



AGENDA

CABINET MEETING

Date: Wednesday, 11 July 2018

Time: 7.00 pm

Venue: Council Chamber - Swale House, East Street, Sittingbourne, Kent ME10 3HT

Membership:

Councillors Sarah Aldridge, Bowles (Chairman), Mike Cosgrove, Duncan Dewar-Whalley, Alan Horton, Gerry Lewin (Vice-Chairman) and David Simmons.

Quorum = 3

RECORDING NOTICE

Please note: this meeting may be recorded.

At the start of the meeting the Chairman will confirm if all or part of the meeting is being audio recorded. The whole of the meeting will be recorded, except where there are confidential or exempt items.

You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during this recording will be retained in accordance with the Council's data retention policy.

Therefore by entering the Chamber and speaking at Committee you are consenting to being recorded and to the possible use of those sound recordings for training purposes.

If you have any queries regarding this please contact Democratic Services.

1. Emergency Evacuation Procedure

Pages

The Chairman will advise the meeting of the evacuation procedures to follow in the event of an emergency. This is particularly important for visitors and members of the public who will be unfamiliar with the building and procedures.

The Chairman will inform the meeting whether there is a planned evacuation drill due to take place, what the alarm sounds like (i.e. ringing bells), where the closest emergency exit route is, and where the second closest emergency exit route is, in the event that the closest exit or route is blocked.

The Chairman will inform the meeting that:

(a) in the event of the alarm sounding, everybody must leave the building via the nearest safe available exit and gather at the Assembly points at the far side of the Car Park. Nobody must leave the assembly point until everybody can be accounted for and nobody must return to the building until the Chairman has informed them that it is safe to do so; and

(b) the lifts must not be used in the event of an evacuation.

Any officers present at the meeting will aid with the evacuation.

It is important that the Chairman is informed of any person attending who is disabled or unable to use the stairs, so that suitable arrangements may be made in the event of an emergency.

2. Apologies for Absence

3. Minutes

To approve the Minutes of the Meeting held on 30 May 2018 (Minute Nos. 29 - 41) as a correct record. [Link to Minutes](#)

4. Declarations of Interest

Councillors should not act or take decisions in order to gain financial or other material benefits for themselves or their spouse, civil partner or person with whom they are living with as a spouse or civil partner. They must declare and resolve any interests and relationships.

The Chairman will ask Members if they have any interests to declare in respect of items on this agenda, under the following headings:

(a) Disclosable Pecuniary Interests (DPI) under the Localism Act 2011. The nature as well as the existence of any such interest must be declared. After declaring a DPI, the Member must leave the meeting and not take part in the discussion or vote. This applies even if there is provision for public speaking.

(b) Disclosable Non Pecuniary (DNPI) under the Code of Conduct adopted by the Council in May 2012. The nature as well as the existence of any such interest must be declared. After declaring a DNPI interest, the Member may stay, speak and vote on the matter.

(c) Where it is possible that a fair-minded and informed observer, having considered the facts would conclude that there was a real possibility that the Member might be predetermined or biased the Member should declare their predetermination or bias and then leave the room while that item is considered.

Advice to Members: If any Councillor has any doubt about the existence or nature of any DPI or DNPI which he/she may have in any item on this agenda, he/she should seek advice from the Monitoring

Officer, the Head of Legal or from other Solicitors in Legal Services as early as possible, and in advance of the Meeting.

Part B Reports for Decision by Cabinet

- | | | |
|-----|--|--------------|
| 5. | Swale Borough Council Strategic Air Quality Action Plan | 1 - 24 |
| 6. | Cabinet's response to recommendations of Scrutiny Committee's review of Development Management | 25 - 26 |
| 7. | Use of Affordable Housing Commuted Sum | 27 - 30 |
| 8. | Reactive and Planned Term Maintenance Contract - Award of Contract | 31 - 34 |
| 9. | Swale Economic Regeneration Framework | 35 - 56 |
| 10. | Financial Management Report - Outturn 2017/18 | 57 - 102 |
| 11. | 17/17A Station Street, Sittingbourne - Options for Future Use | 103 -
106 |
| 12. | Staying Put Contractor Framework Agreement | 107 -
110 |
| 13. | Minutes of the Swale Joint Transportation Board meeting held on 25 June 2018 (to follow) | |
| 14. | Landholdings Review - Sale of Land at Oak Road, Murston | 111 -
116 |
| 15. | Exclusion of the Press and Public | |

To decide whether to pass the resolution set out below in respect of the following item:

That under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

- | | | |
|-----|---|--------------|
| 16. | Exempt Appendix - Landholdings Review - Sale of Land at Oak Road, Murston | 117 -
118 |
|-----|---|--------------|

Issued on Monday, 2 July 2018

The reports included in Part I of this agenda can be made available in **alternative formats**. For further information about this service, or to arrange for special facilities to be provided at the meeting, **please contact DEMOCRATIC SERVICES on 01795 417330**. To find out more about the work of the Cabinet, please visit www.swale.gov.uk

Chief Executive, Swale Borough Council,
Swale House, East Street, Sittingbourne, Kent, ME10 3HT

This page is intentionally left blank

Cabinet Meeting	
Meeting Date	11 July 2018
Report Title	Swale Borough Council Strategic Air Quality Action Plan
Cabinet Member	Cllr David Simmons, Cabinet Member for Environment and Rural Affairs
SMT Lead	Nick Vickers, Chief Financial Officer
Head of Service	Tracey Beattie, Mid Kent Environmental Health Manager
Lead Officer	Steve Wilcock, Environment Protection Team Leader
Key Decision	Yes
Classification	Open
Forward Plan	Reference number:
Recommendations	1. To update progress made on the Swale Borough Council Strategic Air Quality Action Plan 2018-2022.

1. Purpose of Report and Executive Summary

- 1.1 We last reported on Air Quality to Cabinet in October 2017 and this is an update report. Clearly air quality is a hugely important subject with enormous health and social implications. Swale Borough Council has a statutory duty to produce Air Quality Action Plans (AQAPs) as part of the Local Air Quality Management Framework. It currently has a number of individual Air Quality Action Plans for the 5 current Air Quality Management Areas (AQMAs) in the borough. The Interim AQAP consolidated these separate plans into one more strategically focused plan to provide greater focus and direction to the work of improving air quality in the Borough.
- 1.2 Whilst acknowledging the importance of the issue we need to be cognisant of the legal powers which the Council has, which are relatively limited, and the inevitable tensions which exist with the Government's requirements for new housing.
- 1.3 The AQAP is a highly defined document by DEFRA which has to follow set process for implementation, including public consultation and engagement and is very heavily a reliant on data collection and modelling. This data that takes time to collect and analyse which militates against a swift process. The Air Quality Steering Group has taken the view that time spent gathering the right data is worth the additional time. But that does extend the timelines for going out to consultation on the AQAP and its submission to DEFRA.

2 Background

- 2.1 Since the Interim Air Quality Action Plan was approved by Cabinet in October 2017, Phlorum, the appointed AQ consultants, commissioned traffic data surveys (traffic count and ANPR) which took place in January 2018.
- 2.2 Their report was received in March and they concluded that older vehicles are the major source of vehicular pollution and that measures need to be put in place to reduce the numbers of the worst polluting vehicles (Euro IV and below) from the AQMA's to make a significant impact on improvements to air quality along A2 and St Paul's. Cars formed the largest group of vehicles from the traffic surveys, ranging between 57.1% in Newington to 71.0% in Ospringe. A summary of their findings is attached in Appendix I and the full report can be accessed via the link provided.
- 2.3 So far it is apparent that the measure most likely to impact and reduce pollution within AQMAs is the implementation of a Clean Air Zone/Corridor.
- 2.4 This conclusion is based on traffic flows without the impact of future developments already agreed and those sites allocated in the Local Plan.
- 2.5 The Air Quality Steering Group has taken the view that it is essential to have traffic modelling that includes future developments and this has led to an additional phase before the consultation can be commenced. Whilst the delay this entails is regrettable it is vital in such a data led exercise.
- 2.6 The Strategic AQAP is linked to the five existing AQMAs and the SBC Local Plan and Sustainable Assessment Plan. A number of steps in the development of the AQAP have been completed, but some are yet to be carried out:

(1) Stage I

Review and update existing AQAP and set out strategic approach and potential measures for development of Swale Strategic AQAP.

Output: Interim AQAP (2017). (Completed October 2017)

(2) Stage II

Further develop the AQAP steering group and develop AQAP options/measures to be assessed. Assess viability and air quality benefits of measures for internal engagement and consultation.

Output: Strategic AQAP assessment (2018) (Summer 2018).

(3) Stage III

Draft Strategic AQAP for Swale BC including Local Plan involvement, consultation and preparation for public consultation (later in 2018), finalise Strategic AQAP and implementation plans.

Output: Swale Strategic AQAP (2018–2022) (Autumn 2018)

The Stage II report was completed in March 2018 and this is a vital step in the path to an AQAP. It contains analysis of the traffic counts and ANPR surveys which were carried out at selected sites. Vehicle source apportionment is the identification from number plates, and from access to DVLA, the type of vehicle involved and hence what type of vehicle, whether car, LGV, HGV etc. and hence the EURO Classification (Euro I is the most polluting and Euro VI the least).

2.7 Two modelled baseline surveys (2020 and 2022) were carried out to be compared against the annual mean Air Quality Standard with existing DEFRA background concentrations at the same locality for the same years. 2020 was chosen as a representative period from the last Action Plan and 2022 was chosen to align with the Local Plan. The report is a baseline for a robust assessment of the measures contained in the Interim AQAP. The report involved in a comprehensive traffic survey of volume and type of traffic passing through the AQMAs and modelled for 2020 and 2022 but without consideration of the impact of future developments. The Automatic Number Plate Recognition (ANPR) survey ran at three selected locations – Newington High Street, Key Street and Ospringe Street. This was then followed by source apportionment work.

2.8 The table below summarises the AQMA modelling results for 2018, 2020 and 2022 showing Predicted Annual Average NO₂ Concentration ug.m³:

Receptor No.	2018	2020	2022
East Street AQMA			
12	61.8	57.2	44.5
21	55.3	46.9	40.0
St Paul's AQMA			
6	41.7	36.0	32.1
8	42.3	36.5	32.4
Newington AQMA			
24	47.1	39.3	34.4
28	44.9	37.4	32.7
Teynham AQMA			
10	56.1	48.8	42.6
12	54.0	47.0	41.0
Ospringe AQMA			
14	60.0	59.4	45.7
15	57.8	57.2	44.0

2.9 From this data we can conclude:

- (1) The NO₂ source apportionment results based on the baseline modelling for 2020 and 2022 indicate that significant emissions reductions will be required in the three of the five the AQMA locations.
- (2) Further emissions reduction are needed for 2020 compared with 2022 due a reduction of the worst polluting vehicles. As AQMA totals are predicted to be higher in 2020, therefore more reductions are needed to comply.
- (3) These findings show that the St Paul's and Newington AQMA's are likely to be compliant by 2020, without the need for additional AQAP measures. These AQMAs could be considered for revocation.
- (4) The baseline 2020 source apportionment study also identified:
 - Large (17-19 ug/m³) reductions required to achieve Air Quality Standards (AQS) compliance in East Street and Ospringe; and
 - East Street and Ospringe AQMA need significant emission reductions from all Euro 1 – 5 vehicles including cars as well as HGV and LGVs to achieve AQS compliance.
- (5) The baseline 2022 source apportionment study identified:
 - Smaller reductions required across the AQMAs;
 - St Pauls and Teynham AQMA compliance are achievable with reasonable measures to restrict/remove LGVs and HGVs below Euro 4/5;
 - East St and Ospringe AQMA require less reduction than 2020, however reductions will also likely to be required from Euro 5 HGVs as well as LGVs up to Euro 3.
 - Emissions reduction from the older Euro vehicles (i.e. Euro1–4/5) becomes more challenging in 2022. This is due to older (more polluting) vehicles being phased out and replaced with new cleaner vehicles.
 - Both 2020 and 2022 baseline assessments have identified that significant reductions in NO₂ emissions will be required across the A2 AQMAs. The Council will therefore need to consider a variety of strategic measures that impact on NO₂ emissions from a range of vehicle classes and Euro categories.

2.10 There was AQ Steering Group agreement that Phlorum should consider future developments as the A2 is the major infrastructure route for most of the local plan developments.

Policy Development and Review Committee comments on the Strategic AQAP and Source Apportionment Report.

- 2.11 Included in Appendix II are the Comments made by Policy Development and Review Committee on 10 April on the Interim AQAP (Appendix III).

Traffic Modelling

- 2.12 Traffic modelling is currently being undertaken on behalf of KCC for the new Local Plan for the periods 2018 to 2027 and 2037. An agreement is currently being made that traffic modelling being commissioned by Planning Policy can include data modelled for 2020 and 2022 for use by Phlorum in the Strategic AQAP. This data will be used to inform the AQAP and the consultation. Discussions have been taking place between Phlorum, Swale BC and KCC Highways regarding an exchange of traffic modelling data. KCC have asked their contractors to provide us with traffic modelling data that is being used for the latest version of the SBC Local Plan. At the moment the KCC contractors are working on a timescale of 2027/2037. To comply with the requirements of the AQAP, this will necessitate them carrying out a further modelling exercise to be in line with the 2020/2022 timescale. The cost associated with this work is being finalised but is likely to be around £20,000.
- 2.13 There is a benefit in obtaining more robust traffic modelling based on data used for Local Plan and therefore more representative data from which to undertake source apportionment and predicted AQ levels of pollutants. This will make it less open to challenge, ensuring that both the Local Plan and the Strategic AQAP are using the same traffic modelling information.

Role of AQ Steering Group

- 2.14 The main purpose of the group is to oversee the production of an AQAP, manage the consultation process and then oversee implementation. The group is chaired by the Cabinet Member for the Environment and Rural Affairs and has met 4 times to date. The Interim AQAP is attached in Appendix III.

3 Proposals

- 3.1 That the source apportionment assessments are based upon updated local plan traffic modelling information. This will then inform the cost benefit work undertaken for the proposed action plan measures in the Strategic AQAP and the delivery of actions to improve air quality.
- 3.2 That when the modelling work is complete a full public consultation is undertaken to ensure all interest groups are engaged in the document including; parish, town councils and relevant KCC councillors. The results of the Consultation will then be reported to Cabinet and the AQAP will be formally agreed for submission to DEFRA.

3.3 It is intended that the additional £50,000 allocated by Council for AQ work will focus on more operational and tactical issues identified by the Steering Group and PDRC.

4 Alternative Options

4.1 Cabinet have already agreed to develop a Strategic AQAP and to set up an Air Quality Steering Group.

5 Consultation Undertaken or Proposed

5.1 The measures contained in the Interim AQAP have been prepared following community based consultations with residents and members of steering groups; notably Newington, Ospringe and Teynham during 2016.

5.2 Members and officers have attended meetings of Air Quality Groups in Ospringe and Newington and a meeting in Teynham is planned.

5.3 Establishing the Strategic Air Quality Steering Group will provide additional discussion on the measures.

5.4 A full public consultation will follow the completion of the modelling work.

6 Implications

Issue	Implications
Corporate Plan	<ul style="list-style-type: none"> • A Borough to be Proud of Protect and Improve the natural and built environment • A Community to be Proud of Work in partnership to Improve health and mental health • A Council to Be Proud Of Enhance capacity to achieve outcomes collaboratively
Financial, Resource and Property	Council allocated an additional £50,000 for Air Quality work. There may be need for additional funds during the year on top of this.
Legal and Statutory	The Interim AQAP will meet Swale's statutory obligation under the Environment Act 1995 to provide an Air Quality Action Plan that meets Defra approval. There are no significant legal implications of waiting for additional data aligned to Local Plan.
Crime and Disorder	None identified.

Issue	Implications
Sustainability	These recommendations will support Climate Local Swale and the Kent Environment Strategy particularly with concern to emissions and health targets.
Health and Wellbeing	The Strategic AQAP seeks to improve the health and wellbeing of those living in or near declared AQMAs within Swale.
Risk Management and Health and Safety	A robust Strategic AQAP reduces Swale's risk to legal action from Government via the Localism Act 2011 by demonstrating their commitment to meeting the UK National AQ Strategy. There are no health and safety risks associated with the Interim AQAP
Equality and Diversity	None identified.
Privacy and Data Protection	There will be no additional privacy and data protection considerations over and above what we currently do.

7 Appendices

- 7.1 **Appendix I:** Summary Phlorum Report 1: Source Apportionment and Options Assessment
- 7.2 **Appendix II:** PDRC comments for consideration by the Cabinet Member for the Environment and Rural Affairs.
- 7.3 **Appendix III:** Interim AQAP.

8 Background Papers

Phlorum Report 1 Source Apportionment and Options Assessment
<https://services.swale.gov.uk/meetings/documents/s9627/Appendix%20II.pdf>

Cabinet report October 2017
https://services.swale.gov.uk/meetings/documents/s8358/AQAP%20report_postAS.pdf

Summary Phlorum Report 1: Source Apportionment and Options Assessment

The NO₂ source apportionment results based on the baseline modelling for 2020 and 2022 indicate that significant emissions reductions will be required in the majority of the AQMA locations.

The baseline 2020 source apportionment study identified:

- Significant reductions in NO₂ required to achieve AQS compliance; and
- East St and Ospringe AQMA need significant emission reductions from all Euro 1 – 5 vehicles including cars as well as HGV and LGVs to achieve AQS compliance.
- The St Pauls and Newington AQMA are likely to be compliant by 2020, without the need for additional AQAP measures.

The baseline 2022 source apportionment study identified:

- Smaller reductions required across the AQMAs;
- Table 9.2 show Teynham AQMA compliance are achievable with reasonable measures to restrict/remove LGVs and HGVs below Euro 4/IV;
- East St and Ospringe AQMA require less reductions than 2020, however reductions will also likely to be required from Euro V HGVs as well as LGVs up to Euro 3;
- Emissions reductions from the older Euro vehicles (i.e. Euro 1/I – 4/IV) becomes more challenging in 2022. This is due to older (more polluting) vehicles being phased out and replaced with new cleaner vehicles.

Both 2020 and 2022 baseline assessments have identified that significant reductions in NO_x emissions will be required across the A2 AQMAs. Swale Council will therefore need to consider a variety of strategic measures that impact on NO_x emissions from a range vehicle classes and Euro categories.

The Swale Strategic AQAP 2018 - 2022 Report 2 will provide a review and assess potential AQAP options that target the required NO_x emissions reductions.

Comments from Policy Development & Review Committee for consideration within the Swale Strategic Air Quality Action Plan 2018-22:

Comment from PDRC and Service Lead	Reduction in NOx	External Partner involvement	Response and Action
Planning Policy & Development Management			
1. That tree planting be carried out on a lose one, plant one basis;	No – only a visual measure; little or no effect on emissions	No	Swale currently has a Local Plan policy DM 29 that requires replacement of lost trees. This applies to new development not trees or hedgerows lost due for agricultural purposes or to areas not covered by Tree Preservation Orders / Conservation Areas.
2. That a SBC parking policy be adopted as soon as possible, to enable better parking and less 'pinch points';	Yes if introduced	No	The Swale Planning Policy team is currently commissioning consultants to prepare a Vehicle Parking Supplementary Planning Document. This will involve a Members' workshop and general consultation
3. That it be recognised that all major development in Swale would have an impact on the A2;	Yes	Yes	The detailed assessments being undertaken for the Strategic AQAP and Traffic Modelling for the Local Plan may indeed draw this conclusion however this assumption cannot be pre-empted until the work has been completed.
4. That methods be sought to enforce Travel Plans	Yes if followed up	Yes	The AQ Steering Group will consider the mechanisms available to the council and whether they could be enforced in tandem with other measures e.g. low emission zones or congestion charging.

