(200)
e	Levies, Grants and Precepts	256	256	0	0
e	Contribution to reserves	1,228	861	(367)	(367)
	Budget Requirement	14,412	14,516	104	(150)
	Financing:				
f	NNDR. Pool	(4,190)	(4,190)	0	0
f	NNDR S31 Grant	(349)	(349)	0	0
f	Council Tax	(7,395)	(7,395)	0	0
f	New Homes Bonus	(2,478)	(2,478)	0	0
	Total movement	(0)	104	104	(150)

* Cross referencing of Directorate Table to Service table

5. The following narrative provides high level explanations of the movements in the table above which are grouped into their directorate headings:

Chief Executive

6. The budget for the **CMO** has very slightly increased by £4,000 from quarter 2 and is now forecasting a saving of £28,000, following the departure of the CMO Lead Officer as reported in quarter 2. **Corporate Policy, Economic Development & Communications** is showing a slight pressure of £7,000 in quarter due to a number of small increases throughout the service.

Director of Finance & Economy

5. **Corporate Property & Projects** is reporting a further pressure of £177,000 in quarter 3 largely to general building maintenance works, circa £250,000 in total, at sites such as Conningbrook Manor, Bockhanger and the Stour Centre. To fund this emerging pressure £167,000 has been used from the £250,000 proposed in year contribution to repairs and renewals reserve. To mitigate any further pressure, and potentially reduce the current forecast pressure only essential works is being undertaken in the last quarter.
6. Other material pressures in quarter come from festive lighting and the additional Christmas tree at the College site amounting to £22,000, additionally sponsorship was not forthcoming to mitigate these costs as expected.
7. Following the opening of Elwick a rental income of £125,000 has been added to the forecast outturn.
8. **Finance and ICT** has an overall quarter 2 to quarter 3 saving of 76,000 which are identified below.
9. Accountancy has an overall saving in year of £30,000 mainly due to vacancy savings offset by costs associated with an interim structure. The movement has seen an overall pressure of £91,000 due to the interim structure not being reflected in the quarter 2 position.
10. £50,000 of debt management expenses have also been included in the accountant budget, these costs are offset by savings in the interest payable budget which is shown under capital charges and net interest.
11. Revenues and benefits has received higher than anticipated government grant of £88,000 and made £50,000 saving in employee costs, some of the increase in government grant is to fund software costs of £20,000.
12. Other key movements in the service include £60,000 salary saving in ICT from vacancies and £60,000 management team saving in costs due to the Director of Place and Space change in working hours.
13. **General Fund Housing** is showing an increase pressure for quarter 3 of £100,000, which is due to homelessness costs being more than budgeted. There are a number of reasons for this pressure including delays in providing a second Christchurch road facility.
14. **Director of Law & Governance**
15. **Legal and Democratic Services** are showing an increase in forecast due to an increase in Members' special responsibility allowances of £8,000, and increases in Modern.Gov costs of £5,000.

Director of Place & Space

16. **Culture** is showing an increase in forecast at quarter 3 of £24,000. This is the result of an increase in utility costs at the Stour Centre amounting to £52,000 and £18,000 of additional costs are recorded for the battle is over ceremony. These pressures are offset by salary savings in the Cultural Project Team of £48,000 following vacancies and staff reducing hours.
17. **Environmental and Land Management**, the Aspire team are forecasting further reductions in salary costs due to high vacancy rates generating further savings of £25,000 at quarter 3.

18. The **Planning** service identified a risk to budget in quarter 2 due to staffing issues and the need to engage a number of consultants on an ongoing basis. Although the engagement of consultants in conjunction with permanent Officers is helping to reduce the backlog of cases, the financial pressure has not abated as we enter the final quarter with the latest forecast identifying a further £200,000 pressure on the budget. The planning reserve has been exhausted, and therefore the general £200,000 service pressure contingency budget has been earmarked to support this service area.
19. The overall pressures arising in planning are not just staffing but also the significant costs associated with major appeals and enforcement activity. A high level summary of the major variances to budget are detailed below:-
 1. Salary Savings from staff vacancies - £(225,000)
 2. Consultant costs to support general caseload - £434,000
 3. Additional Planning income - £(164,000)
 4. Consultant costs for appeals - £318,000
 5. Consultant costs for planning enforcement - £66,000
 6. Contribution from general planning reserve - £(193,000)
 7. Application of service contingency reserve - £(200,000)
20. Planning will continue to fully review expenditure during the final quarter to identify any spend that can be appropriately allocated to the specific reserves which currently stand at £186,000.
21. In relation to the costs for fighting appeals, in addition the reputational benefits of being seen as an authority who will defend against opportunistic applications, the Council is also pursuing the recovery of costs in cases where applications have subsequently been withdrawn.
22. Although generating a pressure on the budget, the increase in costs on general enforcement action again highlights the Council's attitude and commitment to planning enforcement activities.

Housing Revenue Account (HRA)

23. The Housing Revenue Account is showing an overall underspend of £1,480,000 in quarter 3. This underspend is largely the result of a decrease in the funding of capital expenditure. This decrease in capital funding is the result of a number of projects slipping into 2019/20. In addition to this in year saving, the forecast spend on capital works (for Decent Homes) has been increased, this brings the forecast in line with the original budget. A breakdown of the quarter 3 movements is shown in the table below with further commentary below that.

Table 3 – 2018/19 Housing Revenue Account Outturn Position

Housing Revenue Account	Current Budget (net)	Forecast Outturn (net) to 31/03/19	Variance	Movement from Quarter 2
	A £'000	C £'000	C-A £'000	
Income	(24,979)	(25,287)	(308)	0
Supervision and Management	5,267	5,163	(104)	(44)
Repairs and Maintenance	3,418	3,414	(4)	(125)
Other	17,445	16,099	(1,346)	(1,309)
Net Revenue Expenditure	1,151	698	(453)	(169)
Capital Works - Decent Homes	4,620	4,627	7	618
Financed by:				
Major Repairs Allowance	(4,620)	(4,627)	7	(618)
Net Capital Expenditure	0	0	0	0
Total Net Expenditure	1,151	(611)	(1,762)	(1,478)

Commentary on HRA Variances

24. The **Repairs and Maintenance** underspend of £125,000 is the result of both savings and income. For example £27,000 recharge income in respect of pumping station costs. There are also savings in unscheduled works and area planning, where works have not been identified throughout the year, leading to savings.
25. The financing of capital projects has been reviewed, a number of projects have not progressed as originally planned, with in year slippage of £1,300,000, it is expected that any slippage in the current year will be used to fund projects in future years.
26. The **Capital Works** budget was forecasting an underspend of £895,000 at Quarter 2, however this saving did not take into account works needed on void properties, these costs have now been added in, as well as new contracts for external wall insulation and A rated boilers. As a result of these additional costs quarter 3 is now back in line with the original budget.

Capital Monitoring

Property Portfolio

27. The Property Company has drawn down a further £820,000 for the second stage of works on the agreed Victoria Way development, £659,000 being the deposit for the former B&Q site and £6,517,425 the final payment for the La Scierie apartments.

Elwick Place

28. The official opening of Elwick Place took place on 15th December 2018, with the two anchor tenants Travelodge and Picture House now in occupation and trading. The construction of the complex was delivered on time and the schedule of the final costs is currently being worked on. It is expected to be within forecast.

Other Current Projects

29. Repton Park Community Centre opened at the end of October 2018 within budget at a final build cost of £1,825,000. The facility delivering a main hall, meeting rooms, kitchen and multi-use games area has been well received by the community. Bookings are currently increasing steadily with a variety of functions such as social clubs, children's parties and various community groups utilising the building.
30. The Council completed in November 2018 on 28 light industrial units at Carlton Road, Cobbs Wood. The purchase, funded by borrowing, had a final cost included stamp duty and professional fees of £6,823,100. Approved at Cabinet September 2017, the site has now been redeveloped improving the amenity of the local area, increasing employment opportunities and providing the Council with an additional income stream.

HRA Projects

31. The redevelopment of Danemore sheltered accommodation has been slightly delayed since the quarter 2 report with tenants due to occupy the development in February 2019. Final provisional costs are, as previously reported, £7,764,000, which is slightly over budget by £194,000. This cost includes the construction of 4 chalet bungalows which will be sold, giving the HRA an estimated capital receipt of £1,400,000.
32. Redevelopment of East Stour Court will commence shortly, and will be delivered to the same high standard. Demolition works are budgeted at £150,000 with £50,000 already spent on surveys, searches, hoarding, architectural and planning fees. Further expenditure will then not be incurred until 2019/20.

Treasury Management

33. The volatility in markets continued in quarter 3 which has seen further reduction in capital values for equity funds by £247,000. While downward movements are trending, it is worth remembering that these are long term strategic funds which are susceptible to capital fluctuations and do not signify a need to sell our positions.
34. With the current market volatility, increased internal monitoring of the fund positions will be undertaken in addition to the comprehensive monitoring arrangements which are undertaken by our Advisors (Arlingclose) as part of the wider Treasury Management contract.
35. Not in direct response to the current fluctuations in the market, but following a sustained period of the same long-term investments, the Council in conjunction with its treasury management advisors is undertaking a full review of the strategic long-term portfolio to ensure the risk profile of all the funds is appropriately balanced and diversified. This will potentially involve changing current investment amounts and the potential introduction of new funds.
36. Investment income projections at quarter 3 have increased by £90,000 and further savings on external interest payable of £110,000 have been identified, with £50,000 of this being used to offset an increase in debt management expenses shown within Finance and the Economy.
37. A full list of the Council's investment and borrowing portfolio is shown at Appendix A

Homewood school 3G Artificial Turf Pitch: Section 106 Expenditure

38. Following dialogue with Tenterden Town Council and Ashford Borough Council, Homewood School have requested a S106 contribution from TENT1A for outdoor pitches to be allocated to their 3G pitch which has been forward funded by the School Trust and in operation since October 2018.
39. The project was included in the 2017 Playing Pitch Strategy for the borough as adopted by Cabinet in Dec 2017.
40. The contribution is to be made only on the understanding that the school adheres to a strict Community Use Agreement drawn up under Sport England and Football Foundation guidelines. This will be reflected in the Funding Agreement and monitored over a 25 years period
41. Members are asked to approve the release Section 106 contributions of £235,081, to Tenterden schools Trust, for the provision of a 3G artificial turf pitch at Homewood School, subject to the signing of a Section 106 Funding Agreement and a Community Use Agreement between the Schools Trust and the Council.
42. By approving this contribution the Council is not committing any further funding, capital or revenue.

Funding support for Sk8side Facility

43. Sk8side CIC currently provide services for young people via a lease and service level agreement with the Borough Council from the Council's building adjacent to Ashford Skate Park. The services provided help to minimise anti-social behaviour and provide a focus for youth engagement activities in the area. The Council has recently refurbished the building at a cost of £70,000 which is in a strategic location adjacent to the Stour Centre and Civic Centre. The work of the CIC provides a level of security for the Council and its partners in the area.
44. Having withdrawn from a contract to provide services on behalf of Kent County Council, the CIC require support funding to enable the current level of service provision to be maintained. A contribution of £60,000 over the financial years 2019/20 and 2020/21 is sought from the Council (£30,000 per year). The CIC will use the Council's contribution as match funding for the remaining £60,000 required over the two financial years. A revised service level agreement will be implemented from 1st April 2019.
45. The CIC offers a range of activities and programmes including; arts and crafts, mental health workshops, cultural theme programmes, volunteering schemes, running skate park events and a skateboard shop for young people that are easy to access and provide them with valuable life skills. As such this a valuable service the Council wishes to continue supporting.
46. This request is supported by Councillors Bennett and Bradford as portfolio holders of Culture and Health. The Chief Executive and Directors of Ashford Borough Council similarly sanctioned this requested on 7th January 2019.

