

# Public Document Pack



Date: 21 July 2014  
Our ref: Cabinet/Agenda  
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## CABINET

**31 JULY 2014**

A meeting of the Cabinet will be held at **7.00 pm on Thursday, 31 July 2014** in the Council Chamber, Council Offices, Cecil Street, Margate, Kent.

### Membership:

Councillor Johnston (Chairman); Councillors: Nicholson, Everitt, D Green, E Green and Harrison

## A G E N D A

Item  
No

Subject

1. **APOLOGIES FOR ABSENCE**

2. **DECLARATIONS OF INTEREST**

To receive any declarations of interest. Members are advised to consider the advice contained within the Declaration of Interest form attached at the back of this agenda. If a Member declares an interest, they should complete that form and hand it to the officer clerking the meeting and then take the prescribed course of action.

3. **MINUTES OF PREVIOUS MEETING** (Pages 1 - 4)

To approve the summary of recommendations and decisions of the Cabinet meeting held on 19 June 2014, copy attached.

4. **MANSTON INTERNATIONAL AIRPORT - PETITION; MOTION; AND EVALUATION AND VALIDATION REPORT**

Report to follow

5. **NOTICE OF MOTION NO. 2 - DESIGNATION OF CONSERVATION AREA, CLIFTONVILLE**

Report to follow

6. **GREAT BRITISH SEASIDE FESTIVAL** (Pages 5 - 8)

7. **PETITION TO COUNCIL - MARGATE HARBOUR** (Pages 9 - 20)

8. **RAMSGATE MARITIME PLAN** (Pages 21 - 46)

Would Members Please Note that a limited number of colour copies of the Ramsgate Maritime Plan will be circulated at the meeting

9. **CORPORATE RISK REGISTER** (Pages 47 - 110)

Item  
No

Subject

10. **ANNUAL TREASURY MANAGEMENT REVIEW 2013/14** (Pages 111 - 126)
11. **BUDGET OUTTURN**  
Report to follow
12. **BUDGET MONITORING** (Pages 127 - 138)
13. **CREDIT METHODOLOGY CHANGES** (Pages 139 - 142)
14. **THANET MARKETS: MARGATE WEEKLY GENERAL MARKET** (Pages 143 - 160)
15. **FINANCING A NEW HOUSING MANAGEMENT IT SYSTEM FOR EAST KENT HOUSING** (Pages 161 - 172)
16. **DREAMLAND PHASE 2 PROCESS** (Pages 173 - 188)

**Declaration of Interests Form**

**CABINET**

**Minutes of the meeting held on 19 June 2014 at 7.00 pm in Council Chamber,  
Council Offices, Cecil Street, Margate, Kent.**

**Present:** Councillor Johnston (Chairman); Councillors Nicholson,  
Everitt, D Green and Harrison

**In Attendance:** Councillors Bayford, Bruce, Edwards, C Hart, King,  
Matterface, D Saunders, M Saunders, Wells and Wiltshire

**166. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor E. Green.

**167. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**168. MINUTES OF PREVIOUS MEETING**

The minutes of the previous meeting were agreed and signed by the chairman.

**169. ASSET MANAGEMENT - DISPOSAL OF ASSETS**

Cabinet considered the asset disposal of surplus property and land. Cabinet Members were also requested to give direction regarding progressing the application for a licence of land by a children's nursery and the granting of a lease at less than the best consideration.

The following Members spoke under Council Procedure Rule 24.1:

Councillor C. Hart;  
Councillor Matterface;  
Councillor Wiltshire;  
Councillor Bayford.

Councillor Everitt proposed, Councillor Nicholson seconded and Cabinet agreed:

1. That the sites contained in Annex 1 were surplus and be progressed through the disposal framework for freehold sale;
2. To re-confirm the decision to dispose of sites in Annex 2 of the Cabinet report; so they can be progressed through the disposal framework for a freehold sale;

3. To officers progressing negotiations for the letting of the Margate Caves site at a peppercorn rental in accordance with option 3.1.3 of the Cabinet report;
4. That in principle; a licence be issued for the use of plot 3 in Annex 4, on page 25 of the report for forest school purposes and instructs officers to proceed on that basis and in accordance with s123 (2A) of the Local Government Act 1972.

**170. ADOPTION OF THE HOUSING REGENERATION ENFORCEMENT POLICY AND GUIDANCE DOCUMENT**

Members noted that as a Local Housing Authority, the Council had a statutory duty to ensure that all private sector homes in the Thanet area are maintained in a safe condition. For fairness and transparency, it was important that the Council was open about how it conducted itself by publishing an enforcement policy with associated guidance. Cabinet acknowledged that most landlords maintained properties in good working order. However Cabinet was determined to tackle the problem of poor housing that was provided by some landlords in a few of the cases.

Cabinet also observed that the Council's existing Private Sector Housing Enforcement Policy, which was last updated in 2009, was now largely out-of-date and therefore required refreshing and that since 2010, the Housing Regeneration Team has endeavoured to innovate, make efficiencies, and improve the overall service to customers. Members said that there had been some informal consultation with the Overview & Scrutiny Panel before the proposals were brought before Cabinet.

Councillor Wiltshire spoke under Council procedure 24.1.

Councillor Nicholson proposed, Councillor D. Green seconded and Cabinet adopted the new Enforcement Policy and Guidance document for Housing Regeneration, subject to the incorporation of a Foreword by Councillor Nicholson as the Cabinet Portfolio Holder for Housing and Planning Services.

**171. NOTICE OF MOTION NO. 2 - DESIGNATION OF CONSERVATION AREA, CLIFTONVILLE**

Members considered the notice of motion that was referred to Cabinet by Council. They noted that residents were concerned about the preservation of what was good and distinct about Cliftonville's architecture and the designation of a conservation area for Cliftonville would ensure that preservation. Cabinet said that it would be important to approach the issue in a more focused and contained way.

Councillor C. Hart and Councillor Bruce spoke under Council Procedure Rule 24.1.

Councillor D. Green proposed, Councillor Nicholson seconded and Cabinet agreed option 3.1 that included the timetable set out at 2.2 of the report, whose highlights were as follows:

- a) A report is taken to Cabinet on 31<sup>st</sup> July 2014 seeking guidance on which defined area should be proposed for designation and seeking leave to go out to consultation. The report will also summarise the findings of the recent Academy of Urbanism Diagnostic visit;
- b) After public consultation, the matter is brought back to Cabinet on 13<sup>th</sup> November 2014 setting out the results of the public consultation and seeking a recommendation to Council;
- c) The matter is taken to Council on 18<sup>th</sup> November 2014 for decision as to whether to designate an area of conservation.

**172. REPRESENTATION ON EXECUTIVE APPOINTED OUTSIDE BODIES FOR 2014/15**

As part of the updates of Council representatives on Executive Appointed Outside Bodies; the Leader brought before Cabinet a list of such Bodies as agreed by Annual Council and sought Cabinet consent to nominations of Members to sit on these Bodies that were highlighted in Annex 1 to the report.

Councillor Johnston proposed, Councillor Nicholson seconded and Members agreed the list of nominations to the Executive-related outside bodies as shown in Annex 1 of the Cabinet report.

Meeting concluded: 7.30 pm

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## GREAT BRITISH SEASIDE FESTIVAL

To: **Cabinet – 31 July 2014**

Main Portfolio Area: **Community Services**

By: **Penny Button, Head of Safer Neighbourhoods**

Classification: **Unrestricted**

Ward: **Thanet Wide**

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**Summary: Request for monies to support a Thanet Wide Great British Seaside Festival.**

### **For Decision**

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#### **1.0 Introduction and Background**

- 1.1 A request has been made by Ramsgate Maritime Museum for funding for a Thanet Wide Great British Seaside Festival to be held over 2014/15.

Whilst pots of event funding are allocated to Ramsgate, Broadstairs, Margate and the Villages for distribution to event organisers who complete the application process there is no established route for event organisers to access funding for large events which take place across the island.

#### **2.0 The Current Situation**

- 2.1 Ramsgate Maritime Museum are proposing to put an event on in Ramsgate over the August Bank Holiday weekend, The Great British Seaside Festival, which will be the umbrella for a series of events taking place across Thanet in 2014/15.

The Ramsgate event will be a three day celebration of maritime, arts, music and food in Ramsgate Harbour in conjunction with Summer Squall. The Festival aims to promote Ramsgate as a tourist destination, offer opportunities to local businesses, raise awareness of the Ramsgate Maritime Museum and offer the residents and community of Ramsgate a 3 day celebratory event.

The event will include:

- Free entry to the Maritime Museum
- Displays of future development plans for the music including public feedback
- Children's craft workshops
- Drop in Sessions
- Guided history tours of the museum
- Costumed walks by Ramsgate Society.
- Traditional fairground rides
- Food and produce stalls
- Museum tearoom
- Historic ships open for visits/tours.
- Cervia and Sundowner open for educational tours

- Live Music from Coco and the Butterfields plus special guests.
- Street Theatre.

The other two weekends of the Great British Seaside Festival would take place in Margate and Broadstairs over Easter 2015 holiday. The aims of these events would be to hold fun and engaging events which celebrate the seaside and Thanet as a destination over the weekends and school holidays and to offer opportunities for local businesses.

The final programme is still to be agreed but would include:

- Live music performances and interactive workshops
- Storytelling/creative writing sessions about the great things across Thanet
- Oral history project with older generations about their memories of Thanet
- Commission and performance of a dance stage with interpretative performances around the theme of 'sea;
- Traditional fairground.

There is also consideration to create projects that will have a legacy for Thanet including creating a podcast trail of Thanet – narrated walks of where to explore and what to see, create three 'hidden Thanet' trails in each town.

The organisers have requested £5000 for the Ramsgate event and £5000 for the Broadstairs and Margate Event with other income from stall hire, other funding and concessions estimated to be £13000.

### **3.0 Options**

- 3.1 Reject the proposal to hold such an event. This would mean the event would not go ahead at all.
- 3.2 Provide the full funding request of £10000 now. Due to the large time scale between now and Easter 2015 there is a risk the event may not go ahead.
- 3.3 Provide part funding for Ramsgate event now and the rest of the funding in early 2015.
- 3.4 Agree an alternative amount of funding money.

### **4.0 Corporate Implications**

#### **4.1 Financial and VAT**

- 4.1.1 The proposed event would look to receive £10000 from Thanet District Council in total during this financial year. It is proposed that this funding comes from the New Homes Bonus as there is no longer a budget held for a Thanet wide event and the event funding for the towns has already been allocated to projects.

#### **4.2 Legal**

##### 4.2.1

#### **4.3 Corporate**

- 4.3.1 There is a risk that funding events in this way could be seen as unfair by other event organisers who have applied to the relevant Town Council or TDC for event funding.



## 5.0 Recommendation

- 5.1 That the option laid out in 3.3 of the report is agreed, that is that funding for the event is agreed to be paid in two stages, £5000 now and £5000 when the events for Margate and Broadstairs are formulated and agreed later in the year.

## 6.0 Decision Making Process

- 6.1 This is a budget non-key decision subject to call in / not subject to call in

Contact Officer:	Penny Button, Head of Safer Neighbourhoods
Reporting to:	Madeline Homer, Community Services Director

## Corporate Consultation Undertaken

Finance	
Legal	

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## PETITION TO COUNCIL – MARGATE HARBOUR

To: **Cabinet – 31<sup>st</sup> July 2014**

Main Portfolio Area: **Operational Services**

By: **Mike Humber – Technical Services Manager**

Classification: **Unrestricted**

Ward: **Margate Central**

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**Summary:** This report discusses the proposals put forward by a petition and letter received in March 2014 concerning seaweed and sediment in the Margate Harbour area. The report discusses the disused harbour sluice and provides a summary of local coastal processes including the interaction with local maritime structures. The report also proposes the adoption of a recommendation that does not involve the re-opening of the closed sluice.

### **For Decision**

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#### **1.0 Introduction and Background**

- 1.1 On 24<sup>th</sup> April a petition was reported to Council containing 207 signatures and was focused upon sediment volumes and the potential nuisance caused by the odour from seaweed which settles in Margate Harbour. Due to its length a copy of the wording of the petition is attached to report as Annex 2.
- 1.2 The petition suggests that an easy solution to the sediment, seaweed, odour and associated nuisance is to reopen the sluice which passes through the stone pier. This report focuses upon the subject of seaweed and the sluice and the potential for its reopening.
- 1.3 The report also provides an overview of considerations relating to sediment volumes at Margate which are a fundamental factor in beach shape and the deposition of seaweed. The report draws on previous research undertaken in 2011 by Technical Services on this subject, as a result of works funded by the Environment Agency.

#### **2.0 The Current Situation**

- 2.1 Detached seaweed carried by tidal currents along the Thanet coastline is regularly deposited in the sheltered waters of Margate Harbour. As the tide ebbs the seaweed becomes stranded and decomposes over time. The smell of this decomposition is considered to cause a nuisance around the Harbour and often in the wider Old Town area. Year on year variations in weather affect the amount of seaweed that collects in the harbour, and the rate of decomposition. The disturbance of the sediment in the Harbour by mechanical plant is thought to exacerbate the smell issue due to the presence of degraded organic matter in the sediment itself. Some sampling work was carried out by the Environment Agency in December 2011 to analyse the sediment at various depths. The results of this work confirmed that organic matter is entrained in the sediment below

the surface. The anaerobic decomposition of this material is very likely to contribute to the odour associated with the seaweed at Margate.

- 2.2 Where accumulated seaweed on Thanet's shoreline is deemed to cause a nuisance it is mechanically removed and taken to farms just outside the Thanet area for agricultural purposes under licence by the Environment Agency. The maximum consented volume for this operation is 2762 tonnes per annum across Thanet. The seaweed must meet particular standards before it can be deposited under this licence. The seaweed which collects in Margate is often contaminated with sand and other material and therefore fails to meet this standard.
- 2.3 In 2011 Technical Services undertook study work as part of the Margate Flood and Coast Protection Scheme to investigate sediment behaviour in the bay at Margate and to look for practical solutions to the seaweed problem. A primary part of this work involved the evaluation of the effectiveness of reopening the sluice through the Stone Pier. Other options investigated included reducing the sediment level in the Harbour area so as to shorten the tidal window when the area dries and therefore reduce the length of time per tide that an odour is released.

### **3.0 Margate Bay and Harbour – Summary of Local Coastal Processes**

- 3.1 Margate has for several centuries had some sort of pier or jetty to the east of the bay and at least two previous structures have historically succumbed to storms. In 1815 the existing Stone Pier was completed.
- 3.2 A small stone landing jetty which remains today was constructed in the mid 1800's to the west of the bay on the chalk reef (Nayland Rock). This jetty was constructed by the then Margate Harbour Company to act as a groyne to encourage sand to settle on the beach in the main bay which at that time consisted only of a small amount of stone and shingle. Throughout the 1800's the beach at Margate was fully submerged twice a day at high tide with deep water against the sea wall at Marine Terrace. In recent years the last time the tide even reached this sea wall was during the significant storm surge event on 5<sup>th</sup> December 2013.
- 3.3 The Stone Pier located at the east of the bay was designed as a safe haven for vessels but also acts as a groyne structure. The Stone Pier has a pronounced effect on coastal processes and significantly increases the capacity of the bay to trap and hold sand away from the natural sediment transport process. To the west of the bay the landing jetty also increases the capacity of the reef at Nayland Rock to stop more of the sand escaping westwards to Westbrook Bay.
- 3.4 In the 1930's Marine Tidal Pool was built on the Nayland Rock just to the north of the small landing jetty. This significant structure also acts as a groyne and significantly increases the capacity of the bay to hold sand.
- 3.5 Today the tidal pool along with the adjacent landing jetty and the Stone Pier across the bay all play a part in controlling sediment levels at Margate. Data has been collected on beach levels for more than 20 years in Thanet and this suggests that the beach volume at Margate has now reached a state of equilibrium after a long period of steady accretion due mainly to the existence of these man-made structures. It should be noted that the volume of sediment in the bay influences the position of the high water mark and therefore has a direct impact on Margate's flood defence provision. Indeed it is because of the level of the beach that the recent flood defence scheme did not need to extend further westwards onto Marine Terrace. Whilst the silting of the harbour may be considered to have a negative impact on navigation due to the accretion of material, the process has also produced a large positive attribute in the form of the wide sandy beach with its associated amenity value.

- 3.6 Sediment and sand at Margate could be reduced through major dredging activities subject to licence approval. This could reduce the odour issue by shortening the tidal window when the harbour dries out. However depending upon the scale of operations dredging could be an extremely expensive option which would require regular maintenance due to the continued influence of natural coastal processes. A larger and therefore more effective dredging operation could also compromise the amenity value of the beach and flood defence provision on Marine Terrace.

#### **4.0 The History of the Sluice in the Stone Pier**

- 4.1 Approximately 50m from the start of the Stone Pier there is a culvert (the sluice) constructed through the pier. The history of the sluice is not completely clear but it is thought that it was installed in the early 1800's not long after the stone pier was completed. This may indicate that sand accretion within the harbour was an issue from fairly early on in the Stone Pier's history.
- 4.2 It is likely that the sluice was installed with the intention of allowing the escape of silt from the harbour area. At low tide it was also used as a route to the foreshore outside the harbour for horse drawn carts loaded with sand from within the harbour area.
- 4.3 Conflicting information exists on when and why the sluice was blocked and the Council holds no records on this. The sluice may have been sealed as early as 1838 because it was found to be ineffective at reducing silt levels and was also the cause of unacceptably turbulent conditions in the harbour at high tide. However some anecdotal evidence suggests that it was blocked up in the last 40-50 years as a result of a serious accident involving a member of the public.
- 4.4 From inspection of the existing plug that blocks the sluice it can be seen that the material used (Portland stone) is almost identical to that used in the construction of the pier, (it is thought unlikely that Portland Stone would have been specified for this in the 1960's or 70's). There is however a smaller bricked section in the centre of the stone plug. This may therefore suggest that the sluice was sealed in the 1800's and then partially reopened in the 20<sup>th</sup> century for some time before being sealed once more. Such a scenario would fit well with the evidence that can be seen on site.
- 4.5 Photographs of the area and sluice are included in Annex 1.

#### **5.0 The Effectiveness of Reopening the Stone Pier Sluice – Discussion**

- 5.1 In order for the sluice to have any impact on sediment levels within the harbour, it would be necessary to generate a flow of water through this opening in the Stone Pier. The study work in 2011 looked in detail at the mechanisms which might cause sediment to leave the Harbour area through the sluice. These are summarised below:
- 5.1.1 **Bedload Transport** - This mechanism would require the sluice to generate a velocity sufficient to mobilise the sediment. A difference in hydraulic head of around 0.05m would be required for this. Whilst this does not appear to be a particularly significant difference in water level, when it is considered that this has to be achieved within a relatively short distance, i.e. between one side of the Stone Pier and the other it represents a hydraulic gradient of around 1 in 300. Such a gradient would require forcing factors such as waves or tidal flows, which can result in a 'set-up' of water levels. The required conditions for either of these external factors to cause sufficient set up do not exist in this location and the sediment will therefore not be removed as a result of this mechanism.
- 5.1.2 **Suspended Sediment Transport** - The transport of sediment suspended in the water column takes place at times when sufficient wave energy is present to agitate the seabed to an extent that the sediment is held in suspension. It is this process that causes the accretion of material in the harbour because the protected nature of this area means that there is no longer sufficient wave agitation of the seabed and thus the sediment falls out of suspension. The degree of agitation and tidal flow required to lift sediments into

suspension and then to transport them out of the harbour would require conditions that do not exist within the harbour. When the harbour was full of boats with hundreds of vessel movements during each tide this may have provided one of the mechanisms required (the agitation). However the negligible tidal flows in this area would have produced little flow of any potentially suspended material through the sluice.

- 5.1.3 **Localised Scour** – The likelihood of bed level lowering resulting from the local redistribution of material either side of the sluice was also explored. Bed levels are higher within the harbour than in the area immediately west of the Stone Pier. The distance between the inner and outer entrance to the sluice is around 15m and based on the vertical change in bed levels between these two points, it is possible to determine that the gradient of the seabed within the sluice would be around 1 in 15 (7%). This gradient is shallower than the natural angle of repose of this material and as such without any agitation of the surface, a flow of sand will not occur. However, the area immediately outside of the harbour is subject to focussed wave energy. In a similar fashion to normal alongshore processes, scouring of the sediments within the sluice could occur as the wave runs back out of the sluice. Whilst there will not be any significant net flow of water in either direction within the sluice, the fact that there is a physical gradient of the sand between the inner and outer ends of the sluice suggests that the mobilised sediment will migrate down the slope. Consequently, all of the time that there is a difference in the level of sand between the inside of the harbour and the beach on the outside, this mechanism has the potential to transport sediment from the inside of the harbour, through the sluice and onto the beach to the east of the Stone Pier.
- 5.2 The above suggests that the mechanism of localised scour may reduce sediment levels in the harbour via the sluice. It is likely that the re-opening of the sluice will result in a local lowering of bed levels in the immediate vicinity of the sluice opening within the harbour. However the volume of material moved will not be significant and the influence on seaweed in the harbour is likely to be very limited.
- 5.3 There are other issues to consider before reopening the sluice. Immediately outside the Stone Pier the foreshore is designated as a Special Area of Conservation, this designation refers to the internationally important chalk reef. The Habitat Regulations would require the re-opening of the sluice to be subject to the assent of Natural England as there is potential for an alteration to local coastal processes. The Stone Pier is grade 2 listed so the work would also require listed building consent. A marine licence from the Marine Management Organisation would also be required to undertake such works on the tidal foreshore.
- 5.4 An open sluice would represent a significant H&S risk to beach users. This risk could be mitigated by fitting steel grills on either end, the bars of the grills would need to be close enough together to stop unauthorised entry and robust enough to resist damage by floating objects, vessels etc. The grills would likely require regular cleaning to remove flotsam and weed and frequent inspection due to the high risks associated with the sluice. A method of closing the sluice during rough weather would be required. This would most likely be a hydraulic gate system on the external face of the Stone Pier. Without such a facility it might be possible for structural damage to the sluice and Stone Pier to occur and for unacceptably rough conditions to be experienced within the harbour area. An annual servicing budget would therefore be required to maintain the open sluice.

## **6.0 Options**

### **6.1 Option 1 Continue with current management practice.**

- 6.1.1 That Cabinet agree that the proposal made by the petition to reopening the sluice is rejected. This being on the grounds that study work undertaken does not adequately support the suggestion that opening the sluice would mobilise and reduce the impact of deposited seaweed. Furthermore it is likely that the source of the odour is not just

seaweed but also the anaerobic digestion of organic material in the harbour sediment itself.

- 6.1.2 This is the second summer season following the receipt of a licence by TDC to remove seaweed to farms in East Kent. This is a big step forward in controlling seaweed quantities as it reduces cost and increases opportunity for frequent removal. Deposited seaweed levels are monitored and removed periodically by in-house staff. This is a cost effective solution but tidal, weather and environmental restrictions can limit the timing of removal along with the need to work outside peak hours to avoid beach users. This year permission has also been granted by the Environment Agency for a trial operation involving the mechanical skimming of the seaweed in the harbour and its deposition outside the harbour wall. This is not in itself new but the focus of the trial will be to carry out this movement of seaweed on spring tides or during periods of strong offshore winds when the current/conditions are most likely to mobilise and dissipate the seaweed away from the bay.

## **6.2 Option 2 Re-open Sluice on trial basis**

- 6.2.1 That Cabinet recommend to Council that the sluice is reopened on a temporary basis for a trial period. This could be for a period of one year, during which time beach levels and other coastal processes in and around the harbour would be monitored, along with the structural integrity of the sluice. The information gained over this period would then enable a much better informed decision to be made as to the long-term operation of the sluice. The temporary opening would require a marine licence, the installation of metal grills and the assent of Natural England, as well as listed building consent.
- 6.2.2 From the evidence on site it is likely that the sluice has already been reopened at least once in the history of the Stone Pier. The complex interaction of hydrodynamic and sediment transport processes, combined with the wide range of tidal and weather conditions that are prevalent at this location mean that it is not possible to predict the effectiveness of reopening the sluice with absolute certainty. The temporary opening of the sluice would cost in the region of £22k for the year long trial and would require careful management to mitigate local risk. Permanent reopening would require further funding (in the region of £65k) and an annual maintenance budget of approximately £7k.

## **7.0 Corporate Implications**

### **7.1 Financial and VAT**

- 7.1.1 The approximate cost of option 2 is indicated in section 6.2 above. The expenditure on seaweed removal around the whole Thanet coastline in 2013/14 was approximately £12k. This was mainly plant hire costs, and any costs at this location would be in addition to the current spending.

### **7.2 Legal**

- 7.2.1 Licences are in place for current seaweed management activities. There are no known legal implications resulting from the recommendations of this report although consents are required with Natural England, the Environment Agency and Listed Buildings at the council before implementing Option 2.

### **7.3 Corporate**

- 7.3.1 The odour that is apparently associated with seaweed at Margate has become a high profile issue in recent years. The issue has potential to damage corporate reputation and visitor perception.

7.3.2 The option to reopen the sluice carries with it H&S risk associated with the management of the open sluice and the protection of the public.

#### 7.4 Equity and Equalities

7.4.1 There are no equity and equality issues associated with either of the options considered in the report.

#### 8.0 Recommendation

8.1 It is recommended that Cabinet agree Option 1 as described in section 6.1 and reject the request to reopen the sluice gates.

#### 9.0 Decision Making Process

9.1 This is a non-key decision that is within the delegated authority of Cabinet.

9.2 As the report follows a petition Cabinet's decision will be reported to a future meeting of Council.

Contact Officer:	Mike Humber, Technical Services Manager 01843 577083
Reporting to:	Mark Seed, Director of Operational Services

#### Annex List

Annex 1	Supporting Photographs
Annex 2	Petition Letter

#### Background Papers

Title	Details of where to access copy
Council Report - Petition to Council – Margate Port	Agenda Report Pack- Council 24 <sup>th</sup> February 2014

#### Corporate Consultation Undertaken

Finance	Matthew Sanham, Finance Manager (Corporate Finance Manager)
Legal	Steve Boyle, Interim Legal Services Manager & Monitoring Officer



CABINET REPORT CONCERNING PETITION TO COUNCIL TITLED – MARGATE STINK PORT  
Annex 1 – Supporting Photographs



Margate – showing accretion of sediment within the Bay



Marine Terrace before 1887 – The tide reached the sea wall twice daily under normal conditions



Margate Harbour Sluice –Portland Stone and Brick sealing wall to culvert viewed from outer face of Stone Pier



Margate Harbour Sluice –open end of culvert viewed from inner face of Stone Pier

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**ARTHUR MARTIN****34 GODWIN ROAD, MARGATE, KENT, CT9 2HF****e.mail: stinkport@gmx.com****MARGATE STINK PORT****PETITION LETTER**

**This is a petition to Thanet District Council.**

**It is about our Margate Cinque Port Harbour that has for many years been allowed to build up with rotting, decaying mud rubbish, sediments and seaweed. This is creating a methane sewage emitting smell, that smells similar to urine and the stench is airborne because of the build up of sediments over ongoing years. It is putting people off from coming to our Heritage Cinque Port Harbour. The Council are advertising Our Town as a unique port and that Cinque Ports are to look after sailors when coming into Margate.**

**As the Council are in charge of maintaining our beaches which is included in peoples rates, the smell that the harbour emits is putting people off coming to our town. The main problem seems to have started when the sluice arched part got bricked up on the outer side of the harbour wall which allowed water to pass through and clear the inner harbour of unwanted sediments, mud and seaweed. This would take it out to the sea. We the petitioners are disgusted that this has been allowed to happen over many years which would not bring prosperity to our town. The problems are easy to resolve, i.e re-open the sluice with a big gated gate to allow water pass through clearing the harbour of decaying debris. There was once a time when the harbour was full of vessels of all types, including yachts and cargo boats. Now only smaller crafts can enter our harbour as its been allowed to clog up with debris of all kinds. This is putting off our holiday makers and people who visit our Turner Centre and some wouldn't want to come again. We the petitioners feel that**

**businesses are suffering in the area. It is a disgrace for our Heritage Town. The Council have recently spent millions of pounds on steps and an Art Gallery. It is a small amount of money to re-open the sluice gate and would solve the problems for good. Under Maritime Law and Cinque Port Laws which the Council advertise this build up should never of happened as sailors cannot get boats in any more, as the sand has built up over the years. How is this neglect helping sailors and our ports? That is why Cinque Ports were made, many many years ago to look after sailors mainly.**

**We hope that our petition will sort this problem out for Margate. We hope our Port will be a better attraction for all in the future once this sluice gate is re-opened.**

**Below is a list of all the names and comments from boat owners to businessmen and the general public who agree with this petition.**

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## RAMSGATE MARITIME PLAN

To: **Cabinet – 31 July 2014**

Main Portfolio Area: **Operational Services**

By: **Mark Seed, Director of Operational Services**

Classification: **Unrestricted**

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**Summary:** **The report provides Cabinet with the Ramsgate Maritime Plan for approval.**

**For Decision**

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### **1.0 Introduction and background**

1.1 The purpose of this report is to present the revised Ramsgate Maritime Plan, which is attached at Annex 1, for Cabinet's approval, following further work has been undertaken to the version that was received as a draft by Cabinet on the 14 November 2014.

### **2.0 The Current Situation**

2.1 At the Ramsgate Port and Harbour Cabinet Advisory Group meeting on the 24 September 2013, a collective view could not be reached on the draft plan, particularly in relation to the governance arrangements, and the Group were unable to make a mutually agreed recommendation to Cabinet. Cabinet received copies of the minutes from the Cabinet Advisory Group with the previous report on the 14 November, and the following recommendation was proposed, seconded and agreed by the Group:

“That the Group notes the Consultants' report and asks Cabinet to consider the different views of Group Members as recorded in the minutes.”

2.2 The Ramsgate Maritime Plan has been reviewed and amended and is brought before Cabinet for adoption.

### **3.0 Corporate Implications**

#### **3.1 Financial**

3.1.1 There are no financial implications arising directly from this report. The plan contains proposed actions, but the financial consequences of these will be dealt with as part of individual business cases supporting these projects.

#### **3.2 Legal**

3.2.1 There are no legal implications arising directly from this report. The plan contains proposed actions, but the legal consequences of these will be dealt with as part of individual business cases supporting these projects.

### **3.3 Corporate**

3.3.1 The Plan in Annex 1 sets out the wider implications associated with the future of the port and harbour. The plan primarily aims to support the delivery of the council's Corporate Plan priorities detailed below:

- Priority 1 - Working with European partners and encouraging further location of sustainable energy businesses into the area, particularly at Ramsgate Port
- Priority 1 - Protecting and diversifying the commercial function of Port of Ramsgate as a key Kent cross-channel trade route

### **3.4 Equity and Equalities**

3.4.1 There are no equity or equalities issues arising directly from this report.

### **3.5 Risks**

3.5.1 Each of the actions within the Plan will generate risks for the council that will be dealt with under the council's project planning systems.

### **4.0 Recommendation**

4.1 That Cabinet adopt the Ramsgate Maritime Plan which gives the strategic direction for Ramsgate Port and Royal Harbour.

### **5.0 Decision Making Process**

5.1 This is a key decision. Cabinet needs to make strategic decisions that create a framework for full utilisation of the economic infrastructure in the district in order to enhance the economic benefits for the area.

Contact Officer:	Mark Seed, Director of Operational Services
Reporting to:	Sue McGonigal, Chief Executive

### **Annex List**

Annex 1	Ramsgate Maritime Plan
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### **Corporate Consultation Undertaken**

Monitoring Officer / Legal	Steven Boyle, Interim Legal Services Manager
Finance	Paul Cook, Interim Director of Corporate Resources
PR and Publicity	Hannah Thorpe, PR and Publicity Manager



**RAMSGATE MARITIME PLAN**

July 2014

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## Foreword

Every successful business plans for the future, looking at how it can improve its service levels, efficiency and profitability and identifying the resources needed to grow in a responsible manner.

The Port of Ramsgate is no different and has for many years developed its business planning to capitalise on its prime gateway location, stunning Royal Harbour and rich maritime heritage.

The Ramsgate Maritime Plan is an important part of this development and sets out an ambitious agenda to move the commercial Port of Ramsgate and Royal Harbour successfully into the future.

The plan is a high level, strategic document which will be key in determining the future maritime direction for the town and establishes exactly where we want to be.

We recognise the challenges we face, but need our goals to be ambitious to encourage greater productivity and success for businesses in and around the port and to maintain inward investment. Our ultimate goal, to create more jobs and increase prosperity for our residents.

With a thriving visitor economy, successful café culture and our proximity to Europe, we have considerable potential to realise further maritime growth and to maximise our links with the renewable sector.

The plan has been developed in consultation with key stakeholders and will be a living document which continues to evolve as we seek out further opportunities for development.

The commercial port and Royal Harbour are vital economic assets essential to Thanet's business. Our Maritime Plan has been developed to maximise this opportunity, capturing our tradition and history and transforming this into a business fit for the future.

Mike Harrison  
Cabinet Member for Operational Services

## Executive Summary

Ramsgate's port and Royal Harbour, owned and operated by Thanet District Council, is located 76 miles from the heart of London, and close to continental ports and harbours across the North Sea and Straits of Dover.

The commercial port has for the past decades, until recently, operated ferry services to both Dunkerque and Ostende and has become both a construction and now operation and maintenance base for three nearby offshore wind farms. The port adjoins the Royal Harbour.

The Royal Harbour forms a fantastic visual link between Ramsgate's attractive waterfront and the open sea. The dominant activity in the Royal Harbour is created by separate, well-appointed commercial and leisure marinas which provide safe berths for both local and visiting vessels.

The port and harbour lie in an environmentally sensitive marine area. The latter comprises of a number of nature conservation designations including Thanet Coast and Sandwich Bay Special Areas of Conservation and Special Protection Areas for birds together with Ramsar sites, the Thanet MCZ (Marine Conservation Zone) and Sites of Special Scientific Interest.

