



Agenda

Meeting: **Council**
Date: **27 July 2022**
Time: **7.00 pm**
Place: **Council Chamber - Civic Centre Folkestone**

To: **All Members of the Council**

YOU ARE HEREBY SUMMONED to attend a meeting of the Council on the date and at the time shown above.

Anyone who wishes to have information on any matter arising on the Agenda which is not fully covered in these papers is requested to give notice prior to the meeting to the Chairman or appropriate officer.

This meeting will be webcast live to the council's website at <https://folkestone-hythe.public-i.tv/core/portal/home>.

Please note there will be 37 seats available for members of the public, which will be reserved for those speaking or participating at the meeting. The remaining available seats will be given on a first come, first served basis.

Although social distancing measures have now ended, all attendees at meetings are kindly asked to wear face coverings, unless they are addressing the meeting.

Dr Susan Priest
Chief Executive

Queries about the agenda? Need a different format?

Contact Jemma West – Tel: 01303 853369
Email: committee@folkestone-hythe.gov.uk or download from our
website
www.folkestone-hythe.gov.uk

1. **Apologies for Absence**

2. **Declarations of Interest (Pages 9 - 10)**

Members of the Council should declare any discloseable pecuniary interest or any other significant interests in any item/s on this agenda.

3. **Minutes (Pages 11 - 14)**

To receive the minutes of the meeting of the council held on 30 March 2022 and to authorise the Chairman of the Council to sign them as a correct record.

4. **Chairman's Communications**

5. **Petitions**

There are no petitions to be presented.

6. **Questions from the Public**

The following questions have been received:

1. From Ms E Nicholson to Councillor Monk, Leader of the Council

Bob Moulard is most closely associated with the Sidney Cooper Memorial Fountain, to preserve, maintain, and bring it to a much wider audience, and significance generally. We, his many supporters, therefore propose that the steps that are at the gardens entrance be called Moulard Steps to permanently mark his dedicated public spirited effects there. Therefore we ask, do you support this proposal, and if not, why not please?

2. From Mr Gill to Councillor Field, Cabinet Member for Transport and Digital Transformation

When can it be expected that the on-going problems of parking, traffic congestion and danger to pedestrians along The Stade, Folkestone will be seriously addressed?

7. **Questions from Councillors**

(Questions can be found on www.folkestone-hythe.gov.uk from noon 2 days before the meeting, on Modern.gov, under the agenda for this meeting).

Up to 45 minutes is allowed for questions from councillors.

8. **Announcements of the Leader of the Council**

To receive a report from the Leader of the Council on the business of the cabinet and on matters that the leader considers should be drawn to the council's attention. The leader shall have 10 minutes to make his announcements.

The opposition group will have an opportunity to reply to the leader's remarks. The opposition group leader shall have 5 minutes to respond after which the Leader of the Council will have a right of reply. Any right of reply will be for a maximum duration of 5 minutes.

9. **Opposition Business**

The Labour Group has raised the following matter:

Council Notes

On 1 April 2022, Ofgem increased the energy price cap by 54 per cent.

In light of the increased energy price cap, the average standard tariff energy bill will increase by £693 per year. The average pre-pay meter energy bill will increase by £708 per year (Ofgem, 2022).

Ofgem has also stated that the price cap will further increase in October from £1,971 to £2,800.

That research by consumer group Which? has found that 57% of households have taken some form of action, including cutting back on essentials, taking out loans, and relying on savings or overdrafts to make ends meet due to the cost-of-living crisis.

The Government has suspended the pensions 'triple lock' for 2022/3, meaning Folkestone and Hythe's 26,791 pensioners will see a rise of 3.1 per cent this year (instead of 8.3 per cent under the triple lock formula). This year, this will cost pensioners in Folkestone and Hythe hundreds of pounds.

In 2021/22 Folkestone and Hythe Foodbanks distributed 2983 food parcels to adults and children in need from its 3 centres. This is up from 481 parcels from 2016.

Countless other organisations access food from other sources such as supermarket schemes to distribute to residents on a daily basis.

Local residents even make use of apps that allow them to get free food from shops in the district to save money when possible.

That the decision taken in June 2022 to impose a 'Windfall Tax' on the super-profits of oil and gas companies and to redistribute this as a one-off payment of £400 to households later this year.

The welcoming of a further £650 cost of living payment to those residents

receiving means tested support.

Council Believes

That the support currently on offer is not nearly enough for those residents in the district who will suffer the most with this current cost of living emergency.

That only by working in partnership with the many agencies within the district that currently offer all forms of support, can we reasonably address this emergency.

A collaborative plan to address the cost-of-living emergency should be in place by October.

Council Resolves

To declare a cost-of-living emergency for Folkestone and Hythe.

To build on the good work the council already carries out with regards to its collaboration with the voluntary sector and convene a cost-of-living summit within the district by October, looking at every possible way in which residents can be assisted through what will be a very tough winter.

This summit should involve all the voluntary organisations within the district who currently provide assistance to residents. As well as key organisations such as Kent Police, Citizens Advice, local GP's, and the district school network.

