



Agenda

Meeting: **Folkestone & Hythe District and Parish Councils' Joint Committee**
Date: **19 January 2023**
Time: **7.00 pm**
Place: **Remote Meeting**

To: **All members of the Folkestone & Hythe District and Parish Councils Joint Committee**

The committee will consider the matters listed below at the date, time shown above. The meeting is open to the press and public and will be streamed live at bit.ly/YouTubeMeetings

Members of the committee who wish to have information on any matter arising on the agenda which is not fully covered in these papers are requested to give notice prior to the meeting to the Chairman or appropriate officer.

1. **Appointment of chairman**

The chairmanship alternates between a District Councillor and a Parish/Town Councillor every meeting. The Committee must appoint a District Councillor as the Chairman of this meeting.

2. **Apologies for absence**

3. **Declarations of interest (Pages 3 - 4)**

Members of the Council should declare any interests which fall under the following categories:

- a) discloseable pecuniary interests (DPI)
- b) other significant interests (OSI)
- c) voluntary announcements of other interests

4. **Minutes (Pages 5 - 10)**

To receive the minutes of the meeting held on 17 November 2022.

Queries about the agenda? Need a different format?

Contact James Clapson – Tel: 01303 853764
Email: committee@folkestone-hythe.gov.uk or download from our
website: www.folkestone-hythe.gov.uk

5. **Changes to National Planning Policy and the Levelling-up and Regeneration Bill**

A presentation will be provided by Adrian Tofts, Strategy, Policy & Performance Lead Specialist on the recent changes to National Planning Policy, and the Levelling-up and Regeneration Bill.

6. **Budget Strategy and Draft General Fund Budget 2023/24 (Pages 11 - 18)**

This report sets out the Council's Draft General Fund budget for 2023/24 as well as summarising the overall Budget Strategy for the same period. The report seeks to outline the proposals being consulted upon.

In accordance with the Local Government Finance Act 1992 full Council will consider and agree the budget and council tax for the coming financial year 2023/24, this meeting will be held on 22 February 2023. Both the draft budget and the Budget Strategy will build into the final position, which is also affected by the Local Government Finance Settlement

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.

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Minutes

Folkestone & Hythe District and Parish Councils' Joint Committee

Held at: Remote Meeting

Date: Thursday, 17 November 2022

Present: Councillors Michael Boor, Laszlo Dudas, Frank Hobbs, Mrs Jennifer Hollingsbee, Roger Joyce, Terence Mullard and Paul Thomas

Apologies for Absence

Officers Present: Olu Fatokun (Low Carbon Senior Specialist), Andrew Hatcher (Revenues and Benefits Lead Specialist), Rod Lean (Chief Officer - Place & Growth), Sue Lewis (Case Officer (Committee)) and Adrian Tofts (Strategy, Policy & Performance Lead Specialist)

Others Present:

6. **Appointment of Chairman**

Parish Councillor Frank Hobbs was appointed Chairman for the meeting.

7. **Declarations of Interest**

There were no declarations of interest.

8. **Minutes**

The minutes of the meeting held on 21 July 2022 were submitted and agreed as a correct record.

9. **Welfare Support Update (Revenues and Benefits)**

A presentation on Welfare and Support was given by Andrew Hatcher, Revenues and Benefits Lead Specialist, a copy of which is attached to the minutes.

He reminded the committee of the Government support which has already been delivered, including the recent cost of living payments.

The presentation shows the 6 areas the team work on paying particular attention to the following:

- Discretionary Housing Payments (DHP) which is an emergency short term fund to help those find solutions to their needs. This is a fund that those on housing benefit can apply for. The Council has already received 346 applications of which 263 awards have been given. Applications can be found on the Council's website.
- Financial Support Payments (FSP) which is designed to assist people who have applied for council tax reduction and who facing exceptional hardship. The Council has already received 401 applications with 272 awards being made. This is funded with KCC.
- Household Support Fund which is an additional fund from government to support vulnerable households, this fund is managed by KCC and the monies are distributed to district councils.

Phase 1 - This fund has already been used to help households in need of basic living requirements such as beds, mattresses, food and heating. The Council has worked alongside local suppliers to provide the necessary items, with the Council receiving an additional £50,000 as they had done such good work in the area.

Phase 2 - The housing support fund helps pensioner households in the same way but also by supporting financial needs and energy costs.