We have published this Maritime Plan, which has an evolving scope and purpose, as a high level guide for the future operation, development and management of the port and Royal Harbour.

## About this Plan

### Prime goals

This plan supports our prime regeneration goal of accelerating economic growth to achieve greater productivity and profit for businesses in and around the port, more jobs, and increased prosperity for our residents and in particular:

- builds on the unique conflux of a major seaport and high speed rail link;
- rebuilds our reputation as a desirable UK visitor destination; and
- achieves those goals in ways that are safe, sustainable and environmentally sensitive and which recognise the challenges posed by climate change.

We realise that our goals are ambitious and that their realisation will depend upon a range of factors – not least funding – some of which will depend upon a business case or third party commitments. However, our ambition is not constrained and we hope this plan supports the vital roles of the commercial port and Royal Harbour in our community and economy.

### Why is a plan needed?

The main purposes of this plan are to:

- clarify our strategic maritime planning for the short, medium to long term;
- assist us, other planning bodies, transport network providers and other stakeholders in preparing and revising their own strategies;
- inform current and potential users, stakeholders and local communities as to how they can expect to see development take place over the coming years;
- promote the efficient management and operation of our maritime assets;
- support individual developments within the context of a wider strategic plan;
- appropriately maximise available land for economic uses;
- improve the public realm, particularly Ramsgate's historic waterfront; and
- identify and promote other complementary economic and leisure uses.

It does this by outlining:

- how the commercial port and Royal Harbour expect to grow and develop over time;
- why this may be feasible in the context of wider patterns of supply and demand;
- where changes of land use may be required to support growth; and
- how we will manage any development to mitigate its impact on the environment and local amenity.

## Consultation

In preparing this plan we have consulted with key stakeholders in order to understand their different perspectives and any opportunities or constraints which they feel may apply to the future development of Ramsgate's port and harbour.

We have held numerous separate workshops, each with a wide scope and external facilitation, with participants drawn from a range of different interests.

## Core plan context

This plan is not just for the benefit of regional and local planning bodies and local stakeholders; we believe that the process of producing and maintaining it will assist with:

- being clear and transparent about the future strategic direction;
- facilitating inward investment;
- engaging local and regional planning bodies at an early stage to allow any development to be incorporated at various levels of spatial planning and to secure the buy-in of stakeholders; and
- keeping local stakeholders informed of relevant maritime activities and building good working relationships locally.

This plan will be a key document in determining the future direction for Ramsgate's port and harbour, which are of considerable importance to the local and regional economy, both now and in the future.

This plan also fits within a wider policy context, as detailed overleaf.

The ***Thanet Corporate Plan*** emphasises the importance of protecting and diversifying the commercial function of the port as a key Kent cross-channel trade route; working with European partners and encouraging further location of sustainable energy businesses into the area, particularly at the port; and encouraging and influencing the growth of Thanet's economy, including the tourism/leisure, creative and sustainable energy sectors.

The draft ***Local Plan*** sets out a vision for 2031 and foresees:

- Ramsgate making the most of its close proximity to Europe and easy access to London;
- Ramsgate Port as a successful economic asset, essential to Thanet's business and gateway role;
- Thanet having a sustainable, balanced economy with a strong focus on tourism, culture and leisure;
- the importance of Ramsgate's maritime heritage; the commercial function of the Port; supporting renewable technology; its Royal Harbour, marina, beach and attractive waterfront, providing a vibrant mix of town centre uses, with a strong visitor economy and café culture; and
- a continuing policy for the growth of Ramsgate Port.

The ***Economic Growth and Regeneration Strategy*** identifies the port as a strategic asset for the District, which is part of a comprehensive transport system that adds to the area's competitive position. The strategy aims to:

- build on the transport and communications infrastructure hence improving the flows of goods and people between Thanet's key markets;
- work with industry to capitalise on Ramsgate's role as the support base for some of the world's largest offshore renewables projects;
- prepare for the future development and deployment of offshore technologies that build on the infrastructure that is already here; and
- capitalise on the area's natural advantages, its assets, heritage and culture that are unique selling points, to encourage private sector investment and support the visitor economy.

The ***Destination Management Plan*** sets out the priorities to help Thanet achieve its potential as a visitor destination. The Plan has been designed for a wide audience and has been informed by new market research. The priorities are:

- **Beach management and development** – to deliver a programme of prioritised beach-by-beach improvements, informed and steered by a new Beach Management Delivery Group, and to identify and deliver community and industry-managed beaches that are freely available to everyone and which incorporate the best creative and commercial ideas to enhance quality, protect the environment and deliver new distinctive experiences
- **Coastal regeneration** – to make a stronger case for tourism regeneration in specific underused or derelict coastal buildings and target inward investment to those specialist developers who can inject creative solutions and deliver new quality developments – large and small - that reinforce what is distinctive about Thanet and create much needed character accommodation
- **Telling our stories** – using the Shared Story developed for the DMP to create a stronger sense of place through a joined-up approach to marketing, information and interpretation, including helping small tourism businesses improve the quality of their marketing through skills development and support. The emphasis is on business engagement, support for the DMP and delivering a consistent quality product.

The ***Local Transport Plan*** highlights that:

- the future of the Port of Ramsgate depends very much on the development of new short sea shipping routes between Ramsgate and other European channel ports;
- in line with this view, we would wish to support the Government and EU initiative for the development of short sea shipping and aims to attract new business to Ramsgate's port;
- the development of the port is not expected to necessitate further land reclamation in the foreseeable future; and
- as a priority action, the port needs to build on its diverse commercial activities.

## Ramsgate's maritime origins and development

### History

Ramsgate's maritime tradition goes back to the Romans, but it was not until the 18th century that work started on building Kent's first true safe haven. Enclosed by two vast piers for sailing ships seeking protection from the severe channel weather, Ramsgate's Royal Harbour was completed in 1850.

Ramsgate is justifiably proud of its status as the only Royal Harbour in the UK and can trace its history back to 1749 when, following the Great Storm, Parliament passed an act giving approval for construction of a new harbour. George IV granted its Royal designation in 1821 in appreciation of the town's hospitality when he embarked, with the Royal Squadron, from Ramsgate for Hanover.

The Royal Harbour was one of the main embarkation harbours during the Napoleonic wars. In 1940, passenger ships, freighters and warships, unable to sail close enough to Dunkirk's beaches to evacuate the stranded British army, urgently requested small boats from England to help with the rescue of troops waiting on the beaches. Operation Dynamo was launched and boats and other small craft assembled in Ramsgate before crossing to Dunkirk to ferry men from the beaches in these "Little Ships". Around 40,000 rescued Allied troops were landed at Ramsgate.

### Royal Harbour

The Royal Harbour continues to perform valuable activities for both commercial and leisure users. It adjoins the historic waterfront and forms part of Ramsgate's centrepiece. The regeneration of Ramsgate depends, to a large extent, on the attractiveness of the Royal Harbour. It is a tourist and leisure attraction with significant potential and, through its marina, already offers much to smaller pleasure craft for which the European coast is within easy reach. Commercial fishing and ship repair activities are also carried out in the Royal Harbour.

### Commercial port

In the late 1970s we reclaimed land to the west of the Royal Harbour to create a modern commercial port facility. The development provided valuable vehicle and storage land and included the necessary Ro-Ro berthing, capable of handling multi-decked vessels and passenger facilities required for a cross-channel ferry service.

In 1985, a third Ro-Ro linkspan was installed and the turning vessel circle was dredged to allow for vessels up to 6.5m draught to berth onto the three linkspans. In 1986 the completion of extended breakwaters gave the Ro-Ro berths all-weather protection and ensured that year-round operations were practicable.

Further hard standing land was reclaimed, which now provides 32 acres of dedicated port land. The port's approach channel was further widened to accommodate larger vessels. A new passenger terminal was constructed and, in 1999 a new direct relief road tunnel link into the port was completed. Completion of the recent dual carriageway upgrade and extension of the A299 to the Thanet Way provides direct road links to both the M2 and the M25.



## Location and access

As of the 1 January 2015, the Emission Control Area (MARPOL Annex VI) affects shipping operators as it precludes the previous ability to utilise heavy fuels for propulsion without the efficient usage of expensive and bulky exhaust system scrubbers. Many merchant vessels are not suitable for scrubbers to be retrofitted due to the scrubber's size and weight which forces these vessels to use significantly more expensive higher grade fuels to meet the emission regulations. In order for operators to control the additional costs, the shortest sea passage routes are sought. The Port of Ramsgate is the second closest UK port to continental Europe and we will maximise our geographical benefit, along with Ramsgate's excellent road connectivity, to grow our business.

### By sea

Ramsgate's marine facilities provide direct access to the North Sea and English Channel, which benefits a wide range of different users:

- for commercial shipping, short sea journey times match, or beat, Ramsgate's competitors;
- for cruise ships, Thanet and Kent's tourist hinterland – including London and Canterbury – is within easy reach by road or rail;
- for leisure sailors, the Royal Harbour is an ideal port of arrival/departure for continental visits; and
- for offshore renewables, Ramsgate's dedicated facilities and strategic location unrivalled support for major North Sea and English Channel developments.

The table below illustrates the relative journey time for cargoes in transit from their UK origin to four continental ports travelling via Ramsgate, Dover, Harwich or Purfleet/ Dagenham/Tilbury and demonstrates the significant locational advantage which Ramsgate offers.

To	Via	Ramsgate	Dover	Harwich	Purfleet / Dagenham / Tilbury
Rotterdam cluster		1 =	1 =	1 =	+2 hours
Zeebrugge / Ostend		1 =	1 =	+2 hours	+2 hours
Dunkirk		1 =	1 =	+3 hours	+3 hours
Calais		+30 mins	1 =	+3.3 hours	+3.3 hours

1. The figure 1= indicates that there is no material difference between journey times.
2. Journey origins in the UK are Dartford, Lutterworth and Cardiff.
3. The composite results are indicative only, but are of sufficient accuracy to reflect the relative times.

### By land and air

The port infrastructure is such that both freight and passengers can be clear of the port and en route within minutes of disembarkation. The port has excellent inland transport links. A dedicated tunnel access, bypassing the town, links the port to the UK motorway networks. Road distances from Ramsgate are set out in the table below.

**Key UK road distances from Port of Ramsgate**

	miles	km
M2 (Junction 7)	24	39
M25 (East – Junction 2)	60	97
M25 (West – Junction 5)	62	100

A high speed rail link connects Ramsgate to London St Pancras in little more than an hour, with direct links from there to the national and European rail systems.

By air London Heathrow is less than two hours away by road and London Gatwick is an hour and a half away.

## Existing facilities

### Royal Harbour and historic waterfront

The Royal Harbour's visual appeal and the leisure activities available in it have a key role to play in rebuilding Ramsgate's reputation as the UK's essential maritime destination for visitors.

It is part of Ramsgate's historic waterfront which, with the town beyond, offers a wide range of leisure and retail activities (bars, restaurants, cinema and shops). For the visitor, the area includes award-winning beaches, seal watch trips (in season) and excellent public transport.

### Marina facilities

The Royal Harbour accommodates a marina for local and visiting leisure craft. The Yacht Harbour Association presently recognise the marina's facilities with the award of 4 Gold Anchors, the extensive facilities include:

- secure, dedicated permanent and visitor berths;
- 24 hour access to the sea from the Outer Harbour;
- fuel available 365 days a year;
- full repair facilities ashore and afloat;
- water and electricity readily available;
- modern amenity blocks with free showers, toilets and coin operated launderette facilities;
- 24 hour security, with CCTV surveillance;
- wireless internet;
- a 40 tonne boat hoist servicing both a secure boat yard or lifts to/from transport;
- 3 haul out slipways which can accommodate vessels up to 60 metres in length and 500 tonnes in weight;
- recycling points;
- access for people with disabilities includes selected moorings, wheelchair accessible amenity block with dedicated showers and toilets;
- chandlery, sail loft, slipways, boat park and brokerage;
- dedicated parking;
- a hospitable yacht club overlooking the Royal Harbour Marina;
- a thriving waterfront with many bars, cafes and restaurants; and
- recently refurbished and updated units along Military Road to service the leisure and yachting community.

## Commercial fishing

The Ramsgate fishing fleet is mainly composed of vessels under 10m working within the 6 or 12 mile limits. The principal species caught are sole, skate, plaice and cod as well as a large array of shellfish.

The fleet operates within the Kent and Essex Fisheries Committee district. It is this committee which regulates the activities of Ramsgate's fleet, through a licensing scheme which limits the quantity of fish caught. These quotas have reduced over time, causing a decline in activity at Ramsgate and elsewhere. Despite this, the Ramsgate Fishermens' Association have been very active in gaining support for the future of Ramsgate's fleet and have diversified their activities to support the growing offshore energy sector. The Port of Ramsgate has worked with the European Fisheries Fund to secure match funding to enable the upgrade of pontoons and associated service infrastructure in the outer east marina for the benefit of the fishing industry.

## Commercial port

The commercial port is the second largest municipally-owned port in the UK. It can handle up to 5 million passengers and 0.5 million freight units annually and accept vessels up to 175m LOA, 6.5m draft, with no tidal restrictions.

Its facilities includes:

- 32 acres of commercial port land;
- three modern Ro-Ro bridges and pontoons with double lane access;
- a fast freight ferry service capability;
- tri-berth simultaneous operation;
- full passenger services and freight vessel facilities;
- modern and effective VTS;
- multi-deck vessel, stern and quarter ramp capabilities; and
- water and bunker facilities on all berths.

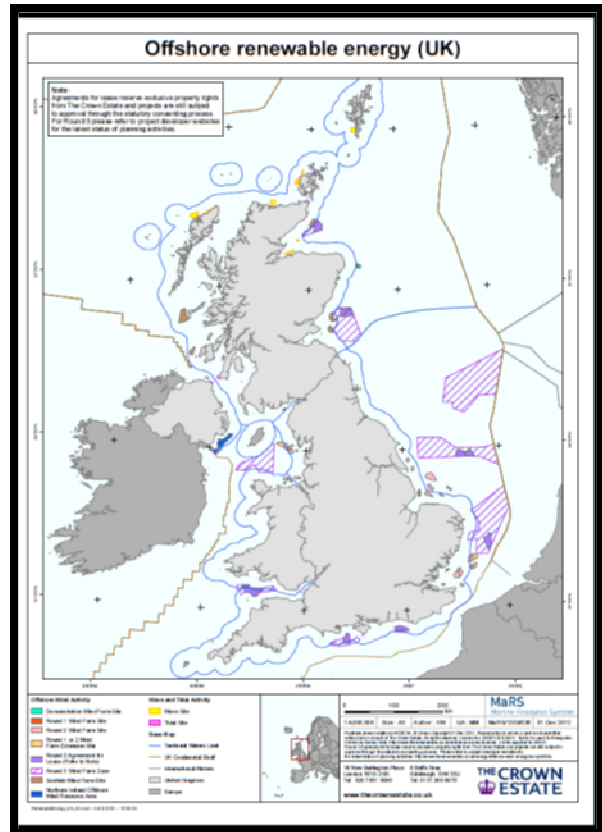
The commercial port's shipping activities covering Ro-Ro and bulk cargoes are key economic drivers.

### Marine energy<sup>1</sup>

The port has firmly established itself as a support centre for the offshore wind industry by attracting major customers including Dong, Eon, Masdar (London Array), Vattenfall (Thanet Offshore Wind and Kentish Flats), Vestas and Siemens Wind Power.

Its strategic location close to current and planned offshore renewables sites in the Thames Estuary and the North Sea (see map opposite) has been recognised by major wind industry players, who have made long-term commitments to the port by establishing operating and maintenance support bases.

This has enabled the port to invest and also sparked the growth of onshore supply chain business opportunities, and therefore training and employment, regionally.



<sup>1</sup> A copyright licence may be required to authorise reproduction of The Crown Estate's map.

## External Funding successes

As a municipal port, major developments within the port and harbour are reliant on additional income streams and even more so external funding.

The Port of Ramsgate has been fortunate over the last few years to be able to work closely with other continental ports and form robust partnerships used to drawdown European grants, whilst additionally exchanging 'best practice' experience.

A long track record in applying successfully for European grants has been established and these have been utilised to fund substantial improvements to both the port and harbour.

The four most recent Interreg projects have been PATCH (Ports Adapting To Change), LOPINOD (Logistics Optimisation for Ports Intermodality: Network, Opportunities, Development), Yacht Valley and PAC2. Below is a small synopsis of how these projects have enhanced and allowed the port and harbour to develop.



PATCH allowed the investment in the replacement of the harbours aging South Eastern Breakwater pontoon. As a result we are able to accommodate moorings for larger Wind farm vessels in the harbour and this has led to the Port and Harbour becoming a renewable hub which has benefited supply chains and local employment.

The project also allowed us to undertake non-destructive testing inspections to berths, adapt port facilities, host an event on Blue Energy, install the Meter MAC system across the harbour, install Cathodic protection on berths, fund CCTV cameras, replace signal lights for port control and install an electronic tidal gauge.

The Port and Harbour's involvement in LOPINOD came about as a result of the connections built up through previous Interreg projects and we immediately stepped in to replace a partner who had dropped out. Our involvement in the project has been more about master planning for the future rather than physical development.



Through this project we funded both an Economic study and undertook partner engagement into the possibility of developing an Alongside Quay at the Port of Ramsgate. Although the initial outcome of the report was that in the short term we should concentrate on our current business, the report has shown that an alongside quay is possible in the future, particularly with the 2015 Emission Control Area ramifications.

With an ever increasing focus on Low Carbon by the EU programmes and with us wanting to be as environmentally responsible as possible, LOPINOD is also being used to fund the development of a Low Carbon Plan. This plan will focus on the full spectrum of renewables including wind, solar, marine source heat pumps and tidal. It is hoped that we will become a hub for all green energy going forward, building on our existing involvement in the wind farm industry.

It is through the capture of all ports greatest asset, the sea, that we hope to capitalise the most. Through the development of a tidal barrage we hope to generate our own electricity and to heat port and harbour buildings by using marine source heat pumps.



Yacht Valley concentrated on three main objectives, the development of Military Road Arches and 2 feasibility studies, one on the Smeaton Dry Dock and the other on further development of Yacht Servicing facilities.

The enhancements undertaken to the Military Road arches has resulted in the arches being utilised by a good mix of tenants. These tenants are not only in relation to yacht servicing, but also restaurants, cafes and art galleries which has led to increased footfall and an improved café culture in the harbour area.

The Smeaton Dry dock study will focus not only on the history of the dock, but on future uses and how these could benefit the local area.

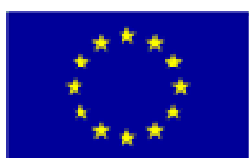
The outputs of the study can then be considered and future development of the dock realised.

A study on improvements to yacht servicing is also being completed and from the direct outputs of this study, some additional investment activity will take place in the harbour area utilising the Yacht Valley funding.

PAC2 is an Interreg Cluster project that has come about as an alliance of partners from the PATCH and C2C (Sea to Sea) Interreg projects. The first phase of the project has been approved and digital promotional material will be developed to celebrate previous involvement in the PATCH project and in order to further promote the Port.



One of the most important aspects to us of all of the EU projects has been the ability to network and share experiences and ideas, which will lead to future improvements and has created strong partnerships to aid future trade.



The European Fisheries Fund  
Investing in Sustainable Fisheries

On top of the Interreg programmes we have just been awarded a grant from the European Fisheries Fund in order to fund 50% of the Outer Eastern Pontoon replacement. These pontoons are used by Ramsgate's fishing fleet and have now come to the end of their serviceable life. The replacement safeguards the fishing fleet and the added benefits they bring to the local economy.

### What's next.....

The External Funding market place is becoming increasingly difficult given the winding up of Regional Development Agencies (RDA) and the drying up of funding from Central Government. The creation of the Local Enterprise Partnerships (LEP's) has changed the way funding will be administered via central Government to the local area. The Single Local Growth Fund will provide funding to LEP's to deliver specific activity, with the majority for transport schemes. The LEP will also play a key role in developing projects for and delivering European Structural Funds. During 2013-14 The South East LEP developed a Strategic Economic Plan and European Structural and Investment Fund Strategy for Government to agree and allocate funds against accordingly.

We are in the unique position of being one large and mainly listed asset. This opens up funding from a number of additional sources including Heritage Lottery Fund and English Heritage. With lottery sales and the percentage allocated to the Heritage Lottery Fund, increasing an increased amount of grant funding is available.



In addition, although the 2007-2013 European Funding Programmes are drawing to a close, the 2014-2020 Programmes are starting to emerge. The new programmes include exciting opportunities such as Horizon 2020, Interreg and the European Fisheries Fund.

With the partnerships already formed through past projects we are in a prime position to bid into these funds when they become available, which will lead to further enhancements that will benefit the port, harbour and the local community.



## Future vision: Royal Harbour and historic waterfront

### Royal Harbour

Ramsgate is already a popular tourist attraction with significant growth potential.

We will undertake a range of improvements in order to help attract more visitors and to enhance the tourist and leisure experience:

- shore-based attractions and pedestrian access within the Royal Harbour need to be enhanced in order to achieve better integration with the historic waterfront; and
- some current marine uses will be adapted and improved in order to make best use of the facilities.

We are attracting greater footfall to the Royal Harbour following the improvements made to the Military Road arches and the variety of uses they now offer.

Any new development should enhance the Royal Harbour and be congruent with its key (marine-related) brand attributes. Retail, educational and leisure/pleasure uses (A1, A3 and D2) should be supported.

Those uses should exploit links with Ramsgate's commercial fishing fleet and the Royal Harbour's unique history and location (adjacent to a recommended MCZ<sup>2</sup>, possible World Heritage Site and NOSTRA<sup>3</sup>).

The inner and outer areas of the Harbour will focus on the development of their core heritage, commercial activities and leisure strengths in order to enhance their appeal to mariners, yachtsmen and visitors alike.

As part of the drive to improve the historic waterfront, priority will be given to functional and quality improvements of the marina and the marina operation itself. These improvements cover the service standard provided by the marina (the anchor rating) and competitive pricing. We will use our bathymetric hydrographical surveys to deploy dredging in an appropriate and timely manner.

### Commercial fishing

We will safeguard an area in the East Marina / Commercial Quay for commercial fishing and support the development of a specialist fish quay/market, a fish processing capability, a quayside chill store (with ice facility), an amenity and training / education facility.

We will explore appropriate sources of domestic and EU funding for those developments and potential ways in which to attract new fisheries business.

A new fish market will also enhance the appeal of the Royal Harbour to tourists and contribute towards our goal of increasing visitor footfall, particularly in the area of the undeveloped commercial quay.

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<sup>2</sup> A marine conservation zone, established under the Marine and Coastal Access Act 2009, intended to protect the sea's biodiversity.

<sup>3</sup> The NOSTRA (Network of Straits) project aims to allow economic development while preserving biodiversity and natural heritage.

## Ship repair

There are three historic slipways in the Royal Harbour which are in commercial use and operated by Ramsgate Harbour Slipways. These slipways adjoin Ramsgate's waterfront and, whilst of interest to visitors, some of their activities are not well suited for a tourist location.

Subject to a business case (and therefore funding), new, modern slipways should be established in the commercial port and commercial uses transferred to that new location. The existing slipways (which are listed) could then be allocated for limited usage, predominantly in connection with the maintenance and repair of historic vessels.

We will therefore consider proposals for the creation of new slipway vessel lifting facilities and covered ship repair facilities in the port area to service the needs of commercial vessels and larger pleasure craft.

## Future vision: commercial port

We believe that the port's competitive potential may be much improved by the implementation of MARPOL VI regulations in 2015. They will require the use of much more expensive low sulphur marine fuel and will significantly increase operating and therefore ticket prices charged and create real advantage for the Port of Ramsgate for both freight and passengers because of the very short UK-continent Channel crossing.

We will therefore safeguard the commercial port and its berthing facilities for use by commercial shipping and support the future development of new marine infrastructure.

Once we have maximised our current port infrastructure, then attention will be given to the diversification of the types of vessels that can be handled. The commercial port business is restricted by the lack of an alongside berth and we will develop plans for the provision of that capability.

Due to the port's proximity to the town, any development of the commercial port area will have regard to existing leisure activities, as well as environmental and heritage assets including, in particular, Ramsgate's historic waterfront.

### Ro-Ro trade

The commercial port has excellent Ro-Ro facilities and supporting road connectivity. The short sea passenger and freight markets suffer from excess capacity and, although Ro-Ro growth to 2020 is forecast at 15%, any market share will have to be won from competitor ports. It is anticipated that the increase in fuel prices associated with the emission regulation changes in 2015 will create new opportunities for Ramsgate, as the short sea crossings to the near continent to attract existing operators which are currently trading on longer routes.

The port's market position is also considerably enhanced by the availability of development land owned by us, with potential for port-centric logistic uses. A strategic rail freight interchange facility linking directly to the high speed and national rail network would also enhance the commercial port's attractiveness to supply chain users who typically have a requirement for land and excellent inland distribution connections.



For those reasons, the port's strategy will include the development of Ro-Ro businesses with an expanded focus on the commodity supply chains (*i.e.* the links between shippers and receivers in the UK and Continent), as well as the ferry lines which form an important part of those links.

The port will pursue a Ro-Ro strategy to exploit the changed market opportunity and it will:

- validate the Ro-Ro trade's requirements and test the market demand and potential for a longer term inland port/port-centric logistics/strategic rail freight interchange facility;
- employ or contract a highly experienced commercial/trade manager to formulate and execute the Ro-Ro and port-centric strategy;
- identify continental partner ports, principal commodity types to be targeted, and the related UK element of the allied logistics chains, in conjunction with UK-based commodity managers; and
- plan to achieve maximum water depth/widths in the port and its approaches.

Growth in the commercial port's Ro-Ro business will utilise spare capacity of existing infrastructure and also conflict least with leisure uses at the Royal Harbour and historic waterfront.

### Renewable energy

The further planned increase in the UK's offshore wind capacity – including the Kentish Flats expansion – offers considerable potential to grow the port's support facilities and increase its geographic reach to provide cost effective through-life engineering and logistics support to offshore renewables in the North Sea and English Channel.

The table below shows, by development status, actual and proposed generating capacity, which demonstrates the future scale of opportunity for the port.

Status	Installed Capacity (MW)
Operational	2678.4
Under Construction	1538
Awaiting Construction	2388
In Planning	5611
Scoping	33919

Source: UK offshore wind farm development (DECC, February 2013)

Support requirements are likely to change and grow following construction of planned sites in the Thames Estuary, North Sea and English Channel.

The port is anticipating further growth as blue energy, tidal and wave capture becomes a reality. This is expected to occur within the near future as the technology develops towards commercial reality and could be seen as an 'add-on' to the existing offshore renewables infrastructure.

The development of other sources of renewable marine energy offers further opportunities for the port to further expand as a centre for both green and blue energy.

We recognise the need to integrate offshore renewables operating and maintenance capabilities with the other requirements of the industries involved, particularly training and construction-related. This may mean collaboration between ports in order to deliver turnkey solutions. The commercial port will actively seek to identify and exploit partnership opportunities with other ports in the UK and Europe.

The port's nascent concentration of expertise creates opportunity to provide cost effective through-life engineering and logistics support in Thanet. It also offers potential for the port to become a recognised centre of excellence and to exploit its position through the creation of higher skilled job opportunities to serve an emerging but growing industry.

To support all of these activities, we will:

- safeguard the current and potential offshore renewables support areas within the commercial port;
- establish a centre of excellence in offshore renewables support in Thanet and/or Ramsgate (and consider the possible linkage to an inland port-centric facility);
- develop South East regional 2nd/3rd/4th-tier support cluster for southern North Sea, Thames Estuary and Channel offshore renewables projects; and
- forge a link to job creation in manufacturing, engineering, logistics, training & education in Thanet & East Kent.

The successful implementation of this part of our plan will:

- create direct and indirect employment opportunities which will, over time, result in a market leading and highly skilled workforce with the capability to offer its services internationally; and
- stimulate demand for marine-related services (such as towage, bunkering and ship repair) as well as a wide range of inland, non-marine services which will contribute to economic growth.

### **Bulk commodity trades**

The commercial port has the capacity to handle a range of dry bulk and other trades subject, in some cases, to the requirement for an alongside berth which the port cannot currently offer. As sustainable opportunities arise, we will support investment in additional facilities and operating plant and equipment in order to handle new business.

Currently the commercial port operates an aggregates facility in partnership with Brett Aggregates. There is scope to handle greater volumes which the commercial port will exploit within the region.

The commercial port lacks a significant market hinterland which might underpin demand for other bulk products. The majority of the latter are, in any event, relatively high volume/low value cargoes. These nonetheless would require additional port facilities which would attract capital expenditure.

Through investment in the commercial port's sales and marketing capabilities, we will scope opportunities to grow this business.

### **Cruise**

The long term trend in the European cruise passenger market shows strong growth. This is supported by a noticeable trend in 'cool water' cruising in northern Europe which showed a 10% growth in 2012. Ramsgate is well placed to take advantage of this shift in the market.

Ramsgate is an attractive historic town and one of the ancient Cinque Ports. Its easy access to London, Canterbury, and the Medway coast makes it an ideal location for cruise ship calls. The port will promote its capabilities with a view to increasing the volume of turnaround and cruise calls.

We will undertake a scoping project to understand the potential opportunities to attract cruise business, however it is recognised that this would be best facilitated with the delivery of an alongside quay.

## Increase market awareness

The commercial port and Royal Harbour serve different and distinct markets and we believe it is important to brand them separately and pursue different, but complementary, plans for their development, as set out in this plan.

To that end, we will create and implement specific communication and marketing strategies for each of the commercial port and the Royal Harbour Marina.

## Key priorities

### Key priorities

As we acknowledged at the beginning of this plan, our goals are ambitious. While we intend over time to deliver each of them, we have to apply our available resources according to the benefits each has the potential to deliver.

With that in mind, in the short term we will give priority to the following areas:

- protecting and growing the existing relationships with users of the port and harbour in order to assure service standards and secure future income streams;
- implementing the Ro-Ro strategy described in this plan to restore the commercial port's market position and recover recently lost revenue;
- making improvements at the Royal Harbour Marina (new marina management system, increasing visitor footfall and dredging) to significantly enhance the user experience and attract more visitors;
- keep the re-launched website fresh to support the commercial port and Royal Harbour Marina in order to raise substantially their market profiles.

We believe that, taken together, the implementation of these priorities will deliver early benefits and contribute substantially to the realisation of our prime goal - the economic regeneration of Ramsgate and the Thanet region.



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## Corporate Risk Register

To: **Cabinet - 31 July 2014**

By: **Policy and Business Planning Manager**

Classification: **Unrestricted**

Ward: **Supports the work of TDC across the District**

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**Summary:** This report informs Cabinet of the review of the Council's Corporate Risk Register and provides Cabinet with a revised register for approval. It also seeks approval for the Portfolio Holder responsible for risk management to be designated as the Risk Management Champion for the council.

## For Decision

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### **1.0 Introduction and Background**

- 1.1 Since November 2013 the Corporate Risk Register (CRR) has been undergoing a major review. This was undertaken as the existing CRR was not felt to reflect the reality of the different risks faced by the council.
- 1.2 The review has included 3 workshop style events involved the various service managers at the council. The last of these workshops was on the 15 May 2014.
- 1.3 Subsequently a draft CRR was circulated for Senior Management Team and managers to review.
- 1.4 The draft CRR was then shared with the Cabinet Member for Business and Corporate Resources and then informally with Cabinet and Senior Management Team together.

### **2.0 The revised CRR**

- 2.1 The CRR included as Annex 1 has taken into account the feedback provided by these various stakeholders, with a view to strengthening the document so that it provides a comprehensive list of the risks faced by the council and the ways the council look to control those risks.
- 2.2 The CRR includes 28 risks categorised into 9 risk groups.
- 2.3 Against each risk causes, trigger events and consequences are identified, with examples.
- 2.4 Each risk is also scored giving the level of risk that would be faced if there were no controls in place, the level if all the controls were in place and the current level of risk.
- 2.5 Finally, each risk lists a number of control measures, either those that are ongoing business as usual (BAU) or timebound control actions (TCA). Timebound control actions will be monitored during the course of the year to track their implementation.

2.6 Each risk and each control measure is owned by a specific individual.

### **3.0 The risk management champion and Cabinet**

3.1 One of the Cabinet's responsibilities as listed in the council's constitution is to designate "a Member to act as a 'risk management champion' to support the integration of risk management into the culture of the Council".

3.2 Currently no member has been formerly designated as the risk management champion, although Cllr Elizabeth Green, as Cabinet Member for Business and Corporate Resources, has responsibility for corporate risk management.

3.3 As the CRR is intended to be a live document it is suggested that the Cabinet designate a risk management champion and delegate responsibility for approving modifications to the risk register during the course of the year.

3.4 It is also proposed that Cabinet review the CRR once a year.

### **4.0 Options**

4.1 Cabinet approve the proposed CRR.

4.2. Cabinet reject the proposed CRR.

4.3 Cabinet require further changes to be made to the CRR before final approval.

4.4 Cabinet designate the Cabinet member with responsibility for corporate risk management as the council's Risk Management Champion.

4.5 Cabinet designates an alternative person as the council's Risk Management Champion.

4.6 Cabinet delegate responsibility to approve changes to the CRR during the course of the year to the Risk Management Champion, but commit to review the CRR once a year.

### **5.0 Corporate Implications**

#### **5.1 Financial and VAT**

5.1.1 Whilst the CRR includes a comprehensive review of corporate financial risks, there are no financial implications for the decisions required by this report.

#### **5.2 Legal**

5.2.1 Whilst the CRR includes consideration of legal matters in as far as they relate to risks to the council, there are no legal implications for the decisions required by this report.

### 5.3 Corporate

5.3.1 The CRR sets out how the Council will seek to control the risks it faces. The approach suggested is in accordance with the requirements of the Council's constitution and agreed Risk Management Framework.

### 5.4 Equity and Equalities

5.4.1 There are no equality implications of the decisions required by this report. The risk register identifies a number of activities designed to control risks and these will each need to be assessed for equality impact in their own right.