Portfolio Holder's Views

47. As ever, this quarterly report enables the monitoring of spending trends and creates the ability to implement counter measures to deliver a balanced budget at year end.
48. In this report, significant movement can be seen from Q2 to rectify the identified budget pressures, particularly in the field of Planning. Significant use of Consultants and the servicing of resources to counter and challenge appeals is identified. The agreement of the Local Plan has/will relieve the pressure in terms of both resources and funding. The imminent restructuring of the Planning Service will address the funding pressure for consultants but the trajectory of implementation will determine how soon this pressure will affect next year's budget.
49. I am very pleased with the continuing delivery and professionalism of the finance team, in all areas and fully support this report.

Contact and Email

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Treasury Management Positions as at 31st December 2018

Counter Party	Deal Date	Rate %	Amount £	Fair Value £	Comment
Investment Accounts					
Goldman Sachs	Various	0.61%	50,000	51,295	**
ICD Portal - BNP Paribas	Various	0.67%	10,000,000	10,000,000	*
ICD Portal - Black Rock	Various	0.65%	2,783,000	2,783,000	*
ICD Portal - HSBC	Various	0.60%	0	0	
ICD Portal - Invesco	Various	0.63%	9,650,000	9,650,000	
Payden Global MMF	Various	0.73%	3,000,000	2,988,937	**
Total Investment Accounts			25,483,000	25,473,232	
Long Term Investments					
Local Authority Investments					
Blaenau Gwent	21/10/2014	2.00%	3,000,000	3,000,000	Matures 21/10/2019
Property Investment					
CCLA Local Authority Property Fund	Various	4.52%	10,000,000	11,269,109	
A Better Choice of Property Ltd.***	Various	3.69%	175,000	517,016	Value as at 31/03/2018
Equity Funds**					
City Financial Multi Asset Diversified Fund	27/08/2015	3.57%	997,687	918,024	**
UBS Multi Asset Income Fund	26/08/2015	2.03%	2,993,552	2,889,223	**
M&G Global Dividend Fund	27/08/2015	2.75%	997,914	1,461,902	**
Schroder Income Maximiser	03/11/2015	7.28%	992,152	1,043,643	**
CCLA Diversified Income Fund	Various	3.07%	3,000,000	2,942,067	**
Total Long Term Investments			22,156,305	24,040,984	
Total Investment Portfolio			47,639,305	49,514,216	

* Money Market Fund (MMF) are AAA rated deposit facilities which have variable rates of interest but have constant net asset values. Interest rates are shown at the time of producing this report.

** Equity funds and the Property fund have variable rates of interest and also have fluctuating capital values, the amount stated is the current fair value.

*** A Better Choice Of Property Ltd. is a solely owned subsidiary of ABC

Debt Portfolio as at 31 December 2018

Counter Party	Deal Date	Rate %	Amount £	Fair Value	Comment
Temporary Borrowing					
Greater Manchester Pension Fund	11/06/2018	0.80%	15,000,000		Maturity 21/05/2019
Somerset Pension Fund	06/09/2018	0.97%	8,000,000		Maturity 05/04/2019
Greater London Authority	28/09/2018	1.02%	25,000,000		Maturity 05/04/2019
Durham County Council	31/07/2018	0.92%	8,000,000		Maturity 30/04/2019
London Borough of Newham Council	21/05/2018	0.90%	5,000,000		Maturity 23/04/2019
Total Temporary Borrowing			61,000,000		
Long Term Borrowing					
Public Works Loan Board***	various	various	114,664,150		Maturity Date - various
Total Long Term Borrowing			114,664,150		
Grand Total Borrowing			175,664,150		

*** HRA borrowing



Agenda Item No: 9
Report To: Cabinet
Date of Meeting: 14 February 2019
Report Title: Quarter 3 2018/19 Performance Report
Report Author & Job Title: Will Train
Senior Policy and Scrutiny Officer
Portfolio Holder: Cllr. N Shorter
Portfolio Holder for: Finance and IT

Summary: This report summarises performance against the council's suite of key performance indicators (KPIs) for Quarter 3 (1st October to 31st December) 2018/19.

Certain performance indicators from the previous council framework have been retained and allow for historic data comparison, however a number of new performance indicators have been agreed upon for which data is only available for year to date. A summary of all key performance indicators is appended to the report.

Key Decision: No

Significantly Affected Wards: None

Recommendations: Cabinet is recommended to:-

I. Note the performance data for quarter 2 2018/19 (Appendix 1)

Policy Overview: A review of the council's performance monitoring arrangements was undertaken during the latter half of the 2017/18 municipal year to reconcile key performance indicators, service level performance data and the council's existing programme management processes. The revised performance framework and monitoring arrangements will allow for Heads of Service to more readily integrate performance data into programme management and the service planning process.

Financial Implications: None

Legal Implications: None

Equalities Impact Assessment: Not required as the report presents information on past council performance and does not recommend any change to council policy or new action.

Other Material: None

Implications:

**Exempt from
Publication:** **No**

**Background
Papers:** None

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Report Title: Quarter 3 2018/19 Performance Report

Introduction

1. This report seeks to provide an overview of performance against the council's key performance indicators for quarter 3 2018/19. The council's performance framework captures key performance data from across the organisation as it relates to the council's Corporate Plan.

Background

2. A review of the council's performance monitoring arrangements was undertaken during the latter half of the 2017/18 municipal year to reconcile key performance indicators, service level performance data and the council's existing programme management processes.
3. A revised performance framework was endorsed by Cabinet in at the end of 2017/18, with recording against the new key performance indicators beginning in April 2018. The new monitoring arrangements will allow for Heads of Service to more readily integrate performance data into programme management and the service planning process.

Quarter 2 Performance

4. Commentary on individual performance indicators is included within the appendix to this report. Performance against the majority of key performance indicators for quarter 3 is above target, however in some areas performance is below target. Service Heads and Directors are aware of these drops in performance and work is ongoing to address any underlying issues.

Quarter 2 Corporate Plan developments

Enterprising Ashford

5. Throughout quarter 3 a range of initiatives to drive footfall and engagement in the town centre took place including the grand opening of Elwick Place, including the Picturehouse cinema, Travelodge hotel and new car park. The improved public realm within Elwick Place was also unveiled to include a statue of Queen Marie of Romania and the Elwick Etchings, a series of residents' memories of Ashford inscribed onto flagstones.
6. Other town centre developments continued to move towards completion, with construction of the extension to the Ashford Designer Outlet continuing throughout the quarter, the Curious Brewery and Riverside Park both topping out and work beginning on the construction of the expanded Ashford International Truckstop.
7. The town centre performed well in terms of footfall and received significant positive coverage in the national press as Ashford bucked national trends and showed growth in the run up to and through the Christmas period.

Living Ashford

8. The council approved a £10,000 subordinated loan to support the work of the Kent Savers Credit Union, as well as committing to work closely with the credit union on issues of homelessness and welfare support. The Autumn Budget also carried the welcome announcement that central government would be lifting HRA debt caps for councils, enabling local authorities to directly deliver more council housing.
9. The council also secured a successful prosecution against a landlord who had ignored an enforcement notice related to the supply of hot water to a disabled tenant and secured court orders for two properties associated with drug use and antisocial behaviour.

Active and Creative Ashford

10. The 'Snowdogs discover Ashford' public art trail concluded with an auction of the sculptures raising over £140,000 for Pilgrims Hospice. A number of the Snowdog sculptures returned to public locations in Ashford after the auction following purchase by the council and the kind donation of other winning bidders. Across the three months of the trail, town centre footfall increased by 15% against the previous year.
11. The council and Ashford Leisure Trust also moved closer to the appointment of a new leisure operator with two bidders selected by the partnership board to move to the final submission stage, and the Repton Connect Community Centre officially opened.

Attractive Ashford

12. The borough's recycling performance continued to impress, with DEFRA performance statistics for 2017/18 released showing that Ashford was the top of the league for Kent for the fourth year in a row with both the highest percentage of household waste recycled and composted, and for the lowest residual waste tonnages per household.
13. Quarter 3 also saw a number of commemorative events held to mark the centenary of the end of the First World War, including 'Ashford Remembers', a poppy tribute in North Park which raised £4,950 for SSAFA; and 'Battle's Over: A Nation's Tribute', a poignant commemorative service held in North Park with readings, a drumhead service and the lighting of the Civic Beacon.

Conclusion

14. Quarter 3 shows a continuation of strong performance in a number of key areas and further delivery against the aims of the council's corporate plan. The majority of areas of underperformance in quarter 2 have seen improvement in quarter 3, whilst other areas are being closely monitored and work is ongoing to address any underlying issues.






Portfolio Holder's views










- 15.

Contact and Email

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Quarter 2 2018/19 Performance







KPI status key	
	Not meeting target – under performance
	Target not met but within acceptable threshold
	Target met or exceeded performance
	Status unknown
	Data Only – no target set

Code & Short Name	Description	Q1 2018/19			Q2 2018/19			Q3 2018/19			Latest Note
		Value	Target	Status	Value	Target	Status	Value	Target	Status	
KPI01 Park Mall Vacancy Rates	No. of vacant units within Park Mall - collected quarterly through survey carried out by Economic Development	2	0		3	0		3	0		Timeless (located in the kiosk) has left Park Mall.
KPI02 Ashford Town Centre Car Park Usage	No. of vehicles parking in Ashford town centre car parks as recorded by Parking Services	151,479	N/A		158,694	N/A		164,745	N/A		October showed the highest monthly usage total for the year to date. Usage is up compared to December 2017- we do give out free parking as well which will reduce usage figures as we cannot count the vehicles when free parking is in place.
KPI03 Ashford Town Centre Car Park Income	Income for Ashford town centre car parks - cash, card and mobile transactions combined	£375,080.75	N/A		£378,610.09	N/A		£398,692.87	N/A		Up compared to December 2017- we do give out free parking as well which will make the figure less compared to previous months.










