



Agenda

Meeting: **Cabinet**
Date: **17 April 2024**
Time: **5.00 pm**
Place: **Council Chamber - Civic Centre Folkestone**

To: **All members of the Cabinet**

All Councillors for information

The cabinet will consider the matters listed below on the date and at the time and place shown above.

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.

1. **Apologies for Absence**
2. **Declarations of Interest (Pages 3 - 4)**

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

- a) disclosable pecuniary interests (DPI);
- b) other significant interests (OSI);
- c) voluntary announcements of other interests.

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

To consider and approve, as a correct record, the minutes of the meeting

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Email: committee@folkestone-hythe.gov.uk or download from our
website
www.folkestone-hythe.gov.uk

held on 20 March 2024.

4. Infrastructure Funding Statement 2023 (Pages 11 - 64)

In accordance with the latest revisions made via the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019), from December 2020 local authorities must publish an Infrastructure Funding Statement (IFS). The IFS document provides a summary of all financial and non-financial developer contributions relating to Section 106 Legal Agreements (S106) and the Community Infrastructure Levy (CIL) within Folkestone & Hythe District for a given financial year. This report seeks approval of the IFS, and identifies the infrastructure needs, the total cost of this infrastructure, anticipated funding from developer contributions, and the choices the authority has made about how these contributions will be used.

5. East Kent Spatial Development Company Update (Pages 65 - 100)

This report provides an overview of the role and objectives of East Kent Spatial Development Company Limited (EKSDC) and an update on current activities within the Folkestone & Hythe district.

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

Cabinet

Held at:	Council Chamber - Civic Centre Folkestone
Date	Wednesday, 20 March 2024
Present	Councillors Mike Blakemore, Polly Blakemore, Gary Fuller, Rich Holgate, Jim Martin (Chairman), Tim Prater (Vice-Chair), Stephen Scoffham, Rebecca Shoob and Jeremy Speakman.
Apologies for Absence	None.
Officers Present:	Michael Bailey (Tenant Engagement & Wellbeing Senior Specialist), Andy Blaszkowicz (Director of Housing and Operations), Gavin Edwards (Senior Performance Officer), Jonathan Hicks (Governance, Performance & Risk Manager), Ola Owolabi (Chief Financial Services Officer) and Susan Priest (Chief Executive) and Jake Hamilton (Committee Services Officer).
Others Present:	Councillor James Butcher (Opportuniras Chair).

NOTE: All decisions are subject to call-in arrangements. The deadline for call-in is 5 April 2024 at 5pm. Decisions not called in may be implemented on 8 April 2024.

89. **Declarations of Interest**

Councillor Gary Fuller declared a voluntary interest as a tenant of Folkestone & Hythe District Council.

90. **Minutes**

The minutes of the meeting held on 28 February 2024 were submitted, approved, and signed by the Leader.

91. **Quarter 3 Performance Report 2023-24**

The report provided an update on the Council's performance for the third quarter of the year covering 1st October – 31st December 2023. The report

enabled the Council to assess progress against the approved key performance indicators arising from the Council's new Corporate Action Plan. Key performance indicators will be monitored during 2023-24 and reported to Members quarterly.

Proposed by Councillor Tim Prater,
Seconded by Councillor Gary Fuller; and,

RESOLVED:

1. **That report C/23/92 be received and noted.**
2. **That the performance information for Quarter 3 2023-24 in Appendix 1 of the report be noted.**

(Voting figures: 9 for, 0 against, 0 abstentions).

REASONS FOR DECISION:

- a. The Council is committed to monitoring performance across all of its corporate service ambitions to ensure progress and improvement is maintained.
- b. The Council needs to ensure that performance is measured, monitored and the results are used to identify where things are working well and where there are failings and appropriate action needs to be taken.

92. **2022-23 Annual Equality Report**

The Equality Act 2010 places a statutory duty on the council to prepare and publish information annually to demonstrate compliance with the Public Sector Equality Duty. The draft Equality & Diversity Annual Report is therefore presented for consideration and approval prior to publication.

Proposed by Councillor Mike Blakemore,
Seconded by Councillor Jim Martin; and,

RESOLVED:

1. **That report C/23/95 be received and noted.**
2. **That the draft Equality & Diversity Annual Report outlined in Appendix 1 of the report be noted.**

(Voting figures: 9 for, 0 against, 0 abstentions).

REASONS FOR DECISION:

The council needs to ensure that it meets the statutory requirements of the Public Sector Equality Duty. The report demonstrated the council's commitment to positively contributing to the advancement of equality and good relations, summarises the activities undertaken in 2022-23 to promote equality, diversity,

and inclusion, and highlights the positive measures that have been taken to remove barriers, improve access to services, and increase customer satisfaction.

93. **Oportunitas Limited - Progress report 2023/24 to 31 January 2024**

The report provided an update from the Board of Oportunitas Ltd (“the company”) on activities undertaken so far during the 2023/24 financial year, including a projected outturn for the profit and loss account for the period to 31 March 2024 compared to the original forecast, based on activity to 31 January 2024. The report is in-line with the requirement contained in the Shareholder’s Agreement between the company and the Council. The chair of Oportunitas was available at the meeting of Cabinet to present the report and to address any questions.

Proposed by Councillor Jim Martin,
Seconded by Councillor Stephen Scoffham; and,

RESOLVED:

1. **That report C/23/97 be received and noted.**
2. **That the latest projected outturn for the Profit and Loss Account of Oportunitas Limited for the financial year ending 31 March 2024 be noted.**

(Voting figures: 9 for, 0 against, 0 abstentions).

REASON FOR DECISION:

Cabinet is asked to agree the recommendations because Oportunitas Ltd (“the company”) is required to provide regular updates to Cabinet as set out in the Shareholder’s Agreement between the company and the Council.

The Chair of the Board of Oportunitas made reference to the ongoing financial review of the company and that this would be used to inform the new business plan which will be presented to Cabinet in May 2024.

Members discussed the importance of providing high quality rented accommodation to the private market in Folkestone and Hythe District. Further discussion took place and Members agreed that the strategic direction of the company should focus upon, the Council being an exemplar landlord, ensuring a business model that delivers full cost recovery and medium term capital growth.

94. **Housing Compliance Policies - Legionella and Lift Safety**

The report presented two policies in relation to health and safety compliance for the Council’s housing landlord service. These were, specifically the Housing Compliance (Legionella) Policy and the Housing Compliance (Lift Safety) Policy.

Proposed by Councillor Rebecca Shoob,
Seconded by Councillor Jim Martin; and,

RESOLVED:

1. **That report C/23/94 be received and noted.**
2. **That the proposed changes to the Council's Housing Compliance (Legionella and Lift Safety) Policies outlined in the report and in the appended track-changed documents be approved.**

(Voting figures: 9 for, 0 against, 0 abstentions).

REASONS FOR DECISION

Cabinet is asked to agree the recommendations because: -

- c. There have been changes in legislation and best practice since the policies were introduced in 2021. Cabinet needs to be made aware of these changes and the policies updated.
- d. The policies will expire in April 2024 and therefore require updating/renewing to ensure the Council is fully compliant with health and safety legislation.

95. **Tenant Engagement Strategy 2024-30**

The Council's current Tenant Engagement Strategy expires in April 2024, and officers have therefore prepared an updated version to reflect changes in policy and legislation, and to ensure compliance with the Regulator of Social Housing's Transparency, Influence & Accountability Standard which comes into effect in April 2024. The Strategic Tenant Advisory Panel has been consulted on the updated strategy and Cabinet is therefore being asked to approve it.

Proposed by Councillor Rebecca Shoob,
Seconded by Councillor Jim Martin; and,

RESOLVED:

1. **That report C/23/91 be received and noted.**
2. **That the updated Tenant Engagement Strategy 2024-2030 attached as Appendix 1 be approved.**

(Voting figures: 9 for, 0 against, 0 abstentions).

REASONS FOR DECISION:

Cabinet is asked to agree the recommendations because the Regulator of Social Housing's Transparency, Influence and Accountability Standard requires the council as a social housing landlord to give tenants a wide range of

meaningful opportunities to influence and scrutinise strategies, policies and services.

96. **Disposal of property - Stour Bank, Stone Street, Stanford South, Kent, TN25 6DE**

The report sought permission from Cabinet to dispose of the property Stour Bank, Stone Street, Stanford South, TN25 6DE, recommending that the disposal is carried out immediately to provide a capital receipt to the council for the financial year 2024/25.

Proposed by Councillor Jim Martin,
Seconded by Councillor Tim Prater; and,

RESOLVED:

1. **That report C/23/93 be received and noted.**
2. **That the Director – Housing & Operations be authorised to proceed with the disposal of the property Stour Bank, Stone Street, Stanford South, TN25 6DE and achieve best value for the Council.**
3. **That delegated authority be given to the Director - Housing and Operations to agree the commercial terms for the disposal of the property and to facilitate the transaction through to completion.**

(Voting figures: 9 for, 0 against, 0 abstentions).

REASONS FOR DECISION:

The property known as Stour Bank, Stone Street, TN25 6DE was purchased during the land assembly phase for the Otterpool Park project. The property has been rented out since its acquisition in 2020. The property is now vacant, and Officers have explored options for the future of the property and recommend that it is sold to provide a capital receipt for the Council.

97. **Highview, Moat Farm Road, Folkestone, CT19 5DJ: Update on Proposed Sale, Land Matters, and revision to Unilateral Undertaking**

In February 2023 Cabinet (Cabinet report C/22/94) resolved to ask officers to investigate alternative delivery options which included a potential disposal to a 3rd party with the benefit of planning consent. The report informs Members of the progress made since the previous report C/22/94 and seeks to obtain approval to proceed with the sale to the preferred bidder following a marketing exercise undertaken in November 2023. A further decision is also required to approve an amendment to the Unilateral Undertaking, and vary the scheme to be policy compliant, as approved by planning committee on the 7th of November 2023 (planning reference number 23/1641/FH) for 22% affordable homes.

Proposed by Councillor Rebecca Shoob,

Seconded by Councillor Jim Martin; and,

RESOLVED:

1. That report C/23/98 be received and noted.
2. That the work carried out following approval of Cabinet report C/22/94 be noted.
3. That the Director for Housing and Operations be given delegated authority to accept the offer from the preferred bidder and to progress all land matters including the disposal process through to completion.
4. That the acquisition of the PROW land with KCC be approved.
5. That Folkestone and Hythe District Council entering into a revised overage agreement with KCC be approved.
6. That the amendment to the Unilateral Undertaking which varies the scheme to a policy compliant level of affordable housing, as conditionally approved by Planning and Licensing Committee held on 7th November 2023, be accepted.

(Voting figures: 9 for, 0 against, 0 abstentions).

REASONS FOR DECISION:

The offer is the most financially beneficial offer following the marketing exercise. This offer, alongside the BLRF grant, allows the best opportunity to recover as much of the costs spent to date on the scheme. Additionally, the preferred bidder is a reputable local developer, with a track record of delivering high quality homes within the district. This supports F&H DC's local economic development and local procurement objectives. Market conditions that would have allowed for direct delivery of the scheme by F&H DC have not improved since cabinet considered report C/22/94, leaving F&H DC with little option other than delivering the site via disposal to a contracted party.

The reason for the recommendation to approve an amendment to the Unilateral Undertaking is to ensure the proposals can revert to a policy compliant scheme that is attractive to the market, as private developers have indicated through recent market testing that they are unwilling to build out a 100% affordable scheme.

The reason for the recommendation to approve the Private Right of Way (PROW) acquisition is to ensure the planning consent is implementable, as the PROW is within the planning application redline but not currently in the development and title plan redline. Regularising this matter will support efficient delivery of the scheme.

Officers are also seeking approval to enter into the Planning Overage Agreement as this will replace the current Turn Overage Agreement which is prohibitive and a barrier to Developers purchasing and developing the site.

This Report will be made public on 9 April 2024



Report Number **C/23/103**

To: Cabinet
Date: 17th April 2024
Status: Key Decision
Responsible Officer: Amandeep Khroud – Assistant Director:
Governance and Law
Cabinet Member: Councillor Tim Prater – Cabinet Member for Finance and Governance

SUBJECT: Infrastructure Funding Statement 2023

SUMMARY:

In accordance with the latest revisions made via the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019¹, from December 2020 local authorities must publish an Infrastructure Funding Statement (IFS). The IFS document provides a summary of all financial and non-financial developer contributions relating to Section 106 Legal Agreements (S106) and the Community Infrastructure Levy (CIL) within Folkestone & Hythe District for a given financial year. This report seeks approval of the IFS, and identifies the infrastructure needs, the total cost of this infrastructure, anticipated funding from developer contributions, and the choices the authority has made about how these contributions will be used.

REASONS FOR RECOMMENDATIONS

To replace the Regulations 123 List which has been deleted by legislation and replace with the Infrastructure Funding Statement in accordance with the regulations.

RECOMMENDATIONS:

- 1. To receive and note report C/23/103.**
- 2. To agree that the Council accepts the proposed Infrastructure Funding Statement contained in Appendix 1, which is to have immediate effect and be published immediately following Cabinet approval.**

¹ <http://www.legislation.gov.uk/ukdsi/2019/9780111187449>

1. Introduction

- 1.1 In accordance with the latest revisions made via the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019), from December 2020 local authorities must publish an Infrastructure Funding Statement (IFS), and information should be drawn from this. A copy of the IFS is presented in **Appendix 1**.
- 1.2 Accordingly, the IFS is to provide a summary of all financial and non-financial developer contributions relating to Section 106 Legal Agreements (S106) and the Community Infrastructure Levy (CIL) within Folkestone & Hythe District for a given financial year.
- 1.3 The IFS should also identify infrastructure needs, the total cost of this infrastructure, anticipated funding from developer contributions, and the choices the authority has made about how these contributions will be used.

