



## AGENDA

### CABINET MEETING

Date: Wednesday, 23 September 2020

Time: 7.00 pm

Venue: Virtual meeting via Skype\*

Membership:

Councillors Mike Baldock (Vice-Chairman), Monique Bonney, Angela Harrison, Ben J Martin, Richard Palmer, Roger Truelove (Chairman) and Tim Valentine

Quorum = 3

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#### Information for the Public

\*Members of the press and public can listen to this meeting live. Details of how to join the meeting will be added to the website after 4pm on Tuesday 22 September 2020.

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1. Apologies for Absence
2. Minutes

To approve the [Minutes](#) of the Meeting held on 8 July 2020 (Minute Nos. 723 - 733) as a correct record.

3. 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 meeting 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**

- |    |  |         |
|----|--|---------|
| 4. | Financial Management Report: April – June 2020 | 5 - 26  |
| 5. | Procurement of Utility supplies                | 27 - 30 |

6. Faversham Recreation Ground – Refreshment Kiosk Lease 31 - 36
7. Outside Bodies Nominations made by Cabinet 37 - 42
8. Recommendations from the Local Plan Panel meetings held on 9 July, 30 July and 3 September 2020 (to follow) 43 - 66
9. Recommendations from the Swale Joint Transportation Board meeting held on 7 September 2020 - to follow
10. Exclusion of 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).

11. Exempt Appendix - Draft Heads of Terms of Lease of Kiosk and Public Toilet, The Lodge Premises, Recreation Ground, Whitstable Road, Faversham 67 - 72

## Issued on Monday, 14 September 2020

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](http://www.swale.gov.uk)

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

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<b>Cabinet</b>	<b>Agenda Item:</b>
<b>Meeting Date</b>	23 September 2020
<b>Report Title</b>	Financial Management Report – First Quarter 2020/21
<b>Cabinet Member</b>	Cllr Roger Truelove, Leader and Cabinet Member for Finance
<b>SMT Lead</b>	Nick Vickers, Chief Financial Officer
<b>Head of Service</b>	Nick Vickers, Chief Financial Officer
<b>Lead Officer</b>	Phil Wilson, Financial Services Manager and Caroline Frampton, Principal Accountant
<b>Key Decision</b>	Yes
<b>Classification</b>	Open
<b>Forward Plan</b>	Reference number: 3
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To note the total projected revenue overspend of £2,555,000.</li> <li>2. To note the projected capital underspend of £6,400 and expenditure of £2,075,031 as detailed in paragraph 3.30 and Table 10 appendix I.</li> <li>3. To approve the transfer of £1m from the Business Rates Volatility Reserve to the Special Projects Fund as detailed in paragraph 3.26.</li> <li>4. To approve the transfer of £100k from the General Fund to the Pension/Redundancy Fund as detailed in paragraph 3.26.</li> <li>5. To note the additional Government funding received by the Council in response to the coronavirus.</li> </ol>

## 1. Purpose of Report and Executive Summary

1.1 This report sets out the revenue and capital projected outturn position for 2020/21 as at the end of June 2020. The report is based on service activity up to the end of June 2020 and is collated from monitoring returns from budget managers. There has been some updating for developments since the end of the quarter.

1.2 The headline figures are:

- projected total revenue overspend of £2,555,000 - Table 1;
- the projected impact of the Coronavirus pandemic is £2,832,000;
- projected capital underspend of £6,400 – Table 10 appendix I.

## 2. Background

2.1 The Council operates a budget monitoring process at Head of Service level, with regular reports to the Leader and Cabinet Member for Finance 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 As at the end of June 2020 the forecast revenue overspend projected to 31 March 2021 is £2,555,000.

**Table 1 - Projected Variance by Service at 30 June**

Service	Service Manager	Working Budget £	Projected Outturn £	Projected Variance £
Chief Executive		330,270	196,270	(134,000)
Policy, Communications & Customer Services	D. Clifford	1,238,140	1,176,140	(62,000)
Democratic Services	D. Clifford	1,016,830	981,830	(35,000)
Director of Regeneration	E. Wiggins	198,110	167,110	(31,000)
Housing, Economy & Community Planning	C. Hudson	3,533,750	4,054,750	521,000
Commissioning, Environment & Leisure	J. Freeman	826,390	1,188,390	362,000
Finance	M. Cassell	6,015,760	7,188,760	1,173,000
Revenues & Benefits	N. Vickers	0	(31,000)	(31,000)
Property	Z. Kent	(145,230)	54,770	200,000
Licensing & Resilience	A. Adams	1,928,250	1,933,250	5,000
Environmental Health	D. Fackrell	60,780	60,780	0
Information Technology	T. Beattie	567,190	567,190	0
Internal Audit	C. Woodward	1,290,910	1,290,910	0
Human Resources	R. Clarke	170,740	170,740	0
Legal	B. Sandher	446,410	446,410	0
Sittingbourne Regeneration	P. Narebor	523,860	491,860	(32,000)
STC - Cinema/Hotel/Restaurants	N. Vickers	0	82,000	82,000
STC - Retail Park	N. Vickers	(574,290)	(391,290)	183,000
Contributions to Reserves from services shown above	N. Vickers	(471,400)	(471,400)	0
Corporate Items	N. Vickers	0	234,000	234,000
<b>NET REVENUE SERVICE EXPENDITURE</b>		<b>19,381,040</b>	<b>21,936,040</b>	<b>2,555,000</b>
<b>Financed by:</b>				
Revenue Support Grant		(115,000)	(115,000)	0
Business Rates		(9,000,000)	(9,000,000)	0
New Homes Bonus		(1,633,000)	(1,633,000)	0
Council Tax Requirement		(8,648,040)	(8,648,040)	0
<b>TOTAL FINANCING</b>		<b>(19,396,040)</b>	<b>(19,396,040)</b>	<b>0</b>
<b>NET EXPENDITURE (Contribution (to)/ from General Fund)</b>		<b>(15,000)</b>	<b>2,540,000</b>	<b>2,555,000</b>

Note: 2020/21 budget had a surplus of £15,000.

## Forecast Budget Variance

- 3.2 Table 1 shows a variance of £2,540,000 which, with the £15,000 contribution to Reserves, gives a net overspend of £2,555,000.
- 3.3 The revenue overspend of £2,555,000 includes a number of contributions to reserves, which have been made in order to comply with statute and previous Cabinet decisions, which total £234,000 and they are detailed below:

**Table 2 – Contributions to Reserves**

Service	Description	£'000
Revenues and Benefits	The net saving will be transferred to the Revenues and Benefits reserve.	128
Parking Management	The surplus relating to on-street parking will be transferred to the on-street parking reserve under Section 55 of the Road Traffic Act 1984.	74
Environmental Response Team	Section 96 of the Clean Neighbourhoods and Environment Act of 2005 advised that income must be spent on “qualifying functions”. The surplus will be transferred to the reserve.	32
<b>Total</b>		<b>234</b>

- 3.4 The forecast variance is for 2020/21 only. However, the impact of the coronavirus also affects forecast income from business rates and council tax. The Council is a billing authority which collects these taxes and then distributes them to other preceptors through the Collection Fund. Any surplus or deficit on the Collection Fund in 2020/21 will be allocated to preceptors in future years. Therefore in order to show the full impact of the effect of the coronavirus on the Council’s finances, these forecast deficits are shown in Table 3 below and the explanations for them are detailed in the next section of the report.

**Table 3 – Forecast Coronavirus Variance at 30 June**

	Forecast Coronavirus Variance £'000	Forecast Non-Coronavirus Variance £'000	Forecast Total Variance £'000
Forecast over/(under)spend 2020/21 (Table 1)	2,832	(277)	2,555
Forecast future impact of under-recovery of Business Rate income	250		
Forecast future impact of under-recovery of Council Tax income	208		
<b>Total Coronavirus Related Overspend</b>	<b>3,290</b>		
Coronavirus grants received to date from the Government	(1,895)		
Coronavirus new burdens grant	(170)		
<b>Net Forecast Cost of Coronavirus</b>	<b>1,225</b>		

- 3.5 On 3 June the report to Cabinet estimated that the financial impact of the coronavirus on the Council's finances overall was £4.1m compared to the £3.3m shown above.
- 3.6 On 20 March the Ministry of Housing, Communities and Local Government (MHCLG) announced an initial funding allocation to local authorities of £1.6bn. This first tranche of funding was heavily weighted to upper tier Councils; Swale received £76k and Kent County Council (KCC) £39m. Through the District Council Network, MP's and the Society of District Council Treasurers a great deal of lobbying took place to recast the split between tiers.
- 3.7 On 29 April the second tranche of funding was received in total of £1.6bn and this gave a 35% allocation to district councils and Swale received £1.5m. The initial £76k will be used to fund the community hubs and to deal with the costs of "Everyone in", whilst the second tranche of £1.5m will be set against the funding gap.
- 3.8 On 16 July the Government announced the third tranche of funding for councils for the coronavirus totalling £0.5bn and Swale received £317,585.
- 3.9 On 10 July the Council received £170k for new burdens funding for business grants.
- 3.10 The Government has since clarified that it sees these funding allocations as being to deal with cost pressures.

### **Update Since 30 June**

- 3.11 On 2 July the Government announced that it would provide funding for 75% of income losses from sales, fees and charges, (not including income from commercial income), where these losses are greater than 5% of a council's planned income from fees and charges. We still have to work through the detail of this and there is still clarification required from MHCLG. Our initial estimate is that on current forecast this would generate £650k.
- 3.12 The Council entered the 2020/21 year with reserves standing at £23.5m, including £3.3m General Fund and £18.3m of earmarked reserves. The Leader and Cabinet Member for Finance and officers have reviewed the reserves and have identified £1.5m of earmarked reserves within the Finance portfolio which can be freed up without impacting on core services or administration priorities.
- 3.13 The main development since the quarter end relates to leisure expenditure. To date there has been no support from Government to support expenditure on leisure provision despite lobbying of the Department of Culture, Media and Sport. Whilst detailed work continues on cost applications from SERCO, two amounts of financial support have been agreed:



- Faversham Swimming Pool – the pool is managed by an independent Trust. A very detailed financial appraisal was received and after members and officers met with representatives of the Trust, an additional grant of £75,000 was agreed. This is vital to the continued operation and recovery plans.
- Swale Community Leisure (SCL) – SCL is the Trust that manages the SERCO contract. An additional £50,000 has been agreed to ensure their continued cooperation. These changes are not reflected in the figures above.

3.14 An updated summary position is shown in Table 4 below.

**Table 4 – Revised Forecast Coronavirus Variance**

	<b>£'000</b>
<b>Net Forecast Cost of Coronavirus at 30 June</b>	1,225
Add:	
Faversham Swimming Pool	75
Swale Community Leisure	50
<b>Sub Total</b>	<b>1,350</b>
Forecast MHCLG fees and charges support	(650)
<b>Revised Net Forecast Cost of Coronavirus</b>	<b>700</b>

### **Risk Assessment**

3.15 It is now clear that COVID-19 will have an ongoing impact beyond this financial year. The impact in 2021/22 and beyond should be clearer in the autumn. The main financial risks arising from COVID-19 are shown below in Table 5:

**Table 5 – Risk Assessment**

<b>Risk</b>	<b>Explanation</b>
Increases homelessness costs	Substantial action has been taken in the last year on improving resourcing and prevention. The announcement on the extension for four weeks on the restriction on private evictions is only short-term assistance.
Fees and charges	Very limited action that can be taken. The main risk is on car parking income.
Swale Community Leisure contract	Nationally there are major issues about leisure contracts. Work has been commissioned from independent consultants to assess SCL's and SERCO's substantial cost submission.

Risk	Explanation
Sittingbourne Town Centre leisure	Delays due to COVID-19 have put back opening times and have reduced income this year. Substantial work underway on new tenants.
Council tax collection	Collection rates are only down 1.7%. But there may be a further hit if unemployment increases significantly as furloughing ends.
Business rates	Many businesses have been taken out of business rates this year. Risks are further closures and a reluctance to pay when payment resumes.