The summit should provide a blueprint for residents to manage through the cost-of-living emergency with regards to, education, funding, and awareness.

To both lobby our local MP and call on the leader of the council to write to the secretary of state for work and pensions for the following:

- Immediately restore the Universal Credit supplement of £20, which was cancelled by the Government in September 2021.
- To increase the rate of universal credit and other support payments to a sum which is appropriate to the current level of inflation.

Debates on opposition business shall be limited to 30 minutes. If the time limit is reached or the debate concludes earlier, the leader of the group raising the item shall have a right of reply.

The Council shall:

- a) Note the issue raised and take no further action;
- b) Refer the issue to the cabinet or relevant overview and scrutiny committee, as the case may be for their observations before

- c) deciding whether to make a decision on the issue;
- c) Agree to examine the matter as part of a future scrutiny programme;
- d) Adopt the issue raised by opposition business provided that the decision so made is within the policy framework and budget.

10. **Motions on Notice**

The following motions have been placed on the agenda in the order received; up to 60 minutes shall be allowed for debates on motions on notice:

1. **From Councillor Gane (Liberal Democrat Group)**

The White Lion Public House building on Cheriton High Street has long been an iconic part of Cheriton's street scene. However, over the last 15 years it has been unused and fallen into disrepair and is now seemingly at risk of collapse.

Most residents would like to see any development keep the previously impressive frontage of the building.

Council therefore calls on Folkestone and Hythe District Council to use compulsory purchase powers, or any other powers available and appropriate, to buy the building and redevelop the site. This Council believes that any such redevelopment should retain the historic frontage, be of an appropriate scale, utilise the ground floor for a community or retail use and the upper parts for social housing to help the community at large.

2. **From Councillor Whybrow (Green Group)**

Residents are deeply concerned about water quality and the impact of regular wastewater discharge, which includes untreated sewage, into our local rivers and seas and the impact on wildlife and on human health.

Releasing sewage into our seas and rivers is no longer an emergency-only situation occurring as a result of severe storms, but an everyday occurrence even in 'normal' rainfall, and that we are in a situation of cumulative overload on the sewage and wastewater system.

According to the Rivers Trust in 2021 there were 20 spills in our district over a period of 164 hours.

Whilst there are long term commitments, there are no plans in place which will address the immediate unacceptable situation either locally by Southern Water or by national government.

Both the local and national planning policy requires a robust approach to both water quality and pollution and a recent legal opinion from the Environmental Law Firm confirms the need to consider cumulative impact. Yet planning consultation documents show that it has not been the practice of council planners to ask Water Companies to report on cumulative impact i.e. whether or not development may lead to any potential increase in 'emergency' discharge into rivers and seas.

This Council resolves to:

1. Recognise this Council's obligation to protect its rivers and seas, including from the cumulative impacts of pollution,
 2. Make sufficient resources available to work proactively with the statutory authorities to ensure that an evidence base is compiled that assesses the cumulative impact of sewage discharge so that this is factored into decisions made in new iterations of the local plan, including the overall level of future development.
 3. Seek to better understand the cumulative impact of wastewater discharge including untreated sewage on our local rivers, wildlife and the health of our residents.
 4. To take a lead on addressing this issue, working constructively with other agencies.
 5. Ask Southern Water, from this date onwards, in its planning consultation responses for major development, to clarify which treatment works will be managing the sewage; whether it has the information available to assess the impact on the number or duration of sewage discharges into local rivers or seas, and if it does have this information to share it (noting that this can only be requested not required).
 6. Request that planning officers, from now onwards, include in all reports relating to major development a specific section on the impact on watercourses including the potential for the development to affect sewage outflow into watercourses (i.e. cumulative impact), or to flag if this information is not fully available, so that this information (or the lack of it) is clearly and transparently set out.
11. **Flexible Use of Capital Receipts Strategy 2022/23 (Pages 15 - 20)**

This report seeks Council approval regarding the Flexible Use of Capital Receipts Strategy for 2022/23 in accordance with the Department for Levelling Up, Housing and Communities latest guidance.

12. **Folkestone and Hythe District Council's Financial Contribution to the council's levelling up fund round 2 application (Pages 21 - 24)**

This report seeks agreement for the Council to allocate funding for the 10% financial contribution required by the government for the council's Levelling Up Fund application.

13. **Review of Political Balance and Committee Membership (Pages 25 - 28)**

This report sets out a summary of the need to review the political balance and membership of committees following the resignation of Councillor Brook to leave the Conservative Group and join the Folkestone and Hythe Independent Group, and Councillor Gane to leave the Conservative Group and join the Liberal Democrat Group.

14. **Report to Council on a decision made in accordance with the constitution's call-in and urgency rule (Pages 29 - 30)**

The constitution provides that, when an urgent decision is made by the Cabinet or Cabinet Member, for which any delay in implementation, likely to be caused by the call-in process, would seriously prejudice the Council's or public interest, then the 'Call-in Rules of Procedure', Part 6.3, rules 1-6 do not apply. Decisions, taken as a matter of urgency, must be reported to the next available meeting of the Council, together with the reasons for urgency.