2. Preparing an Infrastructure Funding Statement

- 2.1 The Planning Policy Guidance (PPG) on Infrastructure Funding Statements provides guidance on the contents of statements, as follows:

“Infrastructure funding statements must set out:

- *A report relating to the previous financial year on the Community Infrastructure Levy;*
- *A report relating to the previous financial year on section 106 planning obligations;*
- *A report on the infrastructure projects or types of infrastructure that the authority intends to fund wholly or partly by the levy (excluding the neighbourhood portion).*

The infrastructure funding statement must set out the amount of levy or planning obligation expenditure where funds have been allocated. Allocated means a decision has been made by the local authority to commit funds to a particular item of infrastructure or project.”

- 2.2 Associated reporting is set out within the body of the IFS.

3. Scheme prioritization through reference to the Infrastructure Funding Statement

- 3.1 The District Council formally adopted a Community Infrastructure Levy Governance Framework at Cabinet on 24th June 2020, and Cabinet report C/20/12 and its associated appendices refer.
- 3.2 The purpose of having a governance framework in place is to ensure the deployment of CIL income follows clear and appropriate processes. Decisions to be taken by the District Council on spend of CIL receipts from the strategic pot would be taken in accordance with the IFS priorities and through the involvement/discussions between the Planning Policy team which leads on

preparation of the IFS, and the two Directors in conjunction with the S151 Officer:

- Director of Strategy and Resources
- Director of Housing and Operations

3.3 A significant role of the IFS is, therefore, to identify those infrastructure projects or types of infrastructure which Folkestone & Hythe District intends will be, or may be, wholly or partly funded by the Community Infrastructure Levy; whilst indicating other sources of funding that can be pooled to fund the same infrastructure projects.

3.4 In conjunction with the approved process for scheme prioritization as set out in the District Council's CIL Governance Framework, the District Council has identified the following projects to represent its top priorities:

Table 3.1. Priority projects for the spend of CIL receipts by FHDC

Project name	CIL funding support required	Timescale for delivery	Report reference (where applicable)	Policy requirement
Folkestone: A Brighter Future	£997,170	2025/26 financial year in line with project completion	A/22/15, recorded in the infrastructure Schedule 2023, and agreed at officer group on 10/01/2024 (with a further updated agreed at the officer group meeting on 5 th February 2024)	Policy SS5 District Infrastructure Planning of the adopted Core Strategy Review
Coast Drive Visitor Centre	£300,000	Complete by Spring 2025	C23/70, recorded in the infrastructure Schedule 2023, and agreed at officer group on 10/01/2024	Policy SS5 District Infrastructure Planning of the adopted Core Strategy Review
Landslip – engineering works	£150,000	Spring 2024	Recorded in the infrastructure Schedule 2023, and agreed at officer group on 10/01/2024	Policy SS5 District Infrastructure Planning of the adopted Core Strategy Review
F51 Environs and Payers Park	£75,000	Summer 2024	Recorded in the infrastructure Schedule 2023, and agreed at the officer group meeting on 5 th February 2024	Policy SS5 District Infrastructure Planning of the adopted Core Strategy Review
Infrastructure improvements to the Leas (paths, walls and steps)	£150,000	About to be scoped	Recorded in the infrastructure Schedule 2023, and agreed at officer group on 10/01/2024	Policy SS5 District Infrastructure Planning of the adopted Core Strategy Review
Strategic Play Areas as set out in the adopted Play Area Strategy	£300,000	About to be scoped. Implementation expected in late '24 early '25	Recorded in the infrastructure Schedule 2023, and agreed at officer group on 10/01/2024	Policy SS5 District Infrastructure Planning of the

(Leas Coastal Park refresh as priority)				adopted Core Strategy Review
Rationalisation and capital replacement of litter bin stock	£100,000	Scoped. Implementation expected by spring 2025	C/23/68, recorded in the infrastructure Schedule 2023	Policy SS5 District Infrastructure Planning of the adopted Core Strategy Review
Total	£2,072,170			

3.5 The projected spend and drawdown of CIL funds held by FHDC to deliver those priority projects referenced in Table 3.1 amounts to £2,072,170, which means as much of the budget held on account as of 31st March 2023 will be practically spent by spring 2025.

3.6 The District Council has set out a comprehensive list of infrastructure schemes that are required to support planned growth across the District within a corresponding Infrastructure Schedule that is appended to the IFS (Appendix 2 refers). This infrastructure schedule draws upon the version submitted to the examination into the Community Infrastructure Levy Charging Schedule examination in December 2022, albeit with relevant updates. The Overview and Scrutiny Committee considered this matter on 27 February 2024.

3.7 Inclusion of any individual project within the schedule does not guarantee that support via CIL shall be forthcoming. Indeed, a number of referenced schemes will be fully-funded via S106.

4. Conclusion

4.1 The District Council has prepared its fourth Infrastructure Funding Statement, and meets the requirements of the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019 for local authorities to publish information on the infrastructure funding they receive through Section 106 and CIL.

4.2 The Government has consulted on proposals for radical reform of the planning system, as set out in the Planning White Paper 'Planning for the Future' (MHCLG, August 2020). Any subsequent changes in legislation may, therefore, need to be reflected in future updates of this document.

4.3 The Levelling-up and Regeneration Bill makes provision for a new 'Infrastructure Levy' (IL) to replace the current regime of CIL and Section 106 agreements in most circumstances. The new IL was first proposed in the 2020 Planning for the Future White Paper, as a Gross Development Value (GDV)-based single mandatory charge, set nationally. The proposal was again included in the 2022 Levelling Up White Paper which said that the new IL will "enable local authorities to capture value from development more efficiently, securing the affordable housing and infrastructure communities need".

4.4 On 17 March 2023, the Department published further detail on its proposals in the Technical consultation on the Infrastructure Levy, alongside independent research, commissioned by the Department, which modelled the new IL. The

consultation’s introduction states: “The aim of the Levy is to create a swifter, simpler, more transparent system, and one that will raise at least as much revenue as at present, if not more, for local authorities to provide the infrastructure and affordable housing that communities need”.

- 4.5 The consultation sets out the Government’s intention to implement the new IL with a ‘test and learn’ approach, working with a small number of pilot local authorities to monitor, evaluate and improve the Levy’s operation. The consultation proposes that “National rollout will occur over the course of a decade and the current system will remain in place in areas which have not adopted the Levy”. More information can be found online².

5. RISK MANAGEMENT ISSUES

- 5.1 A summary of the perceived risks to the Council is shown below:

Perceived Risk	Likelihood	Seriousness	Preventative Action
KCC direct their allocation of CIL receipts to fund projects that would not accord with the CIL regulations, which requires that CIL is used to fund ‘the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area’.	Low	Medium	Maintaining close communication between officers of the District and County is a requirement of the IFS preparation. KCC have generated a list of projects that could be funded using their (KCC’s) proportionate CIL receipts, and the District Council is content that KCC would appropriately spend its proportionate CIL receipts in accordance with the CIL Regulations. KCC have published their infrastructure list within their own version of the 2023 IFS ³

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

6.1 Legal Officer’s Comments

The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019 vary the Community Infrastructure Levy Regulations 2010 to include a requirement in Regulation 121A for a local planning authority to publish, no later than 31 December in each calendar year, an infrastructure funding statement. This must comprise a report about planning obligations in relation to the reported year.

The publication of this statement ensures that the Council is complying with its statutory duties.

6.2 Finance Officer’s Comments

²<https://publications.parliament.uk/pa/cm5803/cmselect/cmcomloc/1122/report.html#:~:text=August%202020%2C%20Planning%20for%20the,on%20average%20to%2030%20months.>

³https://www.kent.gov.uk/_data/assets/pdf_file/0019/159013/KCC-Infrastructure-Funding-Statement-2022-2023.pdf

The data included in the IFS has been prepared in conjunction with Finance.

6.3 Diversities and Equalities Implications

There are no negative equality and diversity implications directly arising from this report. The proposed IFS provides a transparent process to make clear decisions on infrastructure related projects being funded by CIL. These projects could include schemes to assist specific sections of our community, for example improving wheelchair accessibility in public spaces.

6.4 Climate Change

There are no Climate Change Implications arising from this report.

However, any proposal for infrastructure arising from developer's contributions would need to be assessed for climate change implications as applicable.

7.0 Reporting officer

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Appendices

Appendix 1. Folkestone & Hythe District Council Infrastructure Funding Statement 2023 for the monitoring period 2022/23 (April 2024)

Appendix 2. Infrastructure Schedule (March 2024)

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Infrastructure Funding Statement 2022/2023

Folkestone & Hythe District Council

April 2024

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1. Introduction

1.1 Background

- 1.1.1 This report provides information on the monetary (and some non-monetary) contributions sought and received from developers for the provision of infrastructure to support development in Folkestone & Hythe District, and the subsequent use, or intended use, of those contributions by Folkestone & Hythe District Council (F&HDC). It also provides a statement of the infrastructure projects or types of infrastructure which the Council as CIL charging authority intends will be, or may be, wholly or partly funded by CIL. The report covers the financial year 1 April 2022 – 31 March 2023.
- 1.1.2 F&HDC seeks developer contributions from two sources: through the Community Infrastructure Levy (CIL) and also Section 106 agreements (also known as “planning obligations”) with developers accompanying individual planning applications.

1.2 CIL

- 1.2.1 CIL came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010 and has been in operation in the district since 1st August 2016. CIL is a set charge, based on the gross internal area floorspace of buildings, on new residential and supermarket development to help fund the infrastructure needed to address the cumulative impact of planned development. Our CIL Charging Schedule, setting out our CIL charging rates, is available on our website.
- 1.2.2 Local planning authorities must use CIL to fund ‘the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area’. There is also a Neighbourhood portion of CIL – ‘Local CIL’ – which is similarly able to fund infrastructure but can also fund *‘anything else that is concerned with addressing the demands that development places on an area’*. Under ‘Local CIL’, a CIL charging authority must pass 15% of local CIL receipts to the Parish or Town council for the area where a CIL liable development takes place, rising to 25% if the parish has a Neighbourhood Plan in place. The St Mary in the Marsh Neighbourhood Plan was adopted following a Cabinet meeting on 30 January 2019. F&HDC has prepared a CIL Advice Note for Parish and Town Councils on CIL.

1.3 Planning Obligations

- 1.3.1 Section 106 of the Town and Country Planning Act 1990 enables a local planning authority to enter into a negotiated agreement – a planning obligation - to mitigate the impact of a specific development, to make it acceptable in planning terms. The planning obligation might, for example, require the provision or contribution to a new or improved road, school, health facility or local green infrastructure. Local planning authorities can also seek planning obligations to secure a proportion of affordable housing from residential developments. In some instances, section 106 planning obligations may require payments to be made to parish councils.

2. CIL

2.1 Community Infrastructure Levy Report

- 2.1.1 Total CIL receipts during reported year which includes any land and infrastructure “payments” received as “In-Kind” CIL payments; any CIL receipts subsequently set aside for CIL administration and ‘Local CIL’ purposes; any CIL surcharges/interest received, and CIL received for any other reason.
- 2.1.2 The District Council has a CIL instalments policy that came into effect in March 2017, which is set out on our website. This allows for CIL to be paid in up to three instalments over a 12-month period, depending on the CIL liability.
- 2.1.3 The CIL Demand Notice, however, sets out the whole sum payable and the instalments required; therefore CIL Demand Notices issued during a particular year do not necessarily equate to the CIL sums likely to be received during that year. In addition, developments can be altered through further planning permissions over time, often resulting in revised Demand Notices needing to be issued. Any such re-issued Notices are not double-counted in this report; if a Demand Notice is issued and then re- issued in the same reporting year, only the re-issued Notice would be included within the figure for CIL invoiced during the year.

2.2 Headline Figures

Table 2.1. Headline CIL figures

Item	Amount
CIL invoiced (set out in Demand Notices) in 2022/23	£1,655,504.65
CIL receipts received in 2022/23	£918,135.36
CIL receipts that CIL regulations 59E and 59F apply to (funds received and retained for Parish Meetings)	£0
CIL expenditure in 2022/23 (as passed to Parish and Town Councils and CIL Admin)	£269,010.28
CIL retained at end of 2022/23 (from all CIL income received since August 2016 to 31 March 2023, as retained for Strategic CIL, CIL Admin and areas with Parish Meetings)	£1,771,242.06
Total CIL passed to town and parish councils (as the Neighbourhood component) since the inception of CIL up to 31 st March 2023	£413,342.81

2.3 CIL infrastructure expenditure in 2022/23

- 2.3.1 As of 31 March 2023, no CIL had been allocated or spent on strategic infrastructure. The sum of £20,000 was allocated towards the refurbishment of Radnor Park Lodge in

January 2022. The allocation of these monies was approved via the S106 and CIL Working Group in accordance with the CIL Governance Framework.

2.4 Other CIL expenditure in 2022/23

2.4.1 In 2022/23 the amount of £50,318.54 was spent on CIL administration.

2.4.2 The District Council passed a proportion of CIL (Neighbourhood or Local CIL) to Parish and Town Councils under CIL regulations 59A and 59B in 2022/23, as set out in the following table:

Table 2.2. CIL monies passed to town and parish councils in 2022/23

Parish/Town Council	CIL amount provided
Brenzett Parish Council	£9,263.00
Folkestone Town Council	£65,704.95
Hythe Town Council	£69,665.89
Sandgate Parish Council	£8,295.26
Stelling Minnis Parish Council	£25,300.00
Saltwood Parish Council	£4,408.22
Dymchurch Parish Council	£2,322.03
Elmstead Parish Council	£14,477.35
Brookland Parish Council	£19,218.74
Total	£218,691.74

2.4.3 In 2022/23 the sum of £539,054.41 was passed to Kent County Council in accordance with the adopted CIL Governance arrangements. CIL was passed to external organisations (other than parish/town councils) under CIL regulation 59(4).

2.4.4 In 2022/23, under Regulation 59E, the District Council did not recover any CIL previously paid to a parish or town council.