### **Business Rates**

- 3.16 From 1 April 2013 business rates were part localised. Given the large growth in business rates in the borough this has been hugely positive for the Council's finances. The Council is in a business rates pool with KCC, 10 other borough/district councils and the Fire Authority. The pool enables business rates which would otherwise be passed to central Government to be retained in the county. Under the arrangement the borough/district, KCC and a joint fund received 30% each and 10% went into a reserve. The Council's share of the benefits of being a member of the pool have in the past been allocated to business rates reserves. However, no variance on these is yet forecast for 2020/21 as the figures are dependent on the business rates forecast income from all members of the Pool which is not yet known.
- 3.17 The Council collects business rates and distributes them to preceptors including the Government, Kent County Council (KCC), the Fire Authority and the Council and this is accounted for in the Collection Fund. The original forecast for 2020/21 was that the Council would collect £53m in total in 2020/21. Later the Government announced new reliefs on business rates for retail, local newspapers and nurseries which would reduce the income from business rates by £14m, but this will be offset by Government grants.
- 3.18 The Council budgeted that its share of the total business rates collected for 2020/21 would be £8.75m. There is a complicated system of levies and tariffs, and any deficit on the Collection Fund for 2020/21 will be allocated to each preceptor as a cost in future years. However, for the purposes of this report, the forecast Council share of the deficit for 2020/21 of £250,000 is reported here, even though it will be a cost in future years. Council policy is to pay for business rate collection fund deficits from reserves.
- 3.19 There are three main business rates reserves:

- The Business Rates Volatility Reserve which has an opening balance of £3.9m. This reserve is to assist the Council in managing the anticipated volatility in business rate income resulting from the introduction of business rate localisation from 2013/14. There are a number of causes of this volatility, such as new businesses opening, existing business growing or closing, rating appeals, and collection rates. This reserve is due to make a contribution of £1m to the Special Projects fund, £250k to the General Fund and £50k for other costs in 2020/21.
- The Kent Pool Economic Development Business Rates Reserve which has an opening balance of £1.3m. This reserve was established as a result of the Council joining the Kent business rates pool in 2015/16. It is to fund economic development as agreed by the Council and KCC.
- The North Kent Housing and Commercial Growth Business Rates Fund which has an opening balance of £1.7m. For 2018/19 the Council was part of a Kent wide business rate 100% localisation pilot which included the setting up of this fund. This fund is to be used to fund borrowing to support affordable housing projects.

3.20 The Business Rates Collection Fund has set aside £10m for appeals, of which the Council's share is £4m.

### **Council Tax**

3.21 The Council collects council tax and distributes it to preceptors including the KCC, the Fire Authority, the Police Authority, Parish and Town Councils and the Council and this is accounted for in the Collection Fund. The original forecast for 2020/21 was that the Council would collect £89m in total.

3.22 Any surplus or deficit on the Council Tax Collection Fund for 2020/21 will be allocated in future years. However, for the purposes of this report, the forecast for 2020/21 is a deficit on the Council Tax Collection Fund of £1.8m of which the Council's share is £208k.

3.23 The reasons for this reduction in income are:

- an increase in the single person discount;
- a reduction in the number of new properties being completed and then being liable for Council Tax; and,
- a reduction in the recovery of overpayment of council tax support due to customers not moving into work since March.

### **Collection Fund**

3.24 Any deficits from council tax and business rates arising in 2020/21 would normally be transferred from the collection fund in the following year (2021/22). The Government has proposed that these deficits will now be spread equally over three years (2021/22 to 2023/24) "to ease immediate pressures on budgets". The full terms of the arrangements are still not entirely clear.

## Improvement and Regeneration Funds

3.25 Table 6 below details the movements on a number of reserve funds up to the end of June 2020. Further details regarding the funds committed in 2020/21 are detailed in Appendix I Table 9.

**Table 6: Improvement and Regeneration Funds**

	Balance as at 1 April 2020	Topping Up of Funds 2020/21	Fund Committed as at 1 April 2020	Funds committed after 1 April 2020 (Appendix I Table 9) 2020/21	Balance Unallocated
<b>Funds:</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Special Projects	964	0	(553)	(972)	(561)
Performance	432	0	(233)	(29)	170
Communities	556	0	(173)	0	383
Pension & Redundancy	94	0	0	(77)	17
Regeneration	152	0	(152)	0	0
Local Loan Fund	175	0	0	0	175
<b>TOTAL</b>	<b>2,373</b>	<b>0</b>	<b>(1,111)</b>	<b>(1,078)</b>	<b>184</b>

3.26 Approval is sought to allocate £1m from the Business Rates Volatility Reserve to the Special Projects Fund and £100k from the General Fund to the Pension & Redundancy Fund.

## Capital Expenditure

3.27 This section of the report details actual capital expenditure to end of June 2020 and highlights any projected variations between the revised 2020/21 capital budget and the projected outturn.

3.28 The revised budget includes the capital rollovers from 2019/20 and the roof replacement for the Swallows Leisure Centre approved by the July Cabinet.

3.29 Actual expenditure to end of June 2020 was £2,075,031. This represents 26% of the revised budget. Further details are set out in Table 10 of appendix I.

3.30 Table 7 below summarises the projected capital underspend of £6,400.

**Table 7: Capital Programme Expenditure**

	<b>2020/21 Revised Budget</b>	<b>2020/21 Actual to Date</b>	<b>2020/21 Projected Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Housing, Economy & Community Services	5,846	1,975	0
Commissioning, Environment & Leisure	2,136	99	0
Finance	2	1	0
Planning	6	0	(6)
Information Technology	116	0	0
<b>Total Capital Programme</b>	<b>8,106</b>	<b>2,075</b>	<b>(6)</b>
<b>Total funded by the Council</b>	<b>3,407</b>	<b>1,947</b>	<b>(6)</b>
<b>Total Partnership funded</b>	<b>4,699</b>	<b>128</b>	<b>0</b>
<b>% Spent to date compared to Revised Budget</b>		<b>26%</b>	

### Payment of Creditors

3.31 For April to June 2020, 98% of invoices from suppliers were paid within 30 days of receipt of invoice, against the target of 97%.

### Sundry Debtors

3.32 Tables 11.1 and 11.2 in appendix I analyse the sundry debt outstanding.

## 4. Alternative Options

4.1 None identified – this report is largely for information.

## 5. Consultation Undertaken or Proposed

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

## 6. Implications

<b>Issue</b>	<b>Implications</b>
Corporate Plan	Good financial management is key to supporting the Corporate Plan objectives.
Financial, Resource and Property	As detailed in the report
Legal and Statutory	The outturn report is not a statutory requirement, but it is a requirement of the Council's Financial Regulations.
Crime and Disorder	None identified at this stage.
Environmental Sustainability	The report identifies a wide range of expenditure headings which support the Council's Climate and Emergency Action Plan.

<b>Issue</b>	<b>Implications</b>
Health & Wellbeing	None identified at this stage.
Risk Management and Health and Safety	The Council's overall financial position is a key risk in the Council's Corporate Risk Register.
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 published with this report and form part of the report:

- Appendix I: Finance Report 2020/21

## **8. Background Papers**

[Cabinet Medium Term Financial Plan and Budget 2020/21](#)

**Table 8 – Significant Variances**

<b>Service – Cabinet Member (Head of Service)</b>	<b>£'000</b>
<b>CHIEF EXECUTIVE – Cllr R Truelove</b>	
<b>Other Variances:</b>	
Salary underspend	(133)
Recruitment costs	20
Special Projects & Swale Stars	(16)
Other net savings	(5)
<b>TOTAL</b>	<b>(134)</b>
<b>POLICY, DEMOCRATIC SERVICES, COMMUNICATIONS AND CUSTOMER SERVICES – Cllr R Truelove (David Clifford)</b>	
<b>Policy, Communications &amp; Customer Services:</b>	
<b>Other Variances:</b>	
Salary underspend – Policy	(11)
Salary underspend – Customer Service Centre	(50)
Other variances	(1)
<b>TOTAL</b>	<b>(62)</b>
<b>Democratic Services:</b>	
<b>Other Variances:</b>	
Net underspend on Electoral Registration	(35)
<b>TOTAL</b>	<b>(35)</b>
<b>REGENERATION – Cllr M Bonney (Emma Wiggins)</b>	
<b>Other Variances:</b>	
Salary underspend – secretarial support	(31)
<b>TOTAL</b>	<b>(31)</b>
<b>HOUSING, ECONOMY AND COMMUNITY SERVICES – Cllr B Martin, Cllr T Valentine, Cllr R Palmer, Cllr M Bonney, Cllr A Harrison (Charlotte Hudson)</b>	
<b>Economy &amp; Community Services:</b>	
<b>Coronavirus Related Variances:</b>	
Salary overspend – Economy & Communities budget savings requirement delayed due to restructure being paused due to coronavirus.	30
Income under-recovery – Markets' rents not received. Markets did not trade during quarter one and will be in recovery stage for the remainder of the year.	20
<b>Sub-total</b>	<b>50</b>
<b>Housing:</b>	
<b>Coronavirus Related Variances:</b>	
Temporary accommodation overspend – additional pressure on service during coronavirus.	404
Temporary accommodation overspend re Rough Sleeper Initiative – overspend predicted due to Government "everyone in" during coronavirus. This may be reimbursed by the Government.	50

**Table 8 – Significant Variances**

<b>Service – Cabinet Member (Head of Service)</b>	<b>£'000</b>
Agency/staff costs overpayment – Housing Options Team – part of COVID-19 costs of Temporary Accommodation management.	10
<b>Other Variances:</b>	
Salary overspend – Housing Private Sector vacancy allowance will not be achieved and new staff recruitment may involve post regrading.	7
<b>Sub-total</b>	<b>471</b>
<b>TOTAL</b>	<b>521</b>
<b>PLANNING - Cllr M Baldock (James Freeman)</b>	
<b>Coronavirus Related Variances:</b>	
Planning fees income – shortfall as a result of economic uncertainty which has caused the decline in the housing market and a significant drop in planning applications and major applications to the Council.	250
Local Land Charges income – shortfall as a result of economic uncertainty which has caused the decline in the housing market and a significant drop in the income from land searches fees to the Council.	60
Building Control – the South Thames Gateway (STG) Building Control Partnership is not a separate entity and the forecast loss in fees and charges is being reported within Medway’s submission to MHCLG and included as part of their compensation claim to the Government. The remaining deficit is being met from partnership reserves for 2020/21 only.	0
<b>Other Variances:</b>	
Development Control / Services – salaries underspend	(38)
Legal fees / Planning consultation advice	40
Conservation, Design and Heritage agency staff	50
<b>TOTAL</b>	<b>362</b>
<i>Note: Not included in the above are the potential costs for the major planning appeal for Barton Hill Drive estimated at £203k including the £170k costs of a court claim against the Council which is subject to a High Court challenge; in addition, the Wises Lane High Court claim is still due but cannot be estimated at this stage.</i>	
<b>COMMISSIONING, ENVIRONMENT AND LEISURE – Cllr A Harrison, Cllr T Valentine (Martyn Cassell)</b>	
<b>Coronavirus Related Variances:</b>	
Car Parks pay and display – income shortfall	669
Parking Penalty Charge Notices (PCN’s) – income shortfall	51
Multi-Storey Car Park – income shortfall	50
Parking season tickets – income shortfall	26
Leisure & Sports Centres – additional expenditure. Additional costs re contract variation.	400
Street Cleansing and Refuse Collection – significant additional COVID-19 costs to be factored in for additional cleansing in town centres and contract pressures during peak of pandemic.	105