Comment from PDRC and Service Lead	Reduction in NOx	External Partner involvement	Response and Action
5. That it be made easier to plan and do walking in the Borough, with a link to tourism;	No	Yes	The AQ Steering Group will consider the leavers available to implement this goal. Currently the local plan, planning decisions and other council functions contribute to this
6. That all Committees, particularly Licensing and Planning take environmental issues into consideration;	No	Yes	Changes to the implications section of reports are being proposed by Policy and Performance. The current section does refer to environment but it is intended that the revision will expressly guide authors to consider air quality. This section should identify any sustainability and environmental implications, including air quality arising from the proposals in the report. Details of any environmental or sustainability appraisal planned or undertaken should also be provided. Further guidance on this section can be obtained from the Policy and Performance team.
7. That planning conditions need to be placed on all diggers and lorries (Euro 4 or above);	No	No	An issue for discussion at the AQ Steering Group, however it is questionable whether such a standard could be enforceable and under what powers. There are schemes that promote good practice such as the Considerate Builder Scheme that may better placed to deliver protection of the environment.
8. That new developments be built to higher efficiency ratings to decrease fuel use	Yes	Yes	Unfortunately the Code for Sustainable Homes has been scrapped by government and there is no obvious mechanism for achieving this quickly. The Local Plan / new settlement work currently being undertaken will investigate whether the Home Quality

Comment from PDRC and Service Lead	Reduction in NOx	External Partner involvement	Response and Action
			Mark can achieve better efficiency rates. However evidence and viability studies will be required to support its inclusion.
9. That good working practices be replicated where possible;	Unknown	Yes – should already be occurring	Officers attend national seminars and training events on air quality. In addition they work closely with colleagues from other Kent authorities to ensure that good working practices are adopted and replicated from other areas of the country where local needs are identified. An example being the implementation of the Air Quality Technical Guidance which stemmed from work undertaken in West Yorkshire
KCC – Taxi and Bus Contracts/Education-Schools			
10. That partners providing services, e.g. provision of taxis for taking children to school, and bus companies, consider the fuel that is being used;	Yes if feasible to introduce	Yes	The AQ Steering Group will pursue discussions with KCC on the viability of this proposal.
11. That more travel plans be put in place for schools;	As above	Yes	The AQ Steering Group will pursue discussions with KCC on the viability of this proposal.
12. That 'on-demand' bus service initiatives should be looked into;	Not sure	Yes	The AQ Steering Group will pursue discussions with KCC on the viability of this proposal, taking into consideration the impact this type of service may have on the licensed taxi trade within the borough.

Comment from PDRC and Service Lead	Reduction in NOx	External Partner involvement	Response and Action
Swale Vehicle Licensing			
13. That taxi and bus licensing to improve to be more 'green';	Yes if introduced	Yes	The AQ Steering group will discuss this recommendation with Licensing Services and through the Local Bus Partnership.
KCC Highways /Highways England			
14. That bus stop lay-bys be added to enable vehicle flow;	Possibly	Yes	Swale is not in a position to commit or deliver this recommendation. However the AQ Steering group will liaise with KCCH and other services to explore the cost benefit of such schemes at key points along the A2.
15. That by-passes be constructed;	Yes if introduced	Yes	The need and 'business case' for any 'by-pass' would need to be justified through evidence and supported through the safeguarding of land in the emerging Local Plan and would need support from KCC Highways and/or Highways England.
16. That pot-holes be fixed to allow free-flowing traffic;	Unlikely	Yes	Repair and resurfacing of highways is a function of the county.
17. That there be pedestrian bridges at congestion points;	Yes if introduced	Yes	Swale is not in a position to commit or deliver this recommendation. However the AQ Steering group will liaise with KCC Highways and other services to explore the cost benefit of such schemes at key points along the A2. Wider considerations of accessibility/access measures (e.g. to providing level access), potential effect of

Comment from PDRC and Service Lead	Reduction in NOx	External Partner involvement	Response and Action
			increasing traffic speeds and consequent reduction in road safety. In addition there is the impact on amenity and street scene?
Economic Development			
18. That varying shift hours be encouraged to allow free-flowing traffic;	Possible	Yes	The AQ Steering Group working with Economic Development and Development Management decision will consider the viability of including this option in current and future commercial developments.
Environmental Health			
19. That developments over 100 properties have air quality monitoring on-site prior to houses being built;	Yes, but at considerable cost	No	<p>Careful consideration of this proposal suggests that it would impractical to implement given that Swale has limited control over when developments occur and the need to collect data for a year or more to establish the 'local background' levels.</p> <p>Background levels are already available from Defra, and this is available to consultants and officers modelling purposes.</p>
20. That areas be actively air quality monitored;	Yes, but depends on the area(s) selected	Possibly	<p>Swale BC have a comprehensive air quality monitoring (more than other Kent authority) we have three continuous monitoring stations based in Ospringe, St Paul's and Newington with efficient equipment used to monitor both NOx and PM10. In addition we have approximately 65 to 70 Nitrogen Dioxide tubes located at many sites along the A2 and other major roads in the borough. Each location is reviewed and assessed annually to ensure that we monitor areas where there is potential for exceedances of the 40 mg level.</p> <p>Active management of locations is something Defra</p>

Comment from PDRC and Service Lead	Reduction in NOx	External Partner involvement	Response and Action
			expects.
21. That a sixth AQMA be made in Key Street, Sittingbourne;	Not known	No	Declaring an Air Quality Management Area has to, by law, follow a process which meets Defra criteria. It is evidence based and collected over a minimum of a year. We also have to establish that people (receptors) living in the vicinity are exposed to the levels of pollutants above the national standard. The declaration has to be approved by Defra and then formally adopted by Swale BC.
22. That the Action Plan has a forward projection on traffic modelling to factor in additional traffic, as part of the planning process;	Yes	Yes	<p>Establishing a strategic air quality action plan will enable the council to approach the issue of poor air quality in a holistic way which will include the impact of the developments included in the current Local Plan, Bearing Fruits. Our air quality consultant is working with the traffic modelling specialist being used by Planning Policy on the phasing of future development scenarios.</p> <p>We have a closer collaboration between Planning Policy and Environmental Protection's air quality work as a result of the work undertaken for the Strategic AQAP.</p>
23. That there should be strict policy that all air quality or traffic modelling consultations be carried out by independent persons;	Yes if accepted	Yes	Most if not all air quality reports provided by developers are prepared by independent consultants. If an initial assessment of the report identified that the consultant was not a 'competent' person the report would be rejected by them.
24. That there be interaction with	Yes	Yes	Environmental Protection already engage with developers over mitigation measures to be included in

Comment from PDRC and Service Lead	Reduction in NOx	External Partner involvement	Response and Action
developers about changes they are doing, e.g. electric vehicle charging points;			<p>the conditions for development, particularly for larger developments. The Air Quality Technical Guidance adopted by Swale contains a formula and is a standard widely used across Kent.</p> <p>KCC are assessing a policy on electric charging points within the wider current infrastructure across the county in existing car parks (KCC ownership and or private ownership). Officers are liaising with them on this matter.</p>
25. That local incentives be given for electric vehicle charging points, a strategic plan was needed;	Yes but not in the short term.	Yes	A strategic policy for Swale could be considered to link in to the work being undertaken by KCC (see above). The issue can be brought to the AQ Steering Group with officers from Economic Development, Parking Services and Planning Policy to consider the viability of the proposal.
26. That Town Councils also be consulted, as well as parish councils (on AQAP)	N/A	No	There will be full consultation which will include Town and Parish Councils on any proposals under the Strategic Air Quality Action Plan.
27. That residents living along the A2 be consulted (on AQAP)	N/A	No	<p>The planning consultation process is set out in the Statement of Community Involvement (adopted 2018). Local Town and Parish Councils and neighbours are consulted on local planning applications and interested members of the public can register for the Public Access System to track the progress of planning applications https://www.swale.gov.uk/statement-of-community-involvement/</p> <p>Full consultation will include the public and residents living along the A2 on any proposals under the Strategic</p>

Comment from PDRC and Service Lead	Reduction in NOx	External Partner involvement	Response and Action
28. That major enterprises on the Eurolink industrial area be consulted (on AQAP)	No	No	<p>Air Quality Action Plan.</p> <p>The planning consultation process is set out in the Statement of Community Involvement (adopted 2018). Local Town and Parish Councils and neighbours are consulted on local planning applications and interested members of the public can register for the Public Access System to track the progress of planning applications https://www.swale.gov.uk/statement-of-community-involvement/</p> <p>Full consultation will include business interest that may be impacted by proposals under the Strategic Air Quality Action Plan.</p>
29. That there must be a continuous dialogue about Section 106 agreements and Community Infrastructure Levies;	Yes if followed	Yes	<p>SBC has not yet resolved whether to progress a Community Infrastructure Levy. Planning Conditions and S106 Agreements provide a means to mitigate AQ issues.</p> <p>Environmental Protection Officers and Planners are working closely to ensure that each development Provides the appropriate S.106 obligations in accordance with Government regulations (CIL Tests).</p> <p>In addition the Air Quality Technical Guidance provides a framework for mitigation measures appropriate to each development.</p>

Extract from Chapter 6 from Interim Swale Strategic AQAP 2018 – 22

Strategic AQAP measures

Key strategic measures that need to be considered are those that target:

- Emission reductions from the HGV and LGV fleets;
- Volume reductions in the HGV fleet using the A2 especially through the AQMAs;
- Smoother, less congested, traffic flows of all vehicles through the AQMAs;
- Policies that encourage only low emission developments being approved; and
- Alternative modes to HGV, LGV and car use to reduce congestion and pollution from freight and other traffic.

Page 17

Table 0.1 – Interim Air Quality Action Plan: Strategic AQAP measures

Measure No.	Measure	EU Category	EU Classification	Lead Authority	Planning Phase	Implementation Phase	KPI	Target Reduction AQMA	Pollution in the	Progress Date to	Estimate Completion Date	Comments / AQMA
1.	Swale Freight Management Plan (2016)	Freight and Delivery Management	Delivery and Service plans	KCC	2016	2018- 2022						KCC and SBC to support Swale FMP by delivering recommendations (section 5) Document submitted to Defra 2016.
2.	"Clear air signage and	Freight and Delivery Management	Route Management Plans/	KCC	2018							New proposal to be evaluated (builds on FMP) Roadside

Appendix III

Measure No.	Measure	EU Category	EU Classification	Lead Authority	Planning Phase	Implementation Phase	KPI	Target Reduction AQMA	Pollution in the	Progress to Date	Estimate Completion Date	Comments / AQMA
	information scheme”		Strategic routing strategy for HGV's									information includes “switch-off engine” congestion signage and over-night lorry parking ban information on A2
3.	Swale Low Emission Zone or Corridor	Promoting Low Emissions transport	Low Emissions Zone (LEZ) or Clean Air Zone (CAZ)	KCC/ SBC	2018							New proposal to be evaluated (builds on FMP) Create a (Euro emission class) restriction zones for all vehicles with strategic ANPR cameras.
4.	HGV “Clear air zone”	Promoting Low Emission Transport	Low Emission Zone (LEZ) or Clean Air Zone (CAZ)	KCC/ SBC	2018							New proposal to be evaluated (builds on FMP) Create a HGV (Euro emission class) restriction zones with strategic ANPR cameras.
5.	Swale and Medway A2 corridor Planning Agreement	Policy Guidance and Development Control	Air Quality Planning and Policy Guidance	SBC/ Medway Council	2018/19							New Proposal to be evaluated (building on Kent AQ Planning Document) Establish a planning policy mechanism for major developments with significant impact on A2 corridor to mitigate impact.
6.	Swale Air Quality and Planning Guidance (update)	Policy Guidance and Development Control	Air Quality Planning and Policy Guidance	SBC	2017/18 update	In-place and active since 2016						Update to include minimum standards and conditions for approval i.e. ULEV parking, alt transport options, charge

Appendix III

Measure No.	Measure	EU Category	EU Classification	Lead Authority	Planning Phase	Implementation Phase	KPI	Target Reduction AQMA	Pollution in the	Progress to Date	Estimate Completion Date	Comments / AQMA
												points, low NOx boilers, distance from road
7.	Air Quality and Low Emission Strategy	Policy Guidance and Development Control	Low Emissions Strategy	SBC	2017/18							New proposal to be evaluated (includes sustainable procurement, SBC fleet improvements, low emission fuels and installation (STOR) guidance)
8.	Low emission taxi licencing scheme (Kent)	Promoting Low Emission Transport	Taxi Licencing conditions	SBC	2017/18							New proposal to be evaluated Improve emissions from taxis, subsidies for lower local fares
9.	Clean-flow traffic management	Traffic Management	UTC, Congestion management, traffic reduction	KCC	2017							New proposal to be evaluated. Traffic smoothing though average speed camera section management. Linked to localised AQMA "20's plenty" measure
10.	Clean-air walking and cycle ways	Promote travel alternatives	Intensive active travel campaign & infrastructure	KCC/SBC	2017/18							New proposal to be evaluated. Work with KCC & Development Management/Planning Policy to develop further walking and cycling infrastructure for local commuter and school routes
11.	Clean-air travel planning	Promote travel alternatives	Personalised Travel Planning	KCCC/SBC	2017/18							New proposal to be evaluated. Require strategic travel plan

Page 19

Appendix III

Measure No.	Measure	EU Category	EU Classification	Lead Authority	Planning Phase	Implementation Phase	KPI	Target Reduction AQMA	Pollution in the	Progress to Date	Estimate Completion Date	Comments / AQMA
												requirements for new developments and businesses (KCC and SBC Planning & Dev Control)
12.	Promote and encourage change of transport modes	Promote low emission transport	Procuring alternative Refuelling infrastructure to promote Low Emission Vehicles, EV recharging, Gas fuel recharging	SBC	2018	Summer 2019-2020	% increase in electric /hybrid vehicles on the road using traffic counts.					New proposal to be evaluated. Support bids for eV infrastructure, alt. fuels, hybrid vehicles and low emission taxis. Encourage use of buses and trains as alternatives to cars by installing infrastructure at PnR and stations.
13.	Eco Stars	Vehicle Fleet Efficiency	Driver training and ECO driving aids	SBC	2014	2015-2018	Number of HGV and LGV drivers taken through scheme.					Ecostars pilot continues in 2017 (Initially 14 companies signed up in Swale with 812 vehicles)
14.	Air pollution alerts and information	Public information	Via other mechanisms	SBC	-	2018 - 2022	Number of (vulnerable) people using the alert service in Swale	n/a				Communications and marketing directed to vulnerable people (COPD) and information on health effects Use business forums to promote best eco practices for travel

Local focussed AQMA measures

Key locally focussed measures that are to be considered for the individual AQMAs are those that target localised:

- Initiatives that inform and protect local residents;
- Smooth traffic flows causing less congestion of all vehicles through the AQMAs;
- Freight management and access policies within AQMAs; and
- Access to cleaner alternative transport for residents and businesses

Table 0.2 – Interim Air Quality Management Area: Local AQAP measures

Measure	Measure	EU Category	EU Classification	Lead Authority	Planning Phase	Implementation Phase	KPI	Target Pollution Reduction in the AQMA	Progress Date to	Estimate Completion Date	Comments / AQMA
1.	“20’s plenty” zones	Traffic Management	Reduction of speed limits, 20mph zones	KCC	2017						Community steering group proposal to be evaluated. (AQMA’s: 1,2,3,4,5)
	Campaigns for ant-idling, smoky exhausts	Traffic Management	Anti-idling enforcement	SBC	2017						Community steering group proposal to be evaluated. Promotion to raise awareness of health and air pollution (AQMA 2)
	Quiet delivery zones	Freight and delivery management	Quiet and out of hours delivery	KCC							Community steering group proposal to be evaluated. School and night-time hours restricted freight delivery times for noise and AQ.

Appendix III

Measure No.	Measure	EU Category	EU Classification	Lead Authority	Planning Phase	Implementation Phase	KPI	Target Pollution Reduction in the AQMA	Progress Date to	Estimate Completion Date	Comments / AQMA
											(AQMAs: all)
4.	Pinch-point parking alternatives (red-route)	Traffic Management	Workplace Parking Levy, Parking Enforcement on highway	KCC	2017						New proposal to be evaluated. Remove pinch point A2 parking by providing alternate off-street parking and camera enforcement and signage(AQMAs: 1,2,4, 5)
5.	Local LEV car-club	Promoting Low Emission Transport	Other	SBC							Set-up low emission community car club or car-share scheme for AQMAs (AQMAs: 1,2,4, 5)
6.	Local school and business travel plans	Promoting travel alternatives	Promotion of walking and cycling and travel plans	KCC (+ PH SBC)	2010	2013 Swale already participating in the Kent Travel scheme and involved in Better business for all	% of schools participant in Kent smarter travel challenge recorded by KCC		Annual bids to the KCC	Ongoing	Community steering group proposal to be evaluated. (AQMAs: all)
7.	Tree planting scheme	Public information	Other	SBC	2017/18						Community steering group proposal in favour of tree planting schemes. Funding obtained by the community in 2016 -2017 to commence in Teynham

This page is intentionally left blank

Cabinet Response to the Scrutiny Committee Recommendations

Development Management Review

Scrutiny Recommendations	Cabinet Response	Cabinet Member	Lead Officer
<p>That the Constitution be amended as follows in respect of delegations to the Head of Planning. In particular, to reduce, where appropriate, the number of applications coming before the Planning Committee for determination (rather than being determined under officer delegation), the following criteria need to be met in order for applications to come before the Committee in respect of representations made by parish and town councils, Members of the Council and members of the public:</p> <p>(a) Where parish and town councils make a representation on an application which they wish to be determined at Planning Committee, this representation needs to be submitted in writing and give detailed reasons which are relevant material considerations with the support of a Member of the Council. Additionally it will give notice that it and/or the Member of the Council will speak to the representation at Committee;</p> <p>(b) Members of the Council to give</p>	<p>The recommendations from the review were thoroughly debated by the General Purposes Committee meeting on 8 March 2018 which recommended no changes be made to the Constitution.</p> <p>Recommendations from the General Purposes Committee were considered by the Council on 21 March 2018. Decisions of the Council cannot be changed within a six month period.</p> <p>The Scrutiny Committee and Task and Finish Group are thanked for their work on this review.</p>	<p>Cllr Gerry Lewin</p>	<p>James Freeman</p>

relevant material planning considerations why an application should be determined at Planning Committee;

(c) letters of representation, or petitions, from at least five separate addresses where the decision of the Head of Planning would conflict with these for an application to be determined at Planning Committee;

(d) where a parish or town council and the relevant Swale Borough Council Member gives notice to attend and in the event does not attend without giving a justified reason, the Chairman of the Planning Committee shall have the right to decide whether the item should be heard or should be immediately delegated to officers

--	--	--	--

Cabinet	
Meeting Date	11 July 2018
Report Title	Use of Affordable Housing Commuted Sum
Cabinet Member	Cllr Alan Horton, Cabinet Member for Housing and Safer Communities
SMT Lead	Emma Wiggins
Head of Service	Amber Christou
Lead Officer	Rebecca Walker, Strategic Housing & Health Manager
Key Decision	Yes
Classification	Open
Recommendations	1. To approve the allocation of £180,000 commuted sum to Optivo Housing Association towards the costs of delivering affordable housing on two Council owned sites at Evergreen Close, Iwade and Colegates Close, Oare.

1 Purpose of Report and Executive Summary

- 1.1 Resident Services has a total of £180,000 commuted sum that was received in lieu of affordable housing delivery at 'The Meads' Development. The S106 variation for this site stipulates that this money can only be used for the delivery of affordable housing. There is no spend-by date, or location specifications for where this money can be used, other than it must provide affordable homes in the Swale area.
- 1.2 One of the Council's current objectives is to consider how to support the increase of affordable housing in the borough, and therefore it is proposed that the available commuted sum of £180,000 be used to enable affordable housing delivery on two Council owned sites at Evergreen Close and Colegates Close.
- 1.3 A report was presented to Cabinet by Property Services on the 4 October 2017, and it was agreed that the freehold of both sites could be transferred to Optivo Housing Association for an agreed sum to enable the delivery of new affordable housing provision in the Borough.

2 Background

- 2.1 Commuted sum payments are paid to the Council by a developer in lieu of affordable housing delivery on sites where it has been agreed that on-site provision is not achievable. These sums are expected to be used on alternative sites solely to enable new-build provision of this tenure type.

- 2.2 As a non-stock holding authority, affordable housing in Swale is provided by Housing Associations who rely on public subsidy towards the capital costs of development. However, it is becoming increasingly difficult to meet the rising demand for these homes, and therefore, it is important to explore other options to increase supply, including utilising existing commuted sums to deliver additional 'off-site' affordable housing.
- 2.3 The Council undertook a landholding review and identified two suitable sites for the delivery of new affordable homes at Evergreen Close, Iwade and Colegates Close, Oare. Both of these sites are situated within former Council housing estates and were part of the stock transfer agreement completed in 1990 with Swale Housing Association, now known as Optivo. Therefore, these sites are significant as any successful development on them is reliant on the utilisation of adjacent land owned by Optivo.
- 2.4 Consideration was also given to any existing financial opportunities that could be utilised to help bring forward housing development on these sites. The remaining £180K commuted sum was identified as being suitable as it is designated for the delivery of affordable homes in Swale, although it was recognised that this sum alone would not deliver a viable scheme.
- 2.5 Discussions were held with Optivo Housing Association, and feasibility testing demonstrated that both sites have affordable housing development potential subject to the provision of the £180K commuted sum and planning permission.

3 Proposal

- 3.1 It is now recommended that the full amount of commuted sum is provided to Optivo as part of the previous agreement to sell them Evergreen Close, Iwade and Colegates Close, Oare. This will ensure the schemes remain viable and affordable homes are delivered in the borough.
- 3.2 Optivo have undertaken viability work on Evergreen Close and Colegates Close which has determined a total of 11 affordable homes can be provided across both sites:
 - Evergreen will provide four 3-bedroom homes. Each home requires £13,750 commuted sum, resulting in this site utilising £55,000 of the total commuted sum provided to Optivo.
 - Colegates will provide seven 2-bedroom homes. Each home requires £17,860 commuted sum, resulting in this site utilising £125,020 of the total commuted sum provided to Optivo.
- 3.3 Optivo have gained approval from their Procurement Appraisal Group to proceed with affordable housing development on these two sites, on the provision that the commuted sum is made available to them.