Phase 3 - Alongside this the Council are awaiting further information in respect of targeted funding predominantly for energy support.

- The Welfare Team have been campaigning to get more take up of pension credit and council tax support.

The team have engaged with a number of community groups and these are shown in the presentation slides providing help, guidance and training on issues such as loan sharks and problem debts.

Working with Refernet an online signposting service created by Kent, the team have been able to signpost people to the right support but also provide additional support when needed. Examples of the help given are provided.

The team have been awarded a number of accolades for all their hard work, which they are very proud of.

Following a number of questions Mr Hatcher informed that a poster providing the essential contact information to assist households who

need help has been produced with the help of other organisations. This has already been distributed in a number of parishes but those that still require copies can direct their requests to Andrew.hatcher@folkestone-hythe.gov.uk.

Members congratulated the team on all the hard work they have been doing and in achieving their awards.

10. **The Carbon Innovation Lab and District Wide Carbon Plan**

A presentation by Olu Fatokun, Low Carbon Senior Specialist on Carbon Innovation Lab and District Wide Carbon was given. A copy of the presentation is attached.

A climate emergency was declared in 2019 and since then the Council has made a declaration to: “develop a strategy for Folkestone & Hythe District Council to play a leadership role in community, public and business partnerships for our Carbon Neutral 2030 commitment throughout the district.”

With 5 priority areas of focus; Road Transport, Residential, Commercial and Industrial, other activities and Land Use absorption, together with the CI-Lab objectives, as shown, the Council has held 3 meetings to discuss a number of issues and these are shown within the presentation.

Following these meetings it was seen that 2 priority areas have emerged - sustainable transport and behavioural change and from these 4 emerging projects have developed;

1. Our Schools – working alongside schools to develop an eco-school programme, some of which is already being achieved.
2. Local Businesses – to engage and encourage local businesses.
3. Privately Occupied Homes – encourage individuals to participate and work with the council
4. Active Mobility – work to provide better walking and cycling routes, work alongside KCC to gain funding.

Town and Parish Councils can help to improve health and wellbeing in their local areas, highlight examples of initiatives in the areas to help others participate. Members can send their initiatives to council officers who will encourage others to do the same and provide an update to Cabinet in due course.

During discussions with members the following points were noted:

- Kent Association of Local Councils (KALC) will be meeting with Sarah Deakin, KCC and Janet Hill, Swale BC to discuss a way forward for parishes to help and promote new initiatives.

- Encourage developers to look at what they can do when building new sites.
- Town and Parish Climate Conference will be held in the new year and it is hoped that Councils officers will be able to attend and present.
- Encourage walking to and from schools.
- Look at KCC bike ability programme and encourage schools to join in, some have already.
- Look at ways to encourage international networks to reduce carbon emissions and reduce light pollution.

It was clear that people need to keep talking, start acting on changes and encourage others to do the same.

11. **Next Steps for Folkestone Town Centre - UK Shared Prosperity Fund and Levelling Up Bids**

Rod Lean, Chief Officer - Place & Growth presented members with an update in respect of the UK Shared Prosperity Fund (UKSPF) and Levelling up bids. A copy of the presentation is attached.

UKSPF

This is new funding for local investment as part of a suite of complementary levelling up.

There are 3 key UKSPF priorities, Community and Place, Supporting Local Business and People and Skills. FHDC allocation is £1M over 3 years, but before this can be allocated an investment plan is required setting out the districts priorities which then has to be signed off by Central Government to unlock the allocation.

The Strategic context is shown in the attached slides with focus on 2 main themes, cost of living and skills, with 3 selected key interventions, again as per slides, all of which will enhance and add value to the overall schemes put forward as part of the LUF.

The Council are awaiting approval of the investment plan bid which is hoped to be announced in the next two weeks.

Levelling up Fund

The Council was allowed to submit one bid for funding up to the value of £20M with 10% match funding from public or private sector. The application deadline to apply for funding was August this year.

Members were informed that FHDC had been listed on the category 1 priority list, this is because Folkestone and Hythe District Council has 3 areas of high deprivation, therefore areas that need the most help.

The bid had to be right and demonstrate deliverability of projects by March 2025. The Council felt they could deliver on this and, therefore, chose to focus on the Folkestone place plan and identified 74 projects which were then narrowed down to 6 priority projects; Station Arrival and Town Centre Connections, Improved Town Centre Gateway, Folca, F51 and Payers Park, Harbour Line and Tram Road and Sunny Sands.