Quarter 2 2018/19 Performance

Code & Short Name	Description	Q1 2018/19			Q2 2018/19			Q3 2018/19			Latest Note
		Value	Target	Status	Value	Target	Status	Value	Target	Status	
KPI04 Ashford Town Centre Car Park average spend	Average spend per visit - Ashford town centre car parks	£2.48	N/A		£2.39	N/A		£2.42	N/A		Average spend has increased against quarter 2
KPI05 Tenterden Car Park Usage	No. of vehicles parking in Tenterden car parks	119,224	N/A		121,437	N/A		119,171	N/A		Up compared to December 2017- we do give out free parking as well which will make the figure less as we cannot count the vehicles when free parking is in place.
KPI06 Tenterden Car Park Income	Income for Tenterden car parks - cash, card and mobile transactions combined	£235,962.39	N/A		£239,558.19	N/A		£236,555.22	N/A		Up compared to December 2017- we do give out free parking as well which will make the figure less compared to previous months.
KPI07 Tenterden Car Park average spend	Average spend per visit - Ashford town centre car parks	£1.99	N/A		£1.97	N/A		£1.99	N/A		Average spend has increased in quarter 3 to match performance in quarter 1. Against the average hourly rate in Tenterden car parks, this equates
KPI08 New Businesses Supported	No. of pre-start and start up businesses supported by Ashford Borough Council through service level agreement with Kent Invicta Chamber of Commerce - data provided by Chamber of Commerce to Economic Development	37	N/A		22	N/A		19	N/A		Slight reduction against 2017 figures for October and December, however increase against November 2017 performance. Factors include a change of focus in our enterprise support to Scaleup companies, generally low entrepreneurship at this time of year (normally followed by a rebound in the new year) and a national decline in entrepreneurship due to low unemployment rates and concern over Brexit
















Quarter 2 2018/19 Performance

Code & Short Name	Description	Q1 2018/19			Q2 2018/19			Q3 2018/19			Latest Note
		Value	Target	Status	Value	Target	Status	Value	Target	Status	
KPI13 Business Rates Collection	% of national non-domestic rates collected by the council - cumulative figure per month	29.88%	99% (Annual)		55.72%	99% (Annual)		82.11%	99% (Annual)		On target
KPI14 Social rent void loss	Rent loss on void social rent properties as a % of the rent roll for HRA social properties	0.36%	N/A		0.24%	N/A		0.28%	N/A		Slight increase against quarter 2 however rent void loss remains lower than quarter 1.
KPI14A Affordable rent void loss	Rent loss on void affordable rent properties as a % of the rent roll for HRA social properties	1.42%	N/A		1.25%	N/A		0.96%	N/A		Reduction in rent loss against previous quarter.
KPI15 Council Affordable Housing - New Build	No. of additional new build affordable homes delivered by council housing	0	N/A		0	N/A		12	N/A		<p>The council will be taking handover of the following schemes in December following the receipt of the formal, and legally binding 4-week notices from its contractors DCB.</p> <p>An additional 4 x 2 bed houses at Brattle, Woodchurch, and 2 x 3 bed houses and 2 x 2 bed houses at Calland, Smeeth (all affordable rent) will be delivered by ABC before the end of December. Also, 4 x 3-bed houses at Jubilee Fields in Wittersham.</p> <p>Please note that the 34-unit sheltered housing scheme at Danemore in Tenterden will be handed over in the New Year.</p>

Quarter 2 2018/19 Performance

Code & Short Name	Description	Q1 2018/19			Q2 2018/19			Q3 2018/19			Latest Note
		Value	Target	Status	Value	Target	Status	Value	Target	Status	
KPI15A Council Affordable Housing - On-Street Purchases	No. of additional on-street purchase affordable homes delivered by council housing	3	N/A		3	N/A		2	N/A		In this financial quarter, 2 on-street purchases have completed. A further 3 offers have been made and accepted and are currently going through the conveyancing process. We aim to purchase one property per calendar month to add to our stock.
KPI16 Registered Provider Affordable Housing	No. of new affordable homes delivered by registered providers	17	N/A		34	N/A		16	N/A		The following properties have been delivered by Registered Providers working in the borough in the quarter between October and December 2018. Robin Road, Finberry (Golding Homes) 4 x 3 bed houses (Affordable rent) Swift Avenue, Finberry (West Kent Housing) 6 x 2 bedroom flats (Affordable rent) 5 x 3 bed houses and 1 x flat over garage (Shared ownership)
KPI17 B&B Accommodation	No. of people placed in Bed and Breakfast accommodation	15	N/A		8	N/A		2	N/A		As at 31.12.18. Numbers in B&B continuing to fall as only using in emergency situations where we have to place same day. Continue to move through quickly into self-contained temporary accommodation. Note end of quarter figure is one household with an adult child (housed in two separate rooms), to move in new year.












Quarter 2 2018/19 Performance

Code & Short Name	Description	Q1 2018/19			Q2 2018/19			Q3 2018/19			Latest Note
		Value	Target	Status	Value	Target	Status	Value	Target	Status	
KPI18 Nightly Paid Accommodation	No. of people placed in Nightly Paid accommodation as at the end of the reporting period	63	N/A		53	N/A		66	N/A		As at 31.12.18. Movement from B&B into self-contained accommodation. Numbers have risen as we are moving people through B&B quicker to self-contained units.
KPI19 Other Temporary Accommodation	No. of people placed in Other Temporary accommodation	96	N/A		84	N/A		70	N/A		As at 31.12.2018. Continuing to closely monitor those in TA and discharge duty where ever possible. Converting PSL stock to SLA. Numbers remaining static. Will continue to reduce numbers in own stock and look to convert PSL properties where possible.
KPI20 Homelessness Presentations	No. of homelessness presentations	430	N/A		394	N/A		368	N/A		Cases opened through Q3. Duty to refer introduced on 1 st October, showed increase in October but lower numbers in November and December.
KPI21 Homelessness Preventions	No. of households where homelessness was prevented	125	N/A		84	N/A		71	N/A		Cases opened through Q3. Numbers remained relatively static in October and November but dropped in December due to lower number of presentations through the month.
KPI22 Homelessness Reliefs	No. of households where homelessness was relieved	59	N/A		65	N/A		89	N/A		Cases opened through Q3. Increase in numbers for October (66) of which 20 were unsuccessful preventions which were then relieved.
















Quarter 2 2018/19 Performance

Code & Short Name	Description	Q1 2018/19			Q2 2018/19			Q3 2018/19			Latest Note
		Value	Target	Status	Value	Target	Status	Value	Target	Status	
KPI23 Refugee Households Resettled	No. of households resettled in the Borough under the Vulnerable Persons Resettlement Programme	2	N/A		4	N/A		2	N/A		Arrivals limited prior to Christmas due to Resettlement Team travel constraints. 3 further families allocated during period arriving in next quarter.
KPI24 Refugee Persons Resettled	No. of refugees resettled in the Borough under the Vulnerable Persons Resettlement Programme	10	N/A		18	N/A		8	N/A		Pre-Christmas arrivals limited due to Resettlement Team travel constraints. Further 14 individuals allocated in this period will be arriving in UK next quarter.
KPI25 RTB2 28 day processing time	Average time taken to process an RTB2 form with 28 day target time admitting or denying the right to buy	11.45	28		8.85	28		7.5	28		Average turnaround of right to buy applications for the last quarter well within the 28 day target
KPI25A RTB2 56 day processing time	Average time taken to process an RTB2 form with 56 day target time admitting or denying the right to buy	10.67	56		0	56		0	56		No complex right to buy applications received in the last quarter
KPI26 Disabled Facilities Grants Administered	No. of disabled facilities grants administered by the council	8	N/A		17	N/A		15	N/A		Low figure due to the holiday period. Next month should see a big jump in completed works.

Quarter 2 2018/19 Performance

Code & Short Name	Description	Q1 2018/19			Q2 2018/19			Q3 2018/19			Latest Note
		Value	Target	Status	Value	Target	Status	Value	Target	Status	
KPI27 Disabled Facilities Grant Spend	Average spend per disabled facilities grant administered	£139,592.12	N/A		£174,649.05	N/A		£203,441.40	N/A		Spend for this month mainly comprises of interim payments, but overall satisfactory figure for this time of the year.
KPI28 Disabled Adaptations Administered	No. of disabled adaptations administered for council tenancies	77	N/A		35	N/A		66	N/A		The number of adaptations completed in each month will vary, this is a reactive service and will depend on the number of referrals being submitted by OT's. Similarly, due to the majority of low value, high number jobs (e.g. grabrails), contractors may complete works and or invoices in batches for efficiency. Consequently the allocation of jobs to individual months may not appear as an even distribution.
KPI29 Disabled Adaptations Spend	Average spend per disabled adaptation administered for council tenancies Spend on adaptations is governed by demand.	£25,973	N/A		£104,287	N/A		£99,791	N/A		In January a new reporting tool was used to provide accurate figures. Figures from April to September were reviewed updated/corrected accordingly
KPI30 Private Rented Sector Condition Complaints	No. of complaints received regarding poor conditions in the private rented sector	48	N/A		56	N/A		72	N/A		Slightly down on what you would expect for this time of year. Unable to give reasons for this. It may be down to the fact that the weather hasn't been so wet and cold as in previous years.













Quarter 2 2018/19 Performance

Code & Short Name	Description	Q1 2018/19			Q2 2018/19			Q3 2018/19			Latest Note
		Value	Target	Status	Value	Target	Status	Value	Target	Status	
KPI31 Informal Private Rented Sector Condition Complaint Resolutions	No. of complaints regarding poor conditions in the private rented sector resolved informally	27	N/A		21	N/A		8	N/A		Low figure due to the holiday period.
KPI32 Formal Action Private Rented Sector Complaint Resolutions	No. of complaints regarding poor conditions in the private rented sector resolved with formal action	4	N/A		2	N/A		4	N/A		Two improvement notices issued under the Housing Act to address fire safety and excess cold.
KPI32A Gas Safety Certificates	% of ABC properties with up to date gas safety certificates	97.10%	N/A		99.91%	N/A		99.78%	N/A		4200 properties on contract of which 7 without LGSR. Of the 7 outstanding LGSR's; 1 is Conningbrook (corporate property), 1 is new apartment in Victoria way (corporate property) error as this is all electric, 1 housing property is capped off pending demolition/ redevelopment. 1 housing property is capped off due to no access, 1 housing property is long term void pending structural works.
KPI33 Food Hygiene Rating	% of businesses in the borough with a food hygiene rating above 3*	98.32%	98.5%		98.43%	98.5%		98.29%	98.5%		Just below target but we are reliant on the food business maintaining standards and when receive low score wanting to improve their score.
KPI34 Lifeline Call Answer Speed	% of lifeline calls answered within 60 seconds	99.81%	97%		99.8%	97%		99.74%	97%		Performance against this KPI continues to be above target

Quarter 2 2018/19 Performance

Code & Short Name	Description	Q1 2018/19			Q2 2018/19			Q3 2018/19			Latest Note
		Value	Target	Status	Value	Target	Status	Value	Target	Status	
KPI37 Planning Application Approvals	% of planning applications approved	95%	90%		94%	90%		93%	90%		Performance continues to be above target for quarter 3.
KPI38 Major Planning Application Decisions	% of major planning applications determined within 13 weeks	67%	60%		55%	60%		66.67%	60%		Performance has improved from quarter 2 and is now above target.
KPI39 Minor Planning Application Decisions	% of minor planning applications determined within 8 weeks	64%	65%		57%	65%		50.63%	65%		
KPI40 Planning Applications Allowed Following Appeal	% of planning applications refusals allowed following appeal	29%	44%		50%	44%					Data gathering and reconciliation processes for this KPI are currently under review. Data accuracy cannot be assured and so no data has been reported for quarter 3.
KPI41 Planning Contraventions Resolved Informally	% of planning contraventions resolved without the need for formal action	44.33%	N/A		30%	N/A		40%	N/A		Reasons for closure included in this statistic are currently: Application received, breach ceased, permission granted.
KPI43 Council Tax Collection Rate		30.44%	98.25%		39.83%	98.25%		77.08%	98.25%		On target
KPI44 Benefit Change of Circumstance Processing	Average time taken to process a benefit change of circumstance in no. days	2.73	10		2.89	10		2.91	10		On target

Quarter 2 2018/19 Performance

Code & Short Name	Description	Q1 2018/19			Q2 2018/19			Q3 2018/19			Latest Note
		Value	Target	Status	Value	Target	Status	Value	Target	Status	
KPI45 Benefit New Claim Processing Time	Average time taken to process a new benefit payment claim in no. days	26.11	28		25.08	28		23.71	28		On target
KPI48 % of tourism related contacts to Ashford TIC made in person	% of Ashford TIC contacts made in person	59.08%	N/A		69.23%	N/A		75.17%	N/A		Quarter 3 events included Snowdogs trail, WW1 commemorative events and the opening of Elwick Place
KPI51 Rural/Urban Project Grant Allocation	Ratio of rural project grants to urban project grants - includes capital and revenue grants from single grants gateway	1.18	N/A		0.65	N/A		N/A	N/A		value of grants to rural projects in period = £23060 value of grants to urban projects in period = £35243 Period is from end of Q1 to December 2018
KPI52 Recycling Rate	% of borough waste recycled or composted	56.67%	50%		52%	50%		55%	50%		The recycling rate for October is demonstrating a good performance, being 8% over our target rate and a 2% increase from the previous month. In November there was a large drop in garden tonnages of nearly 200 tonnes as well as a small drop in dry recycling and increase in refuse which results in the percentage change. Food waste remained similar tonnage to previous month. at 52% whereas Nov 17 was 62%. What's important is why the borough has generated so much more refuse this year.