This page is intentionally left blank

Declarations of Interest

Disclosable Pecuniary Interest (DPI)

Where a Member has a new or registered DPI in a matter under consideration they must disclose that they have an interest and, unless the Monitoring Officer has agreed in advance that the DPI is a 'Sensitive Interest', explain the nature of that interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a DPI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation permitting them to do so. If during the consideration of any item a Member becomes aware that they have a DPI in the matter they should declare the interest immediately and, subject to any dispensations, withdraw from the meeting.

Other Significant Interest (OSI)

Where a Member is declaring an OSI they must also disclose the interest and explain the nature of the interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a OSI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation to do so or the meeting is one at which members of the public are permitted to speak for the purpose of making representations, answering questions or giving evidence relating to the matter. In the latter case, the Member may only participate on the same basis as a member of the public and cannot participate in any discussion of, or vote taken on, the matter and must withdraw from the meeting in accordance with the Council's procedure rules.

Voluntary Announcement of Other Interests (VAOI)

Where a Member does not have either a DPI or OSI but is of the opinion that for transparency reasons alone s/he should make an announcement in respect of a matter under consideration, they can make a VAOI. A Member declaring a VAOI may still remain at the meeting and vote on the matter under consideration.

Note to the Code:

Situations in which a Member may wish to make a VAOI include membership of outside bodies that have made representations on agenda items; where a Member knows a person involved, but does not have a close association with that person; or where an item would affect the well-being of a Member, relative, close associate, employer, etc. but not his/her financial position. It should be emphasised that an effect on the financial position of a Member, relative, close associate, employer, etc OR an application made by a Member, relative, close associate, employer, etc would both probably constitute either an OSI or in some cases a DPI.

This page is intentionally left blank

FOLKESTONE AND HYTHE DISTRICT COUNCIL

Minutes for the meeting of the Council held at the Council Chamber - Civic Centre Folkestone on Wednesday, 30 March 2022

Present: Councillors Mrs Ann Berry, Miss Susan Carey, John Collier, Laura Davison, Gary Fuller, Peter Gane, Clive Goddard, David Godfrey, Mrs Jennifer Hollingsbee, Nicola Keen, Michelle Keutenius, Jim Martin, Philip Martin (Chairman), Connor McConville, Jackie Meade, Ian Meyers, David Monk, Terence Mullard, Stuart Peall, Tim Prater, Patricia Rolfe, Rebecca Shoob, Georgina Treloar, Douglas Wade, Lesley Whybrow, David Wimble and John Wing.

Apologies for Absence: Councillors Danny Brook, Ray Field and Anthony Hills.

74. Declarations of Interest

There were no declarations of interest at the meeting.

75. Minutes

The minutes of the meeting held on 23 February 2022 were submitted, approved and signed by the Chairman.

76. Chairman's Communications

The Chairman gave an update on the 9 events he had attended, which included:

- Buble Song Book fundraiser in Tenterden.
- Common Wealth Flag Raising in New Romney.
- Maidstone Mayor Quiz night fund raiser.
- Dartford Mayor event fund raiser.
- Gravesham Gurdwra Temple event.
- Faversham Ball event fund raiser.
- Sevenoaks Quiz event fund raiser.

He stated that the Vice Chairman had gone on a visit to Shepherd Neame, and also advised that the Deputy Leader had attended the International Ladies Day in New Romney on his behalf.

77. Petitions

There were no petitions to be presented.

78. Questions from the Public

There were no questions from the public.

79. Questions from Councillors

The questions asked, including supplementary questions (if any), and the answers given are set up in Schedule 1, appended to these minutes.

80. **Announcements of the Leader of the Council**

The Leader gave the following announcements:

“Thank you Chairman, and good evening to you all.

A couple of the questions this evening were about Ukraine.

I want to talk about how we individually can support the Ukrainians, both in Ukraine, and in the refugee camps in Poland.

This afternoon the Chief Executive and I visited the coordinating centre run at the Bigjigs site by Peter Ireland, and we learnt just how much people are donating, so far they have arranged for 9 lorries loaded to mainly go to the Ukraine and a few to Poland, and another leaves tonight.

What is becoming evident is that the donations need to become more targeted and without a doubt, the best way to facilitate this is to donate money.

Medicines, food and personal necessities are now a much higher priority and cash donations enable some really good deals to be done, especially for food. Also, they enable purchases to be made in Ukraine and Poland thereby greatly reducing transport costs.

Our website gives the link to the crowd funding site for donations to this initiative. They will still be taking donations in kind as listed on our website under the banner **Support for Ukraine**.

I must say, that the public response to this crisis has been absolutely astonishing.

I hope that tonight will be a stepping stone for the amazing future of Folkestone and Hythe. I am of course, talking about the adoption of the Core Strategy Review, a wonderful piece of work, and it is not just me who thinks so, look at the highly positive remarks from the Inspector. It is never easy to get one of these strategies through the inspectorate but the Dynamic Duo of Adrian and David along with their team have managed it.

So, I publicly thank them for their achievement and hope that this Council will endorse their work by adopting the Strategy tonight”.