## 6.0 Recommendations

6.1 To approve the proposed CRR as set out in option 4.1;

6.2 To designate the Cabinet member with responsibility for corporate risk management as the council's Risk Management Champion as set out in option 4.4;

6.3 To commit to review the CRR once a year but to delegate responsibility to approve changes to the CRR during the course of the year to the Risk Management Champion as set out in option 4.6.

## 7.0 Decision Making Process

7.1 This is a non-key decision subject to call in.

Contact Officer:	Adrian Halse, Policy and Business Planning Manager, 7209
Reporting to:	Paul Cook, Director of Corporate Resources

### Annex List

Annex 1	Corporate Risk Register
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### Background Papers

Title	Details of where to access copy
None	N/A

### Corporate Consultation Undertaken

Finance	Matthew Sanham, Corporate Finance Manager
Legal	Steven Boyle, Interim Legal Services Manager and Monitoring Officer
Press and PR	Hannah Thorpe, Press and PR Manager

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# Corporate Risk Register

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July 2014



## **RISK GROUPS:**

R01 risks	Financial difficulties threaten the Thanet identity to which the Council aspires
R02 risks	Focus on short term priorities creates long term budget problems
R03 risks	Failures of partnership working
R04 risks	Failure of appropriate sustainable business administration practices
R05 risks	Mismatch between council resources and stakeholder expectations undermine effective service and appropriate sustainable business administration delivery
R06 risks	Problems relating to political and democratic processes threaten the Thanet identity to which the council aspires
R07 risks	Failure to use staff effectively/ fairly/ appropriately leads to greater risk to high quality service delivery
R08 risks	Service closure or failure
R09 risks	Failure to sustain improvement of the area (regeneration)
Glossary	CM = Control measure TCA = Time-bound Control action BAU = Business as usual or day-to-day work

## **R01.01: Incorrect assumptions made in setting the Medium Term Financial Plan (MTFP) impacting on General Fund, Capital Planning or Housing Revenue Account (HRA)**

**Risk owner: Director of Corporate Resources**

<b>Cause</b>	<b>Incorrect assumptions made in setting the MTFP</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Poor understanding of statutory guidance;</li> <li>• Poor understanding of capacity &amp; capability to deliver;</li> <li>• Flawed mechanisms for delivery of MTFP</li> </ul>
<b>Trigger events/ situations</b>	<b>Approval of MTFP with incorrect assumptions</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Approval of MTFP with incorrect assumptions</li> </ul>
<b>Consequence</b>	<b>MTF strategy is undermined</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Issue of supplementary precept;</li> <li>• Need to prioritise / rationalise/ terminate some services;</li> <li>• Staff reductions;</li> <li>• Reduced services to customers;</li> <li>• Inability to achieve objectives;</li> <li>• Impact on reserves;</li> <li>• Inability to comply with regulation.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 4	R: 12	P: 2	I: 4	R: 8	P: 2	I: 4	R: 8
High			Medium-high			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Undertake review of constitutional and delegated powers to ensure that officers are working within their powers	TCA	Legal Services Manager	Jul-14	Dec-14
Develop a way of refining priorities to 'focus on a smaller number', in time to inform the next corporate plan	TCA	Director of Corporate Resources	Jun-14	Mar-15
Annual review of adequacy of reserves informed by assessment of financial risks	BAU	Head of Financial Services		
Ensure sufficient qualifications and training and staff numbers within the finance team	BAU	Head of Financial Services		
Adequate consultation with service managers during budget process	BAU	Head of Financial Services		
Annual review of fees and charges	BAU	Head of Financial Services		
Thorough review of reserves as part of budget process	BAU	Head of Financial Services		
Regular policy updates that provide early warning of legislative changes	BAU	Policy Officer		
Identify financial implications of legislative changes and use this to inform MTFP development for staff resources	BAU	Director of Corporate Resources		
Identify opportunities for increased income through the Strategic Programme Board.	BAU	Business Transformation Manager		



## R01.02: MTFP well-founded but accepted risk escalates or unforeseen situations undermine MTFP validity

Risk owner: Director of Corporate Resources

<b>Cause</b>	<b>MTFP risk levels change</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Savings targets not met;</li> <li>• Project where significant unbudgeted legal challenge costs arise;</li> <li>• Inadequate provision for repair, maintenance or replacement of major plant and equipment;</li> <li>• Inadequate insurance cover;</li> <li>• Unexpected reductions in central government support;</li> <li>• Reduced demand for paid-for services;</li> <li>• Increased demand for services;</li> <li>• New priorities agreed which differ from those used to develop the MTFP;</li> <li>• High cost projects are not clearly handed over when staff leave;</li> <li>• Disasters/ emergencies which lead to extra costs not eligible for government support;</li> <li>• Legislation or new statutory guidance requires the council to meet an extra service obligation;</li> <li>• Treasury policy not fit for purpose or not adhered to;</li> <li>• TDC must transfer services to government department or other organisation.</li> </ul>
<b>Trigger events/ situations</b>	<b>Major change in business environment changes risk level of MTFP</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Managers don't meet expected savings;</li> <li>• Income or costs exceed acceptable tolerances;</li> <li>• Major loss of income;</li> <li>• Decision to change priorities leads to additional financial cost;</li> <li>• An event or incident occurs where insurance provision is inadequate;</li> <li>• High value of claims below excess limits;</li> <li>• New financial obligation or rediscovery of existing financial obligation that was not allowed for in financial plans;</li> <li>• Major asset (buildings, plant &amp; equipment) require unplanned spending on repair/ replacement;</li> <li>• Fraud loss not covered by insurance;</li> <li>• New legislation or regulations with adverse resource implications.</li> </ul>
<b>Consequence</b>	<b>Need for changes to service provision</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Need to prioritise / rationalise/ terminate some services;</li> <li>• Reduced services to customers;</li> <li>• Inability to achieve objectives;</li> </ul>

	<ul style="list-style-type: none"> <li>• Impact on reserves;</li> <li>• Inability to comply with regulation;</li> <li>• Debt levels rise above acceptable proportions;</li> <li>• Deterioration of assets and asset values;</li> <li>• Funds spent on more expensive reactive maintenance rather than planned maintenance.</li> </ul>
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Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 4	R: 12	P: 2	I: 4	R: 8	P: 2	I: 4	R: 8
High			Medium-high			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Undertake review of constitutional and delegated powers to ensure that officers are working within their powers	TCA	Legal Services Manager	Jul-14	Dec-14
Develop a way of refining priorities to 'focus on a smaller number', in time to inform the next corporate plan	TCA	Director of Corporate Resources	Jun-14	Mar-15
Ensure that budget consultation for 2015-16 supports the identification of priorities for the new Corporate plan.	TCA	Policy and Business Planning Manager	Jul-14	Nov-14
Annual review of adequacy of reserves	BAU	Head of Financial Services		
Regular policy updates that provide early warning of legislative changes	BAU	Policy officer		
Clear scheme of delegation for member and officer decision making	BAU	Democratic Services Manager		
Foster strong relationship between Cabinet and SMT through informal meetings on regular basis.	BAU	Chief Executive		
Identify required repair and maintenance on major assets and buildings and use this to inform an adequate budget.	BAU	Head of Financial Services		
Review of asset register to identify those assets near the end of their useful life (vehicles, plant and equipment) and build capital asset replacement/ disposal (vehicles, plant and equipment) into the Capital Programme.	BAU	Head of Financial Services		
Ensure appropriate level of legal advice is sought for major projects through the active involvement of Legal Services Manager in the project approval process.	BAU	Legal Services Manager		
Review insurance policies on an annual basis.	BAU	Head of Financial Services		

<b>Control Measure</b>	<b>CM type</b>	<b>CM owner</b>	<b>Start date</b>	<b>Due date</b>
Ensure regular programme of independent audit of council business.	BAU	Head of Financial Services		
Regular monitoring of outstanding debts working with debtors at the earliest opportunity.	BAU	Head of Financial Services		
Monitor employer's liability in connection with potential transfers of undertakings with other organisations including public sector bodies and government departments.	BAU	Head of Financial Services		

## R02.01: Focus on short term priorities creates long term budget problems

Risk owner: Director of Corporate Resources

<b>Cause</b>	<b>Lack of sufficient prioritisation based on understanding of whole life cost-benefits</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Budget reductions limit flexibility, leads to a focus on short term issues and prevents planning and management of longer term issues;</li> <li>• Inadequate balance between planned and reactive maintenance;</li> <li>• Failure to consider whole-life costing when making decisions;</li> <li>• Market conditions make it inappropriate to realise the value of otherwise saleable assets;</li> <li>• Resistance to the sale of costly-to-maintain assets;</li> <li>• Lack of maintenance renders asset unmarketable;</li> <li>• Asset management procedures or practices not effective or not followed;</li> <li>• Lack of funds for long-term development/renovation projects;</li> <li>• Failure of funding systems for 'game changing' major projects;</li> <li>• Inadequate consideration of long term environmental risks;</li> <li>• Inadequate planning or implementation of plans which mitigate against long-term environmental risks (e.g. flooding or climate change).</li> </ul>
<b>Trigger events/situations</b>	<b>Event occurs which creates a need for significant extra cost provision</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Capital assets retained without adequate funding for their maintenance;</li> <li>• Projected changes in the property market fail to materialise;</li> <li>• Major reactive maintenance event occurs;</li> <li>• Committed external funding withdrawn or required to be paid back;</li> <li>• Extreme weather event.</li> </ul>
<b>Consequence</b>	<b>Consequent costs for the council leading to further difficulties</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Asset management plan fails;</li> <li>• Council has more property than it can afford to maintain</li> <li>• Inability to sell or let property on realistic terms;</li> <li>• Loss of income;</li> <li>• High maintenance costs</li> <li>• Gradual deterioration in quality and utility of property assets undermines the capital programme;</li> <li>• Health &amp; safety challenges;</li> <li>• Lengthy debate regarding the potential disposal of an asset;</li> <li>• Reputational damage;</li> <li>• Ability of the council to reach its objectives is undermined;</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 4	R: 12	P: 2	I: 4	R: 8	P: 2	I: 4	R: 8
High			Medium-high			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Ensure HRA asset management strategy and plan is in place	TCA	Head of Housing	Jul-14	Mar-15
Production of property maintenance schedules for housing.	TCA	Head of Housing	Jul-14	Mar-15
<b>Carry out reviews of the</b> replacement needs for all the main items of council's plant and equipment <b>used in the recycling, waste and cleansing services</b> , and ensure that capital bids are submitted if replacement is required within the next five years, so that financial provision can be made.	TCA	Head of Operational Services	Jul-14	Mar-15
<b>Carry out reviews of the</b> replacement needs for all the main items of council's plant and equipment <b>used in the parks service</b> , and ensure that capital bids are submitted if replacement is required within the next five years, so that financial provision can be made.	TCA	Head of Operational Services	Jul-14	Mar-15
Adopt an asset management strategy and plan (land and buildings) with director and cross-party member commitment.	TCA	Head of Economic Development and Asset Management	Jan 14	Sept 14
Ensure council assets are reviewed so that long run maintenance requirement is consistent with budget provision.	TCA	Head of Financial Services	Jun-14	Mar-15
Ensure that budget consultation for 2015-16 supports the identification of priorities for the new Corporate plan.	TCA	Policy and Business Planning Manager	Jul-14	Nov-14
Ensure that potential controversy relating to asset disposal is considered throughout the asset disposal process.	BAU	Head of Economic Development and Asset Management		
Thorough review of reserves as part of budget process	BAU	Head of Financial Services		
Review of corporate property held by the Council for the purpose of producing adequate information to the Head of Financial Services about level of income that can be expected for the term of the agreement including identifying non-recoverable costs. This information to be	BAU	Head of Economic Development and Asset Management		

Control Measure	CM type	CM owner	Start date	Due date
shared with SMT and used for decision making.				
Adherence to long-term coastal management plan.	BAU	Technical Services Manager		
Follow a monitoring regime for air quality in Thanet	BAU	Environmental Protection Manager		
Review the asset register on an annual basis.	BAU	Technical Finance Manager		
Ensure sufficient staff expertise within the property services team in asset management.	BAU	Head of Economic Development and Asset Management		
Ensure member engagement in development of financial assumptions.	BAU	Head of Financial Services		
Ensure external funding opportunities are explored.	BAU	Technical Finance Manager		
Regularly review the replacement needs for the main items of council's plant and equipment <b>around the coastline and at the port and harbour</b> , and ensure that appropriate capital bids are submitted early on so that financial provision can be made.	BAU	Technical Services Manager		
Regularly review the replacement needs for the main items of council's plant and equipment <b>used in the crematorium &amp; cemetery service</b> , and ensure that appropriate capital bids are submitted early on so that financial provision can be made.	BAU	Cemeteries and Crematorium Registrar		
Regularly review the replacement needs for the main items of council's plant and equipment <b>used in the facilities management service</b> , and ensure that appropriate capital bids are submitted early on so that financial provision can be made.	BAU	Facilities Manager		

### R03.01: Partnerships fail to deliver from their inception

Risk owner: Director of Corporate Resources

<b>Cause</b>	<b>Poor management of partnership set up</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Lack of clarity in defining the purpose or scope of the partnership;</li> <li>• Failure to establish robust governance arrangements;</li> <li>• Partnerships built on relationships between individuals without effective designation of roles and responsibilities;</li> <li>• Differing expectations of individual partners</li> <li>• Insufficient partner resources to develop effective SLA/ contract;</li> <li>• Lack of staff with capability/experience to draw up adequate documentation;</li> <li>• Protocols for setting up partnership agreements are inadequate or not adhered to;</li> <li>• Limited understanding of key facts and figures that should inform the objectives of the partnership;</li> <li>• Limited understanding of capacity or capability of the different partners.</li> </ul>
<b>Trigger events/ situations</b>	<b>Partners take or refuse to take action based on inadequate partnership arrangements</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Partnership commences its activity without having clear objectives in place;</li> <li>• Partnership agrees objectives that are not founded on evidence;</li> <li>• Partner refuses to act, believing the requested action to be outside the scope of the partnership.</li> </ul>
<b>Consequence</b>	<b>Partnership fails to achieve its potential</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Trust between partners is undermined;</li> <li>• Partnership fails to meet its objectives and performance targets (if they exist);</li> <li>• Limited engagement from individual partners;</li> <li>• Inability to monitor partnership progress appropriately or effectively;</li> <li>• Additional costs;</li> <li>• Withdrawal of partners;</li> <li>• Reputational damage through failure of the partnership.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 4	R: 12	P: 2	I: 4	R: 8	P: 3	I: 4	R: 12

Control Measure	CM type	CM owner	Start date	Due date
Design a partnership checklist template (agreement for supply of services that involves the council without formal contract), gain adoption by SMT and present to managers.	TCA	Customer Contact and Engagement Manager	Jul-14	Sep-14
Ensure a review is carried out applying the template to existing partnerships (agreement for supply of services that involves the council without formal contract).	TCA	Director of Corporate Resources	Jul-14	Sep-14
Ensure the partnership template is implemented to ensure that: partnership objectives are informed by a sound evidence base before they are agreed by TDC; that purposes and objectives are clearly documented with clear procedures for disengagement; and that governance arrangements (including arrangements for reporting progress and performance) are clearly documented.	TCA	Director of Corporate Resources	Jul-14	Mar-15



## R03.02: Partnerships fail to deliver because of the way that they are run

Risk owner: Director of Corporate Resources

<b>Cause</b>	<b>Inadequacies in partnership resourcing and governance arrangements</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Individual partners fail to allocate sufficient resources to deliver their agreed contribution effectively;</li> <li>• Demands are made that are outside of the agreed scope of the partnership;</li> <li>• Governance arrangements not clearly set out or complied with (including those for information management);</li> <li>• No regular monitoring of partnership progress;</li> <li>• Resourcing cuts by individual partners leave the Council exposed;</li> <li>• Costs of partnership exceed original expectations;</li> <li>• Change in priorities of an individual partner;</li> <li>• Lack of binding agreement allows withdrawal of partner at cost to the remainder.</li> </ul>
<b>Trigger events/situations</b>	<b>Partnerships embark on activities without adequate resources or governance arrangements in place to sustain/deliver those activities</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Partnership commences activity without implementing adequate governance arrangements;</li> <li>• Partner asks to renegotiate terms or decides to pull out of partnership</li> </ul>
<b>Consequence</b>	<b>Partnership fails to meet its potential</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Communications between partners becomes less effective;</li> <li>• TDC receives poor value for money for its contribution to the partnership;</li> <li>• Increase in complaints relating to services provided by the partnership;</li> <li>• Partnership objectives are not met;</li> <li>• Breach of TDC statutory responsibility (including corporate e.g. equality duty or DPA compliance);</li> <li>• Withdrawal of partners;</li> <li>• Financial loss, including loss of funding;</li> <li>• Lack of agreeable exit options;</li> <li>• Legal costs;</li> <li>• Partnership projects have to be scaled back/closed down;</li> <li>• Closure of partnership;</li> <li>• Reputational damage.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I:4	R: 12	P: 2	I: 4	R: 8	P: 3	I: 4	R: 12

Control Measure	CM type	CM owner	Start date	Due date
Carry out review applying the template to existing partnerships (agreement for supply of services that involves the council without formal contract).	TCA	Customer Contact and Engagement Manager	Apr-14	Mar-15
Adequate consultation with service managers during budget setting process.	BAU	Head of Financial Services		
Regular review of budgets through the year with budget holders so that remedial action can be taken at the earliest opportunity to address income shortfalls.	BAU	Head of Financial Services		
Use the performance board and directorate management meetings to challenge on the progress/ performance of the main partnerships though the year, checking that two way dialogue is taking place between TDC lead and partners.	BAU	Policy and Business Planning Manager		

## R04.01: Risk of injury due to failure to sustain appropriate Health & Safety conditions for work

Risk owner: Director of Operational Services

<b>Cause</b>	<b>Issues with Health and Safety Procedures</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Health &amp; Safety procedures not robust;</li> <li>• Health &amp; Safety procedures are not followed</li> </ul>
<b>Trigger events/situations</b>	<b>Individuals sustain injuries</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Staff injury whilst undertaking council duties.</li> </ul>
<b>Consequence</b>	<b>Costs, morale implications and reputation issues</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Possible corporate manslaughter;</li> <li>• Failure to meet statutory requirement;</li> <li>• Insurance claim against the council;</li> <li>• Dissatisfaction/ representations from colleagues of injured staff;</li> <li>• Loss of capacity due to staff absence through injury;</li> <li>• Reputational damage;</li> <li>• Adverse reporting in the public media;</li> <li>• Financial loss due to change in HSE requirements.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 4	R: 12	P: 1	I: 4	R: 4	P: 1	I: 4	R: 4

Control Measure	CM type	CM owner	Start date	Due date
Ensure that Health and Safety policy is up to date and that risk assessments are done, and that sufficient resources exist for safe working.	BAU	Director of Operational Services		
Ensure appropriate health and safety training occurs within the services.	BAU	Director of Operational Services		
Ensure that contracts used by TDC insist on appropriate health & safety standards.	BAU	Director of Operational Services		
Regularly review and adapt maintenance regimes for the main items of council's plant and equipment <b>around the coastline and at the port and harbour</b> , to ensure equipment is efficient, effective and safe.	BAU	Technical Services Manager		
Regularly review and adapt maintenance regimes for the main items of council's plant and equipment <b>used in the recycling, waste and cleansing services</b> , to ensure equipment is efficient, effective and safe.	BAU	Head of Operational Services		
Regularly review and adapt maintenance regimes for the main items of council's plant and equipment <b>used in the parks services</b> , to ensure equipment is efficient, effective and safe.	BAU	Head of Operational Services		
Regularly review and adapt maintenance regimes for the main items of council's plant and equipment <b>used in the crematorium &amp; cemetery service</b> , to ensure equipment is efficient, effective and safe.	BAU	Cemeteries and Crematorium Registrar		
Regularly review and adapt maintenance regimes for the main items of council's plant and equipment <b>used in the facilities management service</b> , to ensure equipment is efficient, effective and safe.	BAU	Facilities Manager		

## R04.02: Failure to achieve value for money (VFM) through procurement methods

Risk owner: Strategic Procurement Manager

<b>Cause</b>	<b>Difficulties with procurement arrangements</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Inadequate procurement arrangements;</li> <li>• Procurement arrangements not followed;</li> <li>• Fraud;</li> <li>• Excessive use of particular suppliers;</li> <li>• Lack of clarity about what is needed;</li> <li>• Limited understanding of best practice in service delivery;</li> <li>• Central government/European legislation restricts the options available;</li> <li>• Appointed supplier is not economically viable;</li> <li>• Inappropriate use of open book accounting;</li> <li>• Supplier goes through change which limits their ability to deliver to the original agreement.</li> </ul>
<b>Trigger events/situations</b>	<b>Procurement failure</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Procurement process fails to identify an appropriate supplier;</li> <li>• Supplier appointed to deliver a contract which does not meet the actual needs of TDC;</li> <li>• Major supplier withdraws and supply fails – e.g. goes into liquidation;</li> <li>• Major service supplier debt forces decision on foreclosure.</li> </ul>
<b>Consequence</b>	<b>Failure to achieve VFM through procurement</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Failure to deliver VFM;</li> <li>• Viable solutions are not implemented;</li> <li>• Tender returns unusable and need to re-offer;</li> <li>• Breakdown in supply threatens service delivery;</li> <li>• Risk of legal challenge, fines and censure;</li> <li>• Contractor challenge;</li> <li>• Reputational damage;</li> <li>• Costs from disruption and legal fees.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 4	I: 4	R: 16	P: 1	I: 3	R: 3	P: 2	I: 3	R: 6
High			Medium-low			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Annual due diligence checks on external suppliers where the contract value exceeds £75,000.	TCA	Corporate Finance Manager	Apr-14	Mar-15
Ensure regular programme of independent audit of council business.	BAU	Head of Financial Services		
Ensure adherence to up to date procurement framework.	BAU	Strategic Procurement Manager		
Ensure good contract management practices exist. I.e. due diligence in selection and contract admin and clear contract evaluation and exit clauses.	BAU	Strategic Procurement Manager		

### R04.03: Insufficient defences against fraud

Risk owner: Director of Corporate Resources

<b>Cause</b>	<b>Insufficient defences against fraud</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Economic climate leads to individuals and/or criminal groups taking greater risks and/or using more innovative technologies in order to obtain monies by illegal means;</li> <li>• Economic climate could lead some officers or members to be more inclined to offer or accept a bribe;</li> <li>• Insufficient resources dedicated to anti-fraud and anti-bribery measures;</li> <li>• Limited understanding of new fraudulent or bribery methods;</li> <li>• Failure to promote an anti-fraud organisational culture (e.g. whistleblowing);</li> <li>• Non-compliance with internal controls (e.g. decision made outside governance framework);</li> <li>• Poor ethical judgement by elected officials and senior managers (e.g. expenses fraud).</li> <li>• Failure to detect fraud.</li> </ul>
<b>Trigger events/situations</b>	<b>Fraud or bribery against the council</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Council official is bribed;</li> <li>• Council official uses privileged information for personal gain;</li> <li>• Fraudulent expenses claim made.</li> </ul>
<b>Consequence</b>	<b>Unnecessary costs to the taxpayer, leading to further issues</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Failure to deliver value for money;</li> <li>• Service quality/performance deteriorates;</li> <li>• Loss of income;</li> <li>• Increased costs;</li> <li>• Costly criminal proceedings;</li> <li>• Reputational damage;</li> <li>• Breach of trust.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 4	R: 12	P: 2	I: 4	R: 8	P: 2	I: 4	R: 8
High			Medium-high			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Provide staff and member training on fraud	TCA	Corporate Finance Manager	Jan-15	Feb-15
Ensure regular programme of independent audit of council business.	BAU	Head of Financial Services		
Ensure anti-fraud policies and procedures are up to date (e.g. bribery, whistleblowing).	BAU	Corporate Finance Manager		
Ensure good ICT asset management, including adequate investment/forward planning, with adequate consideration of building related requirements (e.g. air conditioned server rooms).	BAU	Director of Corporate Resources		



## R04.04: Inability to prioritise effectively threatens delivery of matters that are said to be the most important

Risk owner: Chief Executive

<b>Cause</b>	<b>Too many objectives set as the Council tries to be ‘all things to all people’</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Over-estimation of staff capacity when strategic or operational decisions are taken;</li> <li>• Long-term aims are not clearly defined;</li> <li>• Failure to consider agreed priorities when deciding objectives;</li> <li>• Decisions are made on priorities without adequate consideration of the funding required or available to deliver those priorities;</li> <li>• Poor alignment with KCC on strategic matters;</li> <li>• Failure to agree service standards and expectations for functions or matters that are a lower priority or a non-priority;</li> <li>• Failure to review services which consistently deliver beyond their objectives;</li> <li>• Delivering “gold-plated” services which use up valuable resources;</li> <li>• Attempts to deliver matters that are insufficiently funded threatens the funding of stated key priorities.</li> </ul>
<b>Trigger events/ situations</b>	<b>Timescales and budgets set for key pieces of work become unrealistic; poor service delivery as too many matters are juggled</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>•</li> </ul>
<b>Consequence</b>	<b>Failure to deliver stated objectives in a timely manner</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Limited clarity of purpose leads to difficulties in motivating staff;</li> <li>• An increasing number of items of work become deferred;</li> <li>• Projects take longer than planned as resources have to be regularly moved around to meet multiple requirements;</li> <li>• The council’s project completion record deteriorates;</li> <li>• Ineffective and ineffective decision as too many matters have to be juggled;</li> <li>• Council gains a reputation for not delivering what it says it will;</li> <li>• Projects become drawn out or fail</li> <li>• Senior staff &amp; members continually need to revise intentions because prioritisation is ineffective</li> <li>• Co-operation with partners is inconsistent</li> <li>• officers and members unable to articulate a shared set of priorities.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 4	R: 12	P: 2	I: 4	R: 8	P: 2	I: 4	R: 8
High			Medium-high			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Develop a clear understanding of member priorities and communicate this to the organisation and its stakeholders	TCA	Chief Executive	July 14	Oct-14
Ensure that budget consultation for 2015-16 supports the identification of priorities for the new Corporate plan.	TCA	Policy and Business Planning Manager	Jul-14	Nov-14
Develop an annual prioritisation processes that ensures consistency between the corporate plan, service plans and strategic objectives.	TCA	Policy and Business Planning Manager	Oct-14	Sep-15

## R04.05: Failure of ICT systems/ infrastructure

Risk owner: Director of Corporate Resources

<b>Cause</b>	<b>Inadequate arrangements for maintaining/upgrading/improving ICT systems and infrastructure</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Lack of infrastructure and/ or system obsolescence;</li> <li>• Failure to make best use of publication schedule;</li> <li>• Inadequate consideration of potential negative impacts of one-size fits all options proposed by shared services;</li> <li>• Inadequate resource allocated for software support;</li> <li>• ICT project is approved without a robust business case;</li> <li>• Inadequate resource allocated for project implementation;</li> <li>• ICT training is not fit for purpose;</li> <li>• Successful security/cyber-attacks;</li> <li>• Anticipated costs for major ICT projects escalate significantly beyond the original budget;</li> <li>• Ineffective communication between TDC and EK Services ICT;</li> <li>• Inadequate service maintenance;</li> <li>• Inadequate support contracts in place.</li> </ul>
<b>Trigger events/ situations</b>	<b>Failure of ICT systems/ infrastructure</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• System/infrastructure failure;</li> <li>• Attempt to restore failed systems/infrastructure unsuccessful;</li> <li>• System downtime exceeds acceptable levels;</li> <li>• Realisation that staff lack capability with a system.</li> </ul>
<b>Consequence</b>	<b>Unplanned costs and failure in service provision leading to further issues</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Cost savings not realised;</li> <li>• Reduction in service quality;</li> <li>• Information put at risk;</li> <li>• Breach of contract;</li> <li>• High 'down time';</li> <li>• Service failure;</li> <li>• Software not used effectively because of limited staff capability.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 2	I: 4	R: 8	P: 1	I: 4	R: 4	P: 1	I: 4	R: 4
High			Medium-low			Medium-low		

Control Measure	CM type	CM owner	Start date	Due date
Ensure in-house software administrator roles are held by 'experts' who are required to document basics of software management tasks.	TCA	Customer Contact and Engagement Manager	Jan-15	Mar-15
Ensure good ICT asset management, including adequate investment/forward planning, with adequate consideration of building related requirements (e.g. air conditioned server rooms).	BAU	Director of Corporate Resources		
Effective SLA in place with EKS for ICT services.	BAU	Director of Corporate Resources		
Ensure information management policies exist and are maintained (e.g. email).	BAU	Director of Corporate Resources		
Ensure that business continuity plans in place cover ICT systems and infrastructure.	BAU	Director of Corporate Resources		
Maintain up-to-date Emergency plan.	BAU	Technical Services Manager		

## R04.06: Inadequate information management practices

Risk owner: Customer Contact an Engagement Manager

<b>Cause</b>	<b>Inadequate information management arrangements in place</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Information management systems insufficient;</li> <li>• Failure to move from paper to digital systems;</li> <li>• Inadequate training of staff or members on information management matters;</li> <li>• Non-compliance with government controls on the management and labelling of information;</li> <li>• Data protection arrangements inadequate or not adhered to;</li> <li>• Data sharing arrangements with partners inadequate or not adhered to;</li> <li>• Ignorance of proper protocols leads to under-use of information management processes;</li> <li>• Vexatious requests or vexatious complainants tolerated;</li> <li>• Misuse of systems or information by staff or members;</li> <li>• Information held by the Council is lost, forgotten, overlooked or ignored.</li> </ul>
<b>Trigger events/situations</b>	<b>Event occurs where lack/disclosure of information is a serious issue</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Complaint to Information Commissioner;</li> <li>• A decision requires information which is no longer kept (or has been overlooked) by the Council;</li> <li>• Information is shared or disclosed when it should not be.</li> </ul>
<b>Consequence</b>	<b>Unplanned cost in time and money, project failure and reputational damage</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Fine imposed by the Information Commissioner;</li> <li>• Unsustainably high level of requests for information through FOI;</li> <li>• Project delay or failure;</li> <li>• Schedule of publication requires refresh;</li> <li>• Disciplinary action is required;</li> <li>• Reputational damage.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 3	R: 9	P: 2	I: 2	R: 4	P: 3	I: 3	R: 9
Medium-high			Medium-low			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Adopt and ensure adherence to the government's code of conduct on data transparency.	TCA	Customer Contact and Engagement Manager	Apr 14	Mar 15
Deliver training on good information management practices, including quality and appropriateness.	TCA	Customer Contact and Engagement Manager	Oct 14	Mar 15
Re-introduce housekeeping days (electronic as well as paper filing).	TCA	Customer Contact and Engagement Manager	Sept 14	Mar 15
Ensure information management policies exist and staff comply with the policies	BAU	Customer Contact and Engagement Manager		
Ensure data protection processes are implemented and maintained.	BAU	Legal Services Manager		
Ensure website contains information that is most commonly requested.	BAU	Customer Contact and Engagement Manager		
Ensure up to date retention schedules and timely destruction of records.	BAU	Customer Contact and Engagement Manager		
Undertake regular analysis of complaints relating to information failures, to inform staff training needs	BAU	Customer Contact and Engagement Manager		

## R04.07: Emergency planning failure

Risk owner: Technical Services Manager

<b>Cause</b>	<b>Issues with Emergency Plan arrangements</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Emergency planning documentation is not in place or is not robust;</li> <li>• Participants not adequately trained to implement plans;</li> <li>• Key staff are unavailable when emergency occurs (e.g. SMT, communications).</li> </ul>
<b>Trigger events/situations</b>	<b>Emergency occurs for which the council is unprepared or responds poorly</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Major national grid failure;</li> <li>• Plane crash</li> <li>• Flooding;</li> <li>• Major fire.</li> </ul>
<b>Consequence</b>	<b>Confusion leading to vulnerability of local people and service failure</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Avoidable fatalities or injuries occur;</li> <li>• Impact on emergency services;</li> <li>• People are left vulnerable by an incident when they should not be;</li> <li>• Confusion over responsibilities;</li> <li>• Lack of clear understanding links to mixed messages between stakeholders;</li> <li>• Service failures;</li> <li>• Potential health and safety issues;</li> <li>• Possible corporate manslaughter;</li> <li>• Possible breach of contract.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 4	I: 3	R: 12	P: 1	I: 3	R: 3	P: 2	I: 3	R: 6
High			Medium-low			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Develop and implement a succession management plan.	TCA	HR Business Partner	Sept-14	Mar-15
Maintain up-to-date Emergency plan.	BAU	Technical Services Manager		
Provide refresh training on emergency planning (including working with emergency services).	BAU	Technical Services Manager		



## R04.08: Business Continuity planning failure

Risk owner: Policy and Business Planning Manager

Cause	Issues with Business Continuity Arrangements
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Business continuity documentation is not in place or is not robust;</li> <li>• Management and staff not adequately trained to implement plans;</li> <li>• Limited communication with suppliers of key local infrastructure (e.g. KCC, Southern Water) who could take action that would reduce the impact of a Business Continuity incident on TDC;</li> <li>• Key staff are unavailable when needed (e.g. SMT, communications).</li> </ul>
<b>Trigger events/situations</b>	<b>Situation occurs for which the council is unprepared or responds poorly</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• TDC IT system failure;</li> <li>• Protracted power failure;</li> <li>• Major incident which affects TDC service delivery (e.g. towerblock fire, sewage discharge by Southern Water)</li> <li>• Key post-holder leaves with inadequate handover.</li> </ul>
<b>Consequence</b>	<b>Confusion leading to vulnerability of local people and service failure</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Confusion over responsibilities;</li> <li>• Lack of clear understanding links to mixed messages internally and externally;</li> <li>• People are left vulnerable when they should not be;</li> <li>• Service failure;</li> <li>• Possible breach of contract;</li> <li>• Potential health and safety issues.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 3	R: 9	P: 1	I: 3	R: 3	P: 2	I: 3	R: 6
Medium-high			Medium-low			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Develop and implement a succession management plan.	TCA	HR Business Partner	Sept-14	Mar-15
Maintain up-to-date Business Continuity plan.	BAU	Policy and Business Planning Manager		
Ensure programme of review and testing of business continuity plan which includes shared service partners.	BAU	Policy and Business Planning Manager		
Provide refresh training on business continuity.	BAU	Policy and Business Planning Manager		