**Table 8 – Significant Variances**

<b>Service – Cabinet Member (Head of Service)</b>	<b>£'000</b>
<b>Other Variances:</b>	
Commissioning, Contracts & Procurement – staff costs savings.	(3)
Client & Amenity Services & Technical – agency/contract staff costs additional expenditure.	4
Leisure & Sports Centres – additional expenditure – consultancy costs and concessionary use.	7
Garden Waste collections – additional income.	(115)
Wheeled Bins purchase – additional expenditure. Increase in garden waste subscriptions.	115
Wheeled Bins sales – additional income – including income from new developments requesting waste receptacles (anticipated to be slightly below last year's levels).	(35)
Street Cleansing and Refuse Collection – contract costs savings. Indexation anticipated to be lower than expected but yet to be finalised. Annual uplift figures not yet been agreed.	(160)
Public Conveniences – cost savings on premises expenses.	(12)
Parks, Sports and other 'open air' facilities – net additional expenditure on Sports Facilities premises expenses.	13
Seafront and Flood Prevention net additional contract and contractor costs.	13
Multi-Storey Car Park additional private contractor costs and security costs increased due to longer opening hours.	30
Multi-Storey Car Park additional other costs, including £12k electricity.	15
<b>TOTAL</b>	<b>1,173</b>
<b>FINANCE – Cllr R Truelove (Nick Vickers)</b>	
<b>Other Variances:</b>	
Salary underspend – due to vacancy and reduced agency costs.	(31)
<b>TOTAL</b>	<b>(31)</b>
<b>REVENUES &amp; BENEFITS – Cllr R Truelove (Nick Vickers)</b>	
<b>Coronavirus Related Variances:</b>	
Reduced income – recovery of council tax court costs due to the courts being shut for April to September.	183
Reduced income – recovery of overpayments of housing benefits due to reduction in recovery action.	172
Reduced income – Mid Kent debt recovery.	80
<b>Other Variances:</b>	
Department of Works and Pensions (DWP) net additional housing benefit subsidy grant.	(107)
DWP additional housing benefit grants.	(98)
DWP housing benefit admin subsidy grant increase.	(30)
<b>TOTAL</b>	<b>200</b>

**Table 8 – Significant Variances**

<b>Service – Cabinet Member (Head of Service)</b>	<b>£'000</b>
<b>PROPERTY SERVICES – Cllr M Bonney (Anne Adams)</b>	
<b>Other Variances:</b>	
Admin Buildings – rent – additional costs.	5
<b>TOTAL</b>	<b>5</b>
<b>LICENSING &amp; RESILIENCE PLANNING – Cllr R Palmer (Della Fackrell)</b>	
<b>ENVIRONMENTAL HEALTH – Cllr T Valentine (Tracey Beattie)</b>	
Nil variance forecast	0
<b>INFORMATION TECHNOLOGY – Cllr R Truelove (Chris Woodward)</b>	
Nil variance forecast	0
<b>INTERNAL AUDIT – Cllr R Truelove (Rich Clarke)</b>	
Nil variance forecast	0
<b>HUMAN RESOURCES – Cllr R Truelove (Bal Sandher)</b>	
Nil variance forecast	0
<b>LEGAL – Cllr R Truelove (Patricia Narebor)</b>	
<b>Other Variances:</b>	
Legal shared service.	(24)
S106 additional income.	(8)
<b>TOTAL</b>	<b>(32)</b>
<b>SITTINGBOURNE REGENERATION</b>	
<b>Other Variances:</b>	
Salary costs.	32
Fees & services – anticipated consultancy and legal costs.	50
<b>TOTAL</b>	<b>82</b>
<b>CINEMA/HOTEL/RESTAURANTS</b>	
<b>Coronavirus Related Variances:</b>	
Loss of rental income.	183
<b>TOTAL</b>	<b>183</b>
<b>CONTRIBUTIONS TO RESERVES FROM SERVICES SHOWN ABOVE</b>	
Revenue Services	128
On-street Parking	74
Environmental Response Team	32
<b>TOTAL</b>	<b>234</b>
<b>CORPORATE ITEMS</b>	
<b>Coronavirus Related Variances:</b>	
Coronavirus Communities overspend – grants issued	28
Coronavirus Communities overspend – salary costs	14

## Table 8 – Significant Variances

## APPENDIX I

<b>Service – Cabinet Member (Head of Service)</b>	<b>£'000</b>
Coronavirus Communities overspend – equipment	11
Coronavirus Communities overspend – other costs	35
Opening High Street Safely Project overspend – private contractors	1
<b>Other Variances:</b>	
Staff costs including pension costs reflecting the recent three-year revaluation which are higher than the estimated contributions provided as part of that revaluation, offset by net corporate staff savings.	26
Net interest earnings.	(10)
Insurance – additional properties and increase in cost of public liability cover.	27
Other savings	(12)
<b>TOTAL</b>	<b>120</b>
<b>NET EXPENDITURE (Overspend)</b>	<b>2,555</b>

The forecast salary variances identified above are collated in the table below and total £124k underspend which is 0.9% of the total salary/ agency budget of £13.6m.

<b>Service</b>	<b>£'000</b>
Salary underspend - Chief Executive	(133)
Salary underspend – Policy	(11)
Salary underspend – Customer Service Centre	(50)
Salary underspend – secretarial support - Regeneration	(31)
Salary overspend – Economy & Communities budget savings requirement delayed due to restructure being paused due to coronavirus.	30
Agency/staff costs overpayment – Housing Options Team – part of COVID-19 costs of Temporary Accommodation management.	10
Salary overspend – Housing Private Sector vacancy allowance will not be achieved and new staff recruitment may involve post regrading.	7
Development Control / Services – salaries underspend	(38)
Conservation, Design and Heritage agency staff	50
Commissioning, Contracts & Procurement – staff costs savings.	(3)
Client & Amenity Services & Technical – agency/contract staff costs additional expenditure.	4
Salary underspend – due to vacancy and reduced agency costs.	(31)
Salary costs – Sittingbourne Regeneration	32
Coronavirus Communities overspend – salary costs.	14
Staff costs including pension costs reflecting the recent three-year revaluation which are higher than the estimated contributions provided as part of that revaluation, offset by net corporate staff savings.	26
<b>Total</b>	<b>(124)</b>

**Table 9 – 2020/21 Allocations from Funds**

**APPENDIX I**

	<b>£'000</b>
<b>Special Project Fund</b>	
Members' grants	54
Area Committees - grant funding	188
Park improvements	150
Fuel poverty	48
Climate project officer	27
Social inclusion - officer and one off spend	55
Air Quality Officer	50
Clean Air Zone consultancy	50
Project Surveyor	55
Green Space Activity Coordinator	35
Biffa deep cleans	50
Play equipment	100
West Faversham Community Centre - support for expansion	25
Air Quality - additional monitoring St Paul's Street	22
Provision of heating for Faversham Strike Force Football Club	6
Thistle Hill Community Centre - solar PV installation	20
Leysdown Village Hall kitchen refurbishment	27
Oak Road bus lane bollards	10
<b>Total Special Project Fund Approved as at 23 July 2020</b>	<b>972</b>
<b>Performance Fund</b>	
Sittingbourne Town Centre (STC) Away Day	4
Member IT	25
<b>Total Performance Fund Approved as at 30 June 2020</b>	<b>29</b>
<b>Pension &amp; Redundancy Fund</b>	
Pension and Redundancy costs	77
<b>Total Pension &amp; Redundancy Fund Approved as at 30 June 2020</b>	<b>77</b>

**Table 10 – Capital Programme 2020/21**

Capital Scheme	Funding SBC/ Partnership (P)	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Actual to Date	2020/21 Projected Variance	Notes
		£	£	£	£	
<b><u>Commissioning, Environment &amp; Leisure - M. Cassell</u></b>						
Gunpowder Works Oare, Faversham - S106	P	0	9,000	0	0	
New Play Area - Iwade Scheme	P	0	45,000	0	0	
Minster Leas Promenade Resurfacing	P	0	79,970	0	0	
Modular Toilet Kiosk - Minster Leas	SBC	0	109,931	0	0	
Milton Creek Country Park Access Road	SBC	0	40,000	0	0	
Barton's Point Coastal Park – Replacement Bridge	SBC	0	91,260	4,632	0	
Faversham Recreation Ground Improvement - S106	P	125,400	199,534	77,996	0	
Open Space Project - Minster Leas (outdoor gym equipment)	SBC	0	1,753	0	0	
Open Spaces Project - Shellness Road (refurbishment existing Play Area at Leysdown Coastal Park, Shellness Road)	SBC	0	2,250	0	0	
Car Park Improvement/Enhancement - Electric Charging Points (Reserves)	SBC	0	29,870	29,870	0	
Footpath contribution - High Street Sittingbourne - S106	P	0	18,915	0	0	
Open Spaces S106 Play Equipment (Budget Only)	P	130,000	356,000	0	0	

**Table 10 – Capital Programme 2020/21**

Capital Scheme	Funding SBC/ Partnership (P)	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Actual to Date	2020/21 Forecast Variance	Notes
		£	£	£	£	
Leisure Centres – Budget Only	SBC	0	293,847	0	0	
Swallows Leisure Centre - Capital Works	SBC	0	0	(22,090)	0	
Sheppey Leisure Centre (Not Pool) - Capital Works	SBC	0	0	(2,310)	0	
Sheppey Swimming Pool	SBC	0	0	(4,030)	0	
Play Area Improvements - Reserves	SBC	150,000	150,000	0	0	
Play Area Improvements - Diligent Drive	SBC	0	18,000	0	0	
Public Toilets Refurbishment - Forum, Sittingbourne	SBC	0	50,000	0	0	
Public Toilets Refurbishment - Central Car Park, Faversham	SBC	0	40,000	0	0	
Modular Toilet Kiosk - Milton Creek Country Park	SBC	0	150,000	0	0	
Public Toilets and Showers - Bartons Point, Sheppey	SBC	0	100,000	0	0	
Public Toilets - The Spinney Leysdown	SBC	0	40,000	15,000	0	
Wheeled Bins	SBC	157,000	251,000	0	0	
Swallows Leisure Centre Roof	SBC	0	743,000	0	0	(a)
Beach Huts	SBC	60,000	60,000	0	0	
<b>Total Commissioning, Environment &amp; Leisure</b>		<b>622,400</b>	<b>2,879,330</b>	<b>99,068</b>	<b>0</b>	

**Table 10 – Capital Programme 2020/21**

Capital Scheme	Funding SBC/ Partnership (P)	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Actual to Date	2020/21 Forecast Variance	Notes
		£	£	£	£	
<b><u>Housing, Economy &amp; Communities Services - C. Hudson</u></b>						
Disabled Facilities Grants Mandatory Grants	P	2,062,800	2,062,800	55,787	0	
Disabled Facilities Grants Discretionary Grants	P	0	1,927,533	0	0	
Housing Repair Grants Over 60	SBC	0	0	0	0	
CCTV - Repairs & Renewals	SBC	0	30,000	0	0	
CCTV Monitoring Control Centre at Multi-Story Car Park	SBC	0	0	(24,112)	0	
Decent Home Loans Owner Occupier (loans)	SBC	0	0	5,000	0	
STC Site 4, Cinema/Restaurants	SBC	0	1,581,302	1,818,194	0	
STC Site 5, Multi-Storey Car Park	SBC	0	0	(63,999)	0	
STC - Other Assets	SBC	44,250	44,250	189,651	0	
The Mill Project, Sittingbourne Skate Park	P	0	0	(5,508)	0	
Faversham Creek Basin Regeneration Project (swing bridge)	SBC	0	200,000	0	0	
<b>Total Housing, Economy &amp; Communities Services</b>		<b>2,107,050</b>	<b>5,845,885</b>	<b>1,975,013</b>	<b>0</b>	

Table 10 – Capital Programme 2020/21

Capital Scheme	Funding SBC/ Partnership (P)	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Actual to Date	2020/21 Forecast Variance	Notes
		£	£	£	£	
<b><u>ICT - C. Woodward</u></b>						
ICT infrastructure – firewall and equipment replacement	SBC	76,200	115,831	0	0	
<b>Total ICT</b>		<b>76,200</b>	<b>115,831</b>	<b>0</b>	<b>0</b>	
<b><u>Finance - N. Vickers</u></b>						
Finance System Upgrade	SBC	0	1,410	950	0	
<b>Total Finance</b>		<b>0</b>	<b>1,410</b>	<b>950</b>	<b>0</b>	
<b><u>Planning - J. Freeman</u></b>						
Land Charges Shared Service - Online Submission Module	SBC	6,400	6,400	0	(6,400)	(b)
<b>Total Planning</b>		<b>6,400</b>	<b>6,400</b>	<b>0</b>	<b>(6,400)</b>	
<b>Total Capital Programme Funded by the Council</b>	<b>SBC</b>	<b>493,850</b>	<b>4,150,104</b>	<b>1,946,756</b>	<b>(6,400)</b>	
<b>Total Capital Programme Funded by Partners</b>	<b>P</b>	<b>2,318,200</b>	<b>4,698,752</b>	<b>128,275</b>	<b>0</b>	
<b>Total Capital Programme</b>		<b>2,812,050</b>	<b>8,848,856</b>	<b>2,075,031</b>	<b>(6,400)</b>	

**Notes**

- (a) Expenditure is to be met from borrowing. Anticipated to be £743k. This is to meet the uninsured losses regarding the roof replacement at the Swallows Leisure Centre. Agreed by Cabinet 8 July 2020.
- (b) Project has been cancelled.