Councillor McConville, on behalf of the Opposition, responded to the points raised and stated that he agreed with all the sentiments with regard to the terrible tragedy in the Ukraine, and he welcomed all help. He added that it was important to reflect on the earlier points about how the council could help all refugees in the whole within the town. He added that hopefully these sorts of

outpourings would only increase, and help to deliver aid to places also suffering, such as the Ukraine.

Proposed by Councillor Monk,
Seconded by Councillor Mrs Hollingsbee; and

RESOLVED:

That the announcements of the Leader be noted.

(Voting figures: 27 for, 0 against, 0 abstentions).

81. Opposition Business

The Leader of the Labour Group, Councillor McConville, set out the Opposition Business which related to the council's Statement of Community Involvement.

Proposed by Councillor McConville,
Seconded by Councillor Monk; and

RESOLVED:

That Option (b) (refer the issue to the Scrutiny Committee, for their observations before deciding whether to make a decision on the issue) be agreed for the business below:

That the current "Statement for Community Involvement" document be renewed by the end of 2022.

That engagement take place with all residents and stakeholders of the district with regards to the renewal of the document.

To consider amending but not limiting to the following:

- The title of the document
- Our Community Involvement Principles
- How we consult
- Reaching the Seldom Heard

(Voting figures: 27 for, 0 against, 0 abstentions).

82. Motions on Notice

There were no motions on notice.

83. Gambling Act 2005 - Update to the Statement of Principles

This item was withdrawn from the agenda and would return to a future meeting.

84. Core Strategy Review - Report of the Planning Inspectors and Adoption of the Plan

The report summarised the findings of the planning Inspectors' report into the Core Strategy Review. The report recommended that Council proceeds to adopt the Core Strategy Review, with the main modifications identified by the Inspectors, so that the plan can be used to make decisions on planning applications.

Proposed by Councillor Monk,
Seconded by Councillor Mrs Hollingsbee; and

RESOLVED:

- 1. That report A/21/35 be received and noted.**
- 2. That the final report of the planning Inspectors who carried out the examination of the Core Strategy Review (Appendix 1) be noted;**
- 3. That amendments to the Core Strategy Review be approved incorporating:**
 - a) The Inspectors' main modifications and amendments to the policies map as set out in Appendix 2; and**
 - b) Any other minor formatting changes or typographic corrections that are necessary for clarity or comprehension; and**
- 4. That the Folkestone & Hythe District Core Strategy Review be adopted, incorporating the amendments set out in recommendation 3, to form part of the development plan for the district.**

(Voting figures: 15 for, 2 against, 10 abstentions).

This Report will be made public on 19 July 2022



Report Number **A/22/14**

To: Council
Date: 27 July 2022
Status: Non-Key Decision
Head of Service: Charlotte Spendley, Director of Corporate Services
Cabinet Member: Councillor David Monk, Leader and Portfolio Holder for Finance

SUBJECT: FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY 2022/23

SUMMARY: This report seeks Council approval regarding the Flexible Use of Capital Receipts Strategy for 2022/23 in accordance with the Department for Levelling Up, Housing and Communities latest guidance.

REASONS FOR RECOMMENDATIONS:

- a) The Council is required to approve a strategy for each year it intends to apply the Flexible Use of Capital Receipts guidance which outlines how it intends to use these receipts to meet relevant expenditure and the impact this will have on the Prudential Indicators for capital expenditure.

RECOMMENDATIONS:

1. To receive and note Report C/22/14.
2. To approve the Flexible Use of Capital Receipts Strategy for 2022/23.

1. INTRODUCTION AND BACKGROUND

- 1.1 Ordinarily, local authorities are restricted using capital receipts they receive from the sale of assets to only funding capital expenditure.
- 1.2 As part of the November 2015 Spending Review, the Government introduced the flexibility for the period of the Spending Review for local authorities to use capital receipts from the sale of non-housing assets to fund the revenue costs of projects that will reduce costs, increase revenue or support a more efficient provision of services, known as the Flexible Use of Capital Receipts guidance (the guidance). Guidance on the use of this flexibility was issued in March 2016 and initially applied to the period from 2016/17 to 2019/20. In 2018 the Government extended the scheme through to 2021/22. In April 2022 the Government announced it was extending the scheme by a further three financial years through to 31 March 2025.
- 1.3 Local authorities intending to apply the guidance are required to prepare a Flexible Use of Capital Receipts Strategy to be approved by Full Council which should disclose the projects to be funded or part-funded through capital receipts flexibility. This requirement can be met through the annual budget setting process or as part of the Medium-Term Financial Plan or equivalent. The Strategy should also report the impact of applying the guidance to the authority's Prudential Indicators for capital expenditure for the forthcoming year.
- 1.4 Additionally, there is now a requirement on local authorities who intend to apply the guidance to submit their proposed use of the capital receipts in advance to the Department for Levelling Up, Housing and Communities (DLUHC) to enable this to be monitored. Provision also now exists for local authorities to notify DLUHC of changes to their intended use of the guidance in year should this be required.
- 1.5 The Council's existing Medium Term Financial Strategy approved by Cabinet on 24 November 2021 (minute 52 refers) makes reference to utilising the capital receipts flexibility where possible to fund the transformation programme and take pressure off the General Fund. However, this does not meet the latest requirements for DLUHC's guidance and it is necessary for Full Council to approve a Flexible Use of Capital Receipts Strategy for 2022/23 financial year.
- 1.6 Previously the Council has used the guidance to allow it to capitalise some of its revenue expenditure on the transformation programme including the successful digital delivery of services to its residents and customers along with reconfiguring and restructuring its services.
- 1.7 Since the guidance came into force from 1 April 2016 until 31 March 2022 the Council has received qualifying capital receipts of £3.292m from non-housing asset disposals. Over the same period it has utilised £2.323m of this sum towards the transformation programme leaving a balance of £0.969m in capital receipts to apply against qualifying expenditure from 1 April 2022.