2.4.5 Officers of the District Council has engaged with Town or Parish Clerks to direct parties to the CIL guidance note dated February 2018. There is also regular dialogue concerning the payment of the Neighbourhood Allocation to qualifying Town and Parish Councils. A presentation on CIL was delivered at the Parish Forum meeting held on the 8th July 2021 by an officer of the Council (Planning Policy Senior Specialist).

2.5 CIL receipts retained (allocated and unallocated)

2.5.1 'Allocated' means CIL sums retained by the reporting authority which have, or knowingly will be, passed to an internal team to fund a specific infrastructure project or

infrastructure type. 'Allocated' also includes sums which will knowingly be passed to an external organisation but which are yet to be passed.

- 2.5.2 The total amount of CIL receipts, received prior to 2022/23, which had been allocated (to an infrastructure project or item), but not spent, by the end of 2022/23: £467,771.22.
- 2.5.3 The total amount of CIL receipts, received prior to 2022/23, which had not been allocated (to an infrastructure project or item) by the end of 2022/23: £0
- 2.5.4 The total amount of CIL receipts, whenever collected including 2022/23, which were allocated (whether allocated prior to or during 2022/23) but not spent during 2022/23: £1,771,242.06

2.6 CIL receipts retained (regulation 59E and 59F)

- 2.6.1 No notices were served in accordance with regulation 59E (to recover CIL previously passed to a parish or town council).
- 2.6.2 CIL receipts received in 2022/23 retained at the end of 2022/23 (other than those to which CIL regulation 59E and 59F applied): £1,303,470.84
- 2.6.3 CIL receipts received before 2022/23 retained at the end of 2022/23 (other than those to which CIL regulation 59E and 59F applied): £467,771.22
- 2.6.4 CIL receipts received in 2022/23 to which CIL regulation 59E or 59F applied, retained at the end of 2022/23: £0
- 2.6.5 CIL receipts received prior to 2022/23 to which CIL regulation 59E or 59F applied, retained at the end of 2022/23: £0

2.7 The (CIL) Infrastructure List

- 2.7.1 Regulation 121A(1)(a) requires the infrastructure funding statement to include:

“a statement of the infrastructure projects or types of infrastructure which the charging authority intends will be, or may be, wholly or partly funded by CIL (other than CIL to which regulation 59E or 59F applies) (“the infrastructure list”)”
- 2.7.2 A significant role of the IFS is, therefore, to identify those infrastructure projects or types of infrastructure which Folkestone & Hythe District intends will be, or may be, wholly or partly funded by the Community Infrastructure Levy; whilst indicating other sources of funding that can be pooled to fund the same infrastructure projects.
- 2.7.3 In conjunction with the approved process for scheme prioritisation as set out in the District Council's CIL Governance Framework adopted by Cabinet in June 2020, the District Council has identified those projects referenced in Table 2.3 to represent its top priorities.

Table 2.3. Priority projects for the spend of CIL receipts controlled by FHDC

Project name	CIL funding support required	Timescale for delivery	Report reference (where applicable)	Policy requirement
Folkestone: A Brighter Future	£997,170	2025/26 financial year in line with project completion	A/22/15, recorded in the infrastructure Schedule 2023, and agreed at officer group on 10/01/2024 (with a further updated agreed at the officer group meeting on 5 th February 2024)	Policy SS5 District Infrastructure Planning of the adopted Core Strategy Review
Coast Drive Visitor Centre	£300,000	Complete by Spring 2025	C23/70, recorded in the infrastructure Schedule 2023, and agreed at officer group on 10/01/2024	Policy SS5 District Infrastructure Planning of the adopted Core Strategy Review
Landslip – engineering works	£150,000	Spring 2024	Recorded in the infrastructure Schedule 2023, and agreed at officer group on 10/01/2024	Policy SS5 District Infrastructure Planning of the adopted Core Strategy Review
F51 Environs and Payers Park	£75,000	Summer 2024	Recorded in the infrastructure Schedule 2023, and agreed at the officer group meeting on 5 th February 2024	Policy SS5 District Infrastructure Planning of the adopted Core Strategy Review
Infrastructure improvements to the Leas (paths, walls and steps)	£150,000	About to be scoped	Recorded in the infrastructure Schedule 2023, and agreed at officer group on 10/01/2024	Policy SS5 District Infrastructure Planning of the adopted Core Strategy Review
Strategic Play Areas as set out in the adopted Play	£300,000	About to be scoped. Implementation expected in late	Recorded in the infrastructure Schedule 2023, and agreed at	Policy SS5 District Infrastructure Planning of the

Area Strategy (Leas Coastal Park refresh as priority)		'24 early '25	officer group on 10/01/2024	adopted Core Strategy Review
Rationalisation and capital replacement of litter bin stock	£100,000	Scoped. Implementation expected by spring 2025	C/23/68, recorded in the infrastructure Schedule 2023	Policy SS5 District Infrastructure Planning of the adopted Core Strategy Review
Total	£2,072,170			

- 2.7.4 The projected spend and drawdown of CIL funds held by FHDC to deliver those priority projects referenced in Table 2.3 amounts to £2,072,170, which is inside the budget held on account, but shall ensure that a considerable amount of spend can proceed.
- 2.7.5 Those projects that have been referenced under scheme prioritisation shall continue to be the subject of discussion at the S106 and CIL Working Group.
- 2.7.6 The Council shall use as much as the CIL pot assigned under the control of F&HDC as possible to facilitate project delivery, as required. A proportion of future CIL receipts to be collected and controlled by the District Council could be used to repay loans used to support infrastructure, i.e. where the Council has acted to provide forward-funding.

3. Section 106

3.1 Planning Obligations Report

Relevant Local Plan policies

- 3.1.1 Core Strategy Policy SS5 specifies the Council will through planning condition or obligation (S106) require new developments to secure improvements towards required infrastructure which are necessary to make the development acceptable.
- 3.1.2 Core Strategy Policy CSD1 (Balanced Neighborhoods) specifies requirements for affordable housing from new development. S106 agreements are used to secure affordable housing either through on- site provision or (off-site) commuted sum.

Items funded or to be funded by S106 monies

- 3.1.3 The majority of S106 agreements are used to fund delivery of affordable housing, open space provision (off-site), highways transport and education. The table below identifies the type of items that Section 106 monies have been used to fund during the reporting year, alongside those to be funded by Section 106 monies in the future. It includes information on the status of delivery.

3.2 Headline Figures

Table 3.1. Monetary Contributions

Item	Amount
Total money to be provided through planning obligations agreed in 2022/23	£95,153.90
Total money received through planning obligations (whenever agreed) in 2022/23	£1,306,348.02
Total money , received through planning obligations (whenever agreed), spent in 2022/23	£213,135.81
Total money , received through planning obligations (whenever agreed), retained at the end of 2022/23 (excluding “commuted sums” for longer term maintenance).	£3,782,069.49
Total money , received through planning obligations (whenever agreed), retained at the end of 2022/23 as “commuted sums” for longer term maintenance.	£85,020.99

*includes internal transfers and payments to third parties - refer to Table 3.3

Table 3.2. Non-Monetary Contributions

Item	Amount
Total number of affordable housing units to be provided through planning obligations agreed in 2022/23	70 dwellings
Total number of affordable housing units which were provided through planning obligations (whenever agreed) in 2022/23	23 dwellings
Total number of school places for pupils to be provided through planning obligations agreed in 2022/23	0 Secondary school places
Total number of school places for pupils which were provided through planning obligations (whenever agreed) in 2022/23	0 Primary school places

3.3 S106 agreements entered into

3.3.1 Table 3.3 details those S106 contributions entered into by F&HDC during the reporting period.

Table 3.3. S106 obligations entered into by F&HDC during the reporting period (1 April 2022 to 31 March 2023) but not yet triggered

Planning Application reference / Scheme	Infrastructure Item	Monies secured in 2022/23 but not triggered
20/1397/FH Land rear Broad Street, Lyminge	Healthcare	£22,464.00
20/1397/FH Land rear Broad Street, Lyminge	Play space	£22,689.90
20/1397/FH Land rear Broad Street, Lyminge	Public Rights of Way	£50,000
Y16/0794/FH St Saviours Hospital, 71-73 Seabrook Road Hythe	NHS contribution	TBC
Y16/0794/FH St Saviours Hospital, 71-73 Seabrook Road Hythe	Open Space	TBC
Y16/0794/FH St Saviours Hospital, 71-73 Seabrook Road Hythe	Play area	TBC

3.4 Section 106 infrastructure expenditure in 2022/23

3.4.1 Table 3.4 below sets out:

- The items of infrastructure on which money received through planning obligations has been spent in 2022/23
- The amount of money received through planning obligations, spent on each item

Table 3.4. S106 monies spent by F&HDC during the reporting period (1 April 2022 to 31 March 2023)

Planning Application reference / Scheme	Infrastructure Item	Monies spent in 2022/23
Y10/0898/SH	FHDC Affordable Housing	£818,704.95
Y11/0284/SH	Flood defence - Shingle Monitoring (F&HDC)	£3,017.00
Y11/1156/SH	KCC Community Learning	£15,221.91

Y15/0467/SH	FHDC Affordable Housing	£77,715.74
Y17/1377	Community use	£4,405.00
Y14/0873/SH	Monitoring fee	£5,500.00
	Total	£924,564.60

3.5 Section 106 receipts retained (allocated and unallocated)

- 3.5.1 The total amount of money, received through planning obligations prior to 2022/23, which had not been allocated (to an infrastructure project or item) by the end of 2022/23: £0
- 3.5.2 The total amount of money, received under any planning obligation in any year, which had been allocated (to an infrastructure project or type) for spending by the end of 2022/23 but which had not been spent: £2,688,457.
- 3.5.3 Table 3.5 provides a breakdown of S106 monies held by the District Council by general headings to identify what form of infrastructure Section 106 monies will be used to fund in the future.

Table 3.5. Total S106 monies held by FHDC at 31 March 2023

Planning reference number	Balance 31/03/23	Total KCC	Other 3rd Parties	FHDC Affordable Housing	FHDC Open Space	FHDC Other	Total
Y03/0903/SH	£48,641	£0	£0	£0	£0	£48,641	£48,641
Y06/1079/SH	£318,660	£0	£0	£0	£0	£318,660	£318,660
Y07/1566/SH	£81,307	£0	£81,307	£0	£0	£0	£81,307
Y09/0627/SH	£11,820	£0	£0	£0	£0	£11,820	£11,820
Y09/0627/SH	£5,026	£0	£0	£0	£0	£5,026	£5,026
Y10/0898/SH	£10,561	£0	£0	£0	£0	£10,561	£10,561
Y11/0812/SH	£2,800	£0	£0	£0	£2,800	£0	£2,800
Y11/1156/SH	£9,746	£0	£0	£0	£7,209	£2,537	£9,746
Y12/0980/SH	£5,169	£5,169	£0	£0	£0	£0	£5,169
Y13/0172/SH	£117,745	£0	£0	£0	£0	£117,745	£117,745
Y13/0595/SH (Y12/055/SH)	£5,000	£0	£0	£0	£5,000	£0	£5,000
Y13/1206/SH	£104,343	£1,769	£0	£102,575	£0	£0	£104,343
Y14/0300/SH	£191,666	£4,033	£0	£0	£0	£187,634	£191,666
Y10/0698/SH & Y15/0806/SH	£61,421	£0	£0	£0	£21,022	£40,399	£61,421
Y15/0467/SH	£0	£0	£0	£0	£0	£0	£0
Y15/0581/SH	£135,903	£0	£0	£135,903	£0	£0	£135,903
Y15/0164/SH	£420,518	£0	£70,471	£0	£168,607	£181,439	£420,518

Y19/0048/SH	£60,629		£5,118		£14,500	£41,012	£60,629
Y15/0741/SH	£86,948	£34,328	£0	£0	£52,620	£0	£86,948
Y17/1377/SH	£143,872	£18	£0	£0	£0	£143,854	£143,872
Y19/1164/SH	£155,694	£71,355	£24,715	£0	£25,200	£34,424	£155,694
Y14/0873/SH	£1,146,234	£34,154	£293,046	£0	£819,033	£0	£1,146,234
Y17/0710/SH	£258,450	£0	£0	£258,450	£0	£0	£258,450
20/1706/FH	£5,000	£5,000	£0	£0	£0	£0	£5,000
Y18/1305/FH	£125,602	£20,079	£0	£95,831	£9,691.39	£0	£125,602
Y18/1404/SH	£265,782	£243,663	£0	£0	£0	£22,119	£265,782
Y19/0254/FH	£3,533.03	£3,533.03	£0	£0	£0	£0	£3,533.03
Total	£3,782,070	£423,101	£474,657	£592,759	£1,125,871	£1,165,871	£3,782,070

3.5.4 Of the £3,782,070 held on account by FHDC as of 31st March 2023, some £2,884,313 is to be spent on services that are delivered by the District Council. The total outstanding amount to be transferred to Kent County Council (KCC) as of 31 March 2023 stands at £423,101. It should be noted that S106 monies assigned the reference 'Other 3rd parties' is exclusively for the Kent and Medway NHS. These monies will be released in due course in accordance with the Project Management procedures enacted by Development Management colleagues.

ANNEX A: The Regulatory Requirements for Infrastructure Funding Statements

The Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019

Regulation 121A states:

(1) Subject to paragraph (2), no later than 31st December in each calendar year a contribution receiving authority must publish a document (“the annual infrastructure funding statement”) which comprises the following—

(a) a statement of the infrastructure projects or types of infrastructure which the charging authority intends will be, or may be, wholly or partly funded by CIL (other than CIL to which regulation 59E or 59F applies) (“the infrastructure list”);

(b) a report about CIL, in relation to the previous financial year (“the reported year”), which includes the matters specified in paragraph 1 of Schedule 2 (“CIL report”);

(c) a report about planning obligations, in relation to the reported year, which includes the matters specified in paragraph 3 of Schedule 2 and may include the matters specified in paragraph 4 of that Schedule (“section 106 report”).