Table 11.1 – Sundry Debt Outstanding (including not due) by due date

	June 2020 £'000	June 2019 £'000
Not due (less than 1 month)	341	1,803
1–2 months	7	42
2–6 months	130	170
6–12 months	237	53
1–2 years	57	34
2–3 years	28	19
3–4 years	11	11
4–5 years	4	28
5–6 years	25	8
6 years +	34	32
<b>Total</b>	<b>874</b>	<b>2,200</b>
<b>Total due (over 1 month)</b>	<b>533</b>	<b>397</b>
<b>% Total over 1 month</b>	<b>61</b>	<b>1</b>

Notes:

2 – 6 months includes £29k relating to one company.

6 – 12 months includes £57k relating to one company (same as 2 – 6 months) and £147k Network Rail.

1 – 2 years includes £9k relating to charges on property.

2 – 3 years includes £2k relating to charges on property.

5 – 6 years includes £4k relating to charges on property.

6 years + includes £22k relating to charges on property. The balance are rent deposit debts which are being paid off via payment plans.

These tables include debts raised for all our grants receivable from Kent County Council, the NHS, etc.

Table 11.2 – Sundry Debt Outstanding (including not due) by Service

	June 2020 £'000	June 2019 £'000
Property	262	205
Commissioning, Environment & Leisure	60	57
Housing, Economy & Communities	274	119
Legal	7	360
Environmental Health	18	10
Planning	19	0
Communications	0	0
Other	234	1,449
<b>Total</b>	<b>874</b>	<b>2,200</b>

## **Table 11 – Sundry Debt Outstanding**

## **APPENDIX I**

Notes:

'Property' includes outstanding £139,000 quarterly rent relating to one company.

'Housing, Economy & Communities' June 2020 includes £147k Network Rail, £70k Rent Deposit Schemes etc. and £31k charges on property.

'Other' June 2019 included a single invoice for £1.375m for S106 monies due from one developer.

'Other' June 2020 includes £112k not due as at 30/6/20.

<b>Cabinet Meeting</b>		<b>Agenda Item: 5</b>
<b>Meeting Date</b>	23 September 2020	
<b>Report Title</b>	Procurement of utility supplies	
<b>Cabinet Member</b>	Cllr Roger Truelove, Leader and Cabinet Member for Finance	
<b>SMT Lead</b>	Nick Vickers, Chief Financial Officer	
<b>Head of Service</b>	Anne Adams, Head of Property Services	
<b>Lead Officer</b>	Eva Harris, Business Support Officer	
<b>Key Decision</b>	Yes	
<b>Classification</b>	Open	
<b>Forward Plan</b>	<b>Reference number:</b>	
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That Cabinet approves that the current arrangement for energy purchasing via the Laser Energy Buying Group continue for the period 1 October 2020 – 30 September 2021, and</li> <li>2. That Cabinet agrees to purchase “green” electricity and gas for the duration of the proposed contract.</li> </ol>	

## 1 Purpose of Report and Executive Summary

- 1.1 This report makes a recommendation to Cabinet regarding purchase of energy supplies for the period 1 October 2020 – 30 September 2021. The contract provides an option to extend year on year for a total period of 4 years.
- 1.2 Due to the proposed low carbon refurbishment of Swale House, it is recommended to enter into a contact to purchase gas and electricity supplies for all council owned buildings and external lighting for one further year under a new contract until the longer term requirements are known. Laser’s previous good performance and working arrangements provide confidence that the service level for a further year will be satisfactory.

## 2 Background

- 2.1 In 2019/20 total spend on electricity was £105,540 and on gas was £31,272. With the building usage in this financial year massively reduced there will be significantly lower spend in 2020/21.
- 2.2 The Pan Government Energy Project, now part of Cabinet Office, recommended that all Public Sector organisations adopt flexible fixed price energy procurement as the best solution to cost reduction in this complex and volatile market. This approach does need technical knowledge of the energy markets, requiring external support in the procurement of Swale Borough Council’s energy supplies. In response to this need,

Laser Buying Group was set up by Kent County Council's Commercial Services Unit and now purchases energy on behalf of 115 local authorities and 45 wider public sector bodies.

- 2.3 Within the Laser Group framework there are different purchasing arrangements, according to each site's energy usage, which are tendered through the Official Journal of the European Union to meet compliance with legislation and standing orders.
- 2.4 Buying energy as part of a large purchasing group increases resilience and reduces the risk of pre-purchasing too much or too little energy, as each member's different peaks in usage will be smoothed out in the overall requirement. As Laser Group was implemented by Kent County Council, the objective of the organisation is to deliver an expert energy service to public bodies, rather than to create profit levels. Laser's energy purchasing is overseen by a Governance Panel on which there are industry experts as well as customers.
- 2.5 Where trusts and community groups have taken on the management of council buildings, they have also been permitted to purchase their energy supplies from Laser thereby allowing them to benefit from the bulk purchasing arrangements.

### **3 Proposal**

- 3.1 It is proposed that the council continues to purchase energy supplies via Laser Buying Group for the period 1 October 2020 to 30 September 2021, with Property Services leading organising contract renewals for each site on a category management basis.
- 3.2 Laser has good management and staffing structure to provide a more tailored service to each council, and as a result Swale Borough Council has received added value in the current contract, such as provision of free specialist advice, in addition to more proactive contract management. As community groups have taken on responsibility for the management of council buildings, they have also been able to benefit from the council's arrangement with Laser.
- 3.3 As part of the commissioning process for the procurement 2021-2025, investigations on other frameworks have been reviewed. It is concluded that Laser is still the favourable framework with many Kent local authorities still choosing to purchase through Laser.
- 3.4 The new contract provides an opportunity for the Council to purchase both "green" electricity and "green" gas. In line with the Climate Change and Ecological Emergency motion agreed by Council in June 2019 the recommendation is to buy "green" electricity and gas. The cost of green electricity is a surcharge of 0.06p/kwh which equates to approximately £410 per annum. The cost of green gas is a surcharge of 0.9p/kwh which equates to approximately £11,000 per annum. We will be able to stay within budget this year given the reduced opening of the building.

## 4 Alternative Options

- 4.1 Laser Group offers a four-year contract. This would potentially provide a greater financial saving but is not recommended at this time due to the uncertainty associated with the Swale House refurbishment project.
- 4.2 The Council could opt not to renew with any provider and have all meters on general business accounts, allowing each department to choose what supplier they wish to proceed with. This is not recommended as this approach would not allow the council to access the wholesale prices that Laser is able to obtain through aggregating the demand of 150+ public sector customers. This would also not be compliant with Contract Standing Orders.
- 4.3 Alternative energy purchasing frameworks that could be used have been investigated, in particular Crown Commercial Services. From the investigations there is no reason to believe that CCS will provide better value for money than Laser buying group. As Laser already has a successful track record of working with Swale BC, and as this is only to be for a term of one year, it is considered that there would be no benefit to changing to another buying group.

## 5 Consultation Undertaken or Proposed

- 5.1 Consultation with the Chief Financial Officer was undertaken and he has confirmed that the Council should enter into a contract with Laser for one further year.

## 6 Implications

Issue	Implications
Corporate Plan	None at this stage
Financial, Resource and Property	Using a buying group to purchase energy provides value for money advantages, both in terms of savings achieved through bulk purchasing, and in much reduced staff time in tendering for supplies for each site.
Legal, Statutory and Procurement	Statutory requirements are met using the Laser framework, as all energy procurement is carried out in line with the Public Contracts Regulations 2015. Use of frameworks for procurements is supported in the council's procurement strategy and approved in contract standing orders.
Crime and Disorder	None at this stage
Environment and Climate/Ecological Emergency	It is recommended that green electricity and gas is purchased.
Health and Wellbeing	None at this stage
Risk Management and Health and	None at this stage

Safety	
Equality and Diversity	None at this stage
Privacy and Data Protection	None at this stage

## **7 Appendices**

None

## **8 Background Papers**

None

<b>CABINET</b>	
<b>Meeting Date</b>	23 September 2020
<b>Report Title</b>	Faversham Recreation Ground – Refreshment Kiosk Lease
<b>Cabinet Member</b>	Cllr Tim Valentine, Cabinet Member for Environment
<b>SMT Lead</b>	Martyn Cassell, Head of Commissioning, Environment and Leisure
<b>Head of Service</b>	Martyn Cassell, Head of Commissioning, Environment and Leisure
<b>Lead Officer</b>	Graeme Tuff, Greenspaces Manager
<b>Key Decision</b>	No
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That Cabinet agrees to enter a lease with HatHats Coffee Faversham Ltd.</li> <li>2. That delegated authority be given to the Head of Property Services to agree final terms in consultation with the Cabinet Member for the Environment.</li> <li>3. The Head of Mid Kent Legal Services be authorised to complete the necessary legal formalities in due course.</li> </ol>

## 1 Purpose of Report and Executive Summary

- 1.1 This report sets out the proposals for a lease of part of The Lodge at Faversham Recreation Ground, Faversham (as shown on the attached plan at Appendix I) to HatHats Coffee Faversham Ltd.

## 2 Background

- 2.1 Faversham Recreation Ground is owned by Faversham Municipal Charities and leased by the Council under a 50-year lease dated August 2010. As such the Council is responsible for the management and maintenance of this important town centre site.
- 2.2 The Lodge at Faversham Recreation Ground was built in the 1860's and for many years was gardeners and staff accommodation before an agreement was made with Faversham Rugby Club to use the building as their "home" and social premises. This agreement was recently renewed but excluded the area of the newly developed refreshment kiosk.
- 2.3 The Lodge is a significant Grade II listed building over two storeys and its recent refurbishment forms part of the Faversham Recreation Ground Heritage Lottery Improvement Project. This work involved not only refurbishing the current

structure and putting back some of the lost heritage features such as bricked up windows, but also reconfigures part of the building to provide a café/kiosk and public toilet to increase facilities for users of the recreation ground. The improvement project also seeks to ensure that the recreation ground is more sustainable into the future, meeting the needs of the community, but with additional streams of income to help fund maintenance.

- 2.4 The Council advertised an Expression of Interest in March 2020 for the occupation, management and internal maintenance of the kiosk as a refreshment concession. Despite advertising widely and communicating the EOI to Faversham Town Council and Faversham Traders Association only one expression was received from HatHats Coffee Ltd.

### **3 Proposals**

- 3.1 The proposal submitted was of high quality and the company have extensive experience managing similar facilities at Reculver Country Park for Canterbury City Council. It would see the future management of the new kiosk at the front of the Lodge, used and maintained along with an outside seating area and the right for additional pop up facilities within the Rec. In addition, they will also manage the single toilet facility located at the Lodge.
- 3.2 The terms of the proposed lease provide for the company to be responsible for maintaining the interior of the kiosk and all utilities and outgoings associated with it. The Council retain responsibility for the exterior given its importance as a heritage asset and the investment committed to the building as part of the improvement project.
- 3.3 The proposed lease is for 10 years and there will be a tenant break clause at the end of the third year subject to serving 6-month notice. Details of the rent are included in the Heads of Terms as exempt Appendix II.
- 3.4 In addition, HatHats Coffee's core driver is to pledge a minimum of 20% but a target of 25% of all net profits to community projects in addition to any allocated marketing spend attributed to the outlet. The kiosk will therefore play an integral part in sponsoring the provision of community events within the Rec.

### **4 Alternative Options**

- 4.1 The alternative option would be to leave the concession kiosk empty or advertise again to find an alternative tenant for the building, however with the desire to secure additional income, provide the enhanced facilities for the community and given the high quality of the submitted EOI, it is believed the current proposal is the preferred option.



## 5 Consultation Undertaken or Proposed

- 5.1 The Council and its consultants have undertaken considerable consultation on the Recreation Ground Improvement Project and there is significant public support for a catering/refreshment outlet on site.
- 5.2 The Council's Faversham Recreation Ground Improvement Project Board have been kept up to date throughout the process and have supported the proposal submitted by HatHats Coffee Faversham Ltd.
- 5.3 Faversham Municipal Charities agreement to a sub-lease is required under the terms of the Council's lease. As such they confirmed by email agreement to the draft Heads of Terms on 29 July 2020.