2. PROPOSED STRATEGY 2022/23

- 2.1 The Medium Term Capital Programme (MTCP) approved by Council on 10 February 2022 (minute 57 refers) includes the following three schemes planned to be met from capital receipts under the guidance in 2022/23:

Scheme		Link to Guidance & Purpose	Budget £'000
i)	ICT Improvement Costs	Digital Delivery of Services - Migration of Revenues and Benefits to externally hosted service including replacement of the Civica document management system	314
ii)	Website Content Management System	Digital Delivery of Services - Replacement of system	130
iii)	Transformation	Restructuring of Services - Redundancy and pension strain costs	105
Total Planned Use			549

- 2.2 The planned expenditure of £0.549m will reduce the balance of available capital receipts under the guidance from £0.969m at 1 April 2022 to £0.42m by 31 March 2023.
- 2.3 The Council will continue to explore options to dispose of other non-housing assets, not already committed to help fund other capital schemes, to generate capital receipts which could be used to meet further qualifying expenditure under the guidance.
- 2.4 **Prudential Indicators** – Because the schemes listed at 2.1, above, are included in the approved MTCP their impact on the Prudential Indicators for capital expenditure has already been included in those approved by Full Council on 23 February 2022 as part of the Capital Strategy for 2022/23 (minute 69 refers) and no further action is required.
- 2.5 In future, if legislation continues to permit, a Flexible Use of Capital Receipts Strategy will be included within the annual General Fund budget report to Full Council, usually in February each year.

3 CONCLUSIONS

- 3.1 This Flexible Use of Capital Receipts Strategy outlined in this report meets the latest DLUHC guidance.
- 3.2 The schemes planned to be met from capital receipts under the guidance are consistent with the approved MTCP and Prudential Indicators.

3.3 In future the Strategy will form part of the Council’s annual budget process.

4 RISK MANAGEMENT ISSUES

4.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Failure to comply with the DLUHC’s guidance to approve a Flexible Use of Capital Receipts Strategy could expose the Council to unbudgeted revenue costs.	High	Low	Full Council to approve the Strategy
Lack of awareness of the DLUHC’s guidance may put an additional strain on revenue budgets which could be capitalised	High	Medium	Incorporate an annual review of the Strategy into the budget setting process

5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 Legal Officer’s Comments (NM)

Capital receipts can only be used for specific purposes and these are set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 made under Section 11 of the Local Government Act 2003. The main permitted purpose is to fund capital expenditure and the use of capital receipts to support revenue expenditure is not permitted by the regulations.

The Secretary of State for Communities and Local Government issued guidance in March 2016 under section 15 (1) (a) of the 2003 Act, giving local authorities greater freedoms as to how capital receipts can be used to finance expenditure. This allows for the following expenditure to be treated as capital, “expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.”

The guidance requires authorities to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy with the initial strategy being effective from 1st April 2016 with future Strategies included within future Annual Budget documents.

There is no prescribed format for the Strategy, the underlying principle is to support local authorities to deliver more efficient and sustainable services by extending the use of capital receipts to support the revenue costs of reform projects. It should include a list of each project which plans to make use of the capital receipts flexibility, together with the expected savings that the project will realise. The Strategy should also include the impact of this flexibility on the affordability of borrowing by including updated Prudential Indicators

5.2 **Finance Officer's Comments** (LW)

This report has been prepared by Financial Services. There are no further comments to add.

5.3 **Diversities and Equalities Implications**

The report does not cover a new service or policy or a revision of either and therefore does not require an Equality Impact Assessment.

5.4 **Communications** (JW)

There are no communications implications arising directly from this report

5.5 **Climate Change Implications** (OF) [*Pilot reporting period*]

There are no climate change implications arising directly from this report. It updates Cabinet on this position following decisions taken at Cabinet and Full Council. Climate change implications of the various projects referenced in the report will be assessed as part of the development and implementation phases of those projects through the appropriate decision-making process.

