

This Report will be made public on 14 September 2021



Report Number **C/21/32**

To: Cabinet
Date: 22nd September 2021
Status: Key Decision
Responsible Officer: Charlotte Spendley, Director Corporate Services
Cabinet Member: Cllr David Monk, Leader of the Council

SUBJECT: **ACCELERATING DELIVERY OF THE COUNCIL'S CORPORATE PLAN - USE OF RESERVES**

SUMMARY: This report proposes the use of Reserves into the current budget framework to accelerate delivery of the council's corporate plan agenda, specifically those actions relating to: (1) Regeneration and housing activities and; (2) those relating to the council's Climate Change activities.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to support the recommendations which, if supported, will be put before Full Council for agreement.

RECOMMENDATIONS:

1. To receive and note report C/21/32.
2. To support the use of reserves as outlined in paragraph 2.1a to accelerate delivery of the Council's regeneration and housing agenda;
3. To support the use of reserves as outlined in paragraph 2.1b to allow for environmental enhancements to be made in council activities that support delivery of the Corporate Plan, specifically those of the Climate Change Action Plan;
4. To support the use of the capacity funding as outlined in paragraph 2.1a to support the levelling up fund bid submission
5. To recommend to Council use of funding and the reserves as outlined in this report for inclusion in the budget framework;
6. To note that should Full Council support be given, to agree the use of these funds be delegated to the Chief Executive, in consultation with the Leader of the Council, and be reported as part of the regular budget monitoring reports to Cabinet.

1. BACKGROUND

- 1.1 The council has an ambitious corporate plan (Report A/20/10). Delivering quality homes and infrastructure, a vibrant economy and a thriving environment are three of the four service ambitions, with positive community leadership completing the set.
- 1.2 The Overview and Scrutiny Committee will consider the draft Corporate Action Plan on 7 September, with Cabinet considering the proposed plan shortly afterwards. The Corporate Action Plan identifies the key projects and actions over the three year period to 2024 across the all Corporate Plan priority areas.
- 1.3 Detailed work is being delivered by all council teams across the various service areas and beyond the immediate day-to-day demands for high quality council services and recovery across the district from COVID-19, the focus for the coming years will largely be on delivering key, large scale place-making projects including the following:
 - Biggins Wood – 77 new homes and 5,800 sqm new employment space;
 - Council housing renewal – a capital enhancement programme following the stock condition survey to deliver a robust asset management approach covering the estate of some 3,500 homes;
 - Folkestone Town Centre renewal, including a health centre at FOLCA with significant place-making activities to enhance residential and employment opportunities;
 - A significant expansion in the number of new affordable homes into our Housing Revenue Account;
 - Mountfield Road – 5,092 sq.ft of employment space at the Romney Marsh Business Hub and a further 156,000 sq.ft floor space capacity from stage 2 land;
 - Princes Parade – a new leisure facility, open parkland and 150 new homes;
 - Ship Street – up to 100 new homes and employment space; and
 - Continued investment to support the council’s climate change agenda and relevant activities in the Corporate Plan, and specifically the Carbon Action Plan.
- 1.4 The council has made a number of critical decisions that signal strong support for the delivery of these major projects however, with the secondment of some council resources to deliver Otterpool Park, and with the number of projects now providing a critical mass, there are resource shortages which is currently preventing delivery at the pace members understandably wish to see.
- 1.5 In addition, new environmental carbon reduction related activities are being taken forward to deliver Corporate Plan ambitions and a modest budget to support these activities is now necessary and appropriate to enhance projects and activities being delivered.
- 1.6 The rest of this report details the proposal to use reserves to accelerate delivery of these, and associated, projects. It expands on the matters

outlined by the Chief Executive in her report to Personnel Committee (Report P/21/04), and should these be supported by Cabinet, the next step would be to submit the proposal to Full Council for decision and immediate inclusion in the budget framework.

2. PROPOSAL – USE OF RESERVES

2.1 The proposal is made of two parts:

- a. **Funding to provide capacity to accelerate delivery of regeneration and housing activities.** As detailed in paragraph 1.3, the activities are wide ranging across a number of projects that demand a wide range of specialisms to undertake various roles including, for example, scoping, commissioning design and feasibility work, preparing detailed technical business cases for bids and investment, leading negotiations, procuring and appointing development partners, leading project teams, providing project management and reporting expertise, providing an enhanced economic development function.

The proposal is to make available £896,000 across the General Fund and Housing Revenue Account over a two year period. These funds will be deployed as a budget to provide the necessary capacity, skills and expertise needed in the staffing base to deliver the projects. These staffing resources may be full or part time or contracted to the council, subject to the precise needs of the projects, capacity available and expertise required.

The funds required have been identified as £610,000 from the General Fund and £286,000 from the Housing Revenue Account, based on the anticipated allocation of work. The Council has been allocated capacity funding of £125,000 to progress its work towards a levelling up fund bid, and it is proposed we utilise £50,000 of this grant for additional resource capacity and the remaining £75,000 for external technical business case drafting. In addition it is proposed to earmark £196,000 from the Economic Development Reserve; £250,000 from the High Streets Regeneration Reserve and £114,000 from the General Reserve. The £286,000 required from the HRA are proposed to be met from the HRA Reserve. The funds will be drawn from the reserves in the financial year in which they fall, over the next two years (so could potentially span financial years 2021/22, 2022/23 and 2023/24), and are felt to be appropriate with sufficient earmarked and general reserves remaining in place after their use.

Beyond the funding allocated for the two year period, it is anticipated that any ongoing provision of resources will need to be incorporated in the future Medium Term Capital Programme.

- b. **Funding to support delivery of the Climate Change agenda and Carbon Action Plan.** As council projects are brought forward, environmental improvements can be made to enhance the projects and a modest budget to support this, drawn from the Climate Change Reserve, would assist. The types of activities supported might include environmental

enhancements on, for example, the Coastal Park kiosk, the toilet refurbishment programme, Coastal Drive Beach Huts proposal, and interim capacity and expertise to guide our carbon reduction activities. Larger scale investments that need to draw more heavily in their own right from the Climate Change Reserve will also be brought forward separately for decisions as proposals are developed.

The proposal is to make available a sum of £250,000 drawn from the £4.6m Climate Change Reserve to create a budget that can be used to deliver environmental enhancements to relevant projects contained within the Corporate Plan, specifically the Carbon Action Plan.

- 2.2 The decision to use these funds once in the budget framework will be made by the Chief Executive, in consultation with the Leader of the Council with monitoring reports provided to Cabinet as part of the regular monitoring framework. The Portfolio Holders for Housing, Estates & Asset Management, the Local Economy, and the Environment will all be advised as these decisions are contemplated.

3. RISK MANAGEMENT ISSUES

- 3.1 The following risks are considered in this matter:

Perceived risk	Seriousness	Likelihood	Preventative action
Lack of resources to deliver Members' wishes at pace as outlined in the Corporate Plan, Corporate Action Plan and Carbon Action Plan.	High	High	Proposals have been outlined to secure additional resources drawn from available Reserves for inclusion in the budget framework.
Inability to secure the necessary expertise and skills to deliver the complex and challenging agenda.	High	Medium	Recruitment expertise and support will be used to identify and secure the necessary resources.

7. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

7.1 Legal Officer's Comments (AK)

No direct legal implications to consider.

7.2 Finance Officer's Comments (CS)

The financial implications of the proposals are embedded within this report in section 2 of the report. The proposed use of reserves over a two year period reflect the importance and significance of the need for the additional resources to enable effective preparation and delivery of the councils priorities and ambitions through housing, regeneration and climate change activities. The proposed use of reserves is felt to be appropriate and prudent. The level of reserve remaining after these and existing commitments leave £3.7 million of General Reserves and £11.6m of Earmarked Reserves remaining. It is not proposed to utilise reserves beyond the 2 year period of funding earmarked through this report, capital projects will need to consider their resource requirements over the medium term.

7.3 Diversities and Equalities Implications (CS)

There are no direct diversities and equalities implications to this report.

7.4 Climate Change Implications (CS) *[Pilot reporting period]*

This report directly seeks to enhance and progress the of the climate change agenda, through the release of the reserve.

8. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

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

None