Quarter 2 2018/19 Performance

Code & Short Name	Description	Q1 2018/19			Q2 2018/19			Q3 2018/19			Latest Note
		Value	Target	Status	Value	Target	Status	Value	Target	Status	
KPI53 Refuse Collection Success Rate	% of successful refuse collections per 100,000 refuse collections made.	99.96%	99.97%		99.96%	99.97%		99.97%	99.97%		
KPI55 FOI Response Rate	% of freedom of information requests responded to within 20 working days	98.8%	95%		98.5%	95%		96.5%	95%		205 FOI requests completed in quarter 3, of which 7 were completed after the 20 working day deadline
KPI56 Major Personal Data Breaches	Number of major personal data breaches recorded (as required to be reported to the Information Commissioner's Office)	0	0		0	0		0	0		1 internally reported data breach occurred in quarter 3, however this did not warrant reporting to the ICO
KPI64 Average Speed of Customer Service Calls Answered	Average wait time for customer service calls - to be benchmarked with results across Kent	0h 01m 44s	0h 01m 38s		0h 01m 50s	0h 01m 35s		0h 01m 33s	0h 01m 37s		Performance returned to target during October 5 new CSA's recruited during November (3 of which commenced training during November) other 2 due to commence training in December. Although December is typically the quietest month of the year, with this year being the first year we have closed for 5 days over the Christmas period, we had just recruited 5 new csa's who, as part of their training schedule were only taking council tax calls. We have one csa on long term sick and lost another 8 days to sickness during December.



Agenda Item No: 10
Report To: Cabinet
Date of Meeting: 14th February 2018
Report Title: Proposed Honorary Aldermen Scheme
Report Author & Job Title: Keith Fearon
Member Services Liaison Manager
Portfolio Holder: Cllr. G D Clarkson
Portfolio Holder for: The Leader

Summary: In recognition of dedicated and committed service by past elected Members, the Leader of the Council has requested that Ashford Borough Council consider establishing an Honorary Alderman scheme. This report sets out proposals for how the scheme will be established in Ashford and requests that the Cabinet make appropriate recommendations to the Full Council Meeting.

Key Decision: NO

Significantly Affected Wards: Not applicable

Recommendations: **The Cabinet is asked to recommend to the Council that:-**

- (i) an Honorary Alderman Scheme for the Borough of Ashford be established for those former Councillors who have served for 12 years or more as an elected Member of ABC.**
- (ii) the rights and privileges to be afforded to Honorary Aldermen be as set out in Paragraph 7.**
- (iii) to acknowledge the contributions made by Past Mayors to the work of the Council and the community, upon ceasing to be a Member of the Council they be given the title of “Mayor Emeritus”**
- (iv) the existing Members Long Term Certificates Scheme continue to be awarded to those Members who have served serve one or two terms of office.**
- (v) the Nomination Award Criteria for Honorary Aldermen be approved as outlined in Paragraph 5 of the report.**
- (vi) the Head of Legal and Democracy in consultation with the Leader of the Council and the Member**

Champion for the Military Covenant and Ceremonial Liaison be given delegated authority to agree the ceremonial and other matters associated with the award.

Policy Overview:	Not applicable
Financial Implications:	The estimated costs associated with the purchase of the appropriate Honorary Aldermen Badges, robes regalia and commissioning of the Honorary Alderman Board is estimated to be between £9,000 and £10,000 and can be met from the General Fund Reserve. In addition to this there would be the hosting immediately following the award which is considered could be contained within the Mayoral entertainment budget for Civic events.
Legal Implications	The establishment of an Honorary Alderman Scheme is in accordance with Section 249 of the Local Government Act 1972.
Equalities Impact Assessment	Not Required because the criteria for bestowing the awards are equally applicable to all elected Members
Exempt from Publication:	No
Background Papers:	Nil
Contact:	keith.fearon@ashford.gov.uk

Report Title: Proposed Honorary Alderman Scheme

Introduction and Background

1. The Leader of the Council has requested that the Borough Council consider the establishment of an Honorary Alderman Scheme to recognise the dedicated and committed service of past elected Members of the Authority. Section 249 of the Local Government Act 1972 enables a Council by resolution passed by not less than two thirds of the Members at a specially convened meeting of the Council to confer the title Honorary Alderman on persons who have, in the opinion of the Council, rendered eminent services to the Council, as past Members of that Council but who are not current Members of that Council. Honorary Aldermen can attend and take part in Civic Ceremonies as invited but do not have the right to attend meetings of the Council or to receive an allowance or payment for their attendance.
2. To date the Ashford Borough Council has not created any Honorary Aldermen under the 1972 legislation but has, however, granted Honorary Freedom to two individuals and to the Intelligence Corps, the Princess of Wales's Royal Regiment and 133 Field Company REME. In addition, in October 2018 the Council agreed to the establishment of the Honorary Ambassador of Ashford Award Scheme and the first recipient of this award was Liliana Turoiu, President of the Romanian Cultural Institute.
3. The Council also has a Members Long Service Certificate scheme which was established in 2011 and provides for those Members standing down or who have not been re-elected to receive a Certificate from the Mayor in recognition of their dedicated service. This report does not propose any changes to that scheme and certificates will continue to be awarded to those Members who serve for one or two terms.

Proposal

4. The Leader of the Council has discussed this issue with the Member Champion for the Military Covenant and Civic Ceremonial and Officers who consider that it would be appropriate to go back to the formation of the Borough Council in 1974 and those Members who have served for 12 years or more would be eligible for nomination. Up to 14 past Members would meet this criteria at the present time together with a number of eligible current members who might either choose to stand down or fail to retain their seat at the next all Borough elections in May 2019. It is also considered that this should only apply to those past Members still living and therefore there will be no posthumous awards. Nomination would not be automatic and in considering nominations careful consideration would be given to the proposed Nomination Award criteria set out in paragraph 5 below.

Nomination Award Criteria

5. Guidance suggests that each Local Authority should have its own criteria for the appointment of Honorary Aldermen, together with a list of rights and duties and its own ceremony for their admission. For Ashford, the following award criteria is considered appropriate:-

- A nominee shall be former elected Member of any political persuasion who has served for 12 years or more as an elected Member of Ashford Borough Council.
- The nominee shall be of good character, have represented their Ward in a diligent manner and have participated in the wider work and activities of the Borough Council.
- Membership of outside bodies on behalf of the Council would be taken into account.
- A good attendance record, particularly at Full Council meetings is essential together with a reasonable attendance on Committees, Boards or Groups on which the person had served.
- Other additional responsibilities will be considered as contributory factors.

Process for Consideration of Nominations

6. Former elected Members meeting the time qualification set out above will be considered by the Civic Honours and Awards Board who will in turn, having considered the criteria outlined in paragraph 5 above, make recommendations to an Extraordinary meeting of the Council. Prior to the Extraordinary meeting considering the nominations, it is suggested that the nominees be contacted to ascertain whether they would be willing to accept the Award. Subject to the proposed nominees signifying that they would accept the honour, a brief summary of the nominees' public contribution to the Borough would be produced for the Extraordinary meeting to enable elected Members of the Council to take an informed view before voting on each individual nomination. Section 249 of the Local Government Act 1972 provides for the Council by resolution passed by not less than two thirds of the Members at the specially convened meeting to confer the title of Honorary Alderman.

Rights and Privileges of an Honorary Alderman

7. Section 249 (4) of the Local Government Act 1972 states that:-

“An Honorary Alderman of a principal Council may attend and take part in such civic ceremonies as the Council may from time to time decide, but shall not, as such have the right:-

- (a) to attend meetings of the Council or a Committee of the Council.

or

- (b) to receive any such allowances or other payments as are payable under Sections 173 to 176 of the Local Government Act 1972”.

It is of course accepted that Honorary Aldermen would still be able to attend meetings of the Council which are open to the public in their capacity as a member of the public.

- 8. The title of Honorary Alderman is the only privilege that Aldermanic status confers under the legislation. It is, however, suggested that the additional rights set out below be conferred on Honorary Aldermen of the Borough of Ashford:-
 - (a) to attend Civic events organised by the Council and to wear their heraldic badge.
 - (b) to attend the Borough Council’s Civic Service and Remembrance Sunday commemoration services as part of the “Honorary Aldermanic Group”.
 - (c) to have the Council’s Borough flag flown at half-mast upon their death.

Former and Current Mayors of the Borough

- 9. There are 12 Past Mayors (who are also former Councillors) and two existing Members who have held that position. It is suggested that former Mayors of the Borough having already held the Civic role as “First Citizen” will, on ceasing to be Members of the Authority, be given the title of “Mayor Emeritus”. This is subject to having held the Civic Office of Mayor for at least one full year and having discharged those Civic duties in a fitting and diligent manner. The title, for Past Mayors, whilst still serving as elected Members will not be used as part of the general day to day business of the Council. Past Mayors are already honoured by having their photographs displayed in the corridor adjacent to the Mayor’s Parlour and their names are recorded on a dedicated board of Past Mayors which also shows their periods of office.

Proposed Ceremonial Arrangements for the Award

- 10. Following the Extraordinary Council meeting, individual Ex-Councillors will be informed of the Council’s decision and be invited to attend a ceremony which will take place following the conclusion of a subsequent Ordinary Council meeting. The recipient will be able to bring a restricted number of guests to the ceremony. It is proposed that the Award of Honorary Alderman will only take place once every four years following the all Borough Council elections. It is therefore anticipated that following the elections the Civic Honours and Awards Board would meet to consider nominations and make recommendations to an Extraordinary Council meeting which will be arranged to follow the Ordinary Council meeting planned for July of that year. It is therefore suggested, the Awards Ceremony take place following the conclusion of the next Ordinary Council meeting to be held in October of that year. The award of Member Long Service Certificates will also take place at the same meeting prior to the Honorary Alderman Ceremony.

11. The ceremony will take place in the Council Chamber and will be conducted by the Worshipful the Mayor assisted by the Chief Executive and the Member Champion for Ceremonial Liaison. Upon instructions from the Mayor the Member Champion for Ceremonial Liaison will read out the Award citation and recipients would come up one at a time to receive their Award and to be robed as an Alderman of the Borough. The Chief Executive will ask the proposed recipient whether they would accept this honour and the recipient would then sign the Honorary Alderman register. The Mace Bearer will then robe the recipient with the Aldermanic gown who will then approach the Mayor to be presented with the Aldermanic Collarette and Honorary Alderman badge and presented with a rolled scroll of the citation. They will then be seated in an area to one side of the Council Chamber when the the gown would be removed for use by one of the subsequent recipients. Following the award ceremony for the Honorary Alderman, the Mayor will invite all those present to attend a reception which would be held in the Committee rooms.