## R04.09: Opportunities to prevent harm to children are missed by staff of TDC or its partners, or children are actually harmed by staff of TDC or its partners

Risk owner: Community Safety and Leisure Manager

<b>Cause</b>	TDC do not follow procedures in place and fail to respond to a child protection issue
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Inadequate procedures in place;</li> <li>• Inadequate training arrangements;</li> <li>• Procedures not followed e.g: <ul style="list-style-type: none"> <li>○ Child left in harm through staff member not reporting concern quickly or at all</li> <li>○ Staff member considers an incident to be too small in nature to be worth reporting;</li> <li>○ Staff member left vulnerable to untrue allegations</li> </ul> </li> <li>• System failure – IT or business continuity as all referrals are done electronically through Civica direct to KCC Social Services</li> <li>• Inadequate vetting of staff who will be working in situations where they will come into contact with children;</li> </ul>
<b>Trigger events/situations</b>	Child is harmed or untrue allegation are made against TDC staff/partners
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Harm comes to a child which could have been avoided if TDC staff/partners had reported it;</li> <li>• Child is harmed by TDC employee/partner;</li> <li>• Untrue allegation of harm is made against TDC staff/partners.</li> </ul>
<b>Consequence</b>	Negative impacts on the family, staff members and the council overall
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Longer term impacts on the child and its family;</li> <li>• Serious case review finds the Council to be wanting;</li> <li>• Reputational damage;</li> <li>• Impact on staff morale particularly those who had an opportunity to prevent harm;</li> <li>• Financial sanctions against the Council;</li> <li>• Psychological impact on staff member against whom untrue allegations have been made.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 3	R: 9	P: 1	I: 3	R: 3	P: 2	I: 3	R: 6
Medium-high			Medium-low			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Re-establish corporate CP Committee	TCA	Community Safety and Leisure Manager	Sept-14	Jan-15
Complete Kent Safeguarding Children's self-assessment document	TCA	Community Safety and Leisure Manager	May-14	Jun-14
Update TDC staff list for roles requiring DBS checks	TCA	Community Safety and Leisure Manager	Jun-14	Sept-14
Update CP information on TOM	TCA	Community Safety and Leisure Manager	Sept-14	Jan-15
Check compliance with e-learning module for new starters	TCA	HR Business Partner	Jun-14	Sep-14
Process electronic referrals of CP issues and send to Social Services	BAU	Community Safety and Leisure Manager		
Maintain the Corporate Child Protection policy	BAU	Community Safety and Leisure Manager		

## R05.01: Media controversy impacts on the council's ability to achieve its objectives

Risk owner: PR and Publicity Manager

<b>Cause</b>	<b>Controversial decisions and/or inadequacies in communication arrangements</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Council becomes involved in projects that relate to matters that are locally controversial;</li> <li>• Inaccurate reporting of legal challenges in the media;</li> <li>• Ineffective communication with the media;</li> <li>• Use of communication channels that are not favoured by customers;</li> <li>• Ineffective use of social media;</li> <li>• Staff capacity does not allow time for considered response to enquiries;</li> <li>• Staff not trained to consider PR impact of their activities;</li> <li>• Inadequate media training of staff and members;</li> <li>• Limited staff capacity resulting in limited amount of time available for media relations;</li> <li>• Inadequate responses to customer complaints, FOIs or media stories;</li> <li>• Council response to negative stories about the council on social media is ineffective;</li> <li>• Sensational stories published in media without proper consideration of facts resulting in inaccurate information in the public domain;</li> <li>• Failure to meet/manage customer expectations;</li> <li>• 'Leak', or failure to follow approved process for ensuring document security.</li> </ul>
<b>Trigger events/situations</b>	<b>Controversial story publicised in the media</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Adverse reports in the local, regional or national media;</li> <li>• Negative comments and discussions on social media.</li> </ul>
<b>Consequence</b>	<b>Media controversy impacts on the council's ability to achieve its objectives</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Project are delayed and costs escalate;</li> <li>• Additional legal resources required;</li> <li>• Requirement to use resources to carry out a review of council actions;</li> <li>• Reputational damage;</li> <li>• Increasing resident dissatisfaction;</li> <li>• Loss of trust in the council;</li> <li>• Public disengagement from involvement with the council;</li> <li>• Growth in negative perceptions about Thanet as an area;</li> <li>• Recruitment/retention problems;</li> <li>• Prospective partners disengage from the council reducing the council's ability to meet its objectives and potentially leading to a withdrawal of investment into the area;</li> </ul>

	<ul style="list-style-type: none"> <li>Increasing vulnerability to less scrupulous enterprise because of growth in the perception that in Thanet the council is not effective at dealing with controversy.</li> </ul>
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Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 4	I: 4	R: 16	P: 3	I: 2	R: 6	P: 3	I: 3	R: 9
High			Medium-high			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Provide media training to all Members.	TCA	PR & Publicity Manager	Jul-14	Mar-15
Ensure appropriate level of legal advice is sought for major projects through the active involvement of Legal Services Manager in the project approval process.	BAU	Legal Services Manager		
Accurate, timely press releases supported by measured PR.	BAU	PR and Publicity Manager		
Ensure adherence to council's decision making processes.	BAU	Legal Services Manager		
Regular dialogue that foster good relationships with the media.	BAU	PR and Publicity Manager		
Use customer insight and market segmentation to inform communication methods.	BAU	Communications Manager		

## R05.02: Customer expectations/ demands cannot be met by the council

Risk owner: Director of Corporate Resources

<b>Cause</b>	<b>Unrealistic or inappropriate customer expectations, growth in service demand, reduction in resources/capacity affect ability to deal with matters satisfactorily</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• TDC sets the wrong objectives based on flawed evidence;</li> <li>• TDC sets too many objectives;</li> <li>• Customer expectations differ from the TDC's;</li> <li>• Public misunderstanding of the council's role and the roles of other public bodies;</li> <li>• Government 'enablement' powers (e.g. community rights) are misinterpreted by customers - believing that options are duties;</li> <li>• Increase in demand for services (could be sudden or gradual);</li> <li>• Changing demographics not understood by the council, and so not planned for (e.g. ageing population);</li> <li>• Poor communication of decision making, service objectives and service standards;</li> <li>• Lack of consultation with customers;</li> <li>• Responses to consultations ignored when developing policy/making decisions;</li> <li>• Unbalanced coverage of a complainant against the council in the press/media, changes the expectations of the wider community.</li> </ul>
<b>Trigger events/ situations</b>	<b>Customer expectations/ demands cannot be met by the council</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Service provision falls below expectations or needs of the public and this becomes a matter of public concern.</li> </ul>
<b>Consequence</b>	<b>Customer's disappointment, reputational damage, service failure leading to further issues</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Customers do not get what they want or need and are entitled to expect from TDC;</li> <li>• Inability to cope with service demand (e.g. demands on the benefit system);</li> <li>• Reprioritisation leading to falling standards in other services;</li> <li>• Increase in complaints and media criticism of the council;</li> <li>• Reputational damage;</li> <li>• Need to re-educate customer expectations.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 4	I: 3	R: 12	P: 3	I: 3	R: 9	P: 4	I: 3	R: 12
High			Medium-high			High		

Control Measure	CM type	CM owner	Start date	Due date
Review channels of communication to external customers to ensure the council has an integrated plan for improvement.	TCA	Communications Manager	Oct-14	Mar-15
Ensure appropriate level of legal advice is sought for major projects through the active involvement of Legal Services Manager in the project approval process.	BAU	Legal Services Manager		
Regular reporting of Medium Term Financial Plan to ensure that there is a clear understanding of what the council's commitments are.	BAU	Head of Financial Services		
Ensure corporate plan objectives are clearly publicised for the general public.	BAU	Policy and Business Planning Manager		
Regular reporting of business performance to the public	BAU	Policy and Business Planning Manager		
Clear marketing of what services the council provides and signposting to other public services, to ensure an integrated approach to customer service delivery.	BAU	Communications Manager		
Ensure provision of clear and consistent quality of response to public requests for information.	BAU	Customer Contact and Engagement Manager		
Engage members when developing plans for the year (including service plans).	BAU	Director of Corporate Resources		
Foster strong relationship between Cabinet and SMT through informal meetings on regular basis.	BAU	Chief Executive		



## R05.03: Legal challenges require high level commitment of resources

Risk owner: Legal Services Manager

<b>Cause</b>	<b>TDC activities have negative impacts for some stakeholders and TDC is not adequately prepared for legal challenges</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Activities of the Council have adverse financial implications for external individuals, groups or organisations (e.g. compulsory purchase orders, planning decisions, enforcement activity);</li> <li>• Stakeholders are able to and minded to launch legal challenge;</li> <li>• TDC is unable to commit resources to deal with the number of legal challenges;</li> <li>• TDC does not factor costs and risks of legal challenge into its planning of activities.</li> </ul>
<b>Trigger events/situations</b>	<b>Stakeholder starts a legal challenge</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>•</li> </ul>
<b>Consequence</b>	<b>Unplanned costs leading to impacts on service provision and reputational issues</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Unplanned spend/resource requirements;</li> <li>• Potential fines/legal costs;</li> <li>• Impact on other projects or service delivery;</li> <li>• Reputational damage;</li> <li>• Delays to projects.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 2	I: 4	R: 8	P: 2	I: 2	R: 4	P: 2	I: 2	R: 4
Medium-high			Medium-low			Medium-low		

Control Measure	CM type	CM owner	Start date	Due date
Ensure appropriate level of legal advice is sought for major projects through the active involvement of Legal Services Manager in the project approval process.	BAU	Legal Services Manager		
Consideration of legal implications when making decisions through use of the relevant section in the report template.	BAU	Legal Services Manager		

## R06.01: Problems caused by central government policies or practices prevent the council from achieving its aspiration

Risk owner: Chief Executive

<b>Cause</b>	<b>Changes to central government policies or practices</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Government makes more cuts reducing funding for supply of services (by TDC and KCC);</li> <li>• Government reduces benefits envelope stimulating additional service demands (e.g. on housing services) or reducing council income (e.g. council tax/housing rent arrears);</li> <li>• Mitigation options offered by central government when regulations change do not cover the overall disadvantage to Thanet, increasing net loss to local economy;</li> <li>• Lack of reliable guidance from central government departments makes it harder to plan for change – e.g. unclear timetabling for the implementation of new regulations;</li> <li>• Advice/guidance from central government on how to deal with legislative change proves unworkable, requiring TDC to put resources into the development of new working practices and schemes;</li> <li>• Legislation could be introduced which abolishes second tier authorities or which incentivises the amalgamation of different councils in Kent, leading to the abolition of TDC as an entity.</li> </ul>
<b>Trigger events/situations</b>	<b>Specific regulations introduced which impact on Thanet</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Reduction in revenue support grant;</li> <li>• Sudden introduction of new requirements by central government for which TDC has been unable to prepare;</li> <li>• New legislation enacted with timetable for assimilation of second tier local authorities into a system of unitary authorities;</li> <li>• Government reduces the availability of useful data about Thanet.</li> </ul>
<b>Consequence</b>	<b>Reduced funding, increased service demand, increased statutory requirement, reduced capacity etc.</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Reduced funding available to deliver council services creates capacity or capability problems;</li> <li>• Disruption to day-to-day service delivery;</li> <li>• Wasteful local planning for things that might never happen;</li> <li>• Need to re-organise staffing structures to align to new requirements for local service provision;</li> <li>• Government positive portrayal of new legislation leads to the general public forming expectations of local authorities which don't match the new duties that they have;</li> <li>• Inability to access useful datasets leading to decisions being less well informed;</li> </ul>

	<ul style="list-style-type: none"> <li>• Government intervention in local services;</li> <li>• Inability to plan local futures locally;</li> <li>• Undermining of local identities.</li> </ul>
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Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 4	R: 12	P: 2	I: 2	R: 4	P: 2	I: 4	R: 8
High			Medium-low			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Consider opportunities for reducing service costs through a programme of service reviews.	TCA	Director of Corporate Resources	Jun-14	Mar-15
Explore options to consolidate or share services.	TCA	Director of Corporate Resources	Jun-14	Mar-15
Establish framework for building relationship between the Council and local MPs.	TCA	Chief Executive	Jul-14	Sept 14
Regular policy updates that provide early warning of legislative changes	BAU	Policy officer		
Ensure external funding opportunities are explored.	BAU	Technical Finance Manager		
Ensure adherence to council's decision making processes.	BAU	TBC		
Foster strong relationship between Cabinet and SMT through informal meetings on regular basis.	BAU	Chief Executive		
Regular updates on central government policy consultations.	BAU	Policy officer		
Ongoing review of government position on discretionary housing payments.	BAU	Head of Financial Services		
Ongoing monitoring of key indicators which track services which may be impacted by welfare reform	BAU	Head of Financial Services		

## R06.02: Ineffective relationships between TDC and Kent

Risk owner: Chief Executive

<b>Cause</b>	<b>Changes in KCC strategic and operational priorities which have adverse implications for Thanet</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Changes to KCC priorities affect TDC's role in strategy;</li> <li>• Changing priorities based on differing political alignments (national or local) isolates Thanet so influence is lost;</li> <li>• Lack of capacity to engage in the various Kent led forums across Kent;</li> <li>• Changes in operational emphasis affects project resourcing;</li> <li>• KCC cutbacks disadvantage Thanet.</li> </ul>
<b>Trigger events/situations</b>	<b>KCC take decisions which have adverse impact on Thanet</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• KCC decision to withdraw or reduce investment in Thanet;</li> </ul>
<b>Consequence</b>	<b>Negative impacts on the district, TDC becomes isolated</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• TDC's knowledge of county initiatives in Thanet or of wider issues is reduced;</li> <li>• Loss of strategic context;</li> <li>• Thanet resourcing is reduced;</li> <li>• Thanet misses out on investment opportunities;</li> <li>• TDC misinterprets KCC's position.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 4	R: 12	P: 2	I: 2	R: 4	P: 2	I: 4	R: 8
High			Medium-low			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Engage members when developing plans for the year (including service plans).	BAU	Director of Corporate Resources		
Ensure regular prompts for leader to attend meetings of Kent leaders and feedback.	BAU	PA to the Chief Executive		

### R06.03: Public disengagement from the democratic process

Risk owner: Democratic Services Manager

<b>Cause</b>	<b>Public disengagement from the democratic process</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Lack of belief (nationally) in the relevance of the political process;</li> <li>• Apathy about council purposes;</li> <li>• Negative stories about the council in the media;</li> <li>• TDC attempts to carry out large numbers of consultations leading to consultation fatigue;</li> <li>• Perception that the council does not value consultation responses or feedback;</li> <li>• Exposure of the public to unacceptable practice by members or officers encourages non-participation.</li> </ul>
<b>Trigger events/situations</b>	<b>Poor response to democratic engagement events</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Poor voter turn-out;</li> <li>• Poor response levels to consultations.</li> </ul>
<b>Consequence</b>	<b>Limited representation of public concerns at the Council</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Difficult for council leadership to gain a clear mandate;</li> <li>• Change in council priorities by a new leadership could lead to reputational damage, particularly if there is a weak mandate;</li> <li>• Basis for democratic accountability is undermined;</li> <li>• Inadequate knowledge of public opinion undermines validity of decisions;</li> <li>• Greater exposure to single issue pressure groups leading to decisions that may not be in the interests of the local economy.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 2	I: 3	R: 6	P: 2	I: 2	R: 4	P: 2	I: 3	R: 6
Medium-high			Medium-low			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Ensure that budget consultation for 2015-16 supports the identification of priorities for the new Corporate plan.	TCA	Policy and Business Planning Manager	Jul-14	Nov-14
Run campaign to increase participation in the democratic process.	TCA	Communications Manager	Oct-13	Mar-15
Effective SLA in place with EKS for ICT services.	TCA	Director of Corporate Resources	Sep-14	Mar-15
Develop and implement a succession management plan.	TCA	HR Business Partner	Sept 14	Mar 15
Ensure provision of clear and consistent quality of response to public requests for information.	BAU	Customer Contact and Engagement Manager		
Engage members when developing plans for the year (including service plans).	BAU	Director of Corporate Resources		

## R06.04: Difficulties faced by members in carrying out the administration of the council

Risk owners: Leader and Chief Executive

Cause	Issues which make it difficult for elected members to carry out the administration of the council
Examples of potential causes	<ul style="list-style-type: none"> <li>• Ineffective or inefficient public meetings;</li> <li>• Inappropriate behaviour by individual councillors;</li> <li>• Ineffective standards regime;</li> <li>• Ineffective communication between senior management and members;</li> <li>• Officer: member protocol inadequate or not adhered to;</li> <li>• Ward councillors not provided with the relevant and topical information expected under the officer: member protocol;</li> <li>• Lack of training for committee chairs and vice-chairs;</li> <li>• Lack of media training for members.</li> </ul>
Trigger events/situations	Actions which exacerbate underlying issues
Examples of potential trigger events/situations	<ul style="list-style-type: none"> <li>• Confidential papers are leaked;</li> <li>• The action of an individual councillor brings the council into disrepute;</li> <li>• Members find out information about an issue via the media rather than communication from officers;</li> <li>• Important decision postponed due to disruption at a meeting.</li> </ul>
Consequence	Council distracted from the delivery of its objectives
Examples of potential consequences	<ul style="list-style-type: none"> <li>• Inappropriate behaviour by individual councillors continues as standards regime is ineffective;</li> <li>• Lack of relevant information makes it difficult for councillors to fulfil their role effectively;</li> <li>• Current partners withdraw from partnership to protect themselves from misrepresentation through leaks of confidential information;</li> <li>• Potential partners are dissuaded from entering into partnership due to risk of confidential information being leaked;</li> <li>• Financial costs and waste of staff resource on matters that could be resolved through an effective standards regime;</li> <li>• Ineffective chairmanship limits meeting effectiveness, impacting on council business;</li> <li>• Reputational damage to the council;</li> <li>• Public disengagement from the democratic process.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 4	R: 12	P: 2	I: 2	R: 4	P: 3	I: 4	R: 12
High			Medium-low			High		

Control Measure	CM type	CM owner	Start date	Due date
Review options for requiring chairman ship/vice-chairmanship posts to be restricted to those who have been on a chairmanship training	TCA	Legal Services Manager	Jul-14	Mar-15
Provide training for all members on chairmanship and meeting management	TCA	Democratic Services Manager	Jul-14	Mar-15
Carry out review of the standards regime and make recommendations to Council	TCA	Legal Services Manager	Jul-14	Mar-15
Introduce new standards regime (following Council decision)	TCA	Democratic Services Manager	Jul-14	Mar-15
Review the officer: member protocol and design and deliver training/awareness raising for staff and members	TCA	Chief Executive and Leader	Jul-14	Mar-15
Provide media training to all members following the election	TCA	PR and Publicity Manager	Jul-14	Mar-15
Maintain regular 1:1s between directors and portfolio holders	BAU	Chief Executive		



## R07.01: Lack of the right staff in the right place leads to situations where services are inadequately covered or missed (capacity)

Risk owner: Chief Executive

<b>Cause</b>	<b>Mismatch between staff resources in post and service expectations causes false understanding of capacity and resilience</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Reorganisation results in lack of resilience – e.g. only one person knows how to carry out a task;</li> <li>• Re-organisation important functions are left under-resourced following a restructure;</li> <li>• Vacant posts take too long to fill;</li> <li>• Difficulties in attracting suitable candidates for vacant posts;</li> <li>• Vacant post savings targets lead to reduction in capacity;</li> <li>• Limited delegation to, and empowerment of, staff;</li> <li>• Restructures take a long time to agree and implement;</li> <li>• Inadequate assessment of service requirements;</li> <li>• Failure to rationalise or deprioritise in response to funding cuts;</li> <li>• Unnecessary or unnecessarily complex corporate processes reduce capacity for service delivery;</li> <li>• Inconsistent handover practices;</li> <li>• Inadequate succession planning arrangements;</li> <li>• Ineffective arrangements for hand-over of functions;</li> <li>• Capability issues aggravate capacity issues;</li> <li>• Implementation of more efficient working fails to deliver the reduction in pressure on staff resources that was originally envisaged;</li> </ul>
<b>Trigger events/situations</b>	<b>Situation occurs where services are inadequately covered or missed</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Tasks missed or completed badly;</li> <li>• Discovery of crucial gaps in staffing structure;</li> <li>• Inability to cover staff absence;</li> <li>• Non-compliance with legislation/ regulation, or with requirements of grant funding;</li> <li>• Experienced/key worker(s) leave(s) or is/are absent and roles are assigned to people who lack the required knowledge/ expertise;</li> <li>• Discovery that there is no-one able to carry out a specific task.</li> </ul>
<b>Consequence</b>	<b>Service failure or reduction in performance leading to breakdown in cohesiveness of service delivery</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Key functions poorly covered;</li> <li>• Provision of limited or no service for a period of time;</li> <li>• Decision making processes slowed down as senior management capacity becomes over-stretched;</li> </ul>

	<ul style="list-style-type: none"> <li>• Failure to deliver objectives;</li> <li>• Operational service requirements not properly understood by management;</li> <li>• Functions remain uncovered until a crisis exposes need;</li> <li>• Grant funding has to be paid back, and chances of future funding are reduced;</li> <li>• Disillusionment with required processes;</li> <li>• Repetitive recruitment drives;</li> <li>• Pressure on staff increases, leading to stress, demotivation, lower staff morale, and higher sickness levels;</li> <li>• Unsustainable working practices;</li> <li>• Loss of positive ambition as the organisation becomes more risk averse;</li> <li>• Damaged employee -employer relations;</li> <li>• Fines/costs are incurred as things are missed;</li> <li>• Reputational damage.</li> </ul>
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Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 3	R: 9	P: 2	I: 2	R: 4	P: 3	I: 3	R: 9
Medium-high			Medium-low			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Develop and implement a succession management plan.	TCA	HR Business Partner	Sept-14	Mar-15
Identify reactive services where tracking of work capacity indicators would be beneficial (a form of contextual indicator) and set these indicators up in InPhase.	TCA	Policy and Business Planning Manager	Sep-14	Mar-15
Develop plan to build project and programme management capability (Peer Review).	TCA	HR Business Partner	Sept-14	Mar-15
Identify administration key man risk and develop a plan to minimise this risk.	TCA	HR Business Partner	Sept-14	Mar-15
Recruit to the senior staffing structure with the right calibre of staff as quickly as possible	TCA	HR Business Partner	Jun-14	Nov-14
Review staff structure in the light of refreshed Council priorities.	TCA	HR Business Partner	Nov-14	Dec-15
Review pay scheme suitability.	TCA	HR Business Partner	Jun-15	Oct-15
Regularly review pay scheme suitability.	BAU	HR Business Partner		
Regular policy updates that provide early warning of legislative changes	BAU	Policy officer		
Identify financial implications of legislative changes	BAU	Head of Financial		

and use this to inform MTFP development for staff resources		Services		
Undertake regular review of workforce matters including adequacies of staff levels	BAU	Chief Executive		
Active strategic management of annual and flexi leave entitlements, using early warning system to avoid build up.	BAU	HR Business Partner		
Management of annual leave/flexi through line management.	BAU	Chief Executive		
Communication to staff of planned approach during staff shortages.	BAU	Chief Executive		
Recognition of and thanks for additional workload taken on by staff during adverse times.	BAU	Chief Executive		

## R07.02: Failure to recognise and deal with staff limitations appropriately causes deterioration in service delivery (capability)

Risk owner: Chief Executive

<b>Cause</b>	<b>Failure to identify capability issues, inadequate training needs assessment and ineffective training</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Limited understanding of the time needed to undertake tasks;</li> <li>• Staff capability issues are not addressed;</li> <li>• Limited understanding of the required skill sets operationally and strategically;</li> <li>• Training is not tailored to operational need;</li> <li>• Training is not delivered effectively;</li> <li>• Training is not implemented;</li> <li>• Inadequate handover or lack of mentor training for staff in new roles means requirements are not fully understood;</li> <li>• Staff potential is not fully realised;</li> <li>• Staff can't work IT systems effectively;</li> <li>• Not being aware of regulatory changes, or not being aware of implications of changes in law/regulation.</li> </ul>
<b>Trigger events/situations</b>	<b>Staff/members incapable of meeting expected requirements</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Staff fail to comply with legislation/ regulation;</li> <li>• Staff fail to meet agreed performance levels against set priorities and goals;</li> <li>• TDC fails to adhere to requirements of grant funding;</li> <li>• Decisions are taken which are not compliant with legislation, regulation or agreed process.</li> </ul>
<b>Consequence</b>	<b>Inefficient or ineffective working and costs relating to external challenge, and inefficient working</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Ignorance of best practice and latest standards;</li> <li>• Inefficient use of systems makes work practices less effective and more costly than they could be;</li> <li>• Capability challenges increase;</li> <li>• Legal challenge to decisions;</li> <li>• Requirement to repay funding;</li> <li>• CPDs of professional staff are put at risk;</li> <li>• Pockets of low ICT skills;</li> <li>• Staff potential is not realised;</li> <li>• Inability to sustain timely service delivery;</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 3	R: 9	P: 2	I: 2	R: 4	P: 2	I: 2	R: 4
Medium-high			Medium-low			Medium-low		

Control Measure	CM type	CM owner	Start date	Due date
Develop an option appraisal for the introduction of a mentoring or coaching scheme.	TCA	HR Business Partner	Jan-15	Mar-15
Undertake 'skills gap' analysis when corporate priorities are rationalised (Peer Review).	TCA	HR Business Partner	Oct-14	Dec-14
Develop a toolkit for managers to support and develop their staff.	TCA	HR Business Partner	Mar-15	May-15
Develop a training programme on competent decision making.	TCA	HR Business Partner	Sept-14	Jan-15
Regular policy updates that provide early warning of legislative changes	BAU	Policy officer		
Undertake regular review of workforce matters including implementation of performance framework	BAU	Chief Executive		
Spot check on manager use of regular policy updates that provide early warning of legislative changes.	BAU	Policy and Business Planning Manager		

## R08.01: Service failure or closure

Risk owner: Chief Executive

<b>Cause</b>	<b>Reduction in funding/resources available, inadequate prioritisation of work, problems with asset management, problems with staff morale</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Significant and/or fast paced funding cuts by central government;</li> <li>• Decision to prioritise key public services leads to decision to withdraw from provision of other services;</li> <li>• Cost of provision exceeds a level that TDC can afford;</li> <li>• Funding cuts leads to deterioration of service;</li> <li>• Statutory or customer high priority service fails temporarily (e.g. waste &amp; recycling service, inadequate supply of social housing, failure of harbour business model);</li> <li>• Failure of major items of plant or equipment (e.g. failure of major harbour plant) due to lack of appropriate investment;</li> <li>• Frontline staff absences combined with lack of contingency;</li> <li>• Industrial action over work practices.</li> </ul>
<b>Trigger events/situations</b>	<b>Service failure or closure</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Failure to deliver key service at a level that is acceptable to customer or regulator (e.g. inability to find temporary accommodation for homeless people at a sustainable price);</li> <li>• Decision to cease delivery of some functions.</li> </ul>
<b>Consequence</b>	<b>Customer dissatisfaction, reputational damage and related costs</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Facilities become unavailable to the public;</li> <li>• Customers feel let down;</li> <li>• Housing or health risk to residents;</li> <li>• Costs increase as remedial action is taken;</li> <li>• Environmental damage;</li> <li>• Changes required to methods of working;</li> <li>• Reputational damage.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 3	R: 9	P: 2	I: 2	R: 4	P: 3	I: 3	R: 9
Medium-high			Medium-low			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Identify administration key man risk and develop a plan to minimise this risk.	TCA	HR Business Partner	Sept-14	Mar-15
Identify reactive services where tracking of work capacity indicators would be beneficial (a form of contextual indicator) and set these indicators up in InPhase.	TCA	Policy and Business Planning Manager	Sep-14	Mar-15
Regular policy updates that provide early warning of legislative changes	BAU	Policy officer		
Identify financial implications of legislative changes and use this to inform MTFP development for staff resources	BAU	Head of Financial Services		
Review of asset register to identify those assets near the end of their useful life (vehicles, plant and equipment) and build capital asset replacement/disposal (vehicles, plant and equipment) into the Capital Programme.	BAU	Head of Financial Services		
Review insurance policies on an annual basis.	BAU	Head of Financial Services		
Clear marketing of what services the council provides and signposting to other public services, to ensure an integrated approach to customer service delivery.	BAU	Communications Manager		
Communication to staff of planned approach during staff shortages.	BAU	Chief Executive		
Effective sickness management, including use of reports and adequate forecasting.	BAU	HR Business Partner		
Facilitate effective performance management processes (including tracking of contextual/activity data for early warning)	BAU	Policy and Business Planning Manager		
Foster good relationship between management and the unions.	BAU	Chief Executive		
Use service review as a vehicle to prevent service failure, including assessment of customer needs.	BAU	Business Transformation Manager		
Ensure Communication Management Strategy (including stakeholder management) is in place and up to date.	BAU	Communications Manager		
Continually work to maintain current income streams at the Port and attract new ones.	BAU	Maritime Operations Manager		

## R09.01: Major project failure (e.g. Dreamland, Margate Housing Intervention)

Risk owner: Chief Executive

<b>Cause</b>	<b>Poor project planning and project management</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• TDC attempts to take on too many projects;</li> <li>• Projects not adequately planned;</li> <li>• Lack of clarity around expectations for project costs, timescales, quality, scope, risk and benefits;</li> <li>• Unacceptable levels of risk to project funding;</li> <li>• Inadequate engagement with stakeholders and partners;</li> <li>• Inadequate risk management of projects;</li> <li>• Project management arrangements weak or not adhered to;</li> <li>• Inadequate challenge provided to project managers;</li> <li>• Failure to learn from the experiences of previous projects;</li> <li>• Failure to secure sufficient funding;</li> <li>• Failure to attract appropriate partners.</li> </ul>
<b>Trigger events/situations</b>	<b>Changes to the foreseen project environment which make the project unworkable</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Economic recession adversely impacts on housing affordability;</li> <li>• Government policy works against local initiatives (e.g. benefit changes adversely affects people's ability to pay for housing);</li> <li>• Loss of key staffing skills affects ability to deliver a project;</li> <li>• KCC funding fails;</li> <li>• Partners do not deliver a viable service;</li> <li>• Deadlines for project delivery are not met, so funding fails;</li> <li>• Project partners pull out.</li> </ul>
<b>Consequence</b>	<b>Project closure or implementation without delivering intended benefits</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Early project closure leading to reputational damage;</li> <li>• Belated project closure (or continuation when project should have been closed) leading to wasted time, unnecessary costs, poor service performance, possible service failure, and reputational damage.</li> <li>• Key areas remain an eyesore because of failure of regeneration, e.g. Dreamland site.</li> </ul>



Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 3	R: 9	P: 2	I: 2	R: 4	P: 3	I: 3	R: 9
Medium-high			Medium-low			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Establish a project risk register	TCA	Policy and Business Planning Manager	Jul-14	Aug-14
Ensure appropriate level of legal advice is sought for major projects.	BAU	Legal Services Manager		
Ensure sufficient staff expertise within the property services team in asset management.	BAU	Head of Economic Development and Asset Management		
Ensure external funding opportunities are explored.	BAU	Technical Finance Manager		
Ensure sufficient staff are trained in project management to meet the organisation's needs.	BAU	HR Business Partner		
When considering project proposals at Strategic Programme Board, explore all available options for delivering a project, rather than assuming that it must be delivered by TDC staff.	BAU	Business Transformation Manager		
Maintain project management process and ensure compliance	BAU	Policy and Business Planning Manager		

## R09.02: Major Thanet employer or investor reduces or ends their investment in Thanet

Risk owner: Director of Community Services

<b>Cause</b>	<b>Major Thanet employer reconsiders their investment in Thanet</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Economic potential of Thanet is regarded as poor;</li> <li>• Economic potential is not communicated to the right people at the right time;</li> <li>• Supplier faces financial challenges which mean that it is not economically viable to operate in Thanet;</li> <li>• Organisational change alters supplier priorities.</li> </ul>
<b>Trigger events/situations</b>	<b>Major Thanet employer reduces or ends their investment in Thanet</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Commercial business decision to rationalise takes business out of Thanet;</li> <li>• Thanet Infrastructure is assessed as less beneficial to business than other areas;</li> <li>• Investment withdrawn from key local asset(e.g. Turner Contemporary)</li> <li>• Labour market is assessed as being unsuitable by investors.</li> </ul>
<b>Consequence</b>	<b>Pressure on the local economy increases, increasing vulnerability to social problems</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Economic deterioration;</li> <li>• Increasing unemployment;</li> <li>• Council loses Business rate income;</li> <li>• Regeneration is more difficult to achieve;</li> <li>• Regeneration initiatives fail;</li> <li>• Social issues (e.g. crime, educational attainment, health) remain unresolved or worsen.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 3	R: 9	P: 2	I: 2	R: 4	P: 3	I: 3	R: 9
Medium-high			Medium-high			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Implement the economic regeneration plan.	BAU	Economic Development Manager		
Review the regeneration plan to ensure that it encourages diversity in the local economy, and recognises the roles of key participants in the Thanet economy, and sustains business intelligence.	BAU	Economic Development Manager		
Continued monitoring of economic trends in Thanet.	BAU	Business Analyst		
Dedicated marketing of Thanet as an investment opportunity by the ED&R team.	BAU	Economic Development Manager		
Efforts focussed on delivering key “game changing” infrastructure projects (Peer Review).	BAU	Director of Community Services		
Lobby government and SELEP for investment in local infrastructure.	BAU	Director of Community Services		
Annual review of adequacy of reserves informed by assessment of financial risks	BAU	Head of Financial Services		