6. **CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Lee Walker, Capital & Treasury Senior Specialist

Tel: 01303 853593. e-mail :lee.walker@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

Department for Levelling Up, Housing and Communities – Guidance on the flexible use of capital receipts (updated 4 April 2022)

<https://www.gov.uk/government/publications/final-guidance-on-flexible-use-of-capital-receipts/guidance-on-the-flexible-use-of-capital-receipts-updated>

Appendices:

None

This page is intentionally left blank

This Report will be made public on 19 July 2022



Report Number **A/22/15**

To: Council
Date: 27 July 2022
Status: Key Decision
Responsible Officer: Ewan Green, Director of Place
Cabinet Member: Councillor David Monk – Leader of the Council

SUBJECT: FOLKESTONE & HYTHE DISTRICT COUNCIL'S FINANCIAL CONTRIBUTION TO THE COUNCIL'S LEVELLING UP FUND ROUND 2 APPLICATION

SUMMARY: This report seeks agreement for the Council to allocate funding for the 10% financial contribution required by the government for the council's Levelling Up Fund application.

REASONS FOR RECOMMENDATIONS

The funding allocation required for the council's LUF application needs to be made by the Council and included in the budget framework.

RECOMMENDATIONS:

1. To receive and note report A/22/15.
2. To agree to allocate funds as outlined in paragraph 2.5 to provide the 10% match funding financial contribution for the Folkestone – A Brighter Future project which is the subject of a round 2 Levelling Up Fund application to government.
3. To agree to update the Medium Term Capital Programme following a successful submission for Levelling Up Fund to include the total award for the scheme.

1. BACKGROUND

- 1.1 In June the Cabinet approved the submission of a Levelling Up Fund application ([C/22/14](#)) and agreed 'to allocate the required 10% match funding for the submission and to note that the final funding requirements of the Council will be subject to a further report pending the outcome of the Levelling Up Fund (LUF) submission and is subject to approval by Full Council.' (see [Cabinet Minutes](#))
- 1.2 At the time of the Cabinet decision the application submission was expected by 6th July 2022. On 15th July 2022 the submission portal opened and it closes at noon on 2nd August 2022. Officers have been made aware that confirmation is required, as part of the submission, that the required match funding is in place. Council is therefore asked to make the decision at this stage rather than when the outcome of the LUF submission is known, which is expected in the autumn.

2. FOLKESTONE & HYTHE DISTRICT COUNCIL'S ROUND 2 LUF PROJECT APPLICATION

- 2.1 The council is to submit an application in round 2 of the Levelling Up Fund to deliver the Folkestone – A Brighter Future project. This bid comprises three of the priority projects identified in the Folkestone Place Plan which was agreed by Cabinet at the meeting on 22 September 2021 (reference report C/21/34). These projects are:
1. Station Arrival and Town Centre Connections
 2. Improved Gateway to the Town Centre and Bouverie Square
 3. Folca, Sandgate Road and Town Centre Public Realm
- 2.2 The total cost (including professional and project management fees) of each of these elements of the Folkestone – A Brighter Future project is £21,990,910 as shown below:

Project	£
Station Arrival and Town Centre Connections	£4,246,806
Improved Gateway to the Town Centre and Bouverie Square	£11,690,369
Folca, Sandgate Road and Town Centre Public Realm	£6,053,735
Total	£21,990,910

- 2.3 There is a government requirement that all LUF bid submissions require a minimum 10% match from public sources towards the total project cost. Therefore, there is a requirement for the council to provide a match financial contribution towards the project of £2,199,091, with the remaining £19,791,819 being bid from the LUF.
- 2.4 Whilst the Medium Term Capital Programme does not currently have an allocated budget for the Levelling Up bid, the Capital Strategy stated that

“The proposed growth for the Capital programme does not at this stage include provision for the Council’s Levelling Up Fund bid. The district has been identified as a priority area and the Council is currently developing its bid proposals, in line with previous decisions taken. The bid is anticipated to be submitted in summer 2022 and will be subject to a separate decision at that time. The Capital Programme is a fluid 5 year rolling budget and therefore it is proposed to consider growth to the programme in respect of the Levelling Up Fund bid once it has been further developed.”

2.5 The submission of the bid requires the Council to confirm it “has allocated sufficient budget to deliver this scheme on the basis of its proposed funding contribution”. The use of the funding allocation is a matter for Full Council and its use will be subject to the outcome of the LUF bid. However, it is recommended that the council’s financial contribution towards the LUF project comes from the following sources:

- £450,000 from the Folkestone & Hythe High Streets Fund (F&H HSF).
- £350,000 from Folkestone & Hythe Community Infrastructure Levy funds.
- £1,000,000 from the capital receipt arising from the lease premium payable by the health board for FOLCA.
- £399,091 from Economic Development Reserve.

2.6 Some work will be required to continue to bring forward the project components prior to the government’s decision which is expected in late October. This is to ensure that the projects can be delivered within the government’s required timeframe for the Levelling Up Fund. This work, and the corresponding level of expenditure, will be limited to those projects which are deemed to be a priority to the Council. It is estimated that the spend in this period will be up to £200,000. However, should the bid be successful then this funding will be part of the council’s match funding towards the overall project cost.

2.7 It is hoped that the council will be successful with the LUF application. However, should the LUF bid be scaled back by the government, then the match funding requirement would be also scaled back proportionately. If the bid in its entirety is unsuccessful, then the match funding requirement will not be required. In both scenarios this will be reported to the Council through normal monitoring reports.