Future Civic Role Honorary of Alderman and Mayor Emeritus

12. It is proposed that collectively the Honorary Aldermen shall be known as the "Honorary Aldermanic Group" and the Mayor Emeritus shall be known as the "Civic Emeritus Mayoralty". As part of the ceremony outlined above and for use in the future, the Council will purchase two sets of academic gowns, one set in green for use by the Aldermanic Group and one set in red for the use by Civic Emeritus Mayoralty. The red and green colours are in keeping with the colours on the Council's armorial bearings and they will remain the property of the Council. It is proposed that the green gowns will be used in the robing ceremony for the Honorary Aldermen and subsequently used by two volunteer Honorary Aldermen to represent the Honorary Aldermanic Group at the Annual Civic Church Service and the Annual Service of Remembrance and other appropriate Civic occasions. The red gowns would be used by two Emeritus Mayors to represent the Emeritus Mayoralty of the Borough at the Annual Civic Service and the Remembrance Sunday service and other Civic occasions. The proposed Aldermanic Collarette and Heraldic Badge should be of a design to match the current badge which is currently given to Past Mayors at the end of their mayoral year.
13. During the development of the proposed scheme and the suggested purchase of academic gowns it became apparent that there was a need to consider commissioning of a gown to be worn by the Deputy Mayor on such Civic Events referred to above. The cost of such provision is therefore set out in the financial implications section below.

Financial Implications

14. Section 249 (6) of the 1972 Act allows Councils to spend a "reasonable sum" on the presentation of an address to the Honorary Alderman. Other Council's provide Honorary Aldermen with special badges or jewels similar to those worn by former Mayors and Chairmen. The proposed arrangements outlined within this report are therefore in accordance with practice adopted by other authorities throughout the country.

15. An estimate of the cost of the items of regalia is set out below and may fluctuate depending upon the exact specification agreed as the Council moves towards the actual Award Ceremony.

	£
• Alderman badges - £300 per badge x 14	= 4,200.00
• Eight ceremonial gowns at £100 each	= 800.00
• Eight Aldermanic collarettes at £50 each	= 400.00
• Robe for Deputy Mayor	= 1,200.00
• Commissioning of Roll of Honorary Aldermen Board	= 1,500.00
• Sign writing to record the names of the Honorary Aldermen	= 800.00
• Register of Honorary Aldermen	= 150.00
Total	9,050.00

The above estimate will cater for the ceremony for 2019, however there will be no further expenditure until 2023 when the cost will be significantly less as it would only need to cover the cost of individual badges and the signwriting on the Roll of Honorary Aldermen Board. As mentioned previously, it is considered that the cost of the reception afterward the ceremony can be contained within the existing Mayoral budget for Civic events.

Next Steps in Process

16. Subject to approval of the Cabinet's recommendation by Council in February 2019, Officers will commission the required regalia, gowns and arrange for the production of a Roll of Honorary Alderman Board. It is suggested that the finalisation of the arrangements associated with this and other ceremonial matters be delegated to the Head of Legal and Democracy in consultation with the Leader of the Council and the Member Champion of Military Covenant and Ceremonial Liaison and this is reflected as a distinct recommendation within this report.

Conclusion

17. It is believed that the introduction of this Civic recognition gives an added dignity and Civic dimension which endorses and supports the history and heritage of the Borough.

Portfolio Holder's Views

18. The Portfolio Holder is the Leader of the Council and he is supportive of the proposals outlined within this report.

Contact and Email

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ASHFORD
BOROUGH COUNCIL

Agenda Item No: 11

Report To: The Cabinet

Date: 14th February 2019

Report Title: Ashford College Campus: Extension of the time period of the loan for the Phase 1a development

Report Author: Andrew Osborne, Economic Development Manager

Portfolio Holder: Cllr Gerry Clarkson, Leader of the Council

Summary:

Following the approval by Cabinet and Full Council in July 2016 for the loan to West Kent and Ashford College to deliver Phase 1 and 1a of the new Ashford College Campus on Elwick Road, the Cabinet noted the Chief Executive's use of delegated authority in September 2018 to convert the £2 million loan for Phase 1 to grant. Approval was granted for the funding agreement between West Kent and Ashford College and Ashford Borough Council, which included terms enabling the loans to be extended. The College have now approached the Council to extend the £1million loan for Phase 1a until March 2021 when this development is due to have been completed and the loan would then convert to grant. This report updates members on the College's current progress and seeks approval to extend the timescales within the funding agreement.

Key Decision: NO

Affected Wards: All Wards

Recommendations: **The Cabinet be asked to:-**

- I. **Recommend that the Council agree to extend the remaining loan to West Kent and Ashford College in the sum of £1m, to be used for the sole purpose of the development of Phase 1a of the Ashford College Campus on Elwick Road, until 31st March 2021;**
- II. **Recommend that the Council delegate authority to the Director of Law and Governance in consultation with the Director of Finance and Economy to execute and complete all necessary documentation to give effect to the above recommendation.**

Policy Overview: The loans provided to West Kent and Ashford College have secured the release of other external funding streams, and will enable delivery of Phase 1 and 1a of the Ashford Town Centre College Campus.

The College Campus is one of the Council's "Big 8" projects and is strategically important in delivering better further education provision, the regeneration of Ashford Town Centre and growth within the Borough.

This project is identified within the Council's Corporate Plan 2015-20, under Priority 1, Enterprising Ashford: Economic Investment and Growth as a key priority project.

Financial Implications:

The changes to the Funding Agreement for the loan with West Kent and Ashford College, allowing the extension of the Phase 1a loan, do not have any financial implication on the Council, as the loan was originally due to be converted to a grant by July 2018 or December 2018 under the original programme and funding agreement. With the extension of the loan for the Phase 1a development, interest will be paid on the loan during the period of the extension through to the end of March 2021 therefore providing an additional return for the Council during this period.

Risk Assessment

No – a risk assessment was completed as part of the original cabinet decision to loan this funding.

Equalities Impact Assessment

Not necessary the report deals with a financial transaction.

Exemption Clauses:

No

Contacts:

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Report Title: Ashford College Campus: Extension of the time period of the loan for the Phase 1a development.

Purpose of the Report

1. To report to Cabinet on West Kent and Ashford College's request to extend the loan for the Elwick Road Phase 1a development from the end of December 2018 until the end of March 2021 and seek their approval for this extension.

Issue to be Decided

2. Whether Cabinet are happy to approve an extension to the Ashford College Phase 1a loan, the time period of the extension, and whether Cabinet are happy to delegate authority to the Director of Finance and Economy, and Director of Law and Governance to agree the required changes to the current Funding Agreement.

Background

3. This report follows the reports to Cabinet of February 2015, July 2016 and September 2018. The first report approved a bridging finance loan of £2m for the college, which was to be repaid from the proceeds of the disposal of the Jemmett Road campus.
4. At the Cabinet meeting of the 14th July 2016 and the Full Council meeting of the 21st July 2016, the Council approved bridging loans of up to £3 million to support the delivery of the new Phase 1 and Phase 1a Ashford College Campus developments. The conversion of these loans into a grant was dependent on completion of both developments and successful operation of the College Campus for one term. The loans were split £2 million for Phase 1 and £1 million for Phase 1a, to support the overall funding programmes required for each Phase. Both Phase 1 and 1a were due to be delivered at the same time when the original funding agreement was put in place.
5. The Council approved the terms of this loan as set out in the Heads of Terms agreed with West Kent and Ashford College, and reported as an exempt appendix to the July Cabinet report.
6. Three areas of the Heads of Terms were varied and approved by Cabinet on 13th October 2016, to enable a funding agreement between the Council and West and Ashford Kent College, and an intercreditor agreement between the Council, West Kent and Ashford College and their primary lender to be entered into.
7. In order to support the ongoing financial and academic success of the new Ashford College, and with the Phase 1 building delivered successfully and operational for one academic year. The Chief Executive exercised her delegated authority on the grounds of urgency (Part 3, Appendix 5 of the Constitution, section 4.9) to authorise changes to the Funding Agreement,

which was reported to Cabinet in September 2018. This converted the £2 million loan for the Phase 1 development into a grant from 31st July 2018. The remaining loan under the agreement is the £1 million loan for the Phase 1a development, which has not yet been converted into a grant.

8. The Phase 1a development will comprise of a 2,500m² engineering, motor vehicle, motor sport, electrical, plumbing, and energy training centre.

Extension of the Phase 1a Loan within the existing Funding Agreement.

9. The original expectation was that both loans for Phase 1 and 1a of the Ashford Town Centre Campus would have been converted to grants by July 2018 on the original timescales for the delivery of the buildings. In July 2018, West Kent and Ashford College requested the extension of the Phase 1a loan from July 2018 to the end of December 2018, as provided for within the terms of the original funding agreement. Within the funding agreement there is also the allowance for one further extension of the loan beyond December 2018 through negotiation with the Council to take into account any delays to the project. The length of this extension is not set out within the original funding agreement, and this report therefore seeks Cabinet approval for the requested extension from Ashford College.
10. The College completed construction of Phase 1 in September 2017, and this has been open to students for over one full academic year.
11. During the construction phase, the ground works for Phase 1a were completed allowing the College to benefit having a single contract for ground works of both Phases, and the Council's £1m loan has been used to fund these works.
12. The College has been very successful meeting and exceeding the targets that it has set itself in its business plan for attracting student numbers to the Phase 1 development. As part of this a review of the mix of courses that are provided from Phase 1a has been undertaken and the original scheme has undergone a number of changes to the internal design that has delayed the start of construction.
13. The College has now completed the sale of the Jemmett Road site and has moved into temporary sites on Wotton Road and Repton Park for the provision of engineering, construction and motor vehicle courses. It has also submitted a bid to the Education and Skills Funding Agency (ESFA) Transaction Unit as part of the College's proposals to merge West Kent and Ashford College and the Hadlow group. This bid is seeking funding for the restructuring of the College's finances to reduce their debts and provide capital investment to support the Phase 1a development in Ashford as well as other capital investment within the Hadlow Group.
14. If this current ESFA bid is successful, this will enable the full funding to be in place for the Phase 1a development in February 2019. Contracts for the construction of Phase 1a are then due to be awarded in May 2019, with construction starting on site in July 2019 and completing by June 2020. The

Phase 1a building will then be fitted out over the summer of 2020 ready for students from September 2020. In order to support these timescales, the College have requested that the existing £1 million loan be extended to the end of March 2021, to allow for completion of construction, one term of operation of the new building, and an allowance for a further term for any delays in order to then be able to comply with the conditions for the loan to convert to a grant in March 2021.

15. The original funding agreement allows for the provision of this last extension to the loan, but Cabinet are ask to approve the timescales. In addition the interest rate charged for this loan during the period of the extension will need to be set, and it is recommended that this is continued at the rate agreed within the original funding agreement for the period up until the end of December 2018. It is also requested that Cabinet delegate authority to the Director of Finance and Economy, and the Director of Law and Governance to complete a deed of variation to the original funding agreement bringing this extension into effect.

Other Options Considered

16. The other options considered were to not extend the loan, or extend the loan for a shorter period of time. Both of these options would potentially jeopardise the delivery of the Phase 1a development, by reducing the budget available for the build, or reducing the time available to deliver the project. The proposal in this report will enable the project to be delivered within the current programmed timescales for the College, without the need to negotiate a new funding agreement between the Council and West Kent and Ashford College.