(2) The first annual infrastructure funding statement must be published by 31st December 2020.

(3) A contribution receiving authority must publish each annual infrastructure funding statement on its website.

Community Infrastructure Levy (CIL) Report – Folkestone & Hythe District Council			
	Requirement	Amount	Comment
1	The matters to be included in the CIL report are—		
a	the total value of CIL set out in all demand notices issued in the reported year	£1,655,504.65	
b	the total amount of CIL receipts for the reported year;	£918,135.36	
c	the total amount of CIL receipts, collected by the authority, or by another person on its behalf, before the reported year but which have not been allocated;	£0	<p>'Allocated' means CIL sums retained by the reporting authority which have, or knowingly will be, passed to an internal team to fund a specific infrastructure project or infrastructure type. 'Allocated' also includes sums which will knowingly be passed to an external organisation but which are yet to be passed.</p> <p>Allocation from the strategic pot (i.e. the balance after accounting for administration and the Neighbourhood component) is in accordance with the CIL Governance arrangements adopted in June 2020 (i.e. the current reporting year)</p> <p>Full amount district and county proportion unallocated (figure provided)</p> <p>Full amount of admin and neighbourhood proportion allocated</p>
d	the total amount of CIL receipts, collected by the authority, or by another person on its behalf, before the reported year and which have been allocated in the reported year;	£0	Admin % collected in previous years that has been allocated in the reported year
		£0	Neighbourhood proportion collected in previous years allocated in the reported year
e	the total amount of CIL expenditure for the reported year;	£539,054.41	Proportionate CIL receipts passed to KCC
		£218,691.74	Town & Parish proportion

			£50,318.54	CIL admin Actual CIL expenditure during the reported year, regardless of when received, including 'Local CIL' allocations both where spent by the charging authority under CIL regulation 59E and 59F, and where passed to parish/town councils under regulation 59A or 59B, whether subsequently spent or not by that council. Also includes CIL passed to external organisations under regulation 59(4) whether subsequently spent or not; CIL spent on administration of CIL; CIL "expenditure" in regard to any land and infrastructure payment received as "In-Kind" CIL payments from the point any development on the land is commenced or completed, and CIL refunded due to overpayments.
f		the total amount of CIL receipts, whenever collected, which were allocated but not spent during the reported year;	£1,771,242.06	
g		in relation to CIL expenditure for the reported year, summary details of—		
	i.	the items of infrastructure on which CIL (including land payments) has been spent, and the amount of CIL spent on each item;	Nil	
	ii.	the amount of CIL spent on repaying money borrowed, including any interest, with details of the items of infrastructure which that money was used to provide (wholly or in part);	Nil	
	iii.	the amount of CIL spent on administrative expenses pursuant to regulation 61, and that amount expressed as a percentage of CIL collected in that year in accordance with that regulation;	£50,318.54	Funding revised CIL Charging Schedule examination and associated work in 2022/23
h		in relation to CIL receipts, whenever collected, which were allocated but not spent during the reported year, summary details of the items of infrastructure on which CIL (including land payments) has been allocated, and the amount of CIL allocated to each item;	Nil	

i		the amount of CIL passed to—		
	i.	any parish council under regulation 59A or 59B; and	For the reported year - £218,691.74 Before the reported year - £194,651.07 Total = £413,342.81	As reported in the IFS 2022 Total CIL receipts passed to Town and Parish Councils since the inception of CIL up until 31 st March 2023
	ii.	any person under regulation 59(4)	£933,735.42	Spending strategy allocates 35% CIL receipts to Kent County Council.
	j.	summary details of the receipt and expenditure of CIL to which regulation 59E or 59F applied during the reported year including—		
	i.	the total CIL receipts that regulations 59E and 59F applied to;	59E (funds reclaimed from parish councils) = NIL 59F (figure retained for parish meetings) = Nil	No funds have been claimed back from parish councils (covered by Reg 59E)
	ii.	the items of infrastructure to which the CIL receipts to which regulations 59E and 59F applied have been allocated or spent, and the amount of expenditure allocated or spent on each item;	Nil	
	k	summary details of any notices served in accordance with regulation 59E, including—		
	i.	the total value of CIL receipts requested from each parish council;	Nil	
	ii.	any funds not yet recovered from each parish council at the	Nil	

		end of the reported year;		
I		the total amount of—		
	i.	CIL receipts for the reported year retained at the end of the reported year other than those to which regulation 59E or 59F applied;	<p>Retained neighbourhood proportion £160,041.77</p> <p>Retained amount in the strategic pot (i.e. F&HDC and KCC) = £1,580,973.20</p> <p>Retained admin proportion £64,990.25£</p> <p>Total = £1,303,470.84</p>	Accruals bases used. Not all CIL invoices had actually been paid by the developer
	ii.	CIL receipts from previous years retained at the end of the reported year other than those to which regulation 59E or 59F applied;	<p>Retained Neighbourhood proportion 3,415.50</p> <p>Retained amount in the strategic pot (i.e. F&HDC and KCC) = £463,217.22</p>	

			Retained admin proportion £1,138.50 Total: £467,771.22	
	iii.	CIL receipts for the reported year to which regulation 59E or 59F applied retained at the end of the reported year;	59E (funds reclaimed from parish councils) = NIL 59F (figure retained for parish meetings) = Nil	received for parish meetings for the reported year (covered by Reg 59F):
	iv.	CIL receipts from previous years to which regulation 59E or 59F applied retained at the end of the reported year.	59E (funds reclaimed from parish councils) = NIL 59F (figure retained for parish meetings) = Nil	

Section 106 planning obligations

Reporting requirement (Schedule 2, Paragraph 3 and (optional) 4)	Sum/ Details
2 (a). the total amount of money to be provided under any planning obligations which were entered into during the reported year;	£95,153.90
2 (b). the total amount of money under any planning obligations which was received during the reported year;	£1,304,957.88
2 (c). the total amount of money under any planning obligations which was received before the reported year which has not been allocated by the authority;	£0

Reporting requirement (Schedule 2, Paragraph 3 and (optional) 4)	Sum/ Details
3 (d). summary details of any non-monetary contributions to be provided under planning obligations which were entered into during the reported year, including details of - <ul style="list-style-type: none"> (i) in relation to affordable housing, the total number of units which will be provided; (ii) in relation to educational facilities, the number of school places for pupils which will be provided, and the category of school at which they will be provided; 	(i) 70 (ii) 0 school places
3 (e). the total amount of money (received under any planning obligations) which was allocated but not spent during the reported year for funding infrastructure;	£2,603,564.60
3 (f). the total amount of money (received under any planning obligations) which was spent by the authority (including transferring it to another party to spend i.e. Kent County Council);	£924,564.60
3 (g). in relation to monies (received under planning obligations) which were allocated by the authority but not spent during the reported year, summary details of the items of infrastructure on which the money has been allocated, and the amount of allocated to each item;	

Reporting requirement (Schedule 2, Paragraph 3 and (optional) 4)	Sum/ Details
3 (h). in relation to monies (received under planning obligations) which were spent by the authority (Folkestone & Hythe District Council and Kent County Council)	£924,564.60

INFRASTRUCTURE SCHEDULE – MARCH 2024

Each project is prioritised as follows:

- Critical: physical constraint to growth - development cannot come forward without it.
- Essential: development cannot come forward in a sustainable/acceptable way without it.
- Important: development can come forward but some sustainability goals will need to be compromised and some adverse impacts accepted.

TRANSPORT

Strategic highways

Infrastructure type	Project	Priority	Interdependence with PPLP &/or CSR	Phase 1 (2022 - 2026)	Phase 2 (2027- 2031)	Phase 3 (2032- 2037)	Delivery body	Body/bodies responsible for ensuring funding and delivery	Indicative cost	Funding position	Expected funding gap
Strategic Highways	Alkham Valley Road roundabout junction	Critical	Specifically required to unlock growth at Otterpool Park Garden Settlement (and thus linked to the Core Strategy Review). Policy SS9 of the adopted Core Strategy Review applies				KCC / National Highways / Otterpool Park LLP / FHDC	Otterpool Park LLP / FHDC / KCC	Up to £10 m	Not funded Contribution to be secured in conjunction with Otterpool Park	£6.5 m
Strategic Highways	A260 Spitfire Way / White Horse Hill / A260 roundabout junction	Critical	Specifically required to unlock growth at Otterpool Park Garden Settlement (and thus linked to the Core Strategy Review). Policy SS9 of the adopted Core Strategy Review applies				KCC / National Highways / Otterpool Park LLP / FHDC	Otterpool Park LLP / FHDC / KCC	Captured above (up to £10 m)	Not funded Contribution to be secured in conjunction with Otterpool Park	Captured above

Notes

Policy SS9 New Garden Settlement - Infrastructure, Delivery, Phasing and Management requires that highways mitigation measures are provided through S106 planning obligations. There shall be no drawdown of CIL towards delivery of strategic highway schemes

Appendix 5 of the adopted Core Strategy Review: New Garden Settlement – Indicative Infrastructure Delivery, Phasing and Management Schedule, provides an indicative infrastructure delivery schedule. It shows the potential infrastructure required for the new garden settlement

Local highways (including pedestrian and cycle connections)

Infrastructure type	Project	Priority	Interdependence with PPLP &/or CSR	Phase 1 (2022 - 2026)	Phase 2 (2027- 2031)	Phase 3 (2032- 2037)	Delivery body	Body/bodies responsible for ensuring funding and delivery	Indicative cost	Funding position	Expected funding gap
Highways	New Romney A259/B2071 junction	Critical	Not directly linked to PPLP sites, but is associated with planning consent granted on 'Broad Location' sites in New Romney				KCC	Developer / KCC	£289,000	Funded	No
Highways	A20/A261/Stone Street junction (Newingreen)	Critical	Former Lympe Airfield site. The scheme is also associated with planning consent granted at Nickolls Quarry (£106 collected by KCC) and Link Park. Linked to Otterpool Park				Otterpool Park LLP / KCC	Otterpool Park LLP / FHDC / KCC	TBC in the context of capacity requirements to serve the Garden Settlement - cost will be circa £3.3 m	Funded for minor works (£330,000), but more significant upgrade proposed. Further contribution to be secured in conjunction with Otterpool Park	No Expected to be delivered in conjunction with Otterpool Park proposal
Highways	Re-alignment of the A20 from south of the M20 J11	Critical	Specifically required to unlock growth at Otterpool Park Garden Settlement (and thus linked to the Core Strategy Review)				Otterpool Park LLP / KCC	Otterpool Park LLP / FHDC / KCC	Up to £5 million	Direct delivery to be secured in conjunction with Otterpool Park	No Expected to be delivered in conjunction with Otterpool Park proposal
Highways	Signalisation of southern arm of new roundabout at northern end of new dualling	Critical	Specifically required to unlock growth at Otterpool Park Garden Settlement (and thus linked to the Core Strategy Review)				Otterpool Park LLP / KCC	Otterpool Park LLP / FHDC / KCC	£500,000	Direct delivery to be secured in conjunction with Otterpool Park	No Expected to be delivered in conjunction with Otterpool Park proposal

Highways	Dualling of A20 south of the roundabout	Critical	Specifically required to unlock growth at Otterpool Park Garden Settlement (and thus linked to the Core Strategy Review)				Otterpool Park LLP/KCC	Otterpool Park LLP / FHDC / KCC	£6,150,000	Direct delivery to be secured in conjunction with Otterpool Park	No Expected to be delivered in conjunction with Otterpool Park proposal
Highways	A20 signals on the Barrow Hill Bridge	Critical	Specifically required to unlock growth at Otterpool Park Garden Settlement (and thus linked to the Core Strategy Review)				Otterpool Park LLP / KCC	Otterpool Park LLP / FHDC / KCC	£200,000	Contribution (or direct delivery) to be secured in conjunction with Otterpool Park	No Expected to be delivered in conjunction with Otterpool Park proposal
Highways	M20 Junction 9 – Improvements to Trinity Road and Fougères Way	Critical	Specifically required to unlock growth at Otterpool Park Garden Settlement (and thus linked to the Core Strategy Review)				Otterpool Park LLP / KCC	Otterpool Park LLP / FHDC / KCC	£373,000	Direct delivery to be secured in conjunction with Otterpool Park	No Expected to be delivered in conjunction with Otterpool Park proposal
Highways	A259 / Dymchurch Road / Military Road double yellow line scheme	Critical	Specifically required to unlock growth at Otterpool Park Garden Settlement (and thus linked to the Core Strategy Review)				KCC	Otterpool Park LLP / FHDC / KCC	£20,000	Contribution to be secured in conjunction with Otterpool Park	No Expected to be delivered in conjunction with Otterpool Park proposal
Highways	Off-site highway schemes required to be delivered in support of growth at Otterpool Park Garden Settlement	Critical	Specifically required to unlock growth at Otterpool Park Garden Settlement (and thus linked to the Core Strategy Review)				KCC / Otterpool Park LLP / FHDC	Otterpool Park LLP / FHDC / KCC	TBC	Contribution (or direct delivery) to be secured in conjunction with Otterpool Park	No Expected to be delivered in conjunction with Otterpool Park proposal