3. RISK MANAGEMENT ISSUES

3.1 There is not a great deal of risk management involved in this issue

Perceived risk	Seriousness	Likelihood	Preventative action
The LUF bid is not successful so the funding allocation is not required	High	Medium	Consultants with experience of submitting successful LUF bids have been appointed to work with

			Officers to develop the bid to a high standard. Officers have liaised with DLUCH to ensure that the application submitted is the best it can be.
--	--	--	--

4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

4.1 Legal Officer's Comments (NM)

As set out in the report, the government requires that as part of the LUF bid submissions there needs to be 10% funding matching from the Council towards the total project costs. In this particular case the Council needs to provide £2,199,091 in match funding as a financial contribution towards the project.

4.2 Finance Officer's Comments (RH)

This report has been drafted in consultation with the Finance team. The match funding is required to be secured for the bid submission, however it will only be utilised in the event that a successful bid is made. If the bid is successful, the recommendations will support the inclusion of the project within the Medium Term Capital Programme.

The funding package is proposed to be met from the ED reserve, the High Streets Fund, CIL receipts and the anticipated capital receipt from the health facility in FOLCA. These sums are all anticipated to be available during the timescale of the match funding required and have available sums to be drawn upon.

4.3 Diversities and Equalities Implications (GE)

There are no negative equality and diversity implications directly arising from this report. An equality impact assessment has been conducted on the priority projects that will support the Round 2 application to the Levelling Up Fund.

5. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Dr Katharine Harvey, Economic Development Advisor

Telephone: 01303 853287

Email: Katharine.harvey@folkestone-hythe.gov.uk

This report will be made
public on 19 July 2022

Report number

A/22/13

To: Council
Date: 27 July 2022
Status: Non-executive decision
Responsible Officer: Amandeep Khroud, Assistant Director of
Governance and Law

**SUBJECT: REVIEW OF POLITICAL BALANCE AND COMMITTEE
MEMBERSHIP**

SUMMARY:

This report sets out a summary of the need to review the political balance and membership of committees following the resignation of Councillor Brook to leave the Conservative Group and join the Folkestone and Hythe Independent Group, and Councillor Gane to leave the Conservative Group and join the Liberal Democrat Group.

RECOMMENDATIONS:

1. To receive and note report A/22/13.
2. To note the results of the review into the political proportionality of the Council and allocation of committee seats on a politically proportionate basis.
3. To appoint a Vice-Chairman of the Personnel Committee, as set out in paragraph 2.5 of the report.

1. BACKGROUND

- 1.1 Councillor Brook, the Ward Councillor for Folkestone Central, has resigned from the Conservative Party and joined the Folkestone and Hythe Independent Group with effect from 5 May 2022.
- 1.2 Previously as a Conservative Councillor, Councillor Brook held seats on the Personnel Committee, Planning and Licensing, and Overview and Scrutiny. In addition, he was the Vice Chairman of the Personnel Committee and had been appointed as the Chairman of the Folkestone Town Centre Working Group by the Leader.
- 1.3 It should also be noted that the Folkestone and Hythe Independent Group changed their name from Folkestone and Hythe Independent Party with effect from 11 May 2022.
- 1.4 On 31 May 2022, Councillor Gane, the Ward Councillor for Cheriton, advised that he had resigned from the Conservative Group and joined the Folkestone and Hythe Independent Group. The political balance was recalculated accordingly, and the Folkestone and Hythe Independent Group were allocated an additional seat on the Overview and Scrutiny Committee, which remains vacant.
- 1.5 Previously, as a Conservative Councillor, Councillor Gane held seats on the Overview and Scrutiny Committee. He had been appointed to the Finance and Performance Scrutiny Sub-Committee on 31 May 2022. He was also appointed by the Leader to the Board of Oportunitas, the Joint Transportation Board and Age UK.
- 1.6 The Leader has therefore appointed Councillor Mrs Berry to replace Councillor Gane on the Board of Oportunitas. This was a Leader decision which was published on 1 June 2022. The Leader has also indicated that he wishes for Councillor Gane to remain on the Joint Transportation Board and Age UK.
- 1.7 On 17 June 2022, Councillor Gane subsequently advised that he had resigned from the Folkestone and Hythe Independent Group and joined the Liberal Democrat Group. The political balance was then recalculated, with an additional seat on the Audit and Governance Committee to be split between the Liberal Democrat and Folkestone and Hythe Independent Group.
- 1.8 The Local Government and Housing Act 1989 and regulations made under the act require the Council to carry out a review and re-allocation of seats on committees following any change in overall political balance. It is not always possible to have precise mathematical accuracy in allocations. Therefore the Act and regulations specify that the committees should be balanced “as far as reasonably practicable”.