4 Alternative Options

- 4.1 The commuted sum could subsidise the delivery of affordable homes on a developer owned and approved site, above any s106 requirements. The affordable homes would be owned by a Housing Association who will retain all financial and management responsibilities for the dwellings
- 4.2 The commuted sum could be retained by the council to contribute towards the provision of one small new build affordable home delivered on council owned land, or as a contribution towards the conversion of a purchased empty home managed through a local Council housing company.
- 4.3 These options are not recommended because the council will have less control over the types of dwellings provided on a private development site and a full council scheme will have resource costs and management burdens.

5 Consultation Undertaken or Proposed

- 4.4 None required.

6 Implications

Issue	Implications
Corporate Plan	<p>A Borough to be proud of Commutated sums will encourage and support the delivery of additional affordable housing on identified schemes across the borough.</p> <p>A Community to be proud of Working in partnership with affordable housing providers and developers to deliver much needed affordable housing for local households, whilst working towards addressing the increasing gap between supply and demand of affordable homes.</p> <p>A council to be proud of The allocation of commuted sums to deliver affordable housing will booster the delivery of this much needed housing type. It also provides an opportunity for unused Council assets to be brought into use.</p>
Financial, Resource and Property	The delivery of additional affordable homes outside of the usual pathways of delivery will be secured using available commuted sum of £180,000. Any additional resourcing to enable delivery will need to be met through other government grant funding streams.
Legal and Statutory	The requirement for a commuted sum to be paid in lieu of on-site delivery of affordable housing is secured within a S106 legal agreement. It is necessary to adhere to any specific constraints such as a time limit for the sum to be spent, or restrictions around

	the locality of the homes.
Crime and Disorder	None.
Environmental Sustainability	Depending on the outcome of the agreement to spend the commuted sum, any subsequent scheme is likely to require planning consent.
Health and Wellbeing	Additional affordable housing within the Borough will have positive health and wellbeing impacts on community's and individual households, providing sustainable housing. This will have a positive impact improving mental health and physical wellbeing of those who move into new affordable and sustainable homes.
Risk Management and Health and Safety	None
Equality and Diversity	Committed sums provide a valuable opportunity to ensure that where delivery of affordable housing on a site is not possible, provision can contribute towards the councils' aims of delivering affordable homes to meet local need.
Privacy and Data Protection	Section 106 planning obligation is a legal agreement between the local planning authority and the applicant/developer and others that have an interest in the land. Any personal information held as part of a scheme or payment agreement will be protected from unauthorised access or disclosure as per council policy.

7 Appendices

None

8 Background Papers

None

Cabinet Meeting	
Meeting Date	11 July 2018
Report Title	Reactive and Planned Term Maintenance Contract – Award of contract
Cabinet Member	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance and Performance
SMT Lead	Nick Vickers, Chief Financial Officer
Head of Service	Anne Adams, Head of Property Services
Lead Officer	Debbie Hardy, Buildings Manager
Key Decision	Yes
Classification	Open
Recommendation	To delegate the decision to award the contract for Planned and Reactive Term Maintenance from 1 October 2018 for an initial period of three years to the Head of Property Services in consultation with the Cabinet Member for Finance and Performance and the Chief Financial Officer.

1 Purpose of Report and Executive Summary

- 1.1 This report seeks Cabinet’s approval to delegate the decision to award the contract for Planned and Reactive Term Maintenance to the Head of Property Services in consultation with the Cabinet Member for Finance and Performance and the Chief Financial Officer. This will allow the new contract to commence immediately upon expiry of the current contract on 1 October 2018.

2 Background

- 2.1 The current contract for Planned and Reactive Term Maintenance commenced on 1 October 2015. It had an initial period of three years with an option to extend for a further two years.
- 2.2 Following protracted discussions with the incumbent contractor regarding terms for the extended two year period, it has been concluded that it will not be possible to agree terms that are acceptable to both the contractor and the Council.
- 2.3 Due to the time taken in negotiations, the procurement process was not started soon enough to bring the tender results to this meeting and allow members to take the

decision to award the contract. In order to avoid a break in the contract, it is therefore being requested that that decision be delegated.

3 Proposals

3.1 The termination of the current contract after three years has provided an opportunity to make some changes to the specification of the new contract. It is anticipated that the changes will improve the ability to manage and monitor performance and value for money.

3.2 The programme for the procurement process is as follows:

Tender opportunity advertised on Portal – 25 May 2018

Return date for Invitations to Tender – 25 June 2018

Tender evaluation and contractor interviews – 9 July 2018 and 18 July 2018

Award of contract – 1 August 2018

Commencement of contract – 1 October 2018

3.3 As with previous similar contracts, the tenders will be evaluated on the basis of 60% price, 40% quality. The three highest scoring tenderers will be invited to attend an interview to clarify their submission and answer questions. Following the interviews, the scores will be reviewed and the tenderer with the highest score will be selected.

3.4 Due to the anticipated contract value exceeding the £100,000 threshold for officer decisions, over its potential five year life, it would normally be necessary for Cabinet to take the decision to award the contract. However, for the reasons set out above, it is recommended that this decision is delegated to the Head of Property Services, in consultation with the Cabinet Member for Finance and Performance and the Chief Financial Officer.

4 Alternative Options

4.1 The alternative option would be to delay the award of the contract until the next Cabinet meeting on 26 September 2018. This is not recommended as it would not allow the new contract to commence on 1 October 2018. There would be break in the maintenance service which could have significant implications for a number of Council owned buildings.

5 Consultation Undertaken or Proposed

5.1 The Chief Financial Officer, the Cabinet Member for Finance and Performance, the Contracts and Procurement team and the Legal Department all support the recommendations.

5.2 This has been discussed and agreed by the Procurement Board.

6 Implications

Issue	Implications
Corporate Plan	Appointing a contractor that meets a good quality standard and provides good value for money contributes towards all the corporate priorities as it ensures that the maintenance of the Council's assets is optimised.
Financial, Resource and Property	<p>Anticipated annual spend on the reactive maintenance contract is £100,000. The total contract value for the three years is therefore estimated as £300,000.</p> <p>The Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended ("TUPE") apply to this contract and the implications of this have been addressed in the procurement process.</p>
Legal and Statutory	<p>The contract will be the standard JCT Measured Term Contract 2016, which is typically used as an industry standard for term contracts. The JCT contract should be subject to a schedule of amendments to include the Council's required contract terms, e.g. Freedom of Information.</p> <p>The Council will also need to be assured that the outgoing and incoming service providers have complied with their consultation obligations under TUPE.</p>
Crime and Disorder	None identified at this stage
Environmental Sustainability	The evaluation of the tenders will include social value, of which environmental sustainability forms a part.
Health and Wellbeing	None identified at this stage
Risk Management and Health and Safety	The evaluation of the tenders will include the contractors' approach to risk management and health and safety.
Equality and Diversity	None identified at this stage
Privacy and Data Protection	None identified at this stage

7 Appendices

None

8 Background Papers

None

Cabinet Meeting	
Meeting Date	11 July 2018
Report Title	Swale Economic Regeneration Framework
Cabinet Member	Cllr Mike Cosgrove, Cabinet Member for Regeneration
SMT Lead	Emma Wiggins
Head of Service	Charlotte Hudson
Lead Officer	Kieren Mansfield
Key Decision	Yes
Classification	Open
Recommendations	The revised Swale Economic Regeneration Framework 2018-2021 is adopted.

1 Purpose of Report and Executive Summary

- 1.1 The report presents the revised draft of a new Economic Regeneration Framework for adoption; subject to. The document has been subject to an eight week consultation period, which closed on the 4th May 2018, and was reviewed by the Policy Development and Review Committee on the 10 May 2018.
- 1.2 This high level document seeks to set out a framework to which relevant Council services and other, partner organisations can refer in making their contribution to promoting growth, particularly within the local economy. Such growth will support the Council’s Medium Term Financial Strategy through business rate retention.

2 Background

- 2.1 The Corporate Peer Challenge in April 2016 made a number of recommendations, the first of which was for the Council to “Develop and articulate a clear policy and programme plan for Regeneration and Economic Development.” The Economic Regeneration Framework (at Appendix I) seeks to address the policy element of this recommendation and sets out particular ‘areas of focus’ under four broad themes. The document is presented as a Framework for the period 2018-2021, with a view to a refresh at this time, to align with the Local Plan Review and the new spatial policy framework that this will set.
- 2.2 Overall the Swale economy has performed well, with substantial growth having been a feature of recent years. The Council has played an important role, making provision for such growth in its spatial planning and through a range of activity, including efforts to promote the Borough to the investment and business communities; positively supporting private sector investment; lobbying for and securing government funding to help deliver infrastructure and providing a range of business support to encourage business start-up, growth and survival.

- 2.3 Much of the Framework's focus is to support the Borough's current trajectory and to maintain the pursuit of long-standing ambitions, not least improving access to the strategic road network and improved local access and choice for technical FE provision. It also seeks to address the points made by the Peer Review in respect of communicating the Swale brand and investment offer.
- 2.4 Whilst not a strictly like-for-like document, the Economic Regeneration Framework replaces the Council's previous Economic Development Strategy 'Open for Business'. The four priorities set out in the Framework are similar to those previously used, but the document reflects the progress that has been made and recognises the changing environment within which the Council's local ambitions are set. Aside from the economic uncertainties that persist and implications of Brexit, the Governments Industrial Strategy and policy drive for increased housing delivery are two key influences upon the future of the partnerships through which we work (such as the South east LEP) and the manner in which funding is distributed. There is also the emergence of the Thames Estuary Commission, overlaying the existing Thames Gateway initiative.
- 2.5 The Framework will be supported by action plans that will detail delivery and closely reflect the relevant service plans from across the Council. Delivery of the Framework will seek to make use of the Council's existing available resources and compliment this through strong partnership working and the pursuit of appropriate external funding and investment.
- 2.6 Outcomes will be measured through practical change as projects are progressed and completed and through both performance and local economic indicators. Those available to us and considered the most appropriate are set out in the document.

3 Proposal

- 3.1 The revised Swale Economic Regeneration Framework 2018-2021 is adopted.

4 Alternative Options

- 4.1 **Do nothing** - this is not recommended given the growth being supported by the Council and the contribution that is being made to the Council's Medium Term Financial Plan. Economic Regeneration is a corporate priority and no other organisation is as well placed to take a positive leadership role for the Borough, across the breadth of issues and opportunities that are highlighted.
- 4.2 **Status Quo** – The 'Open for Business' Strategy expired in 2016 and it is recommended that a new document setting a framework for the Council's regeneration and economic development activity over the next three years would be beneficial, particularly a period within which we are likely to see substantial uncertainty and change.

5 Consultation Undertaken or Proposed

- 5.1 The draft Economic Regeneration Framework has been published for an eight week consultation, circulated to key partner organisations and to the Council's business e-bulletin recipients and presented to the Swale Economy and Regeneration Partnership. A limited number of sometimes detailed comments were received, which broadly welcomed the Framework but raised a number of issues, summarised at Appendix 2.
- 5.2 Further input was received from the Policy Development and Review Committee on the 10 May, at which there was detailed discussion about the draft Framework. In addition to the comments on particular elements of the document, there were particular requests for a clearer introduction to the Borough and requests for further detail including how the Borough compared against other areas. The input from both the consultation responses and PDRC has led to significant changes within the document.

6 Implications

Issue	Implications
Corporate Plan	<p>The priorities the draft Economic Regeneration Framework sets out contribute substantially to all three of the priorities in the Corporate Plan.</p> <p>A Borough to be proud of is supported by the securing of new investment and promoting Swale as a great location for investment and as a visitor destination</p> <p>A Community to be proud of is supported by the business support activity, the encouragement of co-operation within the business community and the drive to secure relevant skills provision for local people and businesses.</p> <p>A Council to be proud of is largely supported by the contribution that Economic Regeneration makes to the Council's future financial sustainability through retained business rates.</p>
Financial, Resource and Property	<p>Delivery of the Framework will seek to use of the Council's existing available resources and compliment this through strong partnership working, and the pursuit of appropriate external funding and investment. The creation of new commercial floor space, supported through the Council's economic regeneration activity, contributes significantly to the Councils budget through retained Non-Domestic Rates. NDR has risen from £41,509,000 in 2013/14 to £47,542,000 in 2016/17, the largest growth in Kent. Areas of focus, particularly related to infrastructure, will also have wider implications for future housing delivery and the consequent impacts on future Council tax receipts. Whilst several service areas contribute to this agenda the core economic development activity costs are £441,000, with 5 FTE staff.</p>

Legal and Statutory	Economic regeneration is not a statutory function of the local authority but the agenda set out in the draft Economic Regeneration Framework does link closely with the Local Plan (both delivery and the review), particularly under the Secure Investment priority.
Crime and Disorder	No specific implications are identified at this stage, although access to employment, skills and other opportunities will help enhance the overall well-being of residents of the Borough.
Environmental Sustainability	Overall, the draft Economic Regeneration Framework is predicated on helping secure growth which has environmental implications for the Borough. The balance between these and the need for growth will largely be dealt with through the planning process. Specific elements, such as efforts to improve the provision of public transport will make a positive contribution as will the increase in local opportunities for residents, reducing the need to travel for leisure, employment and learning.
Health and Wellbeing	No specific implications are identified at this stage, although access to employment, skills and other opportunities will help enhance the overall well-being of residents of the Borough.
Risk Management and Health and Safety	None identified at this stage. It should be noted that delivery against the Economic Regeneration Framework is, in part, dependent upon the working relationship with government and other partners and the funding decisions that are made by the private sector and at a county, regional and national level. This in itself places important elements of delivery beyond the Council's immediate control, mitigated by our ability to make a strong case to decision makers. Where external funding is secured, for which the Council is the accountable body, appropriate controls will need to be in place to manage any risk of claw back, taking account of the terms placed upon the funding.
Equality and Diversity	As a high level document, no specific implications are identified at this stage.
Privacy and Data Protection	No specific implications are identified at this stage. Management of the information used to support enquiry management and engagement with the local business community will in particular need to have regard for the issues around privacy and data protection.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report

- *Appendix 1: Swale Regeneration Framework 2018-2021*
- *Appendix 2: Summary of consultation responses*

8 Background Papers

- 8.1 Report to Cabinet, 7th March 2018, Swale Economic Regeneration Framework
Minutes of the Policy Development & Review Committee, 10th May 2018.

This page is intentionally left blank

Swale a great place
to visit | invest | work | earn | learn

Page 41

A draft economic regeneration
framework for Swale
2018 – 2021



Foreword



Cllr. Mike Cosgrove
Cabinet Member for
Regeneration

Over the last five years Swale has seen a significant increase in commercial activity with considerable inward investment. Making Swale a great place to work, earn and learn new skills is at the centre of our ambition. Over the next three years we will see considerable change as we push through our bold ideas for regenerating Sittingbourne Town Centre, help further expand Eurolink and Kent Science Park, with much emphasis on new infrastructure and much improved connectivity to the M2 and beyond.

Across all of our borough, we will need to recalibrate our efforts to compete in a global society in which Swale's diverse and thriving business sector can continue to successfully play its part in innovation, life sciences, export, tourism and engineering.

The regeneration of the Borough is a far-reaching agenda and involves a broad range of activity with which the Council is involved. Economic regeneration has a vital role to play as part of this wider picture and this document provides a framework to which both the Council and others can refer in making their contribution. The Council's activity will seek to

- promote the borough
- lever in external funding and investment
- Support business
- improve local skills and choice
- offer help where needed
- work constructively with partners

With a further tightening of slim resources this is not without challenge as competition intensifies, but our aim is "to make a difference where it matters most". This requires agility and grip. Whilst there is always more to achieve, across Swale you can see the improvement, and this is what we intend to continue.



Introduction

Swale is located on the North Kent Coast, only 40 miles from Central London and within easy reach of the UK's major airports and access routes to Europe. By virtue of its location on the Thames Estuary the Borough is an important part of what is a national priority area for growth; and good transport links via the M2/A2 corridor and the A249, alongside high speed rail services to London have been key to consolidating Swale's position as an investment location of choice.

Swale is comprised of three distinct areas, Sittingbourne, Faversham and the Isle of Sheppey, each with a mix of town, coast and a wide rural hinterland. This diversity is reflected in the local economy.

Sittingbourne has been the focus for much investment with a major industrial presence, complimented by a growing technical and scientific base. Sites at Eurolink, Kemsley Fields and Kent Science Park have attracted major inward investment as well as supporting the growth of small and medium enterprises (SME's).

Faversham is a historic market town, with a strengthening visitor economy based on its heritage and the surrounding countryside and coast. Brewing, distribution and manufacturing are also significant employers, with more incremental growth, at smaller employment sites through local SME's.

The **Isle of Sheppey** has seen significant investments associated with the major Port at Sheerness and at Queenborough, including those by Aesica at its pharmaceutical manufacturing facility and by ALDI, in a new Regional Distribution Centre. The Isle of Sheppey also has an important visitor economy, based on both its traditional resorts and unique landscapes and heritage.

Rural Swale is also an important economic driver in its own right. The mix of landscapes includes the North Kent Downs and internationally important wetlands, both key assets attracting many visitors. Agriculture and horticulture are key employers and continue to play a defining role in shaping the local area.

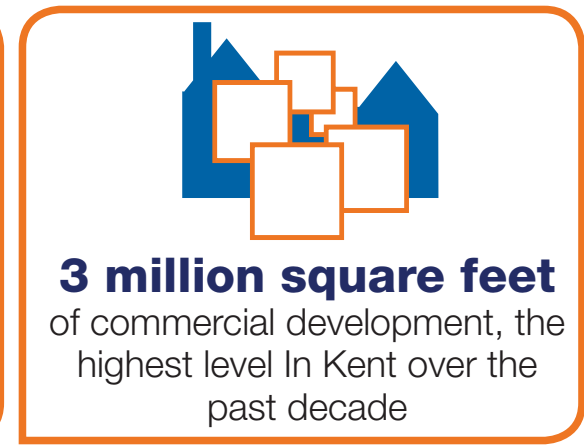
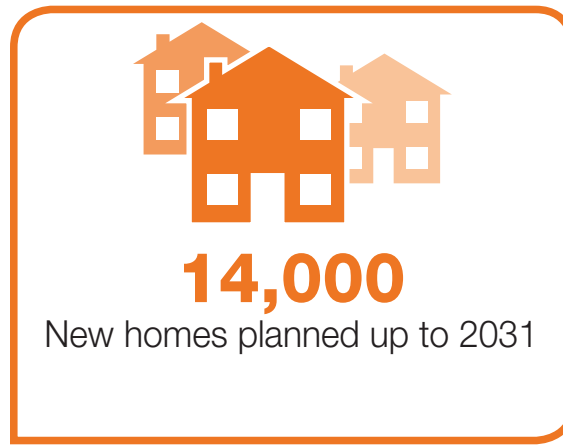
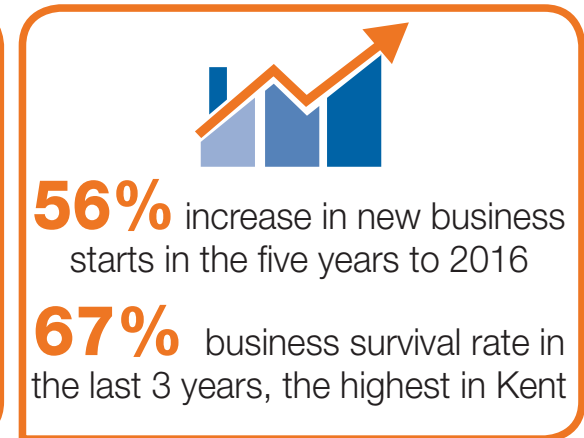
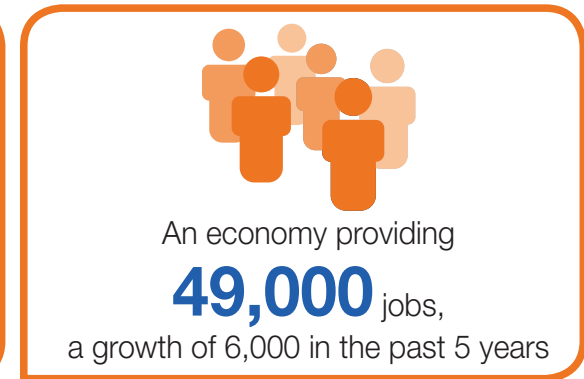


Our Economy

Over the past decade the local economy has shown resilience in the face of the global economic crisis, and over the past five years, growth. This reflects the generous provision made for employment land, delivery of key infrastructure improvements and the support offered to investors and local businesses. The economy has also seen further diversification, with growth in emerging sectors such as technical and scientific activities, as well as re-enforcing existing strengths in distribution and manufacturing. The headline data demonstrates the scale of the investment and change that has been secured - more detailed information can be found at www.swalemeansbusiness.co.uk

Challenges remain, some longstanding, others presented by the levels of growth achieved. In particular, we recognise the need to:-

- push for infrastructure that keeps pace with growth and improves, to provide connectivity that supports our ambitions, rather than constrains them.
- ensure a continued supply of well-located employment land, as demand absorbs the current supply
- address the lack of local technical and vocational learning opportunities, in particular for young people, helping create a stronger, more adaptable workforce.
- expand the range of leisure and retail opportunities for the growing number of residents, workers and visitors.
- stay in touch with our businesses to understand their needs and help them compete in an environment of changing technology and habits, continued globalisation as we leave the EU, each with far reaching implications on international trade, the movement of labour and local economic success.