## 6 Implications

Issue	Implications
Corporate Plan	The letting of the building is being proposed and supports the priorities of the Corporate Plan
Financial, Resource and Property	The proposed lease will result in a rental income for the Council. The details of this are shown in the exempt appendix II
Legal, Statutory and Procurement	Legal Services will be required to prepare a new lease.  The Expression of Interest process was followed to ensure the Council meets its obligations under procurement and concession legislation.
Crime and Disorder	It is hoped that with increased use and additional facilities on site that anti-social behaviour will be driven down.
Environment and Sustainability	HatHats as a company are committed to eliminating single use plastic by 2025 and have already phased out plastic water bottles, plastic straws and are working on a scheme to generate biofuel from used coffee grounds by 2021.
Health and Wellbeing	Continued/increased use of the Recreation Ground for physical activity and visits, by appealing to a new market. In addition, the support and association with the planned activities will enhance the offer and participation.
Risk Management and Health and Safety	None anticipated.
Equality and Diversity	None anticipated.

Privacy and Data Protection	None anticipated.
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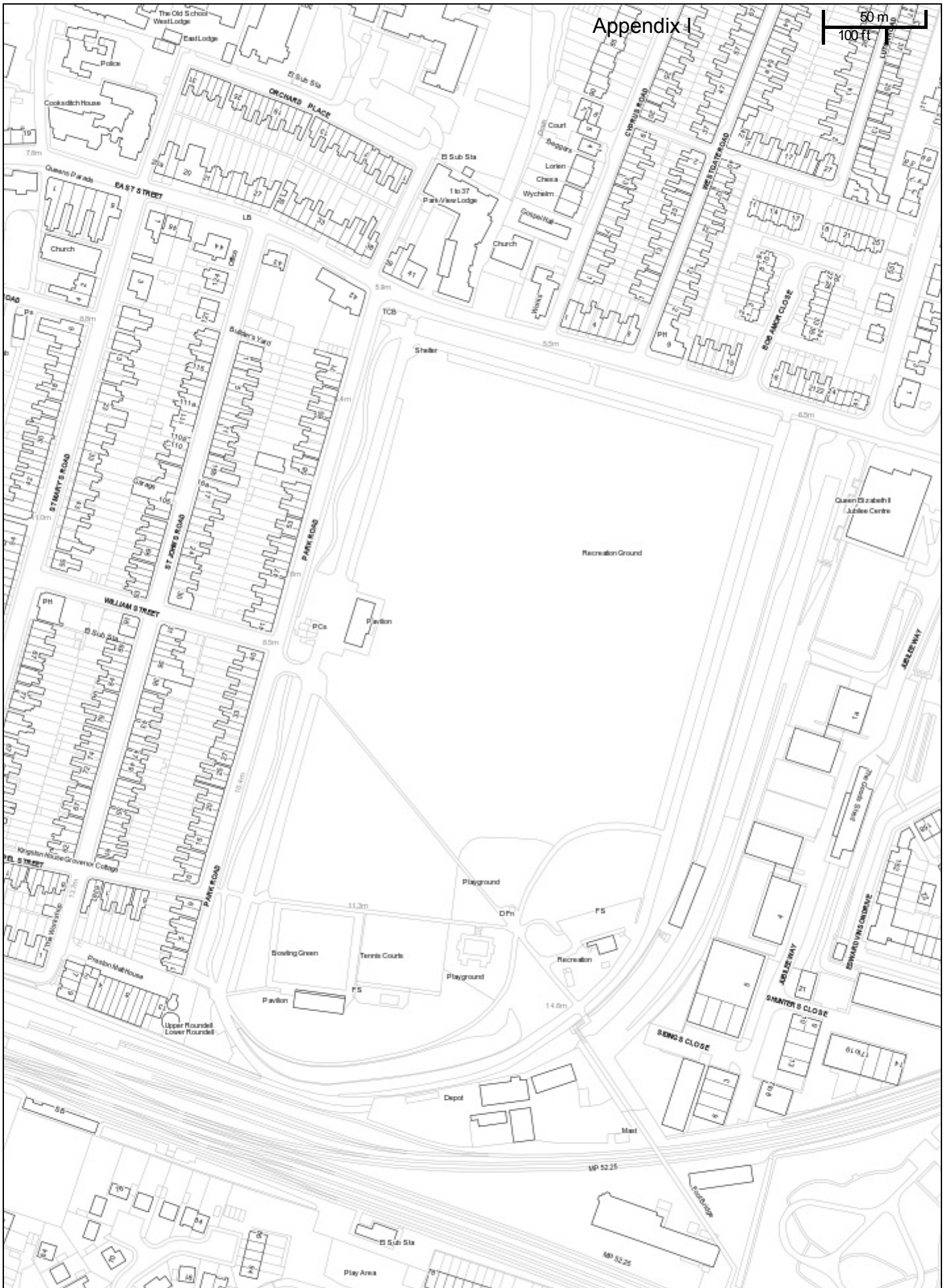
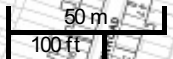
## **7 Appendices**

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

- Appendix I: The Lodge, Faversham Recreation Ground Location Plan
- Appendix II: Exempt paper providing Heads of Terms

## **8 Background Papers**

None



**The Lodge, Faversham Recreation Ground**

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<b>Cabinet Meeting</b>
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<b>Meeting Date</b>	23 September 2020
<b>Report Title</b>	Nominations to outside bodies
<b>Cabinet Member</b>	Councillor Roger Truelove – Council Leader
<b>SMT Lead</b>	David Clifford - Head of Policy, Communications and Customer Services
<b>Head of Service</b>	
<b>Lead Officer</b>	Jo Millard – Senior Democratic Services Officer
<b>Key Decision</b>	No
<b>Classification</b>	Open

<b>Recommendation</b>	1. <b>That Cabinet makes nominations to the outside bodies listed in Appendix I for the 2020/21 municipal year.</b>
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## 1 Purpose of Report and Executive Summary

1.1 This report is asking Cabinet to consider the list of outside bodies set out in Appendix I and agree nominations for the municipal year 2020/21. It should be noted that nominations to other outside bodies, trusts administered by Swale Borough Council and statutory bodies were made at Annual Council on 15 July 2020. The remainder are to be made by the Cabinet as they are linked to the discharge of Executive functions.

## 2 Background

2.1 Proposals for nominations are set out in Appendix I.

The Council Leader is appointed to the following bodies by warrant of being leader:

- District Councils' Network (DCN)
- Kent Council Leaders
- Local Government Association (LGA)
- Mid Kent Services
- South East England Councils (SEEC)
- Swale Public Services Board
- Thames Gateway Strategic Group
- Kent and Medway Economic Partnership

2.2 **Register of Interests** – Members are required to record any changes to their interests arising from their nomination to an outside body.

### 3 Proposal

3.1 Cabinet are asked to consider the list of outside bodies, and then make nominations to them.

### 4 Alternative Options

4.1 Cabinet can decide not to nominate to some or all of the outside bodies listed.

### 5 Consultation Undertaken or Proposed

5.1 Group Leaders were consulted and invited to make nominations.

### 6 Implications

Issue	Implications
Corporate Plan	Nominations to outside bodies are in accordance with the priorities established in the emerging corporate plan.
Financial, Resource and Property	None identified at this stage.
Legal and Statutory	Nominations to some outside bodies are as trustees and/or directors, which carries specific legal responsibilities and liabilities for the individual member.  To ensure compliance with the Members' Code of Conduct any member taking up a position on an outside body must review the interests declared in their register of interests within 28 days of the position becoming effective.
Crime and Disorder	None identified at this stage.
Sustainability	None identified at this stage.
Health and 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.

## **7 Appendices**

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

- Appendix I: Sets out the current nominations on trusts and outside bodies and proposed nominations.

## **8 Background Papers**

None.

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**Appendix I - Outside Bodies Nominations for 2020/21 – appointments made by Cabinet**

*More nominations than seats are in bold italic*

	<b>Organisation</b>	<b>Nominations for 2019/20</b>	<b>Nominations for 2020/21</b>
13	PATROL Adjudication Joint Committee (Parking and Traffic Regulations Outside London Adjudication Joint Committee) (was Adjudication Joint Committee (Parking))	Cllr Tim Valentine Cllr Eddie Thomas (sub)	Cllr Tim Valentine Cllr Eddie Thomas (sub)
14	Optivo Kent General Panel	Cllr Ben J Martin	<b><i>Cllr Mike Dendor Cllr Ben J Martin</i></b>
15	South Thames Gateway Building Control Joint Committee	Cllr Tim Gibson Cllr Alastair Gould (sub)	Cllr Tim Gibson Cllr Alastair Gould (sub)
16	Swale Local Children's Partnership Group (LCPG) (formerly Children's Operational Group)	Cllr Angela Harrison	Cllr Angela Harrison
17	Health Overview and Scrutiny Committee	Nominations determined by Kent Leaders	Nominations determined by Kent Leaders
	Kent and Medway Health and Wellbeing Board	Cllr Angela Harrison Cllr Hannah Perkin (sub)	Cllr Angela Harrison Cllr Hannah Perkin (sub)
18	Kent Association of Local Councils (Swale Area Committee)	By invitation	By invitation
19	Kent Downs and Marshes LEADER (Executive Body) – changed to Kent Downs and Marshes Local Action Group (LAG) <small>September 2019</small>	Cllr Tim Valentine	Cllr Tim Valentine
20	Kent Resource Partnership (was Kent Waste Partnership)	Cllr Tim Valentine	Cllr Tim Valentine
21	Police and Crime Panel	Cllr Richard Palmer	Cllr Richard Palmer
22	South East Employer	Cllr Roger Truelove Cllr Derek Carnell (sub)	Cllr Roger Truelove Cllr Derek Carnell (sub)
23	South East England Councils	Cllr Roger Truelove Cllr Mike Baldock (sub)	Cllr Roger Truelove Cllr Mike Baldock (sub)
24	The Children's Centres District Advisory Board (formerly Swale District Advisory Board)	Cllr Angela Harrison	Cllr Angela Harrison
25	Staying Put	Cllr Ben J Martin	Cllr Ben J Martin
26	Thames Gateway Kent Partnership	Cllr Monique Bonney Cllr Roger Truelove (sub)	Cllr Monique Bonney Cllr Roger Truelove (sub)

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Cabinet 23 September 2020

## **Recommendations for approval**

### **Local Plan Panel – 9 July 2020**

#### **Minute No. 738 – Neighbourhood Planning Update**

***(1) That the approval of Faversham Town Council's application to designate the Town of Faversham as a neighbourhood area be delegated to the Cabinet Member for Planning, and any comments from the Local Plan Panel be taken into account, plus any representations made, when making the decision.***

#### **Minute No. 739 – Local Housing Needs Assessment (Standard Method)**

***(1) That the content of the report and the Local Housing Needs Assessment in Appendix I be noted.***

#### **Minute No. 740 – Strategic Housing Market Needs Assessment**

***(1) That Members note the content of the report and endorse it as part of the evidence base for the local plan review.***

### **Local Plan Panel – 30 July 2020 (report and appendix attached)**

#### **Minute No. 31 – Growth Options**

***(1) That Members' suggested proposed amendments to the Local Plan Review Vision be considered.***

***(2) That option C is the first preferred option and option D is the second preferred option and will form the basis of a development strategy for the Local Plan Review.***

### **Local Plan Panel – 3 September 2020 – to follow**

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<b>Local Plan Panel Meeting</b>	
<b>Meeting Date</b>	30 July 2020
<b>Report Title</b>	Local Plan Review – Vision and Development Growth Options
<b>Cabinet Member</b>	Cllr Mike Baldock, Cabinet Member for Planning
<b>SMT Lead</b>	James Freeman – Head of Planning
<b>Head of Service</b>	James Freeman – Head of Planning
<b>Lead Officer</b>	Jill Peet – Planning Policy Manager
<b>Key Decision</b>	Yes/No
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. Members consider the ‘vision’ for the local plan review and suggest proposed amendments for incorporation</li> <li>2. Members agree a preferred option that will form the basis of development strategy for the local plan review and recommend to Cabinet that this strategy is endorsed.</li> </ol>

## **1 Purpose of Report and Executive Summary**

- 1.1 In order to progress the drafting of the Local Plan Review, it is necessary for the Council to establish its vision for growth and to express its preference towards a growth strategy based on the evidence collected to date, including initial indications from the preliminary work carried out through the Sustainability Appraisal.
- 1.2 The purpose of this paper is to consider a draft vision and the options for the distribution of future development growth requirements for Swale setting out the strengths and weaknesses (pros and cons) of each of the growth options.