Next Steps in Process

17. The Economic Development Manager and Principal Solicitor for Property and Projects will work with the Director for Finance and Economy and the Director for Law and Governance to implement the decision from Cabinet. If the recommendations set out in the report are agreed, the change will be implemented through a deed of variation to the existing Funding Agreement.

Conclusions

18. The recommendations set out in this report to extend the current Funding Agreement and £1 million loan facility until 31st March 2021, will provide the support required to West Kent and Ashford College to enable them to continue to deliver the critical next stage for the Ashford Town Centre Campus, Phase 1a. This will support the continued progress of the College in raising the quality of provision of FE and HE courses within Ashford Borough.

Portfolio Holder's Views

19. "Delivery of Phase 1a of the Ashford College town centre campus is essential to fulfil the needs of local residents and businesses for sustainable technologies, engineering, and automotive skills. The extension of this loan

agreement will enable the College to take forward the delivery of this important facility that will benefit the borough.”

20. Cllr Gerry Clarkson, Leader of the Council

Contact: Andrew Osborne, Economic Development Manager

Email: andrew.osborne@ashford.gov.uk

Agenda Item 12

Agenda Item No: 12
Report To: Cabinet
Date of Meeting: 21st February 2019
Report Title: Solar Farm Project
Report Author & Job Title: Giles Holloway
Development and Regeneration Manager
Portfolio Holder Cllr Graham Galpin
Portfolio Holder for: Corporate Property and Projects

Summary: The report proposes a solar farm on land in Council ownership as the optimal use for a 50 acre site located in Shadoxhurst. This proposal would to deliver an income generating project which will provide a return (IRR) including all costs of 6.7%. The use of the land generates significant income to the Council. The proposal will have low environmental impact, allows grazing to continue and promotes sustainable production of sustainable green electricity.

The proposal is predicated on the Local Planning Authority approval of the detailed planning application for the site.

Key Decision: Yes

Significantly Affected Wards: Shadoxhurst and Kingsnorth

Recommendations: Cabinet recommends to Council to

- I. Agree that, subject to planning approval and public consultation, a solar farm is the optimal use for the site in which provides a significant income stream to the Council, in doing so further diversifies the Council's Corporate Property Portfolio.
- II. Approval to spend £5.94m as outlined within the report and give delegation to the Director of Finance and Economy in conjunction with the Portfolio Holder for Finance to agree the optimal funding solution.
- III. to delegate authority to the Head of Legal & Democracy and the Head of Corporate Property and Projects to agree and enter into all documents required to give effect to the above recommendations

Policy Overview: Income generator to maintain services in doing so provides

both sustainable and green energy

Financial Implications:

Further assist in providing income to support the Council's Medium Term Financial Plan. There will be the need to mitigate risks of delivering project and have planned maintenance in place to ensure continuity of energy production.

Legal Implications

Permission from District Network Authority to connect to power network.

Equalities Impact Assessment

In attached appendix (not yet)[add]

Other Material Implications:

Procurement and contracts with contractors and consultants in this particular sector.

Background Papers:

None

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Appendix A – Site Location Plan and Aerial View

Appendix B – Financial Appraisal of Site

Appendix C – Equalities Impact Assessment

Report Title: Solar Farm Project

Introduction and Background

1. The Council has purchased a 50 Acre site in 2017; currently the land is used for grazing and has a tenant. This does not appear to be the optimal use for this land. There is little scope for alternative agricultural use, this is reinforced by a Natural England versatility grading.
2. The Council procured advice from the Association for Public Service Excellence (APSE) in order to understand if there is an opportunity to install and harvest the power and/or any potential income from a solar arrays on this site. This brief was amended and were advised this type of project takes time to reach fruition and there can be good reason for not proceeding with some sites. As part of the brief ,others sites were appraised and this site was considered as the preferred location
3. Sites were surveyed along with other Council property for its potential. Based on the criteria below this site was deemed to be a good location as a solar farm. Constraints considered were:
 - a. Shading by planting or buildings on any potential solar array.
 - b. Topography if site.
 - c. Proximity to development and visual impact.
 - d. Site boundaries with respect to reducing visual impact.
 - e. Quality of the land when agricultural.
 - f. Capacity of the local power network.
4. APSE met with all stakeholder Services within the Council. The size of the project and anticipated interests from the community, concludes a feasibility of any site is critical.in fully understanding the issues to be resolved, a number of services within the Council were consulted
5. :
 - a. Planning and Development – Appropriate pre application advice.
 - b. Finance – Would the funding be available if approved.
 - c. Corporate Property and Projects – Facilities management of asset
 - d. Legal Services – Understanding the ownership and constraints of the land.
 - e. Media Services – Awareness of the project and handling issues, projects of this type can be controversial, they are unusual and require additional information circulated and consultation.
6. APSE an industry expert has reported on the suitability of the site, submission of business model and advice of next steps.

Proposal/Current Position

7. The initial 50 Acre site considered in Shadoxhurst has support from all stakeholder within the Council and passes the assessment made by APSE.

Site location and aerial view in Appendix A. Other sites brought forward had positives, some could be reviewed at a later date, but were not seen as viable at this time.

8. The location is a semi-rural site away from the local roads; so visual impact is low. The trees and hedges to the perimeter of the site further obscure the view of the site. The size of the site enables the system to be in a position which is not shaded while being screened by the boundary treatment.
9. The location of the site is at the end of a lane and has direct access onto the highway. There is an opportunity to connect with the National Grid at this point and the development nearby would suggest the infrastructure will be adequate for the installation. The access is also sufficient to allow access for the plant for the installation of the array.
10. The proposal is for a system just under a Mega Watt (900KWh system) in size and would feed the National grid direct. There is not an opportunity to supply an industrial or commercial property in the locality. The size of the system means that the rate earned by selling to the grid is basic, but it is expected to change as the network requires greater resilience as power stations continue to age without replacement.
11. The type of installation will be rows of frames each holding several panels. Each frame will have a single stanchion and foundation pile to secure. This means there is minimal damage to the ecology of the field and grazing can continue after the installation. There is not a substantial financial barrier to changing the use of the field sometime in the future.
12. This scheme will be subject to a full planning process and an application will need to be submitted and considered. APSE were satisfied that the Council has sufficient resource to make a planning application for this system with the appropriate advice.
13. APSE have submitted a report and business plan to support the 9MWh system with all electricity sold to the grid. The calculations shows this proposal is viable. The internal rate of return with all development costs accounted for has been calculated to be just under 7% (6.7%). [include the APSE report?]
14. This project will generate an estimated £7M over a 25 year period once all capital costs, repairs maintenance and interest on any borrowing.
15. The capital costs construction a solar farm are limited to the installation of the panels and the plant to collect and convert the electricity generated from the panels to AC which can be used by the National Grid. The installation of the frames and plant will be £600 per KWp, which is a current and generally consistent costs for the efficiency and cost of panels at the moment. There are other costs associated with grid connection; £50 KWp, planning fees and advice to enable robust planning application and procurement processes which are of equal magnitude £45k as a lump sum.

Implications and Risk Assessment

16. The Council has received numerous reports on air quality and the shift to sustainable energy is a key element to tackling air quality issues. The project will also support the reduction of the boroughs carbon footprint and contribute toward tackling the climate change agenda.
17. The impact on Wildlife of schemes of this nature has been proved to be minimal. The Panel frames have minimal foundations reducing their impact and enabling the site to be returned to its original condition at the end of the project. The space under the panels can create additional habitat to support the species diversity. It would also be possible to maintain grazing under the panels if necessary.
18. There can be concerns over the impact of these schemes on the appearance of the area. This would be managed through the inspection and maintenance of the site boundary and where needed these could be enhanced. Third party advice has suggested that the site is suitable for a scheme with minimal impact on the local environment.
19. Planning Consent – Pre application advice and consultations is required to make sure the application is comprehensive and robust.
20. Network capacity – Make DNO (District Network Operator) application. There is development in the location and indication are the network can accommodate the size of system. The Solar farm will also contribute towards maintain the stability of the network, using local generation to maintain power supplies.
21. Technical Performance – Employing qualified persons to specify work so the system size can be achieved.
22. Site based Issues – Appropriate surveys to understand conditions on site to reduce risk.
23. Contract failure in delivery – Robust procurement process
24. Weather damage and security – Appropriate design, buying the right products and insurance.
25. Plant and equipment Warranties – Advise on appropriate warranties

Equalities Impact Assessment

26. Members are referred to the attached Assessment at Appendix 3. There are no adverse impacts identified.

Consultation Planned or Undertaken

27. Ward members have been consulted and are supportive of the project.
28. Key Council Services consulted to enable appropriate resource management.

29. Key Council services and members will be updated at significant milestones in the project.
30. These type of developments can be controversial, because of size and lack of information, this will need to be carefully handled. Local consultation with Parish Council/s and community we will expect to complete a voluntary consultation process which we will use to inform the planning application. If we proceed to a formal planning application then there will be a further statutory consultation process which will inform the Local Planning Authorities decision.

Other Options Considered

31. Other development is limited because of location.
32. Continue to graze land with current tenant.

Reasons for Supporting Option Recommended

33. Shows the Council as a leading in sustainable energy production and reinforcement of the district network.
34. Approval of this stage will allow Officers to consult with the public on the scheme and its design to inform the strategic approach to the site.
35. Income generating project, supporting the Councils entrepreneurial ethos and securing future Council services in a challenging economic climate.

Next Steps in Process

36. Mitigate the risks identified (see 12-19 above).
37. Design and submit a planning application. Some expertise will be sought to make a sound and robust application.
38. With greater knowledge of the industry, procure main contractor for the installation of the array.

Conclusion

39. This is an income generating project which has shown it is viable at this 50 acre site in Shadoxhurst. This report seeks approval to proceed with the proposed 9MWh solar farm which also shows the Council as a lead in sustainable and renewable projects.
40. This report also seeks support in recommending prudential borrowing to enable the delivery of this scheme with the knowledge of an estimated 11 year payback period and a project IRR of 6.7%.
41. The project team would seek to mitigate the risks identified and submit a planning application for the solar farm. Further expertise would also be sought

at planning and procurement stage from APSE (Association for Public Service Excellence).

42. There should also be a renewables strategy for existing assets, new acquisitions and new buildings constructed by the Council; to reduce the Councils carbon foot print, show its commitment to sustainable energy and reducing fuel costs of civic property and look at ways of sharing any savings with the local community.

Portfolio Holder's Views

43. This project is a vital part of improving air quality by producing electricity through photovoltaic generation. The project will also make a significant contribution to the financial sustainability of our Council.
44. I am content that there will be comprehensive local consultation as part of the planning process to ensure residents support the solar generation as detail.