Highways	A260 Canterbury Road / Alkham Valley Road	Critical	Not specifically needed to unlock PPLP sites, but growing traffic pressure from background growth and Otterpool Park (and thus linked to the Core Strategy Review)				KCC / Otterpool Park LLP / FHDC	Otterpool Park LLP / FHDC / KCC	Cost of this scheme within £5-10m range covered under strategic highways	Not funded Contribution to be secured in conjunction with Otterpool Park	Significant proportion of total cost
Highways	A2034 Cheriton Road / A2034 Cherry Garden Avenue	Essential	Not specifically needed to unlock PPLP sites, but growing traffic pressure from background growth The Folkestone Seafront strategic site is required to make a proportionate developer contribution				KCC	Developer/ FHDC / KCC	TBC	Part funded £50,000 (index linked) Junction works could form part of the Active Travel tranche 2 scheme	TBC
Highways	A2034 / A20 / A259 / M20 on slip / M20 off slip (Castle Hill interchange)	Important	Not specifically needed to unlock PPLP sites, but growing traffic pressure from background growth				KCC	Developer/ FHDC / KCC	£190,000 (£250,000 based on 2022 costings) (note 3)	Not funded	Up to £190,000
Highways	Hammonds Corner A259 – New roundabout junction	Important	Not specifically needed to unlock PPLP sites, but growing traffic pressure from background growth				KCC	KCC	£3 million	Not funded (note 4)	£3million
Pedestrian access	Coastal Park HLF project	Important	No directly, but would improve access to residents and visitors to Folkestone and Sandgate				FHDC	FHDC	£598,569	Part funded from Heritage Lottery Fund	£598,569
PROW	Bridge repair and surfacing works across the District	Important	There are 53 outstanding surfacing issues across the district, and we also have 57 bridges missing or out of repair.				KCC	KCC	£200,000	Not funded	£200,000

Cycling	Royal Military Canal greenway scheme	Important	No direct link with PPLP sites, but the project would provide a key component of a strategic cycle route				FHDC / KCC	FHDC / KCC	£500,000	Not funded	£500,000
Cycling	Folkestone Central Rail Station to Cheriton cycle scheme	Important	No direct link with PPLP and CSR sites, although of direct benefit to Otterpool Park. The project would provide a key component of a cycle network within Folkestone	To be delivered in the next 12 months			KCC	KCC	£1,000,000	Fully funded via Tranche 2 of the Active Travel Fund.	No
Public transport	Bus network enhancements (associated with major sites)	Critical	No direct link with PPLP sites, but linked with planning consent at the Shorncliffe Garrison (SS11) New bus route form Hythe to Folkestone West Rail Station Diverted bus route 71/72/73 from Church Road to Royal Military Avenue, North Road and Pond Hill Lane Long-term improvements to bus route 77 operating along Royal Military Avenue and North Road				Stagecoach	Developer / FHDC	£880,000	Funded to “kick start” service enhancements	No
Public transport	Bus service enhancement (Sellindge)	Essential	No direct link with PPLP sites, but linked with planning consent at land adjacent to the surgery, Sellindge (CSD9)				Stagecoach	Developer / FHDC	£30,000	To fund an extension to existing services	No
Public transport	Travel plan and cycle voucher contributions (New Romney)	Essential	No direct link with PPLP sites, but linked with planning consent at New Romney broad location (CSD8)				Stagecoach and local cycle provider	Developer / FHDC	£136,000	Funded	No
PROW	Improvements to public footpaths HF38 and HBX11 to Cheriton High	Essential	Not specifically. Contributions secured against Shorncliffe Garrison site (SS11)				KCC	KCC	£55,000	Funded	No

	Street and public footpath HF55 to Newington										
Footway	Upgrade existing footpath linking Church Road and Cheriton High Street	Essential	Not specifically. Contributions secured against Shorncliffe Garrison site (SS11)				KCC	KCC	£25,000	Funded	No
Cycle routes	Improvement to cycle routes in the vicinity of the Shorncliffe Garrison site	Essential	Not specifically. Contributions secured against Shorncliffe Garrison site (SS11)				KCC	KCC	£25,000	Funded	No

Notes

Note 1: If the 'monitor and manage' approach shows the number of movements at M20 Junction 12-13 is consistent with the trajectory profiling and modelling assumptions, then a design would need to be shared with Highways England (to be formally agreed) in year 10 of build out, with a commitment to complete the works no later than between years 12 and 14 of build out.

Note 2: Combine this improvement with intervention 1.

Note 3: If the 'monitor and manage' approach shows the number of movements at M20 Junction 13 is consistent with the trajectory profiling and modelling assumptions, then a design would need to be shared with Highways England (to be formally agreed) in year 4 of build out, with a commitment to complete the works no later than between years 4 and 6 of build out.

Note 4: KCC have identified a number of schemes that could be funded in part through their (KCC's) proportionate share of CIL receipts

FOLKESTONE PLACE PLAN PRIORITY PROJECTS

Infrastructure type	Project	Priority	Interdependence with PPLP &/or CSR	Phase 1 (2022 - 2026)	Phase 2 (2027- 2031)	Phase 3 (2032- 2037)	Delivery body	Body/bodies responsible for ensuring funding and delivery	Indicative cost	Funding position	Expected funding gap
Improved pedestrian and cycle connections, provision of wayfinding, sustainable transport and mobility, environmental improvements (tree planting)	Station arrival and town centre connections	Important (policy) High Corporate priority					FHDC / KCC Highways / Southeastern / Network Rail	FHDC / Levelling Up Fund (DLUHC)	£3,066,255	To be delivered using Levelling Up Funding awarded in March 2023 – the scheme is Folkestone: A Brighter Future. £997,170 from CIL has been committed	n/a
Public realm improvement, transport hub, green civic space	Improved gateway – town centre & Bouverie Square	Important (policy) High Corporate priority					KCC Highways/ FHDC/ Stagecoach/Radnor Estate/ Saga site landowners/NCP	FHDC / Levelling Up Fund (DLUHC)	£17,657,655	To be delivered using Levelling Up Funding awarded in March 2023 – the scheme is Folkestone: A Brighter Future	n/a
Public realm / environmental improvements / civic space / wayfinding / cycling and skateboarding	Sandgate Road and Town Centre public realm	Important (policy) High Corporate priority					FHDC / Folkestone Town Council / Private landowners	FHDC / Levelling Up Fund (DLUHC)	£2,913,962	Not funded	£2,913,962

Public realm / highway layout reconfiguration / active travel (leisure loop)	F51 Environs and Payers Park	Important (policy) High Corporate priority				FHDC / Folkestone Town Council / Shepway Sports Trust / Creative Quarter Strategic Regeneration Group / Private landowner	FHDC / Levelling Up Fund (DLUHC)	£2,391,228	Not funded	£2,391,228
Public realm / walking and cycling network provision	Harbour Line and Tram Road	Important (policy) High Corporate priority				Network Rail / FHDC / KCC Highways	FHDC / Levelling Up Fund (DLUHC)	£20,971,538	Not funded	£20,971,538
Public amenity / water and sea sports use facilities	Sunny Sands	Important (policy) High Corporate priority				FHDC / The Crown Estate (the foreshore?)	FHDC / Levelling Up Fund (DLUHC)	£2,437,305	Not funded	£2,437,305

EDUCATION

Infrastructure type	Project	Priority	Interdependence with PPLP &/or CSR	Phase 1 (2022 - 2026)	Phase 2 (2027- 2031)	Phase 3 (2032- 2037)	Delivery body	Body/bodies responsible for ensuring funding and delivery	Indicative cost	Funding position	Expected funding gap
Primary education	Relocation and Expansion of Seabrook CEPS by 0.5FE	Important	No direct link with PPLP sites				KCC	Developer / KCC / FHDC	£6,000,000	Part funded	TBC
Primary education	Expansion of St Nicholas CEPS to 2FE	Important	No direct link with PPLP sites				KCC	Developer / KCC / FHDC	£500,000	Funded by S106	None
Primary education	Expansion of Greatstone PS to 2FE	Important	No direct link with PPLP sites				KCC	Developer / KCC / FHDC	£500,000	Funded by S106	None
Primary education	Palmarsh Primary 0.5FE expansion to 1FE	Important	No direct link with PPLP sites				KCC	Developer / KCC / FHDC	£2,600,000	Part funded	£1,100,000
Primary education	Palmarsh Primary 0.5FE expansion to 1.5FE	Important	No direct link with PPLP sites				KCC	Developer / KCC / FHDC	£1,100,000	Not funded	£800,000
Primary education	Palmarsh Primary 0.5FE expansion to 2FE	Important	No direct link with PPLP sites				KCC	Developer / KCC / FHDC	£1,100,000	Not funded	£800,000
Primary education	Folkestone West (Shornccliffe) - New 2FE Primary School	Critical	No direct link with PPLP sites				KCC	Developer / KCC / FHDC	£10,200,000	Part funded by S106 Shornccliffe Garrison & Folkestone Seafront	£3,772,000
Primary education	Expansion of Churchill PS (Hawkinge) by 1FE to 3FE	Important	Dependent on housing delivery in Hawkinge				KCC	Developer / KCC / FHDC	£2,800,000	Not funded	£2,800,000
Primary education	0.5FE expansion of Sellindge Primary from 1 to 1.5FE	Critical	Sellindge broad location (policy CSD9) – Dependent on Otterpool				KCC	Developer / KCC / FHDC	TBC	Funded	None (assuming S106 is collected in full from all sites forming broad location)
Secondary education	Secondary 4FE	Important	Various				KCC	Developer / KCC / FHDC	£13,000,000	Not funded	£13,000,000
Secondary education	Harvey Grammar School – 1FE expansion	Essential	Dependent on Otterpool – selective				KCC	Developer / KCC / FHDC	£3,000,000-£4,000,000		TBC

			provision will need to be off-site							
Secondary education	Harvey Grammar School – land for 1FE expansion	Essential	Dependent on Otterpool – selective provision will need to be off-site			KCC	Developer / KCC / FHDC	Land		TBC

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HIGHER AND FURTHER EDUCATION

Infrastructure type	Project	Priority	Interdependence with PPLP &/or CSR	Phase 1 (2022 - 2026)	Phase 2 (2027- 2031)	Phase 3 (2032- 2037)	Delivery body	Body/bodies responsible for ensuring funding and delivery	Indicative cost	Funding position	Expected funding gap
Higher and Further Education	East Kent College - Folkestone Campus - New Campus Frontage (Further Education)	Important	None specifically. Will contribute significantly to town centre regeneration, and provide an improved higher and further education offer for the District Folkestone College scheme approved in accordance with 20/0352/FH				East Kent College (Folkestone)	Developer / Higher Education provider / FHDC	£8,000,000	Funded (part enabling development)	No

GREEN INFRASTRUCTURE / SUSTAINABLE ACCESS AND RECREATIONAL STRATEGY (SARMS)

Infrastructure type	Project	Priority	Interdependence with PPLP &/or CSR	Phase 1 (2022 - 2026)	Phase 2 (2027- 2031)	Phase 3 (2032- 2037)	Delivery body	Body/bodies responsible for ensuring funding and delivery	Indicative cost	Funding position	Expected funding gap
Green Infrastructure	Sustainable Access and Recreational Management Strategy Bird surveys & reporting	Important	The SARMS was developed to mitigate recreational pressure resulting from new developments (within and outside the district) on the Dungeness complex of Natura 2000 sites. Originally identified through the HRA and now set out in Policy CSD4 of the CSR.				FHDC	FHDC	£21,410	Not funded	£21,410
Green Infrastructure	Sustainable Access and Recreational Management Strategy Visitor surveys	Important	The SARMS was developed to mitigate recreational pressure resulting from new developments (within and outside the district) on the Dungeness complex of Natura 2000 sites. Originally identified through the HRA and now set out in Policy CSD4 of the CSR.				FHDC	FHDC	£25,600	Not funded	£25,600
Green Infrastructure	Sustainable Access and Recreational Management Strategy Visitor Interpretation	Important	The SARMS was developed to mitigate recreational pressure resulting from new developments (within and outside				FHDC/EDF/ Fifth Continent	FHDC	£20,550	Some work has been carried out by EDF and	£20,550

			the district) on the Dungeness complex of Natura 2000 sites. Originally identified through the HRA and now set out in Policy CSD4 of the CSR.						the Fifth Continent FHDC not funded	
Green Infrastructure	Sustainable Access and Recreational Management Strategy Access control and Enforcement	Important	The SARMS was developed to mitigate recreational pressure resulting from new developments (within and outside the district) on the Dungeness complex of Natura 2000 sites. Originally identified through the HRA and now set out in Policy CSD4 of the CSR.			FHDC	FHDC	£1,000	Not funded	£1,000
Green Infrastructure	Green & Blue Infrastructure Strategy projects (document currently out to consultation)	Important				FHDC / Parish Councils / Natural England / Environment Agency / White Cliffs Partnership and private landowners	FHDC	TBC	Not funded	TBC

OPEN SPACE AND PLAY SPACE

Infrastructure type	Project	Priority	Interdependence with PPLP &/or CSR	Phase 1 (2022 - 2026)	Phase 2 (2027- 2031)	Phase 3 (2032- 2037)	Delivery body	Body/bodies responsible for ensuring funding and delivery	Indicative cost	Funding position	Expected funding gap
Play space	Cheriton Recreation Ground	Important Strategic (PPA)	Not specifically needed to unlock PPLP sites, but contributions may be sought				FHDC	FHDC	£50,000	Not funded	£50,000
Play space	East Cliff/Jock's Pitch	Important Strategic (PPA)	Not specifically needed to unlock PPLP sites, but contributions may be sought				FHDC	FHDC	£75,000	Not funded	£75,000
Play space	Lower Leas Coastal Park Fun Zone	Important Strategic (PPA)	Not specifically needed to unlock PPLP sites, but contributions may be sought				FHDC	FHDC	£300,000	£300,000 from CIL has been committed	£0
Play space	Canterbury Road	Important Strategic (PPA)	Not specifically needed to unlock PPLP sites, but contributions may be sought				FHDC	FHDC	£50,000	Not funded	£50,000
Play space	Brabner Close	Important Strategic (PPA)	Not specifically needed to unlock PPLP sites, but contributions may be sought				FHDC	FHDC	£50,000	Not funded	£50,000
Play space	Princes Parade – located adjacent to proposed leisure centre	Critical Strategic (PPA)	Linked to Princes Parade PPLP site. Will provide for a strategic area of play space				FHDC	Developer / FHDC	£200,000	Funded (assuming through Princes Parade S106)	£0
Play space	Payers Park	Important Strategic (PPA)	Not specifically needed to unlock PPLP sites, but contributions may be sought				FHDC	FHDC	£75,000	£75,000 from CIL has been committed	£0