2. CHANGES TO POLITICAL BALANCE

- 2.1 Following the recent change in political balance, the Council comprises the following groups and individual members:

Overall balance	No	Percentage
Conservative	11	36.67
Green	6	20
Folkestone and Hythe Indep	3	10
Labour	5	16.67
Liberal Democrats	3	10
UKIP	2	6.67
Total	30	100.01

The percentage equivalent has been used to calculate the allocation of seats for each committee. The calculations showed that the Folkestone and Hythe Independent, and Liberal Democrat Groups were each entitled to 3.5 seats, and therefore it is proposed that they share a seat on the Audit and Governance Committee. With the agreement of the Folkestone and Hythe Independent Group, the Lib Dem Group have advised that they wish to appoint Councillor Fuller to this seat.

Number of seats – 35		Cons	Green	Indep	Lab	Lib Dem	Ukip	TOTAL
Personnel	7	3	1	1	1	1	0	7.00
Overview	10	3	2	1	2	1	1	10.00
Audit and Governance	6	2	1	0.5	1	0.5	1	6.00
Planning and Licensing	12	5	2	1	2	1	1	12.00
Total	35	13.00	6.00	3.50	6.00	3.50	3.00	35.00

- 2.2 The following appointments have been made by the Leader to the Conservative committee vacancies left by Councillor Brook:

Planning and Licensing Committee	Councillor Mrs Berry
Personnel Committee	Councillor Rolfe
Overview and Scrutiny	Vacant

- 2.3 The Liberal Democrat Group have also appointed Councillor Gane to the Overview and Scrutiny Committee to replace Councillor Fuller.
- 2.4 The membership of the Folkestone Town Centre Working will also be altered in due course, as it needs to be dealt with as a Leader decision.
- 2.5 As Councillor Brook is no longer a member of the Personnel Committee, Full Council are asked to appoint a new Vice-Chairman of Personnel Committee. The Conservative Group have advised that they wish to nominate Councillor Field for the role of Vice-Chairman of the Personnel Committee. No further nominations have been received as yet.

- 2.6 In addition, at the next ordinary meeting of the Overview and Scrutiny Committee, to be held on 6 September 2022, the Finance and Performance Scrutiny Sub-Committee membership will need to be amended to reflect the change in membership of the Overview and Scrutiny Committee.

3. RISKS

- 3.1 The Council must review the political balance of its committees following any change in political balance. The Council risks challenge if it does not do so.
- 3.2 The Council can depart from political balance, provided no member of the Council disagrees with the proposal.

4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

4.1 Legal officer's comments (AK)

The legal issues are set out in the body of the report.

4.2 Finance officer's comments

There are no financial implications from this report.

4.3 Diversities and equalities implications

None.

5. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

Jemma West – Committee Services Specialist
Telephone: 01303 853369
Email: Jemma.west@folkestone-hythe.gov.uk

This report will be made public on 19 July 2022



Report Number **A/22/12**

To: Council
Date: 27 July 2022
Status: Non- Executive Decision
Head of Paid Service: Susan Priest
Responsible Officer: Amandeep Khroud, Assistant Director – Governance, Law and Regulatory Services

SUBJECT: REPORT TO COUNCIL ON A DECISION MADE IN ACCORDANCE WITH THE CONSTITUTION'S CALL-IN AND URGENCY' RULE

SUMMARY: The constitution provides that, when an urgent decision is made by the Cabinet or Cabinet Member, for which any delay in implementation, likely to be caused by the call-in process, would seriously prejudice the Council's or public interest, then the 'Call-in Rules of Procedure', Part 6.3, rules 1-6 do not apply. Decisions, taken as a matter of urgency, must be reported to the next available meeting of the Council, together with the reasons for urgency.

REASONS FOR RECOMMENDATIONS:

This report is recommended to Council, to note for information, in accordance with the constitution, Part 6.3, rule 7.

RECOMMENDATION:

1. To receive and note report A/22/12.

1 INTRODUCTION

- 1.1 The constitution (paragraph 7, part 7.3, Call-In Rules of Procedure) provides that, when an urgent decision is made, for which any delay in implementation, likely to be caused by the call-in process, would seriously prejudice the Council's or public interest, then the call-in rules of procedure, Part 6.3, rules 1 to 6, do not apply. Decisions, taken as a matter of urgency, must be reported to the next available meeting of the council, together with the reasons for urgency.
- 1.2 On 16 June 2022, Cabinet considered report C/22/08, which presented the policy of allocating and managing the Discretionary Energy Rebate funding received from Government. The Cabinet resolved:
1. That report C/22/08 be received and noted.
 2. That the Council's Discretionary Energy Rebate Scheme be approved and adopted.

This decision was taken using General Exception urgency provisions (Part 6.4, Rule 12). It was necessary to take the decision under the constitution's 'Call in and Urgency' rule (Part 6.3, rule 7) because the decision would enable the Council to support vulnerable residents as soon as possible. There has been a delay to ensure the scheme is consistent with similar approaches throughout Kent.

2 LEGAL, FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

2.1 Legal Officer's comments (AK)

There are no legal issues arising from this report.

2.2 Finance Officer's comments (LW)

The financial implications of this report were addressed in cabinet report C/21/73 to which this relates.

2.3 Diversity and Equalities Implications (ST)

There are no diversity and equality implications arising from this report.

3 CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

Jemma West
Committee Services Specialist
Tel: 01303 853 369
E-mail: jemma.west@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

None