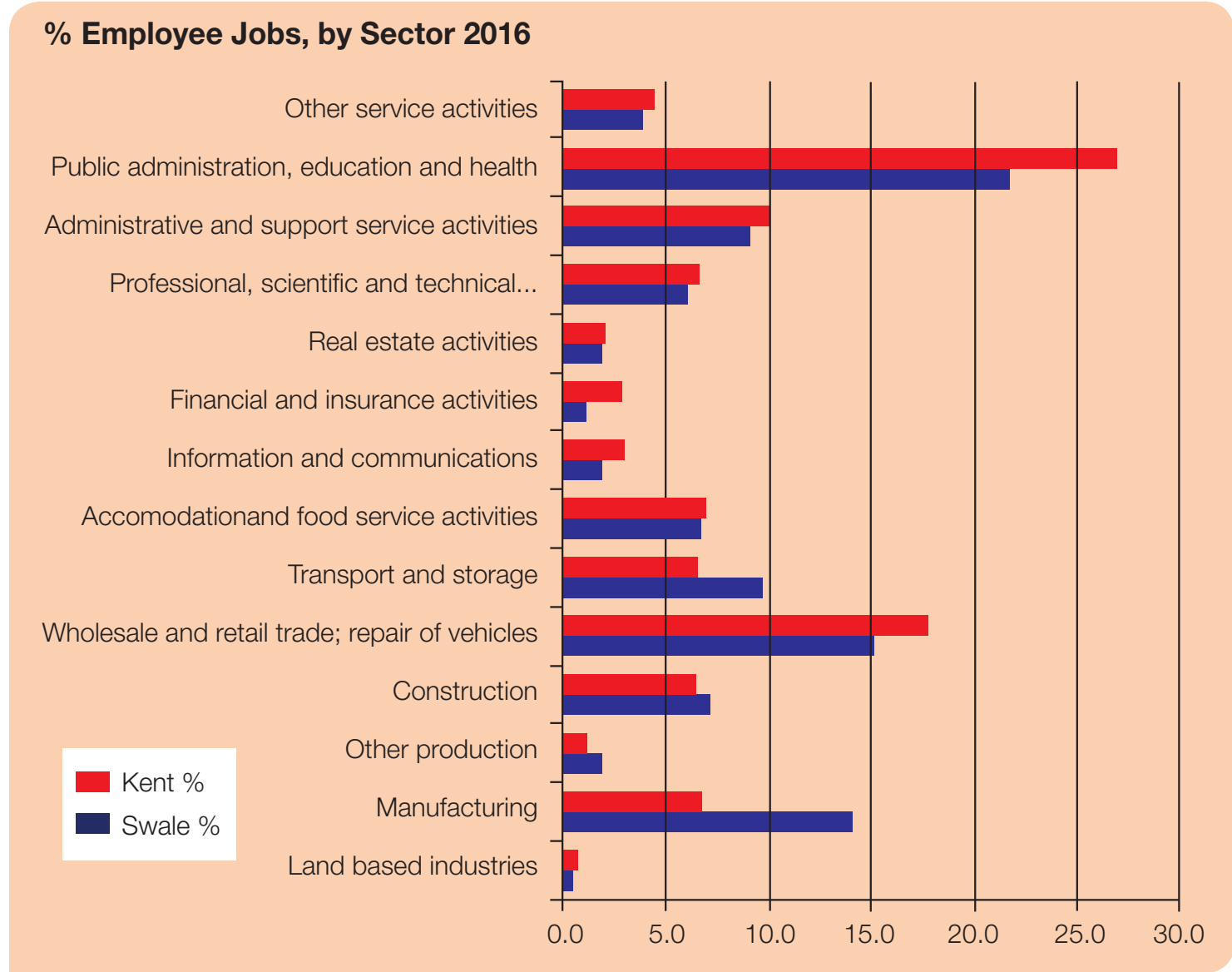


Sectors

Swale has particular concentrations in the manufacturing, transport and storage sectors, relative not only to Kent but also the rest of the Country. Providing 7,000 and 5,000 jobs respectively, they are also the second and third largest sectors in absolute terms, with retail and wholesale the largest, providing 8,000 jobs.

90% of the employment growth in the last five years has been seen in five sectors: manufacturing; construction; transportation and storage; professional, scientific and technical activities and business administration. Manufacturing employment has grown to be the fifth largest and most concentrated cluster in South East England, outside of London.

Page 45



data excludes farm based agricultural jobs

Growth highlights

Queenborough & Rushenden, a major regeneration project providing 1100 homes and new commercial space. Phase 1 housing started and 1,000 jobs have been supported to date.



ALDI are investing in new £50m distribution centre at Queenborough to join two other major national distribution centres in Borough - Morrisons in Sittingbourne and GIST, serving Marks and Spencer, in Faversham.



The Port of Sheerness, one of the UK's largest bulk handling Ports handling 1.4m tonnes of goods. Peel Port's Masterplan is driving significant new investment and increasing land available for port use.

*There is outstanding **maritime and naval heritage** associated with the Port. This is becoming part of a wider, diverse offer contributing to the Visitor Economy.*



A growing Visitor Economy shows £193m spent by visitors and supporting 4,561 jobs. There are diverse destinations including beaches,

historic towns, the North Kent Downs and Coastal Marshes.

***Shepherd Neame**, Britain's oldest brewer, with a visitor centre that has become an important part of the local visitor economy and is currently being expanded.*



Kent Science Park is one of the principal clusters of life science businesses in Kent.

***AbBaltis**, supplies blood plasma to disease-testing firms, has grown rapidly since forming in 2010 and in 2015 received the Queens Award for export.*



Swale's Industrial Hub, the biggest concentration of manufacturing in Kent, centred around Eurolink, is home to 300+ companies.

***Cook Kitchen** is a growing national brand, cooking and selling frozen ready meals that are made like you would at home. Based on Eurolink it has seen remarkable growth since starting in 1997.*

Aims and priorities

Our aim is to continue to develop the right conditions to support and stimulate growth so that Swale is recognised as one of the most enterprising locations along the Thames Estuary - a great place to visit, invest, work, earn and learn. To deliver change over the next three years, our contribution is set out under four broad priorities.

1. Promote Swale
2. Secure investment
3. Support Business
4. Enhance skills

To deliver the outcomes required, support and investment from our partners is vital. We have proved adept at making the case for investment in the Borough but the funding landscape is fragmented, uncertain and competition for funds high. We must be able to respond quickly to opportunities and show a level of ambition that sets us apart from others. Given the scale of change we are seeking, this document is a call to action at the sub-regional and national levels, with KCC, Government and its agencies and the South East LEP, all required to play their part. This requires clarity and consistency about our priorities and having the support from local partners.

We will work with local organisations, including our business partnership, and look at cross-cutting issues for Swale, whilst also recognising how different parts of the Borough present different challenges and opportunities. This includes our outstanding rural areas, which make a substantial contribution to our visitor economy and are seeing a growth in a broad range of SME's including a strengthening local food and drink sector.

Whilst these priorities, and our areas of focus under each, will guide the Council's efforts we will also remain responsive to issues and opportunities as they arise. Again, these will be both local, as partner organisations, residents and businesses bring forward issues and ideas and on a broader stage, including working with the priorities that come forward from the Thames Estuary Commission.





Promote Swale

Promoting Swale’s assets is critical to delivering our regeneration priorities. Appreciation of the Borough’s assets and creating positive perceptions will enhance our ability to attract investment and expand the visitor economy. This will involve marketing the Borough, showcasing our improving infrastructure and economy; major assets such as Eurolink, Kent Science Park and Sheerness Port; the evolution of the town centres and visitor offer; the areas fantastic natural environment and the many advantages of living in Swale.

Over time, changing perceptions will also boost development values, helping drive up quality and enable the private sector to contribute more substantively to the delivery of critical infrastructure.

Areas of Focus

- Take advantage of the unique attributes of each area of Swale to promote the Borough as a great place to visit, invest, work, earn and learn.
- Continue to develop and enhance the Swale Means Business web presence, using social and other media to develop new audiences.
- Work with partners to develop and promote shared stories about Swale as a great place in which to invest and do business.
- Build the area’s reputation through the work of key bodies on the national and international stage including the Department for Trade and Investment, the Thames Estuary Commission, Visit England and the South East LEP.
- Promote local ‘success stories’ to reinforce the Swale Means Business branding.
- Work with partners to provide networking opportunities that help raise the profile of the Borough.

Secure investment

In recent years Swale has successfully levered in substantial public and private sector investment, including £250m of government funding in local roads and the highest level of commercial development in Kent. Nonetheless, there is a need to increase our efforts and extend our ‘investment reach’ by creating the right conditions for growth. Creating an ongoing supply of land to meet continued demand for space from both inward investors and local businesses, business incubator space, evolving our town centres and developing the borough’s connectivity will be priorities, to further improve our offer.

Areas of Focus

- Continue the review of the Local Plan, adopting a balanced approach which can deliver the required jobs and homes, with supporting transport, education, health and cultural and community infrastructure.
- Secure improvements to the strategic road network, particularly the Lower Thames Crossing and appropriate solutions at Junctions 5 and 7 of the M2 and at key junctions along the A249.
- Push for completion of the Sittingbourne Northern Relief Road and a new A2-M2 link, to help address issues on the A2 and create the capacity for future growth.
- Lobby and support public transport providers to optimise and integrate local services and enhance access to London.
- Promote the delivery of improved broadband and mobile services where we can, in particular to support the rural economy.
- Provide a ‘team around the investor’ approach, utilising experience and knowledge to grasp investment opportunities
- Create town centre environments which enable businesses to trade and create a mixed offer, improve resilience and help meet the needs of our residents.



Support Business

Whether starting or growing, small businesses are a major source of new investment and employment for Swale. There is a demand for services that will support them and provide opportunities that allow local businesses to network and influence. We already directly provide support, advice and deliver a range of workshops and seminars with partners and will continuously develop this offer so that it remains relevant and responsive to business needs.

As we embrace the global economy, a focus for our support will be to provide access to expertise on developing export markets; supporting ideas and innovation and developing a more skilled and technical workforce.

Areas of Focus

- Continue to develop our support service and provide networking opportunities, for existing and start-up businesses that help them take forward ideas, develop their workforce, improve productivity and grow sustainably.
- Work with partners to provide information and workshops that will help businesses internationalise and export.
- Improve the supply of workshops, studios and office space for micro and start-up businesses.
- Support a pipeline of available commercial sites and premises across Swale, to serve expansion as well as new investment.
- Encourage opportunities for small businesses to trade in our town centres, through the markets.
- Support the diversification and evolution of the tourism and leisure sector, with a particular focus upon local heritage and unique landscapes across the Borough.
- Provide encouragement for local universities to assist business, with access to their facilities and expertise.



Enhance skills

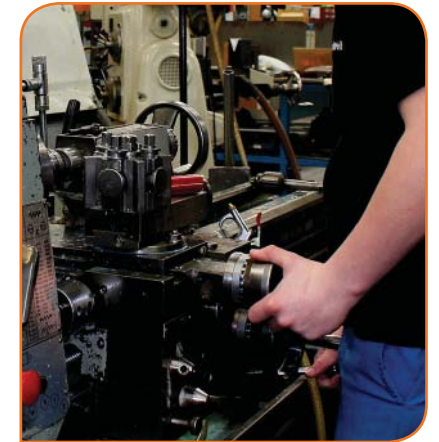
Overall Swale has enjoyed good performance in the majority of its schools, but improving access to a wider range of technical skills provision is fundamental to developing key sectors of our economy. At present 1,500 Swale students make lengthy journeys to pursue technical routes at Further Education Colleges but they are part of a much larger population of local young people for whom local opportunities are focused mostly around schools.

Alongside work based learning, we believe a Further Education facility in Sittingbourne will create more accessible opportunities for young people. This will provide choice and should be focused on meeting employer needs and provide clear progression routes into local industry. This will also be well placed to help meet employer demand for skills, within the existing workforce.

There also remains the need to address the deep-rooted functional skills issues, which are limiting opportunities for some residents. The Council will look to influence funders and providers, so that those supported can secure progression to employment and training, rather than be trapped in a cycle of low attainment.

Areas of Focus

- Work with Canterbury and Mid-Kent Colleges to establish the business case for new, relevant FE provision in Sittingbourne. We will establish the appropriate scale and type of provision and the best site, around which we will build a consensus and put together a funding package.
- Promote work based learning and apprenticeships to employers and local young people, working with schools and other providers to provide good quality information, advice and guidance.
- Encourage employers to become more involved with local schools, to build greater understanding of employer need and partnership working.
- Secure local labour and apprenticeship outcomes from new developments in the Borough, which offer appropriate opportunities.
- Work with KCC and other key partners to identify how we can support efforts to provide more positive progression routes for local people facing skills challenges.



Measuring outcomes and change

The outcome of many ‘Areas of Focus’ will be judged by their delivery and the benefits that they bring to our local economy and communities. Given the external support we often require and the long-term nature of economic regeneration, not all of the priorities identified will be delivered within the timeframe of the Framework. We do, however, intend to make good progress against which we will report regularly over the life of this Framework. This will include progress on projects and outputs and outcomes from service delivery.

Local economic and growth indicators will also be used as a barometer, to measure change and to benchmark economic performance against Kent and the country as whole, where possible. We will also stay in touch with and be responsive to changing local business needs, through dialogue and gathering our own information on business concerns and issues.

Whilst not an exhaustive list, some of the barometer indicators will include:

Indicator	Swale	Kent & Medway	National	Target direction	
Total number of businesses 2016	4610			↑	
No of Employee Jobs 2016	49,500			↑	
Business formation p.a. 2016	695 p.a.			↑	
Business survival rates 2016	3 year	67.0%	62.4%	60.9%	→
	5 year	45.3%	43.9%	44.1%	
Unemployment 2017	2.3%	1.7%	1.9%	↓	
Average wage by workplace 2017	£491 pw	£522 pw	£552 pw	↑	
Average wage by residence 2017	£566 pw	£574 pw	£552 pw	↑	
Qualifications levels 16-64 2016	Level 1	80.7%	87.3%	85.4%	↑
	Level 2	68.7%	72.8%	74.7%	
	Level 3	44.5%	53.8%	57.2%	
	Level 4/5	22.6%	33.6%	38.6%	

Contact Us

e: **edu@swale.gov.uk**

t: **01795 417398**

w: **swalemeansbusiness.co.uk**

If you would like alternative versions (i.e. large print, audio, different language) we will do our best to accommodate your request.

Please contact the council at:

Customer Service Centre

Swale Borough Council

Swale House, East Street

Sittingbourne

Kent, ME10 3HT

Customer Service Centre 01795 417850



This page is intentionally left blank

Appendix 2: Summary of Consultation Responses for the Draft Economic Regeneration Framework

Comment	Response
Welcome the Framework and good to see new development coming forward. There is a need to address social infrastructure , in particular schools and health	Amend document to reflect social infrastructure needs, alongside transport at page 8 (Secure Investment)
Work on the A249 and the lower Thames Crossing needed to maintain growth	Amend Framework to reference Lower Thames Crossing at Page 8 (Secure Investment)
Need for new leisure and retail facilities at Thistle Hill, on the Isle of Sheppey, in particular to serve young people.	Amend document to reflect social infrastructure needs, alongside transport at page 8 (Secure Investment), although geographically specific references not to be included.
Need for increased parking at the Sheppey Community Hospital	The comment is noted – no amendment to document
Broaden the reference to the Visitor economy, taking advantage of the full range of unique natural environmental opportunities within the borough	Amend document to reflect broader geographical offer of the Borough
Consider specific needs within the rural economy and facilities to service this, forestry in particular. Opportunity to take advantage of the established skills to hand them down to a new generation of workers.	Noted. We will seek to support niche industries through our business support offer and lobby for new funding once LEADER programmes close in 2020
Concern for the increase in traffic on the A2 at Faversham with a need to address this issue in the context of planned growth	Noted. the problems on the A2 are referenced on Page 8
Need to increase jobs in Faversham	Noted - the need to deliver new employment across the Borough, including Faversham is a key pillar of the Frameworks ambition.
Need for technical education provision in Sittingbourne and welcome new, proposed FE provision	Noted. The Framework specifically references this as a priority.
Emphasise the Borough's pre-eminent position in manufacturing and support for that sector	Amend Framework to strengthen reference to Manufacturing at Page 4 (Sectors)
More information about what the Council has done to date, to support economic growth	Noted. The Framework is intended to be forward looking but outcomes will be captured in delivery, which can be shared. Some additional references added.

More bench marking against other areas of the Country and greater specificity around the data presented	Noted –a data baseline will be created, which sets out the relative position of Swale against comparators. Some are now presented.
Greater definition on the scale of change	The reference was intended to reflect the areas of focus, where large scale investments by others are required
Work more closely with local businesses on promoting the Borough.	The strategy identified working with partners around shared stories, but amended to reflect business input more overtly
Broader Town Centre interventions needed	Noted. The specifics are not identified in the Framework, but will be captured through action plans
Business support should focus on the essentials, such as marketing, planning advice, HR and Tax and e-commerce issues. Potential to work with other local institutions such as schools	Noted. These are currently, largely provided. The specifics are not identified in the Framework, but will be captured through action plans.
More specific objectives and detail as to the actions to be taken on 'Provide relevant skills'.	Some wording amended to areas of focus to reflect this.
Identify construction skills as a specific need	Noted. The work to look at FE provision is to consider curriculum that meets local economic need
Need for continued provision of premises for SME's	Noted – this is identified under the Support business priority and is a priority for securing investment.
In the sectors section, could the Borough indicate an opportunity to diversify the sectors that it has.	Amend text to reflect the diversification point.
Greater emphasis on the need for infrastructure and the need for public funding to pump-prime future growth.	Amend text to reflect this point
Outcomes list to include business formation and survival rates and the level of infrastructure investment	Noted. Some additional consideration of the indicators to be used will be needed
Infrastructure improvements should be used overtly to promote Swale	Noted. This will form an important part of the positive messaging about the Borough

Cabinet	
Meeting Date	11 July 2018
Report Title	Financial Management Report – Outturn 2017/18
Cabinet Member	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance & Performance
SMT Lead	Nick Vickers, Chief Financial Officer
Head of Service	Nick Vickers, Chief Financial Officer
Lead Officer	Phil Wilson, Financial Services Manager
Key Decision	Yes
Classification	Open
Forward Plan	Reference number:
Recommendations	<ol style="list-style-type: none"> 1. To note the gross revenue underspend on services of £829,000. 2. To consider the revenue service rollovers of £571,660 and the setting up of new reserves as set out in Table 3 in Appendix I for approval. 3. To consider the revenue service bids of £288,060, as set out in Table 4 in Appendix I for approval. 4. To consider topping up the Performance Fund and the Regeneration Fund by £300,000 each and the Communities Fund by £75,000 from the General Fund and the Business Rates Volatility Reserve (for Regeneration Fund and Communities Fund). 5. To delegate to the Chief Financial Officer the allocation of uncommitted underspends to reserve funds. 6. To note the capital expenditure of £11,491,000, as detailed in paragraph 8 and Table 8 in Appendix I. 7. To consider the capital rollovers of £2,027,970, as detailed in Table 8 in Appendix I for approval.

1. Purpose of Report and Executive Summary

- 1.1 This report sets out the revenue and capital outturn position for 2017/18.
- 1.2 Whilst the report refers to “underspends”, this actually consists of two quite separate issues; underspends against expenditure budgets, and additional income compared to budget. The net effect is an underspend against the agreed Council budget.
- 1.3 This report shows that once again the Council has been able to achieve a significant underspend in the year. With a well-known flightpath of reduced

funding into the medium term, the Council has once again pre-empted future funding reductions by restricting expenditure in year.

1.4 The outturn position needs to be seen in the context of the Council's medium term financial position, with Government funding continuing to decline and the Council being more dependent on its own resources. The scope of management efficiency savings and for savings on major contracts is also much reduced given the successful work to date. The rollover approach seeks to combine and continue to fund service initiatives and create funding sources to help us achieve a balanced budget position in the next two years. Balancing the budget therefore becomes much more about generating income, via business rates and New Homes Bonus in particular.