## **2 Background**

- 2.1 The purpose of a local plan is to provide a planning policy framework to deliver the development needs of an area over a minimum 15 year period. According to government policy, guidelines and emerging evidence, for the borough of Swale, this means identifying enough land to accommodate:
  - 9,880 new dwellings (over and above the allocations in the adopted Local Plan for 13,981 dwellings, of which approximately 3,013 has been built out as at 31 March 2019) plus a 5% buffer
  - 41ha of B2/B8 (manufacturing land)
  - 15ha of B1 (office)
  - Associated infrastructure, community facilities and open spaces.
- 2.2 The timetable for the local plan review is set out in the Local Development Scheme (LDS) that was agreed by Cabinet on 18 March 2020. The Council completed the

Regulation 18 stage in late spring 2018 and has since been gathering further evidence to prepare the Regulation 19 stage document, the draft plan, for consultation in early 2021.

- 2.3 Before the draft plan can be prepared, officers need to secure a 'steer' from the members of the Local Plan Panel of an appropriate vision and strategy that will deliver the borough's development needs for the period covered by the local plan review (2022 to 2038).
- 2.4 Evidence gathering for the local plan review is well underway, the table in appendix i sets out what has already been prepared and presented to the Local Plan Panel, what the 'headlines' are and what the implications are for the options. There are two strands of evidence still to complete/report. The first strand is the remaining evidence currently underway that will provide more specific detail for policy formulation. The second/ final stand of evidence cannot be completed until a steer has been provided on the development strategy. This includes carrying out a final transport modelling run and the identification of mitigation measures to be included in that.
- 2.5 However, the evidence completed so far is sufficient to help identify and inform the options for a development strategy. The evidence base is a significant influencer of the local plan review along with national policy that is set out in the National Planning Policy Framework (NPPF) and national planning guidance. The Council's corporate plan and other strategies are also fundamental to the shape and content of the local plan review.

### **Local Plan Vision**

- 2.6 It will be necessary for the Council to establish a vision for the Local Plan setting out what it intends to achieve for the Borough through new development. Based on the Council's corporate strategy, a draft vision is put forward as a 'starter for ten' to aid the consideration of the appropriate growth strategy to support the vision.
- *Generally, new development would come forward to meet local needs and have contributed to supporting low carbon/zero carbon and renewable energy initiatives, enhance the natural environment through biodiversity net gain, ensuring quality design and place making capitalising on the borough's extensive natural and heritage assets.*
  - *At Sittingbourne, a re-focussed town centre aimed at securing a vital and viable retail heart supported by leisure and dining opportunities, whilst enabling new high density residential and community activity. This has been achieved by wider regeneration, public realm improvements, and reconfigured and improved transport connections at and around the town.*
  - *At Sheerness, Minster and Queenborough, the promotion of coastal and port rejuvenation making most use of its heritage assets whilst supporting the needs of the local communities.*
  - *At Faversham, a thriving market town and heritage destination that has successfully managed 21st Century demands. It has been achieved by enabling sympathetic and symbiotic growth whilst reducing congestion and air quality issues along the A2.*

- *At our rural and maritime communities, enable development to maintain and improve local services to cater for the local daily needs of its residents and to support vibrant communities whilst maintaining the quality of the local countryside environments in which they are set and protecting their heritage.*

2.7 The Panel may wish to reflect on the proposed wording and any suggestions will be taken forward for further consideration as the Council progresses its work on the Local Plan Review.

### **Development strategy objectives**

2.8 The Local plan review needs to contain an overall strategy for the pattern and scale of development and make sufficient provision for the future growth needs of the Borough for the plan period (to 2038).

2.9 In terms of broad principles to guide the location of development, the following objectives reflect local evidence, government policy and Council priorities:

- To provide for homes and jobs that are best suited to meet identified local needs;
- To support and sustain communities across the borough, big and small, by planning to meet identified needs, including needs for community facilities and infrastructure; and
- To protect and manage our resources to address climate change through delivering sustainable growth that supports urban and rural economies and makes the best use of infrastructure.

2.10 Sitting behind these objectives are a number of key principles that should underpin the development strategy. The borough's identified development needs should be met:

- On brownfield sites in sustainable locations/within the settlement confines;
- On land at low risk of flooding within existing settlements; and
- On land with the least environmental or amenity value.

### **Challenges for consideration in discussing the strategic development options**

2.11 Given the characteristics of the borough and various constraints around infrastructure, difficult choices will need to be made about where development land should be allocated. 60% of the borough is covered by high-level constraints identified in the NPPF as habitat sites, SSSI, land at risk of flooding etc. The remaining 40% of the borough that is not constrained by these high level designations includes the fruit belt and land with local landscape designations and often subject to the 'best and most versatile' agricultural land. Additionally, the A2 corridor presents issues around air quality and traffic congestion.

2.12 With regard to infrastructure provision, there is evidence of some communities not being supported by the level of infrastructure and services that would normally be sought. It would therefore be important to ensure that new development does not further exacerbate that under provision and ensure that it does provide for its own needs in accordance with Government policy. Furthermore, sites to meet the development needs of the borough must be deliverable meaning that they are available and suitable for development and are economically viable. There are some difficult choices to be made.

- 2.13 The desired outcome is to agree a development strategy that achieves a future of the borough where people have a desire and ability to live locally because of the quality of life and opportunities available. The Council should provide a positive policy response to the evidence that can sustainably meet the plan objectives in a way that is shaped by the underpinning principles set out above.
- 2.14 In determining what would make a sustainable and deliverable strategy for the local plan review, it is important to consider the mix as well as the location of potential development sites. A strategy dominated by small to medium sized sites may not generate the critical mass required for significant improvements to infrastructure (schools, health care, highways, sustainable transport measure etc.) which could benefit existing communities as well as new residents – noting the NPPF requires at least 10% of the housing need to be met from small sites (less than 1ha) . A strategy dominated by a few larger sites would bring in to question whether the short to medium term housing needs of the borough would be adequately addressed given the long lead in times for significant delivery to come forward and the impact this has on meeting shorter term five year supply of housing. A supply of small/medium sites would also need to be allocated to maintain the rolling five year target.

### **3 Proposals**

- 3.1 In accordance with the development principles set out in paras 2.10, there is a strong case for ensuring maximum use is made of existing brownfield sites available within the Borough and town centre redevelopment sites, particularly with a focus on the opportunities available within Sittingbourne Town Centre. In effect the development growth which can be secured from these opportunities should be sought whatever growth option the Council adopts.
- 3.2 A Supplementary Planning Document is being prepared setting out an outline masterplan for development within the Sittingbourne Town Centre boundary. It is estimated that the Council should be able to secure circa 800 additional dwellings over the Local Plan review period. It is also anticipated that sites within Sheerness and Faversham Town Centres could also potentially provide an additional 200 dwellings. It is estimated that a further 500 dwellings could be identified on other available brownfield sites within existing settlement confines within the Borough. In total therefore, it is expected that an additional 1,500 dwellings can be secured against the requirement.
- 3.3 The borough has a strong record of delivering windfall sites. Since the 2014 base date of the adopted local plan, Bearing Fruits, an annual average of 258 dwellings have been delivered. Based on this performance, it would be reasonable to assume that for the last 12 years of the local plan review figure, 250 dwelling per year could be delivered. This equates to a total of 3,000 dwellings for the life of the local plan review and again is considered within each of the options presented.
- 3.4 Officers have identified five potential growth strategy options across a spectrum of opportunities to meet the remaining development needs within the Borough. It should be noted that these options are not necessarily distinct from one another and a combination of elements from each of the options can be put together to make an alternative strategy should the Council wish to do so.
- 3.5 In consideration of the above objectives, principles and government expectations, the options below could potentially deliver in the region of an additional 10,000 homes so it



builds in some flexibility and choice. A refinement of sites for inclusion in the local plan review is a matter for a later date when a detailed site selection will be carried out.

- 3.6 In summary, these are:
- A. Carry forward of Bearing Fruits (Business as usual) development focussed on extensions to main settlements with a focus on the Thames Gateway area
  - B. More even distribution of the additional Local Plan Review requirement across the borough's main urban centres and rural areas
  - C. More even distribution of the final requirements (Bearing Fruits and Local Plan Review) across the main urban centres
  - D. More of the overall Local Plan requirement at the eastern end of the borough
  - E. Focus on New Garden Settlements primarily located within existing rural area
- 3.7 Appendix ii sets out the likely development distribution in percentage terms between the Isle of Sheppey, Sittingbourne and Faversham including their immediate hinterlands, and the mainland rural areas against the above development growth options. Indicative figures are used to show how the existing Bearing Fruits distribution combine with the indicative distributions for the Local Plan Review development growth options.

#### **Site availability for Swale**

- 3.8 The sites that are available for development have been identified through the Strategic Housing Land Availability Assessment (SHLAA). Members may recall that sites have been assessed as either being:
- 'suitable and deliverable'
  - 'suitable but not deliverable'
  - 'unsuitable'
- 3.9 In an ideal world, the local planning authority would be in a position to choose their local plan allocations from sites that were assessed as 'suitable and deliverable' but site selection is more nuanced and must consider all other relevant evidence, national guidance and the Council's corporate objectives and other strategies and plans. SHLAA sites are assessed at a point in time and represent a 'snapshot'. Circumstances do sometimes change and this can alter the assessment outcomes (e.g. subsequently resolved land ownership issues that might previously have affected a site's achievability). Some sites that are unsuitable could become suitable through the appropriate mitigation measures.
- 3.10 Sites that immediately adjoin the settlement boundary (as identified in the adopted local plan, Bearing Fruits Policy ST4) are, for the purposes of this exercise, classed as being part of that settlement's area. Sites that are separate from the settlement confines are considered as rural sites.

**Option A - Business as usual: development focussed on extensions to main settlements with a focus on the Thames Gateway area**

- 3.11 Historically, new development has been focussed at the borough's principal settlement as it has the broadest range and quantity of services and facilities. In Bearing Fruits, approximately 40% of housing allocations are in and around Sittingbourne with 15.75% in Faversham and 25% in the West Sheppey Triangle. The remaining 10.75% is distributed across the Rural Service Centres at Boughton, Teynham, Newington, Iwade, Eastchurch and Leysdown. Windfalls account for approximately 8.6% of the total distribution. A strategy that continues with this approach would need to see further allocations distributed across the borough as follows:
- Sheppey - 17.5%
  - Sittingbourne – 30.5%
  - Faversham – 12.5% and
  - Rural areas – 8.5%
- 3.12 The SHLAA has identified a limited number of sites that directly adjoin the built up boundary of Sittingbourne itself. Should Members wish to support this option, sites would need to be located in the rural areas that surround Sittingbourne, at Borden, Tunstall, Highstead and Rodmersham and at Bapchild and Tonge. There is a significant number of sites to the west of the A249 at Bobbing but this is not considered part of Sittingbourne town given the physical separation of the A249 which acts as a hard 'finish'. Specific sites to be allocated would be a matter for discussion later in the process and would need to be able to deliver in the region of 3,000 dwellings.
- 3.13 The SHLAA identifies an abundance of sites in and around Faversham to the tune of approximately 6,000 dwellings. There are sufficient sites to allocate additional development in this location in line with a 'business as usual' development strategy for the local plan review. Approximately 1,250 dwellings would need to be allocated at Faversham under this option.
- 3.14 For the West Sheppey Triangle, the potential is more limited. Of the sites identified in the SHLAA, a significant number fall within land at high or medium risk of flooding but are also within or adjacent to the built-up boundary. Approximately 1,730 dwellings would need to be allocated in this broad location and SHLAA sites could yield approximately 2,200 dwellings on the basis that the site constraints can be addressed. Otherwise, the potential is limited to circa 1,200 dwellings over two large sites on land east of Scocles Road and land east of Queenborough. The Rushenden Marshes site could accommodate circa 850 dwellings subject to further discussions with Environment Agency and Natural England.
- 3.15 Available SHLAA sites in and around the Rural Service Centres can comfortably meet the requirement under this option as round 1,400 dwellings could be accommodated at these locations needing 840 dwellings to be allocated to meet the 8.5%.