Contact and Email

45. Giles Holloway - Development and Regeneration Manager Corporate Projects and Property E:giles.holloway@ashford.gov.uk , M:07766258351

Appendix A– Site and location plan



Plan of Land at the end of Blindgrooms Lane Shadoxhurst



Aerial view of Land at the end of Blindgrooms Lane Shadoxhurst

Appendix B – Financial Appraisal of Site

Owner of Solar Photovoltaic Power Plant	
Name	9mWp Ground Mounted Project - 100% Grid sales
Company:	0
Address	Blindrooms Lane

Project Summary	
Business Model:	Export Electricity
Type of Installation	Ground Mounted
Average Plant Size	9,000.00 kWh
Electricity Generated	9,177,300.00 kWh/p.a
Irradiation Per kWp	1030 kWh/kWp
Radiation Database	Classic PVGIS

Revenue Streams		
None	0	£/kWh
PPA	0.05	£/kWh

Project Financial Ratios	
Project IRR	<u>6.68%</u>
Equity IRR	<u>31.9%</u>

Capital Structure		
Costs	£	5,850,000.00
Development costs	£	90,000.00
Total Costs	£	<u>5,940,000.00</u>
Leveraging Options		
Equity (Investment)	0%	£ -
Debt	100%	£ 5,940,000.00
Nominal Debt Interest Rate		£ 0.04

Financials			
		1st 12 months	25 Years Total
Electricity Generated	kWhrs	9,177,300.00	218,750,157.87
Incentive		£ -	£ -
PPA		£ 458,865.00	£ 20,673,834.59
Offset Electricity Saving/Private wire benefit		£ -	£ -
Insurance		£ 27,000.00	£ 922,259.63
(CBT) Per MW		£ -	£ -
Gross Income		£ 458,865.00	£ 20,566,023.59
Leveraged			
Investment		£ -	
Net Profit		<u>£ 7,067,665.65</u>	
Unleveraged			
Investment		£ 5,940,000.00	
Net Profit		<u>£ 9,585,188.53</u>	

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.

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 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.

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:	Giles Holloway
Decision maker:	Cabinet
Decision: <ul style="list-style-type: none"> • Policy, project, service, contract • Review, change, new, stop 	<p>Agree that, subject to planning approval and public consultation, a solar farm is the optimal use for the site in which provides a significant income stream to the Council, in doing so further diversifies the Council's Corporate Property Portfolio.</p> <p>Approval to spend £5.94m as outlined within the report and give delegation to the Director of Finance and Economy in conjunction with the Portfolio Holder for Finance to agree the optimal funding solution.</p> <p>to delegate authority to the Head of Legal & Democracy and the Head of Corporate Property and Projects to agree and enter into all documents required to give effect to the above recommendations</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.	21 st February 2018
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 report proposes a solar farm on land in Council ownership as the optimal use for a 50 acre site located in Shadoxhurst. This proposal would to deliver an income generating project which will provide a return (IRR) including all costs of 6.7%. The use of the land generates significant income to the Council. The proposal will have low environmental impact, allows grazing to continue and promotes sustainable production of sustainable green electricity.</p> <p>The proposal is predicated on the Local Planning Authority approval of the detailed planning application for the site.</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>The following policies have been identified and this project address the ambitions of the Council. Sustainable development, promoting environment excellence and leading by example with renewable energy.</p>
Consultation: <ul style="list-style-type: none"> • What specific consultation has occurred on this decision? 	<p>Consultation has taken place with colleagues in Legal Services, Planning and Development, Finance, and Corporate Property Services, and ward members.</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>The consultation has been to identify if in principle this site could support this kind of development, understand the processes and procedures required to bring the project to fruition. Identifying adequate and appropriate resource to deliver and maintain.</p> <p>Further consultation will be carried out with ward members and the communities in and adjacent to the development. This will be voluntary process prior to the statutory consultation of the planning process.</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	High	Neutral
Middle age	High	Neutral
Young adult	High	Neutral
Children	High	Neutral
<u>DISABILITY</u> Physical	High	Neutral
Mental	High	Neutral
Sensory	None	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

<p>Mitigating negative impact:</p> <p>Where any negative impact has been identified, outline the measures taken to mitigate against it.</p>	There is nothing to mitigate
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<p>Is the decision relevant to the aims of the equality duty?</p> <p>Guidance on the aims can be found in the EHRC's Essential Guide, alongside fuller PSED Technical Guidance.</p>	
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. 	<p>Due regard has been considered throughout this proposal to each protected group.</p> <p>No unlawful discrimination has arisen from the decision.</p> <p>The effect on the community will be positive due to the aims of the programme delivery. No adjustments required.</p>
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<ul style="list-style-type: none">• How will monitoring of the policy, procedure or decision and its implementation be undertaken and reported?	The programme will be monitored by a Project group with regular updates to our Portfolio Holder.
EIA completion date:	6 th February 2019

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Trading and Enterprise Board

Minutes of a Meeting of the Trading and Enterprise Board held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **11th February 2019**

Present:

Cllr. Bell (Chairman);

Cllrs. Clokie, Galpin, Pickering.

In accordance with Procedure Rule 1.2 (iii) Councillor Pickering attended as Substitute Member for Councillor Bradford.

Apologies:

Cllrs. Bradford, Ovenden.

Also Present:

Director of Finance and Economy (in his capacity as Section 151 Officer), Head of Finance (in her capacity as Director of A Better Choice for Property Ltd), Head of Legal and Democracy, Principal Solicitor for Property and Projects (in her capacity as Company Secretary for A Better Choice for Property Ltd), Senior Accountant, Commercial Development Manager (A Better Choice for Property Ltd), Member Services Manager (Operational).

311 Minutes

Resolved:

That the Minutes of the meeting of the Board held on the 8th October 2018 be approved and confirmed as a correct record.

312 Exclusion of the Public

Resolved:

That pursuant to Section 100A(4) of the Local Government Act 1972 as amended the public be excluded from the meeting during consideration of the following items, as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the public were present there would be disclosure of exempt information hereinafter specified by reference to Paragraph 3 of Schedule 12A of the Act, where in the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

313 A Better Choice for Property Ltd – Governance Update

The Head of Legal and Democracy introduced the report from the Company Secretary which set out the governance steps that had been taken following the approval of various matters by the Trading and Enterprise Board in 2018.

The Chairman asked if the Board could receive an update on the reasons behind the recent resignation of one of the non-executive external Directors of the Company. It was agreed that once a response was forthcoming this would be reported on. The Company was currently undertaking its own skills audit which would be used to inform a future recruitment drive for external Directors.

A Member also asked for some reassurance that any non-executive externally appointed Directors had to sign some sort of agreement that they would not divulge commercially sensitive information about the Company's activities. The Commercial Development Manager said that all Directors were certainly made aware of the importance of commercial sensitivity and this would continue to be the case.

It was noted that the Chairman of this Board had been appointed as an Observer to Company Board meetings and he asked to continue to be kept up to date with activities and meeting dates.

Resolved:

- That (i) the report of the Company Secretary be received and noted.**
- (ii) the Board receive an update on the reasons for resignation of one of the non-executive external Directors of the Company.**

Recommended:

- That (i) the Cabinet approves the steps taken by the Company Secretary to implement the decisions previously taken by the Trading and Enterprise Board and subsequently approved by the Council.**
- (ii) the Cabinet recommends to Council to approve the amendment to the Facility Agreement dated 9th September 2014, to enable the Company to on-lend monies borrowed under that Facility Agreement to its wholly owned subsidiary company, A Better Choice for Property Development Limited.**

314 A Better Choice for Property Ltd – Recent Acquisitions – Update Report

The Director of Finance and Economy introduced the exempt report of the Commercial Development Manager of the Company which was considered in accordance with the acquisitions approval process approved by the Council on the 18th October 2018. Approval for the acquisition of the site in question by A Better

Choice for Property Development Limited was granted and was reported to this Board for information in accordance with the agreed financial regulations.

A Member asked if any proposed development on this site should be considered in conjunction with the Council's wider masterplanning for the town centre. The Board considered this was beyond the remit of the Board and would need to be raised elsewhere within the Council. The Board would certainly not want to see anything hinder the Company's ability to develop this site and provide maximum return for both itself and the Council.

Resolved:

- That**
- (i) the report be received and noted.**
 - (ii) it be noted that approval for the acquisition was given by the Director of Finance and Economy, the Portfolio Holder for Finance and IT and the Portfolio Holder for Corporate Property.**
 - (iii) it be noted that exchange of contracts for the purchase of the site had taken place and completion was set for 4th March 2019.**

315 A Better Choice for Property Ltd – Six Monthly Management Update

The Commercial Development Manager of the Company introduced the report which updated the Board on the Company's business activities over the six month period from 1st July to 31st December 2018. He said he would be happy to take any questions at any time on the ground covered in the report, but it was hoped that the report would demonstrate an active and successful six months and that the Company was moving forward in line with its current Business Plan.

Resolved:

That the report be received and noted.

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Local Plan & Planning Policy Task Group

Notes of a Meeting of the Local Plan & Planning Policy Task Group held on the **19th December 2018**.

Present:

Cllr. Clarkson (Chairman).
Cllr. Clokie (Vice-Chairman).

Cllrs. Mrs Bell, Burgess, Galpin, Heyes, White.

Apologies:

Cllrs. Michael, Miss Martin.

Development Partnership Manager.

Also Present:

Cllrs. Blanford, Hicks.

Head of Planning Policy; Principal Policy Planner (IG); Principal Policy Planner (DC); Policy Planner; Housing Operations Manager; Principal Solicitor (Strategic Development); Member Services and Ombudsman Complaints Officer.

1 Gypsy and Traveller DPD - Update

1.1 The Policy Planner introduced this item and summarised the key points within the report.

1.2 The Chairman opened up the item for discussion and the following comments/points were raised:

- The Policy Planner advised that the draft Local Plan Inspectors' report for fact checking had been received and it indicated their agreement that Gypsy and Traveller Accommodation could be dealt with through an individual DPD. Members agreed that this was encouraging news.
- A Member asked if there was a clear definition for the term 'household'. The Policy Planner responded that a household indicated a single pitch. Once grown-up children moved into separate accommodation, albeit on the same site, this would be counted as a second household, which would require a second pitch. These guidelines also applied to grandparents living in separate accommodation on the same site. The Policy Planner added that the definition could not be applied with absolute certainty, but this was the best current measure for calculating households.
- In response to a question about the absence of information regarding the July 2018 pitch count, the Policy Planner said she would follow up on this and respond to Members.

- A Member asked whether a buffer was required, in the same way as for bricks and mortar housing requirements. The Policy Planner added that this was not the case as it was only necessary to meet the Gypsy and Traveller Accommodation Assessment (GTAA) target. Members agreed that it was desirable to be as accurate as possible in terms of pitch provision whilst still meeting the requirements.
- The Head of Planning Policy explained the recommendation for cross-departmental working. He said it was important to understand the current role of the whole Council in operating sites and what control was needed to continue operation in future.
- Members agreed that further time was required to digest the report fully, and that it would be considered again at a future meeting.

Resolved

That the Local Plan & Planning Policy Task Group notes the updated information contained within the report and endorses the following actions as part of the preparation of a Gypsy & Traveller Accommodation DPD:

- i) That officers set up a cross departmental working group to improve knowledge of and response to issues surrounding Gypsy and Traveller sites;**
- ii) That officers implement a revised monitoring system.**

2 MHCLG consultation – Supporting the high street and increasing the delivery of new homes

2.1 The Head of Planning Policy introduced this item and highlighted the main points in the report. He said some of the proposals could have significant impact on the Council's ability to shape and plan potential developments in future.