1.5 The headline figures are:

- total revenue underspend of £829,000 including £1,917,000 of additional income – Tables 1 and 2 in Appendix I;
- £571,660 revenue rollover requests from Heads of Service – Table 3 in Appendix I;
- £288,060 revenue operational bid requests – Table 4 in Appendix I;
- capital underspend of £595,000 – Table 8 in Appendix I; and
- £2,027,970 rollover requests of capital underspends – Table 9 in Appendix I.

1.6 The Council's capital expenditure has increased very significantly; due to a much higher level of Disabled Facilities Grant and the commencement of Sittingbourne Town Centre construction phase. The capital rollovers relate to Disabled Facilities Grant and projects which had not commenced or funds had not been drawn down at 31 March.

1.7 The total of revenue rollover requests and bids is £860k which exceeds the revenue underspend of £829k.

1.8 In 2017/18 £1.1m was spent on services which had been agreed by Cabinet as rollovers in previous years and therefore were funded from approved reserves.

2. Background

2.1 The Council operates a regular budget monitoring process at Head of Service level, with regular reports to the Cabinet Member for Finance & Performance and the Strategic Management Team.

2.2 Financial monitoring reports are presented to Cabinet on a quarterly basis, as well as to Scrutiny Committee.

3. Proposals

Revenue Outturn

3.1 Table 1 below details the service movements within the overall revenue outturn. The most significant movements are shown.

- 3.2 Table 2 below details the outturn position by service and Table 3 details the outturn position by directorate.
- 3.3 Table 1 in Appendix I shows the outturn position by service, with most services showing an underspend. The line-by-line variations are explained in Table 2 in Appendix I.
- 3.4 The revenue outturn underspend is £829,000. The last reported variance to Cabinet in March 2018 (to end of period 9 – December) was an underspend of £781,000. This represents a movement of £48,000.

Table 1: Service Movements

Service/Contract	Reason for Variance	Working Budget £'000	Year End Variance £'000
Additional Income (brackets in variance mean additional income)			
Homelessness	Homelessness Prevention Grant underspend	(18)	(29)
	New Burdens Grant underspend	(2)	(87)
Parking Management	Additional income from pay & display fees	(1,725)	(317)
	Additional income from parking permits and PCNs – on street parking	(118)	(76)
	Additional income from season ticket income	(59)	(16)
Beach Huts	Additional income	(8)	(12)
Seafront	Additional income – rents/memorials	(25)	(12)
Recycling & Waste Minimisation	Additional income from garden waste collections (brown bins)	(385)	(58)
Planning	Fees – additional planning income	(729)	(192)
Licensing	Licensing Income	(141)	(14)
Licensing	Taxi Licensing – net surplus	-	(14)
Planning	Local Plan – additional grants	-	(65)
Environmental Initiatives	Fixed penalty notices (FPNs) (offset by additional costs)	(16)	(77)
Housing – Stay Put Scheme	Disabled facilities grant fees	(61)	(73)
Housing Private Sector	Additional fees and charges	(7)	(27)
Property Management	Rental income	(345)	(84)
Refuse & Street Cleansing	Litter picking & refuse sales	(46)	(22)
	Bulky waste collections	(77)	(10)
Community Safety	Community budgets – complex needs grant offset by additional expenditure of £84k	-	(84)
Leisure	Central House utility costs recharge	-	(11)
Cemeteries	Internment Income	(113)	(36)
Democratic Services	Additional grant	-	(22)
External Legal Fees	Additional S106 fee income	(70)	(54)

Service/Contract	Reason for Variance	Working Budget £'000	Year End Variance £'000
Resident Services	Recovery of overpayment of Housing Benefits	(652)	(118)
Corporate	External Interest	(104)	(154)
Loss of Income:			
Land Charges	Loss of income (net)	(220)	35
Other:			
Net Income	Net additional income	-	(288)
Total Net Income		-	(1,917)
Procurement/Shared Service Savings/Costs: (brackets in variance mean underspend)			
Public Convenience	Public conveniences cleaning contract	255	(44)
Grounds Maintenance	Contract costs	1,282	(61)
Parks & Open Space	Grounds contract	28	84
Sheerness Gateway	Savings on KCC contract for fees and services	54	(37)
Leisure Services	Swale Community/SERCO Leisure contract savings on SCL operating fee (£27k), SERCO operating fee (£9k), utilities subsidy £12k), and other (£15k)	460	(63)
Street Cleansing	Contract savings	917	(32)
Planning	Reduced costs building control	78	(6)
Parking	Additional costs shared service	48	32
Parking	Additional contract costs	144	15
Planning	Additional costs shared service	192	22
Refuse & Recycling	Contract costs on waste contract	2,448	25
HR Shared Service	Reduced costs shared service due to refund from 2016/17.	254	(57)
Audit Shared Service	Additional costs shared service	157	10
Land Charges	Additional costs of shared service of £27k offset by £37k additional income from contribution from provisions	44	(10)
Legal Shared Service	Additional staff costs shared service (partly offset by additional external income)	-	64
IT Shared Service	Reduced costs shared service	406	(48)
IT Shared Service	Telephony savings	67	(15)
Environmental Health Shared Service	Additional savings shared service	416	(43)
Enforcement Service – Council Tax	Additional profit share shared service	(50)	(84)
Total Procurement/Shared Service Savings/Costs			(248)
Additional Costs:			
Homelessness	Net Bed and Breakfast Homelessness Houses	278	343
		-	10
Planning	Additional legal and planning specialists for planning appeals	-	77
Sittingbourne Town Centre	Cancellation of 2016/17 Sundry Debtor	-	82

Service/Contract	Reason for Variance	Working Budget £'000	Year End Variance £'000
Legal	External Legal Costs	49	97
Sittingbourne Master Plan	Consultancy fees re Sittingbourne Town Centre project.	-	59
Refuse Collection	Purchase of wheeled bins (net)	46	134
Environmental Initiatives	Fixed penalty notices – additional costs (see offsetting income above)	-	83
Community Safety	Support for community projects including Family Finance, Troubled Families and Youth work (offset by additional income as all expenditure funded from grants)	-	84
Property	Swale House – water rates	5	9
Property	Building Maintenance on a number of unplanned maintenance items including the heating of Swale House, roof repairs at the Health Living Centre and the bell tower at Bell Road cemetery	237	62
Corporate	Insurance	357	29
Parking	Car Parks – rates/water rates	211	12
	Cash security & licences	64	45
	Park & Ride	-	24
Total Additional Costs			1,150
Underspends: (brackets in variance mean additional underspend)			
Salaries	Net employee costs (incl. agency) (excludes Legal MKLS as included in net MKLS)	12,546	(72)
Community Halls and Centres	Alexander Centre grant	50	(50)
HR	Corporate training	101	(7)
Markets	Savings on rates	25	(17)
Arts Events & Activities	Remembrance & Commemoration	29	(14)
Corporate Items	Savings on finance lease	69	(13)
Council Tax	Recovery of council tax/housing benefit overpaid	-	(27)
Council Tax	External Audit / Bank Fees	88	(18)
IT shared services	Savings on computer maintenance & software	664	(19)
Chief Executive	Reduction in number of special projects	19	(12)
Public Conveniences	Savings on rates due to backdated rebate	23	(36)
Cemeteries	Savings on grounds maintenance – unfinished works on trees and unsafe monuments in closed churchyards	33	(19)
Printing	Savings on external printing/advertising and promotion	26	(25)
Parks & Open Spaces	Savings on equipment maintenance	35	(19)
Democratic Services	Members allowances	415	(29)
Total Underspends			(377)

Service/Contract	Reason for Variance	Working Budget £'000	Year End Variance £'000
	Total Variance		(1,392)
	Movement on reserves (see Corporate Items Table 2 in Appendix I)		683
	Other Net Underspends		(120)
	Net Total Variance		(829)

Table 2: Projected Variance by Service

	Service Manager	Working Budget £	Outturn 2017/18 £	Variance £
Chief Executive	M. Radford	390,180	370,464	(19,716)
Policy	D. Clifford	218,310	205,802	(12,508)
Economy & Communities	C. Hudson	2,412,060	2,220,789	(191,271)
Communications	S. Toal	291,150	277,009	(14,141)
Resident Services	A. Christou	1,132,170	1,073,092	(59,078)
Planning	J. Freeman	958,040	968,622	10,582
Commissioning & Customer Contact	M. Cassell	5,727,700	5,073,346	(654,354)
Director of Corporate Services & Director of Regeneration	Vacant/E. Wiggins	369,480	224,839	(144,641)
Licensing	D. Fackrell	(33,630)	(78,246)	(44,616)
Emergency Planning	D. Fackrell	82,570	84,206	1,636
Information Technology	C. Woodward	1,201,180	1,119,947	(81,233)
Audit	R. Clarke	164,380	174,817	10,437
Environmental Health	T. Beattie	547,250	492,279	(54,971)
Finance	N. Vickers	778,770	769,470	(9,300)
Human Resources	B. Sandher	381,000	314,394	(66,606)
Legal	P. Narebor	437,490	545,104	107,614
Democratic Services	K. Bescoby	970,260	943,747	(26,513)
Property	A. Adams	599,700	563,086	(36,614)
Sittingbourne Regeneration	E. Wiggins	0	142,285	142,285
Corporate Items	N. Vickers	1,493,940	1,808,006	314,066
NET REVENUE SERVICE EXPENDITURE		18,122,000	17,293,058	(828,942)
Financed by:				
Revenue Support Grant		(1,238,000)	(1,238,108)	(108)
Business Rates		(6,416,000)	(6,416,000)	0
New Homes Bonus		(2,743,000)	(2,742,330)	670
Collection Fund Surplus		(140,000)	(140,400)	(400)
Council Tax Requirement		(7,469,000)	(7,469,046)	(46)
TOTAL FINANCING		(18,006,000)	(18,005,884)	116
NET EXPENDITURE		116,000	(712,826)	(828,826)

Table 3: Projected Variance by Directorate

	Working Budget £	Outturn £	Variance £
Chief Executive	390,180	370,464	(19,716)
Mid Kent Services	2,731,300	2,646,541	(84,759)
Commissioning & Customer Services	5,727,700	5,073,346	(654,354)
Policy & Performance	218,310	205,802	(12,508)
Corporate Services	4,261,090	4,457,393	196,303
Regeneration	4,793,420	4,539,512	(253,908)
NET REVENUE SERVICE EXPENDITURE	18,122,000	17,293,058	(828,942)

4. Proposed Revenue Rollovers

4.1 The use of rollovers is critical for the overall financial management of the Council. Their proposed use falls into two main categories:

- Service requests for rollovers at an operational level (Table 3 Appendix I). These total £571,660;
- Bids linked to the Council's priorities and the topping-up of specific reserve funds (Table 4 Appendix I). These total £288,060.

4.2 The rollovers will be funded from the 2017/18 underspend and the General Fund as required.

5. Business Rates

5.1 In total the Council collected £47.8m of business rates in 2017/18. After the complicated system of levies and tariffs has been accounted for, the Council received £9.1m.

5.2 Council has previously agreed to the establishment of a Business Rates Volatility Reserve, in order to assist the Council in managing the anticipated volatility in business rate income resulting from the introduction of business rate localisation from 2013/14. In 2017/18 this reserve increased by £2.1m due to the Council's share of the 2016/17 surplus on the collection fund of £1m, income from the Kent Pool of £600k, additional income of £300k from renewable energy business rates and other income of £200k; as a result of the underspend on the general fund the original contribution from this reserve to revenue of £255k was not required. There was also an increase in the Kent Pool economic growth reserve which is shared with KCC to be spent in the Borough of £600k.

5.3 As previously commented on the Council has benefitted very significantly from the localisation of business rates. However, we should bear in mind the resetting of business rates in April 2020 which could take away the benefits moving forward.

6. Improvement and Regeneration Funds

6.1 Table 4 below details the outturn position on a number of reserve funds.

Table 4: Improvement and Regeneration Funds

	Balance as at 1 April 2017	Transfers from reserve (Expenditure) in year	Transfers to reserve (Income) in year	Balance as at March 2018	Balance unallocated as at 31 March 2018
Funds:	£	£	£	£	£
Performance	534,218	(371,810)	153,726	316,134	38,685
Regeneration	686,846	(337,122)	0	349,724	98,494
Communities	115,654	(4,287)	0	111,367	70,981
Pension & Redundancy	205,142	0	0	205,142	205,142
Local Loan Fund	200,000	0	0	200,000	200,000
TOTAL	1,741,860	(713,219)	153,726	1,182,367	613,302

6.2 Table 5 of Appendix I details the allocations from the above funds during 2017/18.

6.3 It is proposed that the Council tops up the Performance Fund and the Regeneration Fund by £300k each and the Communities Fund by £75,000 from the General Fund and the Business Rates Volatility Reserve in 2018/19 (for Regeneration Fund and Communities Fund).

7. Usable Reserves

7.1 Table 5 below summarises the usable reserves balance as at 31 March 2018.

Table 5: Usable Reserves

	Balance as at 1 April 2017	Transfers from reserve in year	Transfers to reserve in year	Balance as at March 2018
Reserve:	£'000	£'000	£'000	£'000
Total Earmarked Revenue Reserves	11,261	(2,377)	4,890	13,774
General Fund	4,874	(179)	0	4,695
Capital Grants Unapplied	306	(44)	64	326
Usable Capital Receipts Reserve	986	(77)	172	1,081
TOTAL	17,427	(2,677)	5,126	19,876

7.2 Table 6 of Appendix I details the earmarked revenue reserves as at 31 March 2018.

8. Capital Expenditure

- 8.1 This section of the report details actual capital expenditure and highlights any variations between the revised 2017/18 capital budget and the outturn.
- 8.2 Actual expenditure to end of March 2018 is £11,491,444. This represents 95% of the revised budget. There remains an underspend of £594,785. Further details are set out in Table 9 of Appendix I.
- 8.3 Table 6 below summarises the capital underspend of £594,785 which includes £7.8m of overspends and £2.4m of underspends. The overspend is mainly as a result of the Sittingbourne Town Centre project (£1.6m). Although overspent in 2017/18 this is as a result of phasing and overall the total cost will be within budget.

Table 6: Capital Programme Expenditure (Refer to Appendix I)

	2017/18 Revised Budget	2017/18 Outturn	2017/18 Variance
	£'000	£'000	£'000
Economy & Communities	7,698	8,855	1,157
Commissioning & Customer Contact	251	216	(35)
Environmental Services MKS	77	21	(56)
Finance	83	67	(16)
Resident Services	92	44	(48)
Total SBC funded	8,201	9,203	1,002
Total Partnership funded	3,885	2,288	(1,597)
Total Capital Programme	12,086	11,491	(595)
% Spent to date compared to Revised Budget		95 %	

- 8.4 Heads of Service have submitted a number of capital rollover requests totalling £2,027,970 to be spent in 2018/19 to be released from the underspend of 2017/18. The requests are listed in Table 9 Appendix I, with an explanation provided by the service manager. Of these requests, £1,368,230 is linked with partnership funding as explained in the notes, leaving £659,740 to be met from internal resources. The largest items of rollover are:
- Disabled Facilities Grant - £1,170,000
 - Easthall Farm Community Centre £158,000
 - Sittingbourne Skate Park £219,000
 - Faversham Creek Basin Regeneration Project (Swing Bridge) £200,000
 - Minster Leas Promenade Resurfacing £85,000

9. Funding of the 2017/18 Capital Programme

9.1 The 2017/18 capital programme expenditure of £11,491,444 was funded as set out in Table 7.

Table 7: Capital Programme Funding

	2017/18 Outturn
	£'000
Capital grants and other contributions	2,904
Capital receipts	70
Earmarked reserves	241
Internal borrowing	8,276
Total Capital Funding	11,491

9.2 The funding of the Sittingbourne Town Centre Project, the Retail, early phase highway works and the Multi Storey Car Park will be funded from internal borrowing. Officers are working with Arlingclose the Council's treasury adviser, to develop an optimised long-term financing strategy.

9.3 Capital receipts from sale of assets in 2017/18 were £82,000. Capital receipts from repayment of grants and loans were £90,000.

10. Payment of Creditors

10.1 The outturn for payment of creditors for 2017/18 was 99% against the target of 97%.

11. Debtors

11.1 Tables 8 and 9 below analyse the debt outstanding. The total over two months of £339k includes £53k relating to S106, NHS grants £44k and £112k relating to one company. To the end of April £146k has been paid.

Table 8: Debt outstanding by due date

	March 2018 £'000	March 2017 £'000	January 2018 £'000
Not Due	1,124	667	168
1-2 Months	57	38	505
2-6 months	141	43	51
6-12 months	81	53	52
1-2 years	21	25	24
2-3 years	23	39	29
3-4 years	28	26	18
4-5 years	7	5	7
5-6 years	2	7	1
6 years +	36	39	36
Total	1,520	942	891
Total over two months	339	237	218
% Total over two months	22%	25%	24%

Table 9: Debt outstanding by Head of Service

	March 2018 £'000	March 2017 £'000	January 2018 £'000
Commissioning & Customer Contact	113	93	54
Property	197	176	140
Residents Services	188	139	169
Legal (MKLS)	390	1	116
Economy & Communities	13	112	14
Planning	8	39	0
Regeneration	58	0	0
Communications	3	3	0
Environmental Health	1	2	1
Policy	1	21	0
Other	548	356	397
Total	1,520	942	891

11.2 It should be noted that the number of debts raised is increasing as we are now required to formally raise debts for all of our grants receivable from Kent County Council, the NHS etc.

11.3 The total debt for Property of £197,000 includes £112,000 relating to one company. The total debt for Other includes £269k debt not due relating to S106 income i.e. income due from developers relating to planning agreements, and £254k external grant from Kent County Council.

11.4 The debt over six years old relates to charges on property, i.e. where the debt cannot be collected until the property concerned is sold.

12. Alternative Options

12.1 None identified – this report is largely for information.

13. Consultation Undertaken or Proposed

13.1 Heads of Service and Strategic Management Team have been consulted in preparing this report.

14. Implications

Issue	Implications
Corporate Plan	Good financial management is key to achieving our Corporate Plan priority of being “A council to be proud of”
Financial, Resource and Property	As detailed in the report
Legal and Statutory	None identified at this stage
Crime and Disorder	None identified at this stage
Environmental Sustainability	None identified at this stage
Health & Wellbeing	None identified at this stage
Risk Management and Health and Safety	None identified at this stage
Equality and Diversity	None identified at this stage
Privacy and Data Protection	None identified at this stage

15. Appendices

15.1 The following documents are published with this report and form part of the report:

Appendix I: Financial Outturn 2017/18

16. Background Papers

16.1 The Budget 2017/18 and Medium Term Financial Strategy 2017/18 to 2019/20.

This page is intentionally left blank

Financial Outturn Report 2017/18

Table of Contents

Table 1 – Underspend by Service	Page 2
Table 2 – Main variations by Service	Page 3
Table 3 – Revenue rollover requests – operational	Page 13
Table 4 – Revenue rollover requests – bids	Page 19
Table 5 – Allocations from Funds	Page 21
Table 6 – Revenue Reserves	Page 22
Table 7 – General Fund Balances	Page 25
Table 8 – Capital Programme	Page 26
Table 9 – Capital Rollovers & Explanation of Variations	Page 28

Table 1 – Underspend by Service

	Service Manager	Working Budget £	Outturn 2017/18 £	Variance £
Chief Executive	M. Radford	390,180	370,464	(19,716)
Policy	D. Clifford	218,310	205,802	(12,508)
Economy & Communities	C. Hudson	2,412,060	2,220,789	(191,271)
Communications	S. Toal	291,150	277,009	(14,141)
Resident Services	A. Christou	1,132,170	1,073,092	(59,078)
Planning	J. Freeman	958,040	968,622	10,582
Commissioning & Customer Contact	M. Cassell	5,727,700	5,073,346	(654,354)
Director of Corporate Services & Director of Regeneration	Vacant/E. Wiggins	369,480	224,839	(144,641)
Licensing	D. Fackrell	(33,630)	(78,246)	(44,616)
Emergency Planning	D. Fackrell	82,570	84,206	1,636
Information Technology	C. Woodward	1,201,180	1,119,947	(81,233)
Audit	R. Clarke	164,380	174,817	10,437
Environmental Health	T. Beattie	547,250	492,279	(54,971)
Finance	N. Vickers	778,770	769,470	(9,300)
Human Resources	B. Sandher	381,000	314,394	(66,606)
Legal	P. Narabor	437,490	545,104	107,614
Democratic Services	K. Bescoby	970,260	943,747	(26,513)
Property	A. Adams	599,700	563,086	(36,614)
Sittingbourne Regeneration	E. Wiggins	0	142,285	142,285
Corporate Items	N. Vickers	1,493,940	1,808,006	314,066
NET REVENUE SERVICE EXPENDITURE		18,122,000	17,293,058	(828,942)
Financed by:				
Revenue Support Grant		(1,238,000)	(1,238,108)	(108)
Business Rates		(6,416,000)	(6,416,000)	0
New Homes Bonus		(2,743,000)	(2,742,330)	670
Collection Fund Surplus		(140,000)	(140,400)	(400)
Council Tax Requirement		(7,469,000)	(7,469,046)	(46)
TOTAL FINANCING		(18,006,000)	(18,005,884)	116
NET EXPENDITURE		116,000	(712,826)	(828,826)

Table 2 – Main variations by Service

Projected Net (Under)/Overspend / Income Shortfall as at end of March 2018		
Service – Cabinet Member (Head of Service)	£'000	Explanation
CHIEF EXECUTIVE – Cllr A. Bowles (Mark Radford)		
Chief Executive & Corporate Costs	(80)	(£42k) Underspend – net staff costs. (£24k) Underspend – corporate costs. (£12k) Underspend – special project costs. (£2k) Net Underspend.
Transformation Project	61	£61k Additional costs – net staff costs due to extension of Project Team. This is offset by underspends in Revenues and Customer Service Centre.
TOTAL	(19)	
POLICY – Cllr A. Bowles (David Clifford)		
Policy	(13)	(£16k) Underspend – net staff costs. £3k Additional costs.
TOTAL	(13)	
ECONOMY AND COMMUNITIES – Cllrs - All (Charlotte Hudson)		
Environmental	(5)	£83k Additional costs - Environmental Initiatives, offset by: (£77k) Additional income - Fixed Penalty Notice fees received. (£6k) Additional income Pest Control service. £12k Overspend – Salaries. (£13k) Underspend dog kennelling service. (£3k) Underspend unauthorised encampment clearance. (£1k) Underspend – net.
CCTV	4	£14k Overspend on monitoring service offset by: (£9k) Additional grant/contributions income. (£1k) Saving – net.
Community Halls and Centres	(55)	(£49k) Underspend – no grant due to Alexander Centre this year. (£6k) Underspend – net.
Community Safety	(40)	(£38k) Underspend – net staff costs. (£2k) Underspend – net of external grants.