## R09.03: Changes in Thanet's demography are not considered in planning for the future

Risk owner: Chief Executive

<b>Cause</b>	<b>Changes in Thanet's demography are not considered:</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Failure to plan for elderly resident base replacing working age population;</li> <li>• Plans fail to factor in the impacts of climate change;</li> <li>• Increase in criminal activity;</li> <li>• Over-reliance on tourism;</li> <li>• Fragility of Thanet infrastructure gives greater scope for illegal or socially damaging activity;</li> <li>• Increase in transient communities of temporary residents;</li> <li>• Culture that doesn't care for the environment;</li> <li>• High volume of dependent communities.</li> </ul>
<b>Trigger events/situations</b>	<b>Changes to demography lead to significant changes in the level of demands on specific services which are not planned for</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Migration into coastal villages leads to inability to cope of public services (i.e. healthcare);</li> <li>• Migration into Cliftonville West and Eastcliff leads to significant increase in service demands;</li> <li>• Environmental stress as a consequence of growing population (e.g. sewage system);</li> <li>• Rapid cultural change in certain communities sees an increase in dysfunctional behaviours.</li> </ul>
<b>Consequence</b>	<b>Pressures on services leading to reduction in performance or service failure</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Environmental pressures on: water, drainage, transport, social services;</li> <li>• Disengagement with political processes;</li> <li>• Public infrastructure no longer fit for purpose;</li> <li>• Reduction in service performance;</li> <li>• Service failures.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 3	I: 3	R: 9	P: 2	I: 2	R: 4	P: 3	I: 3	R: 9
Medium-high			Medium-low			Medium-high		

Control Measure	CM type	CM owner	Start date	Due date
Timely adoption of sound local plan	TCA	Strategic Planning Manager	Aug 12	Under review
Follow a monitoring regime for air quality in Thanet	BAU	Environmental Protection Manager		
Dedicated marketing of Thanet as an investment opportunity by the ED&R team.	BAU	Economic Development Manager		
Efforts focussed on delivering key “game changing” infrastructure projects (Peer Review).	BAU	Director of Community Services		
Continue to monitor long term social trends affecting Thanet people.	BAU	Business Analyst		
Develop corporate plan in the knowledge of contextual demands	BAU	Policy and Business Planning Manager		

## R09.04: Unsustainable development/lack of the right development

Risk owner: Head of built environment

<b>Cause</b>	<b>Problems with Local Plan process and planning decisions</b>
<b>Examples of potential causes</b>	<ul style="list-style-type: none"> <li>• Adoption of Local Plan delayed;</li> <li>• Local Plan evidence base is flawed;</li> <li>• Local Plan is well-based but doesn't work in practice;</li> <li>• Change in government policy to give regional/national agendas greater priority over local needs;</li> <li>• Unable to demonstrate five year supply of housing land;</li> <li>• National economic downturn leads to reduction of investment in the area;</li> <li>• Failure to utilise TDC land to support the council objectives relating to economic development and regeneration (e.g. land at Eurokent or Manston Business Park);</li> <li>• Insufficient staff resources for planning and enforcement.</li> </ul>
<b>Trigger events/situations</b>	<b>Unsustainable development occurs</b>
<b>Examples of potential trigger events/situations</b>	<ul style="list-style-type: none"> <li>• Developments occur that address short-term rather than long-term requirements;</li> <li>• Developments occur without planning permission;</li> <li>• Planning permission is granted when it should be refused.</li> </ul>
<b>Consequence</b>	<b>Harm to the environment, economy and social well-being</b>
<b>Examples of potential consequences</b>	<ul style="list-style-type: none"> <li>• Physical infrastructure failure – including traffic congestion;</li> <li>• Loss of public access to countryside;</li> <li>• Deterioration in the environment and increase in likelihood of pollution;</li> <li>• Reputational damage nationally and locally (as balance between economy and environment alters);</li> <li>• Failure to address housing needs of the district;</li> <li>• Legal challenge.</li> </ul>

Risk Score: Uncontrolled			Risk Score: Controlled			Risk Score: Present		
P: 4	I: 4	R: 16	P: 2	I: 4	R: 8	P: 3	I: 4	R: 12
High			Medium-high			High		

Control Measure	CM type	CM owner	Start date	Due date
Develop a transport strategy and infrastructure delivery plan for Thanet to support the Local Plan.	TCA	Planning Manager	Aug 12	Under review
Develop a new parking strategy that complements the developing transport strategy.	TCA	Head of Operational Services	Jul 14	Dec 14
Timely adoption of sound local plan	TCA	Strategic Planning Manager	Aug 12	Under review
Adherence to long-term coastal management plan.	BAU	Technical Services Manager		
Implementation of the adopted Local Plan	BAU	Strategic Planning Manager		
Maintain adequate planning staff (including enforcement) in order to ensure sustainable development in accordance with the Local Plan	BAU	Planning Manager		
Maintain effective planning applications service	BAU	Planning Manager		

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## **ANNUAL TREASURY MANAGEMENT REVIEW 2013/14**

To: **Cabinet – 31 July 2014**

Main Portfolio Area: **Finance**

By: **Interim Director of Corporate Resources**

Classification: **Unrestricted**

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**Summary:** **This report summarises treasury management activity and prudential/treasury indicators for 2013/14.**

### **For Decision**

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#### **1.0 Introduction and Background**

1.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2013/14. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

1.2 During 2013/14 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 6 February 2013)
- a mid-year (minimum) treasury update report (Council 6 February 2013)
- an annual review following the end of the year describing the activity compared to the strategy (this report).

In addition, this Council's Governance and Audit Committee has received quarterly treasury management update reports on 25 September 2013 and 20 March 2014.

1.3 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

1.4 This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Governance and Audit Committee before they were reported to the full Council. Member training on treasury management issues was undertaken during the year on 29 October 2013 in order to support members' scrutiny role.

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1.5 This report summarises the following:-

- Capital activity during the year;
- Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement);
- The actual prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
- Summary of interest rate movements in the year;
- Detailed debt activity; and
- Detailed investment activity.

Please note that the Council's 2013/14 accounts have not yet been audited and hence that the figures in this report are subject to change.

## 2.0 Executive Summary

2.1 During 2013/14, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Prudential and treasury indicators	2012/13 Actual £000	2013/14 Estimate £000	2013/14 Actual £000
Capital expenditure			
• Non-HRA	7,315	18,539	6,682
• HRA	2,171	10,636	3,958
• Total	9,486	29,175	10,640
Capital Financing Requirement:			
• Non-HRA	19,450	24,769	20,899
• HRA	22,325	20,869	20,874
• Total	41,775	45,638	41,773
Gross borrowing	26,122	30,652	27,252
Investments			
• Longer than 370 days	0	0	0
• Under 370 days	23,603	23,250	27,615
• Total	23,603	23,250	27,615
Net borrowing	2,519	7,402	(363)

2.2 Other prudential and treasury indicators are to be found in the main body of this report. The Section 151 Officer also confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit (the authorised limit) was not breached.

2.3 The financial year 2013/14 continued the challenging investment environment of previous years, namely low investment returns.

2.4 The main reason for actual capital expenditure being less than estimate is:

General Fund – Re-phasing of the Dreamland project due to factors such as the CPO process (£6.7m of budget transferred from 2013/14 to 2014/15).

HRA – Re-phasing of the Housing Intervention project due to factors such as market conditions (£6.1m of budget transferred from 2013/14 to 2014/15).

### 3.0 The Council’s Capital Expenditure and Financing 2013/14

3.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council’s borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

3.2 The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

£000 General Fund	2012/13 Actual	2013/14 Estimate	2013/14 Actual
<b>Capital expenditure</b>	<b>7,315</b>	<b>18,539</b>	<b>6,682</b>
Financed in year	6,417	12,602	4,615
<b>Unfinanced capital expenditure</b>	<b>898</b>	<b>5,937</b>	<b>2,067</b>

£000 HRA	2012/13 Actual	2013/14 Estimate	2013/14 Actual
<b>Capital expenditure</b>	<b>2,171</b>	<b>10,636</b>	<b>3,958</b>
Financed in year	2,171	10,436	3,753
<b>Unfinanced capital expenditure</b>	<b>0</b>	<b>200</b>	<b>205</b>

3.3 The main reason for actual capital expenditure being less than estimate is:

General Fund – Re-phasing of the Dreamland project due to factors such as the CPO process (£6.7m of budget transferred from 2013/14 to 2014/15).

HRA – Re-phasing of the Housing Intervention project due to factors such as market conditions (£6.1m of budget transferred from 2013/14 to 2014/15).

### 4.0 The Council’s Overall Borrowing Need

4.1 The Council’s underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council’s indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2013/14

unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

- 4.2 Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLB] or the money markets), or utilising temporary cash resources within the Council.
- 4.3 **Reducing the CFR** – the Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.
- 4.4 The total CFR can also be reduced by:
- the application of additional capital financing resources (such as unapplied capital receipts); or
  - charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council's 2013/14 MRP Policy (as required by CLG Guidance) was approved as part of the Treasury Management Strategy Report for 2013/14 on 6 February 2013.

- 4.5 The Council's CFR for the year is shown below, and represents a key prudential indicator. It includes PFI and leasing schemes on the balance sheet, which increase the Council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract (if applicable).

CFR (£000): General Fund	31 March 2013 Actual	31 March 2014 Estimate	31 March 2014 Actual
Opening balance	19,209	19,450	19,450
Add unfinanced capital expenditure (as above)	898	5,937	2,067
Less MRP/VRP*	(657)	(618)	(618)
Less PFI & finance lease repayments	0	0	0
Closing balance	19,450	24,769	20,899

CFR (£000): HRA	31 March 2013 Actual	31 March 2014 Estimate	31 March 2014 Actual
Opening balance	23,041	22,325	22,325
Add unfinanced capital expenditure (as above)	0	200	205
HRA loan repayments	(516)	(1,656)	(1,656)
HRA downward revaluation	(200)	0	0
Less VRP*	0	0	0
Less PFI & finance lease repayments	0	0	0
Closing balance	22,325	20,869	20,874

\* Includes voluntary application of capital receipts

Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.

*The HRA CFR includes a £200k deduction for the 2012/13 downward revaluation of HRA non-current assets which has been charged to the Comprehensive Income and Expenditure Statement and not then transferred to the Capital Adjustment Account. The treatment of this £200k is under review by the Department of Communities and Local Government (requiring both Ministerial and Treasury approval) and accordingly is subject to change.*

- 4.6 **Gross borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2013/14) plus the estimates of any additional capital financing requirement for the current (2014/15) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2013/14. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

£000	31 March 2013 Actual	31 March 2014 Estimate	31 March 2014 Actual
Gross borrowing position	26,122	30,652	27,252
CFR	41,775	45,638	41,773

- 4.7 **The authorised limit** - the authorised limit is the "affordable borrowing limit" required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2013/14 the Council has maintained gross borrowing within its authorised limit.
- 4.8 **The operational boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual

position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

- 4.9 **Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

£000	2013/14
Authorised limit	53,000
Maximum gross borrowing position	39,000
Operational boundary	46,000
Average gross borrowing position	26,693
Financing costs as a proportion of net revenue stream – General Fund	3.76%
Financing costs as a proportion of net revenue stream - HRA	6.26%

## 5.0 Treasury Position as at 31 March 2014

- 5.1 The Council's debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the beginning and the end of 2013/14 the Council's treasury (excluding borrowing by PFI and finance leases) position was as follows:

£000	31 March 2013 Principal	Rate/Return	Average Life yrs	31 March 2014 Total Principal	31 March 2014 HRA Principal	31 March 2014 GF Principal	Rate/Return	Average Life yrs
Fixed rate funding:								
-PWLB	21,622	4.62%	12.7	22,752	16,989	5,763	4.27%	12.5
-Market	4,500	4.19%	0.5	4,500	3,880	620	4.19%	0.5
Variable rate funding:								
-PWLB	0			0	0	0		
-Market	0			0	0	0		
<b>Total debt</b>	<b>26,122</b>	<b>4.55%</b>	<b>10.5</b>	<b>27,252</b>	<b>20,869</b>	<b>6,383</b>	<b>4.26%</b>	<b>10.6</b>
<b>CFR</b>	<b>41,775</b>			<b>41,773</b>	<b>20,874</b>	<b>20,899</b>		
<b>Over / (under) borrowing</b>	<b>(15,653)</b>			<b>(14,521)</b>	<b>(5)</b>	<b>(14,516)</b>		
Investments:								
- in house	23,603	0.75%		27,615			0.52%	
- with managers	0			0				
<b>Total investments</b>	<b>23,603</b>	<b>0.75%</b>		<b>27,615</b>			<b>0.52%</b>	

5.2 The maturity structure of the debt portfolio was as follows:

£000	31 March 2013 actual	2013/14 upper limits	31 March 2014 actual
Under 1 year	6,420	13,626	4,500
1 year to under 2 years	0	13,626	960
2 years to under 5 years	960	13,626	0
5 years to under 10 years	8,640	14,988	11,691
10 years to under 20 years	4,320	13,626	4,341
20 years to under 30 years	3,862	13,626	3,840
30 years to under 40 years	1,920	13,626	1,920
40 years to under 50 years	0	13,626	0
50 years and above	0	13,626	0
<b>Total debt</b>	<b>26,122</b>		<b>27,252</b>

5.3 All investments were for under 370 days. As at 31 March 2014 the amount invested between 365-370 days was £1.2m (limit: £5.0m).

5.4 The exposure to fixed and variable rates was as follows:

£000	31 March 2013 Actual	2013/14 Upper Limits	31 March 2014 Actual
Fixed rate	26,122 debt 3,700 investments	53,000 debt 45,000 investments	27,252 debt 6,800 investments
Variable rate	0 debt 19,903 investments	53,000 debt 45,000 investments	0 debt 20,815 investments

## 6.0 The Strategy for 2013/14

6.1 The Council uses Capita (previously called Sector) as its external treasury management advisor. Capita's expectation for interest rates within the strategy for 2013/14 anticipated a low but rising Bank Rate and gradual rises in medium and longer term fixed borrowing rates during 2013/14. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

6.2 In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.

6.3 The actual movement in gilt yields meant that PWLB rates were on a sharply rising trend during 2013 as markets anticipated the start of tapering of asset purchases by the Fed. This duly started in December 2013 and the US FOMC (the Fed.), adopted a future course of monthly reductions of \$10bn (from a starting position of \$85bn), meaning that asset purchases were likely to stop by the end of 2014. However, volatility set in during the first quarter of 2014 as fears around emerging markets, various vulnerabilities in the Chinese economy, the increasing danger for the Eurozone to drop into a deflationary spiral, and the situation in the Ukraine, caused rates to dip down, reflecting a flight to quality into UK gilts.

## 7.0 Capita's Review of the Economy and Interest Rates (issued by Capita on 3 April 2014)

7.1 The original expectation for 2013/14 was that Bank Rate would start gently rising from quarter 4 2014. This forecast rise has now been pushed back to a start in quarter 3 2015. Economic growth (GDP) in the UK was virtually flat during 2012/13 but surged strongly during the year. Consequently there was no additional quantitative easing during 2013/14 and Bank Rate ended the year unchanged at 0.5% for the fifth successive year. While CPI inflation had remained stubbornly high and substantially above the 2% target during 2012, by January 2014 it had, at last, fallen below the target rate to 1.9% and then fell further to 1.7% in February. It is also expected to remain slightly below the target rate for most of the two years ahead.

7.2 Gilt yields were on a sharply rising trend during 2013 but volatility returned in the first quarter of 2014 as various fears sparked a flight to quality (see paragraph



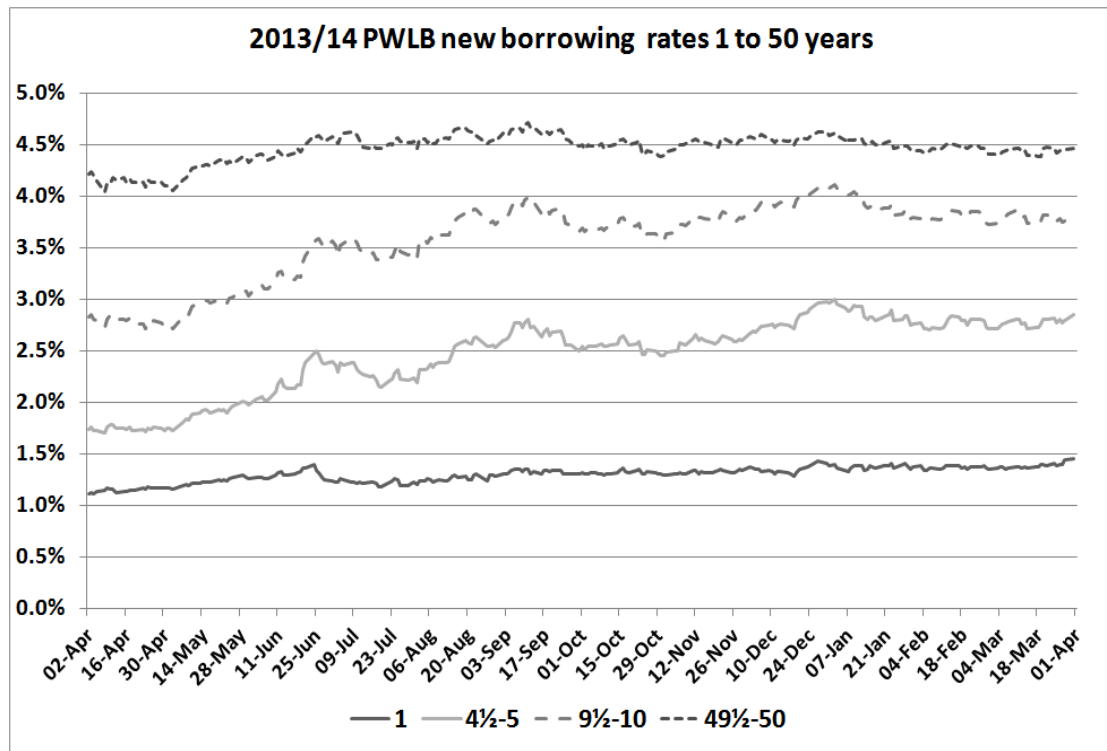
6.3.) The Funding for Lending Scheme, announced in July 2012, resulted in a flood of cheap credit being made available to banks which then resulted in money market investment rates falling drastically in the second half of that year and continuing into 2013/14. That part of the Scheme which supported the provision of credit for mortgages was terminated in the first quarter of 2014 as concerns rose over resurging house prices.

7.3 The UK coalition Government maintained its tight fiscal policy stance but recent strong economic growth has led to a cumulative, (in the Autumn Statement and the March Budget), reduction in the forecasts for total borrowing, of £97bn over the next five years, culminating in a £5bn surplus in 2018-19.

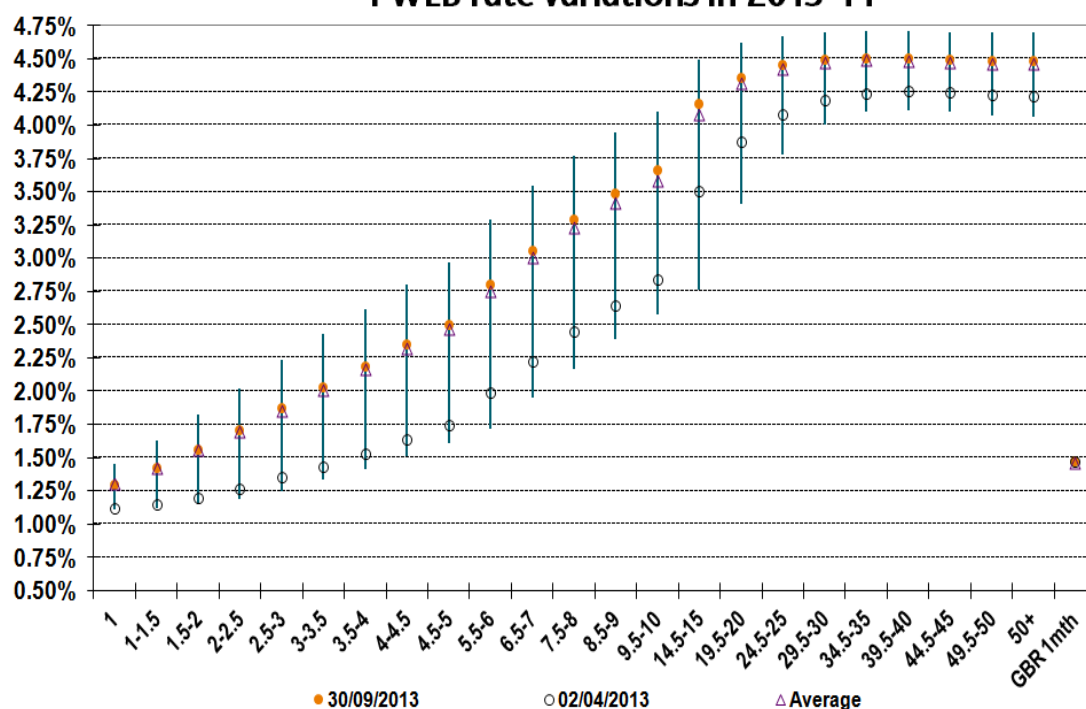
7.4 The EU sovereign debt crisis subsided during the year and confidence in the ability of the Eurozone to remain intact increased substantially. Perceptions of counterparty risk improved after the European Central Bank (ECB) statement in July 2012 that it would do “whatever it takes” to support struggling Eurozone countries; this led to a return of confidence in its banking system which has continued into 2013/14 and led to a move away from only very short term investing. However, this is not to say that the problems of the Eurozone, or its banks, have ended as the zone faces the likelihood of weak growth over the next few years at a time when the total size of government debt for some nations is likely to continue rising. Upcoming stress tests of Eurozone banks could also reveal some areas of concern.

**8.0 Borrowing Rates in 2013/14**

8.1 **PWLB borrowing rates** - the graphs and table for PWLB certainty maturity rates below show, for a selection of maturity periods, the high and low points in rates, the average rates, spreads and individual rates at the start and the end of the financial year.



## PWLB rate variations in 2013-14



PWLB borrowing rates 2013/14 for 1 to 50 years									
	1	1-1.5	2.5-3	3.5-4	4.5-5	9.5-10	24.5-25	49.5-50	1 month variable
2/4/13	1.120%	1.150%	1.350%	1.530%	1.750%	2.840%	4.080%	4.230%	1.470%
30/9/13	1.300%	1.420%	1.870%	2.190%	2.500%	3.660%	4.450%	4.480%	1.470%
High	1.450%	1.630%	2.230%	2.620%	2.970%	4.100%	4.670%	4.700%	1.480%
Low	1.110%	1.120%	1.250%	1.410%	1.610%	2.580%	3.780%	4.070%	1.450%
Average	1.305%	1.421%	1.853%	2.164%	2.469%	3.584%	4.427%	4.467%	1.466%
Spread	0.340%	0.510%	0.980%	1.210%	1.360%	1.520%	0.890%	0.630%	0.030%
High date	31/3/14	31/3/14	27/12/13	27/12/13	27/12/13	2/1/14	10/9/13	10/9/13	9/4/13
Low date	5/4/13	15/4/13	15/4/13	15/4/13	15/4/13	19/4/13	19/4/13	3/5/13	10/5/13

### 9.0 Borrowing Outturn for 2013/14

9.1 Treasury Borrowing– Council debt at 31 March 2014 was:

Lender	Principal £000	Principal HRA £000	Principal GF £000	Interest Rate %	Maturity Date	Start Date
PWLB	960	828	132	2.75	03/05/15	07/05/10
PWLB	960	828	132	3.84	31/03/19	07/05/10
PWLB	3,840	3,311	529	3.57	01/10/19	15/10/09

PWLB	3,840	3,311	529	3.31	15/09/21	15/09/11
PWLB	584	503	81	4.875	30/06/24	12/03/99
PWLB	1,817	1,567	250	4.875	30/06/24	12/03/99
PWLB	1,920	1,656	264	4.04	01/10/29	15/10/09
PWLB	21	18	3	11.625	05/08/33	25/09/73
PWLB	3,840	3,311	529	4.42	31/12/35	24/01/08
PWLB	1,920	1,656	264	4.22	01/10/49	15/10/09
PWLB	1,000	0	1,000	2.48	27/11/23	27/11/13
PWLB	2,050	0	2,050	1.97	27/11/20	27/11/13
Market	4,500	3,880	620	4.19	09/06/65	09/06/05
<b>Total</b>	<b>27,252</b>	<b>20,869</b>	<b>6,383</b>			

The Market Loan is subject to six monthly LOBO (Lender Option Borrower Option) arrangements.

9.2 **Borrowing** – The following General Fund loans were drawn to fund net unfinanced capital expenditure and naturally maturing debt:

Lender	Principal £000	Type	Interest Rate	Maturity	General Fund Average Interest Rate for 2013/14
PWLB	1,000	Fixed interest rate	2.48%	10 years	3.84%
PWLB	2,050	Fixed interest rate	1.97%	7 years	3.84%

9.3 **Rescheduling**

No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

#### 9.4 Repayments

On 31 December 2013 the Council repaid £1,920k of maturing debt (having an interest rate of 10.375%) using investment balances.

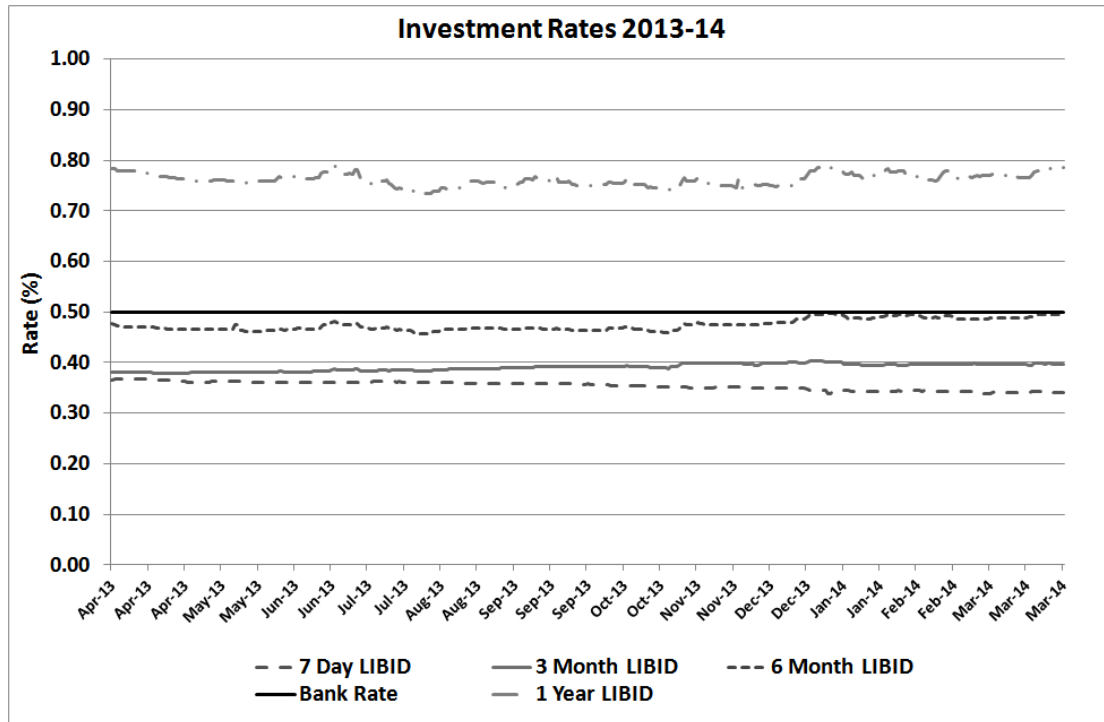
#### 9.5 Summary of debt transactions

Management of the debt portfolio resulted in a fall in the average interest rate of 0.29% which, when applied to the average weighted debt principal over the year, represents a net saving of £77k in 2013-14.

#### 10.0 Investment Rates in 2013/14

Bank Rate remained at its historic low of 0.5% throughout the year; it has now remained unchanged for five years. Market expectations from Capita (as at 3 April 2014) as to the timing of the start of monetary tightening ended up almost unchanged at around the end of 2014 / start of 2015. The Funding for Lending Scheme resulted in deposit rates remaining depressed during the whole of the year, although the part of the scheme supporting provision of credit for mortgages came to an end in the first quarter of 2014.

<b>Money market investment rates 2013/14</b>						
	<b>overnight</b>	<b>7 day</b>	<b>1 month</b>	<b>3 month</b>	<b>6 month</b>	<b>1 year</b>
<b>1/4/13</b>	<b>0.361</b>	<b>0.365</b>	<b>0.371</b>	<b>0.382</b>	<b>0.478</b>	<b>0.784</b>
<b>31/3/14</b>	<b>0.321</b>	<b>0.342</b>	<b>0.363</b>	<b>0.397</b>	<b>0.497</b>	<b>0.786</b>
<b>High %</b>	<b>0.361</b>	<b>0.368</b>	<b>0.371</b>	<b>0.403</b>	<b>0.498</b>	<b>0.790</b>
<b>Low %</b>	<b>0.258</b>	<b>0.338</b>	<b>0.357</b>	<b>0.379</b>	<b>0.457</b>	<b>0.734</b>
<b>Average %</b>	<b>0.347</b>	<b>0.354</b>	<b>0.364</b>	<b>0.391</b>	<b>0.475</b>	<b>0.762</b>
<b>Spread %</b>	<b>0.104</b>	<b>0.029</b>	<b>0.015</b>	<b>0.023</b>	<b>0.041</b>	<b>0.056</b>
<b>High date</b>	<b>1/4/13</b>	<b>2/4/13</b>	<b>1/4/13</b>	<b>24/12/13</b>	<b>31/12/13</b>	<b>24/6/13</b>
<b>Low date</b>	<b>31/12/13</b>	<b>26/3/14</b>	<b>18/3/14</b>	<b>17/4/13</b>	<b>31/7/13</b>	<b>1/8/13</b>



## 11.0 Investment Outturn for 2013/14

11.1 **Investment Policy** – the Council's investment policy is governed by CLG guidance, which was implemented in the annual investment strategy approved by the Council on 6 February 2013. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

11.2 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

11.3 **Resources** – the Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's core cash resources comprised as follows:

Balance Sheet Resources (£000)	31 March 2013	31 March 2014
Balances (General Fund & HRA)	12,422	12,422
Earmarked reserves (incl MRR & Capital Grants Unapplied)	16,632	22,913
Usable capital receipts	1,619	1,633
<b>Total</b>	<b>30,673</b>	<b>36,968</b>

11.4 **Investments held by fund managers** – the Council does not use external fund managers and hence no investments were held by fund managers in 2013/14.

11.5 **Investments held by the Council** - the Council maintained an average balance of £37,355k of internally managed funds. The internally managed funds earned an average rate of return of 0.52%. The comparable performance indicator is the

average 7-day LIBID rate, which was 0.35%. This compares with a budget assumption of £20,000k investment balances earning an average rate of 0.75%.

## **12.0 Performance Measurement**

12.1 One of the key requirements in the Code is the formal introduction of performance measurement relating to investments, debt and capital financing activities. Whilst investment performance criteria have been well developed and universally accepted, debt performance indicators continue to be a more problematic area with the traditional average portfolio rate of interest acting as the main guide (as incorporated in the table in section 5). The Council's performance indicators were set out in the Annual Treasury Management Strategy.

12.2 This service has set the following performance indicators:

- Investments – internal returns above the 7 day LIBID rate.

The Council exceeded this return as reported above, achieving an average investment rate of 0.52% compared to the average 7 day LIBID rate of 0.35%.

The Council's maximum security risk benchmark for the investment portfolio, when compared to historic default tables, was set as follows:

- 0.05% historic risk of default when compared to the whole portfolio.

The Section 151 Officer can report that the default risk of investments was within this criterion throughout 2013/14.

12.3 Liquidity – The Council set facilities/benchmarks to maintain:

- Bank overdraft - £0.5m
- Liquid short term deposits of at least £10m available with a week's notice
- Weighted Average Life benchmark is expected to be 0.5 years, with a maximum of 1 year.

The Section 151 Officer can report that the liquidity of investments were within these criteria throughout 2013/14.

## **13.0 Options**

13.1 That the Governance and Audit Committee:

- Approve the actual 2013/14 prudential and treasury indicators in this report.
- Note the annual treasury management report for 2013/14.
- Recommend this report to Cabinet.

## **14.0 Corporate implications**

### **14.1 Financial and VAT**

There are no financial or VAT implications arising directly from this report.

## 14.2 Legal

This report is required to be brought before the Governance and Audit Committee, Cabinet and Council for approval, under the CIPFA Treasury Management Code of Practice.

## 14.3 Corporate

This report evidences that the officers are continuing to carefully manage the risk associated with the Council's treasury management activities.

## 14.4 Equity and Equalities

There are no equality or equity issues resulting from this report.

## 15.0 Recommendations

15.1 The Governance and Audit Committee, at its 25 June 2014 meeting, recommended that Cabinet:

- Approve the actual 2013/14 prudential and treasury indicators in this report.
- Approve the annual treasury management report for 2013/14.
- Recommend this report to Council.

## 16.0 Decision Making Process

16.1 This report is to go to Cabinet and then Council for approval.

The Cabinet meeting is on 31 July 2014 and Council meeting is on 2 October 2014.

## 17.0 Disclaimer

17.1 This report is a technical document focussing on public sector investments and borrowings and, as such, readers should not use the information contained within the report to inform personal investment or borrowing decisions. Neither Thanet District Council nor any of its officers or employees makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein (such information being subject to change without notice) and shall not be in any way responsible or liable for the contents hereof and no reliance should be placed on the accuracy, fairness or completeness of the information contained in this document. Any opinions, forecasts or estimates herein constitute a judgement and there can be no assurance that they will be consistent with future results or events. No person accepts any liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise in connection therewith.