2.2 Members discussed the proposals as follows:

- a) Allowing greater change of use to support high streets to adapt and diversify
 - Members considered that although this proposal may not pose a problem for town centre high streets, it could create significant problems in villages and local or district centres, such as Repton Park. A Member suggested that it was very important to clarify that this proposal related to town centre high streets only, and not to villages and smaller urban centres. Members agreed that the Council's response should emphasize its concern over this point.
 - In response to a question, the Head of Planning Policy explained that where planning permission was required, the Council's planning policies would apply. However, where permitted development was allowed subject only to prior approval, the Local Plan did not hold weight.

b) Temporary changes of use

- Members agreed with the suggested response.

c) Amendments to the Use Classes Order

- Members discussed their concerns about this proposal and the potential reduction in the Council's ability to impose planning controls on large parts of the town centre. It was also noted that the proposal could lead to parking problems in villages. The Head of Planning Policy said that whilst it was possible to argue the potential merits of this proposal more clearly in a town centre high street, it was harder to see any benefits in other areas. Members agreed that this view should be reflected in the Council's response.

d) Extending buildings upwards to create additional homes

- Members were strongly against this proposal and agreed that the Council's response should indicate this view.

e) Installation of public call boxes and associated advertisement consent

- Members agreed with the proposed response.

f) Electric vehicle charging points

- Members discussed concerns regarding the capacity of power cables where charging points were installed under existing PD rights and whether electric vehicle charging points were fit for purpose. It was agreed that these concerns should be included in the Council's response.

g) Making permanent two time-limited PD rights

- Members agreed the proposed responses to parts i) and ii).

h) Supporting housing delivery by allowing for the demolition of commercial buildings and redevelopment as residential

- Members expressed concern over this proposal, and considered that it would substantially reduce the Council's ability to control the quality of development in the Borough. Members agreed with the proposed response.

Other elements in the consultation document

Members agreed that none of these issues should raise any concerns for the Council and no specific response was required.

Resolved

That, subject to the additional comments raised by the Task Group in discussing the proposals, the Local Plan and Planning Policy Task Group endorses the proposed responses to the consultation set out in the report and requests the Portfolio Holder for Planning & Development to respond to MHCLG on behalf of the Council.

3 Local Plan to 2030 – oral update on the Inspectors’ Report

- 3.1 The Head of Planning Policy advised that Officers had now received the Inspectors’ report for fact checking, prior to publication of their final report. Officers would respond by the end of the week, and expected to receive the final version of the report during the first week of January 2019. The Head of Planning Policy confirmed that the Inspectors would find the Local Plan sound, subject to the main modifications introduced during Autumn 2018, with some very minor changes. The final report would be a useful basis to demonstrate to residents that the Council were taking a pragmatic approach to planning. The report would come to this Task Group in January, before being submitted to Full Council in February for adoption.
- 3.2 The Head of Planning Policy said he was proud of what had been achieved. The Chairman said that, on behalf of the Administration, he was very grateful to Officers for their achievement, and he offered his congratulations. He considered that there had been a good result from the Public Examination, and recognised the large volume of work this had involved for Officers. The Head of Planning Policy thanked the Chairman, and said his remarks were appreciated. He would circulate the Inspectors’ Report to Members when available.

4 Dates of Next Meetings

- 4.1 23rd January 2019 2pm Council Chamber

Post Meeting Note - the meeting scheduled for 8th February will be moved further back to late February/early March. Details to be advised.

Councillor Clarkson
Chairman – Local Plan & Planning Policy Task Group

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Agenda Item No: 14

Report To: CABINET

Date: 14TH FEBRUARY 2019

Report Title: SCHEDULE OF KEY DECISIONS TO BE TAKEN

Report Author and Job Title: Danny Sheppard, Member Services Manager (Operational)

Portfolio Holder: Portfolio Holders are individually specified in the attached Schedule.



Summary: To set out the latest Schedule of Key Decisions to be taken by the Cabinet of Ashford Borough Council.

Key Decision: NO

Significantly 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

Legal Implications: n/a

Equalities Impact Assessment n/a

Other Material Implications: Nil

Exempt from publication: No

Background None

Papers:

Contacts:

danny.sheppard@ashford.gov.uk – Tel: 01233 330349

**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; Gareth Bradford; Paul Clokie; Graham Galpin; Alan Pickering; Neil Shorter; and Gerald White.

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
14th February 2019					
Financial Monitoring – Quarterly Report	<i>Quarterly budget monitoring report</i>	Cllr Shorter	Maria Stevens	Open	9/2/18
Revenue Budget 2019/20	<i>To present the draft revenue budget for 2019/20 to the Cabinet for recommendation to Council.</i>	Cllr Shorter	Maria Stevens	Open	9/2/18
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	Will Train	Open	9/2/18

Decision Item	Report Summary	Relevant Portfolio Holder	Report Author	Open or Exempt	Added to Schedule
Proposed Honorary Alderman Scheme	<i>To set out proposals for how the scheme will apply for Ashford and ask the Cabinet to make appropriate recommendations to the Full Council Meeting. The report will also seek to afford the title of Mayor Emeritus to past Mayors and establish a 'Civic Emeritus Mayoralty' and 'Honorary Aldermanic Group' who will be invited to support the Mayor at the Annual Civic Service and Remembrance Sunday commemorations.</i>	Cllr Clarkson	Keith Fearon	Open	23/11/18
Ashford College Campus - Extension of the time period of the loan for the Phase 1a development	<i>To update on the College's current progress and to seek approval to extend the timescales within the funding agreement.</i>	Cllr Clarkson	Andrew Osborne	Open	12/12/18
Solar Farm Project	<i>To present a solar farm as the optimal use for a site the Council owns and to ask for support to deliver an income generating project that has a return (IRR) including all costs of 6.12%.</i>	Cllr Galpin	Giles Holloway	Open	19/12/18
14th March 2019					
Annual Pay Policy Statement (Including Review for 2019/20)	<i>A review of the annual Pay Policy Statement and Ashford Living Wage Allowance</i>	Cllr Pickering	Michelle Pecci/ Joy Cross	Open	9/3/18

Decision Item	Report Summary	Relevant Portfolio Holder	Report Author	Open or Exempt	Added to Schedule
Cycling and Walking Strategy	<i>To seek support for the proposed programme of measures to make the Borough and the town of Ashford, an 'active travel' destination.</i>	Cllr Bennett	Simon Harris	Open	4/9/18
Ashford's Environmental Approach		Cllr Bradford	Angela d'Urso	Open	4/12/18
Church Road, Sevington Open Space Play Area	<i>To seek agreement to the authorisation of Highways England funding to support the local community of Sevington for works that are compatible with the relevant Borough strategies.</i>	Cllr Bennett	Amanda Scott	Open	26/11/18
Repton Park Community Facilities Commuted Sum	<i>To agree a framework to allow the Trust to draw down S106 funding.</i>	Cllr Bennett	Simon Harris	Open	19/11/18
The Future Ashford Town Centre: Draft Vision and Action Plan	<i>To set out a draft vision and action plan for the Town Centre, informed by the findings from the consultation which will be appended to the report.</i>	Cllr Galpin/ Clokie	Richard Alderton/ Lorna Ford	Open	15/11/18
Station Road Multi-Storey Car Park	<i>To provide the outcomes of the feasibility study and propose options along with costings, risks and a delivery timetable for the construction of a multi-storey car park for Station Road, Ashford.</i>	Cllr Galpin	Steve Parish/Jo Fox	Open	9/11/18

Decision Item	Report Summary	Relevant Portfolio Holder	Report Author	Open or Exempt	Added to Schedule
Former Mecca Bingo Hall and Vicarage Lane Car Park – Next Steps	<i>To provide Cabinet with details of the proposed development scheme and ask for approval to work said scheme up into a planning application. Also to recommend the selection and appointment of a JV partner to work with the Council to deliver the project.</i>	Cllr Clokie	Richard Alderton	Open	24/10/18
Data Protection Policy	<i>To introduce a revised Data Protection Policy fully redrafted to bring the councils data protection policies up to required standards.</i>	Cllr Clarkson	Tom Swain	Open	3/1/19
East Kent Growth Board – Business Rate Retention Pilot		Cllr Shorter	Tracey Kerly	Open	20/9/18
Council's response to the consultation on the Folkestone & Hythe District Council Core Strategy Review		Cllr Clokie	Simon Cole	Open	1/2/19
Short Stay Temporary Accommodation		Cllr White	Donna Michael	Open	1/2/19
11th April 2019					
Adoption of Village Envelope Boundaries		Cllr Clokie	Simon Cole	Open	3/12/18

Decision Item	Report Summary	Relevant Portfolio Holder	Report Author	Open or Exempt	Added to Schedule
Ashford Health and Wellbeing Board – Annual Update 2018/19 and the Way Forward		Cllr Bradford	Angela d’Urso	Open	7/11/18
Local Development Scheme – Update		Cllr Clokie	Simon Cole	Open	4/1/19
Householder Duty of Care Fixed Penalty Notice	To identify options for new fixed penalty notices for breaches of the household waste duty of care.	Cllr Mrs Bell	Mark Goodman	Open	22/1/19
Environmental Crime Enforcement – In House Team		Cllr Mrs Bell	Mark Goodman	Open	22/1/19
MAY 2019 – NO MEETING DUE TO BOROUGH COUNCIL ELECTIONS					
13th June 2019					
Final Outturn 2018/19	<i>Final budget outturn for previous financial year.</i>	Cllr Shorter	Maria Stevens	Open	18/6/18
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	Will Train	Open	18/6/18

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 Clokie	Lois Jarrett	Open	18/6/18
Animal Policy Update		Cllr Bradford	Angela d’Urso	Open	4/12/18
Conningbrook Masterplan	<i>To introduce the draft masterplan which provides a conceptual plan for the park and the main features to be delivered within it, with S106 contributions from current and potential future developments. The report will also confirm indicative costs and delivery timescales.</i>	Cllr Bennett	Len Mayatt	Open	4/9/18
11th July 2019					
Revenues & Benefits Recommended Write-Offs Schedule	<i>Proposed formal write-off of debts</i>	Cllr Shorter	Nic Stevens	Open (Exempt Appendix)	13/7/18
Annual Performance Report 2018/19	<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>	Cllrs Clarkson/ Shorter	Lorna Ford	Open	13/7/18

Decision Item	Report Summary	Relevant Portfolio Holder	Report Author	Open or Exempt	Added to Schedule
8th August 2019					
Financial Monitoring – Quarterly Report	<i>Quarterly budget monitoring report</i>	Cllr Shorter	Maria Stevens	Open	10/8/18
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	Will Train	Open	10/8/18
12th September 2019					
Corporate Commercial Property Strategy – 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	14/9/18
10th October 2019					
14th November 2019					
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	Will Train	Open	9/11/18

Decision Item	Report Summary	Relevant Portfolio Holder	Report Author	Open or Exempt	Added to Schedule
Medium Term Financial Plan	<i>To ask Cabinet to note the Medium Term Financial Plan ahead of this year's Budget process.</i>	Cllr Shorter	Maria Stevens	Open	9/11/18
Financial Monitoring – Quarterly Report	<i>Quarterly budget monitoring report.</i>	Cllr Shorter	Maria Stevens	Open	9/11/18
5th December 2019					
Draft Budget 2020/21	<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	Maria Stevens	Open	7/12/18
Council Tax Base 2020/21	<i>To present for approval the estimated 2020/21 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	Maria Stevens	Open	7/12/18
Housing Revenue Account (HRA) Business Plan 2019 – 2049	<i>An annual update of the HRA Business Plan financial projections. This report updates the position for the period 2019-49.</i>	Cllr White	Sharon Williams	Open	7/12/18

Decision Item	Report Summary	Relevant Portfolio Holder	Report Author	Open or Exempt	Added to Schedule
16th January 2020					
Revenues & Benefits Recommended Write-Offs Schedule	<i>Proposed formal write-off of debts</i>	Cllr Shorter	Nic Stevens	Open (Exempt Appendix)	11/1/19

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1/2/19

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