Table 2 – Main variations by Service

Projected Net (Under)/Overspend / Income Shortfall as at end of March 2018		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Economy & Community Services, Cultural & Economic	(51)	(£27k) Underspend – net staff costs. (£9k) Underspend – transport costs. (£3k) Additional income. (£12k) Underspend – net.
Members' Grants	(8)	(£8k) Underspend Localism grants.
Economic Development	7	£4k Overspend - net agency staff costs. £3k Overspend – consultancy costs.
Learning, Business & Skills	4	£14k Overspend – net salary costs. (£10k) Underspend – net.
Tourism	0	£6k Overspend – salary costs. (£1k) Increased income. £5k Saving – net.
Arts Events & Activities	(5)	(£14k) Underspend Remembrance and Commemoration budget. £9k Overspend – net.
Markets	(15)	(£17k) Saving on rates. (£17k) Increased income re Sittingbourne and Faversham. £13k Reduced income Sheerness. £6k Overspend – net.
Sports Development	(27)	(£14k) Underspend – grants. (£8k) Saving – salary costs. (£5k) Saving – net.
TOTAL	(191)	(£32k is requested to roll forward into 2018/19 – refer to Table 3)
COMMUNICATIONS, PRINTING, ADVERTISING & PROMOTION – Cllr A. Bowles (Sara Toal)		
Communications	(14)	(£13k) Underspend – advertising and promotion budget. (£6k) Underspend – printing. (£6k) Underspend – Visitor Economy Strategy. £15k Additional costs - net staff costs. (£4k) Net underspend.
TOTAL	(14)	(£28k is requested to roll forward into 2018/19 – refer to Table 3).

Table 2 – Main variations by Service

Projected Net (Under)/Overspend / Income Shortfall as at end of March 2018		
Service – Cabinet Member (Head of Service)	£'000	Explanation
RESIDENT SERVICES – Cllrs K. Pugh and D. Dewar-Whalley (Amber Christou)		
Housing Options	245	<p>£229k Additional net costs Homelessness Temporary Accommodation, being:</p> <p>£343k net additional accommodation costs, offset by-</p> <p>(£29k) net savings from underspend of Homelessness Prevention Grant;</p> <p>(£87k) net savings from underspend of New Burdens Grant;</p> <p>£2k residual Homelessness costs.</p> <p>£10k Additional costs re Homelessness Houses.</p> <p>£6k Overspend other Housing Options net costs.</p>
Housing Development and Strategy	(11)	<p>(£6k) Savings net staff costs.</p> <p>(£5k) Net other savings.</p>
Private Sector Housing	(24)	<p>£6k Overspend net staff costs.</p> <p>(£27k) Additional income, recovery of costs.</p> <p>(£3k) Net other savings.</p>
Stay Put Scheme	(53)	<p>(£73k) Additional income - Disabled Facility Grant fees.</p> <p>£6k Additional costs – net staff and agency staff.</p> <p>(£2k) Additional income – donations received for 'Keep-Safe' works re domestic abuse victims.</p> <p>£16k Net additional costs.</p>

Table 2 – Main variations by Service

Projected Net (Under)/Overspend / Income Shortfall as at end of March 2018		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Housing Benefit and Council Tax Collection	(216)	<p>(£195k) Additional income Council Tax Support grant; (£129k) Additional income DWP Housing Benefit grant; £433k Loss of income Housing Benefit Admin Subsidy; (£43k) staff cost savings. N.B. The additional cost of £66k detailed above has been met from reserves).</p> <p>(£118k) Additional income – from recovery of over payments of Housing Benefits. (£84k) Additional income – MKS Debt Enforcement Partnership surplus for 2017/18. (£27k) Additional income – recovery of Council Tax Benefit overpaid.</p> <p>(£41k) Underspend on staff to be offset against overspend in Transformation Team. (£21k) Underspend – Housing Benefits.</p> <p>(£18k) Savings – External audit and bank charges. £27k Additional costs – net.</p>
TOTAL	(59)	(£97k is requested to roll forward into 2018/19 – refer to Table 3).
PLANNING – Cllr G. Lewin (James Freeman)		
Building Control/Dangerous Structures	(3)	<p>(£6k) Underspend on contract costs. £3k Additional expenditure – dangerous structures.</p>
Development Control	78	<p>(£192k) Additional income – planning fees. £107k Additional costs – staffing costs (to be met from planning income). £90k Additional costs – agency costs (to be met from planning income). £77k Additional costs - planning specialists for planning appeals. (£4k) Saving – planning advertising.</p>
Development Services	(22)	<p>(£44k) Saving – staffing costs. £9k Additional costs – recruitment. £13k Additional costs – net.</p>

Table 2 – Main variations by Service

Projected Net (Under)/Overspend / Income Shortfall as at end of March 2018		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Local Land Charges	25	£27k Additional costs - shared service. (£37k) Additional income – contribution from provision. (£14k) Additional income – New Burdens Grant. £49k Reduced income – local land charges.
Local Planning & Conservation	(89)	(£24k) Underspend – net. (£65k) Additional income – grants. N.B. The underspend on the local plan has been transferred to the ring fenced reserve to be used solely to fund LDF associated work.
Mid Kent Planning Service (MKPS)	22	£22k Additional costs on shared service.
TOTAL	11	
COMMISSIONING & CUSTOMER CONTACT – Cllr D. Simmons (Martyn Cassell)		
Highways SBC	(12)	(£3k) Saving – footway lighting electricity costs. £13k Additional expenditure – contractor costs. (£22k) Additional income – fees and contributions.
Commissioning & Customer Contact, Client & Amenity Services, Customer Service Centre and Technical Services	(140)	(£46k) Saving – staff costs re Transformation Project Team. These savings offset cost of Transformation Project under Chief Executive. (£41k) Underspend - net staff costs savings. (£37k) Underspend – KCC Gateway contract. (£16k) Underspend – net.

Table 2 – Main variations by Service

Projected Net (Under)/Overspend / Income Shortfall as at end of March 2018		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Parking Management	(257)	<p>(£317k) Additional income – pay & display fees. (£76k) Additional income – on street parking - permits and suspended parking bays etc. (£16k) Additional income – season tickets.</p> <p>£24k Additional expenditure – planned Christmas park & ride schemes. £12k Additional expenditure – car park rates and water rates. £59k Additional expenditure – cash security and licences. £32k Additional expenditure – shared service. £15k Additional expenditure – parking contractor. £10k Additional expenditure – net.</p> <p>NB. The surplus of £64k re on-street parking will be transferred to the ring fenced on-street parking account under Section 55 of the Road Traffic Act 1984.</p>
Seafront and Harbour & Quays	(32)	<p>(£23k) Additional income – beach hut licences/rental. (£9k) saving – net.</p>
Cemeteries and Closed Churchyards	(61)	<p>(£19k) Underspend – unfinished works on trees and monuments in closed churchyards. (£36k) Additional income – burials charges. (£6k) Savings – net.</p>
Grounds Maintenance	(61)	<p>(£61k) Underspend – grounds maintenance.</p>
Contracts and Procurement	2	<p>£10k Additional expenditure – net staff costs. (£8k) Saving – net.</p>
Recycling & Waste Minimisation	(60)	<p>(£58k) Additional Income – garden waste bins. (£2k) Additional income – scrap metal.</p>
Leisure, Sports, Open Spaces, Parks, Countryside and Allotments	(44)	<p>(£11k) Additional income - utility costs recharge for Central House. (£63k) Contract savings - leisure centres maintenance. £2k Reduced income – sports facilities. £30k Additional expenditure – parks & open spaces. (£2k) Additional income - misc.</p>

Table 2 – Main variations by Service

Projected Net (Under)/Overspend / Income Shortfall as at end of March 2018		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Refuse Collection / Street Cleansing/ Public Conveniences	11	<p>£134k Additional expenditure - programmed wheeled bin replacement.</p> <p>(£51k) Contract savings – £44k re procurement of public conveniences cleaning and £32k street cleansing contract offset by additional refuse contract costs £25k.</p> <p>(£22k) Additional income – special collections and sales.</p> <p>(£10k) Additional income – bulky waste collections.</p> <p>(£4k) Savings – A249 litter picking contract.</p> <p>(£3k) Savings – equipment - litter bins.</p> <p>(£33k) Savings – net.</p>
TOTAL	(654)	(£161k is requested to roll forward into 2018/19 – refer to Table 3).
DIRECTOR OF CORPORATE SERVICES/REGENERATION – Cllrs D. Dewar-Whalley, A. Bowles and M. Cosgrove.		
Director of Corporate Services	(122)	<p>(£117k) Underspend – salaries.</p> <p>(£5k) Underspend – net.</p>
Director of Regeneration	(22)	<p>(£11k) Underspend – salaries.</p> <p>(£11k) Underspend – net.</p>
Emergency Planning	2	£2k Additional Expenditure – net.
Licensing	(45)	<p>£5k Additional staff costs net.</p> <p>(£49k) Additional income – licences.</p> <p>(£1k) Additional Savings –net.</p>
TOTAL	(187)	
IT SERVICES – Cllr D. Dewar-Whalley (Chris Woodward)		
IT MKS	(81)	<p>(£48k) Saving - shared service.</p> <p>(£19k) Saving – IT maintenance & software.</p> <p>(£15k) Saving – Swale House telephones.</p> <p>£1k Net additional costs.</p> <p>N.B. The underspend of £19k at year-end on IT maintenance & software has been transferred to the ring fenced reserve to be used solely to fund IT related expenditure in future years.</p>

Table 2 – Main variations by Service

Projected Net (Under)/Overspend / Income Shortfall as at end of March 2018		
Service – Cabinet Member (Head of Service)	£'000	Explanation
TOTAL	(81)	
ENVIRONMENTAL HEALTH – Cllr. D. Simmons (Tracey Beattie)		
Environmental Health MKS	(55)	(£43k) Reduced cost re MKS charge. (£3k) Saving – contaminated land. (£6k) Saving – air quality project. (£3k) Net reduced costs.
TOTAL	(55)	(£17k is requested to roll forward into 2017/18 – refer to Table 3).
INTERNAL AUDIT – Cllr D. Dewar-Whalley (Rich Clarke)		
Audit Services	10	£10k Additional costs - shared service.
TOTAL	10	
FINANCE – Cllr D. Dewar-Whalley (Nick Vickers)		
Financial Services	(9)	(£9k) Net savings – contracts.
TOTAL	(9)	(£9k is requested to roll forward into 2018/19 – refer to Table 3).
HUMAN RESOURCES – Cllr D. Dewar-Whalley (Bal Sandher)		
Human Resources	(57)	(£57k) Saving – shared service.
Organisational Development	(10)	(£7k) Saving – corporate training. (£3k) Net saving.
TOTAL	(67)	(£46k is requested to roll forward into 2018/19 – refer to Table 3).
LEGAL – Cllr D. Dewar-Whalley (Patricia Narebor)		
Legal MKLS	64	£64k Additional costs on shared service.
External Legal Fees	97	£97k Additional expenditure – mainly planning legal costs.
S106 Income	(54)	(£54k) Additional income from S106 legal work.
TOTAL	107	
DEMOCRATIC SERVICES – Cllr A. Bowles (Katherine Bescoby)		
Democratic Process	(37)	(£29k) Underspend – members' allowances mainly the special responsibility allowance. (£12k) Underspend – members' travel. (£8k) Underspend – members' training. £12k Net additional costs.

Table 2 – Main variations by Service

Projected Net (Under)/Overspend / Income Shortfall as at end of March 2018		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Elections & Electoral Registration	11	(£22k) Additional grant income offset by, £18k Additional costs equipment maintenance. £16k Additional costs fees & services. £8k Additional costs external printing. (£9k) Net underspend.
TOTAL	(26)	(£1k is requested to roll forward into 2018/19 – refer to Table 3).
PROPERTY SERVICES – Cllr D. Dewar-Whalley (Anne Adams)		
Property Services	(3)	£13k Additional costs – salaries net. (£4k) Additional income – printing. (£6k) Savings – consultancy work – re income generation project & structural engineering advice. (£6k) Savings – net.
Administrative Buildings	(27)	£9k Additional costs – water at Swale House 16/17 and 17/18. (£6k) Savings – Utility costs. (£4k) Savings – salaries net. (£21k) Additional income – rental. (£5k) Savings – net.
Property Management	(69)	(£63k) Additional income – rental income and back dated rent. (£6k) Reduced expenditure.
Building Maintenance	62	£62k variance at year-end has been met from the buildings maintenance fund. The overspend is due to a number of unplanned maintenance items including the heating of Swale House, roof repairs at the Health Living Centre and the bell tower at Bell Road cemetery.
TOTAL	(37)	(£96k is requested to roll forward into 2018/19 – refer to Table 3).
NON-SERVICE BUDGETS		
Sittingbourne Town Centre	82	£82k Cancellation of sundry debtor raised in 2016/17 relating to Sittingbourne Town Centre regeneration.
Variance to be met from underspend – Sittingbourne Town Centre	59	Additional consultancy fees re Sittingbourne Town Centre.

Table 2 – Main variations by Service

Projected Net (Under)/Overspend / Income Shortfall as at end of March 2018		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Corporate Items	314	<p>(£254k) Council Tax Grant from major preceptors. This has been transferred to the ring fenced reserve to be used to support the Council's budget).</p> <p>(£154k) Additional income – external interest (net). Increase in cash flow and an improved return on our investments.</p> <p>£29k Additional expenditure – insurance premiums. Our public liability premium has increased as a result of changes announced by the Government in February 2017 to the discount rate used by courts to determine future losses in personal injury and fatal accident cases. In addition based on advice from our Insurers our employer and public liability levels have increased. The insurance of property has also increased.</p> <p>£255k NNDR contribution from reserves not required. £254k Council Tax Grant contribution to reserves. £86k Net contribution to reserves from ring fenced services as detailed in table above. £88k Contributions from reserves not required. Total movement £683k</p> <p>£10k Net recharges.</p>
TOTAL	455	
	(829)	NET EXPENDITURE (Underspend)

Table 3 – Revenue Rollover Requests

Head of Service	Funded from	Rollover Request £	Purpose of Rollover
Anne Adams	Property Services	6,400	This budget is for ongoing consultancy work relating to the income generation project and various structural engineering advices. Rolling forward this budget will reduce the need to identify new budgets during 18/19.
Anne Adams	Property Services	89,600	This underspend in the budget mainly relates to additional rental income. It is requested that this is rolled into the Building Maintenance reserve. This will reduce the impact of the building maintenance budget overspends.
Baljinder Sandher	HR Shared Service	46,290	This underspend in the budget mainly relates to the income generated by the former Head of Service on secondment to Tower Hamlets. This will be used to implement the new workforce strategy at the council in 2018/19 and the underspend will be used to develop current systems, implement new systems and processes to support some of the changes agreed as part of the strategy.
Charlotte Hudson	Remembrance and Commemoration	14,110	Remembrance and Commemoration - as agreed at the World War One Centenary Steering Group meeting held on Tuesday 6 March 2018 the Cabinet Member for Finance and Performance agreed that the small sum remaining could be rolled over to the next financial year.
Charlotte Hudson	Heritage Grants	500	Heritage Grants - to roll £500 for one outstanding grant payment. This grant has been approved by the Cabinet Member for Finance and Performance but we await the return of the grant acceptance letter.
Charlotte Hudson	Sports Development	2,400	The roll of £2,400 for three outstanding Sports and Physical Activity Grant awards which have been authorised for payment by the Cabinet Member for Finance and Performance but await the grant acceptance offer letters returned.

Table 3 – Revenue Rollover Requests

Head of Service	Funded from	Rollover Request £	Purpose of Rollover
Charlotte Hudson	Environmental Initiatives	5,000	Environmental Initiatives - request the roll of £5,000 from the Fixed Penalty Notices (FPNs). It is a requirement of the legislation that any money generated is used to create a cleaner and greener environment. This money will be used for Environmental Initiatives in 2018/19.
Charlotte Hudson	Members Localism Grant	8,370	Members Localism Grant - there are 12 applications that have been approved by the Cabinet Member for Finance and Performance but still waiting for their grant offer acceptance letters to be returned totalling £4,060 before we can make the payment. We also request the balance of £4,310 to maintain the member grant allocation.
Charlotte Hudson	Business and Skill	1,800	Business and Skills - contribution of up to £1,800 is planned towards a project commissioned through Canterbury and Mid-Kent Colleges to develop the business case for future Further Education provision in Sittingbourne. The colleges have delayed the start from January to March but it is now commissioned, with the bulk of the study to take place during 2018/19.
Della Fackrell	Licensing	14,300	Net surplus on Hackney licences to be transferred to ring fenced account to meet possible future deficits. We have also changed from issuing a 1-year badge previously to issuing a 3-year badge during 2017/18, which increased our income. However, this will likely result in our income for 2018/19 reducing.
Emma Wiggins	Housing Private Sector	15,000	It is requested that the income derived from a pilot partnership with Gravesham Borough Council for technical and administrative services within private sector housing is rolled forward.
Emma Wiggins	Stay Put Scheme	67,280	Part of the money is for Community Safety Unit (CSU) cases given to us for our handyperson to visit and carry out secure checks.

Table 3 – Revenue Rollover Requests

Head of Service	Funded from	Rollover Request £	Purpose of Rollover
Emma Wiggins	Housing Strategy and Development	11,290	The request to rollover the staffing costs underspend is due to the need to allocate funds to enable the appointment of a specialist consultant to undertake and deliver the statutory Homelessness and Housing Strategy required for 2018. The underspend as a result of a secondment and temporary cover.
Emma Wiggins	Better Homes Active Lives	3,350	This will be put towards the appointment of a specialist consultant who will undertake the statutory Homelessness and Housing Strategy required for delivery this year 2018.
Jeff Kitson	Parking Services	35,000	The Service Plan for Parking Services sets out development within the pay and display car parks to provide greater efficiency, resilience and service improvement. I therefore request a rollover of £20,000 from the 2017/18 pay and display income surplus to fund three new pay units trialling the latest technology to improve services to our customers by providing Near Field Communication (NFC) for parking payments, ticketless systems and a "Check in Check Out" method of transaction which has proved successful within the parking industry. The Service Plan for Parking Services also sets out development within the pay and display car parks to renew two dual Electric Vehicle (EV) charging points in Sittingbourne and the installation of two dual EV points in Faversham and a further two dual EV points in Sheerness at prime locations. I therefore request a rollover of £15,000 from the 2017/18 pay and display income surplus as EV technology is developing rapidly requiring an improvement in parking infrastructure to meet increasing demand.
Katherine Bescoby	Mayor Civic Functions and Hospitality	1,390	This budget is for the Mayor (civic functions and hospitality), and the Mayoral year runs until the Annual Council meeting on 15 May 2018.

