

Cabinet

Held at:	Council Chamber - Civic Centre Folkestone
Date	Wednesday, 26 January 2022
Present	Councillors John Collier, Ray Field, David Godfrey, Mrs Jennifer Hollingsbee (Vice-Chair), David Monk (Chairman), Stuart Peall, Tim Prater, Lesley Whybrow and David Wimble
Apologies for Absence	None.
Officers Present:	Andy Blaszkowicz (Director of Housing and Operations), Gavin Edwards (Performance and Improvement Specialist), Ewan Green (Director of Place), James Hammond (Strategic Policy Officer), Andy Jarrett (Chief Strategic Development Officer), John Bunnett (Development Director), Ellen Joyce (Democratic Services Trainee), Amandeep Khroud (Assistant Director), Tim Madden (Director of Transformation and Transition), Susan Priest (Chief Executive), Jo Robinson (Senior Corporate Debt Officer), Charlotte Spendley (Director of Corporate Services), Lee Walker (Capital and Treasury Senior Specialist) and Jemma West (Committee Service Specialist)
Others Present:	Councillor Connor McConville (Folkestone & Hythe District Council) and Councillor Patricia Rolfe Dan Brenchley (BAM), Stephen Jepson (Hadron Consultancy), Dean Lucas (Faithful and Gould), Simon Molden (The Sports Consultancy), and Seamus Lefroy-Brooks (LBHGEO).

NOTE: All decisions are subject to call-in arrangements. The deadline for call-in is Friday 4 February at 5pm. Decisions not called in may be implemented on Monday 7 February 2022.

61. **Declarations of Interest**

Councillor Mrs Hollingsbee declared an OSI in respect of Minute No 74 (Otterpool Park LLP Draft Updated Business Plan) due to her role as a Director

of the Board. She indicated that she would move to the public gallery during consideration of the report, and would not participate in the debate or vote.

62. **Minutes**

The minutes of the meeting held on 15 December 2021 were submitted, approved and signed by the Leader.

63. **General Fund Capital Programme Budget Monitoring 2021/22**

The monitoring report provided an updated projection of the current financial position for the General Fund capital programme profiled for 2021/22, based on expenditure to 30 November 2021, and identified variances compared to the latest approved budget.

Proposed by Councillor Monk,
Seconded by Councillor Collier; and

RESOLVED:

1. That report C/21/60 be received and noted.

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

REASONS FOR DECISION:

Cabinet is asked to agree the recommendations because it needs to be kept informed of the General Fund capital programme position and take appropriate action to deal with any variance from the approved budget.

64. **General Fund Revenue Budget Monitoring - 3rd Quarter 2021/22**

The monitoring report provided a projection of the end of year financial position of the General Fund revenue budget, based on expenditure to the 30 November 2021.

Proposed by Councillor Monk,
Seconded by Councillor Collier; and

RESOLVED:

1. That report C/21/65 be received and noted.

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

REASONS FOR DECISION:

Cabinet was asked to agree the recommendations because it needs to be informed of the council's General Fund revenue budget position and take appropriate action to deal with any variance from the approved budget.

65. **HRA Budget Monitoring Quarter 3**

The monitoring report provided a projection of the end of year financial position for the Housing Revenue Account (HRA) revenue expenditure and HRA capital programme based on net expenditure to 30 November 2021.

Proposed by Councillor Godfrey,
Seconded by Councillor Peall; and

RESOLVED:

1. **That Report C/21/62 be received and noted.**

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

REASONS FOR DECISION:

Cabinet is asked to agree the recommendations because Cabinet needs to be kept informed of the Housing Revenue Account position and take appropriate action to deal with any variance from the approved budget and be informed of the final 2021/22 position.

66. **Draft Housing Revenue Account Revenue and Capital Original Budget 2022/23**

The report set out the Housing Revenue Account Revenue and Capital Budget for 2022/23 and proposed an increase in weekly rents and an increase in service charges for 2022/23.

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

RESOLVED:

1. **That report C/21/66 be received and noted.**
2. **That the Housing Revenue Account Budget for 2022/23 be recommended to full Council. (Refer to paragraph 2.1 and Appendix 1).**
3. **That the increase in rents of dwellings within the HRA on average by £3.52 per week, representing a 4.1% increase with effect from 4 April 2022 be recommended to Full Council (Refer to paragraph 3.2).**
4. **That the increase in service charges be recommended to Full Council. (Refer to section 3.5).**
5. **That the Housing Revenue Account Capital Programme budget 2022/23 be approved. (Refer to paragraph 4.1 and Appendix 2).**

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

REASONS FOR DECISION:

Cabinet is requested to agree the recommendations as the Local Government Housing Act 1989 requires the Council, as a Local Housing Authority, to keep a separate Housing Revenue Account and to produce estimates to ensure that the account does not go into deficit. The authority also has a duty to set and approve rents in accordance with government guidelines that are outlined in the self-financing determination. The Constitution requires that the annual Budget and any variations to the Budget are approved by Council.

67. Detailed Draft General Fund Budget 2022/23

The report set out the Council's Draft General Fund budget for 2022/23.

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

RESOLVED:

- 1. That report C/21/67 be received and noted.**
- 2. That the budget estimates, as detailed in the report, be approved as the basis for preparing the final 2022/23 budget and Council Tax recommendations for approval by Full Council in February 2022.**

(Voting figures: 7 for, 0 against, 2 abstentions).

REASONS FOR DECISION:

Cabinet is asked to agree the recommendations because they form part of the budget-setting process which will culminate in Full Council approving the budget and council tax for 2022/23 on 23 February 2022, in accordance with the Local Government Finance Act 1992.

68. Treasury Management Strategy Statement for 2022/23 and Treasury Management Monitoring Report 2021/22

The report set out the proposed strategy for Treasury Management for 2022/23 including Treasury Management Prudential Indicators. The report also provided an update on the council's Treasury Management activities that have taken place during 2021/22 against the agreed strategy for the year.

Proposed by Councillor Monk,
Seconded by Councillor Peall; and

RESOLVED:

- 1. That report C/21/61 be received and noted.**
- 2. That the strategy for Treasury Management in 2022/23 as set out in the report be adopted.**
- 3. That the Treasury Management Prudential Indicators for 2022/23 be approved, as set out in the report.**

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

REASONS FOR DECISION:

Cabinet is asked to agree the recommendations because:-

- a) The Council must have regard to CIPFA's Code of Practice for Treasury Management in the Public Services when carrying out its duties under Part 1 of the Local Government Act 2003, including approving an annual Treasury Management Strategy Statement in advance of the financial year.
- b) The Council's Financial Procedure Rules require an annual plan and strategy for treasury management to be approved in advance of the financial year.

- c) Both the CIPFA Code of Practice on Treasury Management and the Council's Financial Procedure Rules require Members to receive a report on the Council's treasury management activities during the year.

69. **Folkestone and Hythe District Discretionary Covid-19 Additional Relief Fund**

The report set out proposals for how Folkestone & Hythe District Council will use government funding awarded through Covid-19 Additional Relief Fund (CARF).

Proposed by Councillor Monk,
Seconded by Councillor Peall; and

RESOLVED:

1. That report C/21/68 be received and noted.
2. That the scheme criteria, allocation and parameters for CARF relief provided by the Department for Levelling Up, Housing and Communities be noted.
3. That the decision on the final policy and scheme criteria for the CARF relief scheme be delegated to the Leader, with responsibility for Finance.
4. That the final decision to award CARF be delegated to the Leader, in consultation with the Director of Corporate Services.

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

REASONS FOR DECISION:

Cabinet was asked to note the funding and government guidance regarding the new relief and agree the proposed approach to administering the relief.

70. **Oportunitas Progress Report 2021/22 to 30 November 2021**

The report provided an update from the Board of Oportunitas Ltd ("the company") on activities undertaken so far during the 2021/22 financial year, including a projected outturn for the profit and loss account for the period to 31 March 2022 compared to the original forecast. The report also outlined the company's audited Statement of Accounts for the financial year ending 31 March 2021. The report was in-line with the requirement contained in the Shareholder's Agreement between the company and the Council.

The Chairman of Oportunitas was in attendance at the meeting of Cabinet to present the report and to address any questions.

Proposed by Councillor Wimble,
Seconded by Councillor Collier; and

RESOLVED:

1. That report C/21/69 be received and noted.

2. **That the Full Statement of Accounts and Directors' Report for the financial year ending 31 March 2021 be noted.**
3. **That the latest projected outturn for the Profit and Loss Account of Oportunitas Limited for the financial year ending 31 March 2022 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.

71. Infrastructure Funding Statement 2021

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 provided 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. The report sought approval of the IFS, and identified 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.

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

RESOLVED:

1. **That report C/21/59 be received and noted.**
2. **That the Council accepts the proposed Infrastructure Funding Statement contained in Appendix 1 of the report, which is to have immediate effect and be published.**

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

REASONS FOR DECISION:

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

72. Equality and Diversity Annual Report 2020-21

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 was therefore presented for consideration and approval prior to publication.

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

RESOLVED:

- 1. That report C/21/72 be received and noted.**
- 2. That the draft Equality & Diversity Annual Report outlined in Appendix 1 of the report be approved.**

(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 2020-21 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.

73. Housing Asset Management Strategy

The Housing Asset Management Strategy (HAMS) is the primary document in a library of housing strategies that provide direction for the future maintenance, improvement and development of the council's housing stock along with its small commercial portfolio and other non HRA properties the housing service has responsibility for.

The strategy has been considered by the Overview and Scrutiny Committee, the Strategic Tenants Panel, along with a wider consultative group of tenants. Where appropriate amendments have been made to the HAMS (attached at Appendix A to the report) with the changes detailed in the report.

Proposed by Councillor Godfrey,
Seconded by Councillor Wimble; and

RECOMMENDATIONS:

- 1. That report C/21/71 be received and noted.**
- 2. That the Housing Asset Management Strategy be approved.**

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

REASONS FOR DECISION:

The Housing Service came back in-house in October 2020. Since then a huge amount of work has been undertaken to embed the service within the wider council, move the service out of regulation and ensure that tenants are at the heart of everything that we do.

It is now time to take a strategic view on how we maintain and regenerate our existing stock and develop new homes that are fit for the future. There are many competing demands on the Housing Revenue Account (HRA) budgets; The Housing Asset Management Strategy considers these demands and defines a set of objectives and priorities that will inform future maintenance, retrofitting

and development. The HAMS is a vital document that is required to inform the new HRA 30 year Business Plan which will provide the budget framework to deliver our ambitions.

74. Otterpool Park LLP Draft Updated Business Plan

The report presented the first annual update of the strategic business plan for Otterpool Park Limited Liability Partnership (LLP). The draft updated plan provided commentary on progress achieved to date and set out the priorities and key milestones for the LLP over the next 12-18 month period.

Proposed by Councillor Monk,
Seconded by Councillor Peall; and

RESOLVED:

- 1. That report C/21/70 be received and noted.**
- 2. That the updated Business Plan submitted by the Board of Otterpool Park Limited Liability Partnership and contained in the Appendix to the report be agreed.**

(Voting figures: 6 for, 1 against, 1 abstentions).

Councillor Mrs Hollingsbee sat in the public gallery during the debate on this item, and did not participate in the debate or vote.

REASONS FOR DECISION:

Cabinet was asked to agree the recommendations so that the Otterpool Park Limited Liability Partnership can continue to deliver the project as detailed in the business plan.

75. Princes Parade

The provision of a new leisure centre, housing and public open space at Princes Parade has previously been approved by Cabinet. The report gave an update on the status of the project, recommended appointment of the leisure centre operator and build contractor and sought approval for financial capital and revenue provision to complete the project.

Dan Brenchley (BAM), Stephen Jepson (Hadron Consultancy), Dean Lucas (Faithful and Gould), Simon Molden (The Sports Consultancy), and Seamus Lefroy-Brooks (LBHGEO) were in attendance at the meeting to respond to any questions from Members.

Councillor Whybrow asked a number of detailed questions and made comments on various issues including land contamination and monitoring, climate change and rising sea levels, the ecology at the site, the marketing of residential land and the increase in required funding. She also raised concerns about the potential long term (50 year) timescale for repayment of the loan to cover the funding shortfall.

Members were advised that full details of the responses would be available on the recording of the meeting placed on the council's website¹.

Proposed by Councillor Monk,
Seconded by Councillor Godfrey; and

RESOLVED:

1. That report C/21/75 be received and noted.
2. That the revised budget and funding requirement, as detailed in paragraph 3.4 be agreed, and its inclusion in the Medium Term Capital Programme (MTCP) and revenue budgets be recommended to Council as required.
3. That additional funding be agreed to progress the installation of solar cells on the leisure centre, subject to planning considerations, of £100,000 drawn from the Climate Change Reserve as set out in paragraph 2.4.6.
4. To accept £2 million Brownfield Land Release Funding (BLRF) as described in paragraph 3.6.1 and to delegate to the Director of Housing and Operations, in consultation with the Leader of the Council, the authority to seek and approve other forms of external funding for this project as and when they become available.
5. That the contract for the operation of the leisure centre be awarded to Freedom Leisure (Wealden Leisure Ltd) for the period of the contract as set out in section 2.5.
6. That the disposal of land for housing, in line with delegation arrangements previously set out in Cabinet report C/18/69 (February 2019) be noted.
7. That the contractors BAM proceed to the next stage of the project as outlined in the report (i.e. Phase 1 and 2 works) and the construction contract be finalised on this basis.
8. That it be agreed that, in line with the recommendation from Cabinet of May 2014 (report C/14/01), at an appropriate time, a legally binding covenant be drawn up to protect the scheme's proposed parkland and open space from any future development proposals not directly related to the site's leisure and educational objectives (paragraph 2.2.6) and the establishment of a strategic play area be noted.
9. That the authority to implement the steps required to complete the project be delegated to the Director - Housing and Operations, in consultation with the Leader and the Cabinet Member for Special projects.
10. To note that the decision from the Secretary of State (SoS) relating to the Stopping Up Order of Princes Parade has not yet been received and, subsequent to that decision, there will be a period whereby a judicial review could be lodged (see section 2.3), and

¹ Post meeting note - Detailed responses to questions asked at the meeting are being made available on the relevant project part of the council's website.

agree to proceed delivering the project at risk while the SoS's decision is finalised.

- 11. That the headline implications if the project does not proceed as outlined in this report be noted (paragraph 4.1).**
- 12. That the web site continues to be the primary channel for information relating to the project, with those interested in project detail and updates being directed to that source for relevant information (see section 5).**

(Voting figures: 7 for, 2 against, 0 abstentions).

Councillors Prater and Whybrow asked it to be recorded that they had voted against the recommendations. Councillor Peall asked it to be recorded that he had voted in favour of the recommendations.

REASONS FOR DECISION:

Cabinet was asked to agree the recommendations because the project has reached decision points needed to deliver the project, and timely decisions are required to be included within the Council's respective budgets.

76. Update on the development of the Highview site

Cabinet approved the acquisition of the former Highview School site in Folkestone in April 2017 (minute number 79 applies). The site will enable the development of 30 Council homes for affordable rent and shared ownership purchase. To enable the new homes to be as energy efficient as possible and meet the standard to be zero carbon in use, the current viability assessment for the development shows that the development repayment period is likely to exceed the agreed timescale of 30 years set out in the current HRA Business Plan.

Proposed by Councillor Godfrey,
Seconded by Councillor Peall; and

RESOLVED:

- 1. That report C/21/64 be received and noted.**
- 2. That the development programme for the Highview site, which will deliver 30 zero carbon in use affordable Council homes for rent and shared ownership purchase, be approved.**
- 3. That the project will exceed the 30 year break even period, as set out in the current HRA Business Plan, with an anticipated payback period of 34 years according to the RIBA stage 4 cost plan.**
- 4. That Officers apply to the Homes England Affordable Homes programme for funding towards the project and delegated authority be given to the Director, Housing & Operations to accept the grant if the bid is successful.**
- 5. That Officers issue a tender for the Design & Build contract for the delivery of the residential scheme including associated highways and services works, and delegated authority be given to the Director, Housing & Operations to enter into the contract with the successful**

bidder, and conclude any further actions necessary to deliver the scheme.

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

REASONS FOR DECISION:

1. All homes in the district are required by government to be to the zero carbon in use standard by 2050.
2. To minimise future costs to the Council, it is vital that new homes are delivered to this standard wherever possible.
3. The Council has declared a climate emergency and it is appropriate that the Council seeks to minimise its carbon outputs.
4. The new homes will exceed current building control standards and demonstrate local leadership in going beyond current regulations.
5. The repayment period for the development will exceed the 30 year payback period requirement set out in the Housing Revenue Account Business Plan.
6. The investment will help to address fuel poverty in the district by making these homes highly energy efficient.