Play space	Upper Radnor	Important	Not specifically needed to unlock PPLP sites, but contributions may be sought				FHDC	FHDC	£50,000	Not funded	£50,000
Play space	Lower Radnor Park Play Area	Important	Not specifically needed to unlock PPLP sites, but contributions may be sought				FHDC	FHDC	£50,000	Not funded	£50,000
Play space	Radnor Park Basketball Court	Important	Not specifically needed to unlock PPLP sites, but contributions may be sought				FHDC	FHDC	£15,000	Part funded	£10,000
Play space	Brockhill Country Park	Important Strategic (PPA)	Not specifically needed to unlock PPLP sites, but contributions may be sought				KCC	FHDC	£50,000	Not funded	£50,000
Play space	Dymchurch Recreation Ground	Important Strategic (PPA)	Not specifically needed to unlock PPLP sites, but contributions may be sought				Dymchurch Parish Council	Dymchurch Parish Council	£50,000	Not funded	£50,000
Play space	Fairfield Recreation Ground	Important Strategic (PPA)	Not specifically needed to unlock PPLP sites, but contributions may be sought				New Romney Town Council	New Romney Town Council	£50,000	Not funded	£50,000
Play space	The Greens	Important Strategic (PPA)	Not specifically needed to unlock PPLP sites, but contributions may be sought				New Romney Town Council	New Romney Town Council	£50,000	Not funded	£50,000
Play space	The Rype	Important Strategic (PPA)	Not specifically needed to unlock PPLP sites, but contributions may be sought				Lydd Town Council	Lydd Town Council	£50,000	Not funded	£50,000
Play space	The Green	Important	Not specifically needed to unlock				Hythe Town Council	Hythe Town Council	£50,000	Not funded	£50,000

		Strategic (PPA)	PPLP sites, but contributions may be sought								
Open space	Seabrook	Critical	Not specifically needed to unlock PPLP sites, but contributions may be sought				FHDC	FHDC	£300,000	Not funded	Not funded
Open space	Western open space and linear park	Critical	Linked to delivery of Princes Parade PPLP site. Will provide for a strategic area of open space				FHDC	FHDC	£1,529,117	Funded	£0
Open space	The Warren	Important	Not specifically needed to unlock PPLP sites, but contributions may be sought				FHDC	FHDC	£200,000	Part funded £200,000 (index-linked) from Folkestone Seafront	TBC
Open space	M20 Screen	Important	Not specifically needed to unlock PPLP sites, but contributions may be sought				FHDC	FHDC	£50,000	Not funded	£50,000
Open space	Folkestone West	Important	Not specifically needed to unlock PPLP sites, but contributions may be sought				FHDC	FHDC	£50,000	Not funded	£50,000
Open space	Rhodes Minnis Recreation Ground	Important	Not specifically needed to unlock PPLP sites, but contributions may be sought				FHDC	FHDC	£50,000	Not funded	£50,000
Open space	Strombers Lane	Important	Not specifically needed to unlock PPLP sites, but contributions may be sought				FHDC	FHDC	£50,000	Not funded	£50,000
Open space	Underwood	Important	Not specifically needed to unlock PPLP sites, but				FHDC	FHDC	£50,000	Not funded	£50,000

			contributions may be sought								
Open space	Shornclyffe	Critical	Committed development with planned play area provision at Shornclyffe Garrison. Classification to be fully confirmed.				To be confirmed once installed. (should be FHDC)	Developer / FHDC	£200,000	Funded	£0

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PUBLIC REALM (FHDC OPERATIONS TEAM)

Infrastructure type	Project	Priority	Interdependence with PPLP &/or CSR	Phase 1 (2022 - 2026)	Phase 2 (2027- 2031)	Phase 3 (2032- 2037)	Delivery body	Body/bodies responsible for ensuring funding and delivery	Indicative cost	Funding position	Expected funding gap
Open spaces, sports, recreation, green infrastructure, public realm / environmental improvement	Radnor Park Basketball Court	Important					FHDC	FHDC	£15,000	Part funded from Radnor Park Community Group (£5,500)	£,9500
Open spaces, sports, recreation, green infrastructure, public realm / environmental improvement	Repairs stone retaining walls and paths at The Leas	Important					FHDC	FHDC	£150,000	£150,000 from CIL has been committed	£0
Open spaces, sports, recreation, green infrastructure, public realm / environmental improvement	Refurbishment of the Zig Zag Path, Lower Leas Coastal Park	Critical					FHDC	FHDC	£300,000	Not funded	£300,000
Open spaces, sports, recreation, green infrastructure, public realm / environmental improvement	Landslip – engineering works	Critical					FHDC	FHDC	£150,000	£150,000 from CIL has been committed	£0

ENERGY

Infrastructure type	Project	Priority	Interdependence with PPLP &/or CSR	Phase 1 (2022 - 2026)	Phase 2 (2027- 2031)	Phase 3 (2032- 2037)	Delivery body	Body/bodies responsible for ensuring funding and delivery	Indicative cost	Funding position	Expected funding gap
Electricity	Stanford 33/11kV – Retrofit 11kV Switchgear	Essential	To support development generally				UKPN	UKPN	TBC	Funded	None
Electricity	Smeeth 33/11kV Reinforcement	Essential	To support development generally				UKPN	UKPN	TBC	Funded	None
Electricity	Romney Warren 33/11kV Reinforcement	Essential	To support development generally				UKPN	UKPN	TBC	Funded	None
Electricity	New secondary sub-station on sites yielding 50 dwellings or more	Essential	To support development generally Assessment undertaken on a site-by-site basis				UKPN	UKPN	£50,000 per site based on 2015 prices	UKPN/ Developer (so funded)	None

WATER SUPPLY & FLOODING DEFENCES

Infrastructure type	Project	Priority	Interdependence with PPLP &/or CSR	Phase 1 (2022 - 2026)	Phase 2 (2027- 2031)	Phase 3 (2032- 2037)	Delivery body	Body/bodies responsible for ensuring funding and delivery	Indicative cost	Funding position	Expected funding gap
Water Supply	Denge reservoir reinforcement	Essential	New Romney & Littlestone proposed allocations				Affinity Water	Developer / Affinity Water	TBC	Funded (by developer)	No
Water supply	Saltwood reservoir reinforcement	Essential (Monitor)	Saltwood and Hythe site allocations may require significant infrastructure reinforcements dependent on location of developments				Affinity Water	Affinity Water	TBC	Funded	No
Water supply	Paddlesworth reservoir reinforcement	Critical	Directly linked to North Downs Garden Settlement				Affinity Water	Developer / Affinity Water	TBC	To be funded (by developer)	No
Flood defence	Greatstone Dunes Management	Important					Folkestone & Hythe DC	Affinity Water	£75,000	Funded	No
Flood defence	Hythe to Folkestone Beach Management 2020 - 2025	Important	Folkestone and Hythe sites				Folkestone & Hythe DC	Affinity Water	£1.333 m	Funded	No
Flood defence	Hythe to Folkestone Beach Recharge	Important	Folkestone and Hythe sites				Folkestone & Hythe DC	Affinity Water	£5.035 m	Funded	No
Flood defence	Hythe Flood Alleviation Scheme	Important	Hythe sites				Kent CC	KCC	£500,000	Funded	No
Flood defence	Romney Sands Coastal Defences	Important	New Romney and coastal sites				Environment Agency	Environment Agency	£312,500	Funded	No
Flood defence	Lydd Ranges Schemes	Essential	Lydd sites				Environment Agency	Environment Agency	£21.25 m	Funded	No

Flood defence	Littlestone Beach Recharge 2020-21 & 2021/22	Essential					Environment Agency	Environment Agency	£1.2 m	Funded	No
Flood defence	Nailbourne Options Investigation	Important					Environment Agency	Environment Agency	£2.5 m	No	£2.083 m
Flood defence	Romney Marsh Living Landscape Project	Important					Environment Agency	Environment Agency	£40,000	Funded	No

HEALTH & SOCIAL CARE

Infrastructure type	Project	Priority	Interdependence with PPLP &/or CSR	Phase 1 (2022 - 2026)	Phase 2 (2027- 2031)	Phase 3 (2032-2037)	Delivery body	Body/bodies responsible for ensuring funding and delivery	Indicative cost	Funding position	Expected funding gap
Adult Social Care	Assistive technology in Shepway	Important	No direct link	Ongoing			KCC	Developer / KCC	£150,000	Fully funded, to include £24,302 S106 funding secured	None
General provision (New surgery)	New healthcare 'hub' at New Romney	Essential	S106 contributions from site allocations in New Romney				KCC (as landowner)/ NHS Kent and Medway	KCC (as landowner)/ NHS Kent and Medway	£9,000,000	Circa £150,000 secured via S106 £1.52m secured via STP fund (NHS) KCC as landowner is keen to promote the	TBC – not expected to be a gap

									site and retain ownership	
General provision (extension)	Hawkinge Health Centre extension	Essential	Linked to general background growth within catchment			NHS Kent and Medway	NHS Kent and Medway	£300,000	£200,000 to be funded by NHSE BAU capital across 22/23	None
General provision (New surgery)	New Shornccliffe branch health/care centre	Critical	Shornccliffe Garrison site is subject to an allocation in the Core Strategy (2013)			Developer/ NHS Kent and Medway	Developer/ NHS Kent and Medway	£858,600	Funded (direct provision)	None
General provision	Expansion of Oaklands Surgery, Hythe	Critical	Direct link with PPLP sites St Saviours, Smiths Medical and Land at Station Road.			NHS Kent and Medway	NHS Kent and Medway	£250,000	At least part funded by secured S106.	TBC
General provision (New combined GP surgery)	Improvement/ Re-provision of surgeries in central Folkestone. Potential to be linked to the Folkestone town centre regeneration scheme	Important (Strategically necessary)	No direct link in PPLP but contributions could be sought at planning application stage			NHS Kent and Medway / Premier Primarycare Ltd.	NHS Kent and Medway / Premier Primarycare Ltd.	£16,000,000	Funding will be the responsibility of Premier Primarycare Ltd (note 1)	No

Notes

1. Funding will be the responsibility of Premier Primarycare Ltd, as detailed in Folkestone & Hythe Cabinet report (C/21/33) dated 22nd September 2021

WASTE AND RECYCLING

Infrastructure type	Project	Priority	Interdependence with PPLP &/or CSR	Phase 1 (2022 - 2026)	Phase 2 (2027- 2031)	Phase 3 (2032- 2037)	Delivery body	Body/bodies responsible for ensuring funding and delivery	Indicative cost	Funding position	Expected funding gap
Local Waste Collection	No specific projects identified at this stage. Reviewed on an annual basis.	Important	All development	Ongoing as required			FHDC/Biffa	n/a	Unknown	FHDC/Biffa contract funded through Council Tax and KCC Enabling Payment	None
Litter bins	Rationalisation and capital replacement of litter bin stock	Important	To support development generally	To be implemented by spring 2025			FHDC	FHDC	£100,000	£100,000 from CIL has been committed	£0
Waste disposal	New Waste Transfer Station – to be located in Folkestone & Hythe	Essential	All development	Ongoing as required			KCC and Waste Contractors	KCC	At least £7.135m required	Otterpool S106 profiled to contribute £1.8m (not secured at this time). KCC are committing future CIL receipts passed over from FHDC to this project	None

COMMUNITY FACILITIES

Infrastructure type	Project	Priority	Interdependence with PPLP &/or CSR	Phase 1 (2022 - 2026)	Phase 2 (2027- 2031)	Phase 3 (2032-2037)	Delivery body	Body/bodies responsible for ensuring funding and delivery	Indicative cost	Funding position	Expected funding gap
Libraries	Sandgate Library additional stock, resources and services	Important	Parish Council	2022-2025 delivery			KCC and Parish Council	KCC	£50,000	S106 part-funding	TBC
Libraries	Folkestone Library and Community Services Hub comprising LRA/CLS/Youth	Important	Part of Folkestone town centre asset transformation programme	Project development ongoing			KCC	KCC	£400,000	Part-funded by sale of youth centre	£150,000
Libraries	Library Services at Folkestone Library	Important	None	Ongoing			KCC	KCC	£183,569	Part funded	£75,429
Libraries	Library Services at Cheriton Library	Important	None	Ongoing			KCC	KCC	£117,004	Part funded	£107,104
Police	Potential expansion of custody cells and necessary equipment	Important	None	Ongoing			Kent Police	FHDC / Kent Police	£504,218	None	£504,218
Community hub	Coast Drive Visitor Centre	Critical	None	Ongoing			FHDC	FHDC	£1,479,234	Part funded	£300,000

LEISURE & CULTURAL FACILITIES

Infrastructure type	Project	Priority	Interdependence with PPLP &/or CSR	Phase 1 (2022 - 2026)	Phase 2 (2027- 2031)	Phase 3 (2032-2037)	Delivery body	Body/bodies responsible for ensuring funding and delivery	Indicative cost	Funding position	Expected funding gap
Leisure centre	Replacement leisure centre to Hythe Pool	Critical	Direct link with PPLP sites at Princes Parade				FHDC	Developer / FHDC	£23 m	Part funded through secured S106, capital receipts	£2.5 m
Leisure and Culture facilities	Repairs the Martello Tower No. 3	Important	None				FHDC	FHDC	£100,000	Not funded	£100,000

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This Report will be made public on 9 April 2024



Report Number **C/23/104**

To: Cabinet
Date: 17 April 2024
Status: Non-Key Decision
Responsible Officer: Ewan Green, Director of Strategy & Resources
Cabinet Member: Cllr Jim Martin, Leader of the Council and Cabinet Member for Otterpool Park and Planning Policy

SUBJECT: EAST KENT SPATIAL DEVELOPMENT COMPANY

SUMMARY: This report provides an overview of the role and objectives of East Kent Spatial Development Company Limited (EKSDC) and an update on current activities within the Folkestone & Hythe district.