Table 3 – Revenue Rollover Requests

Head of Service	Funded from	Rollover Request £	Purpose of Rollover
Martyn Cassell	Head of Commissioning and Customer Contact	10,500	Salary underspend in Head of Commissioning and Customer Contact cost centre – to be used to cover the additional learning costs for two apprentices in the service who have excelled in their qualifications.
Martyn Cassell	Customer Service Staff	15,000	Underspend due to vacancy savings in the customer services team. As we move from phase 1 of the transfer to a new customer relationship management system (CRM) to the more detailed phase 2 which will help streamline how residents contact us. We may need some external support from digital specialists / IT developers.
Martyn Cassell	Public Conveniences Cleaning	44,000	Underspend on public conveniences cleaning. Rollover to fund full review of public toilets and some physical improvements to the facilities.
Martyn Cassell	Biffa Contract	15,440	On-going review of additional roads from new developments to be added on to contract - possible back payment to Biffa for those added in 17/18.
Martyn Cassell	Refuse and Recycling	20,000	On-going review of services including clinical, bulky and weekly collections - requesting rollover to cover any subsequent payments on completion of this review.
Martyn Cassell	A249 Litter Picking	4,000	On-going issues with high speed road cleaning, rollover requested to allow further temporary closures and cleansing.
Martyn Cassell	Street Cleansing	16,000	Rollover requested to allow for further resources to put out for key high speed roads such as A2, Thanet Way and A249.

Table 3 – Revenue Rollover Requests

Head of Service	Funded from	Rollover Request £	Purpose of Rollover
Martyn Cassell	Cemeteries	15,000	Over achievement of burial charges. Use to cover the costs of purchasing a new electronic burial records system as part of the transformation review recommendations and further expected costs at the new Iwade burial site.
Martyn Cassell	Closed Churchyard and War Memorial	18,000	Rollover request made due to unfinished major works on trees and monuments in closed churchyards.
Martyn Cassell	Leisure Centre Review	12,000	Rollover request for next stage of leisure centre review.
Phil Wilson	Treasury Investment Income	25,000	£25k of the additional treasury investment income is set aside to fund an upgrade to the finance system to the latest version to ensure continued support.
Phil Wilson	Finance	9,300	The savings are on contracts. The rollover would be to fund a formal review of the Council's card payments processes by an approved Payment Card industry Data Security Standard (PCI DSS) assessor, and to fund a review of reconciliation processes so they are fully automated where possible.
Sara Toal	Advertising and Promotion	13,260	We request the roll of £13,260 from the Advertising and Promotion budget to continue to deliver improved digital communications for community engagement during 2018/19.
Sara Toal	Visitor Economy Strategy	5,880	We request the roll of £5,880 from the Signage budget to support the Visitor Economy Strategy to help pay for the signage in the towns.
Sara Toal	Inside Swale	5,600	We request the roll of £5,600 from the Printing budget towards increased costs for Inside Swale following the previous supplier going into administration and re-tendering.

Table 3 – Revenue Rollover Requests

Head of Service	Funded from	Rollover Request £	Purpose of Rollover
Tracey Beattie	Contaminated Land	3,000	Due to staffing resource in the Environmental Protection Team no contaminated land investigations could be undertaken in 2017/18. We have two projects to investigate and the rollover of revenue will resource the initial survey of the land.
Tracey Beattie	Food Safety	11,500	The detailed costs associated with the new sampling contract with the Port of London have yet to be completed. Sampling charges for 2017/18 have been reduced as a result.
Tracey Beattie	Air Quality Programme	6,100	The residual amount in the budget will supplement the air quality monitoring programme in 2018-19 and any recommended actions from the Strategic Air Quality Action Plan 2018-2022.
	TOTAL	571,660	

Table 4 – Revenue Operational Bid Requests

Head of Service	Rollover Request £	Purpose of Rollover
Martyn Cassell	38,500	Underspend on leisure centre contract payment to SCL. However awaiting possible loss of income claim from them relating to outstanding maintenance issue in 17/18. Rollover requested to cover this should it be upheld. Furthermore there will be closures required in 2018 for the capital improvement works and so this money is requested to help cover future loss of income.
Martyn Cassell	9,000	As above, there will be closures required in 2018 at the leisure centre for the capital improvement works and so this money is requested to help cover future loss of income.
Martyn Cassell	8,000	Oare Gunpowder Works: Country Park – Interpretation Panel Replacement. Oare Gunpowder Works Country Park was officially opened 13 years ago with the various functions of the old Gunpowder works uncovered and presented in a sympathetic way in which through interpretation allows the site to be enjoyed as both a site for education and leisure visitors. The ten original interpretative signs around the site are in a poor state, some are faded and need updating and replacing with new signs. The Country Park was awarded a Green Flag this year and one of the key judging criteria is visible interpretation.
Martyn Cassell	15,000	Leysdown Coastal Park – Resurfacing and marking of Roadside Parking Area. Leysdown Coastal Park is a well-used facility but there has been an ongoing management issues of the entrance area and car park being used as a turning point for towed caravans, damaging the surfacing and creating traffic issues, To prevent this requires resurfacing and marking of roadside parking area.
Martyn Cassell	20,000	The rear of Delemark Road, Sheerness, close by to the Leisure Centre, is used daily by local businesses and visitors for unofficial ‘free’ parking. This creates traffic flow problems for users of Beachfields. The proposed works will be to resurface the road and then create a Traffic Order to displace the vehicles into using the nearby SBC paid and display car parks and provide extra spaces generating income. This will also improve the traffic flow in the area.
Martyn Cassell	10,000	Faversham Recreation Ground – Replacement Light Column Heads. Re: Replacement of the 23-year old Light Column Heads with more energy efficient and brighter units to assist in improving community safety and to support the HLF bid further.
Martyn Cassell	25,000	An invest to save request to address possible health & safety issues and to prevent future insurance liability claims: a comprehensive borough wide Tree audit was undertaken last year of trees in the Council’s ownership. A rolling programme of tree works has commenced. So far we have carried out work to approx. 140 trees with a priority grading of up to 1 year. There are circa 850 identified with works still required, with a priority up to three years which requires further budget allocation.

Table 4 – Revenue Operational Bid Requests

Head of Service	Rollover Request £	Purpose of Rollover
Martyn Cassell	50,000	Cabinet received a report at its meeting on the 30 May proposing a short-term solution for leisure centres of a 5.5-year contract extension. The funding requested will facilitate work on future leisure options and a report to come back by Spring 2019 with a detailed appraisal of options for long term provision for Swale’s leisure centres.
Martyn Cassell	80,000	Following a second phase of the Heritage Lottery Fund parks for people programme, detailed plans for improvements and enhancements at Faversham Rec have been submitted and will be subject to a final decision in June 2018. If successful in achieving the £1.9m bid, SBC have committed to provide some match-funding to undertake complimentary improvements to items outside the scope of the HLF criteria. This bid is to provide the funds to meet this commitment.
Martyn Cassell	10,000	Following a feasibility study/costings and as identified at Council February 2018, additional funding required to enable replacement of a pedestrian bridge at Oare Gunpowder Works Country Park. This will increase visitor access, particularly to a wetland habitat area of the park, not previously accessible to all. Part funded from S106 contributions, but with the requirement for a further £10,000 to enable replacement.
Rich Clarke	11,560	MKS Audit received consent to procure a new Audit Management Software which required a one-off increase in audit contribution which was agreed separately with all the S151 officers. This £7,710 to Swale based on its usual contribution. In addition, the 18/19 budget was based on a 1% pay increase which was then the guidance being issued by MBC finance for budgeting. However, the final settlement was a 2% increase.
Chris Woodward	11,000	The current annual revenue cost of our Microsoft licences (including Skype for Business) is due to increase from £174k to £375k per annum in total for all three authorities due to the removal of the 45% public sector discount plus a further price increase. An alternative is to move from using the current premises based product which is installed locally to the cloud based Microsoft 365. The cost of this move is estimated to be £208k which is an extra £11k per annum cost per partner but significantly cheaper than if we were to maintain the status quo.
Total	288,060	

Table 5 – Allocations from the Improvement and Regeneration Funds 2017/18

	Amount £
Performance Fund	
Payment Card Industry Data Security Standard Compliance	83,726
Safeguarding Database Upgrade	14,250
CCTV Consultancy	8,250
Air Quality	16,608
Transformation Team	91,560
General Data Protection Regulations	19,800
Total Approved as at March 2018	234,194

	Amount £
Regeneration Fund	
Housing & Infrastructure Fund Submission	8,000
Economic Development Support Officer	43,024
Regeneration Officer (Town Centres)	51,784
Member Grants	47,000
Total Approved as at March 2018	149,808

	Amount £
Communities Fund	
Heritage Training	3,500
The Salt Giveaway	3,489
Volunteer Swale Awards	4,900
Survey Work at T S Hasarde	950
Car Park Charges re Faversham Transport Weekend	2,000
Total Approved as at March 2018	14,839

	Amount £
Total Approved as at March 2018	398,841

Table 6 – Revenue Reserves (prior to 2017/18 rollovers)

	Balance 31 March 2017 £'000	Transfers out 2017/18 £'000	Transfers in 2017/18 £'000	Balance 31 March 2018 £'000	Note
Business Rates Volatility	(1,425)	25	(2,149)	(3,549)	(a)
General Reserve	(2,918)	435	(532)	(3,015)	(b)
Business Rates Pool (Economic Developm	(748)	0	(598)	(1,346)	(c)
Building Maintenance	(934)	122	(12)	(824)	(d)
Preceptors Council Tax Support	(309)	0	(254)	(563)	(e)
Housing Benefits	(490)	136	(62)	(416)	(f)
Regeneration	(687)	337	0	(350)	(g)
Repairs & Renewals	(183)	73	(76)	(186)	(h)
Performance	(535)	372	(153)	(316)	(i)
Parking	(113)	1	(193)	(305)	(j)
Commuted Sums	(331)	92	(19)	(258)	(k)
Local Development Framework	(175)	0	(62)	(237)	(l)
Pension and Redundancy	(205)	0	0	(205)	(m)
Local Loan Fund	(200)	0	0	(200)	(n)
Financial Services	(134)	0	(50)	(184)	(o)
Stay Put Grants	(144)	0	(39)	(183)	(p)
Housing	(182)	134	(119)	(167)	(q)
Wheeled Bins	(111)	0	(35)	(146)	(r)
Communities Fund	(116)	6	(2)	(112)	(s)
Miscellaneous	(1,321)	644	(535)	(1,212)	(t)
Total	(11,261)	2,377	(4,890)	(13,774)	

Table 6 – Revenue Reserves (prior to 2017/18 rollovers)

Notes

Ref	Reserve	Description
(a)	Business Rates Volatility Reserve	To assist the Council in managing the volatility of business rate income as a result of business rate localisation.
(b)	General Reserve	The use of this reserve is subject to the approval of members.
(c)	Business Rates Pool (Economic)	This fund has been established as a result of the Council joining the Kent Business Rates Pool. It is to fund economic development as agreed by the Council and KCC.
(d)	Building Maintenance	To meet items of backlog building maintenance as identified in the Council's medium term maintenance plan as well as urgent or unexpected items. Each year the reserve is topped up by any underspend on the building maintenance revenue budget.
(e)	Preceptors Council Tax Support Reserve	Paid by KCC, Police and Fire to reflect the costs of council tax support localisation.
(f)	Housing Benefits	Savings made in the Benefits section, including unspent grants were transferred to this reserve. This is used to cover the shortfall in grant.
(g)	Regeneration	To fund regeneration projects in the Borough. Officers can submit bids to this reserve.
(h)	Repairs and Renewals	Regular contributions are made to this fund from the general fund for a number of services to fund the future cost of significant items of expenditure.
(i)	Performance	To improve overall performance. Officers are invited to submit a bidding list of proposals.
(j)	Parking	Any surplus from on street parking is transferred to the ring fenced on-street parking account under Section 55 of the Road Traffic Act 1984.
(k)	Commuted Sums	Set up to meet Grant Thornton UK LLP recommendations on accounting treatment. This reserve will be used to fund play area and open space maintenance in future years.
(l)	Local Development Framework	Any underspend or overspend on this service on the general fund will be transferred to this fund and used solely to fund Local Development Framework associated work.
(m)	Pension & Redundancy	To meet the cost of releasing the Pension Fund benefits to staff who have taken early retirement and to fund all other redundancy costs.
(n)	Local Loan Fund	To support voluntary, community or not-for-profit organisations and town and parish councils in Swale to enable management and delivery of local services and facilities.

Table 6 – Revenue Reserves (prior to 2017/18 rollovers)

Notes

Ref	Reserve	Description
(o)	Financial Services	To fund system developments to ensure that financial systems remain up to date and meeting the costs of the professional advice and staff development on accounting, taxation, payments, etc required to maintain the high standard of performance.
(p)	Stay Put Fund	To support the Council's Stay Put service which offers advice, support and help to the elderly and disabled, who are owner occupiers or private tenants and who need practical assistance to repair, adapt or improve their homes.
(q)	Housing	The Housing reserves will help to fund the homelessness service in future years.
(r)	Wheeled Bins	This reserve is to fund the new wheeled bins purchases and replacements.
(s)	Communities Fund	To support the Council's commitment to the voluntary community sector.
(t)	Miscellaneous	This is made up of the earmarked reserves that are less than £100,000. A full list of these reserves is available upon request.

Table 7 – General Fund Balances 2017/18

	Working Budget £	2017/18 Outturn £	Variance £
Net Service Expenditure	18,122,000	17,293,007	(828,993)
Contribution (from) / to General Fund Balance	(116,000)	712,877	828,877
Net Revenue Expenditure	18,006,000	18,005,884	(116)
Net Service Expenditure			
Net Service Expenditure	18,122,000	17,293,007	(828,993)
Less:			
Council Tax Requirement	(7,469,000)	(7,469,046)	(46)
Business Rates	(6,416,000)	(6,416,000)	-
Revenue Support Grant	(1,238,000)	(1,238,108)	(108)
Collection Fund Surplus	(140,000)	(140,400)	(400)
New Homes Bonus	(2,743,000)	(2,742,330)	670
Net Deficit / (Surplus) on General Fund	116,000	(712,877)	(828,877)

Table 8 – Capital Programme 2017/18 Outturn

Capital Scheme	Funding SBC/P	2017/18 Original Budget £	2017/18 Revised Budget £	2017/18 Outturn £	2017/18 Variance £	Rollover Request £	Note No (See Table 9)
CCTV2-Repairs and Renewals	SBC	15,000	15,000	0	(15,000)	0	
Easthall Farm Community Centre	P	0	507,743	304,954	(202,789)	158,165	1
The Mill Project, Sittingbourne Skate Park	SBC	0	200,000	0	(200,000)	200,000	2a
The Mill Project, Sittingbourne Skate Park	P	0	40,000	20,983	(19,017)	19,017	2b
Faversham Creek Basin Regeneration Project (Swing Bridge)	SBC	0	200,000	0	(200,000)	200,000	3
Sittingbourne Town Centre	SBC	0	7,282,885	8,855,292	1,572,407	0	4
Total Economy & Communities		15,000	8,245,628	9,181,229	935,601	577,182	
Cemeteries	SBC	0	41,000	0	(41,000)	41,000	5
Thistle Hill Community Woodland - Trim Trail	P	0	35,000	35,012	12	0	
New Play Area - Iwade Schemes	P	0	150,000	145,988	(4,012)	0	
Sheerness Paddling Pool, Beachfields Park	SBC	0	12,526	12,526	0	0	
Play Area Queenborough Lines Nursery Close	P	0	6,515	27,575	21,060	0	
Milton Creek Footpath & Viewing Platform	SBC	0	17,386	17,351	(35)	0	
Gunpowder Works Oare Faversham	P	0	9,000	0	(9,000)	9,000	6
Faversham Recreation Ground Improvements	P	0	145,440	128,761	(16,679)	16,679	7
Newington Car Park Wall	SBC	0	11,260	0	(11,260)	0	
Car Park New Ticket Machines & Installation	SBC	0	14,000	0	(14,000)	0	
Kemsley Recreation Ground - Sports Improvements	P	0	20,640	20,546	(94)	0	
Resurfacing Promenade, The Leas	P	0	104,660	19,757	(84,903)	85,000	8
Car Park Information Boards	SBC	0	24,360	800	(23,560)	0	
Stonebridge Pond Timber Bridge, Faversham	SBC	0	20,765	23,340	2,575	0	
Modular Toilet Kiosks	SBC	0	30,000	0	(30,000)	30,000	9
Milton Creek Access Road	SBC	0	40,000	0	(40,000)	40,000	10
Bridge Deck Replacement at Barton's Point Coast Park, Queenborough Lines	SBC	0	18,860	18,860	0	0	
New Play Area - Thistle Hill	P	0	180,000	177,467	(2,533)	2,533	11

Table 8 – Capital Programme 2017/18 Outturn

Capital Scheme	Funding SBC/P	2017/18 Original Budget £	2017/18 Revised Budget £	2017/18 Outturn £	2017/18 Variance £	Rollover Request £	Note No (See Table 9)
Nursery Close/Queenborough Lines Bridge Replacement	SBC	0	1,735	1,735	0	0	
Iwade Recreation Ground Sports Provision	P	0	280,325	0	(280,325)	0	12
Coastal Monitoring Programme (Coast Protection)	P	0	0	56,608	56,608	0	13
Play Area - Castle Site Queenborough	P	0	0	14,896	14,896	0	
Beach Huts, Leysdown	SBC	0	19,259	19,595	336	0	
Total Commissioning & Customer Contact		0	1,182,731	720,817	(461,914)	224,212	
Air Pollution Monitoring Station	SBC	35,000	77,380	20,742	(56,638)	56,638	14
Environmental Services		35,000	77,380	20,742	(56,638)	56,638	
Swale House Lift Conversion	SBC	0	0	48,793	48,793	0	
Total Property Services		0	0	48,793	48,793	0	
Housing Renewal Grants (HRGs) – Disabled Facilities Grant (DFGs) Mandatory Grants	P	1,664,800	2,405,890	1,328,050	(1,077,840)	1,077,840	15a
HRG'S - DFG Mandatory Grants	SBC	0	92,100	0	(92,100)	92,100	15b
HRG - Housing Repair Grants Over 60	P	0	0	7,304	7,304	0	
Regional Housing Board 2 (RHB2) Decent Home Loans Owner Occupier	SBC	0	0	36,831	36,831	0	
Total Resident Services		1,664,800	2,497,990	1,372,185	(1,125,805)	1,169,940	
Adelante Payment Card Software	SBC	0	82,500	67,718	(14,782)	0	
Total Finance		0	82,500	67,718	(14,782)	0	
IT MKS Payment	SBC	0	0	79,960	79,960	0	16
Total Information Technology		0	0	79,960	79,960	0	
Total Capital Programme (SBC funded)	SBC	50,000	8,201,016	9,203,543	1,002,527	659,738	
Total Capital Programme (Partnership funded)	P	1,664,800	3,885,213	2,287,901	(1,597,312)	1,368,234	
Total Capital Programme (Gross Total)	SBC & P	1,714,800	12,086,229	11,491,444	(594,785)	2,027,972	

Table 9 – Capital Rollover Requests and Explanation of Variations 2017/18

Note No	Service / Portfolio	Service Manager	Description	Amount £	Notes
Rollover Requests:-					
1	Economy & Communities	Charlotte Hudson	Easthall Farm Community Centre	(158,165)	This rollover request is to pay for retention monies held.
2(a)	Economy & Communities	Charlotte Hudson	The Mill Project – Sittingbourne Skate Park	(200,000)	This rollover request is as a result of the delayed start date.
2(b)	Economy & Communities	Charlotte Hudson	The Mill Project – Sittingbourne Skate Park	(19,017)	
3	Economy & Communities	Charlotte Hudson	Faversham Creek Basin Regeneration Project (Swing Bridge)	(200,000)	Carry over is required until decision made on requirement for new bridge.
5	Commissioning & Customer Contact	Martyn Cassell	Cemeteries	(41,000)	Rollover has been requested to allow the various projects that make up this total, to be completed. The overarching aim is for improvements to cemeteries.
6	Commissioning & Customer Contact	Martyn Cassell	Gunpowder Works Oare	(9,000)	Rollover requested for feasibility for replacement bridge at Oare Gun Powder Works completed, but works held up due to need for additional funding to complete the work and requirement for English Heritage consent.
7	Commissioning & Customer Contact	Martyn Cassell	Faversham Recreation Ground Improvements	(16,679)	Second round bid to Heritage Lottery Fund (HLF) completed with procured consultant costs for development stage less than estimated. Rollover budget will be used for delivery of the improvement project
8	Commissioning & Customer Contact	Martyn Cassell	The Leas Promenade Resurfacing Scheme	(85,000)	There has been a spend of £170,000 of the £255,000 grant leaving a capital budget of £85,000 to carry over to 2018/19.