Contact Officer:	Paul Cook, Interim Director of Corporate Resources extn 7617
Reporting to:	Sue McGonigal, Chief Executive and S151 Officer

## Annex List

None	N/A
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### Corporate Consultation Undertaken

Finance	N/A
Legal	N/A



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**BUDGET MONITORING REPORT 2014/15**

To: **Cabinet – 31 July 2014**

Main Portfolio Area: **Financial Services**

By: **Corporate Finance Manager**

Classification: **Unrestricted**

Ward: **All**

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**Summary:** **To inform Cabinet of the latest budget monitoring position against the General Fund, Housing Revenue Account and capital programme for 2014/15.**

**For Decision**

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**1.0 Introduction**

1.1 This report enables Cabinet to take an informed view of the likely financial out-turn for the General Fund, as well as the likely outturn on the Housing Revenue Account and capital programme for 2014/15. The report summarises the main issues, with the detail being provided in the annexes.

**2.0 Summary Outturn Position for the General Fund 2014/15**

2.1 Monitoring has now been undertaken for the first quarter to 30 June of the financial year 2014/15 and a breakeven position is anticipated. However, in achieving a breakeven position emerging pressures such as the on-going delivery of savings factored in as part of the 2014/15 Budget Build and the restructuring of Front Line Services have been assumed to be containable within existing resources. A more detailed budget monitoring report will be brought to Cabinet for Qtr 2 in November covering the period to the end of September 2014.

2.2 As indicated above savings factored in as part of the 2014/15 Budget Build will need to be carefully monitored in order to ensure that they are delivered as expected. Between now and September, Financial Services will work with Managers to ensure that this piece of work happens and that the impact if any, is monitored managed and reported. This will include supporting the on-going change programme within Frontline Services to deliver the new look Recycling and Waste Service. This will include the use of agency staff and overtime payments.

2.3 With only three months monitoring data it is too early to know with certainty the outturn position, however the current position will be carefully monitored over the coming months and corrective action will be taken if necessary to bring it back to a balanced budget position.

2.4 The table attached at **Annex 1** shows the projected outturn for Quarter 1 to 30 June 2014 for the General Fund Revenue Budget 2014/15

### **3.0 Reserve Movements**

- 3.1 It is proposed that £3,000 be drawn down from Priority Improvement Reserve to support the implementation of changes resulting from the mobile phone review undertaken by the Strategic Procurement Manager. This will facilitate ongoing savings and achieve a two year payback in terms of contract savings.
- 3.2 It is proposed that £10,000 be drawn down from the New Homes Bonus Reserve to support the "Great British Seaside Festival" in Ramsgate, Margate and Broadstairs. Phase 1 would see £5,000 being released for the Ramsgate element of the event. Phase 2 would be a proposal in relation to Broadstairs and Margate and on satisfactory completion of the relevant Council criteria the additional £5,000 would be released.
- 3.3 It is proposed that £20,000 be drawn down from the Unringfenced Grants Reserve in order to pay a grant alongside the HRA monies mentioned in section 4 below to the Citizens Advice Bureau towards the cost of relocation.

### **4.0 Housing Revenue Account**

- 4.1 There are no major variances within the HRA Revenue Account to report.
- 4.2 It is proposed that along with the £20k mentioned in 3.3 above, to pay £30k from the HRA to the Citizens Advice Bureau towards the cost of relocation.

### **5.0 Capital Programme**

- 5.1 A report on the General Fund and HRA Capital programme is detailed in **Annex 2**.
- 5.2 General Fund property receipts for Q1 2014/15 are £10k for the TDC share of sale of 20 Ozengell Place, Eurokent.
- 5.3 There have been no Housing capital receipts in Q1 2014/15 apart from Right to Buy.
- 5.4 Members are asked to agree the budget virements detailed as per **Annex 3** for the General Fund capital programme.
- 5.5 Within the Capital Programme is the Waste Collection Fleet Replacement, the balance of which is currently £590k. It is now appropriate to start replacement of the Cleansing fleet, but to facilitate phase 1 urgent replacements; we will be required to transfer £461k from Waste to a new Cleansing Fleet programme. A detailed bid will be drawn up as per the Capital Protocol to cover the replacement of vehicles not deemed urgent under phase 1 with those discussed and agreed at Strategic Programme Board on 15/07/2014 progressed through the above funds.

### **6.0 Corporate Implications**

#### **6.1 Financial**

- 6.1.1 The financial implications have been reflected within the body of the report.

## 6.2 Legal

6.2.1 Section 151 of the 1972 Local Government Act requires a suitably qualified named officer to keep control of the Council's finances. For this Council, it is the Director of Corporate Resources, Paul Cook, and this report is helping to carry out that function.

## 6.3 Corporate

6.3.1 Corporate priorities can only be delivered with robust finances and this report gives Members the opportunity to review the Council's current position.

## 6.4 Equity and Equalities

6.4.1 There are no equity or equalities issues arising from this report.

## 7.0 Recommendations

7.1 That Cabinet notes the projected outturn position for 2014/15 for the General Fund;

7.2 That Cabinet agrees the reserve movements detailed in 3.1 and 3.3 of this report;

7.3 That Cabinet notes the current Housing Revenue Account position;

7.4 That Cabinet approves the grant to the Citizens Advice Bureau as mentioned in 3.3 and 4.2 of the report;

7.5 That Cabinet notes the General Fund and Housing Revenue Account Capital Programmes and agree the budget virements detailed as per Annex 3 for the General Fund capital programme.

## Annex List

<b>Annex 1</b>	General Fund Outturn position
<b>Annex 2</b>	General Fund/HRA Capital Programme report
<b>Annex 3</b>	General Fund Capital Programme

## Background Papers

none

## Corporate Consultation Undertaken

Finance	Matthew Sanham – Corporate Finance Manager
Legal	n/a

Contact Officers:

Matthew Sanham (GF), Tel. (01843) 577227

Nicola Walker (HRA and Capital), Tel. (01843) 577236

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	Chief Executive And S151			Director Of Operational Serv			Director Of Community Serv		
	Working Budget	Revised Forecast	Variance	Working Budget	Revised Forecast	Variance	Working Budget	Revised Forecast	Variance
Employees	233,840	233,840	-	6,938,850	6,938,850	-	5,573,190	5,573,190	-
Premises Related Expenditure	-	-	-	3,234,790	3,234,790	-	1,305,480	1,305,480	-
Transport Related Expenditure	6,950	6,950	-	989,010	989,010	-	116,320	116,320	-
Supplies And Services	22,750	22,750	-	2,371,600	2,371,600	-	3,042,060	3,042,060	-
Third Party Payments	-	-	-	43,740	43,740	-	545,430	545,430	-
Transfer Payments	-	-	-	580	580	-	-	-	-
Revenue Financing	-	-	-	-	-	-	-	-	-
Income	(29,100)	(29,100)	-	(7,607,470)	(7,607,470)	-	(5,489,940)	(5,489,940)	-
	<b>234,440</b>	<b>234,440</b>	-	<b>5,971,100</b>	<b>5,971,100</b>	-	<b>5,092,540</b>	<b>5,092,540</b>	-
	<b>Director Corp Serv Transform</b>			<b>Total</b>					
	Working Budget	Revised Forecast	Variance	Working Budget	Revised Forecast	Variance			
Employees	5,695,090	5,695,090	-	18,440,970	18,440,970	-			
Premises Related Expenditure	174,520	174,520	-	4,714,790	4,714,790	-			
Transport Related Expenditure	13,550	13,550	-	1,125,830	1,125,830	-			
Supplies And Services	126,630	126,630	-	5,563,040	5,563,040	-			
Third Party Payments	-	-	-	589,170	589,170	-			
Transfer Payments	68,408,550	68,408,550	-	68,409,130	68,409,130	-			
Revenue Financing	-	-	-	-	-	-			
Income	(72,063,050)	(72,063,050)	-	(85,189,560)	(85,189,560)	-			
	<b>2,355,290</b>	<b>2,355,290</b>	-	<b>13,653,370</b>	<b>13,653,370</b>	-			

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## **Annex 2**

### **1.0 Capital Programme**

#### **General Fund Capital Programme**

- 1.1 £22,400 has been added to the Customer Relationship Management System project, being funded from revenue.
- 1.2 Second Homes monies of £130,090 have been added to the Dreamland budget towards the cost of the Compulsory Purchase Order.
- 1.3 £33,610 has been added to the Skatepark project, being funded from the Capital Projects Reserve (£25,040) and Un-ring-fenced Grants Reserve (£8,570).
- 1.4 A Waste DLO budget of £33,000 has been set up for new bins, being funded from revenue.
- 1.5 The Alongside Quay, Commercial Boat Park & Rock Revetment project of £7,200,000 has been taken out of the 2014/15 capital programme. It had been planned to fund this from prudential borrowing.
- 1.6 In order to fully utilise external funding through the Interreg Yacht Valley project, monies for a project to install new pontoons in the Western Gully of Ramsgate Outer Harbour has been added. £61,000, 50% coming from Interreg, with the remainder from the maritime reserve has been added to the capital programme for this purpose.

#### **1.7 HRA Capital Programme**

- 1.8 There are no known major variances within the HRA capital programme to report.

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**Annex 3**

Agreed Full Council 06/02/14

Capital Programme 2014/15	Total Brought Forward Budget From 2013/14	External Funding 2014/15	TDC Budget 2014/15	Virement or Slippage Ext Funding	Virement or Slippage TDC	Revised Capital Budget 2014/15 to Cabinet	Committed Spend to Date 30/06/14	Budget Remaining
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<b>Business Services</b>								
Authentication-Project	35,000.00					35,000.00	0.00	35,000.00
Dip/Workflow (Bid04)	72,310.38					72,310.38	5,347.56	66,962.82
Customer Relationship Management Agreement	60,000.00				22,400.00	82,400.00	82,400.00	0.00
Payroll-HR System	275,000.00					275,000.00	0.00	275,000.00
Serv-Dev Electronic Interfaces	40,000.00					40,000.00	0.00	40,000.00

<b>Community Services</b>								
Disabled Facilities Grants – Externally Funded	0.00	1,107,983.00				1,107,983.00	254,982.99	853,000.01
Disabled Facilities Grants - TDC Funded	65,376.53		341,000.00			406,376.53	174.00	406,202.53
Dreamland- TDC Funded	4,087,438.91		2,300,000.00			6,387,438.91	730,570.34	5,656,868.57
Dreamland – Externally Funded	2,568,278.71			130,090.00		2,698,368.71	42,242.87	2,656,125.84
Empty Properties Initiative	0.00	63,750.00				63,750.00	0.00	63,750.00
Historic Town Centre Grants – Externally Funded	1,082.86					1,082.86	-4,569.85	5,652.71
Historic Town Centre Grants - TDC Contribution	1,082.86					1,082.86	-4,569.85	5,652.71
Dalby Square – Externally Funded	884,370.00	753,630.00				1,638,000.00	0.00	1,638,000.00
Dalby Square – TDC Funded	207,000.00		73,040.00			280,040.00	0.00	280,040.00
Margate Pedestrian Connections	24,345.12					24,345.12	0.00	24,345.12
Margate Housing Intervention - Loan scheme	1,000,000.00					1,000,000.00	0.00	1,000,000.00
Margate Housing Intervention - KCC Units	78,750.00					78,750.00	0.00	78,750.00
Planning Projects	30,608.75					30,608.75	0.00	30,608.75

Capital Programme 2014/15	Total Brought Forward Budget From 2013/14	External Funding 2014/15	TDC Budget 2014/15	Virement or Slippage Ext Funding	Virement or Slippage TDC	Revised Capital Budget 2014/15 to Cabinet	Committed Spend to Date 30/06/14	Budget Remaining
<b>Community Services</b>								
Private Sector Housing - RHB	174,727.17					174,727.17	10,350.00	164,377.17
Redevelopment of Newington Centre – Externally Funded	100,514.56					100,514.56	0.00	100,514.56
Redevelopment of Newington Centre – TDC Funded	40,648.32					40,648.32	0.00	40,648.32
Skatepark – Externally Funded	178,872.87					178,872.87	0.00	178,872.87
Skatepark – TDC Funded	0.00				33,610.00	33,610.00	0.00	33,610.00
19 Hawley Square Refurbishment	89,707.90					89,707.90	1,549.74	88,158.16
Broadstairs Town Centre Properties	0.00		42,500.00			42,500.00	0.00	42,500.00
Public Conveniences	75,711.97		150,000.00			225,711.97	0.00	225,711.97
Swimming Pool /Sports Hall Essential Capital Repairs	0.00		100,000.00			100,000.00	0.00	100,000.00
Swimming Pool Adjacent to Ramsgate Sports Centre	7,887.82					7,887.82	0.00	7,887.82

<b>Operational Services</b>								
Allotments	12,888.13		20,000.00			32,888.13	0.00	32,888.13
Coast Protection - Pegwell Bay	56,385.52					56,385.52	0.00	56,385.52
Coast Protection-Margate Old Town	67,884.61					67,884.61	10,372.03	57,512.58
Cremator Works	5,716.62					5,716.62	-5,909.00	11,625.62
Crematorium Office Upgrade	40,000.00					40,000.00	0.00	40,000.00
Crematorium Car Park Extension	0.00		100,000.00			100,000.00	0.00	100,000.00
Dane Valley Estate - Fencing	0.00		25,032.36			25,032.36	0.00	25,032.36
Grounds Maintenance Replace Mowers and Vehicles	34,988.00					34,988.00	24,500.00	10,488.00
Margate Cemetary - Extension	21,483.46		110,000.00			131,483.46	11,263.46	120,220.00
North Thanet Coast Line Capital Sea Wall Construction Sceme	0.00	560,000.00				560,000.00	0.00	560,000.00
Pegwell Walkway	92,825.28					92,825.28	0.00	92,825.28
Port of Ramsgate - Terminal Tractor	0.00		100,000.00			100,000.00	0.00	100,000.00

Capital Programme 2014/15	Total Brought Forward Budget From 2013/14	External Funding 2014/15	TDC Budget 2014/15	Virement or Slippage Ext Funding	Virement or Slippage TDC	Revised Capital Budget 2014/15 to Cabinet	Committed Spend to Date 30/06/14	Budget Remaining
<b>Operational Services</b>								
Ramsgate Marina Eastern Pontoons	125,000.00	125,000.00				250,000.00	250,000.00	0.00
Ramsgate Marina Water Supply Upgrade	50,000.00		50,000.00			100,000.00	0.00	100,000.00
Fuel Facilities, Ramsgate Harbour	80,000.00					80,000.00	0.00	80,000.00
Replacement of Waste Collection Fleet – Externally Funded	143,387.91					143,387.91	143,387.91	0.00
Replacement of Waste Collection Fleet – TDC Funded	869,167.00		20,000.00			889,167.00	298,863.25	590,303.75
Waste DLO	0.00				33,000.00	33,000.00	20,010.24	12,989.76
Waste Transfer Station	0.00		216,522.00			216,522.00	0.00	216,522.00
Playground Enhancement Programme	250,000.00					250,000.00	0.00	250,000.00
Alongside Quay, Commercial Boat Park & Rock Revetment	0.00		7,200,000.00		-7,200,000.00	0.00	0.00	0.00
Yacht Valley Project – Externally Funded	94,095.88			30,500.00		124,595.88	48,565.04	76,030.84
Yacht Valley Project – TDC Funded	94,100.27				30,500.00	124,600.27	48,565.04	76,035.23

<b>12,136,637.41</b>	<b>2,610,363.00</b>	<b>10,848,094.36</b>	<b>160,590.00</b>	<b>-7,080,490.00</b>	<b>18,675,194.77</b>	<b>1,968,095.77</b>	<b>16,707,099.00</b>
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Capital Salaries

75,000.00

75,000.00

<b>13,533,457.36</b>	<b>160,590.00</b>	<b>-7,080,490.00</b>	<b>18,750,194.77</b>
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## Funding of Capital Programme

General Fund Capital Programme	Brought Forward Balance External Funding 2013/14	Brought forward Balance TDC from 2013/14	Capital Budget External Funding 2014/15	Capital Budget TDC 2014/15	Virement or Slippage	Income as at 30 June 2014	
						TDC	External Funding to Date
<b>Breakdown of the 2014/15 Programme</b>	5,488,784.12	6,647,853.29	2,610,363.00	10,923,094.36	-6,919,900.00	10,490,457.65	8,259,737.12
<b>Funded By</b>							
Capital Project Reserves		1,594,704.15		90,000.00	25,040.00	1,709,744.15	
Unallocated Receipts		592,349.97				548,689.22	
Estimated Income from the sale of assets				1,183,094.36		10,132.00	
New Homes Reserve		207,000.00				207,000.00	
Maritime Reserve				150,000.00	30,500.00	180,500.00	
Unringfenced Grants Reserve					8,570.00	8,570.00	
Contribution from Revenue		275,000.00			55,400.00	330,400.00	
Housing Right to Buy Receipts		89,707.90				89,707.90	
Prudential Borrowing		3,889,091.27		9,500,000.00	-7,200,000.00	6,189,091.27	
<b>External Funding</b>	5,488,784.12		2,610,363.00		160,590.00		3,235,139.54
<b>Sub Total</b>	<b>5,488,784.12</b>	<b>6,647,853.29</b>	<b>2,610,363.00</b>	<b>10,923,094.36</b>	<b>-6,919,900.00</b>	<b>9,273,834.54</b>	<b>3,235,139.54</b>
<b>Surplus/Shortfall</b>	0.00	0.00	0.00	0.00	0.00	1,216,623.11	5,024,597.58
<b>Less future budgeted borrowing</b>						-6,189,091.27	
<b>Current shortfall in capital receipts</b>						<b>1,216,623.11</b>	

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**CREDIT METHODOLOGY CHANGES**

To: **Cabinet – 31 July 2014**

Main Portfolio Area: **Finance**

By: **Capital & Treasury Finance Officer**

Classification: **Unrestricted**

Report Produced on: **25 June 2014**

Ward: **Thanet Wide**

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**Summary:** **This report concerns credit methodology changes and consequent changes to the Council’s investment criteria**

**For Decision**

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**1.0 Introduction and Background**

- 1.1 In the Council’s Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy for 2014/15 (TMSS), minimum credit ratings criteria are set for investment counterparties.
- 1.2 Capita Asset Services (Capita), the Council’s external treasury management advisor, has informed the Council of the following:
- The main ratings agencies (Fitch, Moody’s and Standard & Poors) have provided some institutions with a rating uplift due to implied levels of sovereign support.
  - Due to the evolving regulatory regime, it is expected that implied sovereign support levels are going to be removed and this process will commence this year.
  - Capita is looking to pre-empt this process by making changes to its rating assessment methodology from 27 June 2014.
- 1.3 The current Capita methodology includes an assessment of the ‘standalone’ credit ratings provided by Fitch (Viability rating) and Moody’s (Financial Strength rating). Due to the removal of sovereign support from agency ratings, Capita has reported that Fitch and Moodys’ have suggested that their Viability and Financial Strength ratings respectively will become the same as their Long Term ratings.
- 1.4 The current Capita methodology also includes an assessment of the Fitch Support rating. Capita has reported that Fitch has begun assessing its Support ratings, with the expectation that these will be lowered to 5 which is defined as *‘a bank for which there is a possibility of external support, but it cannot be relied upon.’* Capita has reported that all institutions are likely to drop to this level and hence there is little or no differentiation to be had by Capita continuing to assess Support ratings in its methodology.

1.5 Accordingly, the credit element of Capita's new rating assessment methodology will focus solely on the Short Term and Long Term ratings of an institution.

## **2.0 The Current Situation**

2.1 The Council's minimum credit ratings criteria for banks as set out in section 4.2 of its TMSS include Viability bb- (Fitch), Financial Strength C- (Moody's), and Support 3 (Fitch).

2.2 Cabinet may wish to note that the report will be considered at an Extraordinary Governance & Audit Committee meeting on 30 July 2014 and any comments and recommendations from that meeting would be tabled at Cabinet.

## **3.0 Options**

3.1 That the Cabinet recommends to Council that minimum credit ratings criteria for Viability, Financial Strength and Support no longer be included in the Council's TMSS. The relevant extract (section 4.2) of the TMSS is shown in Annex 1. There will be one Medium Quality category, instead of two, with a money limit of £5m.

3.2 That the Cabinet recommends to Council that the Council's TMSS remains unchanged.

## **4.0 Corporate Implications**

### **4.1 Financial and VAT**

5.1.1 If option 3.2 is chosen there is an expectation of a reduction in the Council's counterparty list in due course.

## **5.2 Legal**

5.2.1 This report evidences that the requirements of the CIPFA Code of Practice on Treasury Management continue to be met.

## **5.3 Corporate**

5.3.1 This report evidences that the Council continues to carefully manage its treasury function.

## **5.4 Equity and Equalities**

5.4.1 There are no equality or equity issues arising directly from this report.

## **6.0 Recommendation**

6.1 That Cabinet approves option 3.1 (in line with Capita's new rating assessment methodology) and recommends it to Council.

## **7.0 Decision Making Process**

7.1 This report is to go Council for final approval. The next Council meeting is on 2 October 2014.

## 8.0 Disclaimer

- 8.1 This report is a technical document focussing on public sector investments and borrowings and, as such, readers should not use the information contained within the report to inform personal investment or borrowing decisions. Neither Thanet District Council nor any of its officers or employees makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein (such information being subject to change without notice) and shall not be in any way responsible or liable for the contents hereof and no reliance should be placed on the accuracy, fairness or completeness of the information contained in this document. Any opinions, forecasts or estimates herein constitute a judgement and there can be no assurance that they will be consistent with future results or events. No person accepts any liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise in connection therewith.

Contact Officer:	Paul Cook, Interim Director of Corporate Resources & S151 Officer ext 7617
Reporting to:	Sue McGonigal, Chief Executive

## Annex List

Annex 1	Section 4.2 of the Council's TMSS
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## Corporate Consultation Undertaken

Finance	N/A
Legal	N/A

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## THANET MARKETS: MARGATE WEEKLY GENERAL MARKET

To: **Cabinet – 31<sup>st</sup> July 2014**

Main Portfolio Area: **Strategic Economic Development**

By: **Kate Wilson, Community Regeneration Officer**

Classification: **Unrestricted**

Ward: **Margate Central Ward**

**Summary:** This report identifies the requirement to relocate the Margate Market to a new site, and requests Cabinet support that following the move the Council takes on the management of Margate market.

### For Decision

## 1.0 Background

1.1 Regular markets can bring a multitude of benefits to their local area. In 2009, the Communities and Local Government Committee Report<sup>1</sup> identified five key benefits to a local town and community of a successful market:

- *Economic development:*
  - Increases footfall resulting in an increase in local spend that supports local retailers and businesses;
  - Increases local entrepreneurialism as the availability of stalls in a market offer accessible space, with low start-up and running costs. Alan Sugar started with a market stall!
- *Social:*
  - Creates hubs of social activity that are popular with all sectors of the community resulting in improved local social cohesion.
  - Increases the access to cheaper fresh food leading to improved health, especially for the poorest quartile; studies consistently show market prices being lower than supermarkets.
- *Regenerating town centres:*
  - By drawing in new people and more customers markets can help to change the perceptions of a location to that of a busy, thriving centre.
- *Reducing environmental impact in the retail sector:*
  - Stall-holders tend to source their stock from local producers and wholesalers, which reduces travel and gives an outlet for local businesses and farmers.
  - Markets encourage people to shop locally, often within walking distance of their homes.

1.2 The Report<sup>1</sup> highlights the positive feedback the Committee received from shop keepers and surrounding businesses, who said market days are often the busiest day in the town or their second busiest after Saturday. A National Farmers Union study found 80% of neighbouring businesses saw a boost to trade on the establishment of a nearby market.

<sup>1</sup> –Market Failure?: Can the traditional market survive?  
<http://www.publications.parliament.uk/pa/cm200809/cmsselect/cmcomloc/308/30803.htm>

- 1.3** With the growing acknowledgement of the positive impact on an area of a thriving market, councils across the country are seeing markets as drivers of economic development and linking their management and performance into their economic strategies and plans. This economic development approach to supporting markets is carried through to the market operation agreements, which are including criteria for performance and quality; for example: entrepreneurialism is promoted by making market stalls available at competitive rates to local entrepreneurs and producers.
- 1.4** When Swale Borough Council tendered the operation of their town markets, it was from an economic development aspect. This meant they were open to and supportive of the Faversham market being operated by a newly formed local co-operative. On winning the tendering process. the co-operative has re-energised the market which is now three days a week, and the co-operative has set-up two additional specialist monthly markets – Antique and Vintage (Antiques, Vintage and Collectibles) and Best of Faversham (Arts, crafts and Food). They operate all the markets under the brand of Faversham Markets. This approach has been highly beneficial to the town centre.
- 1.5** Margate market is struggling, it does not have a formal home, it has few stalls, no space to expand, and the quality and range of the offer has been receiving negative comment. For the last decade, Margate Town Partnership has had the responsibility for Margate market and they have focused on the logistics. It is proposed that the Council moves Margate market from the High Street to Cecil Square where it will have the space to expand while still supporting the footfall within the town centre, and takes on the responsibility of the market.
- 1.6** When Margate market is under the responsibility of the Council, an economic development approach to the management of both Ramsgate and Margate weekly town markets will be implemented. This will include bringing an integrated approach to the management of both markets helping them to build through cross promotion to customers and stall-holders. This approach has been successfully elsewhere.

## **2.0 Margate Market: Issues and Opportunities**

- 2.1** Due to its present High Street location Margate market needs to move. It is not an acceptable long term site for reasons of highway safety, space for stalls and issues related to the shop frontages. It is proposed that the Council takes responsibility for Margate market and undertakes the processes required to formally move the market to a new site in Cecil Square.
- 2.2** In the recent past, Margate market has been rather nomadic, Margate Town Partnership has moved it from the lower High Street to Cecil Square to The Centre/Regal Walk and then to the High Street. The market was moved to its current location without the required agreement from Kent Highways and without planning consent. Kent County Council Highways have indicated that they would support a permanent formal home for the market, but would not support the present location.
- 2.3** Since the market moved into the upper High Street, the businesses have expressed disquiet about stalls blocking their frontages. As the High Street re-builds and vacant shops have re-opened, the number of places stalls that can be erected without seriously blocking shop windows has reduced. The market now runs sporadically along the upper High Street including occasionally spilling onto the pavement next to Boots near the pedestrian crossing. This situation is not good for the development of the market as stalls have to be moved when vacant premises re-open creating instability for the customers and the stallholders; the market operator, Hughmark has

stated this situation has made it difficult to develop the market and they are presently not covering their costs.

## **2.4 Current Market arrangement**

- 2.4.1 Hughmark has operated the market under agreement with Margate Town Partnership (*a separate body from Margate Town Team*) for a number of years. The market was set-up through a formal licence for a three year period with the ability to renew by mutual consent and relates to when the market was held in the lower High Street and Cecil Square. The agreement is based on Margate Town Partnership providing Hughmark with a site and Hughmark remitting to the Partnership a proportion of their income from the market after operating costs are subtracted.
- 2.4.2 In 2010 the Margate Town Partnership folded, however a new' Margate Town Partnership was reinstated. During a meeting, the new MTP and Hughmark decided to carry on the market under the same terms – nothing was signed and the original licence has never been updated.
- 2.4.3 The market moved from Cecil Square following a request from Kent Highways for a Traffic Regulation Order (TRO) application rather than the weekly road closures then being obtained under the Town Police Clauses Act 1847, which are intended for one-off events. A TRO application was never made, as the market was moved to The Centre/Regal Walk in agreement with the then landlord. When landlord went into administration in 2012, the administrators asked for the market to be removed as they felt it was not conducive to attracting tenants, hence the current unauthorised use of the upper High Street.
- 2.4.4 When the market was previously in Cecil Square, remittances for loss of the Council's parking revenue were not paid by Margate Town Partnership, as it was argued that the income they made was recycled to events and Christmas lighting in the town. The suspension of the parking spaces in Cecil Square equates to a potential loss in parking revenue income of £9.1K per annum, so not receiving an income to cover this cannot be an option.

## **2.5 Margate market relocation**

- 2.5.1 The challenge is to re-locate the market to a site which is noticeable and accessible to the public and acceptable in Highways terms. Council officers have been in dialogue with Kent Highways, Margate Town Partnership, Margate Town Team and the current market operator to try to find a permanent location where Margate Market can better serve the town.
- 2.5.2 Markets can best serve towns by being located so they help to drive footfall in the town centre without being excessively competitive with local shops. The market needs to be well-located and visible so it can help encourage shoppers to come to the High Street. Stalls which block shop frontages are counterproductive as shopkeepers are put to disadvantage. Equally, locations must not be dangerous in Highway terms nor adversely affect traffic circulation. Town centre parking is another important variable which must also be taken into account.
- 2.5.3 Margate presents several challenges in identifying a market site which meets the site criteria above. The High Street is long and relatively narrow, resulting in stalls being pushed too close to shop windows and/or blocking emergency vehicle movement. Potential sites at either end of the High Street would be too divorced from the main bulk of shops to give the benefits of added footfall. Vacant sites off the High Street

are separated from it, not easily visible and/or would require capital expenditure to remodel and resurface.

## **2.6 Cecil Square**

2.6.1 Cecil Square has been identified as the best option available after considering a number of other sites (Annex 4). The square is highly visible, well-located to help drive footfall to the High Street and College Square, while spacious enough for a reasonably-sized market without blocking any shop windows. Also, the current operator Hughmark previously successfully operated a market on the Cecil Square site and is keen for the market to move back to the square (see Annex 1).

2.6.2 To move the market to Cecil Square would require closing a section of the square with the suspension of the parking bays - a potential loss of parking revenue of £9.1K per annum, and moving the current site of the taxi rank to the opposite end of the Square on market days (see Annex 2). In 2010/11 the last year Hughmark operated the market in Cecil Square, MTP was remitted close to this figure.

## **2.7 Informal pre-consultation of businesses fronting Cecil Square**

2.7.1 An informal pre-consultation, via letter was undertaken with the taxi drivers' representative, Thanet Hackney Carriage Association, and the businesses fronting the proposed market area. The aim of the pre-consultation was to identify any concerns/suggestions that need to be considered, thus reducing the chance of objections during the formal consultations required in the TRO and planning application procedures.

2.7.2 The Thanet Hackney Carriage Association responded that the taxi drivers have no objection to the market moving to Cecil Square and the associated repositioning of the taxi rank as long as the proposed taxi rank included space for a turning point.

2.7.3 There are no problems with deliveries to Store 21 as these are from the High Street. Accessibility will need to be maintained for cash deliveries to NatWest Bank and the doctor's surgery has stated that access for an ambulance is needed at all times. The advice received from other officers is that there is enough space to accommodate these requests.

2.7.4 The Council received written feedback from one business (Annex 5). The key points were:

- 'The presence of the market in front of business premises makes it much more difficult for clients both to see and to access the offices. This limitation on business is not acceptable.
- The setting of the market in Cecil Square significantly limits the most convenient parking for the business located there. In reality, it takes out 20% of the business week.
- Although I am sure you will advise of a clean street and working environment, I would remind you of the significant amount of rubbish present each week on the conclusion of the market. This does not present a good business front, and again is damaging.
- There is considerable noise from the market, both from the stall holders calling out their wares, and indeed from the shopping public. This is not conducive to a proper work environment with offices that front Square, and nor does it support focussed and considered meetings or decisions from clients. It is at best obtrusive, and more often obstructive. The burger van smell is significant, and is a similarly poor factor in a working environment'.

2.7.5 When the officer hand delivered the letters to the businesses, another business in the area was positive about the proposed move.

2.7.6 **The recommendation** is that the Council proceeds with the relocation of the market to Cecil Square, ensuring the layout reflects the space required for the taxi rank, cash deliveries and the ambulance. The market operator can be requested to take into consideration the feedback from the businesses.

### **3.0 Procedures Required to Move Margate Market to a Formal Site**

3.1 A permanent market site at Cecil Square will require one-day-per-week suspension of parking bays with a potential loss of on-street parking revenue equating to around £9.1K per annum. Kent Highways has requested that the Council obtains a Traffic Regulation Order (TRO) in order to provide a regular weekly closure of the Highway. Kent Highways are happy in principle with a market use of this site one day per week and have also stated that they would agree the use of Highway land through an exchange of letters with the Council with no further costs to the Council for the use. Planning Consent will be needed and would not normally be approved until the formal approval of the TRO.

3.2 Submission of the TRO application (requires 3-6 months for approval due to advertisements and time for lodging and resolution of objections). Kent County Council has informally agreed in principle with the Cecil Square location. They have suggested employing a local specialist consultant to draw up and submit the TRO application at a likely total cost (including the application) around £600 plus advertising costs of up to £100.

3.3 Submission of Planning Application (requires 8 weeks for approval depending on any objections and will require Planning Committee decision) at a cost of £385. Planning Applications normally follows TRO approval so that Planning Application reflects any changes that might result from objections to TRO application. These two processes could be run concurrently to reduce overall approval time, but there is a risk that the Planning Application might need to be revised if the TRO changes as a result of objections.

3.4 Exchange of letters of agreement with Kent County Council regarding the use of the Highway land by Thanet District Council for use of a market, at no cost to the Council for the use;

3.5 Brief report to Joint Transportation Board for information and any comments.

3.6 Order to suspend parking bays – Order to suspend can be pursued one week before commencement of market.

### **4.0 Options**

4.1 Support the proposal for Officers to start the process to relocate the Margate market to a formal site in Cecil Square. The alternative is to not have a weekly market in Margate, as the current informal situation cannot continue indefinitely.

4.2 In order to put the formal processes in place £13,085 (£1,383 set-up costs and £11,700 operation costs) will be required. It is expected that this will be contained within existing budgets, it is envisaged that there will be some displacement within the parking income (cars parking elsewhere) and some of the cost is expected to be covered by income from the market. After the first year of the market being in Cecil Square the on-going annual costs i.e. loss of parking income will be reviewed in

relation to potential income and whether it needs to be considered as part of the budget build for future years.

### **Proposals for Decision:**

## **Relocate the Margate Market to Cecil Square and be responsible for the market**

### **5.0 Next Steps**

- 5.1** Officers will start the formal processes required to move Margate market to a formal and permanent site.

### **6.0 Corporate Implications**

#### **6.1 Financial and VAT**

- 6.1.1 Kent Highways have advised that the TRO should be submitted by a consultant familiar with these. This is likely to cost in the order of £600 (KCC & TDC Parking estimates) together with advertising of the Notice (costing up to £100).
- 6.1.2 Moving Margate Market to Cecil Square for one day per week would result in a potential loss of approximately £9.1K p.a. parking income. It is proposed that this would be at least mainly (if not fully) mitigated by an agreement between the Council and the market operator. The anticipation is that the combination of a better location and the agreement (which would include quality and growth objectives) would result in the market growing and further offsetting the parking revenue loss. There is also potential that at least some of the parking revenue would be offset by customers parking elsewhere in the town centre.
- 6.1.3 Business Rates and Public Liability costs will be incorporated into the operator agreement so that the Council is not put at risk in these respects.
- 6.1.4 Traffic barriers will need to be organised on market day to control the vehicular access to the square, which will involve barriers being placed out at 06.00hrs and collected at 16.00hrs. When the market was previously in Cecil Square, this service cost MTP £50 per week. This service would need to be arranged by either contracting a company (the Council does not have the capacity) or preferably this will be covered by the operator.
- 6.1.5 It is proposed that any market income to the Council (after accounting for any losses for the on-street parking account and any other administrative costs) should be recycled to projects in Margate town centre.
- 6.1.6 The VAT officer has stated that 'provided the Council does not incur any significant vatable expenses in relocating and running the Margate Market, and the current proposal doesn't seem to include significant expenditure, then there should not be any VAT related issue to the recommendation to move the Margate market.
- 6.1.7 With regards to new management agreement, it would be necessary to identify the VAT implications in detail as part of the review of the different management options. Accordingly, the VAT officer will be brought into the management evaluation process for report back to Cabinet.

### 6.1.8 Summary of the costs of relocating and operating the Margate market in Cecil Square

Activity	Cost £	Total £
<i>Relocation costs (one-off)</i>		
Traffic Regulation Order (TRO)	700	
Planning Consent	385	
		<b>1,085</b>
<i>Operation of market<sup>1</sup></i>		
Suspension of parking bays	9,100 p.a.	
Putting out and collecting barriers <sup>2</sup>	2,600 p.a.	
		<b>11,700 p.a.</b>

<sup>1</sup> This cost is expected to be covered (mainly) through the market operator remitting to TDC an agreed proportion of their income after operating costs are subtracted.

<sup>2</sup> Calculated at £50 per week

## 6.2 Legal

6.2.1 Officers need to understand the legal implications of Margate Town Partnership existing agreement with the current Margate Market operator. Initial advice from Legal indicates the need to look more closely at the agreement in order to form a view as to whether there may be any termination penalties.

6.2.2 Officers will work with the legal team to ensure appropriate legal agreements are put in place to optimise the impact of the market on the development of the town and minimise risks to the Council. It is intended to utilise national best practice legal template advice from national Association of British Market Authorities (NABMA).

## 6.3 Corporate

6.3.1 The Proposal is in line with the Council's Corporate Plan Priority 1 supporting the growth of our economy and the number of people in work, Priority 3 supporting community and voluntary organisations (Margate Town Team objectives in improving Margate Town Centre) and Priority 5 by overcoming the currently unacceptable location in Highway terms (although Parking is adversely affected).

6.3.2 There are some risks that need to be understood in initiating this proposal:

- Objections to the Traffic Regulation Order (TRO) (application cost approximately £700) may result in the TRO being delayed or not being finalised by Kent County Council. The informal consultation that has taken place has identified the need to have access for cash deliveries to the Natwest Bank and ambulance access to the surgery. It is intended to find acceptable solutions prior to formal TRO consultation to mitigate the issues. Kent have already indicated *in principle* agreement in writing;
- Refusal of Planning Consent for Change of Use (application cost £385) – mitigated by informal discussions with Planners;
- Change to TRO following any objections, resulting in amendment to Planning Application and therefore delay in Planning Consent – mitigated by informal TRO consultations with affected organisations / businesses
- Uncertainty regarding status of agreements between Margate Town Partnership and Hughmark for Margate, and legal implications of the Council entering into new agreement with new operator – to be investigated with Property and Legal;
- VAT issues – VAT Officer to be involved in the process to ensure liability, for report back to SMT.

## 6.4 Equity and Equalities

- 6.4.1 The market is intended to be available to all residents and visitors to the town, and the proposed new Margate location would be fully accessible to all. Efforts will be made to encourage a wider appeal than at present for Margate Market. Due to the availability of the market for all, an Equality Impact Assessment is not considered relevant and therefore has not been carried out.

## 7.0 Recommendation

The following proposal is set out for decision:

- 7.1 Support the Council relocating the weekly Margate market to Cecil Square and being responsible for market.

## 8.0 Decision Making Process

- 8.1 This is a decision by Cabinet.

Contact Officer:	Kate Wilson, Community Regeneration Officer ext 7037
Reporting to:	Louise Askew, Economic Development Manager

## Annex List

Annex1	Photos of Cecil Square with market
Annex 2	Plan of Cecil Square
Annex 3	Markets in Thanet
Annex 4	Sites considered as a location for Margate market and rejected
Annex 5	Informal Consultation of the businesses fronting the proposed Cecil Square site

## Background Papers

Title	Details of where to access copy
Margate Market File	Economic Development & Regeneration Team

## Corporate Consultation Undertaken

Finance	Matthew Sanham, Finance Manager (Service Support)
Legal	Dawn Cole, Senior Legal Officer



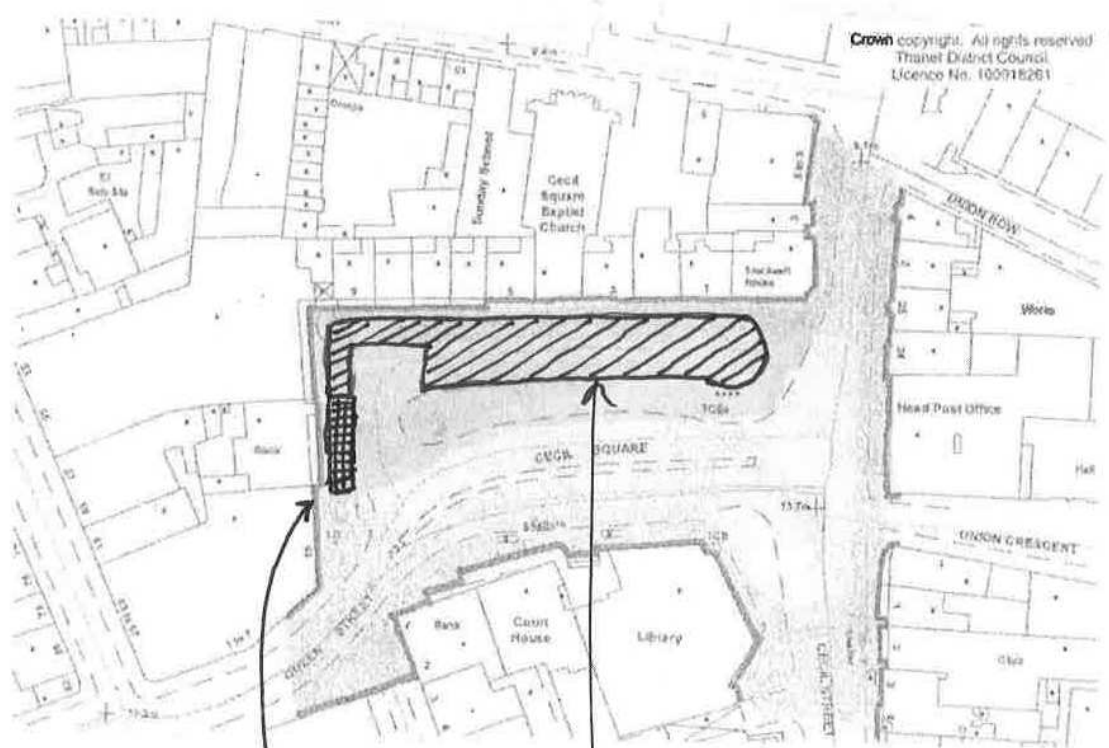
**Annex 1: Margate Market in Cecil Square 2009**

Source: <https://maps.google.co.uk/maps?hl=en>





**Annex 2: Suggested Layout of Market in Cecil Square**



**Suggested  
Relocation of the  
Taxi Rank**

**Suggested  
Location for  
Market**

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**Annex 3: Markets in Thanet**

## Farmers markets

- Cliftonville farmers market, Oval Lawns, Cliftonville: last Sunday of the month 10am-4pm.
- Thanet farmers market. The Marlow Academy, Ramsgate, 2<sup>nd</sup> Sunday of the Month 9.30am – 1pm.

## Community Markets

- Margate Bazaar, Old Town Margate, every Sunday Easter to September 11am – 4pm. Mixture food, crafts and arts and vintage plus others. Part of NABMA – love your market campaign
- Ramsgate's Handmade Markets, winter: Custom House, Ramsgate, summer: Albert Court, 3<sup>rd</sup> Saturday of the month. Locally produced crafts, art and produce
- Broadstairs Pavilion Craft and Gift Fair, The Broadstairs Pavillion, tables provided. Craft fair. Held monthly usually first Sunday
- Craft and Gift Fayre, The Royal British Legion, 61 Augustine Road, Minister. 4<sup>th</sup> Saturday of every other month starting April.

## General town markets

## Ramsgate

- Ramsgate market, pedestrianized areas of town centre (High Street/Kings Street/Queens Street & Cavendish Street), every Friday and Saturdays 9am -5pm – own rigs. Hughmark
- Margate market, pedestrianized area of High Street, every Wednesday 9am -4pm

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**Annex 4:** Sites considered as a location for Margate market and rejected as

Top of the High Street Amenity Site (at start of pedestrianisation) – TDC-owned but considered by stallholders as too divorced from the main shopping area and also is quite distant from shops in the lower High Street and College Square. Not large enough to accommodate a reasonably-sized market.

Upper High Street – Pedestrianised during market hours but not acceptable in Highways terms as too narrow to allow for emergency vehicles with stalls in place. Also difficult to place stalls without blocking shop windows – stalls have been repositioned when shops have opened after being vacant.

The Centre / Regal Walk – Privately owned. Landlord asked for market to vacate the site as was considered to be detrimental to letting shops due to proximity to shop windows and the quality of the current offer.

Highway in front of Store 21 – Not pedestrianised and not acceptable in Highways terms as placement here would impede safe traffic flow and emergency vehicles. Would also require suspension of parking bays (financial implications).

Lower High Street from KFC to The Parade – Too narrow resulting in blocking of shop windows. Not pedestrianised and not acceptable in Highways terms as placement here would impede safe traffic flow and emergency vehicles. Would also require suspension of parking bays (financial implications).

The Parade, Old Town – Would likely not help to drive footfall up the High Street.

Cottage Car Park – TDC-owned. Sloping site & not easily visible. Would likely not help to drive footfall up the High Street. Would also require suspension of parking bays (financial implications).

New Street Land behind former M&S building – TDC-owned but not easily visible and would require capital to remodel / resurface. Also some land contamination from former garage on site.

Old Town Queens Arms Yard Site – Part TDC-owned but not easily visible. Would not help to drive footfall up the High Street.

College Square – Privately-owned. Areas around shops too narrow resulting in blocking shop windows. Too divorced from High Street.

Seafront Sites – Marine Gardens / Charlotte Square considered but adverse weather (wind) in winter seen as not conducive to market viability. Would also require suspension of parking bays (financial implications).

Cecil Square – Highly visible, well-located to help drive footfall to High Street & College Square, spacious enough for reasonably-sized market without blocking any shop windows. Would require suspension of parking bays (potential loss of £9.1K p.a. parking revenue) and traffic Orders to utilise the site. Current site of Taxi rank would need to be moved to the opposite end of the Square (see Annexes 1 & 2). No problems with deliveries to Store 21 as these are from the High Street, but possible cash delivery issues for NatWest Bank and Lloyds Bank which could likely be overcome.

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**Annex 5: Informal Consultation of the businesses fronting the proposed Cecil****Square site**

1. Dear Katherine

Thank you for your letter of 10<sup>th</sup> June that was received at our office premises.

I understand that the council is proposing relocating the market from the High Street, and that this is primarily because the market itself blocks the sight line to the shop fronts, and is considered to thereby reduce foot fall. I have to say that this would be true in terms of all the office premises in Cecil Square.

As you appreciate, the market was originally trialled in Cecil Square. Clearly, this location was not suited to the market and hence it was removed to the High Street. I am sure that this was properly part of the local plan to emphasise the High Street. Cecil Square houses a key business sector in the town, and is not configured as a shopping area.

I am somewhat dismayed to receive this informal suggestion that the market could again be considered for a return to Cecil Square. I am very clear that this would be a retrogressive step, and indeed consider it damaging for business. For ease of reference, I have set out my key objections below:

- The presence of the market in front of business premises makes it much more difficult for clients both to see and to access the offices. This limitation on business is not acceptable.
- The setting of the market in Cecil Square significantly limits the most convenient parking for the business located there. In reality, it takes out 20% of the business week.
- Although I am sure you will advise of a clean street and working environment, I would remind you of the significant amount of rubbish present each week on the conclusion of the market. This does not present a good business front, and again is damaging.
- There is considerable noise from the market, both from the stall holders calling out their wares, and indeed from the shopping public. This is not conducive to a proper work environment with offices that front Square, and nor does it support focussed and considered meetings or decisions from clients. It is at best obtrusive, and more often obstructive
- The burger van smell is significant, and is a similarly poor factor in a working environment.

I am of course more than happy to meet with you and expand on these concerns. If this would be helpful, please do not hesitate to contact me.

[Cecil Square, Margate, Kent CT9 1BD](#)

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## FINANCING A NEW HOUSING MANAGEMENT SYSTEM FOR EAST KENT HOUSING

To: **Cabinet 31<sup>st</sup> July 2014**

Main Portfolio Area: **Housing and Planning**

By: **Tanya Wenham Head of Housing Services**

Classification: **Unrestricted**

Ward: **Thanet Wide**

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**Summary:** To seek approval to make loan finance available to East Kent Housing for the procurement of a new housing management IT system.

### **For Decision**

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#### **1.0 Introduction and Background**

- 1.1 East Kent Housing (EKH) is the Arms Length Management Organisation (ALMO) established jointly by Thanet District Council, Dover District Council, Canterbury City Council, and Shepway District Council to undertake the management of the council's housing stock.
- 1.2 EKH is currently using the four individual housing management IT systems that were in existence in the four councils at the time the organisation was established. The IT systems are different in each of the four councils.
- 1.3 EKH has approached the joint owning council's to seek support for a proposal to replace the four existing systems with a new, single system. A business case to support their request is attached at Annex 1.
- 1.4 In order to implement the new system an upfront investment of £1,195,025 is a required. As a result East Kent Housing has requested a loan of £223,000 from each of the four councils towards the costs of the project.

#### **2.0 Benefits of a single system**

- 2.1 East Kent Housing is committed to improving services to tenants and the single IT system is central to these plans.
- 2.2 Acquiring a single housing system provides East Kent Housing with the opportunity to achieve the following: release savings; provide new levels of service and facilities to tenants; develop a platform for future business development. It also gives the opportunity to restructure certain business functions which could generate further significant savings through salary cost reductions. It can also provide improved management information, common processes and greater corporate cohesion.

2.2 In particular a new the system will aloe East Kent Housing to achieve the following:

- The ability to generate accommodation savings and improved staff flexibility through home-working and mobile working on site.
- Improved technology allows for more staff to be out on district being more visible to residents and more responsive to issues as they arise.
- Better stock condition information allowing more accurate planning for maintenance and improvement programmes.
- East Kent Housing will be able to offer new facilities and business to tenants providing more opportunity to deliver cost savings and to improve customer satisfaction through channel shifting (for example introducing on-line self-service).
- Development of digital service delivery for tenants including smart phone applications.
- A reduction in the number of system administrators that need to be employed to provide resilience.
- Improved flexibility in being able to re-deploy staff across different sites and improved ability to achieve savings through centralising certain functions on single sites.

### **3.0 Options**

3.1 Option 1: Agree to the EKH request to provide the required loan finance interest free.

3.2 Option 2: Agree to the EKH request to provide a loan but with an interest charge that is reflected in the management fee.

3.3 Option 3: Reject the request

### **4.0 Corporate Implications**

#### **4.1 Financial and VAT**

4.1.1 The details with regard to the financial costs and efficiency savings have been identified within the attached Annex 1.

4.1.2 East Kent Housing is not seeking a direct financial payment from the joint owning council's to cover the cost of acquiring the new system but rather a loan of £223,000 from each of the four council's based on an equal (25%) share of the cost.

4.1.3 The business case shows that the loan will start to be repaid from 31 March 2017, the point at which EKH expects the system to start delivering savings. The EKH business case indicates that the maximum period within which the loan will be repaid will be 6 years.

4.1.4 In the event that the council cannot provide an interest free loan an interest rate would need to be agreed and charged. For the duration of the loan EKH will need to increase the management fee to the council to cover the increase in their overheads. This will facilitate a repayment back to the council.

#### **4.2 Legal**

4.2.1 The procurement process will require EKH to directly enter into contractual relationships with a new system supplier with the result that EKH will own the new system. There are clauses within the Owners Agreement and Management Agreement which relate to this procurement arrangement and which will require unanimous, Joint Decisions of the Officer Panel to enable it to proceed. The specific consents that will be required from all four councils are:

- Consent to contract directly with a supplier other than the councils (Clause 9, schedule 3 of the Owners Agreement).
- Consent to borrow money (Clause 10, schedule 3 of the Owners Agreement).
- Consent to use new software that interfaces with the council's systems (Management Agreement)

4.2.2 While these consents are referred to in the recommendations section of the EKH business case report they do not require formal cabinet approval as the necessary decision making authority is delegated to the council's Client Officer.

4.2.3 The procurement arrangements will not require any variations to be made to the terms of the Management Agreement or the Owners Agreement.

### 5.3 Corporate

5.3.1 A single IT system for EKH is central to the delivery of their vision document and future efficiencies. There are a number of potential risks associated with this project and these are detailed below.

Potential risk	Mitigation
The council chooses not to provide loan finance for the system	EKH will not be able to provide the level of savings required by the councils and the management fee for Thanet DC will increase.
The council chooses to end the relationship with EKH and no longer has a suitable database.	The specification for the system includes separate areas for each council's data to be held. This will allow Thanet to access its data if necessary. There would be a cost associated with this for the council, but this does not prevent the council ending the relationship if considered appropriate in the future.
The council is unable to provide an interest free loan and decides to charge interest	EKH is owned by the four councils and therefore additional charges are likely to be reflected in EKH's ability to provide the predicted level of savings. This will affect the management fee for future years which is likely to increase.
Issues of state aid as a result of an interest free loan	State only becomes an issue if EKH undertake activity outside of the current agreements that are in place. If EKH expanded their services to the private sector then an interest free loan could be seen as giving them a market advantage. There is mention of such activity in the EKH vision document but such activity and services have not been agreed by the four councils.
Risk of cost overrun on the project	EKH have used external specialist advisors to prepare the detailed business case. EKH have confirmed it will carry the risk of cost overruns where these are part of the project. It will not cover the costs where the reason for overrun is due to the council.

Risk of default on the loan finance	The business case has included prudent assumptions about savings that can be used to cover the cost of the loan repayment. As joint owner of EKH, the council has control of its activities. The loan will be accounted for as capital expenditure in the first instance.
Risk that the new system does not provide expected functionality	There is a mature market for housing management software and products are well tested by other providers. The council will work closely with EKH to ensure that the specification and tendering robustly test functionality.
EKH do not secure efficiency savings as a result of the investment.	Assumptions about efficiency savings within the business case have been prudent.

#### 5.4 Equity and Equalities

5.4.1 It has not been necessary to undertake a review for this project as there is no adverse impact in providing a loan for the system to be developed.

#### 6.0 Recommendation

6.1 To agree to a loan of £223,000 for EKH for the purposes of purchasing a single IT system. Delegate authority to determine the terms of the loan to the Section 151 Officer, in consultation with the Portfolio Holder for Finance.

#### 7.0 Decision Making Process

7.1 This is a Key decision for Cabinet.

Contact Officer:	Tanya Wenham, Head of Housing Services, 01843 577006
Reporting to:	Madeline Homer, Director of Community Services

#### Annex List

Annex 1	East Kent housing Business Case
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#### Background Papers

Title	Details of where to access copy
None	N/A

#### Corporate Consultation Undertaken

Finance	Nicola Walker, Finance Manager - HRA, Capital & External Funding
Legal	Steven Boyle, Interim Legal Services Manager & Monitoring Officer

<b>Title:</b>	Single Housing Management System
<b>Author</b>	David Willis Head of Corporate Services EKH
<b>Summary</b>	<p>Following the previous Joint Client Meeting it was agreed that EKH would provide a refreshed report to outline the business case. The report is based upon the latest available information it has for the procurement of a single housing management ICT system</p> <p>This report also sets out the joint decisions required by the formal Officer Panel to comply with the Owners Agreement</p>
<b>Recommendations</b>	<p>Client officers, acting as their respective formal council's nominated representative under the Officer Panel Terms of Reference set out in Schedule 4 of the Owners Committee, with the relevant delegated authority from their council as required by Clause 8 of the Officer Panel Terms of Reference take the following joint decisions:</p> <ol style="list-style-type: none"> <li>1. Enable a loan to be provided to East Kent Housing to procure a single housing management ICT system</li> <li>2. To confirm the baseline cost position for each council at the start of the project and ring-fence these costs to transfer to EKH when the single system is operational in each area to support the repayment of loans</li> <li>3. provide consent for EKH, under Clause 9 of Schedule 3 of the Owners Agreement, contract directly with a software supplier</li> <li>4. provide consent, under Clause 10 of Schedule 3 of the Owners Agreement, to borrow money</li> <li>5. provide written consent, under Clause 24.5 of the Management Agreement for East Kent Housing to use a new computer system interfacing with council computer systems</li> </ol>

**1. Background**

Since its creation, East Kent Housing (EKH) has set out to be as efficient as it can be, and is delivering increasing levels of economies of scale and efficiencies. However, its scope to deliver further efficiencies is restricted by the current IT arrangements EKH inherited. This issue was recognised from before EKH was formally created, and a single housing management system and actions set to explore the options to deliver a better ICT solution set out in delivery plans.

While not an exhaustive list, the following current issues provide some background into how using four separate systems limits EKH's productivity, and efficiency improvement:

- The additional resource costs for training employees on four different ICT systems where they work centrally
- Reduced productivity through employees having to maintain ICT skill levels on 4 systems after being trained
- Dealing with interface issues for all housing management activity between EKH, EK Services, 4 councils and Steria
- Increased resource demands for administering 4 different systems, with 4 differing levels of responsibilities and related training needs to provide cover
- Limits to significant improvement in maintenance planning and joint procurement without increasing resources because of dealing with four disparate asset management data recording systems and no connectivity that would
- Restricted economies of scale through restrictions to employees providing resilience between council areas without incurring costs of disturbance and downtime
- Limitations to the ability to generate accommodation savings and improve staff flexibility through home-working

- Limitations to adopting common processes to improve consistency in the way EKH operates across all four areas
- Lost productive time through having to consolidate management information produced by the different systems to generate consistent reports from four systems
- Constraints and increased costs when offering consistent new facilities and business functionality, including channel shifting, that would require four systems to be updated and upgraded rather than one
- Increased long term costs for licencing and necessary upgrades to multiple systems
- Lack of exploration and maximisation of existing systems as employees have fewer colleagues who have shared expertise in the system that they use with which to pool ideas and suggestions for improvement

EKH commissioned independent IT consultants SOCITM, to review the options for EKH and the business case they originally presented to EKH and the councils, indicated that based on the lowest projected benefits and the highest projected costs, a single system alone, without all of the associated service and frontline efficiencies, would still have a **positive benefit of £60,000 over five years**.

Subsequent to the original business case being presented, the councils have suggested increasing the funding for the council resources needed to test interfaces, varying the discounted cash flow calculation and removing the value of 'avoided costs' from the calculation of benefits.

Savings included within the business case developed by SOCITM did not include those set out in EKH's Vision and Funding Plan. This was done purposefully to prevent any confusion within the councils about double counting savings. However, EKH has also created its long-term strategies and savings targets based on the implementation of a single housing management system.

## 2. Vision and Funding Plan Savings

The savings identified within EKH's vision and funding plan that have been accepted by the councils' client officers for EKH to progress and linked to the implementation of a single system are:

<b>Not Fully Achievable Without Single System</b>					
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b><u>Direct Pay Reductions</u></b>					
Digital Service Delivery			£65,000	£65,000	£65,000
<b><u>Direct Non Pay Costs</u></b>					
Tenant Engagement	£4,000	£4,000	£4,000	£4,000	£4,000
<b><u>Office/Accommodation</u></b>					
HQ Accommodation		£40,000	£40,000	£40,000	£40,000
All Accommodation				£90,000	£100,000
<b><u>ICT</u></b>					
Staff Information & Tablets			£60,000	£60,000	£60,000
<b><u>Income</u></b>					
Managing for other Landlords			£5,000	£10,000	£20,000
<b>Totals</b>	<b>£4,000</b>	<b>£44,000</b>	<b>£174,000</b>	<b>£269,000</b>	<b>£289,000</b>
<b>Accumulated Savings</b>					<b>£780,000</b>
<b>Difficult to Maintain without Single System</b>					



	2014/15	2015/16	2016/17	2017/18	2018/19
<b><u>Direct Pay Reductions</u></b>					
Performance Management	£34,000	£34,000	£34,000	£34,000	£34,000
Improved Asset Procurement and Health & Safety Planning					£75,000
Reduction in establishment	£60,720	£60,720	£60,720	£60,720	£60,720
<b><u>Direct Non Pay Costs</u></b>					
Training budget reduction	£5,000	£5,000	£5,000	£5,000	£5,000
<b>Totals</b>	<b>£99,720</b>	<b>£99,720</b>	<b>£99,720</b>	<b>£99,720</b>	<b>£174,720</b>
<b>Accumulated Savings</b>					<b>£573,600</b>

### 3. Business Case Refresh

The original recommendation from the business case developed by SOCITM, identified a preferred option to specify a system based on EKH's business needs, go out to the market but weight the evaluation criteria to focus on minimising the risk to EKH and the councils. The original SOCITM business case has previously been presented to the councils (copies are available from the author).

Based on the in-principle agreement of the councils to continue to explore the procurement of a single system, EKH's Board confirmed funding to allow SOCITM to progress to Phase 2 of the original commission. EKH's Board had committed £50,000 from its retained reserves to fund the external consultancy to support the development of the business case through to procurement. A number of workshops have been held to finalise the requirements specification in line with the outline timetable.

The requirements specification will be drafted by SOCITM and informed by the councils and EKH to set out EKH's business needs. The specification of the system will focus on the required system and business outcomes and leave the way a system will deliver these outcomes to be explained by potential suppliers and then evaluated against the agreed criteria. System requirements will include all the issues raised within workshops, including the key issues identified by the councils around financial interfacing, leasehold requirements and data segregation.

### 4. Cost & Benefit Analysis

The original cost benefit analysis carried out by SOCITM showed a worst case **positive 5-year net benefit of £60,000 for the system**. Subsequently, some councils have indicated that the costs may have been understated for the resources they would need to apply to the project. An additional £50,000 has been estimated to be the cost of the councils' resources to support testing. Other council feedback indicated that the level of Discounted Cash Flow applied to the calculations was insufficient.

The original cost benefit analysis also did not separate costs into new costs, additional costs and re-diverted budgets within EKH. Work has now been done to update the cost benefit analysis to reflect the feedback from the councils, apart from the Discounted Cash Flow (DCF) element. DCF has not been adjusted because there are varying applications of this among the councils and, based on the margins of the revised costs, any differential would be contained within the overall budget and savings requirements.

It should be noted that the business case capital appraisal is based on the lowest of benefits realised and the highest of costs incurred. The difference between this projection and **the projection based on the highest benefit realisation and lowest cost is around £500,000** over five-years. EKH's Board has previously indicated it would commit to underwrite any cost-overruns on the project, which, together with the worst case position taken on the financial projections, should provide further re-assurance to the councils about the overall project cost.

Appendix 1 sets out the revised cost & benefit capital appraisal for the project, which shows that following the removal of avoided costs, the project now shows a small surplus based on the worst case projection after 6 years.

## 5. Financing

To be able to finance the project, it is projected that EKH will require additional up-front funding of £892,000. Previous discussions with the councils have indicated that the councils are prepared, subject to agreeing the business case, to each loan EKH a quarter of the project cost.

EKH is requesting a loan from each council of £223,000. The loans are to be confirmed in advance of EKH formally contracting with a supplier as are the technical accounting requirements that will minimise the cost of the loans to EKH. EKH will deliver the project and underwrite any cost overruns for the project, where the cost overruns are not caused by decisions taken by the councils for issues outside of EKH's control of the project.

The councils have an expectation that EKH will continue to explore opportunities for service efficiencies and a reduction in the management fee. Our business plan analysis shows that the acquisition of a new, single IT system will deliver annual savings amounting to £173,761. The intention is to deliver some reduction in the management fee in line with other savings targets and to commence repayment of the loans as more significant levels of savings start to be realised from the project itself.

Based on the latest timetable, the system will be rolled out to all areas by February 2016. Re-structuring and embedding new systems will require some run-on from this date and a feasible start to repayments, based on annual re-payments in arrears, will be March 2017. The repayments will take EKH six years as a maximum, based on the fact that costs have been based on the lowest possible benefits and the highest possible costs.

To allow EKH to take a loan from the councils and to contract with a software supplier directly, joint decisions needs to be taken under the Owners Agreement.

Acting formally as the Officer Panel and with all necessary delegated authorities from their respective councils, council representatives are requested to unanimously agree the following joint decisions under Schedule 3 of the Owners Agreement:

- under Clause 9 allow EKH to contract directly with a software supplier
- under Clause 10 allow EKH to borrow money from the councils to fund a new software system

Acting formally as the Officer Panel, council representatives are also requested to provide written consent to East Kent Housing to use a new computer system interfacing with council computer systems under Clause 24.5 of the Management Agreement.

## 6. Outline Timeline

The original business case set out a provisional timetable for the project. Delays in moving forward with initial phases means that the original timeline is out of date. Working with SOCITM, a revised timeline is being developed, an interim update is included at Appendix 2.

## Appendix 1 Capital Appraisal of System Only Costs and Benefits (Based on revised projections following feedback from councils)

<b>Cost</b>	<b>Total Project Costs</b>	<b>Costs Covered by Existing EKH Budgets</b>	<b>6-Year Outcome New Costs</b>
Specification and Procurement Phase	£553,300	£36,340	£516,960
Project Resources	£174,810	£69,520	£105,290
Data and Interface Costs	£223,750	£0	£223,750
Process Re-engineering Costs	£40,595	£3,455	£37,140
Testing, Training and Consultancy Costs	£34,350	£23,490	£10,860
Infrastructure Costs	£25,000	£0	£25,000
Disruption Costs	£143,220	£34,195	£109,025
	<b>£1,195,025</b>	<b>£167,000</b>	<b>£1,028,025</b>
<b>Benefit</b>			<b>6-Year Benefit Outcome</b>
Administration & System Efficiency Savings			£321,462
Maintenance & Support Savings			£711,858
Self-Service Savings			£9,246
			<b>£1,042,566</b>

## Appendix 2 Project Headline Timeline\_V\_4

Action	Critical (Yes)	Days	Weeks	Start	End	Comment
Agree Headline Plan	Yes	0	0	30/01/2014	30/01/2014	Completed
Develop Best Estimate of Project Cost	Yes	18	3	31/01/2014	18/02/2014	Completed
Interviews & Workshops		47	7	27/01/2014	14/03/2014	Completed
Agree Direction of Travel for Project		0	0	24/02/2014	24/02/2014	Completed
Create Project Governance Structure		20	3	24/02/2014	14/03/2014	Completed
Councils confirm loans to EKH	Yes	157	22	24/02/2014	31/07/2014	Three councils have agreed, Thanet decision to go to its Executive on 31 July 2014
Draft Specification		70	10	18/03/2014	28/05/2014	Completed
Delegate Authority to Finance & Audit Sub-Committee	Yes	0	0	10/03/2014	10/03/2014	Completed
Agree Procurement Method		38	5	13/06/2014	21/07/2014	EKH Employment & Corporate Services Sub-Committee through to Board
Feedback on Specification		12	2	29/05/2014	11/06/2014	The timing for this feedback will need to be focused, based on a deadline and on outcome requirements from EKH & the councils
Amend Specification following Comments		9	1	13/06/2014	22/06/2014	
Specification Delivered to EKH	Yes	1	0	22/06/2014	23/06/2014	
Prepare Procurement Documentation		9	1	14/06/2014	23/06/2014	Need to gain agreement from the Project Board
Sign-Off Specification & Procurement Process for EKH	Yes	27	4	24/06/2014	21/07/2014	This is now programmed for the Board
Recruit Project Manager	Yes	27	4	24/06/2014	21/07/2014	This will need to include temporary backfilling of posts within EKH and for the councils' interface testing
Recruit Project Team	Yes	30	4	22/07/2014	22/08/2014	
Procurement Period		68	10	22/07/2014	30/09/2014	Procurement will be solely under EKH's control
Evaluate Tenders		9	1	01/10/2014	10/10/2014	
Contractual Negotiations		14	2	11/10/2014	25/10/2014	

# East Kent Housing

Action	Critical (Yes)	Days	Weeks	Start	End	Comment
Award Contract	Yes	1	0	26/10/2014	27/10/2014	
Implementation Planning		95	14	22/07/2014	27/10/2014	To enable the first phase implementation to conclude by 28 February 2015 and start a month later some concurrent implementation activity needs to commence earlier
First Implementation	Yes	120	17	28/10/2014	28/02/2015	Timing will allow one year end to be run on one system before starting a further implementation
Second Implementation	Yes	107	15	14/04/2015	31/07/2015	Lessons will be taken from the first implementation and some preliminary work can be concurrent with the first implementation
Third Implementation	Yes	90	13	01/08/2015	31/10/2015	Processes may speed up due to continued learning and concurrent processes for data-cleansing
Final Implementation	Yes	117	17	01/11/2015	28/02/2016	Processes may speed up from learning and concurrent processes for data-cleansing

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## DREAMLAND PHASE 2 PROCESS

**To:** Cabinet – 31 July 2014

**Main Portfolio Area:** Economic Development and Regeneration

**By:** Madeline Homer, Director of Community Services

**Classification:** Unrestricted

**Ward:** Margate Central

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**Summary:** The Council holds the freehold interest of the Dreamland Site. Council is now in a position to seek expressions of interest, prior to a long lease of phase 2 land and buildings and this paper is to seek approval to proceed with this process.

The Council continues to progress the Coastal Communities Funding application for the Sunshine Café and requires some initial funding to progress the application, financial procedure rules require Cabinet approval for the funding.

### **For decision**

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#### **1.0 Introduction and Background**

- 1.1** The Council is the freeholder of the Dreamland site, acquired after a public inquiry and lengthy court proceedings which followed the making of the compulsory purchase order (CPO) under section 226 of the Town and Country Planning Act 1990. The purpose of the CPO was to ensure this heritage asset was brought back into use and by doing so contribute to the regeneration of Thanet.
- 1.2** The Dreamland Heritage Amusement Park is being delivered by the Council, as the offering for this part of the site includes rides it has recently sought a service concessionaire to operate the park, supported by a lease of property and land.
- 1.3** This report focuses on the remainder of the site, Dreamland Cinema and Ballroom, and proposes that marketing may begin to seek a tenant or series of tenants to continue to progress the Council's regeneration strategy.
- 1.4** In addition the report asks for funding for some capital investment costs of the Sunshine Café, which are required in order to submit a Coastal Communities Fund application.

#### **2.0 The Current Situation**

- 2.1** The plans annexed to this report show the areas that now require advertising, namely annex 1, annex 2, annex 3, and annex 4. Annex 5 is for information to show the remainder of the estate and additional common parts.

- 2.2** To achieve the aims as documented in the CPO the Council now proposes to continue the process to obtain operators for the unit(s) shown on the attached plans namely:
- 2.2.1 Unit 1: Lower Ground – 850m<sup>2</sup> (Basement);
  - 2.2.2 Unit 2: Lower Ground & Ground (includes access staircase for maintenance) - 1950m<sup>2</sup> – (Bingo Hall and Area Under);
  - 2.2.3 Unit 3: Ground floor (Ballroom) – 1100m<sup>2</sup>;
  - 2.2.4 Unit 4: Ground floor (Arcade) – 500m<sup>2</sup>;
  - 2.2.5 Unit 5: First floor restaurant – 750m<sup>2</sup>;
  - 2.2.6 Unit 6: First floor & Second floor Cinema(includes fire escape routes on Ground floor) – 1800m<sup>2</sup>;
  - 2.2.7 Common parts – to remain under landlord control, cost recovery from tenants via service charge area in green (external on Estate plan and internal various floor plans).
- 2.3** The Council is proposing to advertise the area(s) to lease in parts, or as a whole, to gain expressions of interest. It is expected that any incoming tenant will be expected to invest significant capital sums in the premises and therefore we expect the term of the lease to be over 7 years, which will therefore necessitate the disposal process being followed.
- 2.4** For the estate to offer a quality offering throughout and to ensure the ethos of the heritage theme runs through the site the leases will be constructed in a way so that the landlord keeps control of the use of the units, the common areas and common parts of the structure.
- 2.5** Dreamland Cinema is listed Grade II\*. Any alterations, externally or internally, which affect its historic character require Listed Building Consent. Because of the building's listing grade, English Heritage will be Statutory Consultees on any consent application. If Thanet District Council were to be the applicant for Listed Building Consent, they cannot determine that application - which falls to be determined by the Secretary of State. The building's lawful planning use is as a cinema and entertainment complex. External alterations and a change of use, in whole or in part, require Planning Consent.
- 2.6** The lease will be carefully constructed in a way that ensures the Council's interests are protected including but not limited to:
- An obligatory timescale for the tenant to complete the works and commence trading
  - Requirements in terms of layout
  - Requirements in terms of quality of fit out and finish
  - Keep open provisions – in the long term
  - Minimum and maximum opening hours on a daily basis
  - Use and trading hours of external areas
  - Detailed user clause provisions in respect of the restaurant, cinema and the other areas.
- 2.7** It is important that we are able to advertise the areas as a whole, not necessarily to let it in one go but to get an understanding of the market demand and additionally there may need to be a common area retained within unit 4 that will act as a marketing suite for the whole of the site, ticket office etc., but we won't be able to determine this unless and until we know the level and type of interest.



- 2.8** The Council will ensure that all the bids are looked at to see what they can contribute to the scheme as a whole; interested parties will need to demonstrate experience and financial ability to undertake their schemes.
- 2.9** Each one will be considered on its merits by the economic development and asset management team, to ensure that the chosen tenants provide the best deal for the Council.
- 2.10** Cabinet are therefore being asked for permission to begin the marketing and disposal process.
- 3.0 Unit 5 – First Floor Restaurant “Sunshine Café”**
- 3.1** To support the significant capital investment required for the premises, the Council have for a number of months persisted with a Coastal Communities Fund (CCF) grant application.
- 3.2** The first bid was approved but later rejected due to the delays in the CPO and the second bid was unsuccessful as a result of concerns over State Aid. The Council have now opted to deliver the project in place of our partner this has alleviated the funders concerns and following discussions with fund administrators, now have a final opportunity to submit a bid.
- 3.3** It is clear from initial discussions that the fund administrators are keen to receive a bid from the area and given that it was previously approved, it is likely the revised bid will also be successful, although there are no guarantees.
- 3.4** The proposed bid is for £1.9m in order to refurbish the fabric of the restaurant including the front elevation, signage to fin, replacement of the roof (which serves not only the restaurant but the units and common parts below) and shell and core of the restaurant.
- 3.5** If this bid is successful it will facilitate economic development and regeneration of the District. Through leasehold interests we are expecting tenants to fund significant capital works and this amount of money will support the inward investment and enable companies to attract match funding for the capital works.
- 3.6** However, in order to submit a final bid the Council must engage a design team and develop the current feasibility scheme through to detail design including architects drawings, the anticipated cost of which is approx. £63,000, once approval to spend has been received from the funder consultancy fees will form part of the project costs and not fall upon the Council. There is no guarantee that the bid will be successful, but in the event that it is not, the scheme would require by the incoming tenant to provide a large capital investment which will reflect the Councils rental/lease income. It will also enable us to clear the proposals with English Heritage who’s approval is required. The benefit of the CCF scheme is that the fabric of the structure will be improved at little cost to the Council enabling it to generate greater asset value from its disposal.
- 3.7** If the bid is successful the Council will project manage the works through to completion. Ongoing maintenance of these areas will fall to the tenant(s) who benefit from the works, who will be required and controlled through the lease to keep it maintained to a high standard.

#### **4.0 Next Steps**

- 4.1 The Council will prepare documentation and place an advertisement in early August 2014, to begin the process of procuring tenant(s) that support the Councils regeneration objectives for this site.
- 4.2 The Council will complete the required drawings and proceed with a full application for £1.9m for refurbishment works to the restaurant.

#### **5.0 Corporate Implications**

##### **5.1 Financial and VAT**

- 5.1.1 The site has been opted to tax, which reduces the Council's VAT liability; however, all leases and licences regarding the site require further detailed VAT advice to ensure VAT compliance.
- 5.1.2 The grant is a ring-fenced capital grant which will have some monitoring requirements attached; these are not deemed to be overly onerous.

##### **5.2 Legal**

- 5.2.1 Section 233 of the Town and Country Planning Act 1990 provides that where any land has been acquired or appropriated by a local authority for planning purposes and is being held for the purposes for which it was acquired or appropriated, the authority may dispose of the land in a manner that will secure its best use, or will secure the construction of buildings or the carrying out of other works needed for the proper planning of the area of the authority.
- 5.2.2 The Secretary of State's consent to the disposal will be required where the disposal is for less than the best consideration reasonably obtainable and the term of any lease granted is more than seven years.

##### **5.3 Corporate**

- 5.3.1 To continue the process of re-opening the Dreamland site to members of the public contributes directly to the Corporate Plan, in particular to priorities 1, 3, 8 and 9.

##### **5.4 Equity and Equalities**

- 5.4.1 The operator will have to demonstrate as part of the pre-qualifying process that they can contribute to the Council's commitment to enhance equity and equality within Thanet. An Equality Impact Assessment will be carried out by Council in conjunction with the operator to ensure that there is compliance with the public sector Equality duty at the commencement of the contract and periodically throughout the term.

#### **6.0 Recommendations**

- 6.1 That Cabinet gives approval to commence with the process to advertise the area(s) to lease the units documented in 2.2.1 through to 2.2.7 to obtain expressions of interest, with a view to progressing through to leasing the areas to achieve the regeneration objectives;
- 6.2 That Cabinet agrees to the use of the Un-Ring-Fenced Grants Reserve to a sum of £63,000 (ex VAT) in order to progress required plans for the Sunshine Café.

## 7.0 Decision Making Process

7.1 This is a key decision to be made by Cabinet.

Contact Officer:	Clive Bowen, External Funding Officer
Reporting to:	Nicola Walker, Finance Manager - HRA, Capital & External Funding

### Annex List

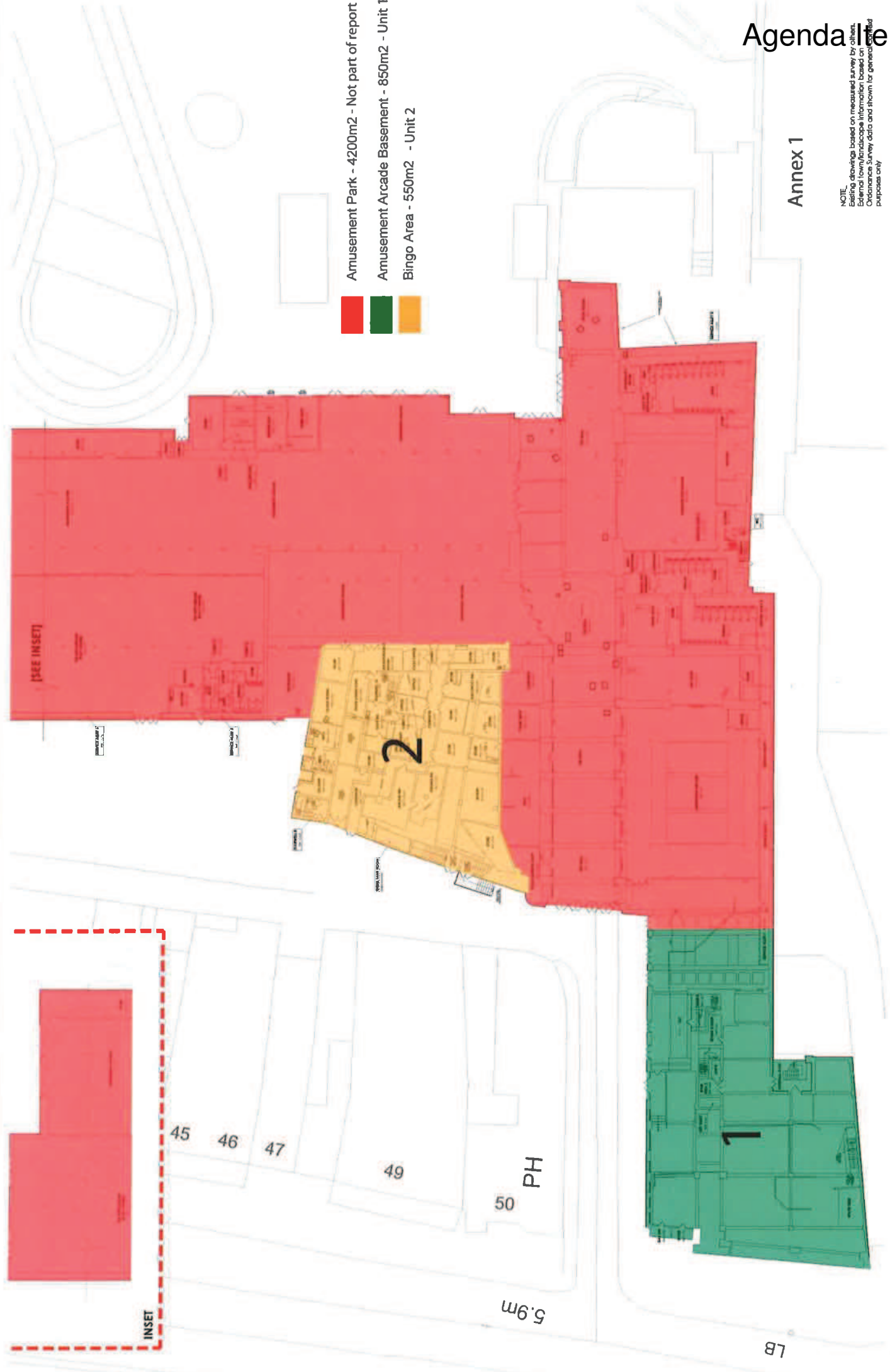
Annex 1	Lower Ground Floor Rev A
Annex 2	Ground Floor Rev A
Annex 3	First Floor Rev A
Annex 4	Second Floor Rev A
Annex 5	Estate Plan

### Corporate Consultation Undertaken

Finance	Clive Bowen, External Funding Officer
Legal	Peter Reilly, Litigation Solicitor

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# Indicative Demised Area Plans - Lower Ground Floor



- Amusement Park - 4200m2 - Not part of report
- Amusement Arcade Basement - 850m2 - Unit 1
- Bingo Area - 550m2 - Unit 2

Annex 1

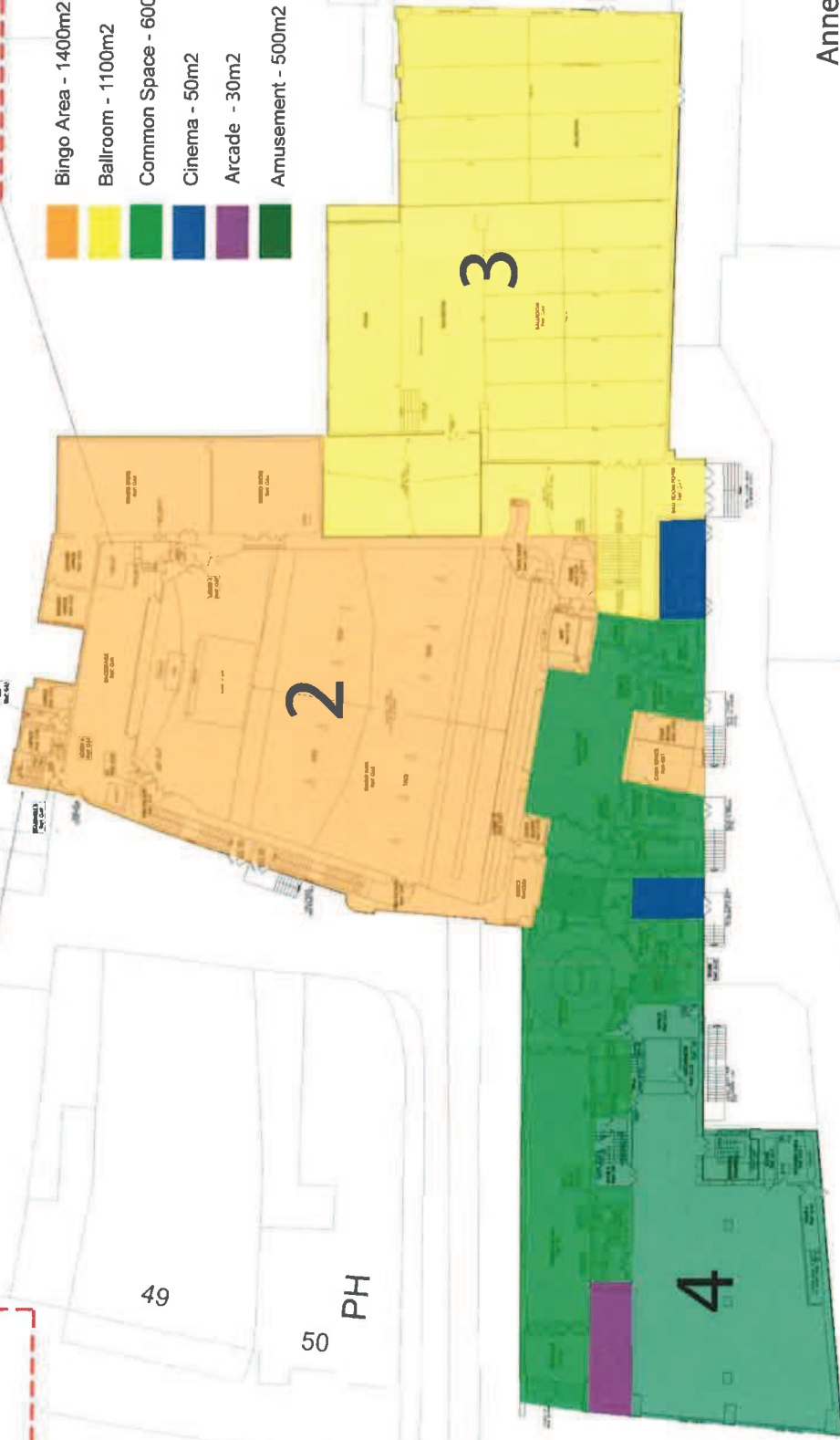
NOTE:  
Existing drawings based on measured survey by others.  
Original floor/landscape information based on existing  
plans and survey data and shown for general  
purposes only

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NOTE:  
Existing drawings based on measured survey by other.  
Existing town/landscape information based on  
Ordnance Survey data and shown for general context  
purposes only



- Bingo Area - 1400m<sup>2</sup> - Unit 2
- Ballroom - 1100m<sup>2</sup> - Unit 3
- Common Space - 600m<sup>2</sup>
- Cinema - 50m<sup>2</sup>
- Arcade - 30m<sup>2</sup>
- Amusement - 500m<sup>2</sup>



Arlington



# Indicative Demised Area Plans - Ground Floor

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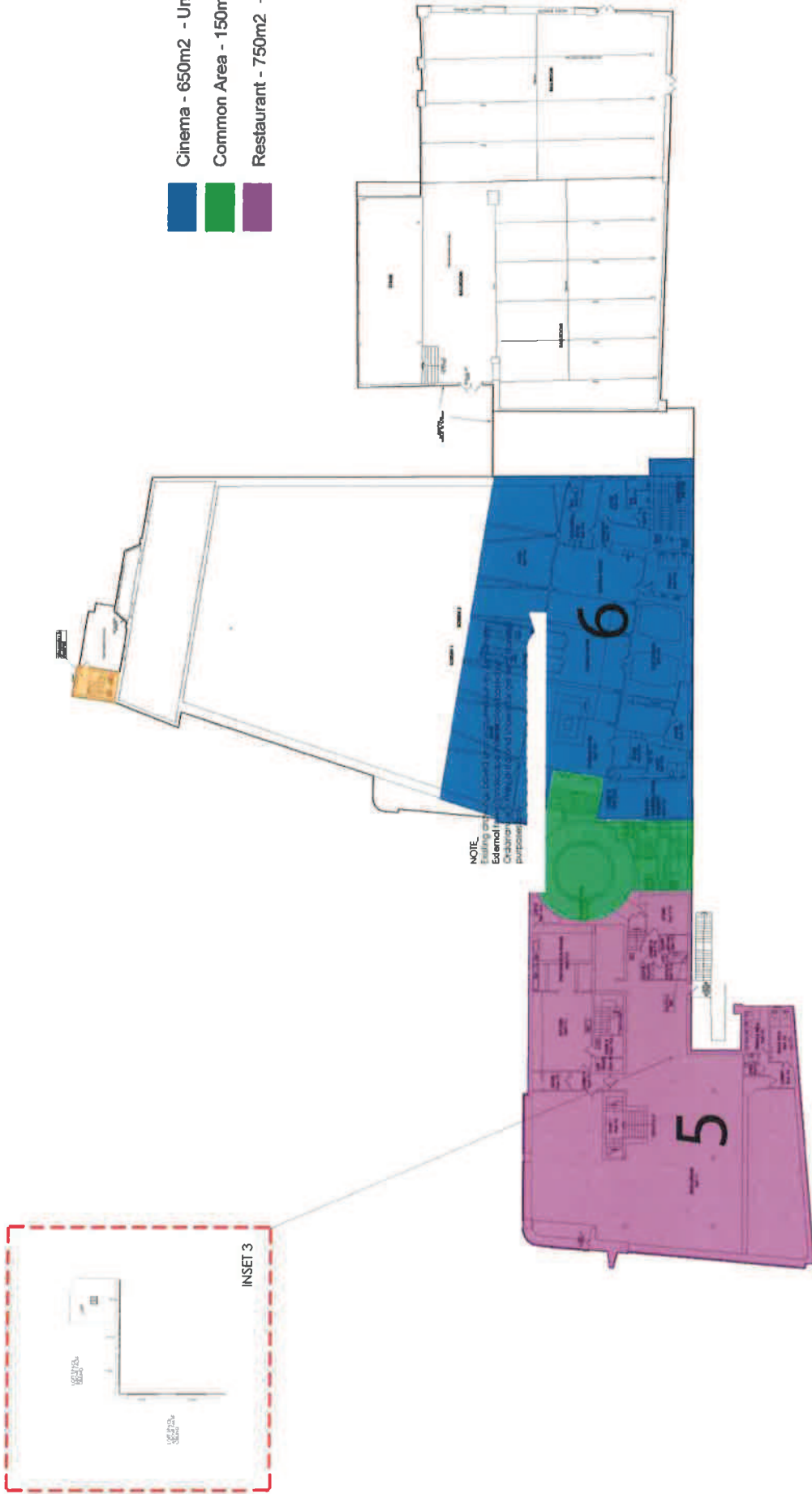


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Annex 3

NOTE:  
Existing drawings based on measured survey by others.  
External floor/landscape information based on  
Ordnance Survey data and shown for general context  
purposes only

- Cinema - 650m<sup>2</sup> - Unit 6
- Common Area - 150m<sup>2</sup>
- Restaurant - 750m<sup>2</sup> - Unit 5



Indicative Demised Area Plans - 1st Floor

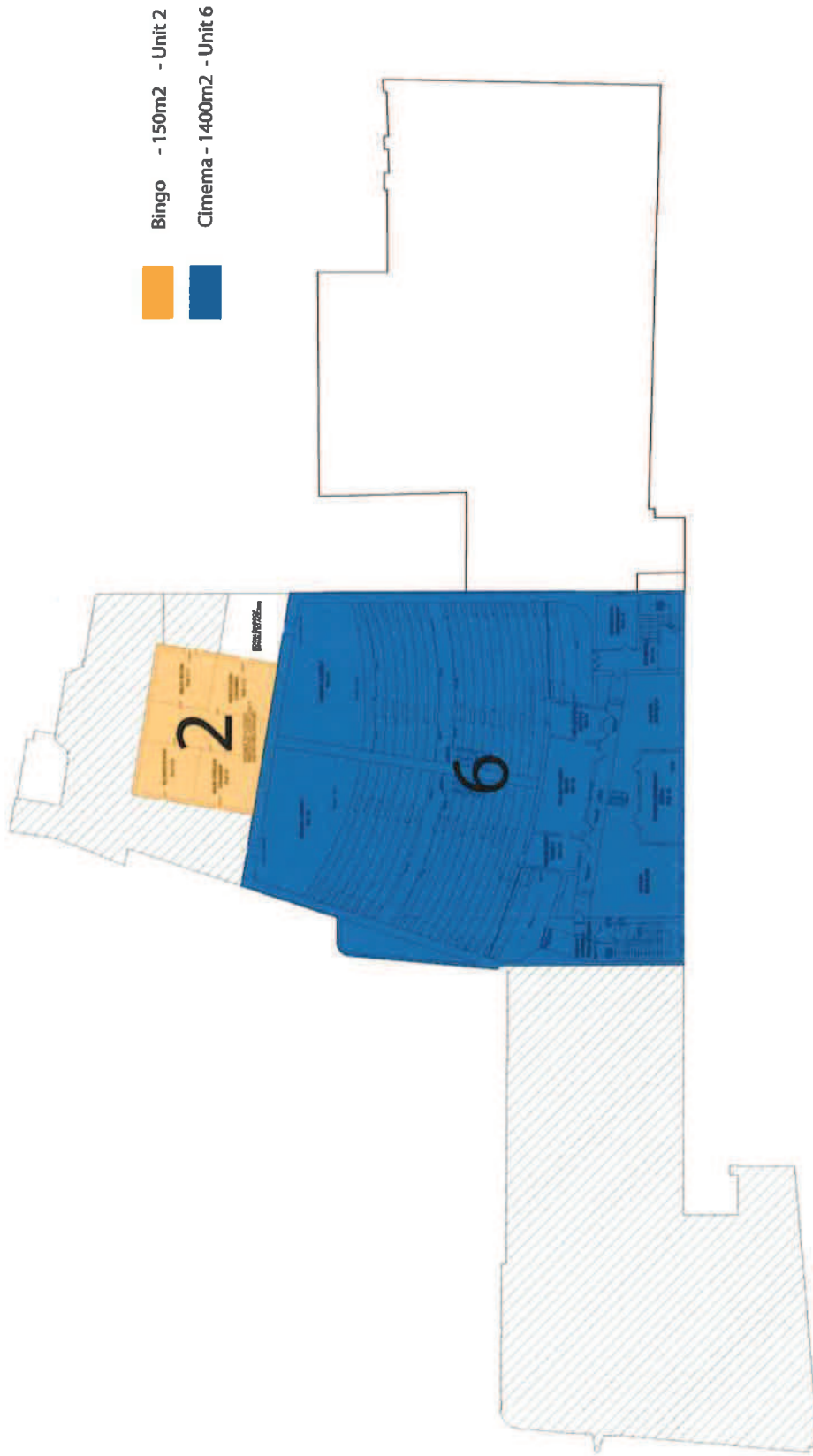
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Annex 4

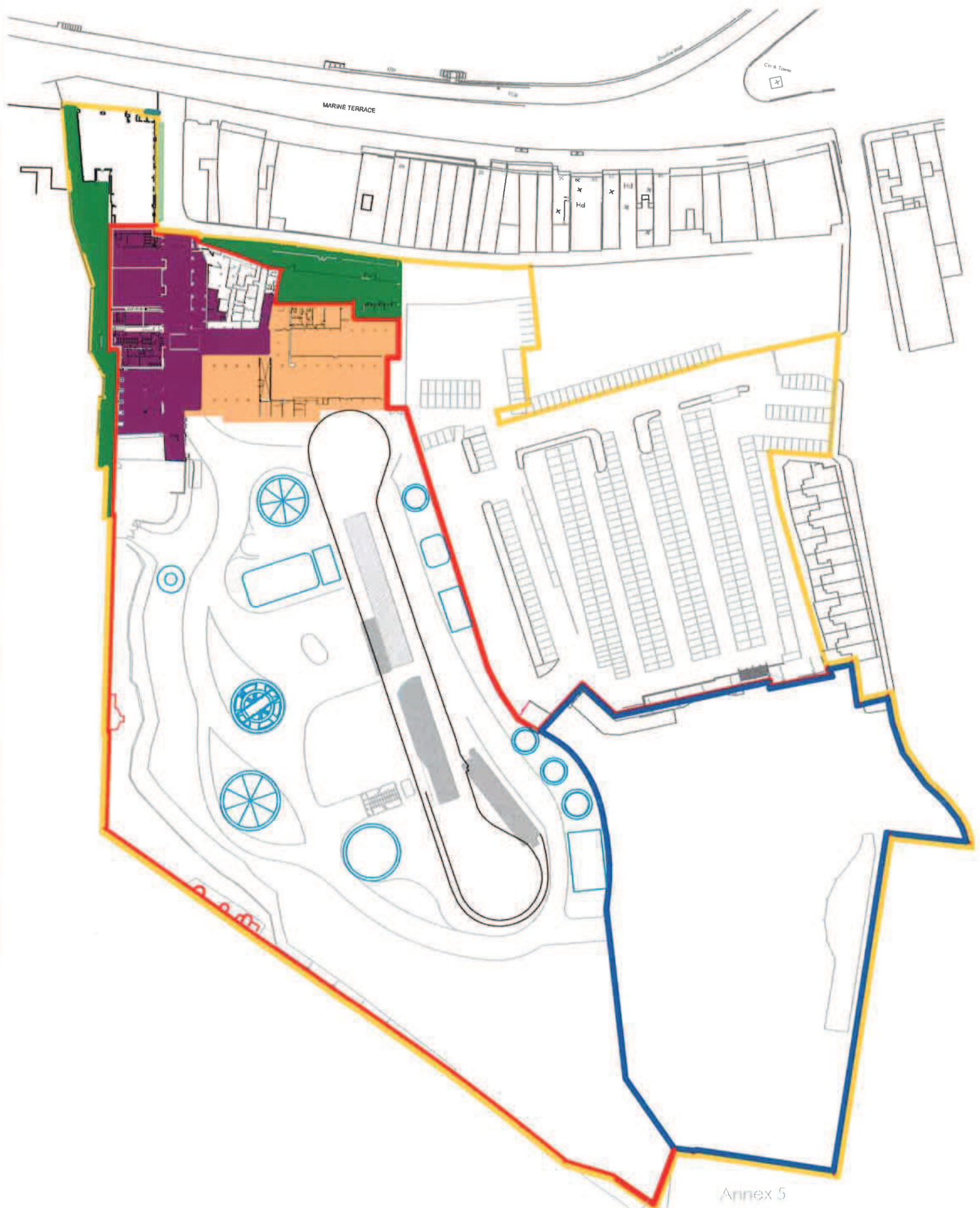
NOTE:  
Existing drawings based on measured survey by other.  
External town/landscape information based on  
Ordnance Survey data and shown for general context  
purposes only

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Indicative Demised Area Plans - 2nd Floor

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Annex 5

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## THANET DISTRICT COUNCIL DECLARATION OF INTEREST FORM

### Do I have a Disclosable Pecuniary Interest and if so what action should I take?

Your Disclosable Pecuniary Interests (DPI) are those interests that are, or should be, listed on your Register of Interest Form.

If you are at a meeting and the subject relating to one of your DPIs is to be discussed, in so far as you are aware of the DPI, you **must** declare the existence **and** explain the nature of the DPI during the declarations of interest agenda item, at the commencement of the item under discussion, or when the interest has become apparent

Once you have declared that you have a DPI (unless you have been granted a dispensation by the Standards Committee or the Monitoring Officer, for which you will have applied to the Monitoring Officer prior to the meeting) you **must:-**

1. Not speak or vote on the matter;
2. Withdraw from the meeting room during the consideration of the matter;
3. Not seek to improperly influence the decision on the matter.

### Do I have a significant interest and if so what action should I take?

A significant interest is an interest (other than a DPI or an interest in an Authority Function) which:

1. Affects the financial position of yourself and/or an associated person; or Relates to the determination of your application for any approval, consent, licence, permission or registration made by, or on your behalf of, you and/or an associated person;
2. And which, in either case, a member of the public with knowledge of the relevant facts would reasonably regard as being so significant that it is likely to prejudice your judgment of the public interest.

An associated person is defined as:

- A family member or any other person with whom you have a close association, including your spouse, civil partner, or somebody with whom you are living as a husband or wife, or as if you are civil partners; or
- Any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors; or
- Any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000;
- Any body of which you are in a position of general control or management and to which you are appointed or nominated by the Authority; or
- any body in respect of which you are in a position of general control or management and which:
  - exercises functions of a public nature; or
  - is directed to charitable purposes; or
  - has as its principal purpose or one of its principal purposes the influence of public opinion or policy (including any political party or trade union)

An Authority Function is defined as: -

- Housing - where you are a tenant of the Council provided that those functions do not relate particularly to your tenancy or lease; or
- Any allowance, payment or indemnity given to members of the Council;
- Any ceremonial honour given to members of the Council
- Setting the Council Tax or a precept under the Local Government Finance Act 1992

If you are at a meeting and you think that you have a significant interest then you **must** declare the existence **and** nature of the significant interest at the commencement of the

matter, or when the interest has become apparent, or the declarations of interest agenda item.

Once you have declared that you have a significant interest (unless you have been granted a dispensation by the Standards Committee or the Monitoring Officer, for which you will have applied to the Monitoring Officer prior to the meeting) you **must**:-

1. Not speak or vote (unless the public have speaking rights, or you are present to make representations, answer questions or to give evidence relating to the business being discussed in which case you can speak only)
2. Withdraw from the meeting during consideration of the matter or immediately after speaking.
3. Not seek to improperly influence the decision.

### **Gifts, Benefits and Hospitality**

Councillors must declare at meetings any gift, benefit or hospitality with an estimated value (or cumulative value if a series of gifts etc.) of £100 or more. You **must**, at the commencement of the meeting or when the interest becomes apparent, disclose the existence and nature of the gift, benefit or hospitality, the identity of the donor and how the business under consideration relates to that person or body. However you can stay in the meeting unless it constitutes a significant interest, in which case it should be declared as outlined above.

### **What if I am unsure?**

If you are in any doubt, Members are strongly advised to seek advice from the Monitoring Officer or the Democratic Services and Scrutiny Manager well in advance of the meeting.

## **DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS, SIGNIFICANT INTERESTS AND GIFTS, BENEFITS AND HOSPITALITY**

MEETING.....

DATE..... AGENDA ITEM .....

DISCLOSABLE PECUNIARY INTEREST

SIGNIFICANT INTEREST

GIFTS, BENEFITS AND HOSPITALITY

THE NATURE OF THE INTEREST, GIFT, BENEFITS OR HOSPITALITY:

.....  
.....  
.....

NAME (PRINT): .....

SIGNATURE: .....

Please detach and hand this form to the Democratic Services Officer when you are asked to declare any interests.