REASONS FOR RECOMMENDATIONS:

The purpose of the report is to provide Members with oversight of EKSDC activity and the opportunity to raise any matters for consideration of the Council's appointed board director and the company Chief Executive.

RECOMMENDATIONS:

1. To receive and note report C/23/104.
2. To raise any matters for consideration of the Council's appointed board director and the company Chief Executive.

1. BACKGROUND

1.1 EKSDC is a local authority-controlled development company operating across the East Kent and surrounding area. It aims to deliver sustainable projects based on the following criteria:

- Regeneration projects that create employment outputs
- Demonstratable market failure (only delivering where the market will not)
- Projects need to provide return on investment.
- Meeting the aims and objectives of member organisations.

1.2 There are 7 members of the company, each with an equal shareholding:

Canterbury City Council
Dover District Council
Folkestone and Hythe District Council
Thanet District Council
Kent County Council
University of Kent
Locate in Kent

1.3 The Council is represented on the EKSDC Board by Cllr Adrian Lockwood (as appointed by the Leader of the Council). An officer Steering Group supports the Board, and the Council is represented on this group by either the Director of Strategy and Resources or the Chief Offer: Place and Growth.

1.4 The Council previously entered into a joint venture agreement with East Kent Spatial Development Company (EKSDC), the company has a strong balance sheet with a net worth of £7.6m and the Directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future.

1.5 Further information on the role and activity of the company can be found in the appendices and via: <https://eksdco.co.uk/>

2. Folkestone and Hythe Activity

2.1 There have been 2 two significant EKSDC development projects delivered in the Folkestone and Hythe area:

1.Bouverie House Business Centre, Folkestone (£1.2M)

Bouverie House business centre was opened in April 2021. Prior to EKSDC purchasing the lease it had stood as an uncompleted empty building for 13 years. The EKSDC funded the purchase of the lease and 50% of the fit-out costs, the remaining 50% coming from the European Regional Development Fund. The building consists of 21 offices amounting to just over 6000 sqft.

2.Romney Marsh Business Hub (£1.64M)

The Romney Marsh Business Hub is a joint venture between the EKSDC and Folkestone and Hythe District Council with additional funding being provided by Magnox. The building opened in 2022 and has been very

successful. Also operating out of the centre is the Magnox-funded Business Support Manager providing services across the whole of Romney Marsh. The building comprises 15 offices amounting to some 6000 sqft of office space.

- 2.2 Officers are currently investigating potential new projects for EKSDC to consider in the Folkestone and Hythe area.

3. RISK MANAGEMENT ISSUES

- 3.1 There are no risk management issues directly arising from this report.

4. LEGAL/FINANCIAL AND OTHER POLICY MATTERS

4.1 Legal Officer's Comments (NM)

There are no legal implications arising directly from this report.

4.2 Finance Officer's Comments (OO)

There are no immediate financial implications as a result of this report. However, the East Kent Spatial Development Company annual report for the year ended 31 March 2023, the company made a profit after tax of £1,498,985 (2022: £64,556 loss). The company has £2,640,286 (2022: £2,151,598) included in cash at the bank and anticipate holding some £2.9m million in the financial year ending April 2024.

As a consequence, the EKSDC Directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

4.3 Diversities and Equalities Implications (EG)

There are no equality and diversity issues directly arising from this report.

4.4 Climate Change Implications (EG)

There are no climate implications directly arising from this report.

5. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Ewan Green, Director of Strategy and Resources
Telephone: 07783 659864
Email: ewan.green@folkestone-hythe.gov.uk

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

Appendices

**Appendix 1 East Kent Spatial Development Company Ltd
Report for Folkestone and Hythe**

**Appendix 2 East Kent Spatial Development Company Ltd
Accounts 2022-2023**



East Kent Spatial Development Company

Report to Folkestone and Hythe District Council

April 2024

Company Background

2002- 2007 Company formation and initial project delivery

The East Kent Spatial Development Company (EKSDC) was formed out of a partnership between the South East England Development Agency, Kent County Council, Thanet District Council and Dover District Council. The EKSDC was incorporated as a company limited by guarantee in April 2002.

The initial purpose of the company was to look at the investment of utility infrastructure in the Thanet Central Island and Sandwich Corridor. It had been identified that despite land being zoned for development within these areas these sites were not being bought forward due to the utility constraints. The reasons for these constraints were twofold:

- The legislation and regulatory framework precluded utility companies from investing in significant advance utility infrastructure unless there was proven demand.
- The first developer approach requires that the first developer who triggers the requirement for additional infrastructure pays the total cost of the reinforcement irrespective of the capacity that they require.

Therefore, it was identified that since existing capacity was exhausted, the capital costs of new reinforcement were unaffordable to new developers, and this was acting as a disincentive for inward investment in the area.

The EKSDC identified that the most pressing demand for utility reinforcement was for the supply of electricity to the Thanet Central Island. The existing supply was up to capacity and for the reason discussed no further investment was being made in the area.

The EKSDC therefore secured the funding for the £10 million Phase 1 Electricity infrastructure project and, following a competitive tender process, entered into a contract with EDF Energy for the delivery of the project. This project commenced in 2004 and was completed in December 2006 on time and on budget. The supply was available for connection from spring of 2007. The project was funded from European Regional Development fund, the Single regeneration budget, and English Partnerships.

This project was seen as unique and innovative in that rather than just investing the funds into laying cables the Company entered into an agreement with EDF energy whereby as customers connect to the supply a reimbursement would be paid back to the Company proportionate to the amount of supply which had been taken up. This would then enable the Company to reinvest in future projects providing a rolling investment fund for further regeneration projects.

Business Goals

The Company's goals are as follows:

- develop speculative buildings to promote employment and bring forward further investment on development sites.
- Refurbish business accommodation to provide high quality business space required by dynamic modern businesses.
- To assist where appropriate in delivering the employment on strategic mixed use site.
- support regeneration projects which promote the provision of jobs and promote the potential for economic growth.
- support projects which lever additional private or public sector funding into the area.
- Manage properties effectively as appropriate for business needs, in particular SMEs and business start ups.

Management and organisation

Current Membership

The EKSDC is a Local authority controlled company made up of the following members

- Kent County Council
- Canterbury City Council
- Dover District Council
- Folkestone and Hythe District Council
- Thanet District Council
- University of Kent
- Locate in Kent

Each Company Member is represented on the Directors whose roles are to oversee the management of the company. The board of Directors meet 4 times per annum.

Project Steering Group

The Project Steering Group is made up those individuals involved in project specific function or wider economic/regeneration activities and are nominated by the Board members and non-voting observers who attend the EKSDC Board. Membership of the Project Steering Group is not fixed and may be altered or amended at any time to maintain optimum flexibility to meet changing needs and requirements of the Company and its evolving action plan.

The main function of the Project Steering Group is to assist the Board of the EKSDC in developing its business plan and setting the key activities for recommendation to the Board of the EKSDC.

In addition the Project Steering Group:

- Provides information for new and additional projects, assisting the Company in making proposals to the Board of the EKSDC with regard to determining future project selection against the specified selection criteria. All projects are submitted to the project steering group before submission to the Board for approval.

- makes recommendations for project prioritisation to the Board of the EKSDC.
- Bring attention to potential funding opportunities.

Project selection criteria

Projects identified by the project steering group will be put forward for a business case review. The business case review will include but is not limited to:

1. Rationale for EKSDC involvement

For the EKSDC to become involved in a project there had to be either a demonstratable market failure or justification why EKSDC involvement is preferable to private sector development

2. Deliverability

Taking into account the following

- Any ownership issues
 - Planning
 - Design
- #### 3. Funding

If the project is part of a wider regeneration activity is the funding for this activity secured?

Is their opportunity for the EKSDC to secure further investment or funding?

4. Strategic fit

Does the project fit the aims and priorities of the EKSDC and member organisations

5. Leverage of funds

Are additional funds able to be levered for example in joint venture working with public or private sectors

6. Return on investment

7. Employment outputs and value for money

8. Risk

EKSDC Properties and resources

The following properties are those that are owned, or part owned by the EKSDC.

Canterbury Innovation Centre

Canterbury innovation centre provides just over 25,000 sqft of lettable space made up of offices, studios and workshop space. There are 88 units in total. The centre opened in 2009 and was funded through the South East England Development Agency.

Aylesham Employment Project

This two phase project consists of a small office block of 15 offices which are owned by the EKSDC but managed by the Aylesham Workshop Development Trust under a 25 year management agreement. The offices were completed in 2010.

The 2nd phase completed in October 2011 and consists of 2000 sqft of workshop units which are operated by the EKSDC on short leaseholds (3-5 years). The project was funded by the Homes and Communities Agency

Clover House Whitstable

Clover House was 100% funded by the EKSDC. The building itself had stood empty for 3 years prior to the EKSDC purchasing it and, whilst structurally sound, required a complete internal fit out to bring it up to modern office standard. Opening after the refit in 2017 it offers 28 offices amounting to just over 13,000 sqft of lettable space

Properties in the Folkestone and Hythe District Council region

Bouverie House Business Centre, Folkestone

Bouverie House business centre was opened in April 2021. Prior to EKSDC purchasing the lease it had stood as an uncompleted empty building for 13 years. The EKSDC funded the purchase of the lease and 50% of the fit out costs, the remaining 50% coming from the European Regional Development Fund. The building consists of 21 office amounting to just over 6000 sqft.

Overall take up of the property has been lower than anticipated with occupancy currently standing at 30% having achieved a maximum of 60%. There seems to be no single factor attributable to these occupancy levels. Discussions with agents and other operators in the area suggest they also are experiencing low occupancy. The cost of living has certainly had an impact. Over the last 2 months however we have started to see an increase in demand. 2 further offices have been let and we are currently in negotiations with a tenant to take 5 offices and the ground floor. This will put our occupancy back up to around the 60% mark.

The EKSDC is increasing its marketing activity in the area and providing more staffing resource to bring this centre forward.

In addition the EKSDC is putting in increased staffing into the building to help promote and create a better business community environment

Romney Marsh Business Hub

The Romney Marsh Business Hub is a joint venture between the EKSDC and Folkestone and Hythe District Council with additional funding being provided by Magnox. The building opened in May 2022. Also operating out of the centre is the Magnox-funded Business Support Manager providing services across the whole of Romney Marsh. The building comprises 15 offices amounting to some 6000 sqft of office space.

Since opening the hub has continued to perform well and reached budget and expected outputs. Current occupancy is 85% and external meeting room hire bookings are high.

Services

All EKSDC properties offer (with the exception of Aylesham Workshops)

- Easy in/easy out terms
- Fully serviced office space
- High speed broadband
- 24/7 access
- Meeting room space
- Break out areas

Other resources

Cash at bank

The Company is anticipated to hold some £2.9m million in the financial year ending April 2024. Of this £700,000 can only be spent in the Thanet or Sandwich corridor due to previous funding obligations.

Our reserves are forecast to grow by £400,000 per annum over the next financial year subject to occupancy rates being achieved.

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Registered number: 04410176

East Kent Spatial Development Company
(A company limited by guarantee)

Directors' Report and Financial Statements

For the year ended 31 March 2023

East Kent Spatial Development Company
(A company limited by guarantee)

Company Information

Member Organisations

Kent County Council (KCC)
University of Kent (UoK)
Locate in Kent (LiK)
Thanet District Council (TDC)
Dover District Council (DDC)
Folkestone & Hythe District Council (FHDC)
Canterbury City Council (CCC)

Directors

C Barron (UoK) (resigned 24 August 2022)
R J Thomas (KCC) (resigned 14 September 2022)
M J Whiting (KCC) (resigned 15 May 2022)
A Baldock (CCC) (appointed 16 August 2023)
A Lockwood (FHDC) (appointed 20 July 2023)
R J Everitt (TDC) (appointed 21 September 2023)
D Monk (FHDC) (resigned 25 May 2023)
T Bartlett (DDC) (resigned 25 May 2023)
D Murphy (KCC)
S Ryan (LiK) (resigned 3 January 2023)
T Periera (UoK)
K Mills (DDC) (appointed 28 July 2023)
S Bittorf (CCC) (appointed 20 July 2023)
K L Barber (UoK) (appointed 13 October 2022)
B A Fitter-Harding (CCC) (appointed 16 September 2022, resigned 25 May 2023)

Company secretary & Chief executive officer

D Spalding

Registered number

04410176

Registered office

Clover House
John Wilson Business Park
Harvey Drive, Chestfield
Whitstable
Kent
CT5 3QZ

Independent auditors

Kreston Reeves LLP
Statutory Auditor & Chartered Accountants
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Bankers

NatWest Bank Plc
11 The Parade
Canterbury
Kent
CT1 2SQ

East Kent Spatial Development Company
(A company limited by guarantee)

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East Kent Spatial Development Company
(A company limited by guarantee)

Directors' Report
For the year ended 31 March 2023

The Directors present their report and the financial statements for the year ended 31 March 2023.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The company's principal activity is to promote the economic development and regeneration, with a view to promoting the economic and environmental wellbeing, of an area within the districts of Thanet District Council, Dover District Council, Shepway District Council and Canterbury City Council including, without limitation.

- a) primarily to undertake or procure the provision of infrastructure works and wider regeneration activities, and
- b) subject thereto to promote, provide and procure the provision of economic development activities and to promote, provide and procure the provision of other appropriate support activities, including without limitation, advice and training, in each case within or for the benefit of the Target Area.

Directors

The Director who served during the year was:

C Barron (UoK) (resigned 24 August 2022)
R J Thomas (KCC) (resigned 14 September 2022)
M J Whiting (KCC) (resigned 15 May 2022)
D Monk (FHDC) (resigned 25 May 2023)
T Bartlett (DDC) (resigned 25 May 2023)
D Murphy (KCC)
S Ryan (LiK) (resigned 3 January 2023)
T Periera (UoK)
K L Barber (UoK) (appointed 13 October 2022)
B A Fitter-Harding (CCC) (appointed 16 September 2022, resigned 25 May 2023)

East Kent Spatial Development Company
(A company limited by guarantee)

Directors' Report (continued)
For the year ended 31 March 2023

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 13 December 2023 and signed on its behalf.