Of these 6 the council then had to work on what best suited the bid and agreed the following 3:-

- Station Arrival and Town Centre Connections
- Improved Town Centre Gateway – road layout and bus station
- Folca, Sandgate Road and Town Centre Public Realm

The final LUF bid totalled £19,791,819 with the Council part £2,199,091.

Members can see within the plans attached the desire to improve the station arrival area and Cheriton Road moving towards Folkestone Town Centre, with improvements to Middelburg square, bus station area and the area around Shellon street and part of Sandgate Road.

Stagecoach have agreed the relocation of the bus station and approve the plans put forward following traffic management proposals.

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This report will be made public 11 January 2023

Report number **FH/22/01**

To: Folkestone & Hythe District and Parish Councils' Joint Committee
Date: 19 January 2023
Head of Service: Charlotte Spendley, Director of Corporate Services
Cabinet Member: Councilor David Monk – Leader and Portfolio Holder for Finance

SUBJECT: BUDGET STRATEGY & DRAFT GENERAL FUND BUDGET 2023/24

SUMMARY: This report sets out the Council's Draft General Fund budget for 2023/24 as well as summarising the overall Budget Strategy for the same period. The report seeks to outline the proposals being consulted upon.

In accordance with the Local Government Finance Act 1992 full Council will consider and agree the budget and council tax for the coming financial year 2023/24, this meeting will be held on 22 February 2023. Both the draft budget and the Budget Strategy will build into the final position, which is also affected by the Local Government Finance Settlement.

The objectives for consultation on the 2023/24 budget proposals will be to:

- (i) Engage with key stakeholder groups and local residents;
- (ii) Seek feedback on specific budget proposals for 2023/24; and
- (iii) Seek feedback on general spending and income generation priorities

1. INTRODUCTION AND BACKGROUND

- 1.1 Council approved the Medium Term Financial Strategy 2023/24 to 2026/27 (MTFS) on 30 November 2022 and Cabinet agreed the Budget Strategy for 2023/24 on 14 December 2022. These reports considered the council's forecast budget position for 2023/24 from a strategic perspective. Cabinet will consider later in January the draft detailed General Fund budget, prior to Full Council approving the final budget proposals and the level of council tax at its meeting on 22 February 2023.
- 1.2 The budget proposals now assume a 2.99% (District Council) council tax increase in 2023/24 in line with the latest referendum regulations provided in the Government's Provisional Local Government Settlement that was received by the Council on 19 December 2022. The final decision will not be confirmed until Full Council on 23 February 2022. The Council has a statutory requirement to set a balanced budget and Council Tax annually under the Local Government Finance Act 1992 and Council Tax (Administration and Enforcement) Regulations 1992.
- 1.3 In addition, to the final level of Council Tax to be set, the following elements of the Budget must also be completed :
- the forecast for Council Tax and net business rates income (NNDR1)
 - the final council tax base position approved by S151 Officer
 - the final Local Government Finance Settlement from Government.

These items will be confirmed in the final budget report to Full Council on 22 February 2023.

- 1.3 The MTFS identified a General Fund budget shortfall of £4.286m for 2023/24. The Corporate Leadership Team, Assistant Directors and Chief Officers have reviewed current budget allocations and savings proposals. Unavoidable budget growth of £792k was approved by Cabinet on 14 December alongside revenue savings of £599k. In addition the review of fees & charge identified savings resulted in savings of £186k, being identified through the Budget Strategy process. The draft budget detailed in this report reflects the changes made as a result of these reviews.

The Table below summarises the Budget position for 2023/24

<u>MTFS Gap - existing gap</u>	<u>4,286,000</u>
Add Growth proposed	792,456
Less Savings proposed	-598,655
Less Fees and Charges proposed	-185,710
Revised - GAP (Cabinet 14/12/2022)	<u>4,294,091</u>

2. CONTEXT

2.1 The Council continues to face a very challenging financial and economic climate as a result of the war in Ukraine and the impact of many other financial and economic pressures which have led to a period of high inflation and borrowing costs, coupled with high energy costs and a cost of living crisis, with many residents of the district now facing hardship. The United Kingdom itself faces a period of possible recession and public sector funding pressures over the near, medium and longer term.

Provisional Local Government Finance Settlement and technical adjustments to the Budget

2.2 The Provisional Local Government Finance Settlement was announced by the Department for Levelling Up, Housing & Communities (DLUHC) on 19 December 2022. The provisional settlement is once again a holding position, designed for stability and certainty within available resources as it is based on proposed allocations for 2023/24 with a set of policy principles for 2024/25. The broad approach is based on a uniform roll-over with a funding guarantee grant and a new service grant. These new resources are in the form of one-year grants and have been welcomed by Councils.

2.3 In summary it has been proven to be a very good provisional settlement for Folkestone and Hythe District Council. In particular, the Council benefits from the receipt of additional new grants (one year only) for New Homes Bonus ; a new 3% Funding level guarantee and a new Service Grant allocation. The funding gains are projected to amount to £1.695m for 2023/24.

2.4 In addition to this position the Council has also identified two further factors which will help close the budget gap identified. These relate to the actuarial valuation (triennial review) to assess the pension fund position, which has been more favourable than anticipated by £320k. The second element is the confirmation in the settlement that District Council's can increase Council Tax to 2.99% without the need for a referendum. The MTFS had originally factored in a 1.99% increase and therefore a further 1% Council Tax yield is possible if Full Council agrees to this increase would yield £230k.

2.5 The revised and reduced budget gap for the Council after allowing for the Provisional Local Government settlement and the technical adjustments is shown in the table below:

MTFS Gap - existing gap - Cabinet 14 December 2022

Revised - GAP (Cabinet 14/12/2022)	4,294,091
Increase in Tax base with Council Tax at 2.99% (Band D Avg)	-230,005
Provisional Local Government Settlement	-1,695,397
Kent Pension Fund Actuarial Valuation - revised contributions	-320,000
<u>Revised - total - GENERAL FUND GAP</u>	<u>2,048,689</u>

- 2.6 The Council's Corporate Leadership Team continues to review and determine a range of approaches to address the budget gap in the short and medium term. The final Budget report for Full Council on 22 February 2023 will outline the final budget recommendations to ensure a balanced budget.

3. DRAFT GENERAL FUND BUDGET 2023/24

- 3.1 The draft budget for 2023/24 is noted below. It includes the draft position for the Council's contribution to the Folkestone Parks and Pleasure Grounds Charity, the cost of which determines the special expense falling on Folkestone and Sandgate taxpayers.

Table 1: General Fund Summary – with all the updated Budget Pages following

**GENERAL FUND
SUMMARY**

	2022/23	2023/24
	Original Budget	Original Budget
	(Based on outturn prices)	
	£	£
SUMMARY OF NET EXPENDITURE		
Service Heads		
Finance, Strategy & Corporate Services	7,695,250	8,301,370
Human Resources	626,780	683,190
Governance & Law	2,589,890	2,951,100
Leadership Support	1,004,220	740,960
Place	6,254,240	6,662,940
Economic Development	762,030	479,870
Planning	137,020	165,400
Operations	1,486,040	2,364,630
Strategic Development	39,670	-
Housing	3,342,840	3,048,610
Recharges	(5,727,500)	(5,919,556)
Vacancy Target & Savings Target not included in service heads	74,000	(224,000)
TOTAL HEAD OF SERVICE NET EXPENDITURE	18,284,480	19,254,514
Internal Drainage Board Levies	493,241	556,565
Interest Payable and Similar Charges	801,000	2,502,000
Interest and Investment Income	(1,320,000)	(2,521,000)
	-	-
New Homes Bonus Grant	(744,700)	(365,568)
Other non-service related Government Grants	(2,088,051)	(4,092,551)
Town and Parish Council Precepts	2,659,325	2,659,325
TOTAL GENERAL FUND OPERATING NET EXP	18,085,295	17,993,285
Net Transfers to/(from) Earmarked Reserves	(5,507,170)	(1,387,000)
Minimum Revenue Provision	1,667,000	1,625,000
Capital Expenditure funded from Revenue	2,363,000	1,789,000
TOTAL TO BE MET FROM LOCAL TAXPAYERS	16,608,125	20,020,285
Transfer to/(from) the Collection Fund	-	50,000
Business Rates Income	(2,815,831)	(3,872,289)
Revenue Support Grant	-	-
TOTAL TO BE MET FROM DEMAND ON THE COLLECTION FUND & GENERAL RESERVE	13,792,294	16,197,996
Council Tax-Demand on Collection Fund	(13,591,730)	(14,149,945)
(SURPLUS)/DEFICIT FOR YEAR	200,564	2,048,051
GENERAL RESERVE		
Balance at Beginning of Year		
(Surplus)/Deficit for Year	200,564	2,048,051
BALANCE AT END OF YEAR	200,564	2,048,051

4. RESERVES

4.1 The forecast balance on the General & Earmarked Reserves are noted below and are important for the Council in the context of financial sustainability and ability to set a balanced budget.

Reserve	Balance at 1/4/2022 £'000	Projection £'000	Balance at 31/3/2023 £'000	Notes
Earmarked				
Business Rates	2,662	(1,119)	1,543	To support the Business Rate Retention scheme
Leisure Reserve	447	50	497	Leisure improvements - £250k ringfenced - maintenance
Carry Forwards	1,356	176	1,532	Previous year Budget carried forward
VET Reserve	287	(214)	73	Vehicle, equipment & technology replacement
Maintenance of Graves	12	0	12	Amounts in perpetuity for grave costs
New Homes Bonus (NHB)	1,997	(1,589)	408	Residual amount of remaining NHB
Corporate Initiatives	960	26	986	To support corporate plan and initiatives
IFRS Reserve	5	0	5	Accounting code changes support
Economic Development	1,985	(915)	1,070	Regeneration of District ringfenced Match-funding
Community Led Housing	310	(55)	255	Community Housing and affordable - ringfenced
Lydd Airport	9	0	9	Support costs ay Lydd Airport
Homelessness Prevention	958	(21)	937	Flexibly fund homelessness - funding to 2023/24
High Street Regeneration	1,575	(418)	1,157	Regeneration in High Street areas
Climate Change	4,880	(880)	4,000	Achieve Carbon net zero by 2030
Covid Recovery	3,526	(874)	2,652	Collection fund deficit 21/22 and 22/23 - funding
Total Earmarked Reserves	20,969	(5,833)	15,136	
Total General Fund Reserve	3,112	6,058	6,058	

5. BUDGET PREPARATION – NEXT STEPS

5.1 The following items remain subject to confirmation:

- Final Local Government Finance Settlement – due January 2023.
- Council Tax Base position – complete
- Town and parish precepts – by end January 2023
- Business rates income forecast–NNDR1 submitted to Government

5.2 These will be covered in the final budget reports to Cabinet and Council on 22 February 2023, along with details of the special expense charged to Folkestone and Sandgate taxpayers.

6. BUDGET CONSULTATION

6.1 The objectives for consultation on the 2023/24 budget proposals will be to:

- Engage with key stakeholder groups and local residents;
- Seek feedback on specific budget proposals for 2023/24; and
- Seek feedback on general spending and income generation priorities

6.2 The target audience and communication channels will include:

Group	Channel
Residents	<ul style="list-style-type: none">• Council website and social media• Dedicated e-mail address• Option to submit information by post
Business Community	Consultation shared with Folkestone & Hythe Business Advisory Board
Other Community Groups	Consultation to be shared with key stakeholder
Town and Parish Councils.	Direct communication meeting and to invite feedback.

6.3 Consultation feedback responses will be summarised and reported to Cabinet in February.

7. CONCLUSION

7.1 Any feedback provided through the budget consultation will be reported to Cabinet through the final budget report in February, which will determine the proposed budget and council tax levels for the forthcoming financial year.

8. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

8.1 Legal Officer's Comments (AK)

Subject to Cabinet ensuring best value and having regard to its general fiduciary duties and those relating to equality, transparency and efficiency, there are no legal implications arising directly out of this report.

8.2 Finance Officer's Comments (CS)

The Budget for 2023/24 will be submitted for approval by Cabinet and Full Council in February. This report is the latest stage in the detailed budget process and any feedback on the consultation will be used to inform the preparation of the final budget proposals.

8.3 Diversities and Equalities Implications (CS)

The budget report to Council in February 2023 will include an Equality Impact Assessment of the budget recommendations for 2023/24.

11. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Charlotte Spendley, Director of Corporate Services
Tel: 07935 517986
E-mail: charlotte.spendley@folkestone-hythe.gov.uk

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

- Medium Term Financial Strategy 2023/24 to 2026/27
- Budget Strategy 2023/24
- Draft General Fund Budget 2023/24