- 3.16 This option can accommodate the quantum of development required and would be achieved by major further outward urban expansion where existing traffic and air quality problems would be difficult to mitigate against. Additionally, it would result in the erosion of open unspoilt countryside through the dilution of the separation between Sittingbourne and the surrounding rural settlements. There are also significant concerns that this approach would not be the most effective option for securing infrastructure improvements because the quantum of development on the individual sites does not lend itself to a more strategic approach to infrastructure provision and could lead to further demands on existing services and facilities, particularly in the short term before infrastructure projects are introduced. Noting that many of the existing infrastructure requirements to support existing communities are not yet finalised (M2 junction 5, additional secondary school and capacity issues on the A249) could be placed under further significant pressure with this option.
- 3.17 The pros of this option are:
- This approach enables the spread of development across all of the major urban centres, taking advantage of their existing facilities and services;
  - This should theoretically (over time) support local infrastructure investment that will increase capacity for existing communities.
- 3.18 The cons of this option are:
- It could lead to the further exacerbation of local infrastructure provision, particularly in the short term before development secures the infrastructure development required;
  - This approach would erode open, unspoilt countryside by 'development creep';
  - It would result in the dilution of the separation of settlements and undermine their individual identity;
  - Due to the distribution of new development under this option, it would be difficult to mitigate against traffic and air quality issues within the existing urban areas.
- 3.19 Overall, this is a deliverable option that could provide for the future development needs of the borough. However, this option presents limited opportunities to advantage the wider community through significant infrastructure investment and the introduction of more widely sustainable transport options and innovative placemaking.

**Option B - More even distribution of the additional Local Plan Review requirement across the borough's main urban centres and rural areas**

- 3.20 This option would see a more even distribution of the additional housing numbers across Sittingbourne and Faversham and the Isle of Sheppey and the rural areas. Windfalls would equate to 30% of the total need over the plan period. Of the remaining needs, the distribution would be as follows:
- Sheppey - 14%

- Sittingbourne – 21%
- Faversham – 24.5% and
- Rural areas – 10.5%

3.21 There are enough sites on Sheppey and in the rural areas to meet the numbers needed under this scenario and there is a reasonable range of sites. Faversham also has the quantum of sites to accommodate development and provide some choice around the sites that could be allocated without requiring the SE Faversham Duchy of Cornwall proposal, if the majority of sites all around Faversham come forward. The challenge for Sittingbourne remains the same as with option A. With 800 dwellings expected to come forward through regeneration of the town centre, sites to accommodate circa 1,275 would still need to be identified and could only be done so if sites remote from the settlement confines were included.

3.22 The pros of this option are:

- Some rebalancing of the distribution of development from that agreed through Bearing Fruits;
- Focusses a higher proportion of development within more viable/affluent areas that should in turn deliver a higher proportion of affordable housing;
- As there is more focus on the more viable, eastern part of the borough, this option would result in greater certainty over the delivery of housing and is more likely to secure a five year rolling supply of housing land;
- Spreads the majority of development across sustainable settlements which provide services and facilities and focusses on the strategic road network and would be easier to implement sustainable transport measures;
- Create opportunities to provide additional housing at rural settlements that already have a range of shops and services that would benefit from a modest increase in population to sustain and improve those facilities.

3.23 The cons of this option are:

- Similarities with options A, but places more pressure on Faversham and settlements in the east of the borough
- Given the more piecemeal approach to site selection implied by this option, would not provide the focus for significant opportunities to deliver strategic based infrastructure and service improvements that would do nothing to address infrastructure gaps for existing communities
- It would be necessary to tackle significant traffic issues along the A2 through Faversham and air quality at the Ospringe AQMA and other AQMA areas within the Borough
- It would result in the dilution of the separation of settlements and undermine the individual identity of local communities, particularly surrounding Faversham;

3.24 Overall, this option would spread development across the main settlements but could lack the focus of development to secure the sought after localised strategic infrastructure within the Faversham area e.g. handling transport and highway related improvements on a wider scale and providing for educational needs at primary level and at sub regional level secondary school provision.

**Option C - More even distribution of the final requirements (Bearing Fruits and Local Plan Review) across the main urban centres**

3.25 Similar to option B, this pattern of development would need to include the SE Faversham Duchy of Cornwall option as an urban extension of Faversham in order to deliver the borough's strategic objectives as the SHLAA sites on their own for Faversham would not provide the scale and typology of sites needed for this approach.

3.26 Again, windfalls would equate to 30% of the total need over the plan period. The remaining need would be met as follows:

- Sheppey – 14%
- Sittingbourne – 10.5%
- Faversham – 35%
- Rural areas – 10.5%

This option could meet the development needs of the borough and presents significant opportunities for infrastructure investment and for development that supports sustainable transport initiatives (modal shifts) although there are highway capacity issues at Brenley Corner that would still need to be addressed. KCC have identified a need for a new secondary school for Faversham and a specific site of approximately 10ha would need to be found, although not necessarily within the Borough.

3.27 The pros of this option are:

- Further rebalancing of the distribution of growth east/west in the borough;
- Focusses development in the more viable eastern half of the borough and in turn is more likely to deliver more affordable homes;
- Supports the range of sites needed to maintain a long term rolling 5 year supply of housing sites;
- Provides opportunities to look at the role of the A2 at Faversham and divert traffic to the M2 allowing greater integration of sites south of the A2;
- Provide the opportunity to secure other strategic based infrastructure improvements at the eastern part of the Borough e.g primary and secondary school provision;
- Enables greater emphasis towards sustainable village development by securing greater viability of shops and services, e.g. locations with existing services, existing employment sites etc.;

- Create opportunities to provide additional housing at rural settlements that already have a range of shops and services that would benefit from a modest increase in population to sustain and improve those facilities.
- New development could assist in enhancing the vitality and viability of Faversham town centre

This option would provide an opportunity to create integrated communities that would compliment the character and appearance of the historic town.

3.28 The cons of this option are:

- Capacity issues at Brenley Corner, junction 7 of the M2
- Extra development could put further pressure on A2 and the AQMA at Ospringe until mitigation was secured;
- Could limit development led infrastructure benefits in other parts of the Borough.

3.29 Overall, this is an approach that would deliver a wide range and mix of sites that would meet the development needs of the borough for the plan period and meet the need for smaller/medium sized sites to ensure delivery in the early years of the plan period. The pattern and scale of the development should provide a good range of opportunities to secure new infrastructure that would benefit new and existing communities as well as the opportunity to support smaller, rural communities. Whilst there are some concerns regarding capacity at Brenley Corner, this option also creates opportunities for implementing sustainable transport measures and supporting modal shifts away from the use of the private car and the need to travel in this way. Developments under this option would create opportunities to provide easily accessible and safe links into the town and rural service centres and to protect and enhance the role of Faversham town centre

**Option D - More of the overall local plan requirement at the eastern end of the borough**

3.30 This option seeks to deliver a more even distribution overall when considering the quantum of development required by both the adopted local plan, Bearing Fruits and the Local Plan Review. This approach would see a greater proportion of development in the eastern, more viable end of the borough in and around Faversham. Windfalls would again equate to 30% of the total need over the plan period with the remaining need distributed as follows:

- Sheppey – 7%
- Sittingbourne - 7%
- Faversham - 45.5%
- Rural areas 10.5%

Such an approach would consider several SHLAA sites around the periphery of Faversham as well as the strategic development site to the east. The level of

development would require significant infrastructure investment that would benefit new and existing communities in this part of the borough but there would be a considerable impact on the character and setting of this historic town and on the character of its rural hinterlands to the south and east in particular.

3.31 The pros of this option are:

- Further rebalancing of the distribution of growth east/west in the borough;
- Focusses development in the more viable eastern half of the borough and in turn is more likely to deliver more affordable homes;
- Supports the range of sites needed to maintain a rolling 5 year supply of housing sites
- provides certainty on the location of new development post 2038
- Provides opportunities to look at the role of the A2 at Faversham and divert traffic to the M2 allowing greater integration of sites south of the A2;
- Enables greater emphasis towards sustainable development by securing greater viability of shops and services, e.g. locations with existing services, existing employment sites etc.
- Would result in significant infrastructure investment that would benefit existing and new communities

3.32 The cons of this option are:

- Capacity issues at Brenley Corner, junction 7 of the M2
- New development could impact on the vitality and viability of Faversham town
- Extra development could put further pressure on A2 and the AQMA at Ospringe until mitigation was secured
- Significant impacts on the character and setting of Faversham town
- Significant impacts on the character of the countryside to the east and south of the town
- Could limit development led infrastructure benefits in other parts of the Borough.

**Option E - Focus on Strategic Development Sites (New Garden Communities) primarily located within existing rural areas**

3.33 This option was initially explored at the early stages of the local plan review. A prospectus was prepared and a call out for the submission of potential sites for consideration. The following sites are available for consideration:

- Bobbing
- Highstead Park
- East of Faversham/ Duchy
- North Street/ Gladmans

3.34 The detailed proposals and the pros and cons of each of the 4 sites has already been presented to Members and discussed at length. In terms of the percentage distribution, windfalls would again equate to 30% of the total need over the plan period, the remaining need distributed as a percentage as follows:

- Sheppey – 3%
- Sittingbourne – 5.5%
- Faversham - 5.5%
- Rural areas – 56%

There is an adequate supply of sites to comfortably accommodate this option bearing in mind that the Strategic Development Sites were also assessed in the SHLAA and would need to be included with this option (either one or more in combination with SHLAA sites). Members can refer back to the reports presented in October 2019

<https://services.swale.gov.uk/meetings/ieListDocuments.aspx?CId=216&MId=2195&Ver=4> for more details but by way of summary, the proposals are as follows;

- **Bobbing** – circa 3,000 homes (up to 40% affordable housing), 100 ha of open space, community facilities including primary school, health centre, local centre, village hall and sports pitches, employment floorspace (Inc. starter units), re-alignment of Sheppey Way and green infrastructure.
- **North Street, Sheldwich, Faversham** – circa 5,000 homes (a ‘strong emphasis’ on affordable housing). Employment provision, a High Street for retail/mixed use, primary and secondary school, community uses, allotments, community orchard, playing fields, open space and woodland. Re-alignment of the A251 through the site is indicated, together with improvements at J6 M2.
- **South East Faversham** - Circa 2,500 homes (aim for 40% affordable housing), up to 20,000 sq. m of commercial space. Community uses (local centres, health centre), education (primary schools and potentially a secondary school), sport and leisure (Inc. possible relocation of cricket club and football ground), network of green infrastructure. This proposal would be considered a Faversham development rather than a rural areas development given that it would act as an urban extension.
- **South East Sittingbourne** - circa 8,000 homes (20% affordable housing), new commercial space, Kent Science Park now within the red line, community uses, local retail space, medical facilities, education (3 x 3FE primary schools, secondary school, Inc. 6th form and further education provision), sport and leisure, green infrastructure and a new motorway junction and M2/A2 link road.

3.35 The amount of development that this option could deliver would comfortably meet the required needs and yield many significant benefits around the delivery of all types of infrastructure and opportunity to create highly sustainable communities that meet the local plan review objectives. However, sites of this scale have a long lead in time before homes are delivered meaning that this approach will have implications for housing delivery during the early years of the local plan review. Additional, small/medium sized sites would also need to be allocated to



- support housing delivery in the early years of the plan period. Members will be aware there are significant risks to the Council if it cannot demonstrate a 5 year housing land supply, namely that the borough is more vulnerable to 'ad hoc' development and 'planning by appeal'. These risks are exacerbated by following this approach as it is, in essence, 'placing all the eggs in one basket' even if more than one new settlement option was taken forward. This approach leaves no flexibility or resilience in the event that issues arise that affect timely delivery of the site. It would, however, potentially support development opportunities further beyond the Local Plan Review period.
- 3.36 Given market conditions, it is likely that at best only two strategic sites could be delivered, one in the east and one in the west of the Borough should the Council consider this an appropriate approach to meeting development needs.
- 3.37 The pros of this option are:
- these are ultimately self sustaining developments that provide their own infrastructure and therefore do not add additional pressure elsewhere;
  - due to economies of scale, they provide greater certainty regarding the provision of infrastructure;
  - provides possibilities for sustainable transport focussing on walking, cycling, public transport and reducing the need to travel by car within their sites.
  - Ability to comprehensively masterplan the whole of the site
- 3.38 The cons are:
- Very little resilience or flexibility should there be issues with the delivery of the site(s) in question;
  - Sites of this scale would not deliver much in the way of housing numbers during the early years of the plan meaning that other small/medium sized sites would still need to be allocated to secure a rolling 5 year housing land supply;
  - This option only allows for infrastructure provision within a localised area that would not benefit existing communities across the wider Borough.
  - Due to the scale of the development, there would be significant adverse impacts on the character and appearance of the localised countryside area and the ability to maintain the separate identities of local smaller settlements.
  - The risk that sites would still not be large enough to be truly self-sustaining in terms of job creation, and be likely to develop into large dormitory-type developments
- 3.39 Overall, this option would only be an appropriate development strategy if one or two of the sites came forward during the plan period and was married with a deliverable selection of small/medium sites that would come forward during the early years of the local plan to secure a rolling 5 year supply of housing land.

#### **Summary of the options and key considerations**

- 3.40 The five main options have been outlined above along with the pros and cons of each. They have been formed on the basis that they can achieve the local plan objectives. Every local plan must be informed and accompanied by a

Sustainability Appraisal (SA). SA plays a key role throughout the plan making process and an important part in demonstrating that the local plan reflects sustainability objectives as far as possible and has considered reasonable alternatives. The Council's Sustainability Appraisal objectives are identified in the Scoping Report (December 2018) and guided the formation of the local plan vision and objectives set out above. The final SA will be published alongside the Reg 19 documents and is also consulted on.

- 3.41 In sustainability terms, the Council is not specifically required to select the 'most sustainable' option but must be able to explain how and why the option that has been selected best meets the needs of the borough.
- 3.42 In determining which option to support, it is important to consider the points below because the Inspector at the Examination will need to be satisfied that the local plan review fully addresses these.
- If the development strategy can deliver the development needs of the borough over the plan period (to 2038) as a minimum
  - If the strategy is appropriate and takes into account the reasonable alternatives and is guided by evidence
  - If the development needs are deliverable over the plan period and that cross-boundary strategic matters have been addressed with our neighbouring authorities
  - If it is consistent with national policy
- 3.43 Sitting below those high-level requirements, Member are invited to consider the contribution each of the options make to delivering the local plan review objectives and if their preferred strategy represents a proportionate policy response to meet the assessed needs, would adequately address infrastructure needs and has the least impact on environment/amenity and heritage assets.

#### **Allocations for other land uses**

- 3.44 As well as the need for new housing, the local plan review must identify enough land to accommodate:
- 41ha of B2/B8 (manufacturing/warehouse and distribution) land; and
  - 15ha of B1
- 3.45 The distribution and allocation of employment sites will be a matter for discussion for this Panel at a later date. The approach Members wish to take with depend on various factors, including the broad distribution of housing development.
- 3.46 Similarly, other uses such as retail, leisure, education and health facilities, community centres and open space will be discussed at a later meeting of this Panel. The location and amount of other uses will largely depend on the pattern and scale of housing development as determined by this steer.

## 4 Alternative Options

- 4.1 This report sets out a range of development growth options upon which to potentially progress the drafting of the Local Plan Review. Other more extreme development growth strategies could be pursued such as directing all growth to one area or spreading growth across the Borough often in what would be considered in unsustainable locations. Neither of these strategies are likely to demonstrate sustainable development or meet the corporate objectives of the Council and therefore, would not recommend such approaches.
- 4.2 The local plan review cannot progress without a Member steer on a development strategy. Remaining evidence cannot be completed without an identified preferred option from Members and policies cannot be prepared without this information. Members could choose not to provide a steer but this would cause significant delays to the process and is therefore not a realistic option.

## 5 Consultation Undertaken or Proposed

- 5.1 The preparation of the Local Plan review will need to conform with government regulations and the Council's agreed Statement of Community Involvement (SCI). This stage of preparation has followed an initial 'Issues and Options' consultation (Regulation 18) and builds on the responses received at that stage. Once the Council agrees to a draft of the Local Plan Review, the document will be subject to full public consultation (Regulation 19) and the representations made will form the basis upon which examination of the Local Plan review will be undertaken by an independent Inspector appointed by the Secretary of state.

## 6 Implications

Issue	Implications
Corporate Plan	Priority 1: Building the right homes in the right places and supporting quality jobs for all
Financial, Resource and Property	The costs and resources for progressing the Local Plan have been identified within the Councils budgets.
Legal, Statutory and Procurement	The Local Plan review is being prepared in accordance with Government regulations and the Council's constitution.
Crime and Disorder	None identified at this stage.
Environment and Climate/Ecological Emergency	The Local Plan review will develop policies relating to the environment and climate change taking into account progress on the Climate Change Action plan.
Health and Wellbeing	Health and well being is a golden thread running through the production of the Local Plan.
Risk Management and Health and Safety	None identified at this stage.

Equality and Diversity	Local plan preparation will require a full community impact assessment.
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: local plan evidence table
- Appendix ii: Table showing % distribution of growth

## **8 Background Papers**

None

**Appendix i: Local Plan Review completed evidence**

<b>Evidence (completed)</b>	<b>Purpose of evidence</b>	<b>Key findings</b>	<b>Implications for a Development Strategy</b>
Employment Land Review (ELR)	To identify the amount of additional employment land needed during the local plan review period	41ha of additional B2/B8 15ha of additional B1	No specific implications for the development strategy as location of new employment land would be met through policy and specific allocations that consider existing employment sites.
GTAA	To identify the requirement for additional pitches for those who meet the definition of 'Traveller' in government policy. To identify the requirement for additional Travelling Show Person plots.	51 additional pitches for Travellers and 1 additional Travelling Show Person plot.	No specific implications for the development strategy as these needs would be met through policy and/or specific allocations regardless of the preferred option.
Local Landscape Designation Review	To recommend Areas of High Landscape Value across the borough	10 Areas of High Landscape Value recommended	Identifies areas of the borough with high landscape value. Development in these areas will have a greater impact on landscape character than other parts of the borough not covered by this or national level designations.
Landscape Sensitivity Study	Assessment of the landscape implications of possible extensions to the borough's urban centre and their sensitivity to change from development.	Identifies the sites on the periphery of urban centres where harm to the landscape character is most significant. Harm would be most significant to the south east of Sittingbourne, to the south of Sheerness, Minster and Halfway and to the west and north of Faversham	This evidence supports a strategy that would see development allocated to the east and south of Faversham's settlement confines and to the west and east of Sittingbourne.
Strategic Housing Land Availability Assessment (SHLAA)	To identify land that is suitable, achievable and deliverable to meet the development needs	There are enough sites to meet the development needs of the	The range and availability of sites is generally sufficient to support any of the five options although some sites that are

Evidence (completed)	Purpose of evidence	Key findings	Implications for a Development Strategy
	of the Borough for the local plan review period.	borough for the local plan review period.	not 'suitable and deliverable' may need to be considered. This will only be appropriate where constraints can be mitigated against and can be justified and explained through the site selection process.
Local Housing Needs Assessment (standard method)	To identify the borough's housing need using the government's mandatory 'standard method' calculation	Local plan review housing number is not 'fixed' until the plan is submitted. For this reason, a range was prepared based on different scenarios. The number is 1,038 per annum but this will need to be updated prior to submission of the local plan review.	Any development strategy must be able to deliver, as a minimum, approximately 10,374 dwellings.
Strategic Housing Market Assessment (SHMA)	To identify the housing need for the Borough in terms of size, mix, tenure and needs of specific groups e.g. elderly within the overall need figure.	The tenure split is 72.8% market housing, 18% affordable rent; 4.3% shared ownership; 4.9% help to buy/starter homes. Size profile: greatest demand in market housing is for 3 bed properties, for HtB/Starter Homes the demand is reasonably level with 3 bed and 2 bed properties, then 4+ beds. Affordable rent demand is highest for 3 bed properties, then 1 bed, 4+ be and then 2 bed properties. Specialist dwellings for older persons need is for 516 additional units of sheltered housing required.	No specific implications for the development strategy as these needs would be met through policy and/or specific allocations regardless of the preferred option.

Evidence (completed)	Purpose of evidence	Key findings	Implications for a Development Strategy
		An additional 305 registered care spaces (nursing and residential care) will be needed.	
Strategic Flood Risk Assessment (SFRA)	To assess flood risk within the borough from all sources now and into the future as well as assessing the impact that cumulative land use changes and development will have on flood risk	Assessment and mapping of all sources of flooding across the borough, including the impact of climate change	The options have been prepared with this information in mind, in that land at risk of flooding is avoided <i>unless</i> there are over-riding benefits for sustainability and any risks can be mitigated. This information will be considered in further detail at the site selection stage.
Retail & Leisure Needs Assessment	To identify the future retail and leisure needs of the Borough in terms of floorspace and facilities. Also assessed the retail hierarchy and reviewed the vitality and viability of both the town and local centres in the Borough.	Sittingbourne: 1,900 sq. m. of convenience goods floorspace; between 12,300 and 22,600 sq. m. comparison goods floorspace. Faversham: 2,700 – 4,700 sq. m. comparison goods floorspace only. Sheerness: 1,200 sq. m convenience floorspace and between 4,500 and 7,900 sq. m. of comparison goods floorspace. Between 7 and 9 new gyms across the Borough.	No specific implications for the development strategy as these needs would be met through policy and/or specific allocations regardless of the preferred option.
Transport modelling	To assess the capacity of the road network and potential mitigation measures against different development scenarios.	No show stoppers long term but significant mitigation required along with sustainable transport measures (modal shift) to deliver the required development needs.	M2 junction 7 capacity constraints are likely to hinder short term delivery in the east of the borough during the early years of the local plan review regardless of preferred option
Assessment of New Settlements submission sites (Strategic Development Option sites)	To assess the risks, opportunities and uncertainties associates with the four submitted garden communities in Swale. The assessments	Each of the four settlements could deliver some of the borough's development needs as part of the strategic options although the site at North Street,	No specific implications for the development strategy although one or more of these Strategic proposals would assist with the delivery of the borough's development needs and help to meet the

Evidence (completed)	Purpose of evidence	Key findings	Implications for a Development Strategy
	looked at various issues including infrastructure needs, affordable housing provision, viability and landscape impacts.	Sheldwich would have a significant impact on the setting of the AONB.	local plan review objectives, delivering significant infrastructure investment.
Open Space Assessment Study	To assess the quantum of open space in the Borough and to identify the OS needs for the local plan review plan period.	Additional open space should be sought in line with local standards that are derived from the Council's Open Space Strategy	No specific implications for the development strategy as these needs would be met through policy and/or specific allocations regardless of the preferred option.



**Appendix ii: Table showing indicative distribution of dwellings against Development Growth Option**

	Bearing Fruits (14,124 dwellings*)					Local Plan Review (10,000)					COMBINED (24,124 dwellings)				
	SH	SIT	FAV	RA	Windfalls	SH	SIT	FAV	RA	Windfalls^	SH	SIT	FAV	RA	Windfalls
<b>Option A</b>	25.0%	40.0%	15.75%	10.75%	8.6%	17.5%	30.5%	12.5%	8.5%	30%	22.5%	36.0%	14.2%	9.7%	17.5%
<b>Option B</b>						14.0%	21.0%	24.5%	10.5%	30%	20.5%	32.0%	19.5%	10.5%	17.5%
<b>Option C</b>						14.0%	10.5%	35.0%	10.5%	30%	20.5%	27.75%	23.75%	10.5%	17.5%
<b>Option D</b>						7.0%	7.0%	45.5%	10.5%	30%	17.5%	26.5%	28.0%	10.5%	17.5%
<b>Option E</b>						3.0%	5.5%	5.5%	56.0%	30%	16.0%	25.5%	11.5%	29.5%	17.5%

\*Total minimum number of dwellings allocated, see Bearing Fruits Policy ST4

^Based on annual windfall delivery from 2014, averaging circa 250 dwellings per year last 12 years of Local Plan Review plan period (i.e.2026 to 2038)

**NB Percentage split of total distribution may not add up to 100% due to rounding**

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