Chairman Cllr Alan Baldock
Director

East Kent Spatial Development Company
(A company limited by guarantee)

Independent Auditors' Report to the Members of East Kent Spatial Development Company

Opinion

We have audited the financial statements of East Kent Spatial Development Company (the 'Company') for the year ended 31 March 2023, which comprise the Statement of comprehensive income, the Balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Valuation of other debtors

Utility loans

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in notes 2.6, 3, 9 and 13 to the financial statements concerning the value of utility provider loans included in other debtors which is dependant upon performance criteria outside the company's control. The ultimate value of these other debtors cannot be presently determined.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

East Kent Spatial Development Company
(A company limited by guarantee)

Independent Auditors' Report to the Members of East Kent Spatial Development Company (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Members of East Kent Spatial Development Company (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management override. Audit procedures performed by the engagement team:

- Detailed discussions were held with management to identify any known or suspected instances of non-compliance with laws and regulations;
- The engagement team were made aware of the identified laws and regulations to ensure they remained alert to any indications of non-compliance throughout their audit procedures;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risk of material misstatement due to fraud;
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.
- Confirmations of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

East Kent Spatial Development Company
(A company limited by guarantee)

Independent Auditors' Report to the Members of East Kent Spatial Development Company (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Manser FCA DChA (Senior statutory auditor)
for and on behalf of
Kreston Reeves LLP
Statutory Auditor
Chartered Accountants
Canterbury

14 December 2023

East Kent Spatial Development Company
(A company limited by guarantee)

Statement of Comprehensive Income
For the year ended 31 March 2023

	Note	2023 £	2022 £
Turnover		1,210,969	1,092,612
Cost of sales		(363,387)	(417,316)
Gross profit		847,582	675,296
Administrative expenses		(362,128)	(316,954)
Fair value movements		(160,622)	87,013
Operating profit		324,832	445,355
Fair Value movements from Investment Property		1,475,000	-
Interest receivable and similar income		9,917	186
Profit before tax		1,809,749	445,541
Tax on profit	6	(310,764)	(510,097)
Profit/(loss) for the financial year		1,498,985	(64,556)

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 9 to 19 form part of these financial statements.

East Kent Spatial Development Company
(A company limited by guarantee)
Registered number: 04410176

Balance Sheet
As at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	7	31,752	744,053
Investment property	8	9,737,443	7,549,049
		<u>9,769,195</u>	<u>8,293,102</u>
Current assets			
Debtors	9	3,247,322	3,402,779
Cash at bank and in hand		2,640,286	2,151,598
		<u>5,887,608</u>	<u>5,554,377</u>
Creditors: amounts falling due within one year	10	(1,367,420)	(1,129,498)
Net current assets		<u>4,520,188</u>	<u>4,424,879</u>
Total assets less current liabilities		<u>14,289,383</u>	<u>12,717,981</u>
Creditors: amounts falling due after more than one year	11	(4,575,189)	(4,813,536)
Provisions for liabilities			
Deferred tax	14	(2,126,518)	(1,815,754)
		<u>(2,126,518)</u>	<u>(1,815,754)</u>
Net assets		<u><u>7,587,676</u></u>	<u><u>6,088,691</u></u>
Capital and reserves			
Profit and loss account		<u>7,587,676</u>	<u>6,088,691</u>
		<u><u>7,587,676</u></u>	<u><u>6,088,691</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Chairman Cllr Alan Baldock
 Director
 Date: 13 December 2023

The notes on pages 9 to 19 form part of these financial statements.

East Kent Spatial Development Company
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 March 2023

1. General information

East Kent Spatial Development Company is a company limited by guarantee incorporated in England. The address of the registered office is Clover House, John Wilson Business Park, Harvey Drive, Chestfield, Whitstable, CT5 3QZ.

The company's principal activity is to promote the economic development and regeneration, with a view to promoting the economic and environmental wellbeing, of an area within the districts of Thanet District Council, Dover District Council, Shepway District Council and Canterbury City Council.

The financial statements are presented in sterling which is the functional currency of the company. The financial statements are rounded to the nearest pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

There is no certainty over the timing and future value of the other debtor loan repayments and consequently the carrying value of the loans which are valued at the Directors' best estimate of fair value.

The company made a profit after tax of £1,498,985 (2022: £64,556 loss). The company has £2,640,286 (2022: £2,151,598) included in cash at the bank. As a consequence the Directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook and uncertainty over the carrying value of utility loans (see notes 2.6, 3, 9 and 13).

After making enquiries, the Directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the Financial Statements
For the year ended 31 March 2023

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office Equipment	-	33%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Investment properties

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.6 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Utility loans

Other debtors include loans made to a utility provider to finance new infrastructure works in East Kent. The loans (utility loans) are index linked to RPI and are repayable as and when third parties pay the utility provider to connect to the new utility infrastructure. The amount of the utility loan repayable is proportionate to the capacity connected as a percentage of the total capacity of the new utility network.

In order to make these utility loans the company has received grants (see note 2.9). At the point of repayment, the grant made to finance the utility loan is transferred from designated grants in advance to unrestricted grants in advance.

The utility loans have been treated as other financial instruments and are measured at fair value, being the present value of future payments discounted at a market rate of interest for a similar debt instrument. Any movement in the value of this estimate, other than from draw down or repayment, is taken to the Statement of comprehensive income.

The directors do not envisage 100% connection to the network and therefore they have made a provision to reduce the value of utility loans to their estimated fair value. There is no certainty over the timing and percentage connection to the network that will be achieved. As such there is significant uncertainty over the carrying value of utility loans.

Fair value is the directors' best estimate of the discounted future income stream arising from the repayment of the utility loans based on the latest independent professional consideration of the likely repayments. Repayments are linked to the Retail Price Index up to March 2019 and it is assumed this will continue to rise at 3.5% per annum. The discount rate applied is also assumed to be 3.5%.

Notes to the Financial Statements
For the year ended 31 March 2023

2. Accounting policies (continued)

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Grants

Grants received in respect of investment properties and assets under construction

Investment property related grants are accounted for in accordance with the performance model. Under the performance model:

- A grant that specified performance conditions is recognised in other operating income when the performance criteria is met;
- A grant that does not specify performance conditions is recognised in other operating income when the proceeds are received or receivable;
- A grant received before the recognition criteria are satisfied is recognised as a liability.

Grants received in respect of revenue expenditure

Grants relating to revenue expenditure are accounted for in accordance with the accrual model. Under the accrual model grants relating to revenue shall be recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Grants received to finance utility loans

Grants receivable to finance utility loans are accounted for under the accrual model. Under the accrual model grants relating to utility loans shall be transferred from designated grants in advance to unrestricted grants in advance in the period in which repayment or other reduction of the other debtor to which they relate is made.

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

East Kent Spatial Development Company
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 March 2023

2. Accounting policies (continued)

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Assets under construction

Assets under construction are carried at cost less impairment.

2.13 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.15 Jointly controlled assets

Jointly controlled assets have been recognised by recognising the company's share of jointly controlled assets, liabilities, income and expenses.

Notes to the Financial Statements
For the year ended 31 March 2023

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgments, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgments have had the most significant impact on amounts recognised in the financial statements:

Going concern

In the judgment of the directors it is appropriate to prepare the financial statements in accordance with the going concern basis of accounting. See note 2.2 for further details.

Investment properties

The company holds investment properties with fair value of £9,737,443 at the year end (see note 8). In order to determine the fair value of investment property the directors have used a valuation technique based on comparable market data and valuation reports from independent suitably qualified experts. The determined fair value of the investment properties is most sensitive to fluctuations in the property market.

Assets under construction

The company recognised assets under construction at cost less impairment. The nature of these assets whilst under construction makes assessment of impairment judgemental.

Debtors - infrastructure loans

The company has made loans to a utility provider. The utility loans have been treated as other financial instruments and are measured at fair value, being the present value of future payments discounted at a market rate of interest for a similar debt instrument. Fair value is taken as the Directors' best estimate of the discounted future income stream arising from the repayment of the utility loans (see note 2.6).

Any movement in the value of this estimate, other than from the draw down or repayment, is taken to the statement of comprehensive income.

The Directors do not envisage 100% connection to the network and therefore they have made a provision to reduce the value of utility loans to their estimated fair value. There is no certainty over the timing and percentage connection to the network that will be achieved. As such there is significant uncertainty over the carrying value of utility loans.

Grants

Grants relating to investment properties are accounted for under the performance model. In the opinion of the Directors' all performance criteria have been met and thus all appropriate grant income has been released.

4. Employees

The average monthly number of employees, including directors, during the year was 6 (2022 - 7).

East Kent Spatial Development Company
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Notes to the Financial Statements
For the year ended 31 March 2023

5. Fair value movement

The company has made loans to a utility provider. The utility loans have been treated as other financial instruments and are measured at fair value, being the present value of future payments discounted at a market rate of interest for a similar debt instrument. £160,622 (2022: £87,013) represents the fair value movement in the year.

The company had a revaluation in the current year on the investment properties, this created an uplift of £1,475,000 (2022:£NIL).

6. Taxation

	2023	2022
	£	£
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	310,764	510,097
Total deferred tax	<u>310,764</u>	<u>510,097</u>
Taxation on profit on ordinary activities	<u>310,764</u>	<u>510,097</u>

East Kent Spatial Development Company
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Notes to the Financial Statements
For the year ended 31 March 2023

7. Tangible fixed assets

	Furniture, fittings and equipment £	Assets under the course of construction £	Total £
Cost or valuation			
At 1 April 2022	105,023	713,394	818,417
Additions	19,968	-	19,968
Disposals	(9,594)	-	(9,594)
Transfers between classes	-	(713,394)	(713,394)
At 31 March 2023	<u>115,397</u>	<u>-</u>	<u>115,397</u>
Depreciation			
At 1 April 2022	74,364	-	74,364
Charge for the year on owned assets	18,875	-	18,875
Disposals	(9,594)	-	(9,594)
At 31 March 2023	<u>83,645</u>	<u>-</u>	<u>83,645</u>
Net book value			
At 31 March 2023	<u>31,752</u>	<u>-</u>	<u>31,752</u>
At 31 March 2022	<u>30,659</u>	<u>713,394</u>	<u>744,053</u>

East Kent Spatial Development Company
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Notes to the Financial Statements
For the year ended 31 March 2023

8. Investment properties

	Long term Leasehold investment properties £
Valuation	
At 1 April 2022	7,549,049
Surplus on revaluation	1,475,000
Transfers between classes	713,394
At 31 March 2023	<u>9,737,443</u>

The 2023 valuations were made by BTF Partnership, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2023 £	2022 £
Historic cost	12,245,810	10,674,402
Accumulated depreciation and impairments	(2,508,367)	(5,723,496)
	<u>9,737,443</u>	<u>4,950,906</u>

9. Debtors

	2023 £	2022 £
Due after more than one year		
Other debtors	2,399,707	2,560,329
	<u>2,399,707</u>	<u>2,560,329</u>
Due within one year		
Trade debtors	12,696	13,351
Other debtors	820,889	820,889
Prepayments and accrued income	14,030	8,210
	<u>3,247,322</u>	<u>3,402,779</u>

Other debtors include loans made to a utility service provider to finance the installation of new network infrastructure. Repayment of this loan is dependant on connections to the infrastructure, see notes 2.6, 3 and 13.

East Kent Spatial Development Company
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Notes to the Financial Statements
For the year ended 31 March 2023

10. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Grants received in advance (see note 12)	238,347	-
Trade creditors	5,076	10,826
Other taxation and social security	25,959	12,226
Other creditors	1,087,140	1,092,046
Accruals and deferred income	10,898	14,400
	<u>1,367,420</u>	<u>1,129,498</u>

11. Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Grants received in advance (see note 12)	4,575,189	4,813,536
	<u>4,575,189</u>	<u>4,813,536</u>

12. Grants received in advance

	2023	2022
	£	£
Designated grants - other debtors	3,044,774	2,962,378
Unrestricted grants	1,768,763	1,851,159
	<u>4,813,537</u>	<u>4,813,537</u>

Designated grants

These relate to grants received in order to finance other debtor loans made by the company. They are converted to unrestricted grants once the repayment of the other debtors falls due. The balance includes Single Regeneration Budget funding administered through TDC of £767,567 (2022: £746,796) and other third party funding of £2,277,207 (2022: £2,215,582).

Unrestricted grants

These relate to those grants received by the company that the company is able to use for whatever purpose it deems appropriate. The balance includes unreleased general grant funding of £57,304 (2022: £57,304) and converted other debtor grants of £1,711,460 (2022: £1,793,855)

East Kent Spatial Development Company
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Notes to the Financial Statements
For the year ended 31 March 2023

13. Financial instruments

	2023	2022
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	2,399,707	2,560,329
	<u>2,399,707</u>	<u>2,560,329</u>

Financial assets measured at fair value through profit or loss comprise loans made to a utility provider which are held in other debtors. The valuation principles of these loans and related uncertainties are described in note 2.6.

14. Deferred taxation

	2023
	£
At beginning of year	(1,815,754)
Charged to the profit or loss	(310,764)
At end of year	<u>(2,126,518)</u>

The deferred tax liability is made up as follows:

	2023	2022
	£	£
Grant funding of property acquisitions	(2,126,518)	(1,815,754)
	<u>(2,126,518)</u>	<u>(1,815,754)</u>

15. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

East Kent Spatial Development Company
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Notes to the Financial Statements
For the year ended 31 March 2023

16. Contingent liabilities

The company has received grants contingent on meeting certain performance criteria. The Directors are confident that the company will meet these performance criteria.

17. Controlling party

There is no controlling party for the company.