Table 9 – Capital Rollover Requests and Explanation of Variations 2017/18

Note No	Service / Portfolio	Service Manager	Description	Amount £	Notes
9	Commissioning & Customer Contact	Martyn Cassell	Modular Toilets	(30,000)	This requires rolling over as due to resources the full feasibility of the toilet block at Minster beach huts has not been completed. Initial work is suggesting more capital will be required but it forms an important part of the tourism agenda as we look to extend the current beach hut scheme
10	Commissioning & Customer Contact	Martyn Cassell	Milton Creek Access Road	(40,000)	Requires rolling forwards as SBC has been awaiting the outcome of the sale and build out of the area directly next to the country park. This will free up the required land under agreement with KCC to complete the vehicle access to the park
11	Commissioning & Customer Contact	Martyn Cassell	New Play Area - Thistle Hill	(2,533)	Play area and trim trail installation completed, small residue for additional play elements if snagging not required
14	Environmental Services	Tracey Beattie	Air Pollution Monitoring Station	(56,638)	A number of factors have caused the delay in the replacement of QA equipment. The continuation of building works in Ospringe has slowed the commissioning of new AQ equipment until the work is complete (due to the sensitivity of the monitoring equipment). The relocation of the St Paul's station was delayed due to installation of a metered electrical supply to the station. The new equipment will be commissioned early 2018/19. The development and review of a Strategic AQAP in 2017-18 has also meant postponing the decision to commit to additional equipment until the longer term strategic measures have been agreed.

Table 9 – Capital Rollover Requests and Explanation of Variations 2017/18

Note No	Service / Portfolio	Service Manager	Description	Amount £	Notes
15a	Resident Services	Glyn Pritchard	HRG'S - DFG Mandatory Grants	(1,077,840)	The carry over relates to Better Care fund (BCF) incorporating disabled facilities grants. Funding is from the Government and administered via KCC. In January, we received an additional £230,000 direct from DCLG on top of our original funding to spend by the end of March. DCLG monies are to be accounted for in the January to March spending. Leaving the BCF to carry over as agreed by Strategic Management Team and used for new or committed work which has either not yet commenced or not yet been completed where interim payments have been made. Cumulative cases offered DFG, currently stands at £1,966,632 with approximately £328,000 to £230,000 further cases in the system
15b	Resident Services	Glyn Pritchard	HRG'S - DFG Mandatory Grants	(92,100)	
TOTAL				2,027,972	

Explanation of other variations:-					
4	Economy & Communities	Charlotte Hudson	Sittingbourne Town Centre	1,572,406	The Retail, early phase highways works and the Multi Storey Car Park will be funded from internal borrowing. Officers are working with Arlingclose, the Council's treasury adviser, to develop an optimised long-term borrowing strategy.
12	Commissioning & Customer Contact	Martyn Cassell	Iwade Recreation Ground Sports Provision	(280,325)	This scheme was originally part of the Capital programme. However, the Section 106 monies were repaid to the developer along with responsibility for construction.
13	Commissioning & Customer Contact	Martyn Cassell	Coastal Monitoring Programme (Coast Protection)	56,608	This is the Swale element of the national coastal monitoring programme that is paid by the Environment Agency. This is administered by New Forest District Council.
16	Information Technology	Chris Woodward	IT MKS Payment	79,960	This is the capital element of Information Technology that is funded through Revenue.

This page is intentionally left blank

Cabinet Meeting	
Meeting Date	11 July 2018
Report Title	17/17A Station Street, Sittingbourne – options for future use
Cabinet Members	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance and Performance and Cllr Alan Horton, Cabinet Member for Housing and Safer Communities
SMT Leads	Nick Vickers, Chief Financial Officer and Emma Wiggins, Director of Regeneration
Head of Service	Anne Adams, Head of Property Services
Lead Officers	Anne Adams, Head of Property Services and Roxanne Sheppard, Housing Options Manager
Key Decision	No
Classification	Open
Recommendation	That Cabinet approves a proposal to take forward the option to convert 17/17A Station Street, Sittingbourne to temporary homeless accommodation with a further report to Cabinet prior to the allocation of funding and award of contract.

1 Purpose of Report and Executive Summary

- 1.1 The purpose of this report is to set out the options for the future of 17/17A Station Street and to recommend that Cabinet agrees to take forward a proposal to convert the building to temporary homeless accommodation. Any decision to allocate funds for the conversion of the building and the award of the contract will be the subject of a separate report in due course.

2 Background

- 2.1 17/17A Station Street is owned by the Council and was previously occupied by Citizens Advice Swale. When CAS transferred their operations to Swale House in January 2018 the building became vacant.
- 2.2 Since then, various options for the building have been explored and a feasibility study was commissioned to provide layout plans and budget costs for a conversion to residential use.
- 2.3 The building was originally constructed as a dwelling and then converted to office use. As demand for office use in that location is low, the building ideally lends itself to conversion back to residential.

3 Proposals

- 3.1 The feasibility report concluded that residential conversion would be the most viable future use for the building. A planning application for change of use from office to residential will be required and given the lack of demand for such offices in this location and the residential nature of the surrounding buildings, it is likely that such an application will be favourably considered by officers. It is also possible that the change of use could fall within Class M of the General Permitted Development Order 2015 – this means that residential use could be permitted subject to certain conditions.
- 3.2 The report also explored the opportunity to construct a new building in the rear car park of the premises. It is not recommended that the new build is taken forward immediately but by retaining ownership of the building, the opportunity to carry this out at a later date is retained together with any uplift in the value of the premises.
- 3.3 There is a limited supply of emergency temporary accommodation in Swale and the Housing team currently use bed and breakfast accommodation, mostly in Medway. Station Street could offer self-contained emergency accommodation, which, due to the location could be managed within existing resources in the Housing team.
- 3.4 The accommodation can potentially provide two 1-bedroom flats and one 3-bedroom maisonette. Depending on the size and circumstances of individual families, it is expected that up to 15 people could be accommodated at any one time.
- 3.5 The next steps will be to obtain planning permission for change of use to residential accommodation and to prepare the drawings and specification for seeking competitive tenders for the project.
- 3.6 It is proposed that external consultants will be appointed to project manage the work due to a lack of internal resources. Based on the feasibility work carried out to date, the anticipated total budget for the work is expected to be between £250,000 – £350,000. Once firm tenders have been received and a contractor selected, a further report will be presented to Cabinet to seek authority to allocate the capital funding and award the contract.
- 3.7 The alternative options for the site are set out below, together with the reasons why they are not being recommended. Cabinet is therefore recommended to agree that a conversion to temporary homeless accommodation should be explored.

4 Alternative Options

The options that have been considered for the building are:

- 4.1 *Sell the freehold of the building in its current condition.* This is not recommended as the opportunity to address the shortage of temporary homeless accommodation would not be realised.

- 4.2 *Convert the building to residential accommodation and then sell the freehold.* This is not recommended as there is a risk that sale price of the converted building may not have increased sufficiently to cover the full costs of conversion and capital funding would be put at risk. It also would not address the shortage of temporary homeless accommodation.
- 4.3 *Convert the existing building to residential use and construct the new building in the rear car park.* This is not recommended as it would involve a very large capital investment. By retaining the ownership of the site, the opportunity to develop the rear car park at a later date will be retained.
- 4.4 *Retain the building as an office and seek to re-let it.* This is not recommended as demand for office use in that location is low and the rent achievable would be lower than that achievable from residential use.
- 4.5 *Convert the building into self-contained accommodation to be used for move on from temporary accommodation.* This is not recommended as it would offer move on for limited households only.
- 4.6 *Convert the building and use it for move on from Temporary Accommodation into Assured shorthold tenancies at affordable rent levels.* This would require setting up a management company to avoid setting up a Council secure tenancy which offers the right to buy. This is not recommended as it would offer move on to a limited number of households.
- 4.7 *Convert the building into self-contained accommodation and let the properties at market rent.* This may be hard to achieve as the flats would overlook the cinema. This option would also involve the setting up of a management company.

5 Consultation Undertaken or Proposed

- 5.1 Consultation will be carried out as part of the planning application process.

6 Implications

Issue	Implications
Corporate Plan	This proposal meets the Corporate Priority of “A Community to be Proud of” by supporting homeless people and the priority of “A Council to be Proud to” by ensuring that the best use is made of a Council owned asset.
Financial, Resource and Property	The conversion would require capital funds and these would come from capital receipts generated by recent previous disposals. There will be revenue budget savings from a reduced need for external bed and breakfast accommodation.

Legal and Statutory	None identified at this stage. Ensure full compliance with the suitability of homeless accommodation order
Crime and Disorder	None identified at this stage.
Environmental Sustainability	Environmental sustainability will be addressed as part of the detailed design of the conversion.
Health and Wellbeing	This would improve health and wellbeing by enabling more homeless Swale residents to remain in Swale, accessing health services, education, work and support networks
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.

7 Appendices

7.1 None

8 Background Papers

None

Cabinet	
Meeting Date	11 July 2018
Report Title	Staying Put Contractor Framework Agreement
Cabinet Member	Cllr Alan Horton, Cabinet Member for Housing and Safer Communities
SMT Lead	Emma Wiggins
Head of Service	Amber Christou
Lead Officer	Rebecca Walker, Strategic Housing & Health Manager
Key Decision	Yes
Classification	Open
Recommendations	1. To approve the extension of the existing Staying Put Contract Framework Agreement for a period of two years from 1 October 2018 until 30 September 2020.

1 Purpose of Report and Executive Summary

- 1.1 During the Contractor Framework procurement process undertaken in 2014, the Framework Agreement was presented as a three year contract with a two year extension subject to funding and contract performance.
- 1.2 This report seeks approval to extend the existing Staying Put Contractor Framework Agreement for a period of two years from 1 October 2018 until 30 September 2020.

2 Background

- 1.3 Staying Put is the Council's Home Improvement Agency (HIA) that provides adaptations and repairs within the homes of elderly and vulnerable residents. The service manages a Contractor Framework for the delivery of works funded primarily through Disabled Facilities Grants (DFGs) which now consists of 10 contractors who complete works across three areas:
 - DFG physical adaptation works;
 - Hospital discharge works; and
 - Home repairs.
- 1.4 The Staying Put Contractor Framework was one of the first Frameworks that the Council undertook that includes local suppliers providing the works. The Framework expires on the 30 September 2018, and therefore requires an extension for a further 2 years subject to Cabinet approval.
- 1.5 The contracted builders have expressed a desire to continue to provide services under the existing Framework, are committed to partnership working with the

Staying Put Service, and due to the procurement exercise they went through in 2014 are expecting the procurement to carry on a further 2 year period.

- 1.6 Funding for works under the Contractor Framework is secured through Swale's Disabled Facilities Grant (DFG). DFG's can be used for home adaptations, home repair works and to enable hospital discharges. This is approved within the recently revised Housing Assistance Policy.
- 1.7 Having to retender the Staying Put Contractors Framework at this late stage does not provide enough time to complete the process effectively and would therefore likely cause disruption and delays to DFG applications currently going through the assessment process, and also to cases awaiting agreed works to commence. Therefore, a two year contract extension will provide certainty to Staying Put customers and benefit the Building Contractors by providing a further period of trusted and continuous working relationships with the Staying Put Team.
- 1.8 New documentation will need to be prepared in advance to commence a further Framework Procurement exercise in 2020, for award to be secured from the 1 October 2020.

3 Proposal

- 1.9 To approve the extension of the existing Staying Put Contractors Framework for a period of two years from 1 October 2018 until 30 September 2020.

4 Alternative Options

- 1.10 The Council could decide not to accept the extension of the contract for a further two years, and opt to re-tender the Framework Agreement. This is not recommended at the current time, as it is not likely to result in beneficial changes to the Staying Service, and may jeopardise current existing working relationships with Building Contractors who are expecting the contract to continue for further two years and who are currently delivering works for elderly and vulnerable clients in Swale.

5 Consultation Undertaken or Proposed

- 1.11 None required.

6 Implications

Issue	Implications
Corporate Plan	A Borough to be Proud of The provision of works enables residents to remain safely within their homes. A Community to be Proud of Partnership working with the Building Contractors provides a

	reliable and consistent service to meet the needs of those requiring adaptations or works to enable them to be discharged from hospital in a timely fashion.
Financial, Resource and Property	Works undertaken as part of the Contractor Framework Agreement are provided under the Disabled Facilities Grant (DFG). Original Contract Value (2014): £1,075,000 Current Contract Value (2018): £1,806,260
Legal and Statutory	The finalised Staying put Contractor Framework was set up to enable the existing Agreement to be extended for a two year period. Retendering will then be required prior to October 2020.
Crime and Disorder	None
Environmental Sustainability	None
Health and Wellbeing	Staying Put works carried out under the Contractor Framework has a positive impact on the health and wellbeing of elderly, vulnerable and disabled residents across Swale. Works provide adaptations and home improvements that make homes safer and ensure residents are able to remain living in their own homes for longer rather than staying in hospital or moving into residential care.
Risk Management and Health and Safety	The risk level within this proposal is unchanged from the current Framework Agreement. The management of financial and operational risks, including health and safety have been considered. Successful Contractors must comply with minimum health and safety standards and adhere to the Council's Health and Safety policy. Responsibility for health and safety of contractors will remain with the contractor organisation.
Equality and Diversity	There are no changes from the current arrangements. The existing Contractors Framework actively supports elderly, vulnerable and disabled residents within Swale, by enabling them to live in their own homes for longer. As part of the original procurement exercise, each contractor had to demonstrate their commitment to comply with the Equalities Act 2010. The two year variation proposal to extend this Framework does not include any change in the level of service provision to residents with particular protected characteristics (age, disability).
Privacy and Data Protection	Information from customers is held on the Foundations database. All personal information held as part of the DFG application

	process or Staying Put casework is protected from unauthorised access or disclosure as per council policy.
--	--

7 Appendices

None

8 Background Papers

None

Cabinet Meeting	
Meeting Date	11 July 2018
Report Title	Landholdings Review - Sale of Land at Oak Road, Murston
Cabinet Member	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance and Performance
SMT Lead	Nick Vickers, Chief Financial Officer
Head of Service	Anne Adams, Head of Property Services
Lead Officer	Kent Parker, Estates Surveyor
Key Decision	Yes
Classification	Open with restricted appendix
Forward Plan	Reference number:
Recommendations	<p>1. That the Council agrees in principle to dispose of the freehold of the site by to a preferred purchaser as set out in Appendix II</p> <p>2. That the Head of Property Services in consultation with the Cabinet Member for Finance and Performance be authorised to finalise the terms and the Head of Legal Services be authorised to complete the necessary legal formalities in due course.</p>

1 Purpose of Report and Executive Summary

- 1.1 As part of the Council's Income Generation review work has been undertaken on a number of sites. The objectives being to release sites for development where this is considered appropriate and generate capital receipts for the Council.
- 1.2 The purpose of this report is to obtain approval for the freehold sale to a preferred purchaser of the Council owned site (as shown on the attached plan Appendix I) as a potential building plot.
- 1.3 As part of the Landholdings Review the site is considered to have development potential and disposal is recommended.

2 Background

- 2.1 The site is surplus land retained by the Council following the transfer of the housing stock to Swale Housing Association in 1990.

- 2.2 The site was considered as part of the Council's recent landholdings review. The site is located to the rear of former Council flats and adjacent to the new housing development at Great East Hall.
- 2.3 Following the review by DHA Planning the site was considered to have potential for development of housing.
- 2.4 An external valuation has been obtained which is set out in Appendix II.
- 2.5 Discussions have taken place with Planning officers and they informally support the proposal to develop. The site has significant constraints upon it given its location and the development options are quite limited.

3 Proposals

There are two alternative ways forward.

3.1 Option 1

Sale to a preferred purchaser and this option is set out in the confidential Appendix.

Option 2

The site is sold by auction without planning permission subject to the stated reserve price. This method of sale will ensure that the disposal will be for the best consideration reasonably obtainable and complies with the Council's statutory obligations.

4 Alternative Options

- 4.1 Do nothing i.e. site remains vacant: This is not recommended as it would be a missed opportunity and not achieve any capital receipt and would continue to be a management issue.
- 4.2 Obtain planning permission prior to disposal by auction: This could increase the value of the site but would involve additional time and cost in securing consent which may not be straight forward. There is also the risk of refusal in which case the Council, being both the applicant and the planning authority, could not appeal.

5 Consultation Undertaken or Proposed

- 5.1 Consultations have been carried out with Planning through the pre-application advice and the Asset Management Group who support the disposal.

6 Implications

Issue	Implications
Corporate Plan	The proposal contributes to A Borough to be Proud Of by helping to deliver small scale regeneration and additional housing. It also contributes to A Council to be Proud Of by disposal of underused land for a capital receipt which strengthens our financial resilience.
Financial, Resource and Property	The consideration to be paid for the site will be the best consideration reasonable obtainable. The proposal will also remove the Council's liability for managing and maintaining the site in the future.
Legal and Statutory	The Council has power under section 123(1) of the Local Government Act 1972 to dispose of land and property in any manner that it wishes. The proposed disposals must be for the best consideration reasonably obtainable in accordance with section 123 of the Local Government Act 1972 or meet the requirements of Circular 06/03: Local Government Act 1972 General Disposal Consent (England) 2003 - disposal of land for less than the best consideration that can be reasonably obtained failing which, the Secretary of State's consent would be required.
Crime and Disorder	None identified at this stage.
Environmental Sustainability	None identified at this stage.
Health and Wellbeing	The provision of new housing will benefit the health and wellbeing of the residents
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Site Plan – Oak Road, Murston

- Appendix II(Restricted): – Details of valuation, guide, potential preferred purchaser and reserve prices

8 Background Papers

None

Appendix I: Oak Road, Murston

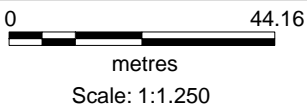
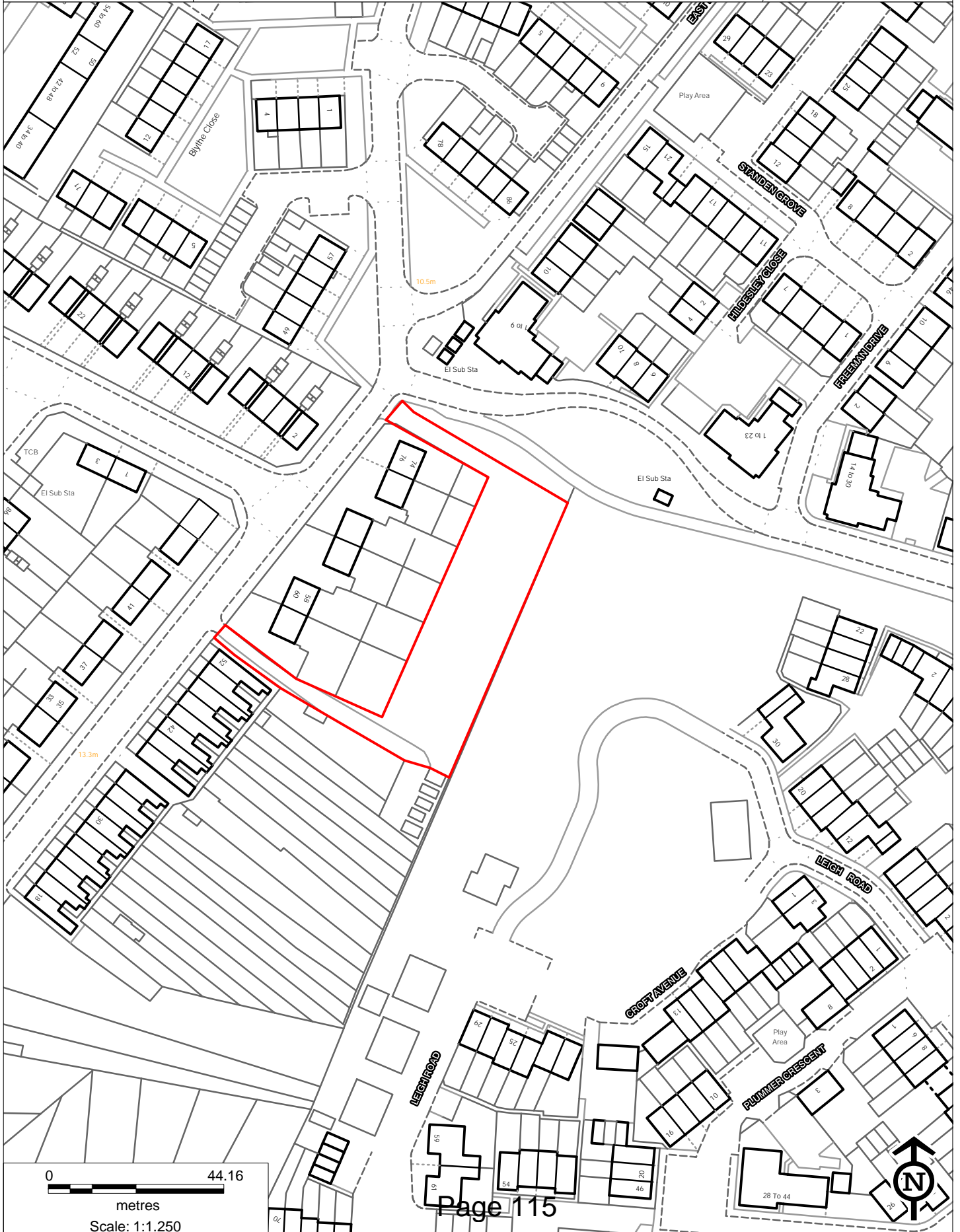
Drawn by:
3251

Date:
29/12/17

Scale:
1/1250

Address

© Crown Copyright and database rights 2017. Ordnance Survey 100018386.



This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank