

MEETING OF THE COUNCIL



Wednesday, 22nd March, 2017

7.00 pm

**Council Chamber
Thanet District Council
Margate**

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01843 577000**



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Date: 14 March 2017
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You are hereby summoned to attend the meeting of the Thanet District Council to be held in the Council Chamber, Council Offices, Cecil Street, Margate, Kent on Wednesday, 22 March 2017 at 7.00 pm for the purpose of transacting the business mentioned below.

Timothy Hines

Director of Corporate Governance

To: The Members of Thanet District Council

FIRE ALARM PROCEDURES: If the fire alarm is activated, please vacate the offices via the stairs either through the security door to the left of the Chairman or opposite the lifts in the foyer. Please do not use the lifts. Please assemble in Hawley Square on the green. Officers will assist you and advise when it is deemed safe to return to the Chamber.

A G E N D A

Item
No

1. **APOLOGIES FOR ABSENCE**

2. **MINUTES OF PREVIOUS MEETING** (Pages 5 - 10)

To approve the Minutes of the meeting of Council held on 23.2.17.

3. **ANNOUNCEMENTS**

To receive any announcements from the Chairman, Leader, Members of the Cabinet or Chief Executive in accordance with Council Procedure Rule 2.2 (iv).

4. **DECLARATIONS OF INTEREST**

To receive any declarations of interest from Members in accordance with Council Procedure rule 2.2 (v)

5. **BUSINESS CASE, SINGLE EAST KENT COUNCIL** (Pages 11 - 102)

6. **PETITIONS**

To receive petitions from the public in accordance with Council Procedure Rule 12.

7. **QUESTIONS FROM THE PRESS AND PUBLIC**

To receive questions received from the press or public in accordance with Council Procedure Rule 13.

8. **QUESTIONS FROM MEMBERS OF THE COUNCIL**

To receive questions from Members of the Council in accordance with Council Procedure Rule 14.

9. **NOTICE OF MOTION**

To receive any Notices of Motion from Members of Council in accordance with the Council Procedure Rule 3.

10. **LEADERS REPORT** (Pages 103 - 104)

To receive a report from the Leader of the Council in accordance with Council Procedure Rule 2.4.

11. **ANNUAL REPORT - CHAIRMAN OF THE OVERVIEW & SCRUTINY PANEL**
(Pages 105 - 110)

12. **ANNUAL REPORT - CHAIRMAN OF THE GOVERNANCE AND AUDIT COMMITTEE** (Pages 111 - 126)

13. **ANNUAL REPORT - CHAIRMAN OF STANDARDS COMMITTEE** (Pages 127 - 134)

14. **PAY POLICY STATEMENT - FINANCIAL YEAR 2017/18** (Pages 135 - 146)

15. **COMMUNITY SAFETY PARTNERSHIP PLAN 2017-20** (Pages 147 - 172)

Declaration of Interests Form

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COUNCIL

Minutes of the meeting held on 23 February 2017 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

Present: Councillors Ashbee, Bambridge, Bayford, Braidwood, Buckley, Campbell, G Coleman-Cooke, K Coleman-Cooke, Connor, Constantine, Crow-Brown, Curran, Dellar, Dexter, Edwards, J Elenor, J Fairbrass, L Fairbrass, Falcon, Fenner, Game, Grove, Hayton, G Hillman, Howes, Jaye-Jones, Johnston, Larkins, Martin, Matterface, Parsons, L Piper, S Piper, L Potts, R Potts, Rusiecki, D Saunders, M Saunders, Savage, Shonk, Stummer-Schmertzing, Taylor, Taylor-Smith, Tomlinson, Townend and Wells

1. **APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Brimm, Dawson, Day, Dennis, Evans, I Gregory, K Gregory, Partington and Rogers.

2. **MINUTES OF PREVIOUS MEETING**

It was proposed by the Chairman, seconded by the Vice-Chairman and agreed, that the minutes of the Council meeting held on 9 February 2017 be approved and signed by the Chairman.

3. **ANNOUNCEMENTS**

There were no announcements.

4. **DECLARATIONS OF INTEREST**

There were no declarations of interest.

5. **PETITIONS**

(a) **Access to Hodges Gap Promenade Car Park**

Ms Singer presented a petition containing 45 valid signatures as follows:

"We the undersigned petition the Council to not lock the barrier leading to the Hodges Gap Promenade car park.

Currently, the barrier is being locked with 2 padlocks and is rarely open. This is certainly the case in the early morning when many people walk their dogs, go for a walk on the beach or swim in the tidal pool. This is very inconvenient to the residents of Margate since this is the only location where you can park with easy access to the beach. Older dog walkers have difficulty managing the ramps leading down from the cliff top to the beach and vice versa, while Palm Bay is the only beach in Margate that can be used by dogs all year round. Workers who need access to Hodge Gap Promenade do not seem to have a key to the second lock and have difficulty in performing their job.

People are now parking in between Hodges Gap Promenade and Newgate Lower Promenade (which also has a barrier). There is only space for 4 cars without blocking the access to anything but many times there are many cars and the barriers are being blocked all together since there is a lack of space or people drive

down and leave again. This could potentially lead to a dangerous situation such as emergency services not being able to access either promenade."

In accordance with the Council's petition scheme, the petition will be referred to Cabinet without debate for report to the Council within three ordinary meetings.

(b) **Petition to Change the No.9 Bus Route**

Councillor Matterface provided Members with an update on the status of the petition as she had presented the petition to the Quality Bus Partnership on behalf of the Council.

Members noted the report.

6. QUESTIONS FROM THE PRESS AND PUBLIC

(a) **Question 1 - GP Surgeries in Thanet**

Ms Gregory asked Councillor L Fairbrass the following question:

"NHS-England, in its 'Sustainability and Transformation Plans' propose reducing 16 Thanet GP Surgeries to 4. Will the Council, through the Health and Well-Being Board, please confirm or deny this, or determine whether it refers only to some community provisions and not to the full range of General Practice"

Councillor Fairbrass responded with the following points:

- To achieve future sustainability and in order to meet local population needs, it was proposed to have four primary care hubs which would be integrated with local services. This does not necessarily mean that there would be fewer GP practices.
- These hubs would be in Broadstairs, Margate, Quex and Ramsgate.
- The primary care model could provide a better service for patients and would offer patients to option to visit other surgeries to avoid lengthy waiting times.
- GP numbers had reduced in Thanet, a trend mirrored nationally. It was believed that the primary care model would help to attract GP's to work in the District.
- Cllr Fairbrass would continue to monitor the proposed changes through the Thanet Health and Wellbeing Board.

7. QUESTIONS FROM MEMBERS OF THE COUNCIL

(a) **Question 1 - Thanet Play Areas**

It was noted that item 7a, a question regarding Thanet play areas, had been withdrawn by the questioner.

(b) **Question 2 - Briefing to Members**

Councillor Savage asked Councillor Wells the following question:

"River Oak's Draft Statement of Community Consultation intends engagement with wider public debate which at present does not include this chamber.

For fairness and impartiality, since AVIA gave a presentation to TDC, can the Leader advise why it is not his intention to offer River Oak the same opportunity?"

Councillor Wells responded with the following points:

- RiverOak were responsible for the conduct of their consultation process, however their consultation plan included consultation with local authorities.

- It was an executive responsibility to respond to RiverOak's consultation on behalf of the Council. A formal response was being drafted.
- Individual Councillors could participate in RiverOak's public consultation.
- In the proposals published by RiverOak, they advise that they had already consulted with Thanet District Council and Kent County Council.
- Avia Solutions presented their findings to Councillors because their report was commissioned by the Council and helped to shape the Council's draft Local Plan.

Councillor Savage followed up his question by asking why Councillors were not deserving of an equal hearing from RiverOak, which would help them to take a balanced view when deciding the future of the airport site, in relation to the emerging local plan.

Councillor Wells advised that he did not control RiverOak's consultation process.

8. NOTICE OF MOTION

It was noted that no motions on notice had been received in accordance with council procedure rule 3.

9. LEADERS REPORT

During his report the Leader covered the following areas:

- The business case for the merger of Thanet, Canterbury, Shepway and Dover councils had been published.
- A merger into a unitary authority was not under consideration as Kent County Council and the Government were not in support of the concept.
- A public consultation and engagement would begin 22 March 2017.
- The expected continuing reduction funding from government meant it would not be possible for the Council to continue to provide current levels of services in their current form.
- At the 9 February 2017 Council meeting the Council unanimously voted in favour of the proposed budget for 2017/18 year.
- The Council had successfully sold a number of assets at auction; this was in accordance with the asset disposal plan.
- The Local Plan consultation was underway.

Councillor Bayford as Leader of the Conservative Party responded with the following points:

- The business case for the East Kent council's merger was strong.
- If no action was voluntarily taken, it was likely that the Government would impose a kind of joint working upon the councils.
- It was argued that a larger authority would make decision making more remote, however it was likely that in future more decision making powers would be devolved to parish councils.
- Credit should be offered to the finance team who worked closely with Members in a transparent manner. It was this work that led to the unanimous agreement of the 2017/18 budget at the 9 February Council meeting.

Councillor Matterface as leader of the Labour Party made the following points:

- Briefing Councillors on budget proposals was not a new concept, it had been happening since 1995.
- It was good that the engagement with the public on the East Kent council's merger had been re-labelled 'consultation engagement', because consultation was a term more understood by the public.
- Any proposed devolution of power to Parish councils would need to be resourced adequately.

Councillor Grove as leader of the Independent Group made the following point:

- There was a strong case for a merged East Kent Council in light of the future challenges facing district councils.

10. REPORT OF THE CHAIRMAN OF THE OVERVIEW AND SCRUTINY PANEL

Councillor D Saunders, the Chairman of the Overview and Scrutiny Panel (OSP), presented his report and the following points were noted:

- Since 1 December 2016 the OSP had met on three occasions, and the working parties had met on four occasions.
- The Electoral Registration Process Review Working Party had been replaced within the work programme by the Dreamland Working Group.
- There would be an item on the East Kent Council's Merger for consideration at the next OSP meeting on 2 March 2017. Non-committee Members were encouraged to attend and participate.

11. EXCEPTIONAL HARDSHIP SCHEME

It was proposed by Councillor Townend, seconded by Councillor Crow-Brown, and Members agreed to approve the Scheme.

12. COUNCIL TAX - STATUTORY RESOLUTION

It was noted that in accordance with council procedure rule 17.6, a recorded vote would be taken on the motion or any amendments and substantive motions.

It was proposed by Councillor Townend and seconded by Councillor Stummer-Schmertzing that Members approve the calculations at paragraph 1 of the report, and that Members approve the council tax annual charges as set out below for the listed property bands:

COUNCIL TAX PER PROPERTY BAND FOR 2017/18								
BAND	A	B	C	D	E	F	G	H
Proportion of band D	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9
Annual Charge	146.58	171.01	195.44	219.87	268.73	317.59	366.45	439.74

The Monitoring Officer conducted a recorded vote on the motion as follows:

46 Members voted in favour the motion: Councillors Ashbee, Bambridge, Bayford, Braidwood, Buckley, Campbell, K. Coleman-Cooke, G. Coleman-Cooke, Connor, Constantine, Crow-Brown, Curran, Dellar, Dexter, Edwards, Elenor, J. Fairbrass, L. Fairbrass, Falcon, Fenner, Game, Grove, Hayton, Hillman, Howes, Jaye-Jones, Johnston, Larkin, Martin, Matterface, Parsons, L Piper, S Piper, L Potts, R Potts, Rusiecki, D. Saunders, M. Saunders, Savage, Shonk, Stummer-Schmertzing, Taylor, Taylor-Smith, Tomlinson, Townend and Wells.

0 Members voted against the motion.

0 Members abstained from voting on the motion.

The motion was carried

13. CALENDAR OF COUNCIL MEETINGS FOR 2017/18 TO 2018/19

It was proposed by the Chairman, seconded by the Vice-Chairman and Members agreed the recommendation as shown in the report, namely:

“That Council agrees the proposed calendar of meetings for 2017/18 and 2018/19 as set out at Annex 1 to the report.”

14. REPORT ON URGENT INDIVIDUAL CABINET MEMBER DECISION

Members noted the report.

Meeting concluded: 7.55 pm

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Business Case - Single East Kent Council

Full Council	22 March 2017
Report Author:	Madeline Homer, Chief Executive
Portfolio Holder:	Cllr Chris Wells Leader of the Council
Status:	For Decision
Classification:	Unrestricted
Key Decision	No
Reasons for Key	Policy and Budget Framework
Wards:	All
Previously Considered by	Extraordinary Cabinet Extraordinary Overview and Scrutiny Panel Cabinet
	16 February 2017 02 March 2017 09 March 2017

Purpose of report:

Formal consideration of the independent business case for establishing a new single district council in East Kent.

Recommendation(s):

Recommended that Council resolve:

1. That having considered the business case it becomes the policy of this Council to explore further the abolition of the local government district areas of Canterbury, Dover, Shepway and Thanet and the constitution of a new local government district area of East Kent comprising the areas of those districts.
2. That the unspent balance of the £20,000 previously agreed by the Council to fund the preparation of the business case be made available to fund a consultation and public engagement exercise.
3. That the Cabinet be requested to ensure an appropriate consultation and public engagement exercise is undertaken to ascertain views on the proposal set out in 1 above.
4. That a further report be submitted to the Council prior to the making of any submission to the Secretary of state.

For completeness the Cabinet decisions of the 16 February 2017 are set out below:

1. Request that Canterbury City Council undertake a public and stakeholder consultation and engagement exercise to ascertain views on the proposal set out in 1 above that can be taken into account by the Secretary of State for Communities and Local Government in deciding to make regulations under the Cities and Local Government

	Devolution Act 2016.
2.	Agree that the Council will contribute to Canterbury City Council one quarter of the cost of undertaking the consultation referred to in 2 above.
3.	That the Leader be requested, to establish the proposed governance structure for the project, as set out in Section 5 (Management Case) in the business case.

CORPORATE IMPLICATIONS	
<p>Financial and Value for Money</p> <p>Section 151 Officer</p>	<p>Thanet S151 Officer</p> <p>Thanet has plans in place to deliver the savings required in the Medium Term Financial Strategy and the efficiency plan, in accordance with the Government four-year financial settlement. However, the creation of a single East Kent council has the potential to make an even greater contribution to the savings required over the six year period to 2024/25, which is common to all East Kent districts. The larger size of the new authority also offers greater scope to manage risks, increased capacity to invest strategically and a greater voice at the local, regional and national level.</p> <p>Generic Financial Implications</p> <p>Each S151 Officer provided the raw data for the financial case and supports the conclusions drawn from the financial outputs in the business case. The detailed workings were carried out by consultants and have not been independently reproduced or checked, but overall, the S151 Officers judge the level of savings to be realistic and achievable, subject to the due diligence work which will be completed before the final go/no go decision.</p> <p>The financial modelling has tried to anticipate the pathway to harmonisation of the four districts' Council Tax levels. It will be for the new Council to decide Council Tax from April 2020 onwards. Also any harmonisation that results in variable levels of Council Tax according to geography (i.e. the old districts) within a single authority is not normally permitted; such an arrangement would need to be subject to legal advice and, if permissible, the agreement and correct implementation by DCLG. The current Council Tax Reduction Schemes in operation across the new Council area will need to be aligned.</p> <p>Future Government funding has been assumed to be neutral, whether the four districts remain separate, or if they form a new single district (with aggregated funding). Whilst there should be more capacity for the East Kent Authority to access and bid for external funding, there is a risk that central government funding could amount to less than the sum of its parts, if the Government deems that efficiencies have been achieved by the formation of a single entity.</p> <p>The assumptions regarding transition costs are based on the best available information, however as there has never been a similar attempt to merge four districts, there is some uncertainty as to these costs. Merging four districts is a large and challenging project, so some transition costs may be understated. If they were to be exceeded, this would diminish the financial benefits, but the revised transition costs alone would not change the fundamental case for the creation of an East Kent Authority.</p> <p>The quantum of estimated savings is considered to be realistic, and there could be scope for greater savings in the longer term as a result of transformational change. The risk regarding savings is related to their timing:</p>

	<p>some 75% of the annual savings have been assumed to be delivered in 2019-20, with the remainder in 2020-21 and thereafter. To deliver the 2019-20 savings, organisational change processes will need to have started in 2018-19 within the existing districts. This could have a negative impact on staff morale, capacity and retention. There will be the “business as usual” workload and the need to access skills and knowledge to manage the process of transition (beyond the forward-focused work of the transition team). These represent significant risks either to the successful implementation of the change, or the timing of delivery of savings. Some of these risks can be managed by good governance and transitional management arrangements, although concerns regarding transition cost estimates should be noted.</p> <p>Whilst the business case makes a strong case for an East Kent Authority, modelling of future savings, costs and income streams for a new authority can only be illustrative. The assumptions behind the calculations are generally sound, but a relatively small change in assumptions can have a large impact on the numbers.</p>
Legal	<p>There are two statutory routes which can be used to effect structural change in local government:</p> <ul style="list-style-type: none"> • The procedures under the Local Government and Public Involvement in Health Act 2007 – the relevant one of which is a 'Merger Review' through a 'Principal Area Boundary Review'; or • Under Section 15 of the Cities and Local Government Devolution Act 2016 by regulations of the Secretary of State <p>Discussions to date with the Deputy Director of Governance Reform and Democracy Unit at DCLG have been on the basis that that the Cities and Local Government Devolution Act route will be followed.</p> <p>The business case addresses the legal and governance issues at a high level and it is recommended that legal advisors are engaged to advise further at the appropriate times.</p>
Corporate & Risk Management Issues	<p>In addition to the benefits which the creation of a new council can deliver, and the additional opportunities for growth, there are also significant risks. Appendix D of the business case contains a table that provides an initial list of key risks in relation to the creation of a new council.</p>
Equalities Act 2010 & Public Sector Equality Duty	<p>Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.</p>

	Please indicate which aim is relevant to the report.	
	Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	
	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	✓
	Foster good relations between people who share a protected characteristic and people who do not share it.	
<p>The East Kent district councils share a number of common issues related to location, the need to build the local economy, jobs, housing, infrastructure, better tackle deprivation and are keen to build on social cohesion across the area.</p> <p>The business case is a high level document and currently there is limited relevance to the duty and protected characteristics arising from the business case. No protected groups are 'targeted' by the business case. The business case covers the shared workforce for each of the councils which will, by the nature of the organisations, include individuals who are covered by one or more of the full range of protected characteristics, as defined within the Equalities Act 2010</p> <p>It would be for the new single district to consider how its services are organised and delivered and to consider any impact on Staff, Customers (Residents, Business & Visitors) who will similarly include individuals who are covered by one or more of the full range of protected characteristics.</p>		

CORPORATE PRIORITIES (tick those relevant)✓	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	

CORPORATE VALUES (tick those relevant)✓	
Delivering value for money	✓
Supporting the Workforce	
Promoting open communications	✓

1.0 Introduction and Background

- 1.1 Local Government faces the combined changes of increased demand for services coupled with further downward pressure on funding. In order to take the steps required to make services more efficient, local government may need to be transformed and redesigned around new models. Furthermore, the Government has announced that by 2020, local authorities will be entirely dependent upon the income from local taxation (business rates and council tax) for their core funding, as core grant funding from central Government will be phased out.
- 1.2 Debates on the structure of local authorities and the viability of the two-tier system are nothing new, but they have been re-energised by the prospect of devolution, public sector reform and long-term changes to local government financing.
- 1.3 Councillors from all five East Kent authorities agreed in July 2016 to explore the advantages and disadvantages of a merger and examine how a single East Kent council could operate. Each council approved a joint Statement of Intent, which set out the purpose of a potential merger.

- 1.4 The Local Government Association and Local Partnerships were commissioned to prepare an independent 'Five Way Business Case' for each council to consider, before any formal commitment is made by each council to progress the idea further. Key stakeholders were engaged during the development of the business case.
- 1.5 The Business Case uses an adapted HM Treasury five case model considering the case for change through a number of different perspectives including strategic, economic, financial, commercial and management cases, and includes:
- The feasibility of a new single council and how it could operate;
 - The level of savings that could be achieved;
 - The potential impact on Council Tax;
 - The economic and commercial opportunities;
 - The potential for improvements to service delivery;
 - The likely set up costs.
- 1.6 Following Ashford Borough Council's decision to exit the discussions, an independent 'Four Way Business Case' was commissioned by the remaining four councils and is attached to this report as Annex 1.
- 1.7 Each council is asked to consider the four way business case, before any formal commitment is made, in relation to the creation of a single East Kent district council.

2.0 Thanet District Council Perspective

- 2.1 East Kent has an emerging coherence as an economic unit and recent work has identified that overall the East Kent economy has performed relatively well compared to the rest of Kent and the South East. A single larger district would have the scale to build on this positive trend through a more coherent approach to its economic assets and deliver economic outcomes more effectively. A single East Kent council would enable a strong strategic leadership, with greater influence at both a national and regional level and provide the scope to take advantage of both growth and external funding opportunities.
- 2.2 It is easy for places like East Kent to be overshadowed by the big cities like London and for them to drop down the government's list of priorities which means we need a really strong voice to make an impact on the national stage and secure the support and resources we need to make life better for the people living and working in East Kent.
- 2.3 In East Kent there is a long history of councils working together but subject to the four separate councils taking their own decisions. This could be an opportunity to create one unified council, with councillors enabled to influence more effectively on behalf on the whole of East Kent.
- 2.4 Thanet has plans in place to deliver the savings required in the Medium Term Financial Strategy and the Government four-year settlement requires an efficiency plan. However, the creation of a single East Kent council has the potential to make an even greater contribution to the savings required over the six year period to 2024/25, which is common to all East Kent districts.
- 2.5 If there was no new council and Thanet carried on as a separate council, we estimate that of the £13m to £21m of savings by 2024-25 needed for four councils, Thanet's projected savings are in the order of £3.9m to £6m a year by 2024-25. In the absence of the opportunity to make savings in senior management, member's allowances and support, premises, etc afforded by the creation of a new single council, alternative

measures would have to be considered. These could include reducing services, terminating services the council does not have to provide by law, and significant increases in fees and charges.

- 2.6 A larger single district is likely to have greater scale to borrow and increase investment in our priority areas, as well as reduce competition between the current East Kent districts when exploring income generation opportunities.
- 2.7 Whilst important, the financial and commercial positions are only two aspects of the case for change. For example, a single council would provide greater capacity to undertake transformational activity and improve service delivery for our customers.

3.0 East Kent Devolution

- 3.1 Discussions have continued to take place between all Kent councils to identify the most appropriate and fitting response to the Government's invitation. There are separate conversations taking place across the whole of Kent on the possibility of making a bid to Government for the devolution of powers and funding from Government to the public sector in Kent.
- 3.2 The East Kent district councils, whilst being party to these discussions are also keen to build on the economic and social cohesion of the area of East Kent. In response to this, the districts have been engaging in further complimentary activity with the county, to explore devolution options around; Highways, Public Health and Community Safety. Strategically, a single East Kent district could enable the development of strong, strategic leadership at all levels throughout East Kent, offering economies of scale, greater resilience and the capacity and capability to further enhance and improve the value for money and quality of the services delivered, placing East Kent in a stronger position as the discussions progress.

4.0 Consultation

- 4.1 There are no legal requirements to consult on the proposals. However, the East Kent councils have agreed to procure a shared public and stakeholder consultation and engagement exercise, spanning all four districts, to ascertain views on the proposal that can be taken into account by the Secretary of State for Communities and Local Government in deciding to make regulations under the Cities and Local Government Devolution Act 2016. Details of the consultation and engagement methodology are provided in Annex 3.

5.0 Overview and Scrutiny Panel Recommendations

- 5.1 On the 2 March 2017 the Overview and Scrutiny Panel considered the Cabinet's initial proposals of the 16 February 2017., and made the following recommendations to Cabinet:
 - 1. In the timetable for implementing the merger project, where it refers to the 'Executive decision by cabinet of each council to proceed with project for a new East Kent Council (July 2017);' that decision should be made by Full Council;
 - 2. In the timetable for implementing the merger project (Autumn 2017), the 'Final Decision' should be made by Full Council;
 - 3. If there was an early recognition that the timescale for implementing the project was slipping, an early decision should be made by each of the

participating councils to seek permission from the Department of Communities and Local Government (DCLG) to extend the current administration by a year;

4. The Overview & Scrutiny Panel be given an opportunity to review the process at the decision points highlighted in the timetable.

5.2 On the 9 March 2017, Cabinet considered the recommendations by the Overview and Scrutiny Panel and the Cabinet response was:

5.3 Cabinet can confirm that with respect to recommendations 1, 2 and 4, in accordance with the Council decision of the 14th July 2016, the strategy to implement any proposed merger is part of our budget and policy framework and therefore a final decision will be made by Full Council. In addition the Overview and Scrutiny Panel forms a vital part of the budget and policy framework procedure and must be given the opportunity to look at and make recommendations on the final report prior to it being considered by Full Council. Therefore, the generic timetable for Thanet will be amended accordingly;

5.4 And whilst not specifically referred to in the report Recommendation 3 which states that 'If there was an early recognition that the timescale for implementing the project was slipping, an early decision should be made by each of the participating councils to seek permission from the Department of Communities and Local Government to extend the current administration by a year' is accepted and will be taken on board in future discussions by Officers and the Leader moving forward;

5.5 The Overview and Scrutiny recommendations, where appropriate, have been actioned on this report.

6.0 Options

6.1 Agree the report recommendations.

6.1.1 Creating a single new council is a logical next step that is in line with the direction of central government and would provide a stable and sustainable long-term solution for the locality. Offering economies of scale, greater resilience and the capacity and capability to further enhance and improve the value for money and quality of the services delivered.

6.2 Continue with the current status quo.

6.2.1 Alongside the rest of local government, the East Kent districts are under considerable financial pressure. In response, all have reduced staff numbers which has inevitably led to loss of both capacity and capability, with some areas affected more than others (in order to preserve front-line services as far as possible). For this reason to maintain the status quo is not a preferred option.

7.0 Next Steps

7.1 If the decision is to proceed with the creation of a single East Kent district, an indicative timetable for progressing has been set out below (subject to further confirmation from the Department of Communities and Local Government):

Activity	Indicative Timings
Engagement with DCLG on draft business case	Early 2017
Each council to agree to proceed with business case subject to any engagement required / agreed	22 March 2017
Public consultation and engagement period	24 March – 19 May 2017
Decision by each Council whether to proceed with project for a new East Kent Council	July 2017

From the July decision, these dates are subject to change through discussions with DCLG and the Boundary Commission. However, they give an indication of the process based on conversations to date with DCLG and the Boundary Commission:

<i>Proposals to create a new council submitted to DCLG (demonstrating clear political commitment from Districts involved)</i>	<i>July 2017</i>
<i>DCLG works with East Kent councils to formulate the Order</i>	<i>July to Autumn 2017</i>
<i>Secretary of State agrees order for formal approval by the four Council's</i>	<i>Autumn 2017</i>
<i>Final Decisions by Secretary of State</i>	<i>Autumn 2017</i>
<i>DCLG to prepare necessary statutory instruments modifying existing legislation where required (in order to establish new organisation, wind up the old ones and make transitional arrangements)</i>	<i>Autumn 2017</i>
<i>Each council invited to give formal consent to creation of the new entity</i>	<i>Autumn 2017</i>
<i>New entity considered by Houses of Parliament</i>	<i>Autumn 2017</i>
<i>Secretary of State decision</i>	<i>Autumn 2017</i>
<i>Boundary Commission undertake electoral review (NB this is optional but preferred approach of DCLG – alternative is an Order that creates a new council, using temporary wards as basis for the first election, and subsequent election boundaries considered by Boundary Commission).</i>	<i>Autumn 2017 to Autumn 2018</i>
<i>Establish Implementation Executive or similar body (which will be the decision making body until members of the new authority are elected)</i>	<i>Nov / Dec 2017</i>
<i>Agree initial structure for the new council</i>	<i>Dec 2017</i>
<i>Likely TUPE consultation period commences (to be confirmed on the basis of legal advice)</i>	<i>Dec 2017 / Jan 2018</i>
<i>Implementation Executive commences recruitment of senior posts (externally advertised)</i>	<i>Early 2018</i>
<i>Implementation Executive agrees Council tax harmonisation</i>	<i>2018</i>

<i>discretionary order with DCLG</i>	
<i>Implementation Executive sets first year budget for the new authority and council tax rate</i>	<i>Late 2018/ early 2019</i>
<i>First year budget for the new authority and council tax rate confirmed by all Councillors</i>	<i>Late 2018/ early 2019</i>
<i>New council legally takes effect (Vesting Day)</i>	<i>April 2019</i>
<i>Elections to new council</i>	<i>May 2019</i>

8.0 Negotiations with DCLG

- 8.1 Discussions have been held through this process with DCLG and the four East Kent district Leaders will be recommending the following (if agreed to proceed post July):
1. As part of the Order, to propose to DCLG that a new East Kent Council should be based on a committee system and include local area working for planning and licensing, as a minimum.
 2. That DCLG be asked to support this project through a contribution towards the transition costs for the project to reduce the impact on the Council tax setting for a new council.

Contact Officer:	Madeline Homer, Chief Executive
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Annex List

Annex 1	Full Four Way Business Case https://www.thanet.gov.uk/media/3689570/A-business-case-for-the-potential-creation-of-a-single-new-council-from-.pdf
Annex 2	Four Way Equalities Impact Assessment
Annex 3	Consultation and Engagement Methodology

Background Papers

Title	Details of where to access copy
Cabinet, 9 March 2017	Agenda of 9 March 2017 Cabinet
Extraordinary Overview and Scrutiny Panel, 2 March 2017	Agenda of 2 March Extraordinary Overview and Scrutiny Panel
Extraordinary Cabinet, 16 February 2017	Agenda and Minutes of 16 February 2017 Extraordinary Cabinet
TDC Full Council 14 July 2016 - Single District Statement of Intent – report	TDC Full Council 14 July 2016

East Kent Leader's Statement of Intent	Statement of Intent
Full Five Way Business Case	Five Way Business Case
Five Way Equalities Impact Assessment	Email: Carol.cook@thanet.gov.uk

Corporate Consultation

Finance	Tim Willis	Director of Corporate Resources & S151 Officer
Legal	Tim Howes	Director of Corporate Governance Services

EAST KENT DISTRICTS

A business case for the potential creation of a single new council from the four East Kent ‘coastal’ districts



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EXECUTIVE SUMMARY

Introduction

This report sets out a business case for establishing a single new council in East Kent comprising the current four individual Districts – Canterbury City Council, Dover District Council, Shepway District Council and Thanet District Council.

Background and Options Considered

The four coastal districts in East Kent all face significant financial pressures and have been exploring joint initiatives to provide a stable and sustainable long-term solution for the locality. They already have a track record of collaboration and have considered whether greater sharing of services could be the preferred solution for providing financial sustainability. Indeed, further sharing of services remains a viable option if this business case for the creation of a new council is not taken forward. Options could include one council delivering a function on behalf of the others, or East Kent Services (EKS - a shared 'back-office' function between Canterbury, Dover and Thanet) providing a wider range of shared services on behalf of all four councils. As an alternative, a single staffing structure could be established to serve all the councils. These are fundamentally different approaches, but both are credible alternatives to creating a new council. However, when compared to the latter, these options are considered to be sub-optimal for a number of reasons:

- the projected staffing savings for one council delivering a function on behalf of the others, or an extension of EKS, would be considerably less than could be achieved through creation of a new council, as the current senior management costs for each council would not be significantly impacted
- if a single staffing structure could be established to serve all the councils there would still be the significant resource requirement to support the political machinery of four autonomous councils
- any shared service arrangement would lose the benefits of 'speaking with one voice' on important issues
- shared arrangements may not be as stable as a merged council because there always remains the potential for them to be reversed.

Therefore, this business explores the implications and opportunities of the creation of a new council comprising the four current districts – Canterbury, Dover, Thanet and Shepway.

Approach

This business case uses an adapted HM Treasury five case model considering the case for change through a number of different perspectives, which are described below.

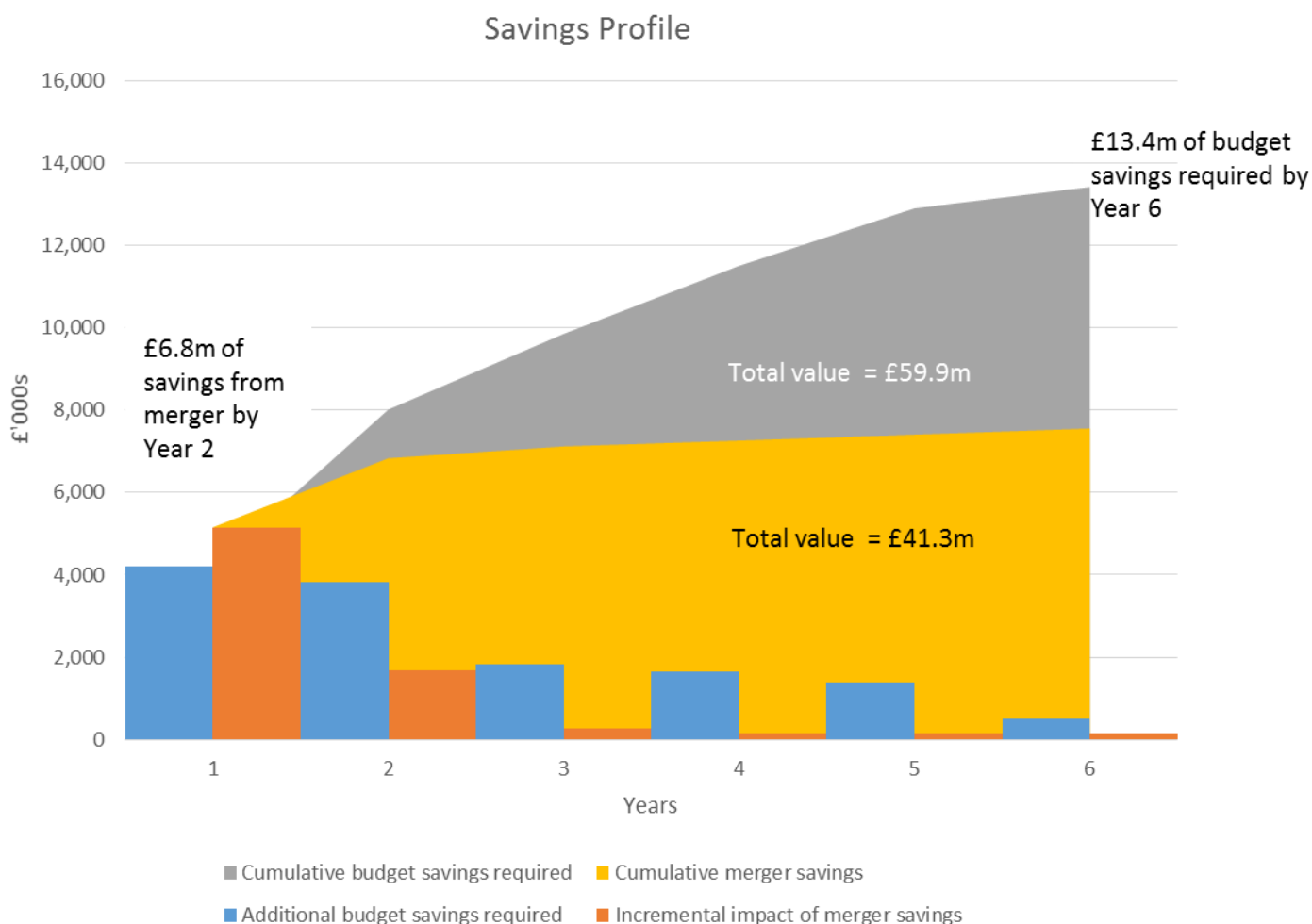
The Financial and Commercial Cases

Under the current arrangements for local government finance, long term estimates for major income streams such as Business Rates and New Homes Bonus are difficult to predict. In projecting the baseline budget position for the four districts, significant assumptions have had to be made about key variables such as expenditure growth and government funding. Under a prudent scenario agreed with the councils' Section 151 officers, the combined



savings that would need to be identified by 2024/25, if the four districts continued to operate individually, are estimated to be £18.1m¹, with £4.7m of these required prior to any merger.

Of the remaining £13.4m, this business case identifies c. £6.8m² of savings that could be achieved within two years of merging, largely made up of staff savings through structural changes and some consolidation of services. The graph below illustrates how the profile of savings required and savings identified relate to each other.



These savings are considered to be at the lower end of what could ultimately be delivered through the creation of a new council. If, like others, the new council takes the opportunity to transform services, it is estimated that a further additional 50% of savings could be delivered per annum (in other words, an additional c£3.5m).

In order to deliver a new merged council, there will be one-off transition costs that are estimated to be c. £6.8m in today's prices (2016/17)³, covering, for example, redundancy costs, harmonisation of technology, communications and engagement, etc.

The new council would also need to determine a single rate of council tax for the new merged district. The current range of rates across the four existing districts is large. In

¹ An alternative, more pessimistic scenario, is illustrated in Section 4 - Financial Case; this projects a combined savings requirement by 2024/25 of £25.5m.

² This is the value of savings based on projected inflation rates and is derived from the figure shown in Table 11 (£6.447m at 2016/17 prices)

³ The value of £7.281m in the table overleaf has been adjusted for inflation.



engaging with DCLG to develop this business case, a senior DCLG civil servant has made it clear that a new council would have a variety of options in determining its preferred approach to harmonising council tax. The proposed approach would be agreed in advance with DCLG and set out in the statutory order required to establish the new council.

Harmonising to the highest rate would involve significant increases for some existing districts which is likely to be politically unacceptable. This business case models three possible approaches to council tax harmonisation:

- A) harmonisation to the lowest rate over five years
- B) harmonisation to the average rate over five years
- C) harmonisation to the average rate in Year 1

Drawing on the points above, the table and subsequent paragraphs below summarise the financial case for the creation of a new council.

	A		B		C	
	Harmonise to the lowest rate as at 2023/24 (over 5 years)		Harmonise to the average rate as at 2023/24 (over 5 years)		Harmonise to the average rate as at Year 1 (2019/20)	
Period	(2017/18 - 2024/25)		(2017/18 - 2024/25)		(2017/18 - 2024/25)	
Option	As-Is	Single District	As-Is	Single District	As-Is	Single District
	Cumulative (£'000s)		Cumulative (£'000s)		Cumulative (£'000s)	
Value of cash to be saved by 31 March 2025	(92,714)	(92,714)	(92,714)	(92,714)	(92,714)	(92,714)
<i>Less impact of savings to be made pre-merger</i>	32,843	32,843	32,843	32,843	32,843	32,843
Cash to be saved post-merger	(59,871)	(59,871)	(59,871)	(59,871)	(59,871)	(59,871)
Savings generated by merging	0	41,330	0	41,330	0	41,330
Sub-Total	(59,871)	(18,541)	(59,871)	(18,541)	(59,871)	(18,541)
Merger savings as a % of total requirement	0%	69%	0%	69%	0%	69%
Add:						
Costs of merging						
Transition Costs	0	(7,281)	0	(7,281)	0	(7,281)
Council Tax Loss	0	(21,892)	0	(216)	0	20
Risk adjustment	0	(2,707)	0	(2,707)	0	(2,707)
	0	(31,881)	0	(10,205)	0	(9,969)
Balance of savings to be identified	(59,871)	(50,422)	(59,871)	(28,746)	(59,871)	(28,510)
Balance of savings to be identified (%)	100%	84%	100%	48%	100%	48%
Balance of savings identified (%)	0%	16%	0%	52%	0%	52%

It can therefore be concluded that:

- the creation of a new council from the four district councils is an action that has the potential to make a significant contribution to the savings required over the six year period from 2019/20 to 2024/25
- the impact of savings on the annual budget of the new authority should pay back the estimated transition costs in a little over a year
- once implemented and the reductions in operating costs achieved, the changes will have eliminated £6.4m, in 2016/17 prices, of annual expenditure from budgets which represents c.10% of the current combined net revenue expenditure of the four districts. The extent to which this saving benefit resides within the council or is transferred to residents, depends upon the choice of approach to harmonising council tax rates.



It is likely that the new council would want to transform the services it inherits and leverage its scale, once it has been created, and additional savings of up to 5% of overall expenditure should be achievable based on research of other authorities. This would equate to approximately £3.5m savings per annum over and above those identified in the table above⁴.

Other Aspects of the Business Case for Creation of a New Council

Whilst important, the financial and commercial positions are only two aspects of the case for change. The other aspects are explored in this report are summarised below.

Strategic Case

In strategic terms, a single new district comprising the four East Kent coastal districts makes sense. It enables the development of strong, strategic leadership at all levels throughout East Kent, offers economies of scale, greater resilience and the capacity and capability to further enhance and improve the value for money and quality of the services delivered.

A merged organisation would also be able to offer greater value for money and consistency of approach, particularly for customers operating across different districts, for example in the areas of planning, licensing and environmental health requests.

Whilst the new council would not be a unitary authority, in considering the option(s), a merged council opens up the possibility of devolution at two levels:

- Firstly, from the county to the new merged district. Engagement with Kent CC is ongoing, exploring areas such as aspects of operational highways maintenance (for example, street furniture and verge cutting), public health and community safety.
- Secondly, from the new district to town and parish councils. For example, aspects of services that are best dealt with at a local level such as public conveniences, open spaces and local assets such as community centres. Again, consideration of the extent and nature of 'downward' devolution is ongoing.

There remain important decisions to be made as to the precise nature this devolution would take and any cost implications, including the potential for such an approach to reduce the economies of scale which can be derived from the creation of a new council.

There is potential for East Kent to achieve an optimum balance of strong, strategic leadership through a single voice and local responsiveness through mechanisms such as devolution of services and decision making to local councils and areas. In the process of developing this business case, a range of stakeholders have been engaged across the East Kent area and it is clear that there is broad support for the principle of creating a new council, subject to further detail being provided in due course. The business community, in particular, strongly recognises the ability of a single district to take a strategic lead for the whole region, speaking with a louder voice on issues such as transport and planning (engaging with South East Local Enterprise Partnership (SELEP), Highways England (HE), Network Rail (NR) and others) and skills (engaging with Department for Education (DfE), Department for Business, Energy & Industrial Strategy (BEIS, etc.). The new, larger, council should create opportunities to have greater influence with organisations such as SELEP, securing more funding from both private and public sector sources.

⁴ For the avoidance of doubt, the savings and transition costs modelled and appraised within this business case solely concern the restructuring of the existing four district councils. The business case does not investigate the transformation potential of a single district as this will be for the new entity and its Members to determine.



Economic Case

In economic terms, the four districts have a complementary economic offer (for example, in terms of sector specialisations) and a single, larger district would have the scale to operate and deliver economic outcomes more effectively. East Kent's coherence as an economic unit provides the scope to better exploit the synergies between the different constituent areas and this can be better achieved through creation of a new council than through collaboration between existing districts. Canterbury acts as a growth engine for the sub-region as a whole yet relies on the other areas for housing (relieving availability and affordability pressures in Canterbury), employment (providing personnel for its businesses) and business growth opportunity (when sites for growth are limited within Canterbury itself). The continued growth and success of Canterbury is very much tied up with / dependent upon the other three districts – with all current districts deriving mutual benefits. There is also a reciprocal and firm intention for the four districts to continue to work with Ashford Borough Council on growth⁵ through the East Kent Regeneration Board (and East Kent Growth Framework which is under development).

All districts recognise that future funding of local government will be increasingly dependent on economic performance. The opportunities for a single new council include:

- **Creating a single political vision:** with the benefits to potential investors and partners of greater certainty (for example captured in a single local plan)
- **Creating a new council that fits with the underlying functional economic geography of the area:** providing greater capacity and capability (a single team). In addition, a larger authority is likely to have greater scale to borrow and increase investment in priority areas
- **Promotion of housing growth** – for example by scaling-up as a single team with greater capacity and capability to increase the quantity and mix of new housing (including infrastructure connectivity – see below) and the speed of delivery
- **Development of infrastructure** - supported by a coherent and costed plan that would provide increased certainty to potential developers. This should help create a productive investment environment which should feed through over time into increasing local revenue sources for the new council, particularly via business rates
- **Supporting coastal communities** - for example, by promoting increased tourism through a co-ordinated and complementary offer across the area
- **Developing a cultural 'offer'** that leverages East Kent's considerable existing assets and attractions
- **Exploring income generation opportunities** - through a co-ordinated East Kent-wide approach rather than through competition between the existing districts
- **Promoting complementary specialisms** in different areas of East Kent (for example by expanding Higher Education facilities beyond Canterbury)

Management Case

Moving four districts into one would be the most ambitious yet tackled by district councils and the associated transformational and culture change would represent a major programme of work requiring careful management of a number of inter-related areas:

⁵ A Memorandum of Understanding is being considered to reflect this intention



- **Programme and Project Management** - dedicated resources, using proven programme and project management methodologies
- **Governance** - Member and Officer led governance arrangements. This would include a Steering Group / Implementation Executive who would provide strategic and political leadership for the overall programme to create a new council and a Programme Board responsible for the delivery of benefits
- **Finance** – dedicated work-streams to deal with issues such as staff, assets, and liabilities transfer as well as budget amalgamation
- **People** – again, dedicated work-streams to prepare new staffing structures, recruit new posts and to plan for pay and conditions harmonisation
- **Stakeholder Engagement** - a comprehensive Stakeholder Engagement strategy and plan for the duration of the transition period
- **Risk Management** – an approach to identify and mitigate risks as early as possible

The actions would also need to take account of the key milestones for progressing with the creation of a new council:

- each council to agree whether or not to proceed with the business case – 22nd March 2017
- Secretary of State approval - Autumn 2017
- new council legally takes effect (Vesting Day) – April 2019
- elections to the new council – May 2019

Summary

In summary, creating a single new council is an ambitious but logical next step of the type that central government has been supportive of elsewhere, and has the potential to provide a stable and sustainable long-term solution for East Kent.



INTRODUCTION

This business case explores the opportunities and challenges of establishing a single new council in East Kent comprising the current four individual districts – Canterbury City Council, Dover District Council, Shepway District Council and Thanet District Council.

The approach adopted is an adaptation of the HM Treasury ‘Green Book’ Guidance for business cases, which is made up of five separate elements. In each section, the opportunities and challenges of a single new council are considered against the current position of four individual districts. The five elements are:

1. the strategic case: covering the vision and strategic ambitions for the area
2. the economic case: covering growth, regeneration and wider economic renewal
3. the commercial case: setting out the rationale for the values modelled within the financial case
4. the financial case: establishing the value for money and affordability of the proposals
5. the management case: exploring the way in which the new council might be delivered



1. STRATEGIC CASE

1.1 Introduction

This section of the business case considers the strategic aspects of establishing a single district council and whether the opportunities offered are greater than those available to the four individual districts continuing to remain separate. It explores the implications and opportunities for better delivery of the desired ambitions of the four councils.

1.2 Background and Options Considered

Local government is under significant pressure; resources are scarce, yet demand is rising through population growth and demographic changes. Many councils are considering options they have not looked at previously, to help with reducing finances and to increase capacity: all councils are struggling to some extent and in different ways. The East Kent coastal districts are no exception to this general rule and, in response to earlier financial challenges, believe that the status quo is not an option.

The East Kent coastal districts already have a well-established track record of collaboration and sharing services, which reflects a similar approach to delivery; for example:

- East Kent Services (EKS) provides ICT, HR ,payroll, customer contact and revenues and benefits services (Canterbury, Dover and Thanet)
- East Kent Housing (EKH), an arm's length organisation, provides housing services to Canterbury, Dover, Shepway and Thanet
- East Kent Audit Partnership, supports Canterbury, Dover, Shepway and Thanet
- The East Kent Engineering Partnership involving Canterbury, Thanet, Dover and Shepway
- East Kent Spatial Development Company (EKSDC), which was set up as an infrastructure, delivery and regeneration organisation to bring forward employment land where viability was an issue and/or there was a lack of private sector interest

In response to the significant challenges that they face, the four East Kent coastal districts – Canterbury City Council, Dover District Council, Shepway District Council and Thanet District Council – have been considering options that can provide a long-term, sustainable solution. Two options have been explored; further extending the current shared services approach and creation of a single new (district) council comprising the four districts.

In the process of developing this business case, a range of stakeholders have been engaged across the East Kent area and it is clear that there is broad support for the principle of creating a single new council subject to further detail being provided in due course.

1.2.1 Potential to Extend the Current Arrangements

A high level analysis of the possibility of deepening and extending the current arrangements into a single shared management arrangement serving the four councils has been considered. There would be some advantages of such an arrangement; for example:



- the scale of the change needed is far less significant than the creation of a new council and is therefore simpler to implement
- many of the transition costs of creating a new council would not be incurred (for example on communication, member induction etc.)

Indeed, further sharing of services remains a viable option if this business case for creation of a new council is not taken forward. Options could include one council delivering a function on behalf of the others, or EKS providing a wider range of shared services on behalf of all four councils. As an alternative, a single staffing structure could be established to serve all the councils. These are fundamentally different approaches, but both are credible alternatives to the creation of a new council. However, when compared to the latter these options are considered to be sub-optimal for a number of reasons:

- the projected staffing savings for one council delivering a function on behalf of the others, or an extension of EKS, would be considerably less than could be achieved through creating a new council; as the current senior management costs for each council would not be significantly impacted
- if a single staffing structure could be established to serve all the councils there would still be the significant resource requirement to support the political machinery of four autonomous councils. No other council has attempted this to date
- senior management would, therefore, have insufficient time to devote to the strategic support that is needed to achieve the significant, strategic ambitions for East Kent
- the benefits of speaking with one voice on important issues, if a single council were not created, would be more difficult to achieve. Officers and Members would, rightly, put the needs of their own communities and residents first. Therefore the collective will for all parties to act in the common interests of East Kent would be constrained
- any shared arrangements carries inherent uncertainty because shared services are always reversible with the risk of partners pulling out following a change of administration or as a result of serious disagreements. This could present significant challenges in relation to long-term planning and investment for the districts, and consequently would not give potential investors and partners the reassurance or certainty they would be seeking

For these reasons, the districts are exploring whether a new council comprising the current four districts provides the preferred route to long-term stability and sustainability.

1.2.2 The Strategic Advantages of Creating a new Council

The creation of a new (district) council comprising the four East Kent coastal districts is an ambitious but logical next step, building on the success and momentum of the current shared service arrangements. Creation of a new council also goes with the grain of central government public pronouncements and can provide a stable and sustainable long-term solution for the locality. A merged district would cover a large geographical area and in this case size matters; for example, providing economies of scale and a (single) strategic voice for East Kent, better able to put the case for the area with partners such as the South East Local Enterprise Partnership (SELEP), Kent County Council, Central Government and national agencies such as Highways England (HE), Network Rail (NR) and the Homes and Communities Agency (HCA).



A larger, more resilient district also provides opportunities for transformation of service delivery because of the greater scale and shared resources, providing lower cost, higher quality services for citizens.

The remainder of this business case therefore considers in detail the creation of a new council comprising the four districts.

1.3 Strategic Context

The East Kent coastal districts have already been working together for mutual benefit for a number of years and are starting to be recognised as a cohesive unit, both strategically and economically. The leaders recognise the opportunity to build on that strength by exploring uniting as one district, recognising that this also has the potential to allow them to control their destiny. Their vision for the future is for:

A vibrant East Kent region that balances regeneration and growth with the many rural and cultural jewels within the area. Our residents will enjoy a good quality of life, with support available for those who most need it. We will maximise the potential of our built and natural environment and develop a diverse and thriving economy whilst being financially self-reliant.

This vision will be achieved through:

- improving economic development and growth
- stronger local leadership (and addressing the 'democratic deficit')
- building resilience and capability to meet growing service and quality expectations
- a constant focus on delivering value for money

1.4 Improving Economic Development and Growth (see also section 2)

All East Kent districts have identified significant common challenges:

- an ageing population: for example, in Canterbury, compared to the rest of England, the district has fewer people in their 30s, 40s, and 50s but a higher proportion of people over the age of 65. In 2013 about one in five residents were over 65; this is estimated to increase to one in four by 2031. All four districts face similar challenges
- areas of multiple deprivation: for example, Thanet remains Kent's most deprived local authority district in the Index of Multiple Deprivation (IMD) 2015. Nationally, Thanet is ranked at 21 out of 326 authorities, placing it within England's 10% most deprived authorities. There are similar issues in other coastal towns such as Folkestone and Dover, and Canterbury district has ten areas that rank in the top 20% most deprived areas in England
- a need to improve economic performance, as measured through Gross Value Added (GVA), which is currently mixed across the sub-region and below that of the best districts in both Kent and the South East
- declining budgets and the need to operate more efficiently
- responding to increasing housing demand and costs
- the need for investment in growth and infrastructure projects
- improving education, skills and employment opportunities
- aligning and integrating across the wider public sector to collaborate more effectively with other public sector partners to better deliver desired strategic outcomes



- using technology more effectively
- responding to ongoing welfare reform

In summary, a new council would potentially be well placed to ensure that East Kent is in a favourable position to positively respond to all these challenges. For example, experience elsewhere indicates that merging delivery models brings increased resilience and enables more resource to be devoted to services / functions which are judged to be strategically more important to them (see section 1.6 below for further consideration of the opportunities for increasing resilience).

In addition, the corporate plans for the East Kent coastal districts identify a number of key high level priorities, many of which are common. These are summarised in Table 1 below.

Driver	Focus	Councils
Economy	Building the range and skill level of the borough's job offer	All
Economy	Growing business	All
Economy	Town Centre Improvements	CCC / DDC / SDC
Economy	Increasing tourism spending	CCC / DDC / SDC
Economy	Supporting or pursuing Infrastructure developments	CCC / DDC
Economy	Attracting inward investment	DDC / TDC
Economy	Boosting the rural economy	CCC
Housing	Meeting the needs of residents	All
Housing	Housing supply	CCC / DDC / SDC
Housing	Planning process	CCC / DDC / SDC
Housing	Expanding home ownership	CCC / SDC / TDC
Place	Open spaces	All
Place	District presentation	All
Place	Leisure Offer	CCC / DDC
Place	Cultural Focus	CCC
Place	Heritage and Wildlife	CCC
People	Health and wellbeing	CCC / DDC / TDC
People	Community protection	CCC / DDC / SDC / TDC
Council governance	Service standards	All
Council governance	Grant funding plans	CCC / DDC / SDC
Council governance	Income generation	CCC / DDC / SDC
Council governance	Collaboration with other bodies	CCC / DDC / TDC
Council governance	Making savings	DDC / SDC
Council governance	Devolution/Community Engagement	DDC / SDC

(**NOTE:** DDC = Dover District Council; CCC = Canterbury City Council; SDC = Shepway District Council; and TDC = Thanet District Council)

Table 1: Summary of key common challenges across the East Kent coastal districts



The bigger delivery area footprint would also offer a wider range of commercial opportunities; for example a merged building control function is likely to have the necessary scale to be able to be more commercially competitive. Commercialisation opportunities such as income generation are covered in more detail in section 2 – Economic Case.

1.5 Stronger Local Leadership

There is potential for East Kent to achieve an optimum balance of strong, strategic leadership through a single voice and local responsiveness through mechanisms such as devolution of services and decision making to local councils and areas. Devolution from Kent County Council to a merged East Kent Council and then from East Kent Council to Town and Parish Councils would facilitate decision-making and service delivery at the optimum level.

Furthermore, a larger organisation offers a greater opportunity to plan at a more strategic level and take advantage of growth opportunities at the East Kent scale, making linkages and collaborations more effectively. For example, such linkages might be on:

- a more integrated approach to transport and planning (with Kent County Council)
- education and employment opportunities across a wider area (with KCC, Higher Education (HE) / Further Education (FE) partners, businesses etc.)
- strategies that would provide benefit to the whole East Kent area (for example, in relation to Housing Strategy, an East Kent Strategic Housing Market Assessment would fully reflect the local housing market)

Early engagement with the business community in the region (including the FE sector) indicates support for a single East Kent local plan, able to capitalise and leverage the greater scale of the new council. This should allow the elimination of any overlaps / duplication in current plans and a clear sense of where the sub-regional priorities lie.

It also offers the opportunity to develop a more strategic approach to areas such as external funding and communications. For example, a single integrated communications and marketing team could deliver campaigns more effectively on subjects that are universal across all the existing council areas such as inward investment, litter, waste, council tax / benefits, getting online and community safety.

A larger single new council would be able to offer greater consistency of approach, particularly for customers operating across different districts for example in the areas of planning, licensing and environmental health requests.

Whilst the new council would not be a unitary authority, in considering the option(s), Leaders and Chief Executives are keen to explore the possibility of devolution at two levels:

- Firstly, from the County to the new district. Engagement with Kent CC is ongoing, exploring areas such as aspects of operational highways maintenance (for example, street furniture and verge cutting), public health and community safety.
- Secondly, from the new district to town and parish councils. For example, aspects of services that are best dealt with at a local level such as public conveniences, open spaces and local assets such as community centres.



Again, consideration of the extent and nature of 'downward' devolution is ongoing, including an evaluation of the potential for such an approach to undermine the economies of scale which can be derived from creating a new council.

While a new council will bring many opportunities in relation to stronger leadership, the East Kent councils have also recognised a need to ensure that decisions are taken at the right level to maximise engagement and empowerment of local communities.

There are 89 parish and town councils in East Kent. The districts of Canterbury and Thanet are, however, not fully 'parished'. In Canterbury, the council engages with residents' associations and community organisations in unparished areas. These vary in size and capacity from one area to another. A community governance review in Canterbury district is now overdue, although no date has yet been fixed.

Discussions have commenced with representatives of parish and town councils across the area to seek their views on a potential new council, and to consider whether there may be opportunities to devolve functions and services from district to parish councils. A meeting convened by the Campaign for Democracy in Canterbury and the Canterbury Society also considered these matters. Feedback from both has informed the development of this section of the business case.

There are various approaches that East Kent could take if a new, merged council was formed, to seek to provide stronger, more effective local leadership, none of which are mutually exclusive: indeed, the more, the better. These options are informed by consideration of relevant experience from other councils in England. It is not the role of the LGA or Local Partnerships to recommend any individual approach to addressing these challenges, but to present a range of options for consideration. These are as follows:

a) Support and develop members of the new council to understand and carry out their roles to the full, both as local community leaders and, where relevant, as strategic leaders for the whole place.

Both the community and strategic leadership roles are essential to the council. For a new East Kent council to achieve the additional impact for the area in terms of economic growth that is envisaged, it would be critical that those members taking strategic leadership roles are appropriately supported. There is potential, discussed below, for enhanced mechanisms for engagement in local communities: whatever form this takes, it would be essential to support members to understand and fully implement their roles within these and in support of the council's wider objectives. Being a councillor in the new council may involve ways of working which are different from the status quo.

b) Through engagement with parish and town councils, offer opportunities for local councils to:

- **Build their capacity and capability**
- **Receive devolved functions and services and asset transfers, by mutual agreement: this includes the potential for local councils to request powers/ functions, and not simply to receive them**

It is important to stress that it is envisaged that any such devolution would take place on a voluntary basis: no local council would be forced to take on any services they did not wish to.

If this is done in a planned, supported way, it is to be expected that over time, a greater number and range of services could be devolved to local level - even more so if the council acts effectively and proactively as place-shaper. It would be beneficial to share



the learning from local councils as and when services are devolved, for the benefit and encouragement of the remaining councils.

The new council would need to consider what support to offer to local councils to ensure the success of this approach. The council could either provide this direct or commission others (for example, KALC) to provide this support. The approach being proposed in Buckinghamshire in relation to the transfer of services and assets, with associated support, is a useful model. Support could also include promotion of the role of the local councillor, to encourage the involvement of a more diverse range of people.

c) Encourage local councils to cluster together to build capacity and take more devolved responsibilities, by mutual agreement.

This may aid the spread of devolution in areas where local councils are too small to be able to consider it alone.

d) Subject to community governance reviews, support the establishment of parish/town councils in areas currently unparished.

Given the significant change involved in a move to a merged district council, the councils may wish to consider revisiting community governance reviews in places where they have already been held, to enable consideration of the changed circumstances.

e) Identify and/or establish local councils which can play a strategic role in each area.

There are examples from other areas where this has been identified as a useful way of building local capacity and focus. For example, Wiltshire have devolved significant responsibilities to Salisbury City Council, which did not exist prior to establishing the unitary authority in 2009. Salisbury currently employs 60 staff and delivers a range of services not far removed from the scale of a district council. Similarly, a town council is being established in Lowestoft following a community governance review, and in parallel with consideration of plans for a merger between Suffolk Coastal and Waveney district councils.

f) Establish Area Boards to provide a framework for decision making at local level.

This is an approach adopted in a number of recently established unitary councils, in order to 'bridge the gap' between the new council and local communities and ensure responsive, local governance. It aims to ensure a consistent approach across the whole place, irrespective of the strength or engagement of local councils (but seeking to involve them throughout). Meetings are held in local communities within each Area, and locations may vary to maximise public engagement.

Councillors serving a larger area than was previously the case are supported to engage with their local communities and with parish and town councils: there is also the potential for the county councillor(s) to engage with their local Area Board. The approach can also support the development of community capacity and resilience.

Wiltshire has been recognised⁶ as a good example of putting locality governance into practice in a large (unitary) council (see Appendix A).

g) Consider the potential for community hubs,

These act as an impetus for joining up public services in local communities (most likely in larger towns, potentially in conjunction with e), above). Discussions underway with the County Council in West Kent, and the One Public Estate programme, have the potential to contribute to this thinking.

⁶ *Independent analysis of governance scenarios and public service reform in county areas*: EY, 2016



h) Ensure the new council employs best practice in relation to community and stakeholder engagement, including, but not limited to:

- forms of public decision-making meetings which encourage participation
- use of social media
- strategic use of consultation and engagement to ensure communities experience meaningful and consistent engagement

1.6 Building Resilience and Capability

Alongside the rest of local government, the East Kent coastal districts are under considerable financial pressure. In response, all have reduced staff numbers, which has inevitably led to loss of both capacity, capability and resilience, with some areas affected more than others (in order to preserve front-line services as far as possible).

Recent research⁷ into local government reorganisations has concluded that larger councils are most likely to generate economies of scale and be resilient in the context of continued budget pressures. A larger, merged district provides opportunities to build resilience and capability:

- **Resilience:** a new, merged authority would have a larger pool of resources in all functional areas, providing the ability to move work around when there are pressures in particular geographical areas. In providing service-based submissions to support this business case, officers from all four councils referenced the need for increased resilience across a range of service areas including Regulatory Services, Electoral Services, Planning, Regeneration, Finance and Waste. A new entity also offers the potential to build increased resilience around corporate duties such as Equalities, Emergency Planning, Policy and Strategy development, Risk Management and Business Continuity as well as providing capacity to support customer insight, data analysis, and research.
- **Staff retention:** a larger single authority would also be able to create a structure that offers more career opportunities and offers greater appeal in the jobs market and so is able to recruit and retain high calibre staff. Officers consistently made reference to difficulties in attracting and recruiting to specialist roles and to the fact that the small staff numbers in certain functional areas means that capacity to respond to service needs is often impacted by factors such as long term absence and unusual service demand.
- **Capability:** increasingly, smaller local authorities have used external resources for support in specialist technical areas such as procurement advice. A larger merged district offers the possibility of employing specialist resources, providing cost savings.

Other key capability-related benefits from establishing a new entity include:

- The wider knowledge base which would exist in relation to highly specialist areas (such as Contaminated Land or Air Quality Monitoring) as well as the potential to have a wider ranging skill set in house, such as Town Planners, Transport Planners,

⁷ "Learning lessons from local government reorganisation: an independent study" Phil Swann, *Shared Intelligence*



Ecologists and Urban Designers, that are difficult to sustain at the existing district level.

- Greater capacity to undertake Digitalisation and Transformation activity. Lack of capacity in this area is currently a barrier to driving through efficiencies and delivery improvements across service areas.
- The scale and capacity to take on more responsibility for delivering services from Kent County Council, if agreed and appropriate, and to ensure that services can be more effectively delivered at a local level to better meet community needs.

In addition, as indicated above, by bringing services together, business processes would have to be reviewed in order to harmonise approaches. This provides the opportunity to adopt the best performing practices, raising the quality of delivery and customer service. Again, East Kent Services (EKS) has demonstrated this in practice.

Ultimately, these improvements to both resilience and capability would mean a better, more consistent service for citizens and a more stable work environment for staff and councillors.

1.7 Value for Money and Innovation

The Financial Case details the potential savings that might be made if the four districts were to merge. In summary, these are estimated at £6.4 million per annum, largely derived from reductions in staff / posts as a result of rationalising the management and administrative teams. Significant savings include:

- senior management posts
- support roles
- middle management of administrative and back office functions
- some savings through early consolidation by bringing services together (four into one)
- savings through the integration of political and governance arrangements (for example there would only be one of each of the following; Leader, set of governance arrangements, constitution, set of elections, performance reporting, strategies, policies and procedures, membership of regional bodies)

These savings are largely structural and a relatively conservative view has been taken. These should be considered the minimum savings that can be delivered. Further savings and benefits are likely to be derived after a new council is created, for example from:

- further service consolidation and sharing best practice, raising the performance of all current districts to that of the highest performer in any service area
- prioritisation of resources across potentially overlapping projects and programmes
- greater economies of scale in procurement: by including larger sums or greater numbers of contracts into contract renegotiation, leverage can be applied to reduce the suppliers' costs
- streamlined and simplified partnership(s) arrangements with other public and private bodies. For example, early feedback from engagement with health partners suggests an appetite to explore new ways to collaborate to deliver services



From experience of councils who have reorganised elsewhere, the process often involves two stages. The first delivers immediate savings from structural changes; the second allows more radical transformation once the new council is established. Whilst the details will be an issue for the leadership of the new council, examples might include:

- To improve services for citizens by reducing demand (for example, such as clients chasing the progress of delayed service applications) and, using new technology solutions to improve the quality of services for citizens and their efficiency (such as moving citizens to 'self-serve' and electronic transactions)
- To better support members and officers to deliver their roles in communities; for example, through access to information/data including ward profiles and partners / organisations working in their area and mobile access to information / services to respond to citizen enquiries
- To provide opportunities for staff: although new ways of working will require behaviour and culture change from staff, there would be greater career opportunities as part of a larger council that is able to achieve more than individual councils can

It would be for the new council to develop a programme to deliver the second stage of transformation from April 2019 onwards.

1.8 Initial Responses from Stakeholders at a Strategic Level

Early soundings have been taken across a number of key stakeholder groups to gauge their attitude to, and potential support for, a single merged East Kent district. It is clear there is broad support for the principle of creating a single new council. The views of various bodies and groups are summarised below:

- Kent County Council: the council is supportive of the sub-county devolution work and they have confirmed their ongoing co-operation with the investigations into the creation of a new council of the East Kent districts into a single district council
- Kent Association of Local Councils: keen to continue to discuss potential for devolution to local council level and for the benefits for the area of a new, larger council to be well understood; some concerns relating to the perceived challenge of managing a very large organisation and the need to demonstrate that local identity would not be lost
- MPs: the majority were very supportive, the remainder neutral
- business community understand the reasons for creating a new council and can see there is great potential. They strongly recognise the ability of a single district to take a strategic lead for the whole region, speaking with a louder voice on issues such as transport and planning (engaging with SELEP, HE, NR and others) and skills (engaging with DfE, BEIS etc.). Again, stakeholders are keen to have more details and to ensure that the quality of services does not deteriorate and that there is clear access to decision-makers
- other public sector organisations, such as health, further education, who attended a breakfast briefing, and police (local divisional commander), have expressed support in principle to the creation of a new council. There are also advantages from increased co-terminosity with larger institutions working across current district boundaries



1.9 CONCLUSION TO THE STRATEGIC CASE

Strategically, a single East Kent coastal district makes sense. It enables the development of strong, strategic leadership at all levels throughout East Kent, offers economies of scale, greater resilience and the capacity and capability to further enhance and improve the value for money and quality of the services delivered.



2. ECONOMIC CASE

2.1 Introduction

This section of the business case considers the potential economic impact of a single district council relative to the current four districts. It explores the implications and opportunities for growth and regeneration that the new council offers compared to the status quo.

2.2 Context

The four East Kent districts of Canterbury, Dover, Shepway and Thanet are home to around a third of Kent's total population; some 517,669 people. The four councils are contiguous and are all coastal – a sea frontage that stretches from Whitstable on the Thames Estuary in the north, Margate / Broadstairs / Ramsgate to the east round to Dover, Folkestone and onto Dungeness, Hythe, Romney Marsh and Lydd in the south.

Recent work undertaken by Nathaniel Litchfield Partners (NLP) as a part of the ongoing development of an East Kent Growth Framework (EKGF), has provided some up to date (post credit crunch) data on the position in East Kent. Whilst the EKGF covers Ashford Borough Council as well as the four East Kent coastal districts, the data gathered has been used to explore the economic opportunities available to the four districts, should they merge. (It should be noted that there is a reciprocal and firm intention for the four districts to continue to work with Ashford Borough Council on growth⁸ through the East Kent Regeneration Board which commissioned the work on the EKGF). A brief summary of key points is provided below under three headings – Economy, People and Place; supporting extracts of the detailed analysis are available in Appendix B.

Economy

Overall, the East Kent coastal economy has performed relatively well compared to the rest of Kent and the South East, with a particularly strong performance in Canterbury; Dover shows the least strong position. Forecasts indicate significant growth potential over the next 20 years, though not as high as the predicted SE average. In addition, the economic 'offer' in terms of jobs across the four districts is complementary; for example, with Canterbury offering largely service-based jobs and the other three districts offering a range including industrial and logistics / transportation. In particular, with Canterbury showing strong service-based growth, the sites in Thanet (Manston Business Park) and Dover (Discovery Park) offer capacity both for expansion from Canterbury (where site-availability is an issue) and for other sectors, such as advanced manufacturing at Manston. This creates a cohesive (cross current district boundary) economic ecosystem within the sub-region.

People

Overall, in common with much of the rest of the South East, East Kent has seen population growth, particularly of working age people. East Kent exports significant labour outside the region, particularly to London. Notably, there is also a relatively high degree of 'self-containment'; Canterbury provides significant employment to the population of the coastal

⁸ A Memorandum of Understanding is being considered to reflect this intention



districts. The corollary of this currently – and a future opportunity – is that the other three areas help relieve the housing pressure in Canterbury – see below.

Place

In terms of housing, completion rates have started to recover after the 2008 credit crunch, with particular pressure in Canterbury (council area) in terms of affordability, where the constrained availability of development sites tends to lead to a 'lumpy' supply of new homes. It is also notable that the mix of properties in Canterbury is different from the other areas, with a much greater proportion of detached and semi-detached stock compared to (for example) a high level of terraced housing in Dover district. Key infrastructure routes include high-speed rail links to St Pancras International (HS1) and a number of strategic roads such as the M20 and A2/M2. Current usage suggests that HS1 in particular, offers further opportunities for passenger growth.

Overall, the current data suggests that:

- there is an emerging degree of economic cohesion to the sub-region, evidenced by the complementary nature of the services currently provided and relatively high rates of self-containment
- Canterbury is a potential key growth engine and 'attractor' to the sub-region for both housing and employment
- there are opportunities to further enhance the links between the strong FE and Higher Education (HE) sectors in Canterbury with the wider sector specialisms of the other districts; for example advanced manufacturing in Thanet; creative industries in Thanet and Shepway (see Appendix B for more details of current sector specialisations across the four districts)

2.3 The Opportunity – Economic Development and Regeneration

It is recognised by members and officers alike that future funding of local government will be increasingly dependent on economic performance. It therefore makes sense to create a new council that takes advantage of the economic geography of the area. This would also mean the new council would have greater opportunity to demonstrate its contribution to a regional/sub-regional industrial strategy. As such, a single new council would be better able to fulfil its economic potential than individual councils collaborating. This would be delivered through a single political vision and greater capacity and capability (a single team) delivering refreshed sub-regional spatial priorities in a more coordinated way.

As outlined in the Strategic case, the four districts face similar problems and, as a single authority, can direct resources to areas of greatest need, rather than competing with each other. This is particularly true for Thanet and Dover (and to a lesser degree, Shepway), which are most similar in terms of economy, people and place. A single district can take a broader perspective, exploiting the links and complementarities identified above and explored in more detail below. In addition, a larger authority is likely to have greater scale to borrow and increase investment in priority areas.

As outlined in paragraph 2.2, work is currently underway on a new East Kent Growth Framework (EKGF) that will replace the East Kent Growth Plan (EKGP) published in 2013. The emerging analysis, undertaken by NLP, has identified four themes at an East Kent level:



- Place-making and shaping: creating attractive places to live and work through revitalising the existing built environment and creating new spaces. Within East Kent, town / city centres, providing a key focus for place making activity, with significant scope to enhance the quality of urban spaces and the public realm
- Unlocking development through infrastructure: funding key pieces of infrastructure to unlock sites and development opportunities as well as alleviating pressure and addressing constraints within East Kent's existing infrastructure networks. This covers a range of infrastructure provision including highways, rail, air, ports, broadband and utilities
- Delivery of business space: delivering high quality enterprise, innovation and incubator space to support existing businesses to grow and to enable East Kent to compete for inward investment and attract high value, knowledge-based activity and jobs
- Supporting productivity within business: upskilling existing residents and attracting high skilled workers to drive innovation and productivity within East Kent's business base, and helping businesses to access the support and finance they need to grow

The next stage of the work involves looking at suggested priority projects from all districts and categorising them as 'strategically significant (for East Kent as a whole)' or 'locally significant' (clearly some projects might be both), mapped against the four strategic objectives above. Whilst the EKGf covers Ashford as well as the area covered by the proposed new district, there is a clear desire to continue to collaborate in key areas, which the framework will address. This will provide a platform to take a view of future investment priorities and feed into the refreshed strategic plan being developed by the SELEP. As stated elsewhere, speaking as a single voice for East Kent, the new council is likely to carry greater influence than four individual districts, with an increased chance of securing funding and delivering the strategically significant projects. (The NLP work is due to complete in early 2017.)

At this stage, what can be said at a very high ('macro') level, is that:

- Canterbury has the potential to become the growth hub and attractor for the new district as a whole
- to fully realise that potential and to benefit the whole four-district area, Canterbury needs the other areas to complement what it has to offer

Looking ahead, the new council will have important choices to make in terms of policy and investment. In terms of economic growth this includes balancing investment in the service sector (largely Canterbury and also Discovery Park) with that in more industrial sectors (largely Dover, Shepway and Thanet) and balancing the range of housing stock available across the whole council area. These and other opportunities are explored in more detail below.

Housing growth

In provision of housing, some areas already exceed locally generated need; for example, Dover and Folkestone.

Parts of the new council area already attract London workers looking for their next step on the housing ladder – for example Canterbury, parts of Thanet (in particular, Margate) and



Shepway (in particular, Folkestone). In addition, as indicated above, Thanet, Dover and (to a lesser extent) Shepway all provide homes for people who work in Canterbury.

The award of garden town status to an area of Shepway creates the justification for a well-resourced delivery unit, which can then also be capitalised upon by the new council as a whole. This provides opportunities to:

- scale-up as a single team with greater capacity and capability to increase the quantity of new housing and the speed of delivery
- share services and prioritise to better achieve strategic outcomes
- directly deliver housing and infrastructure more efficiently
- provide a balanced portfolio of housing that is able to attract all market segments and support the economic growth ambitions the new council
- develop a more strategic relationship with the LEP (and access to LEP funding)
- improve the area's reputation with the private sector
- engage more broadly with the market and supply chain to procure at greater scale and secure better value financially

With pressure on affordable housing in Canterbury, there may be opportunities to look more broadly across the sub-region to invest in neighbouring areas (in both housing and transport infrastructure to provide the necessary connectivity) to relieve that pressure. This is likely to require not just more housing, but the right mix of housing, to satisfy a range of resident (and potential resident) needs and aspirations.

A recent analysis / evaluation of Barratt Developments' socio-economic impact⁹ of housing estimates the economic multiplier effect of new housing to be 2.41 while an economic study conducted by L.E.K. Consulting¹⁰ estimate this at 2.84. The results of both studies indicate a significant wider economic benefit of increasing housing supply through new development.

Infrastructure – nationally important with international links

Existing assets include the Ports of Dover and Ramsgate; rail, including HS1; Eurotunnel; roads such as the M20 and A2. A single district would be able to:

- take a more strategic approach to infrastructure providers, such as SELEP, Network Rail and Highways England, as well Kent County Council and national government., speaking with a single (louder) voice
- communicate at a strategic level rather than a project level
- ensure that individual initiatives are considered in a more effective way and at a more strategic level

Although there are some examples elsewhere in England of cross border working to develop shared local plans, ultimately, a single new council would allow the authority to 'scale-up', combining four individual teams into one, to develop a sub-region-wide single local plan, providing strong strategic leadership across the whole area. In early engagement, the business community recognised, and was attracted to, the potential in this area.

⁹ NLP, (2014), Barratt Developments' Socio-Economic Footprint FY2014

¹⁰ L.E.K. Consulting, (2009), Construction in the UK Economy: The Benefits of Investment



The existence of a single local plan, supported by a coherent and costed infrastructure plan would provide increased certainty for potential developers of housing, retail and commercial properties that their schemes would be supported and clarity as to how planning gain would be taxed and spent by the authority. This creates a productive investment environment which should feed through over time into increasing local revenue sources for the new council, particularly via business rates. This is supported by research such as work undertaken by the CEBR¹¹ in 2013, they calculate the long term multiplier effect of infrastructure investment on economic output as 2.84, identical to the value attributed to housebuilding by the aforementioned LEK report but acknowledged as purely a coincidence.

Coastal communities

The sub-region enjoys an extensive coastline with existing attractions / tourist destinations of Herne Bay; Whitstable; Dover; Deal; Sandwich; Folkestone; Hythe; Margate; Ramsgate and Broadstairs. There are opportunities to further exploit these to increase visitor footfall from both within and outside the sub-region. In 2013, Visit Britain commissioned Deloitte and Oxford Economics to analyse the economic contribution of the tourism economy in the UK. They concluded that for every £1 spent on tourism, the overall impact was £2.80 and that for every 1% increase in tourism expenditure, tourism employment increased by 0.89%.

Visit Kent undertook an economic impact assessment of tourism across authority areas in 2015 and the results for the four districts are summarised below.

	Canterbury		Dover		Shepway		Thanet	
	2013	2015	2013	2015	2013	2015	2013	2015
Day trips								
Day trips volume (000s)	6,380	6,571	3,650	3,889	3,980	4,099	2,900	3,387
Day trips value (£'000s)	213,794	215,205	111,410	116,009	122,067	122,872	106,430	119,391
Overnight trips								
Number of trips (000s)	635	649	385	424	440	473	458	494
Number of nights (000s)	2,610	2,671	1,345	1,397	1,341	1,398	1,667	2,059
Trip value (£'000s)	142,589	145,983	79,775	88,745	75,550	81,714	95,001	122,087
Total Value (£'000)	356,383	361,188	191,185	204,754	197,617	204,586	201,431	241,478
Actual Jobs	8,833	9,378	5,140	5,562	4,509	4,796	5,932	7,312
Increase in spend		1%		7%		4%		20%
Increase in jobs		6%		8%		6%		23%

Table 2: Economic value of tourism in East Kent

The table shows the economic value of increasing tourism across East Kent, particularly in respect of employment, which increased proportionally more than spend across all four districts between 2013 and 2015, reflecting a higher employment multiple than the national average calculated within the Visit Britain report.

Cultural development at sub-region level

East Kent has considerable existing assets and attractions including: Margate – Turner Contemporary and the creative quarter; Folkestone – Creative foundation; Canterbury – a UNESCO world heritage site with over 50 scheduled monuments and the Marlowe theatre;

¹¹ CEBR Securing our economy: The case for infrastructure (2013)



Dover – the castle (English Heritage’s most popular visitor destination). There may be an opportunity to develop a sub-regional ‘offer’ that leverages more of these strengths in combination and encourages longer stays in the area rather than day trips, thus increasing the spend per visit to include, for example, accommodation, evening meals and entertainment.

In addition, there are opportunities to improve the links between tourism, economic development and housing growth across the area. As set out in the Strategic Economic Plan (SEP) for the SELEP, increasing employment in relatively low value areas such as the service industries can provide a first step / escalator to broader job opportunities, if considered as a part of an overall approach to economic development. A sub-regional approach for the East Kent coast could unlock further funding from the LEP through providing a coherent strategy for the area.

Income generation

There are a number of existing areas / mechanisms which the new council could exploit more effectively as a single voice to achieve more, rather than (potentially) competing, including:

- renewable energy: further exploitation and development of off-shore capability
- a more commercial approach to property investment and direct housing delivery
- the East Kent Spatial Development Company (EKSDC), mentioned in the introduction to this section

Specialisation

As demonstrated through the economic analysis outlined above, the new council has the opportunity to promote complementary specialisms in different areas. For example:

- Higher Education – focused on Canterbury with its three existing universities and opportunities to provide ‘satellite’ hubs – for example an Engineering faculty hub in Thanet / Manston Business park
- raising the current under-representation of high value office based sectors (such as professional services) in Thanet, Dover and Shepway as well as providing a complementary ‘more industrial’ offer to Canterbury’s service-based sector
- economic growth; for example, Discovery park Dover, Dover Harbour expansion, Manston Business Park, etc.
- cultural growth; for example, Folkestone (underpinned by Roger de Haan’s Creative Foundation), Canterbury (Marlowe Theatre) and Margate (Turner Contemporary)

2.4 A Joint Response to External Challenges

A number of the key features of East Kent as a sub-region could be impacted by the uncertainty in the lead-up to, and negotiation of Brexit. The new council could help to better mitigate those risks and ensure the East Kent area is better placed to seize new opportunities as they arise. Examples of impacts include:

- key pieces of infrastructure depend upon European trade and tourism for income (HS1, Dover and Ramsgate Harbours). Changes to operations, security and



immigration associated with Brexit could have an impact on this infrastructure – as well as a knock on impact on local transport across East Kent (hence operation Stack). The impact, and potential response is a cross authority issue.

- key elements of the economy are dependent directly and indirectly upon the European connection – in addition to the direct transport infrastructure. For example:
 - Discovery Park (the Enterprise Zone in Sandwich) is aimed at attracting international investment from English speaking countries who also require good continental connections
 - University of Kent, which brands itself as the UK's European University, (and other Canterbury HE organisations) offer a number of European focused courses. It is attractive to international students (including those from beyond the EU) because of these courses and the close European ties.
- tourism – all of the districts depend to some extent on tourism. The perception that potential visitors have of the area remaining open and welcoming during and following Brexit will have an impact on the contribution of tourism to the economy.

2.5 CONCLUSION TO THE ECONOMIC CASE

As for the strategic case, the economic case makes sense. A single larger district has the scale to operate and deliver economic outcomes more effectively and East Kent has an emerging coherence as an economic unit. There is scope to better exploit the synergies between the different constituent areas and this can be better achieved through creation of a new council rather than through collaboration between the existing districts.



3. COMMERCIAL CASE

A new council comprising the current Canterbury, Dover, Shepway and Thanet District Councils presents a number of commercial opportunities as well as challenges.

3.1 Opportunities

3.1.1 Benefits from Scale

The first set of opportunities are a function of the increased size of the new council. It would represent the biggest district council in the country with estimated net revenue expenditure over twice that of the current biggest district council, Northampton, and would be the biggest merger currently under consideration.

This scale should enable reductions to be made in the combined staffing budget of the present authorities in two stages through:

- Stage 1 - the removal of duplicate posts, particularly at a management level, and also through service consolidation and process harmonisation. These savings (equating to approximately 10% of overall expenditure) have been detailed in the Financial Case in section 4
- Stage 2 – service transformation (and associated additional savings) achieved through, for example:
 - sharing best practice
 - raising the performance of all current districts to that of the highest performer in any service area
 - streamlining procurement and contract management arrangements,
 - finding innovative ways to streamline partnerships and collaboration with other public and private sector partners
 - automating processes, rationalising ICT systems and exploiting digital technology

Stage 2 is likely to happen after the districts have been merged – post April 2019. At this stage no savings have been included in the Financial Case for transformation. However, based on experience from elsewhere, it should be possible to achieve additional savings over and above those achieved in stage 1. For some mergers, Stage 2 has resulted in similar levels of savings to those delivered by the structural savings from the creation of a new council. However, in some cases the stage 2 savings were delivered following the creation of unitary authorities in 2009; clearly a new council in this case would not be a unitary authority. In addition, local authorities have made significant efficiency savings in the austerity period since 2009. Therefore, the likelihood is that any transformation savings for the new council would be somewhat less.

That said, the new council would want to transform the services it inherits, once they have been brought together, and an indicative level of up to 5% of overall expenditure should be achievable based on research of other authorities. **This would equate to approximately £3.5m savings per annum over and above those outlined in the financial case¹².** Many

¹² Examples of the scale of savings achieved by local government restructuring elsewhere are provided in Table 18 within Section 4.4.4.



of these savings, such as adoption of best practice business processes and rationalising procurement arrangements should be achievable at a relatively low cost. Other areas, such as exploitation of digital technology, will require some investment in order to deliver savings.

Secondly, the scale of the new council should allow the new authority to assemble and maintain the necessary capacity and capability to deliver the objectives that are common across the area, particularly with respect to economic development, as highlighted in the economic case.

Thirdly, with Government policy on local government funding placing increasing dependency upon the local business rate tax base, there is, undoubtedly, greater ability to absorb the impact of local economic shocks, replicating the concept of a business rate pool.

With the exception of the transformation savings, these benefits are assessed and quantified within the financial case along with the additional savings opportunities that are less a function of size but more a result of collapsing four organisations into one as set out below.

3.1.2 Additional Savings

Democratic Services

The creation of a merged district should mean a reduction in the number of councillors and the costs of managing and maintaining the democratic aspect of local government in terms of meetings and election administration. However, the level of savings could be significantly reduced by the proposed devolution to Town and Parish Councils and possible creation of Area Boards to negate any democratic deficit.

Property

At present, there are four civic offices, housing the administrative functions of each council. A new council would enable a new property model to be developed, as part of a transformation programme featuring more flexible and remote based working, and a reduced requirement for office space. Rationalisation of the property portfolio may range from the freeing up of a second civic office (in addition to the one civic office which is already assumed in the core business case) through to the disposal of all existing civic offices and consolidation on one site for the new council's civic headquarters.

Audit

The creation of a new council would mean there would only be one set of financial statements requiring auditing, rather than four. The consolidation of systems, processes and controls is likely to increase the internal audit resource requirement in the first three years but this would be offset by the audit savings from needing just one external audit appointment rather than four.

Service Consolidation

Each Council is responsible for a set of core services which, although featuring some local differences, have fundamentally the same requirements across the following areas:



Service Area	Opportunity
Revenues and Benefits	A shared service (East Kent Services (EKS)) delivers the Revenues and Benefits service for three of the four councils and it is anticipated that by bringing Shepway into this arrangement, savings can be generated from hardware and software contracts and improvements made in operational resilience.
Planning	The existence of a single authority should enable greater resilience (particularly of specialised resources) and some savings to be found in aspects of Planning, particularly planning strategy and policy. However, the realisation of the strategic case for a new single district is likely to lead to greater demands on the planning service over the medium to longer term. In addition the possible creation of Area Boards may place additional demands on those planning resources
Waste Collection	The creation of a new council creates the ability to harmonise collections and benefit from economies of scale in the acquisition, management and operation of staff, plant, vehicles and equipment and roll out and management of recycling initiatives (see Footnote 12). As with Planning, an increase in economic activity, as targeted by the new council would feed through as an increased demand on this service.

Table 3: Summary of service areas and opportunities

Contract Management

Overall, the increased purchasing power and opportunity to homogenise contract specifications and contract management approaches should permeate through to savings across major areas of third party spend, particularly in respect of ICT, housing repairs and waste collection. At present, three of the four councils have externalised waste collection and, under a single district, these contracts would novate to the new organisation and involve operating through the initial years with two suppliers (Serco and Veolia) until the contracts were either terminated or expired. Similarly, three of the four owners of EKH hold housing repair contracts with Mears, featuring different specifications and payment mechanisms.¹³

3.3 Implementation Challenges

As well as the concerns raised through the engagement exercises, i.e. balancing the strategic with local responsiveness, there are other practical features of creating a new council that would need to be addressed.

¹³ It should be noted that for both waste collection and housing repairs, it is uncertain whether savings could be achieved on existing price levels through a re-tender, due to inflationary pressures and new EU waste directives that have affected both these areas since they were originally procured. The potential savings would be relative to the prices expected if new contracts are let under the existing structural arrangements.



3.3.1 Approvals Process

The approach to approvals and governance is covered in section 5 – Management Case.

3.3.2 Transition Costs

The cost of operating these interim and shadow arrangements prior to April 2019, as well as the costs of transitioning the operations of the four councils into a single authority need to be assessed and set against the savings outlined above.

The reduction in staff would be through a mix of churn and redundancy and the cost of this is expected to represent the largest single element of the transition cost estimate. The cost of redundancy payments and any associated pension entitlements have been assessed as part of the Financial Case.

There would also be costs incurred in the following areas;

Implementation Activity	Observations
ICT	Although there is a good degree of commonality across the four authorities in terms of platforms and applications, action would be required to ensure business as usual service can be maintained, involving implementation of certain 'workarounds', upgrades, extensions and staff training.
Planning, pre-launch, set up and implementation	Work involved in planning, logistics, relocation, closing down systems and accounts, establishing the physical and virtual infrastructure for a new organisation, budgets, recruitment etc.
Professional support	Specialist external advice required for particular matters e.g. TUPE, novating existing contracts
Communications and engagement	Stakeholder engagement and communications e.g. staff, residents and businesses. Creation of a new brand and associated signage, stationery etc.

Table 4: Implementation activity and observations

3.3.3 Council Tax Harmonisation

A merged single district council would need to determine its own funding requirements and calculate its council tax rate accordingly. Ideally, a rate would be calculated and applied which ensures that the value of council tax income generated is the same as the value that would have been generated had the four councils remained separate. Table 5, below, shows what this would mean in terms of an annual change for residents across each of the four districts in the proposed year of creation of a new council - 2019/20.



2016/17 Band D				
	Equivalent	2018/19	2019/20	Increase
Council	Rate (£)	rate* (£)	rate (£)	%
Canterbury	194.31	204.31	218.68	7.0%
Dover	172.44	182.44	218.68	19.9%
Shepway	232.56	242.56	218.68	-9.8%
Thanet	214.92	224.92	218.68	-2.8%

*Assumes rates increase at the greater of £5 or 1.99%

Table 5: Single council tax rate required to maintain income level as now

As can be seen, with the exception of residents in Thanet, the move to a harmonised rate in the first year of operation of the new council would result in large percentage movements in council tax rates, dependent upon location. For residents in Shepway and Thanet, they would experience a reduction in their council tax whereas residents in Canterbury and Dover would bear percentage increases. In general, there is a limit on the increase that can be applied to a household's council tax charge in any one year and this would be exceeded for Canterbury and Dover residents. (The limit is the greater of £5 or 1.99%). A higher increase can be levied but only if this is as a result of creating a new Authority, as in this case, or it is agreed by residents through a referendum. DCLG have stated there are a variety of ways that the tax rate can be harmonised within the limits which could mean the single merged district operating with differential rates for a period of time. This creates an administrative burden and could also be perceived as inequitable and unfair for residents.

A number of options for harmonising rates are assessed within the Financial Case but all involve a loss of income compared to what would be billed if the councils stayed as they were. This is because

- a) the harmonisation process assumes the increase of prevailing predecessor council rates will be moderated to allow lower rate areas to catch up to a harmonised rate; and
- b) the annual increases in the new rate deliver a lower cash sum until the rate exceeds the threshold at which a 1.99% increase becomes greater than £5.

3.3.4 Merging of Balance Sheets

The process of merging the four districts into a new council would create a set of logistical risks that would need to be managed (see Management Case). There are also financial risks represented in each authority's balance sheet as a function of normal business which would be inherited by the new authority. A high level, desk top assessment, of the balance sheet of each council as at 31 March 2016, based on published financial statements, has been undertaken along with a review of forthcoming capital expenditure. A summary of the review is contained in Appendix C. It should be noted that a decision to proceed with a proposal to create a new council would require a more detailed analysis of the respective financial risks and liabilities that are carried by each organisation than has been possible within the time and information available for this exercise.



3.4 CONCLUSION TO THE COMMERCIAL CASE

On the basis of the evidence provided, the commercial opportunities offered by establishing a single new council from districts of Canterbury, Dover, Shepway and Thanet outweigh the challenges. However, those challenges would need to be carefully managed through the transition (see section 5 - Management Case - for more details on the transition arrangements).

4. FINANCIAL CASE

4.1 Introduction

This section of the business case considers the budgetary impact of a single district council relative to the combined projections for the current four districts. It also assesses the cost of transitioning the four districts into a single district council and the implications of risk and optimism bias for the estimates. The overall aim is to determine whether a single district council is likely to deliver a better financial outcome than the existing as-is position and that the journey for achieving such a change can be funded.

4.2 Current Baseline Position

The table below shows the projected income and expenditure for the four districts over the period 2017/18 to 2024/25 and the level of annual savings that will be required to balance the budgets in each of those years. This shows the four districts would need to collectively eliminate c.£4.7m of spending prior to merging and that a further £13.4m of cost pressure would be inherited by a new single district for the period to 2024/25. These projections are based on each council's latest draft of the Medium Term Financial Plan (MTFP) forecasts, extended out, as applicable, on the basis of the following assumptions¹⁴:

- council tax rate increases at the greater of £5 or 1.99%
- council tax base increases at 1.5%
- business rate income increases at 2%
- net revenue expenditure increases at 2%
- new homes bonus phases out over four years from 2020/21

Period Start	01-Apr-17	01-Apr-18	01-Apr-19	01-Apr-20	01-Apr-21	01-Apr-22	01-Apr-23	01-Apr-24
Period End	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
Period	1	2	3	4	5	6	7	8
Income (£'000s)								
Canterbury	17,527	15,682	14,927	15,267	15,239	15,223	15,219	15,455
Dover	14,348	13,862	13,560	13,200	12,837	12,663	12,497	12,635
Shepway	15,645	15,109	14,833	14,811	15,157	15,511	15,874	16,244
Thanet	18,604	18,423	18,331	17,849	17,597	17,361	17,141	17,444
Total	66,125	63,076	61,651	61,128	60,831	60,758	60,730	61,779
Expenditure (£'000s)								
Canterbury	17,527	17,344	18,559	20,424	20,833	21,249	21,674	22,108
Dover	14,355	14,886	15,452	15,947	16,266	16,591	16,923	17,261
Shepway	15,645	15,616	15,837	16,359	16,686	17,020	17,360	17,708
Thanet	18,604	19,921	20,689	21,103	21,587	22,090	22,359	22,807
Total	66,132	67,767	70,538	73,833	75,372	76,950	78,317	79,883
Savings Required (£'000s)								
Canterbury	0	(1,662)	(3,632)	(5,157)	(5,593)	(6,026)	(6,456)	(6,652)
Dover	(7)	(1,024)	(1,893)	(2,747)	(3,428)	(3,928)	(4,426)	(4,627)
Shepway	(0)	(507)	(1,005)	(1,548)	(1,529)	(1,509)	(1,487)	(1,463)
Thanet	0	(1,498)	(2,358)	(3,254)	(3,990)	(4,728)	(5,218)	(5,362)
Total	(7)	(4,691)	(8,887)	(12,705)	(14,541)	(16,192)	(17,587)	(18,105)
<i>Net Position post merger</i>	-	-	(4,196)	(8,014)	(9,850)	(11,501)	(12,896)	(13,414)
<i>Additional year on year resource requirement</i>	(7)	(4,684)	(4,196)	(3,818)	(1,835)	(1,651)	(1,395)	(518)
<i>Cumulative resource requirement</i>	(7)	(4,698)	(13,585)	(26,290)	(40,831)	(57,023)	(74,610)	(92,714)
<i>Net Cumulative resource requirement post merger</i>	-	-	(4,196)	(12,211)	(22,060)	(33,561)	(46,457)	(59,871)

Table 6: Baseline projections

¹⁴ These assumptions have been agreed with each Council's S151 officer.

4.3 Alternative Baseline

The current baseline position shown in Table 6 has been re-assessed in recognition that councils are operating in an era of unprecedented financial uncertainty for them. The local government sector is being subjected to a sustained period of budget reductions as part of the Government's strategy for reducing the Public Sector Borrowing Requirement (PSBR). The wider pressures on the PSBR from areas such as health spending demands could result in further cuts and pressures for local government. Consequently, an alternative baseline has been cast to reflect adverse movements in current forecast assumptions. This would increase the cost pressure for the new council from £13.4m, as per Table 6, to £20.8m over the six year period to 31 March 2025. The relevant changes to the previous assumptions are summarised below and the impact on respective council's baselines shown in the subsequent Table 7.

- Business rate income increases at 0%
- Net Revenue expenditure increases at 3%

Period Start	01-Apr-17	01-Apr-18	01-Apr-19	01-Apr-20	01-Apr-21	01-Apr-22	01-Apr-23	01-Apr-24
Period End	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
Period	1	2	3	4	5	6	7	8
Income (£'000s)								
Canterbury	17,527	15,682	14,836	15,087	14,966	14,855	14,754	14,892
Dover	14,348	13,862	13,461	13,004	12,548	12,269	11,996	12,027
Shepway	15,645	15,109	14,739	14,621	14,869	15,124	15,384	15,651
Thanet	18,604	18,423	18,206	17,596	17,214	16,845	16,489	16,654
Total	66,125	63,076	61,242	60,308	59,597	59,092	58,623	59,224
Expenditure (£'000s)								
Canterbury	17,527	17,344	18,741	20,827	21,451	22,095	22,758	23,440
Dover	14,355	14,886	15,604	16,261	16,749	17,251	17,769	18,302
Shepway	15,645	15,616	15,993	16,682	17,182	17,697	18,228	18,775
Thanet	18,604	19,921	20,892	21,519	22,228	22,969	23,477	24,181
Total	66,132	67,767	71,229	75,288	77,610	80,012	82,232	84,699
Savings Required (£'000s)								
Canterbury	0	(1,662)	(3,905)	(5,740)	(6,486)	(7,240)	(8,004)	(8,549)
Dover	(7)	(1,024)	(2,142)	(3,257)	(4,201)	(4,982)	(5,773)	(6,275)
Shepway	(0)	(507)	(1,254)	(2,060)	(2,312)	(2,574)	(2,844)	(3,124)
Thanet	0	(1,498)	(2,686)	(3,923)	(5,014)	(6,124)	(6,988)	(7,527)
Total	(7)	(4,691)	(9,987)	(14,980)	(18,013)	(20,920)	(23,609)	(25,475)
<i>Net Position post merger</i>	-	-	(5,296)	(10,289)	(13,322)	(16,229)	(18,919)	(20,784)
<i>Additional year on year resource requirement</i>	(7)	(4,684)	(5,296)	(4,992)	(3,033)	(2,907)	(2,690)	(1,866)
<i>Cumulative resource requirement</i>	(7)	(4,698)	(14,685)	(29,665)	(47,678)	(68,598)	(92,207)	(117,682)
<i>Net Cumulative resource requirement post m</i>	-	-	(5,296)	(15,585)	(28,907)	(45,136)	(64,055)	(84,839)

Table 7: Alternative baseline projections

4.4 Position for a Single District

4.4.1 Savings

The commercial case outlines a range of saving opportunities that could arise from creating a new council from the current four district councils. The valuation basis of these is set out below.

Staff

A 'span of control' approach has been applied to the assessment of savings from reducing senior officer numbers. The table below shows the number of staff assumed at each management tier, relative to the number that exist at present.

Span of control				
Tier	Salary (£'000s)	Current no.	Target no.	Post saving
1	> £99,999	4	1	3
2	> £95,000	5	3	2
3	> £65,000	16	12	4
4	> £47,465	73	48	25
Total				34
Full cost saving (£'000s)				2,396

Table 8: Management savings

There would also be savings achievable from eliminating duplicated posts and consolidating roles at non-management level. A review of service descriptions and establishment role lists has led to an assumption that approximately 6% of staff costs could be saved from this aspect.

As a result of these two elements and discounting for charges to the HRA and staff savings planned for pre-2019/20, an annual staff cost saving of £5,027k, inclusive of on-costs¹⁵, has been accounted for in the business case. It has been assumed that 75% of these savings will be made in the first year of the new council's operation, with the full value of savings being taken in Year 2 onwards.

Members

There are currently 170 councillors serving the four districts as shown in the table below.

Authority Name	Electors at 1/12/2015	Number of Wards	Council Size	Electors per Councillor
Canterbury	102,393	21	39	2,625
Dover	85,488	21	45	1,900
Shepway	78,619	13	30	2,621
Thanet	98,856	23	56	1,765
Total	365,356	78	170	2,149

Table 9: Member information

Each councillor receives an annual basic allowance which is enhanced for special responsibility roles such as, for example, being Leader or portfolio holder. The creation of a single district would lead to the costs of special responsibility allowances being

¹⁵ Employer pension and National Insurance contributions



approximately a quarter of what they account for currently (c £0.4m). It is also anticipated that the total number of councillors would be less than the current figure of 170 and more likely to be in the range of 70 – 100 resulting in a saving of total basic allowance payments. For the purposes of the projections in this business case, it has been assumed that the new district would operate with 72 councillors in receipt of a basic allowance equivalent to the highest current prevailing rate. On the basis of these assumptions, an annual saving of £754k has been accounted for in the business case, with 100% of the savings being taken from Year 1 onwards. However, as considered in section 1.5 (Stronger Local Leadership), the new council would need to design a new form of governance¹⁶ which may impact on this level of saving, dependent upon the approach taken. As a proxy indicator of the additional cost, a democratic function based on 100 councillors would result in an additional cost of c. £153k.

Addressing the Democratic Deficit

The management case highlights a number of risks with a new single district, one of which, (as referenced in Appendix D – initial Risk Log), Loss of Localism, has begun to be explored in the strategic case. Any approach adopted by the new council to address the ‘democratic deficit’ would be entirely on a voluntary basis. At one level, expanding the presence of Town and Parish Councils into areas, as yet ‘un-parished’ could be a chosen solution which could be cost neutral with the levy of an appropriate precept. At the other end of the cost range could be an enhanced area management model featuring area boards with democratic representation. These would need officer and administrative support that could, conservatively, add c£500k to the operating budget of a new council. To reflect this, the business case at this stage has taken some account of the staffing implications (a smaller percentage reduction in Democratic Services and Planning staff) and has identified (see paragraph above) an additional cost of retaining 28 councillors. These assumptions must be considered further if the decision is taken to proceed with a new council and any additional cost burdens from an agreed enhanced democratic model will need to be accounted for in the final business case.

Property

Each council has a main corporate administrative building (CAB) which accommodates the bulk of its staff. Although the assumed staff reductions, 10% as a percentage of existing staff costs, would not realise significant additional space, it is unfeasible to assume that a new council would operate into the medium and long term with four CABs. An assumption has been made that revenue savings¹⁷ would be achievable by reducing the number of CABs from four to three and a saving, equivalent to the average running costs of a current CAB, has been shown in the table below.

¹⁶ Through discussions with the Boundary Commission

¹⁷ utilities (gas, electricity, water) insurance, routine repairs and maintenance, soft facilities management (cleaning, security, reception)



Authority	Administrative Centre	Site name	Value (£'000s)	Capacity (workstations)	Running costs per annum (£'000s)
Canterbury	Canterbury	Military Road, Canterbury	5,512	450	715
Dover	Whitfield	Whitecliffs Business Park	5,656	388	375
Shepway	Folkestone	Civic Centre	2,200	230	202
Thanet	Margate	Cecil Street	2,400	355	351
Total			15,768	1,423	1,643
Average			3,942	356	411

Table 10: Property information

It has been assumed that the transition from four into three buildings would be undertaken over two years with half the achievable saving accounted for in Year 1, and the full saving coming through by Year 3.

ICT

The ICT service of three of the four councils is operated by a shared service initiative called East Kent Services (EKS). As a result of discussion with EKS, an annual saving of £125k has been assumed as the benefit achievable from bringing Shepway into the EKS arrangement as a result of creating a single district council. This saving would principally arise from harmonising ICT contract management and contract specifications. It has been assumed that this saving would start to materialise in the second year of the new council's operation with the full saving being taken from Year 3 onwards.

External audit

The current combined core external audit fee for the four councils is approximately £270k per annum. A saving on this figure of £130k has been assumed for the audit fee of a new single district council.

The table below summarises the savings referenced above and accounted for in the business case.

Annual Savings (2016/17 prices)		%
	£'000s	
Staffing	5,027	78%
Members	754	12%
Property	411	6%
ICT	125	2%
External Audit	130	2%
Total	6,447	100%

Table 11: Annual savings

4.4.2 Transition Costs

There would also be costs incurred in transitioning the four councils into a single council in order to realise these savings. The modelling assumptions for these are set out below.



Staffing

The redundancy costs arising from rationalising management and consolidating roles have been estimated with reference to prevailing policy and the average age and length of service of staff. For those staff where the redundancy payment, including pension enhancement, could exceed £95k¹⁸, the cost has been capped at £95k. A total sum of £2,319k has been assumed for the staffing element of transition costs and 50% of these are accounted for in the year prior to the new council being created and 50% in the year of the new council's creation.

ICT

An estimate for the costs of amalgamating the ICT requirements of Shepway into the EKS operation has been included based on a review of ICT integration costs for other council merger business cases and discussion with EKS, taking into account the high degree of commonality across the four councils in terms their ICT Platforms and Applications. At this stage, it is necessary to attach a significant margin of error to the value assumed. This represents the mid-point of a necessary wide range of £0.5 to £1.5m with 50% of these being accounted for in the year prior to the new council being created and 50% in the year of the new council's creation.

Planning and pre-launch

A value of £630k has been assumed to account for the cost of relocation planning and closedown planning. This has been accounted for in the year prior to the new council being established.

Implementation

A team of 9 FTEs at an average salary of £50k (including on costs for 2.5 years) has been assumed to commence in the year prior to merger (2018/19).

Professional support

A value of £450k has been assumed based on the average cost incurred by councils involved in recent mergers and re-structures, principally the creation of unitary councils in 2009. This value is to account for the costs of professional HR (TUPE) and legal (contract novation etc.) advice that would be required. The cost has been assumed to be incurred equally over the year prior to the new council being created and 50% in the year of the new council's creation.

Communications

These are the costs of communicating the change process, keeping stakeholders informed and changing signage, logos, websites and other physical and virtual media. A figure of £450k, based on referencing the costs incurred by previous re-structures, has been assumed. This has been accounted for equally over the year prior to the new council being created and the year of the new council's creation.

¹⁸ The government has committed to introducing a cap on all public sector exit payments at £95,000 and expects proposals to be set out and agreed by the end of 2016/17.



Set Up

These are primarily the costs of inducting new Members and staff into the new single council. A figure of £225k, based on referencing the costs incurred by previous re-structures, has been assumed. This has been accounted for equally over the year prior to the new council being created and the year of the new council's creation.

Provision

A contingency provision of 10% has been applied to the quantum of transition costs set out above.

The table below summarises the transition costs referenced above and accounted for in the business case.

Total Transition Costs (2016/17 prices)	
	£'000s
Staffing	2,300
ICT	1,000
Planning and pre-launch	630
Implementation	1,125
Professional support	450
Communications	450
Set Up	225
Provision	618
	6,799

Table 12: Total transition costs¹⁹

4.4.3 Council Tax Harmonisation

A further cost is incurred as a result of the need for the new council to adopt a unified council tax rate. The concept of council tax harmonisation is explained in the commercial case with the financial implications set out below.

The current council tax rates for 2016/17 for each of the districts are

Council	2016/17 Band D Equivalent Rate (£)
Canterbury	194.31
Dover	172.44
Shepway	232.56
Thanet	214.92

Table 13: Existing council tax rates

¹⁹ This value differs from the value evident in Table 19 as a result of the impact of assumed inflation on the latter. The former is expressed as at 2016/17 price levels whereas the figures in Table 19 are expressed in nominal terms i.e. assumed inflation levels have been applied.



We have modelled a convergence period of five years from commencement of the new organisation and calculated the impact of converging to both:

- A) the lowest prevailing rate and
- B) the rate which would achieve the same level of income in the fifth year as would be achieved if the councils stayed as they currently are.

The tables below shows the loss incurred under both scenarios over the modelled period to 2024/25.

A) Harmonisation to the lowest rate over five years

Period Start	01-Apr-17	01-Apr-18	01-Apr-19	01-Apr-20	01-Apr-21	01-Apr-22	01-Apr-23	01-Apr-24
Period End	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
Period	1	2	3	4	5	6	7	8
Council Tax Foregone (£'000s)								
Canterbury	-	-	215	431	656	887	1,125	1,142
Dover	-	-	-	-	-	-	-	-
Shepway	-	-	488	968	1,448	1,929	2,410	2,435
Thanet	-	-	367	747	1,139	1,544	1,962	2,000
Total	-	-	1,070	2,146	3,243	4,360	5,497	5,577

Table 14: Annual lost council tax income

This would involve the following annual rate changes for residents;

- Canterbury – 0.3% increase
- Dover – £5 per annum²⁰
- Shepway – 3.1% decrease
- Thanet – 1.6% decrease

B) Harmonisation to the average rate over five years

Period Start	01-Apr-17	01-Apr-18	01-Apr-19	01-Apr-20	01-Apr-21	01-Apr-22	01-Apr-23	01-Apr-24
Period End	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
Period	1	2	3	4	5	6	7	8
Council Tax Foregone (£'000s)								
Canterbury	-	-	72	154	251	361	486	480
Dover	-	-	193	411	655	929	1,235	1,237
Shepway	-	-	226	450	681	917	1,161	1,190
Thanet	-	-	98	198	302	407	515	536
Total	-	-	59	83	76	34	45	9

Table 15: Annual lost council tax income

This would involve the following annual rate changes for residents;

- Canterbury – 3.2% increase
- Dover – 5.5% increase
- Shepway – 0.3% decrease
- Thanet – 1.2% increase

²⁰ Councils are permitted to raise their council tax rate by the maximum of £5 or 1.99%, whichever is the greater. Any rise in excess of this requires a majority vote in favour via a referendum process.



We have also modelled the position if the new council adopted a rate which generated the same value of Council Tax income in 2019/20 as would be generated if the four councils remained separate.

C) Harmonisation to the average rate in Year 1

Period Start	01-Apr-17	01-Apr-18	01-Apr-19	01-Apr-20	01-Apr-21	01-Apr-22	01-Apr-23	01-Apr-24
Period End	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
Period	1	2	3	4	5	6	7	8
Council Tax Foregone (£'000s)								
Canterbury	-	-	460	451	458	464	471	480
Dover	-	-	1,184	1,188	1,199	1,211	1,223	1,237
Shepway	-	-	1,131	1,140	1,147	1,158	1,172	1,190
Thanet	-	-	480	498	508	519	529	536
Total	-	-	34	1	2	2	6	9

Table 16: Annual lost council tax income

This would involve the following one off rate changes for residents;

- Canterbury – 7.0% increase
- Dover – 19.9% increase
- Shepway – 9.8% decrease
- Thanet – 2.8% decrease

4.4.4 Risk and Optimism Bias

The financial projections also need to take account of the costs of mitigating risks inherent in delivering a major organisational project, as outlined in the management case.

The key risks identified that could have a financial impact as a result of either their mitigation or realisation are summarised in the table below, reflecting concerns around the scale and timing of net saving realisation. An adjustment to reflect the estimated quantified impact has been accounted for in the financial projections.

The S151 officers have also expressed concern as to how the baseline funding requirement of a new council will be calculated and that the benefit projections are incumbent on central government not making compensating adjustments which erode or eliminate the merger benefit. This is to be raised in discussions with DCLG and appropriate assurances are to be sought by way of mitigation.

No.	Risk	Description	Pre-Mitigation Impact	Probability	Pre-Mitigation Impact	Probability	Risk Premium	Application
1	Changes in the expected costs and benefits of the merger	The merger may not achieve the identified savings, either through delayed benefit realisation or increased transition costs, with the risk that financial sustainability is not delivered after merger	M	M	M	L	5.25%	Value of savings
8	Lack of capacity to implement the merger	The uncertain environment created by a proposed merger may result in key staff leaving the existing councils before the new entity is created. The loss of capacity to manage the merger may result in delays in implementing the new council	M	M	M	L	5.25%	Savings profile

Table 17: Risk quantification

The concept of optimism bias also needs to be addressed to take account of the potential that costs may be under-estimated and savings over estimated. The creation of a new district council from four existing districts would break new ground for local government



organisation and as such there is no comparable evidence base against which the cost and saving estimates assumed within this business case can be assessed. However, some sense can be gauged from looking at previous examples of local government re-structure, particularly examples of district shared management and the creation of unitary councils. The table below highlights the savings and transition costs associated with a number of examples and compares these with the savings and transition costs²¹ assumed in this business case.

Authority	Initiative	Annual Saving (£m)	Annual Saving per capita (£)	Transition Costs (£m)	Transition Costs per capita (£)
Cornwall	Unitarisation	20	37.41	0.00	0.00
Durham	Unitarisation	26	50.22	14.65	28.53
Northumberland	Unitarisation	20	63.02	21.32	67.48
Shropshire	Unitarisation	23	49.44	14.55	30.70
Wiltshire	Unitarisation	21	30.83	20.35	29.75
East Kent	District merger	6	12.45	7	13.17
Breckland & South Holland	District shared management	1	7.06		
Bromsgrove and Redditch	District shared management	2	16.35	1	9.24
Cherwell and S Northants	District shared management	4	17.76		
Chiltern and S Bucks	District shared management	2	8.50		

Table 18: Savings and transition costs comparisons

This shows that the level of savings assumed within this business case is at the low end of what has been achieved from combining councils into unitaries elsewhere and that the transition costs, as a percentage of savings, are also lower too. Although the projected savings are greater than what has been achieved through shared management initiatives between two districts, this is to be expected as this case involves the creation of a new council from four existing councils and savings beyond purely management. Given this, a provision for optimism bias has not been included in the projections but a range of sensitivities have been modelled to illustrate the impact of the financial estimates experiencing optimism bias. The sensitivities are included as part of the following section which brings the component parts of the financial appraisal together.

4.5 Overall Position

The table below compares the projected as-is position with the new single council under all three council tax harmonisation approaches.

²¹ Savings uplifted to 2016/17 price levels where applicable



	A		B		C	
	Harmonise to the lowest rate as at 2023/24 (over 5 years)		Harmonise to the average rate as at 2023/24 (over 5 years)		Harmonise to the average rate as at Year 1 (2019/20)	
Period	(2017/18 - 2024/25)		(2017/18 - 2024/25)		(2017/18 - 2024/25)	
Option	As-Is	Single District	As-Is	Single District	As-Is	Single District
	Cumulative (£'000s)		Cumulative (£'000s)		Cumulative (£'000s)	
Value of cash to be saved by 31 March 2025	(92,714)	(92,714)	(92,714)	(92,714)	(92,714)	(92,714)
<i>Less impact of savings to be made pre-merger</i>	32,843	32,843	32,843	32,843	32,843	32,843
Cash to be saved post-merger	(59,871)	(59,871)	(59,871)	(59,871)	(59,871)	(59,871)
Savings generated by merging	0	41,330	0	41,330	0	41,330
Sub-Total	(59,871)	(18,541)	(59,871)	(18,541)	(59,871)	(18,541)
Merger savings as a % of total requirement	0%	69%	0%	69%	0%	69%
Add:						
Costs of merging						
Transition Costs	0	(7,281)	0	(7,281)	0	(7,281)
Council Tax Loss	0	(21,892)	0	(216)	0	20
Risk adjustment	0	(2,707)	0	(2,707)	0	(2,707)
	0	(31,881)	0	(10,205)	0	(9,969)
Balance of savings to be identified	(59,871)	(50,422)	(59,871)	(28,746)	(59,871)	(28,510)
Balance of savings to be identified (%)	100%	84%	100%	48%	100%	48%
Balance of savings identified (%)	0%	16%	0%	52%	0%	52%

Table 19: Financial summary over eight years

As noted in section 4.2, irrespective of whether a decision is taken to proceed with the creation of a new council, the councils will need to eliminate approximately £4.7m of expenditure from their budgets in 2018/19 and find a further £13.4m over the following six years to 31 March 2025. The cumulative value of these required savings is £92.7m as shown in Table 19 above. The table compares the cumulative impact of the savings, transition costs and lost council tax income as a result of merging the four districts against the projected position if no changes occurred at all. The table highlights that creation of a new council would deliver 16% of the savings required between 2019/20 and 2024/25 if council tax rates were harmonised under the approach described as option A per section 4.4.3 above. However, harmonisation under option B or C results in a much lower value of income loss and consequently, creating a new council under either of these approaches, is projected to contribute 52% to the savings requirement over the period to 31 March 2025.

This calculation also takes into account the transition costs, which equate to approximately one year's worth of savings²², and a provision for the impact of the risks highlighted in section 4.4.4. As the table identifies, in the absence of such costs and risks, the gross savings projected from merging would deliver 69% of the savings estimated as required between 1 April 2019 and 31 March 2025.

4.6 Sensitivity Testing

As explained in section 4.4.4, rather than adjust for optimism bias, a series of sensitivities have been performed on the projections set out in Table 19 above. The table below sets out the results of two sensitivity tests. The first illustrates the percentage reduction in saving

²² The transition costs will start to be incurred prior to the creation of the new council and will therefore fall on the individual districts to finance. Consequently, a protocol will need to be agreed by all districts which agrees the process by which the costs will be funded and, if necessary, governs the use of cash reserves to ensure that sufficient financing ability is available.



estimates that would need to occur before the net benefit of merging Districts is nil and, similarly, the second illustrates the percentage increase in transition costs that would need to occur for the net benefit of merging to be nil.

Harmonisation Option	A	B	C
Costs of merging	(31,881)	(10,205)	(9,969)
Savings generated by merging	41,330	41,330	41,330
Net benefit of merging	9,449	31,125	31,361
% change in Savings for the Net Benefit to be zero	-23%	-75%	-76%
Transition Costs	(7,281)	(7,281)	(7,281)
Additional Transition Costs for the Net Benefit to be zero	(9,449)	(31,125)	(31,361)
% change in Transition Costs for the Net Benefit to be zero	130%	427%	431%

Table 20: Sensitivity scenarios

The table above shows that savings would need to come in over 75% less than assumed, under harmonisation options B and C, for the as-is case to be financially preferable. This margin of error is a lot lower under harmonisation option A where a fall in expected savings of more than 23% would result in the as-is case to be financially preferable.

The table also shows that transition costs would need to be in excess of five times greater than currently modelled under harmonisations options B and C, for the cumulative benefit of merging to be eliminated over the modelled period. Under option A, however, a doubling of modelled transition costs would largely eliminate the net benefit.

4.7 CONCLUSION TO THE FINANCIAL CASE

The creation of a new council from the four district councils is an action that has the potential to make a significant contribution to the savings that will be required to be made over the six year period to 2024/25. It would involve relatively substantial one-off costs that account for just over one year's worth of projected savings and there are choices to be explored further as to how such costs would be financed. Once the new council is implemented and the reductions in operating costs achieved, the changes will have eliminated £6.4m, in 2016/17 prices, of annual expenditure from budgets which represents c.10% of the current combined net revenue expenditure of the four districts. The extent to which this saving benefit resides within the council or is transferred to residents, depends upon the choice of approach to harmonising council tax rates.



5. MANAGEMENT CASE

5.1 Introduction

This section of the business case addresses the ‘achievability’ of the proposed option. Its purpose therefore, is to set out the actions that would be required to ensure the successful delivery of the proposal in accordance with best practice.

5.2 Programme and Project Management (PPM) Methodology and Governance

Moving four districts into one represents a major programme of change, not only to the structure and operation of the organisation but also the culture. Research of previous major re-organisations has shown that dedicated resources are required to deliver change of this magnitude and that resourcing this change using officers on a part- time basis who have another ‘day job’ is not a viable option.

The districts currently use programme and project management methodologies based on (respectively) Managing Successful Programmes (MSP)²³ and PRINCE2²⁴. As these are well-recognised approaches, we assume the new programme would adopt these (in the form they have been implemented in the districts).

The proposed Governance structure of the programme is set out in the schematic and subsequent paragraphs below.

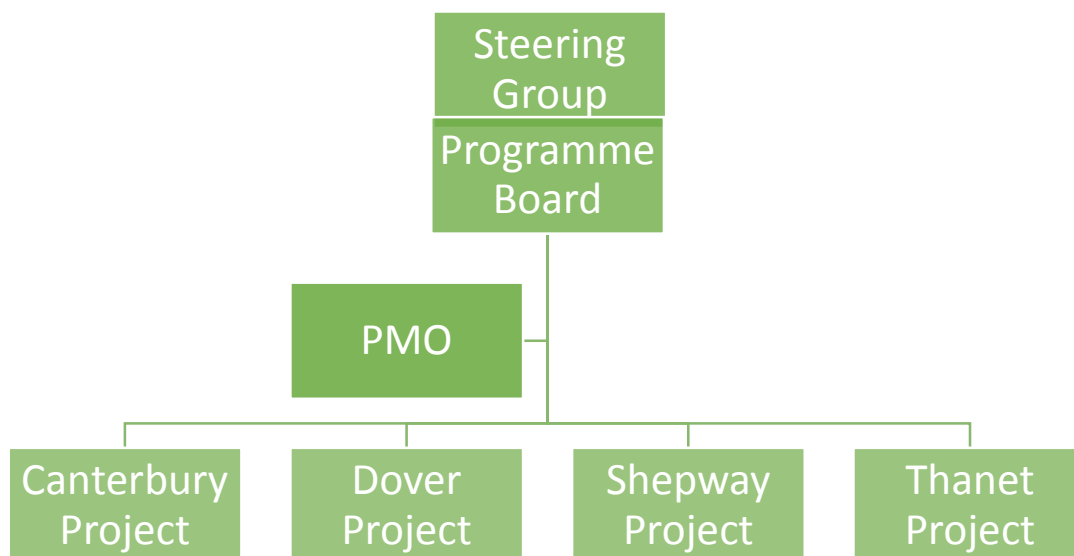


Figure 1: Proposed governance structure for implementation programme

²³ MSP is a methodology which supports the management of multiple projects that typically aim to deliver strategic organisational benefits in a complex business environment

²⁴ PRINCE2 (an acronym for **P**ROjects **I**N **C**ontrolled **E**nvironments) is a process-based method for effective project management.



Steering Group

The Steering Group would provide strategic and political leadership for the overall programme to create a new council and is responsible for:

- agreeing the scope of the programme
- appointing the programme board
- appointing the programme director
- providing decisions and steers as required on the scope and strategic issues
- monitoring progress on delivery
- managing risks that have been escalated from the programme board.

The Steering Group would comprise the leaders from each council or their designated substitute. In addition, other councillors may be involved (e.g. portfolio holders). It would be good practice to ensure that member representation on the steering group reflects the current political balance of the existing councils.

If Secretary of State approval is granted for the new council to be created then an Implementation Executive would be established as the decision making body for the new council until members of the new authority are elected. It is assumed that at this point the steering group would fold into the Implementation Executive (with the same membership).

The Steering Group (Implementation Executive) would meet monthly (more frequently when required). It would be chaired by one of the leaders on an agreed rotating basis. The programme director would report to the steering group.

Programme Board

The Programme Board is responsible for delivery of the programme benefits. The Programme Director is the Senior Responsible Owner for the programme to create a new council and accountable to the steering group for delivery of the programme.

The Programme Board would:

- review the scope of the programme and make recommendations to the steering group
- provide decisions and steers as required by the constituent projects
- monitor progress on delivery (against budget and time-scales)
- manage risks that have been escalated from the projects and escalate them to the steering group if necessary

The Programme Board would be chaired by the programme director and comprise the Chief Executives from the four districts, a nominated S151 officer to act as the finance director for the programme, a nominated legal representative and a nominated HR lead (both of the latter to act on behalf of the four districts).



Programme Management Office (PMO)

The Programme Management Office (PMO) would provide administrative support to the programme and project managers, as well as act as the secretariat for the steering group and Programme Board.

Projects

Each district would appoint a project manager to lead the work-streams to create a new council for their authority. The aim of each project would be to ensure that all aspects of the change required in their district to give effect to the new combined district are delivered by 31st March 2019 within budget and to agreed quality levels.

5.3 PPM Management Plans

As indicated above, the programme would be managed using a combination of MSP and PRINCE2 (as implemented within the districts). As a minimum this would include:

- a Programme Initiation Document (PID)
- Project Initiation Documents (PIDs) for each of the underlying projects
- project plans / GANTT charts setting out the activities at project level
- a programme plan capturing key activities milestones and dependencies (drawn from the project plans and including programme-level activities)
- a risk management strategy and approach for the programme, expected to include a programme-level risk register and risk registers for each project (see also section 5.6 below)

5.4 Transition Arrangements

It is anticipated that a detailed transition plan would be developed if there is agreement to proceed by the councils in March 2017. The key transitional activities are described at a high level below:

5.4.1 Governance

- establishing Member and Officer led governance arrangements (see sections above regarding Steering Group and Programme Board). These bodies would need to articulate a clear overall vision, constitution, structure and required outcomes for the programme and new council
- developing a benefits management approach which allocates clear responsibility for the delivery of benefits, which would be tracked at both the Steering Group and Programme Board level. Milestones against the delivery of key benefits would need to be incorporated into the detailed transition plan
- agreeing transition ground-rules which all the councils can sign-up to. As an example these may include:
 - agreeing the reserves that each authority has committed and the balances forecast at vesting day

- no major actions taking place to change the position on reserves, assets, debts and risks without prior disclosure with partners
- no senior staff recruitment without prior disclosure / discussion with partners

5.4.2 Finance

- developing comprehensive data sets regarding staff, assets and current contracts
- planning staff, assets, and liabilities transfer to the new entity (see commercial case)
- budget amalgamation and setting a budget structure for the new council, including agreeing a process for council tax harmonisation (see commercial case)
- planning contract novation / rationalisation and re-tendering as appropriate
- asset planning – this business case assumes that there would be some asset rationalisation. There is also likely to be a need to invest in those assets that would be retained

5.4.3 People

- recruiting the Programme Management Team and other lead officers to support the establishment of the new council
- developing a communications strategy to engage staff, members and other stakeholders, keeping them up to date on progress and articulating the benefits of the new council
- developing HR guidance and processes to minimise external recruitment, retain expertise (e.g. through 'ring-fencing' of posts), ensuring a smooth redeployment of staff and supporting effective collaborative working during the transition period.
- recruiting senior posts (advertised openly)
- preparing new staffing structures
- planning for pay and conditions harmonisation, including role descriptions and pay structures
- planning (voluntary) redundancy activity - it will be important to commence this work as early as possible in order to achieve savings as profiled (i.e. 75% of savings achieved in year one of the new council , the majority of which are staffing savings)
- planning the induction of staff and Members

5.4.4 Stakeholder Engagement

As discussed in the strategic case, the programme would need to develop a Stakeholder Engagement strategy and plan. This should cover

- Identification of all key stakeholders and interested parties regarding transition plans (including staff, Unions, MPs, Kent County Council, Parish and Town Councils, partnerships, the business community, the voluntary sector and other local public bodies)
- Developing appropriate engagement mechanisms for each stakeholder or stakeholder group and using those to inform a comprehensive communications plan



- Engaging DCLG on plans to create a new council and other relevant issues (e.g. plans to maintain City status for Canterbury)

5.4.5 Localism - Options for Consideration by the East Kent Councils

Considering proposals to provide stronger, more effective local leadership as described in section 1.8 of this business case and implementation of the agreed approach.

5.5 Costs

The costs of the initial programme to establish the new council (from April 2017 to October 2019) have been included within the transition costs in section 4 – the Financial Case.

5.6 Next steps – Timetable

An indicative timetable for progressing with creation of a new council has been set out below.

Activity	Indicative Timings
Engagement with DCLG on draft business case	Early 2017
Each council to agree to proceed with business case subject to any engagement required / agreed	22 March 2017
Possible engagement period	Spring 2017
Executive decision by cabinet of each council to proceed with project for a new East Kent Council	July 2017
Proposals to create a new council submitted to DCLG (demonstrating clear political commitment from Districts involved)	July 2017
Government – agree to implementation	Autumn 2017
District Councils invited to make representations (optional)	Autumn 2017
Final Decisions	Autumn 2017
DCLG to prepare necessary statutory instruments modifying existing legislation where required (in order to establish new organisation, wind up the old ones and make transitional arrangements)	Autumn 2017
Each council invited to give formal consent to creation of the new entity	Autumn 2017
New entity considered by Houses of Parliament	Autumn 2017
Secretary of state decision	Autumn 2017
Boundary commission undertake electoral review (NB this is optional but preferred approach of DCLG – alternative is an Order that creates a new council, using temporary wards as basis for the first election, and subsequent election boundaries considered by Boundary Commission).	Autumn 2017 to Autumn 2018
Establish Implementation Executive (decision making body until members of the new authority are elected)	Nov / Dec 2017
Agree initial structure for the new council	Dec 2017
Likely TUPE consultation period commences (to be confirmed on the basis of legal advice)	Dec 2017 / Jan 2018



Activity	Indicative Timings
Implementation Executive commences recruitment of senior posts (externally advertised)	Early 2018
Implementation Executive agrees Council tax harmonisation discretionary order with DCLG	2018
Implementation Executive sets first year budget for the new authority and council tax rate	Late 2018/ early 2019
First year budget for the new authority and council tax rate confirmed by all Councillors	Late 2018/ early 2019
New council legally takes effect (Vesting Day)	April 2019
Elections to new council	May 2019

Table 21: Indicative time-line for implementation

5.7 Risk Management

In addition to the benefits which the creation of a new council can deliver, and the additional opportunities for growth, there are also significant risks. By providing key stakeholders with visibility and clarity about the risks in creating the new entity, there is the opportunity to understand and appreciate their impact and develop mitigating actions.

Appendix D contains a table that provides an initial list of key risks in relation to the creation of a new council. An exhaustive list of risks should be maintained and monitored as part of the ongoing Governance process in order to put in place the steps to mitigate risks as early as possible, in accordance with the risk management strategy developed and implemented by the programme.

5.8 CONCLUSION OF THE MANAGEMENT CASE

The merger of four Districts into a single new council is a major change programme that would require dedicated resource and effort. In addition, the delivery date for the new arrangements is challenging. Whilst further detailed planning is required to establish a firmer set of programme milestones, if the approach set out in this section of the business case is adopted in accordance with the proposed timescale, implementation on time appears feasible.



APPENDIX A – Key elements of Wiltshire’s approach to local governance, for consideration in East Kent

- Board area boundaries were established after extensive engagement with local councils and other stakeholders, and data mapping. Boundaries reflect actual communities and the way people live their lives, not administrative convenience – even if this means there are uneven numbers of council members attending each Board.
- Boards are chaired by a Wiltshire councillor from the local area: other councillors from the area also attend, as do senior members and officers from the council.
- Very clear roles and responsibilities for the Boards have been identified and set out in the council’s constitution, with specific delegated powers and budgets. Topics delegated are issues with real relevance to the local area – such as road repairs, traffic problems and speeding in villages, litter, facilities for young people and affordable housing.
- Board meetings do not follow traditional decision-making formats, for example they may begin with networking, use a coffee house style, and allow the whole forum to vote whenever possible, in order to encourage wider engagement. Wider community engagement events also increase local dialogue and capacity building
- In addition to their delegated powers, the Boards also have a role as fora for engagement on issues affecting the local area but with wider significance, such as the development of Local Plan policies.
- Wider partners and stakeholders such as health and police attend, so that representatives of all public services in the area come together.
- Local people can come along to each meeting, raise and discuss issues with the councillors. The councillors take these views into account when making final decisions.
- Community Engagement Managers support the chair and local councillors in their role, providing a link between the board, local people and organisations in the local community to tackle local issues and help people get involved in the work of the Area Board in the area. The community engagement work which goes on outside meetings is as important as the content of the meetings.
- Parish and town councillors attend each Area Board meeting to represent the views and interests of their local communities.



APPENDIX B – Extracts from the EKGF Detailed Analysis of Economic Context²⁵

Economy

- Kent as a whole has registered the second highest level of job growth out of the South East Counties since 1997. Canterbury, Shepway and Thanet recorded growth between 19% and 27% whilst Dover showed a decline of 8%. Canterbury is the largest economy in the sub-region.
- Whilst EK does have a greater share of public sector jobs and a smaller share of higher value sector jobs, recent job growth has been relatively strong in several of the latter; for example professional services and finance; information and communication
- The four Districts complement each other in terms of the particular sector specialisation they support relative to the overall East Kent pattern (see details below). This provides opportunities to capitalise upon those specialisms without competing with different areas within the sub-region
 - Canterbury – information and communications; public service and utilities
 - Dover – accommodation, food services and recreation; wholesale, retail and transport
 - Shepway – agriculture, forestry, fishing and mining; professional services and finance
 - Thanet – construction; manufacturing
- Productivity within both Kent and East Kent has improved, but less than for the South East as a whole and the gap is widening
- Over 40% of the economic output growth across the four Districts since 1997, was delivered by Canterbury
- Business start-up rates have generally been low, but the growth in enterprises has been stronger.

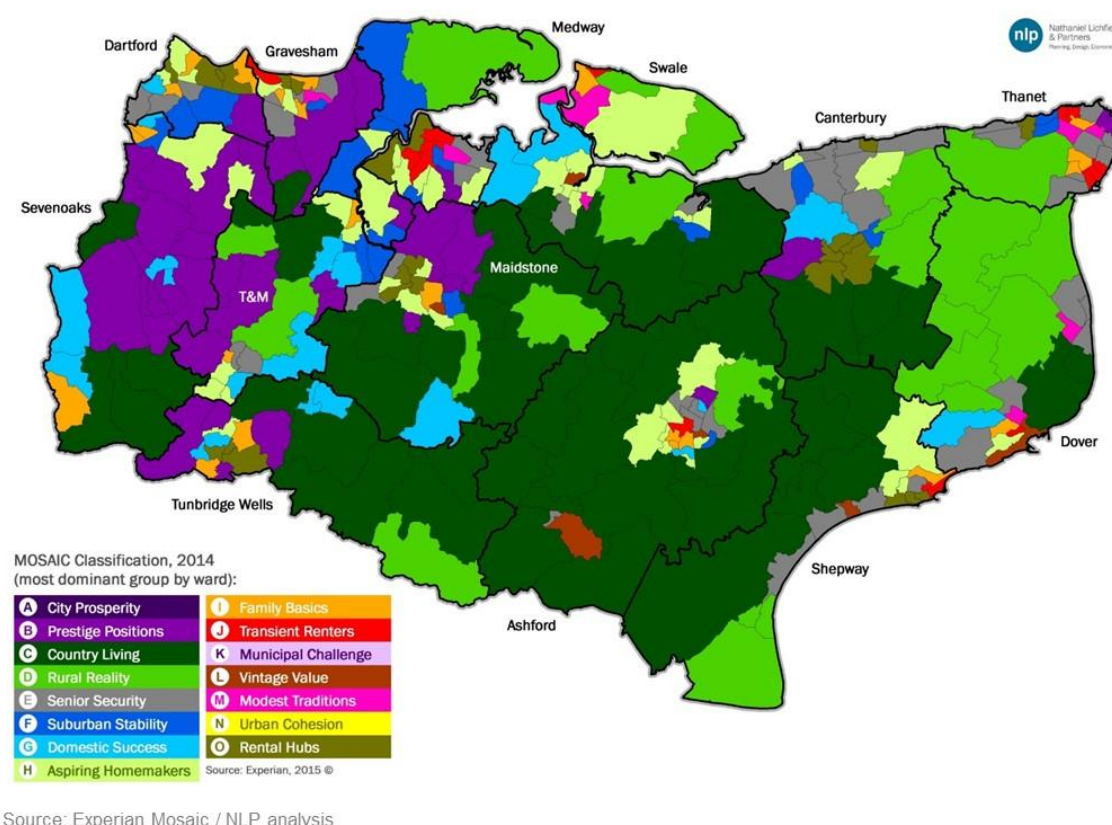
People

- East Kent has recorded significant working-age population growth over the last 20 years and this trend is expected to continue in most areas; the share of working-age population is very similar to the rest of Kent and the South East
- East Kent is a strong net importer of people, particularly to Canterbury. Internal migration within East Kent also indicates that there is a strong net outflow from Canterbury to other parts of the sub-region.
- There is a high degree of self-containment within East Kent – most people who move house do so either within the same local authority or within the sub-region (between 72%

²⁵ Data covers the period from 1997 to 2016 unless stated otherwise

and 82% for the latter). Taken together with the previous bullet point, this suggests that Canterbury acts as an 'attractor' for the region as a whole.

- The 'mosaic' classification undertaken by Experian indicates an interesting pattern of dominant groups across the sub-region (see Figure 2 below which covers the whole of Kent). The majority of East Kent is either 'Country Living' or 'Rural Reality' compared to significant areas of 'Prestige Positions' in west Kent, where commuting to London predominates. However, there are notable areas of retired populations ('Senior Security') around the East Kent coastal stretches and a diversification of group types around Canterbury. Looking forward, the opportunity for East Kent as a whole could be to spread that diversification whilst retaining the character of the sub-region as a sought after rural location.



Source: Experian Mosaic / NLP analysis

Figure 2: Mosaic Classification 2014 for Kent

- There has been a decrease across the whole of East Kent in the number of people with no qualifications. However, qualification attainment is highest at all levels within Canterbury and lowest in Thanet
- East Kent is a considerable net exporter of labour, with a substantial number of workers commuting to London. Commuting patterns within the sub-region indicate that Canterbury supports the employment needs of a large share of the residents of the area as a whole. However, 'self-containment' in terms of jobs is highest for the most eastern authorities (Dover, Shepway and Thanet)



Place

- Housing completion rates have started to recover after the credit crunch and associated down-turn. Canterbury has a greater proportion of detached and semi-detached stock compared to Dover, Shepway and Thanet and also faces the greatest challenges in terms of affordability
- Station usage in East Kent (including Ashford) is lower than the rest of Kent, reflecting London commuter belts (see Figure 4 below). However, there is a noticeable 'hot spot' in Canterbury. Overall rail station usage has increased across the sub-region since the introduction of high speed rail services.

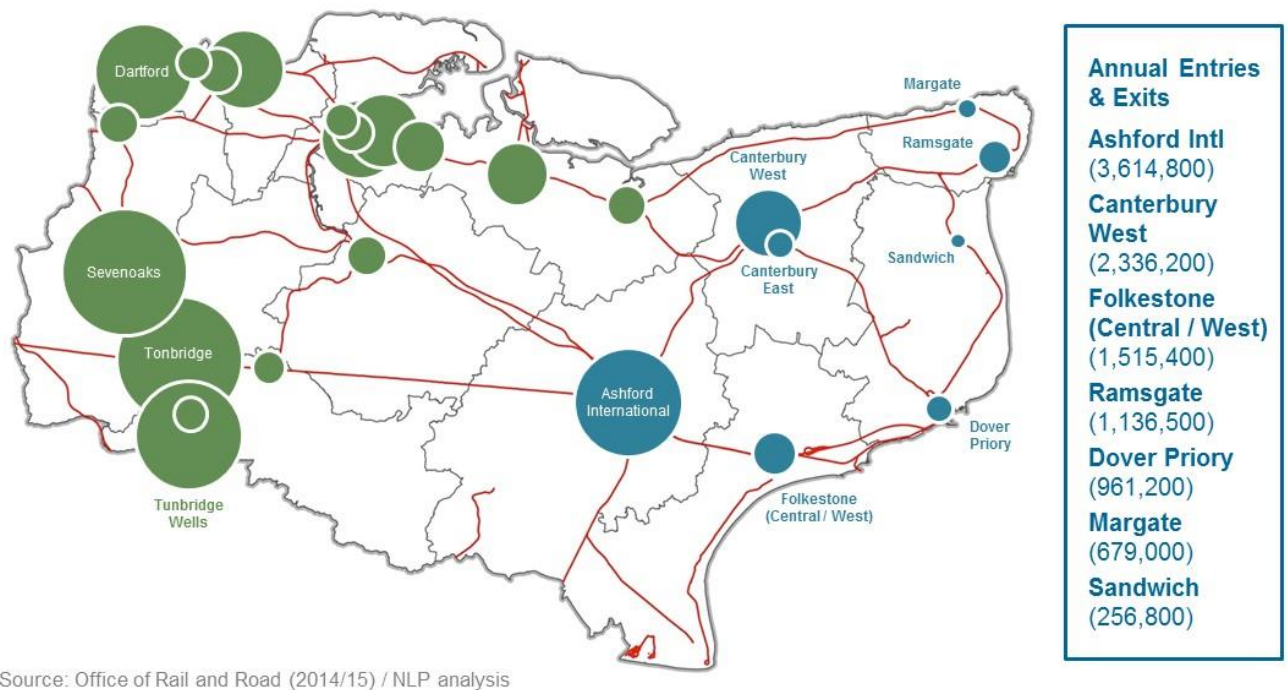


Figure 3: Rail Station usage in East Kent (including Ashford) compared to the rest of Kent

- Road infrastructure includes key local and strategic links such as the M20, A2/M2, A21 and A229
- Employment floor-space in the four East Kent coastal Districts is dominated by the industrial foot-print in Dover and Thanet, whereas office space growth in Thanet (30% since 1997) has been partially offset by losses elsewhere (-16% across Canterbury, Dover and Shepway).

APPENDIX C – Balance Sheet Review

The table below shows a summary of the balance sheet position of each Authority per their latest published financial statements as at 31 March 2016.

As at 31 March 2016									
£'000s									
Council	Long Term Assets	Current Assets	Current Liabilities	Long Term Liabilities	Net Assets	General Reserves	HRA Reserves	Unusable Reserves	Total Reserves
Canterbury	505,119	40,465	(25,080)	(190,359)	330,145	33,985	6,726	289,434	330,145
Dover	282,847	58,396	(20,109)	(165,647)	155,487	36,111	9,402	109,974	155,487
Shepway	207,409	25,918	(14,015)	(119,966)	99,346	26,583	5,864	66,899	99,346
Thanet	237,647	38,276	(26,109)	(132,907)	116,907	24,860	5,296	86,751	116,907
Total	1,233,022	163,055	(85,313)	(608,879)	701,885	121,539	27,288	553,058	701,885

Table 22: Balance sheet position for the East Kent Districts

Net Asset Value

As the table demonstrates, the net asset value represents the difference between the total value of assets held by each local authority and the total value of their liabilities.

The typical assets are a mix of large, long term items such as land and property, and shorter term, lower value items such as cash balances and money due to it, as at the year end.

The liabilities are also split into larger, long term items such as pension fund deficits and money borrowed for capital investment as well as shorter term items such as money owned by the Council at the year end.

A desk top review of the assets and liabilities of each Council has been undertaken, which has highlighted the following notable features.

Notable assets and liabilities	
Canterbury	<p>Generates £4.7m of income from £76m of commercial and industrial property;</p> <p>Recently incurred £74m of debt to fund the purchase of a stake in the Whitefriars shopping centre, with borrowing costs to be covered by rental income;</p> <p>Responsible for maintaining a number of heritage assets such as city walls and the Westgate;</p> <p>£3.6m outstanding of a £5.5m loan to Kent County Cricket club;</p> <p>Accountable for a share of the pension liability of East Kent Housing (EKH) along with other EKH partners</p>
Dover	<p>£300k pa from investment income on assets valued at £2.2m. This income is from investment properties, which are shown on the balance sheet based on the capitalisation of rental income</p> <p>Dover has a pension fund liability of £77m. However, this is a technical accounting liability. The level of annual contributions is determined by the pension fund actuaries who are content that the pension fund is sustainable and is being properly funded.</p> <p>Accountable for a share of the pension liability of East Kent Housing (EKH) along with other EKH partners</p> <p>Enterprise Zone Relief is granted to businesses in the Discovery Park, Sandwich, which is a designated Enterprise Zone. This practice is in common with all Enterprise Zones. The Enterprise Zone will not be affected by the proposed merger and does not have a material bearing on the business case.</p>
Shepway	<p>The Council has set up a wholly owned subsidiary entity to generate additional income streams for the Council and to provide residential housing in the district (Opportunity Ltd)</p> <p>Generates £90k pa from investment income on assets valued at £6.8m, 80% of which is agricultural holdings</p> <p>Accountable for a share of the pension liability of East Kent Housing (EKH) along with other EKH partners</p>
Thanet	<p>The Council now owns the Dreamland site in Margate. This site comprises land that is used as an amusement park/fairground and a cinema complex with associated facilities.</p> <p>Receives £1.3m of Investment income pa on property valued at £25m</p> <p>Council acts as Guarantor for £0.5m loans to Your Leisure</p> <p>Accountable for a share of the pension liability of East Kent Housing (EKH) along with other EKH partners</p> <p>Responsible for the Port of Ramsgate</p>

Table 23: notes on assets and liabilities of each district



Further “due diligence” work is now required by the s151 officers to consider whether there are significant risks or issues within or outside of the balance sheets that should be shared with, and understood by, the councils.

Total Reserves

The net asset value of each local authority equates in value to what it holds as Reserves. A significant proportion of the Total Reserves value is classified as unusable whereby they are simply a result of accounting transactions rather than a resource that can be used e.g. a record of how much the value of assets have increased. Of the usable element i.e. can be applied to new activity and investment, these have been split between those that are ring fenced under legislation for social housing i.e. Housing Revenue Account (HRA) and those that can be applied for general use.

The value of general usable reserves available to each local authority is a useful measure of their relative worth and when adjusted for size, by comparing the value on a per household basis, highlights that broadly each Council has usable reserves of between £6-700 per household. This is with the exception of Dover which has a figure that is almost 66% higher at c. £1000 per household.

	Canterbury	Dover	Shepway	Thanet
Total usable reserves per property (£)	684	972	722	594

Table 24: value of useable reserves

Dover is holding £12.5m in reserve for the town’s regeneration and economic development with their capital programme identifying spend of £11m which includes £8.5m over the next two years on a new leisure facility and major town hall refurbishment.

Canterbury is also planning to invest in a new leisure facility in 2018/19 and invest £5m in a decked car park.

Shepway has set up a company to operate commercially in property development and management and is intending to make a loan of £2m to its company for property acquisition.

Thanet’s capital programme is configured around its’ ports and seaside facilities, mainly involving repairs and renewal type spend e.g. sea walls and specialist vehicle replacement. Its reserves also include £5.5m to expand its social housing stock within its Housing Revenue Account through both acquisition and new build.

All four local authorities operate a Housing Revenue Account, featuring a combined portfolio of approximately 16,000 dwellings. Table 25 below provides some summary metrics in relation to each of these accounts.



Year to 31 March 2016				
	Canterbury	Dover	Shepway	Thanet
	£'000s			
Income				
Dwelling rents	23,857	19,767	14,921	13,030
Other	2,152	1,402	1,331	932
Sub-total	26,009	21,169	16,252	13,962
Expenditure				
R&M	6,137	2,732	2,935	3,275
Management	5,915	3,905	4,049	3,392
Depreciation	3,511	1,730	8,168	3,322
Share of corporate costs	121	466	187	149
Interest payable	2,368	2,843	1,753	811
Sub-total	18,052	11,676	17,092	10,949
Net	7,957	9,493	(840)	3,013
Other*	(7,021)	16,625	19,658	(1,318)
Total	936	26,118	18,818	1,695
Reserves (£'000s)	6,726	9,402	5,864	5,296
No. of dwellings	5,165	4,374	3,370	3,031
Annual Rental per dwelling (£)	4,619	4,519	4,428	4,299
Asset value	272,065	183,498	145,459	114,926
Asset value per dwelling (£)	52,675	41,952	43,163	37,917
Yield per dwelling	8.8%	10.8%	10.3%	11.3%
Reserves per dwelling (£)	1,302	2,150	1,740	1,747

Table 25: summary metrics of HRA accounts for each district

It is inadvisable to draw conclusions as to the relative financial strength of each HRA upon a single year's set of figures²⁶. The annual rental per dwelling shows little variation between councils, which would be expected, given the basis of rent calculation. It indicates a relatively homogenous type of offering although Ashford appears to feature proportionally more, larger, properties than Thanet at the other end of that scale.

There is variation in the value of reserves per dwelling but these will be a function of the 30 year viable business plans that councils had to produce four years ago as part of the self-financing HRA policy implementation. The recent Government decision to cap rent rises will impact on the income assumed within the plans while other policy changes are in the

²⁶ The "Net" figure shows the accounting position of each Councils' account based upon typical income and expenditure elements. The accounting requirement to assess changes in asset valuations means that the account can be subject to disproportionate movements as a result of reflecting increases or decreases in asset value and these are included within the subsequent line - 'Other*'.



pipeline e.g. high value housing disposal which will, if implemented, also impact on the resource levels assumed within the projections.



APPENDIX D - Risk Log

The table below describes key risks and mitigating actions relating to the creation of a new council

Risk	Description	Mitigation
1. Changes in the expected costs and benefits of creation of a new council	The creation of a new council may not achieve the identified savings, either through delayed benefit realisation or increased transition costs, with the risk that financial sustainability is not delivered after merger	<ul style="list-style-type: none"> Establish a clearly defined benefits management process to enable the rapid identification of benefits which are unlikely to be realised. Establish a comprehensive change programme – with strands dealing with people change, process change, technology change and asset rationalisation Programme management resource to forecast and track both benefits and transition / investment costs and report regularly to the Steering Group and Programme Board
2. Adverse impact on Business-As-Usual	The implementation of the new entity will involve a high degree of change. Maintenance (and improvement) of service delivery in this uncertain environment will be a challenge. There is a risk of a 'dip' in service performance whilst the transition to the new entity is completed	<ul style="list-style-type: none"> Establish a clearly defined implementation and change management approach (see above – Risk 1) to support the transition to the new entity Develop a communications strategy to help articulate how service levels may change during the transition period and support expectation management.
3. Loss of localism	A merged district would cover a large geographical area with the potential for a perceived reduction in local leadership and representation	<ul style="list-style-type: none"> Actively consider options laid out in section 1.5 and Appendix A of this business case which describe approaches to seek to provide stronger, more effective local leadership
4. Creation of a new council is not approved	The proposals to create a new council are not supported by DCLG and / or by the Secretary of State	<ul style="list-style-type: none"> Steering Group and Programme Board to take responsibility for active ongoing engagement with DCLG in relation to the process and to take account of government expectations / requirements Steering Group and Programme Board to articulate clear overall vision, structure and outcomes for the new council Active ongoing engagement with all key stakeholders including DCLG, MPs, Ministers, Boundary Commission, County Council as well as other locally based bodies
5. National / regional issues	The position of the current government in relation to local	<ul style="list-style-type: none"> Ongoing monitoring of national / regional developments, taking



Risk	Description	Mitigation
impacting on feasibility of creating a new council	government reorganisation is still emerging. Moreover, the national political landscape is unusually volatile, due largely to issues relating to Brexit. It is possible that a general election may be held in the near future - all of which could impact, directly or indirectly, on the proposed creation of a new council. Furthermore, It is possible that at a regional level other developments may take place (e.g. instigated by the County) which may impact adversely on the feasibility of a merger	<p>appropriate steps to respond at a Steering Group and Programme Board level</p> <ul style="list-style-type: none"> • See also mitigations in relation to (Risk 4 above)
6. Insufficient clarity about vision, structure and operating processes	Members are unable to agree a clear overall vision, structure and outcomes for the new entity due to differences in political, operational and investment priorities	<ul style="list-style-type: none"> • Establish governance arrangements as described in Management Case (section 5), with the aim of embedding senior political and management sponsorship • A key aim of the Steering Group / Implementation Executive will be to agree a long term, strategic vision with clear outcomes. • Establish ongoing reporting of progress in delivering the outcomes
7. Resistance to change	Issues of merging organisational cultures; concerns about loss of control and influence; as well as issues such as harmonisation of working practices and harmonisation of local terms and conditions, could all lead to staff and Member resistance and lack of buy-in to the new arrangements	<ul style="list-style-type: none"> • See mitigations in relation to (Risk 6 above) • Undertake stakeholder mapping • Utilise a communications strategy to engage staff, members and other stakeholders, keeping them up to date on progress and articulating the benefits of the creation of a new council • Plan induction of staff and Members to the new entity, underpinned by effective HR policies and transitional arrangements.
8. Lack of capacity to implement the new council	The uncertain environment created by the proposals may result in key staff leaving the existing councils before the new entity is created. The loss of capacity to manage the creation of a new council may result in delays in implementation	<ul style="list-style-type: none"> • Establish dedicated Programme Team and systematic approach to Project and Programme Management as described in Management Case (section 5), • Establish suitable succession arrangements, implement effective documentation standards to ensure continuity and promote open communication among the programme team

Equality Impact Assessment



Date of initial assessment	01/12/2016 – Initial EIA screening		
Service	Thanet District Council Canterbury City Council Shepway District Council Dover District Council		
Proposal to be assessed	A business case for the potential creation of a single East Kent council		
New or existing policy or function?	New		
External (i.e. public-facing) or internal?	External		
Lead officer	Madeline Homer Colin Carmichael Alistair Stewart Nadeem Aziz	Chief Executive Chief Executive Chief Executive Chief Executive	Thanet District Council Canterbury City Council Shepway District Council Dover District Council

Please outline your proposal, including: <ul style="list-style-type: none"> • Aims and objectives • Key actions • Expected outcomes • Who will be affected and how • How many people will be 	Summary: <p>The Leaders of Ashford, Canterbury, Dover, Shepway and Thanet District Councils have undertaken a series of discussions to examine options for closer collaboration, leading to a shared view that a merger of the five East Kent districts merits further serious consideration. The Statement of Intent confirmed the Leaders' thinking on the purpose of a merger and the principles that would underpin evaluation of the business case. The creation of a new unitary council for East Kent is not under consideration.</p> <p>In response to financial challenges facing local government and the opportunity to drive improvements and growth in the East Kent area, during the summer of 2016 the five East Kent councils gave approval, based on the Statement of Intent,</p>
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affected

to explore the advantages and disadvantages of a merger of the five East Kent District Councils of:

- Ashford;
- Canterbury;
- Dover;
- Shepway;
- Thanet;
- and to also examine how a single district council could operate.

Ashford Borough Council has since announced that it no longer intends to pursue discussions on the proposed creation of a single East Kent district council. A formal report will be considered by Ashford Borough's Cabinet on 9 February 2017, followed by Ashford Borough's Full Council on 16 February 2017.

Following Ashford Borough Council's decision to exit the discussions, an independent 'Four Way Business Case' was commissioned by the remaining four councils.

The East Kent districts already have a well-established track record of collaboration and sharing services, which reflects a similar approach to delivery; for example:

- East Kent Services (EKS) provides 'back-office' functions (such as HR and payroll) as well as customer contact and revenues and benefits (Canterbury, Dover and Thanet). Add level of savings delivered to date as an example, once received.
- East Kent Housing (EKH), an arm's length organisation, provides services to Canterbury, Dover, Shepway and Thanet.
- East Kent Audit Partnership, which is an in house shared service, supports Canterbury, Dover, Shepway and Thanet.
- The East Kent Engineering Partnership involving Canterbury City Council, Thanet DC, Dover DC and Shepway DC.
- East Kent Spatial Development Company (EKSDC), which was set up as an infrastructure, delivery and regeneration organisation to bring forward employment land where viability was an issue and/or there was a lack of private sector interest.

Aims and Objectives:

There is provisional evidence to suggest that creating a single East Kent district council could deliver savings as well as reinforcing the ability of local Government to provide better outcomes for the residents, businesses and visitors to the area. Historically, East Kent has worked well collaboratively on such issues and the work sought to build on these relationships for the benefits of our communities.

With the aim to deliver:

	<ul style="list-style-type: none">• A more effective local government that is lean and commercial in its approach;• A reduction in the numbers of different management structures;• Clarification of governance for clear decision for each level of powers;• Upwards and downwards devolution of services in order to achieve best fit and most logical and effective outcomes. <p>The proposal aims to explore the benefits and savings that could be achieved through the establishment of a single East Kent district council.</p> <p>Expected Outcomes: To be confirmed after public engagement commencing in March 2017</p> <p>Who will be affected and how? At this stage very high level information is known, for example:</p> <ul style="list-style-type: none">• All residents living in the four districts• All staff employed by the four councils• All staff employed by organisations commissioned to carry out services/functions on their behalf by one (or more) of the four councils.• All Elected Members in the four districts <p>Impacts against the relevant protected characteristics are not known at this stage.</p> <p>How many people will be affected? The total population of the East Kent districts (four councils) was 523,000 in 2015 and expected to rise to 553,100 by 2021. The impacts could possibly be further reaching than this.</p> <p>The council tax support scheme changes were the subject of an extensive Equalities Impact Assessment . Dover District Council and Canterbury City Council have very similar schemes to Thanet District Council, but Shepway District Council is different. If the schemes need to be merged (as well as any possible harmonisation of council tax itself), there could be an uneven effect on some of the (working age) population. Details at this stage are unknown, pending a decision regarding council tax and council tax support scheme harmonisation.</p>						
What relevant data or information is currently available about the	<div>Demographic data:</div> <table><tr><th colspan="2">Population mid-year estimates, 2015</th><th>KCC Population forecast 2021</th></tr><tr><td>Canterbury</td><td>160,000</td><td>171,200</td></tr></table>	Population mid-year estimates, 2015		KCC Population forecast 2021	Canterbury	160,000	171,200
Population mid-year estimates, 2015		KCC Population forecast 2021					
Canterbury	160,000	171,200					

customers who may use this service or could be affected? Please give details; for example “x% of customers are female” or “x% of customers are aged over 60”	Dover	113,200	121,400
	Shepway	110,000	113,700
	Thanet	139,800	146,800
	Total East Kent population	523,000	553,100
	<p>All East Kent districts have identified significant common demographical challenges:</p> <ul style="list-style-type: none"> • An ageing population: for example, in Canterbury, compared to the rest of England, the district has fewer people in their 30s, 40s, and 50s but a higher proportion of people over the age of 65. In 2013 about one in five residents were over 65; this is estimated to increase to one in four by 2031. All four districts face similar challenges. • Areas of multiple deprivation: for example, Thanet remains Kent’s most deprived local authority district in the Index of Multiple Deprivation (IMD) 2015. Nationally, Thanet is ranked at 21 out of 326 authorities, placing it within England’s 10% most deprived authorities. There are similar issues in other coastal towns such as Folkestone and Dover, and Canterbury district has ten areas that rank in the top 20% most deprived areas in England. <p>Overall, the East Kent economy has performed relatively well compared to the rest of Kent and the South East, with particularly strong performance in Canterbury and Dover showing the least strong.</p> <p>Overall, in common with much of the rest of the South East, East Kent has seen population growth, particularly of working age people. East Kent exports significant labour outside the region, particularly to London. Notably, there is also a relatively high degree of ‘self-containment’, with Canterbury providing employment to the coastal districts. The types of employment currently available across the four districts are slightly different and complementary.</p> <p>In terms of housing, completion rates have started to recover after the 2008 credit crunch, with particular pressure points in Canterbury in terms of affordability.</p>		

Is the decision relevant to the aims of the Public Sector Equality Duty, which are listed below? Guidance on the aims can be found in the EHRC’s PSED Technical Guidance		
Aim	Yes/No	Explanation
Eliminate discrimination, harassment and victimisation	Yes	Should the Single District go ahead there could be opportunities to achieve this aim that should not be missed. Staff

		<p>The Business Case covers the workforce for each of the East Kent Councils which will, by the nature of the organisations, include individuals who are covered by one or more of the full range of protected characteristics, as defined within the Equalities Act 2010.</p> <p>Currently no significant detrimental impacts have been identified which cannot be readily mitigated through existing HR policies, enhancements to existing policies and protocols. If the decision outcome is to proceed with the creation of a new single East Kent district council, there could be some potential inequalities which may stem from the proposals if not proactively addressed.</p>
Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it	Yes	Should the Single District go ahead the potential for consistency across the district and therefore advancement of equality of opportunity should be enhanced.
Foster good relations between persons who share a relevant protected characteristic and persons who do not share it	Yes	Should the Single District go ahead the potential for consistency across the district and therefore there could be opportunities to foster good relations which should not be missed

Assess the relevance of the proposal to people with different protected characteristics, and assess the impact of the proposal on people with different protected characteristics.			
Protected characteristic	Relevance to proposal High/Medium/Low/None	Impact of proposal Positive/Neutral/Negative	Explanation
Age			Unknown at this stage
Disability			Unknown at this stage
Gender reassignment			Unknown at this stage
Marriage and civil partnership			Unknown at this stage
Pregnancy and maternity			Unknown at this stage
Race			Unknown at this stage
Religion or belief			Unknown at this stage
Sex			Unknown at this stage
Sexual orientation			Unknown at this stage

Other groups: for example – low income/ people living in rural areas/ single parents/ carers and the cared for/ past offenders/ long-term unemployed/ housebound/ history of domestic abuse/ people who don't speak English as a first language/ People without computer access etc.			Unknown at this stage
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Are you going to make any changes to your proposal as a result of these findings, in order to mitigate any potential negative impacts identified?	Following a period of public engagement more information about how a potential Single East Kent District council will affect people with or without a protected characteristic will be collected and the Equality Impact Assessment will be updated with new information.
Is there any potential negative impact which cannot be minimised or removed? If so, can it be justified?	None identified at this stage. This will be reviewed following a period of public engagement

What additional information would increase your understanding about the potential impact of this proposal?	<p>Separate conversations have continued to take place across the whole of Kent on the possibility of making a bid to Government for the devolution of powers and funding from Government to the public sector in Kent.</p> <p>The East Kent district councils, whilst being party to these discussions are also keen to build on the economic and social cohesion of the area of East Kent. In response to this, the districts have been engaging in further complimentary activity with the county, to explore devolution options around; Highways, Public Health and Community Safety. Strategically, a single East Kent district could enable the development of strong, strategic leadership at all levels throughout East Kent, offering economies of scale, greater resilience and the capacity and capability to further enhance and</p>
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	<p>improve the value for money and quality of the services delivered, placing East Kent in a stronger position as the discussions progress.</p> <p>Information regarding the potential impact on people during a period of public engagement will also inform the EIA.</p>
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Next stage:

Date of revised assessment	Click here to enter a date.
Have you made any changes to your initial assessment?	
Did you undertake consultation? – if yes, give date and the consultation results:	If a decision is taken to progress, the councils will carry out a programme of public and stakeholder engagement.
Do you have new information which reveals any difference in views across the protected characteristics?	
Can any new conclusions be drawn as to how the proposal will affect people with different protected characteristics?	
Are you going to make any changes to your proposal as a result of these findings, in order to mitigate any potential negative impacts identified?	
Is there any potential negative impact which cannot be minimised or removed? If so, can it be justified?	

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Options for Local Government Reorganisation in East Kent

Towards a Consultation Programme

March 2017

Abstract

Following their review of options for local government in East Kent, the four district councils are collaborating to consider two main options – either to retain the status quo (with some service reductions) or to merge the current four district councils into a single new district council for East Kent.

We understand that the four councils intend to take a final decision on whether to proceed to consultation on these options on 22nd March, with a possible consultation period from 24th March until 19th May 2017.

This document outlines a possible programme of conscientious public and stakeholder consultation following an introduction to ORS; and it also includes an appendix on whether it would be appropriate to hold four district-based ‘referendums’ (properly called ‘local polls’) on the options.

ORS – a social research practice

Opinion Research Services (ORS) is a spin-out company from Swansea University with a UK-wide reputation for social research and major statutory consultations, including *recently or currently*:

- The creation of two new unitary councils for the whole of Dorset
- The creation of a single new unitary council in Oxfordshire
- The successful merger of Dorset and Wiltshire’s Fire and Rescue Service
- Major service reorganisation in the Hampshire Fire and Rescue Service

and earlier important consultations on local government reorganisation in:

- Gloucestershire
- Suffolk
- Wales.

In addition, ORS has recently reviewed Family Support and Library Services in Hampshire and Southampton; the introduction of private sector landlord licensing in Liverpool, Cardiff and a number of London Boroughs (including Newham); reconfiguration projects for Healthier Together Greater Manchester, NHS Wales South Wales Programme, and Imperial College NHS Trust; as well as other major consultations for local authorities and the emergency services.

ORS was appointed jointly by East Kent’s councils to provide advice and to design (and if approved), implement and report a conscientious programme of consultation on the two main options.

Nature of Consultation

Consultation is not a ‘vote’ or simply a ‘popularity’ or ‘unpopularity contest’ in which the loudest voices or the greatest numbers automatically determine the outcome. Consultations should promote accountability as public bodies give an account of their plans and take account of responses in order to:

- Be informed of any issues, viewpoints, implications, groups or options that might have been overlooked
- Re-evaluate matters already known
- Review priorities and principles.

In order to achieve those aims, conscientious consultation should explore the public's:

Awareness of the general debate

Understanding of the evidence, options or proposals, and points of view or arguments

Priorities (for example, in relation to local government issues such as costs, savings, service levels, access and local accountability)

Reservations and concerns about the options or proposals (including those that they might support)

Contrary arguments, evidence and issues

Reasons for supporting or opposing change

Levels of support or opposition to change.

Of course, no one method of consultation can achieve all these insights, so a range of both deliberative and quantitative approaches are typically used, including the following main methods:

Quantitative

Open consultation questionnaire – as an accessible and inclusive route for any resident or stakeholder to contribute to the debate

Residents' survey – using a random sample to achieve results that are representative of the general population

Petitions – as a means for popular campaigns easily to express themselves

Deliberative

Lengthy and in-depth forums or focus group discussion – with representative groups of randomly selected residents (or other stakeholders) convened to examine the issues and arguments in depth

Written submissions – which can often be detailed, argumentative and evidence-based

Road shows and drop-in sessions to allow for informed debate in a thoughtful context.

Open Consultation Questionnaire and Residents' Survey

For the East Kent study, the findings of the open consultation questionnaire (online and paper) and the residents' telephone survey will be reported in detail side-by-side.

The residents' survey is a statistically robust guide to overall public opinion across East Kent, with some area and sub-group analyses possible. The open consultation questionnaire provides considerable information about the views of particular groups and individuals at very local levels; but it is less appropriate as a guide to overall opinion because it is less representative insofar as the respondents' profile normally does not match the overall population in terms of age, gender, area, employment status and etc. Nonetheless, the open questionnaire may be used to explore how people's and organisations' views differ by location, gender, age and other characteristics. In this context, ORS will show both the similarities and

differences between the open questionnaire findings and the residents' survey by reporting them both fully. Of course, it is for East Kent's councils (not ORS) to determine the emphasis to be given to the Open Questionnaire in comparison with the Household Survey and responses gained via other consultation activities, while bearing in mind that consultation is not just a 'numbers' game. In other words, the question is not *Which findings should determine our decision?*, but *What evidence or considerations have emerged that should influence the debate and decision making process about the possible reorganisation?*

Petitions and standardised submissions

Petitions and standardised submissions (such as multiple duplicated letters) are important expressions of opinion and will be given due consideration both by ORS and the East Kent Councils. In interpreting and reporting them, ORS will take account of the 'petition statements', the numbers of people signing, and the ways in which they were compiled.

Deliberative forums and focus groups

The discussion of issues, evidence and arguments in deliberative forums and focus groups with residents and/or other stakeholders is a particularly valuable form of consultation in terms of exploring ideas, priorities, concerns and reasons. For the public, these meetings involve randomly selected residents (who form a broad cross-section of the population) in detailed and thoughtful meetings – which allow for:

- Clear presentation of the proposals and evidence

- Consideration of data, illustrations and graphics

- Questions and clarification of any ambiguous or difficult points

- Opportunities for participants to clear their mind of existing misconceptions through questions and answers

- Deliberation in which participants think through their responses while having an opportunity to listen to the evidence and the views of others

- Open-style real-time reporting in which ORS records the main views during the meetings – so respondents can sign-off their views, which can be reported to the councils immediately if necessary.

Focus groups typically involve eight to ten participants and last for up to two hours, while forums include 15 to 25 and last for three or more hours. As standard good practice, participants are recompensed for their time and expenses in attending – in order to achieve a broadly representative cross section of people.

Often such recruitment for such events is done face-to-face on the street or in shopping centres, but the danger of such methods is that working people and those in rural areas are excluded. Therefore, we propose that the recruitment process should be done by telephone from ORS's Social Research Call Centre, using randomly generated telephone numbers across the area. This approach yields a more dispersed and representative sample by enabling wider recruitment; and it hugely reduces the chances of participants knowing each other prior to attending.

Written submissions

To contribute to the deliberations, all written consultation submissions received by ORS or any of the partner organisations during the consultation period will be recorded and included in the analysis. ORS will read them all and review them in a dedicated section of our report; none will be disregarded even if they are not expressed in a “formal” way.

Most submissions will be reviewed in a tabular format in order to identify the range of views and issues as well as common themes. A variety of written submissions will be summarised in detail to make these sometimes lengthy documents accessible to the public generally and to highlight their main arguments and any alternative proposals (whilst of course ensuring that anonymity is preserved where necessary). The detailed written summaries of submissions will cover the following (non-exhaustive) range of individuals, groups and organisations (in no particular order): local authorities and other local or national statutory bodies; special interest, voluntary and local groups; residents; town and parish councils; local businesses; council staff; and MPs.

Submissions will initially be classified based on the type of individual or organisation submitting the response. They will then be read in their entirety and the key themes and issues raised will be carefully classified and recorded using a standardised code frame. Any submissions that present new evidence or further analysis or challenge the assumptions used to devise the proposed changes to local government across East Kent, or raise equalities issues, will be identified during this process. East Kent’s councils will also have copies of all consultation submissions, and they will independently review any submissions that present technical arguments or require more detailed consideration.

The themes raised by every submission will be summarised and reported. Where multiple submissions present the same or very similar arguments, or refer to the same evidence or assumptions, they will normally be summarised collectively in the report of consultation findings. Whilst the report will identify the range of organisations and individuals that share these views, the issues themselves will be reported without undue repetition. This will ensure that the decision-makers are able to consider important issues identified.

Submissions that present unique or distinctive arguments, or that refer to different evidence, will typically be summarised individually in the report of consultation responses. Whilst such views may be advanced in only a single submission, it is important that the East Kent Councils are able to consider such perspectives in their decision-making process.

Interpreting findings

ORS will prepare an independent analysis and report so that all of the responses may be taken into account. Some responses will be highlighted as significant in terms of at least one of the following criteria:

- Relevant to and/or having particular implications for the options

- Well-evidenced – for example, submissions from professional bodies, staff and concerned people or local groups that point to evidence to support their perspective

- Deliberative – based on thoughtful discussion in forums or other group settings

- Representative of the general population or specific localities

- Focused on the views from under-represented people or equality groups

‘Novel’ – in the sense of raising ‘different’ issues to those being repeated by a number of respondents or arising from a different perspective.

In reporting the consultation programme, ORS will identify where strength of feeling is particularly intense while recognising that interpreting consultation is not simply a matter of ‘counting heads’; above all, we shall seek to highlight the issues, insights, considerations and arguments presented so that the councils can consider their cogency.

It should be noted, though, that the different consultation methods cannot just be combined to yield a single reconfiguration scenario that reconciles everyone’s differences and is acceptable to all the East Kent councils’ populations – for two main reasons. First, the various consultation methods differ in their nature and so their outcomes cannot be just aggregated into a single result. Second, the populations in different areas, and competing interest groups, will have different perspectives on the reconfiguration options and in our experience there is no formula to reconcile everyone’s differences in a single way forward. In this sense, there can be no single ‘right’ interpretation of all the consultation elements; and ORS is clear that its role is to analyse and explain the opinions of those who have responded to the consultation, but not to recommend any single option or variant.

Role of East Kent’s councils

It is for East Kent’s councils to take high-level policy decisions based on their understanding of the quality and sustainability of their proposals and other relevant considerations. In their deliberations, the councils will review the evidence and considerations that emerge from consultation while also taking account of all the other relevant factors. Ultimately, the final decision will require East Kent’s councils to assess the merits of the options as the basis for public policy.

Appendix 1

Considering a ‘Referendum’ [Local Poll]

Introduction

We understand that it has been suggested that the four East Kent district councils should each consult on the future of local government by holding a ‘referendum’ (more properly called a ‘local poll’), as they have the power to do under S116 of the Local Government Act, 2003. ORS has been invited to comment on this prospect: for a range of reasons, we advise against holding referendums (or local polls) on local government reorganisation.

Controversial choices

If the four councils opted for a referendum/local poll, each would have to decide whether to run it by post or by voting in polling stations (or a combination of both); and it would be desirable for the four districts to use the same method. Other decisions would be required, too: how long to allow for postal returns? How many polling stations are required, and with what hours of opening? What would be the eligibility criteria for voting? Should students and second home owners (both of whom are likely to be registered elsewhere) be included? Should business owners be eligible if they do not live in the district? All of these issues would need careful discussion and could prove to be controversial in practice.

Constitutional issue

Properly understood, consultation should be advisory to those taking decisions; it is not itself a form of decision-making. Rather, it is a way of reviewing not only levels of support and opposition for options/proposals, but also a crucial means of scrutinising the issues, evidence and considerations in order to inform elected councillors’ judgements and decisions. Above all, consultation should guide but not dictate elected members’ assessments of the evidence for or against policies – it is not a ‘numbers game’ (in which the majority always wins), but a means through which councillors can consider the cogency of the cases put forward.

Confusion

The point is important because, before applying to the government to reorganise local government, each district council must decide for itself what form of reorganisation, if any, it wishes to pursue. Such decisions are properly taken separately by the elected members of the four participating councils – on the basis of their public consultation and all the other available evidence about feasibility, sustainability, transitional costs, savings to be achieved, services and council tax implications (and so on).

In this context, it would be seriously misleading to hold a referendum or local poll, since there would be public confusion about whether the voting was only advisory or actually decision-making. There are sharp divisions of opinion on the extent to which the Brexit EU referendum was decisive or should be ‘moderated’ by parliament – and the same could happen in a referendum/local poll on local government reorganisation. Most people would assume it was decisive whereas, constitutionally, the respective councils should make the final decision based upon their assessments of all the relevant evidence. However finely balanced the poll outcome was, it would be difficult and controversial for a council not to be bound by the outcome.

Consider, too, how difficult it might be if there were different outcomes from four district council referendums, but one or more of the councils nonetheless felt they could properly ‘compromise’ in order to find a constructive way forward. It would be controversial to pursue such a course following an apparently ‘decisive’ referendum. Rather than risk popular misunderstandings of the role of referendums, it is better to maintain the clear constitutional position that councils themselves take decisions based upon their consultations and all the relevant considerations.

After all, the Brexit referendum was held primarily in order to resolve a crisis of legitimacy (that had emerged and intensified over four decades) regarding the UK’s EU membership, but the legitimacy of East Kent’s local government is not in question – so there is no need to depart from normal governance principles.

Compromising precedent

Holding a referendum/local poll on LGR in East Kent would be an undesirable precedent for the councils to be challenged to hold further referendums on controversial matters. Of course, referendums are possible about council tax; but that is exceptional and they will always be rare because it is so difficult to win approval for larger increases in council tax.

Currently, at both the national and local levels, statutory and other consultations are currently conducted without referendums, on the basis of conscientious consultation. If East Kent opted for a referendum on LGR it would be breaking with established national good practice. After all, as far as ORS is aware, not one current or previous LGR has involved using a referendum – partly because of the problems summarised above, and partly because the established methods of public consultation do not lack legitimacy.

Costs

Referendums or local polls are costly, a factor that the four district councils will rightly consider. Legally speaking, while they might be co-ordinated, separate referendums would be required in each of the four district council areas – and so the organisational and electoral costs would be considerable. Moreover, there would also be significant communications costs, for it would also be difficult for councils to make their cases informatively in the face of persuasive contrary campaigns in the argumentative forums of public debate.

Other considerations

Compared with properly designed public and stakeholder consultations, there are other important problems with referendums or local polls: for example:

Participation (voting) rates are likely to be low – the Brexit and Scottish referendums had high levels of participation because they were seen to be important and were the culminations of decades of discussion and debate; but neither of those factors apply in relation to LGR in Kent

If voter turnout is low, the referendum results are likely to be subject to one-sided local campaigns and might also lack legitimacy because those participating are deemed to be ‘unrepresentative’ of the general population

Referendums offer voters only very simplified binary choices (Yes-No) and are very poor vehicles for exploring support across a wider range of options

Simplified Yes-No votes also reveal nothing at all about people’s understanding of the issues and their reasons for voting or holding their opinions – that is, they provide no information about residents motivations (about their experiences, expectations and concerns, for example).

Appendix 2

Summary of Proposed Consultation Elements

The table on the following page the proposed consultation elements.

Activity	Objectives
Engagement design, setup, on-going project management and advice	Supporting the councils on the consultation programme including an amount to support responding to questions and challenges that arise during and after the consultation
Workshop with Leaders and CEOs including expenses and preparation	Introduction to ORS and consultation planning
Four Elected Member events over two days (inc travel and accommodation)	To explain the consultation programme and its interpretation
Methodology papers	To publish to explain how different consultation responses will be analysed and interpreted
Questionnaire design (4xA4), setup and detailed analysis of up to 2,000 completed engagement questionnaires	The main mechanism for all interested residents and other stakeholders to provide feedback
Residents Survey - 1,000 x 12 min telephone interviews (250 per district)	A residents survey designed to achieve a representative sample in each of the four districts to understand the views of the general residents in each area, as well as overall.
One Stakeholder forum (same dates as residents forums but in the daytime)	To invite all affected stakeholder organisations to find out more about the proposals and seek their feedback. Invitations will be sent to town and parish councils, voluntary sector groups, equalities groups, local businesses etc
Managing, facilitating and reporting four forums with residents (including associated recruitment of 25 for up to 20 participants)	Deliberative discussion groups with residents in each of the districts, to understand initial and final levels of support, and what concerns exist, in order to refine the final proposals to mitigate any issues.
Incentives payments for up to 80 participants attending the resident workshops (£40 per participant for a 3 hour evening event)	An incentive payment to cover the time and any expenses that participants at the residents forums will incur, and is essential to ensure that a broad range of general residents attend, many of whom will come with no particular pre-conceived views about the proposals
Analysing and summarising up to 20 key responses which raise important issues (up to 5 of which are longer and more detailed and 15 of which are shorter single page)	written responses received separately to the consultation questionnaire which will be analysed and reported in an accessible manner
Interpretative written report of the above activities (including interim summary)	Detailed chapters reporting the findings from each strand of the consultation programme
Executive Summary of findings	A short accessible Executive Summary covering the key findings identified during consultation by theme
Presentation prepared and delivered by ORS Senior Executives to Leaders and CX	A detailed but accessible summary presentation involving relevant ORS members of staff that have been involved in the consultation covering the key findings identified during consultation by theme

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LEADER'S REPORT TO COUNCIL

Council	22 March 2017
Report Author	Nick Hughes, Committee Services Manager
Portfolio Holder	The Leader
Status	For Information
Classification:	Unrestricted
Key Decision	No

Executive Summary:

To receive a report from the Leader in accordance with Council Procedure Rule 2.4

Recommendation(s):

None - This report is for information only.

CORPORATE IMPLICATIONS

Financial and Value for Money	There are no financial implications directly arising from this report.								
Legal	There are no legal implications arising from this report.								
Corporate	The Leaders report helps to contribute to the promoting open communications corporate value.								
Equalities Act 2010 & Public Sector Equality Duty	<p>Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.</p> <table border="1"> <tr> <td colspan="2">Please indicate which aim is relevant to the report.</td></tr> <tr> <td>Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,</td><td>x</td></tr> <tr> <td>Advance equality of opportunity between people who share a protected characteristic and people who do not share it</td><td>x</td></tr> <tr> <td>Foster good relations between people who share a protected characteristic and people who do not share it.</td><td>x</td></tr> </table> <p>The Council demonstrates due regard to the aims of the Public Sector</p>	Please indicate which aim is relevant to the report.		Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	x	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	x	Foster good relations between people who share a protected characteristic and people who do not share it.	x
Please indicate which aim is relevant to the report.									
Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	x								
Advance equality of opportunity between people who share a protected characteristic and people who do not share it	x								
Foster good relations between people who share a protected characteristic and people who do not share it.	x								

	Equality Duty when conducting its business, this due regard is mirrored in the leaders report which provides an update on key issues arising since the last meeting of Council.
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CORPORATE PRIORITIES (tick those relevant)✓	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	

CORPORATE VALUES (tick those relevant)✓	
Delivering value for money	
Supporting the Workforce	
Promoting open communications	x

1.0 Introduction and Background

1.1 Council Procedure Rule 2.4 provides that:

The Leader of the Council will make available in writing the content of his oral report to opposition group leaders no later than the Saturday before the meeting. The speech will not exceed ten minutes on key issues arising since the last meeting of Council.

The Leaders of any other political group may comment on the Leader's report. The comments of the Leaders of the other political groups shall be limited each to five minutes. The other Group Leaders will comment in an order determined by the number of Councillors within those political groups, with the largest group commenting first, and so on.

The Leader has a right of reply to each Group Leader limited to two minutes, in hierarchical order, to any comments made on his/her report.

The Leader of the Council, the Leader of the Opposition and the Leader of any other political group may appoint substitutes to speak on their behalf.

No motions may be moved nor resolutions passed under this item.

Contact Officer:	Nicholas Hughes, Committee Services Manager, (7208)
Reporting to:	Tim Howes, Director of Corporate Governance and Monitoring Officer

Annex List

None	N/A
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Background Papers

Title	Details of where to access copy
None	N/A

Corporate Consultation

Finance	Matt Sanham, Corporate Finance Manager
Legal	Ciara Feeney, Head of Legal Services & Deputy Monitoring Officer

OVERVIEW & SCRUTINY PANEL CHAIRMAN'S ANNUAL REPORT TO COUNCIL 2016/17

Council	22 March 2017
Report Author	Cllr D. Saunders, Chairman of the Overview & Scrutiny Panel
Portfolio Holder	Cllr Crow-Brown, Cabinet Member for Corporate Governance
Status	For Information
Classification:	Unrestricted
Key Decision	No
Ward:	Thanet Wide

Executive Summary:

The purpose of the report is to highlight some of the key activities and achievements of the Panel covering the 2016/17 municipal year.

Recommendation(s):

Members are invited to comment, offer advice to the Panel and note the report.

CORPORATE IMPLICATIONS

Financial and Value for Money	There are no financial implications directly arising from this report. The report provides a summary of the current work activities of the Overview & Scrutiny Panel which will form the basis of the annual report to Full Council.
Legal	There are no legal implications directly arising from this report. A presentation of the OSP Chairman's report to Full Council enables the Chairman to fulfil their duty as is required by the Council's Constitution.
Corporate	<p>There are no corporate risks associated with this report. The report enables discussion by Members at Full Council on the activities of the Overview & Scrutiny Panel.</p> <p>The debate on the OSP Chairman's report contributes to open communication across the council. A strong scrutiny function contributes to an open democratic process for decision making and delivery of value for money services as council decisions are interrogated by Members before they are implemented. In instances where such decisions are interrogated after implementation, there will be lessons to learn for future policy development.</p>
Equalities Act 2010 & Public Sector Equality Duty	Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a

	protected characteristic and people who do not share it.								
	Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.								
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Advance equality of opportunity between people who share a protected characteristic and people who do not share it									
Foster good relations between people who share a protected characteristic and people who do not share it.									
	No implications arise directly but the Council needs to retain a strong focus and understanding on issues of diversity amongst the local community and ensure service delivery matches these.								
	It is important to be aware of the Council's responsibility under the Public Sector Equality Duty (PSED) and show evidence that due consideration had been given to the equalities impact that may be brought upon communities by the decisions made by Council.								

CORPORATE PRIORITIES (tick those relevant)✓	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	✓

CORPORATE VALUES (tick those relevant)✓	
Delivering value for money	✓
Supporting the Workforce	
Promoting open communications	✓

1.0 Introduction and Background

- 1.1 Thanet District Council's Overview & Scrutiny Panel is entitled to make an annual report to the Annual Meeting of Council. This report summarises the key achievements of the Overview & Scrutiny Panel during 2016/17.
- 1.2 The Panel unanimously agreed at the beginning of the 2016/17 to disregard political proportionality when setting out the membership of the working parties/task & finish groups. Each of the sub-group membership was set at eight to have 3 UKIP, 2 Conservative, 1 Labour, 1 Democratic Independent Group and 1 Independent Group. Members established three working parties which were the Corporate Performance Review Working Party, Community Safety Partnership Working Party and Electoral Registration Process Review Task & Finish Group.
- 1.3 At the Panel's meeting in December 2016 it was agreed to stand down the Electoral Registration process Review Working Party and replace it with a Dreamland Working Group. It was also agreed that this group would use political proportionality and membership was set at seven to have 4 UKIP, 2 Conservative and 1 Labour.
- 1.4 During this municipal year, the Chairman of the Panel presented to Council four reports on the scrutiny activities being undertaken. The main focus of the reports came from the work activities of the Corporate Performance Working Party and Community Safety Working Party.

2.0 Community Safety Partnership Working Party

- 2.1 The working party performed the statutory scrutiny function of the Community Safety Partnership on behalf of the Panel and reports back any recommendations for consideration to the main Panel.
- 2.2 Members received presentation on a number of issues including 'Sexual offence support in Thanet' from Acting DCI Max Davidson, supported by Chief Inspector Sharon Adley from Kent Police on 03 October 2016. In addition they also received a joint presentation from David Naylor and Jane Skeets (EK Rape Crisis Centre) and David Naylor (Victim Support) at the working party meeting on 12 December.
- 2.3 In response to the presentations Members made the following recommendations to the Overview & Scrutiny Panel that:
- a) Thanet District Council approach town councils in Thanet to request funding of £188 to finance one day per week, of EK Rape Crisis Centre counselling services if Thanet District Council will provide a room for the counselling sessions on a match funding basis;
 - b) Approaches are made to the 'Place To Be' to provide their free children services to schools in Thanet;
 - c) A letter be written to the PCC to raise concern about the changes to policing in the area and write a letter advising the PCC that approaches were being made to town councils in Thanet to support the EK Rape Crisis Centre and inquire if the Commissioner was willing to work with town councils in this effort.
- 2.4 As can be evidenced by above recommendations from the meeting, Members found the presentations useful. The above recommendations were referred to the Overview & Scrutiny Panel on 26 January 2017, who in turn agreed to forward these recommendations to Cabinet. Cabinet agreed the recommendations in the main with some amendments.
- 2.5 The working party also met on 06 February 2017 and received an informative presentation by the council officers on Anti-Social Behaviour tools and powers usage in Thanet. Members recommended that this presentation be shared with all other councillors through a Members Briefing session. This suggestion had been passed on to officers and Cabinet agreed the suggestion.

3.0 Corporate Performance Review Working Party

- 3.1 The working party received performance reports at its meetings on 18 July, 23 August, 22 November and 16 February
- Quarterly Corporate Performance monitoring;
 - Quarterly East Kent Services Performance Monitoring;
 - Quarterly East Kent Housing Performance Monitoring;
- 3.2 Members expressed their satisfaction with the detail provided in the comments for the council's corporate performance report. The sub group was advised that the report format would be changed to provide more detail from shared service arrangements and the council's own performance information. This would be evidenced in future quarterly reports.
- 3.3 Members commended the new appointments facility at the Gateway that was set up by EK Services, where members of the public could request for an appointment

electronically. They also said that consideration should be made for the elderly population, many of whom may not be computer literate.

- 3.4 An initial draft of the management of corporate projects tool-kit was shared with Members and indications were made that once approved, officers would bring back the adopted tool-kit that the sub group would use in reviewing performance of the council's corporate projects, by reviewing a limited number of such projects.

4.0 Dreamland Working Group

- 4.1 This sub group was set up at the December Panel meeting and met for their first meeting on 02 February 2017. They agreed that they will use the framework of the report on 'Post Implementation Review of Dreamland Phase One - Lessons Learned' presented to the Panel by East Kent Audit Partnership, as the basis for the terms of reference and work programme for the sub group. A series of meetings have been lined up for the working group and Members aspire to complete the review work by end of April.

5.0 New Scrutiny Arrangement

- 5.1 The Panel unanimously agreed at its meeting on 13 December 2016 to implement revised scrutiny arrangements. The panel agreed to:

1. Adopt an approach for a work programme made up of:
 - i. Three Working Parties;
 - ii. One Scrutiny Review;
 - iii. Continued one off reports considered by the Overview and Scrutiny Panel (including presentations from Cabinet Members);
2. Adopt the OSP Agenda Item Request Template;
3. Adopt a system for prioritisation of scrutiny review projects that includes a scoring matrix;
4. Adopt the use of Scrutiny Review Project Scoping Form.

- 5.2 The new arrangements are still relatively new and as yet Democratic Services have yet to receive a request for a scrutiny review; however Democratic Services look forward to receiving requests in the new municipal year.

6.0 Public Speaking Trial

- 6.1 Full Council agreed at its meeting on 14 July 2016 to amend the council's constitution to allow a trial of public speaking at meetings of the Overview and Scrutiny Panel to take place. The trial period covered O&S meetings on 16 August, 25 October, 21 November, 13 December, 26 January and 14 February. Democratic Services are currently undertaking a review of the trial, the results of which will be reported to the April meeting of the panel.

7.0 Watching Brief Issue: QEQM Hospital Services Review by East Kent Hospitals University Foundation Trust (EKHUFT)

- 7.1 The Panel noted that the QEQM Hospital Cabinet Advisory Group met on 13 December and had drafted a response to the Health and Social Care Sustainability

and Transformation Plan (STP) consultation which had been forwarded to EKHUFT by officers on behalf of council.

8.0 Call-In of Cabinet Decisions

8.1 There were no call-ins made by the Panel in this municipal year.

9.0 Cabinet Presentations at OSP Meetings

9.1 The Panel received a presentation from the Cabinet member for Regeneration and Enterprise Services at the Panel's meeting on 16 August 2016 entitled "key objectives for the Regeneration and Enterprise Services Portfolio regarding regeneration in the Thanet District".

Contact Officer:	Charles Hungwe, Senior Democratic Services Officer, Ext 7186
Reporting to:	Nick Hughes, Committee Services Manager, Ext 7108

Annex List

None	N/A
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Background Papers

Title	Details of where to access copy
None	N/A

Corporate Consultation

Finance	Matt Sanham, Corporate Finance Manager
Legal	Tim Howes, Director of Corporate Governance and Monitoring Officer

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<p align="center">REVIEW OF THE EFFECTIVENESS OF THE GOVERNANCE AND AUDIT COMMITTEE AND ANNUAL REPORT FOR 2016/17</p>

Council	22 March 2017
Report Author	Chair of the Governance and Audit Committee
Portfolio Holder	Councillor Crow-Brown, Cabinet Member for Corporate Governance
Status	For Information
Classification:	Unrestricted
Key Decision	No
Reasons for Key	N/A
Previously Considered by	None
Ward:	Thanet Wide

Executive Summary:

The annual report summarises the achievements of the Governance and Audit Committee against its terms of reference for the 2016-17 financial year and details the impact that it has made on the overall system of internal control in operation for that period.

Recommendation(s):

1. That Members note the content of the annual report and the recommended actions within the action plan.

CORPORATE IMPLICATIONS

Financial and Value for Money	There are no financial implications arising directly from this report.
Legal	The Council is meeting best practice by having in place a Governance and Audit Committee, as this is not a mandatory or statutory function. In adopting the CIPFA guidance for the terms of reference for the Committee the Council is meeting the standards set out for the public sector.
Corporate	Under the Local Code of Corporate Governance accepted by Governance and Audit Committee on the 10 December 2014, the Council is committed to comply with requirements for the independent review of the financial and operational reporting processes, through the external audit and inspection processes, and satisfactory arrangements for internal audit. The functions of the Governance and Audit Committee contribute to the overall internal control environment for the Council and feed into the Annual Governance Statement process..
Equalities Act 2010 & Public	Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to

Sector Equality Duty	<p>the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.</p> <table border="1" data-bbox="432 544 1402 786"> <tr> <td colspan="2">Please indicate which aim is relevant to the report.</td></tr> <tr> <td>Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,</td><td></td></tr> <tr> <td>Advance equality of opportunity between people who share a protected characteristic and people who do not share it</td><td></td></tr> <tr> <td>Foster good relations between people who share a protected characteristic and people who do not share it.</td><td></td></tr> </table> <p>There no equity and equalities issues arising directly from this report but the Council needs to retain a strong focus and understanding on issues of diversity amongst the local community and ensure service delivery matches these.</p>	Please indicate which aim is relevant to the report.		Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,		Advance equality of opportunity between people who share a protected characteristic and people who do not share it		Foster good relations between people who share a protected characteristic and people who do not share it.	
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Foster good relations between people who share a protected characteristic and people who do not share it.									

CORPORATE PRIORITIES (tick those relevant)✓	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	

CORPORATE VALUES (tick those relevant)✓	
Delivering value for money	✓
Supporting the Workforce	
Promoting open communications	✓

1.0 Introduction

- 1.1 The purpose of the Council's Governance and Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent review of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.
- 1.2 To comply with best practice the Committee considers annually how it has met its terms of reference and how it has impacted on the internal control environment. The purpose of this report is to consider the self-assessment that has been undertaken and summarise any improvement opportunities for the forthcoming year.

2.0 Background

- 2.1 The annual report attached at Annex 1 summarises the work of the Committee for the year and concludes that it has received clear, concise and relevant information, regular training events on topics specific to the business of the Committee, and has done all that it can to meet the aims and objectives for the Committee in the best way that it can.

Contact Officer:	Tim Howes, Director of Corporate Governance
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Reporting to:	Madeline Homer, Chief Executive
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Annex List

Annex 1	Governance and Audit Committee Annual Report 2016/17
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Background Papers

Title	Details of where to access copy
None	N/A

Corporate Consultation

Finance	Tim Willis, Director of Corporate Resources & S151 Officer
Legal	Tim Howes, Director of Corporate Governance & Monitoring Officer

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Governance and Audit Committee

ANNUAL REPORT 2016/17

Foreword by Councillor John Buckley, Chairman of the Governance and Audit Committee

This report provides an overview of the Governance and Audit Committee's activity during the municipal year 2016/17.

I am pleased to report that the Committee continues to make progress in terms of discharging its responsibilities to provide independent assurance on the adequacy of the council's risk management framework and the associated control environment, and in providing robust scrutiny and challenge of the Authority's financial performance.

As outlined in the body of this report, the Committee has been actively engaged with both internal and external audit, and I would like to thank all the Members who served on the Committee during 2016/17. My thanks also go to the Council officers who have supported me in my role as Chairman, and with the work of the Committee.

In looking forward to 2017/18 and beyond, and given the continued financial pressures facing the Council, the importance of an effective Governance and Audit Committee remains critical.

1.0 Introduction and Background

- 1.1 The Council established a Governance and Audit Committee in March 2006. Whilst there is no statutory obligation to have an Audit Committee, they are widely recognised as a core component of effective governance. In recent years there has been a significant amount of regulation and guidance issues in governance arrangements for private and public sector bodies, the common feature of governance arrangements being the existence of an Audit Committee.
- 1.2 The purpose of the Council's Governance and Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent review of the authority's financial and non financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.
- 1.3 There are many benefits to be gained from an effective Audit Committee. In fulfilling its role the Committee will:
 - reduce the risks of illegal or improper acts;
 - reinforce the importance and independence of internal and external Audit;
 - increase confidence in the objectivity and fairness of financial reporting.
- 1.4 Stricter internal control and the establishment of a Governance and Audit Committee can never eliminate the risks of serious fraud, misconduct or misrepresentation of the financial position. However, it will:
 - give additional assurance through a process of independent and objective review; and
 - raise awareness of the need for internal control and the implementation of audit recommendations.

2.0 Membership

- 2.1 For the majority of the 2016/17 year, the Governance and Audit Committee comprised of 15 Members (14 Members between 14 July 2016 and 13 October 2016), and met on five occasions. Committee agenda papers and minutes are available on the council's website (www.thanet.gov.uk).

	Members	22/06/16	11/08/16	20/09/16	07/12/16	08/03/17
Committee Members	Cllr Ashbee (up to 14/7/16)	✓				
	Cllr Buckley (Chairman)	✓	A	✓	✓	✓
	Cllr Braidwood	✓	✓	✓	✓	✓
	Cllr Campbell	✓	✓	✓	✓	A
	Cllr Connor	✓	✓	A	✓	A
	Cllr Day	A	✓	A	✓	Ab
	Cllr Dexter	✓	✓	A	✓	✓
	Cllr Dixon	✓	✓	✓	A	Ab
	Cllr Edwards	✓	✓	✓	✓	✓
	Cllr Game	A	✓	✓	A	✓
	Cllr I Gregory	✓	✓	✓	✓	✓
	Cllr Hayton (Vice Chairman)	✓	✓	✓	✓	✓
	Cllr Jaye-Jones	✓	✓	✓	A	✓
	Cllr Larkins	✓	A	✓	Ab	✓
	Cllr L Piper (from 13/10/16)				✓	✓
	Cllr Taylor-Smith	✓	✓	✓	✓	✓
Reserve Committee Members	Cllr Elenor(R)					
	Cllr Evans (R)					
	Cllr Fenner (R)					S
	Cllr Grove (R)					
	Cllr Howes (R)					
	Cllr Partington (R)	S		S		
	Cllr R Potts (R from 14/7/16)					
	Cllr Savage (R)			S		
	Cllr Taylor (R)			IA		
	Cllr Crow-Brown	IA	IA	IA		IA
	Cllr Townend			IA	IA	

Key

C	Chairman	VC	Vice Chairman	S	Present as Substitute
A	Apologies	IA	In Attendance	Ab	Absent

3.0 Programme of reports 2016/17

- 3.1 Detailed below is the programme of reports considered by Governance and Audit Committee during 2016/17, and how they relate to the Committees terms of reference.

Function/Issue	Responsible officer/ body	22/06/16	11/08/16	20/09/16	07/12/16	08/03/17
Audit activity						
External Audit Fee Letter 2016/17	GT	✓				
External Audit Annual Letter 2015/16	GT				✓	
Annual Fraud Report 2015-16	EKAP/DCR	✓				
External Audit Grant Certification Letter 2015/16	GT					✓
Internal Audit Annual Report	EKAP	✓				
External Audit Findings Year Ending March 2016	GT			✓		
External Audit Plan 2016/17	GT					✓
Internal Audit 2017-18 Audit Plan and Audit Charter	EKAP					✓
Internal Audit Quarterly Update Report	EKAP	✓		✓	✓	✓
Draft Audit Committee Assurance Statement	DCR	✓				
Government report in respect of ERDF grant claim, 2005 - 2008	DCR	✓				
Appointing External Auditors	DCR				✓	
Regulatory framework						
Annual Governance Statement 2015/16	DCG			✓		
Annual Governance Statement Action Plan Update	DCG	✓		✓	✓	✓
Annual Treasury Management Review 2015/16	DCR	✓				
Corporate Risk Register Annual Review	DCR	✓				
Corporate Risk Register Update	DCR				✓	✓
Draft Annual Governance Statement	DCG		✓			
Governance Framework and Local Code of Corporate Governance Update	DCG					✓
Review of Effectiveness of the Council's Internal Audit Arrangement 2016/17	FSM					✓
Treasury Management Strategy 2016-17	DCR				✓	
Mid-Year Treasury Report 2016-17	DCR				✓	
Final Statement of Accounts	DCR			✓		

Key

DCG Director of Corporate Governance and Monitoring Officer

DCR Director of Corporate Resources and Section 151 Officer

EKAP East Kent Audit Partnership

FSM Financial Services Manager (Dep S151 Officer)

GT Grant Thornton

4.0 Review of the Governance and Audit Committee's effectiveness

- 4.1 The Governance and Audit Committee should ensure it has effective communication with the authority, to include the Executive, the Head of Internal Audit, the External Auditor and other stakeholders. Consequently it is considered to be best practice for the Committee to be self aware and to submit an annual report to Council.
- 4.2 The annual report summarises the work of the Committee for the year and concludes that it has received clear, concise and relevant information, regular training events on topics specific to the business of the Committee, and has done all that it can to meet the aims and objectives for the Committee in the best way that it can.

5.0 Annual Report

- 5.1 The Governance and Audit Committee is assured on the integrity and reliability of data held in the financial statement. It receives clear, concise reports and actions are dealt

with in an appropriate timescale. The members of the Committee receive specific training in order to assist them with their role in receiving comprehensive assurance from the accounting officer.

- 5.2 The work of internal and external audit provides detailed assurance on the reliability and integrity of the information held in the financial statements as well as on the key control framework in operation across the council.
- 5.3 The assurances from the accounting officer, the work of internal and external audit together support the Committee in forming their opinion of the financial statements, enabling them to agree to sign them off in accordance with regulations.
- 5.4 The Committee receives a regular report on agreed actions from the Annual Governance Statement process. It also reviews the Council's Governance Framework and Local Code of Corporate Governance.
- 5.5 The Committee reviews the Risk Management Strategy on a regular basis and considers the effectiveness of the risk management process both through the work of internal audit and through receiving quarterly risk management reports.
- 5.6 The Committee considers the effectiveness of the internal audit arrangements by reviewing the annual assessment of the Director of Corporate Resources, the view of external audit and the quality of reports, actions and follow-ups through the quarterly reports submitted throughout the year to Committee.
- 5.7 The Committee is able to request service managers and, where necessary, the relevant portfolio holder to attend the Committee to give an update on progress against agreed actions to reduce risk and/or improve governance.
- 5.8 The Chairman and Officers have considered the effectiveness of the Committee. The evidence demonstrating achievement of the Committee's terms of reference is attached at Appendix 1.
- 5.9 The recommended actions are listed in annex 2 attached to this report. They will be incorporated into the council's Annual Governance Statement (AGS) for 2016/17 and then reviewed on a quarterly basis through the AGS action plan.

6.0 Future Challenges

- 6.1 The Governance and Audit Committee will continue with its existing duties whilst continually striving to achieve best practice where this is feasible and affordable. In the forthcoming year, the Committee will need to:
 - address the implications of the Local Accountability and Audit Act 2014
 - oversee the new role of East Kent Audit Partnership in facilitating the risk management process
 - maintain effective internal control in a period of potential government funding reductions and service change.
 - work towards removal of the qualification in the Auditors Value for Money judgment

7.0 Appendices

- | | |
|------------|----------------------------------------------------------------------------------------------|
| Appendix 1 | Governance and Audit Committee Annual Assessment for the period 2016/17 |
| Appendix 2 | Governance and Audit Committee Action Plan from 2016/17 assessment to be actioned in 2017/18 |

Governance and Audit Committee annual assessment for the period 1 April 2016 to 31 March 2017

Good practice principle / description	Achieved	Not achieved	Achieved through:
Audit Committee practices, structure and operation			
Does the council have a stand-alone Audit Committee that reports regularly to Council?	✓		Annual Report of Governance and Audit Committee that goes to Annual Council
Is the Audit Committee comprised of members who are independent of the executive and financially literate?	✓		Members of the Committee are independent of the Executive. All Members are offered the opportunity of financial training with specific reference to approving the Statement of Accounts.
Are new members inducted, specifically on governance and finance, as well as receiving ongoing training and development opportunities?	✓		Governance and Financial section within formal Induction Programme for Members following Elections. Training sessions provided throughout the year, especially for the Statement of Accounts.
Does the Audit Committee meet regularly throughout the year? Are these meetings appropriately supported by officers of the council?	✓		Attendance records.
Is an annual calendar of meetings/reports prepared to ensure all duties noted in the terms of reference are fulfilled?	✓		Programme of reports within the Governance and Audit guidance pack.
Are agendas provided to Audit Committee members sufficiently in advance of meetings?	✓		Council protocol to issue agenda at least 5 clear working days prior to the meeting.
Is the Audit Committee's performance assessed against the duties and responsibilities detailed in the terms of reference?	✓		Through the Chairman's annual report.
Is this assessment provided to Council, and are appropriate actions taken to enhance the Committee if necessary?	✓		Annexed to Annual Report. Tailored and specific training provided as necessary.
Financial reporting			
Does the Audit Committee oversee the financial reporting process and credibility of the council's financial information?	✓		Through accepting reports in connection with the council's financial statements.
Does the Audit Committee receive regular reports on the council's Treasury Management process?	✓		Regular reports on the agenda, detailed in the Programme of Reports.

Good practice principle / description	Achieved	Not achieved	Achieved through:
Does the Audit Committee oversee the council's internal control framework?	✓		Reports to Committee – quarterly Internal Audit update reports, annual Internal Audit report and regular External Audit reports.
Are any issues that may negatively affect the financial information generated from the internal controls processes brought to the Audit Committee's attention?	✓		Discussion of reports at each Committee meeting.
Effective relationships with auditors			
Does the Audit Committee receive regular reports from the external auditors?	✓		Shown through the Programme of Reports.
Does the Audit Committee review and approve the internal auditors work plan and scope of planned audits, as well as their staffing and financial budgets?	✓		The Internal Audit Plan, which includes the Audit Charter and Strategy are programmed in for each March meeting of the Committee. This covers staffing and qualifications.
Does the Audit Committee receive reports dealing with the management and performance of the internal auditors?	✓		The Charter and Strategy cover these areas. Also Customer Feedback which is detailed in the quarterly Internal Audit update reports and the Internal Audit Annual Report.
Compliance with laws, regulations and internal policies			
Does the Audit Committee monitor compliance with internal policies, such as the code of conduct?	✓		These feature within the Internal Audit plan, specifically looking at the member and officer Code of Conduct. Also embedded within various audits.
Does the Audit Committee approve those policies / strategies that fall within its remit, such as anti fraud and corruption, whistleblowing, risk management?	✓		Detailed within the Programme of Reports.
Does the Audit Committee have the power to investigate any matters brought to their attention that have a significant impact of the council's financial or governance arrangements?	✓		Governance and Audit Committee have the ability to request appropriate Member/Officer attendance to respond to questions at next available meeting, or to provide a written update if the need is of an urgent nature. Extraordinary meetings can be called at the request of the Committee to consider any such reports.
Does the Audit Committee approve the Statement of Accounts and Annual Governance Statement at the appropriate time?	✓		Meeting dates are arranged with deadline dates in mind to ensure they are met.
Terms of reference			

Good practice principle / description	Achieved	Not achieved	Achieved through:
Audit activity			
To consider the annual report and opinion of the East Kent Audit Partnership, and a summary of audit activity (actual and proposed) and the level of assurance it can give over the council's governance arrangements;	✓		Receiving East Kent Audit Partnership annual report.
To approve (but not direct) internal audit's strategy, plan and monitor performance;	✓		This is directed by the Section 151 Officer, and approved by Governance and Audit Committee at their meeting in March.
To consider summaries of specific internal audit reports as requested;	✓		Achieved through agreeing the annual audit plan, and receiving the quarterly internal update reports.
To consider reports dealing with the management and performance of the providers of internal audit services;	✓		Receiving the 'effectiveness of the council's Internal Audit arrangements' report prepared by the Section 151 Officer.
To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale;	✓		Contained within the quarterly internal audit reports and the internal audit annual report.
To consider the external auditor's annual letter, relevant reports and the report to those charged with governance;	✓		Receive the Annual Audit Letter normally in December and on a quarterly basis receive an update report from the external auditors.
To consider specific reports as agreed with the external auditor;	✓		The external auditors regularly provide reports to the Governance and Audit Committee on relevant matters.
To consider the annual programme of work and associated fees for the external auditors and provide challenge as appropriate	✓		Receive the annual audit fee from the external auditors.
To commission work from internal and external audit as agreed by the Committee.	✓		This enables Governance and Audit Committee to request work, but this has not been required during 2015/16.
Regulatory framework			
To review any governance / financial issue referred to it by the Chief Executive or a Director, or any council body;	✓		New due diligence protocol approved, consolidating existing practice, by Governance and Audit Committee in December 2014.
To monitor the effective development and operation of risk management and governance in the council;	✓		Approve the annual review of the risk management strategy and process, and receive the corporate risk register on a quarterly basis.

Good practice principle / description	Achieved	Not achieved	Achieved through:
To oversee the application of the council's governance arrangements for partnership activities where the council is the accountable body and / or employer;	✓		Internal audits for EK Services, East Kent Housing and East Kent HR Partnership, reported to Governance and Audit Committee in the quarterly Internal Audit update reports.
To approve the council policies on Anti-Bribery, Whistleblowing, Anti-fraud and Corruption and the External Funding Protocol;	✓		Received the reviewed policy for approval and received training on this matter.
To recommend to Cabinet the council's policy in Equalities;	✓		No reports received during 2013/14.
To approve the authority's Annual Governance Statement;	✓		Annual Governance Statement agreed by Governance and Audit Committee in Sept 2014.
To consider the council's compliance with its approved Treasury Management Strategy	✓		Agreed by Governance and Audit Committee who receive regular reports on this matter.
To consider the council's arrangements for governance and agreeing necessary actions to ensure compliance with best practice;	✓		Achieved by the Committee receiving the annual review of the Governance Framework and Local Code of Corporate Governance and agreeing the draft and final Annual Governance Statement.
To consider the council's arrangements for ensuring adequate data quality;	✓		Governance and Audit Committee are informed of when these documents have been reviewed, ensuring that adequate arrangements are in place.
To consider the council's compliance with its own and other published standards and controls.	✓		Achieved through reviewing the Committee's terms of reference and achievement against them, and production of the Annual Report.
Accounts			
To approve the annual Statement of Accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statement or from the audit that need to be brought to the attention of the council;	✓		Receive and approve the Final Accounts in September of each year.
To consider the external auditor's report on issues from the audit of the accounts and recommend approval to those charged with governance.	✓		This is included within the Annual Audit Letter received in December each year.

Governance and Audit Committee Action Plan 2016/17

Following the completion of an annual assessment of the performance of the Governance and Audit Committee for the period May 2015 to April 2016, the issues below were identified and action was undertaken during the period May 2016 to April 2017 to address these.

Ref	Good practice principle / description / issue identified	Proposed Action	Proposed completion date	Responsible officer / body
14-15/01	Revised facilitation of risk management by EKAP	<ul style="list-style-type: none"> Quarterly risk management update reports Annual review of risk management 	As and when required	DCR
14-15/02	Implement the requirements of the Local Accountability and Audit Act 2014	<ul style="list-style-type: none"> Report from the Monitoring Officer with action plan Regular progress reports 	Reported to Committee in December 2015	DCG DCG
14-15/03	Ensure the Council addresses the impact of any major funding or service change following the 2015 General Election	<ul style="list-style-type: none"> Incorporated in the 2016-20 Medium Term Financial Strategy 	Budget & MTFS approved February 2016	DCR
14-15/04	Work towards having the removal of the qualification in the Auditors Value for Money judgment	<ul style="list-style-type: none"> Extensive management of external auditor meetings with group leaders Careful relationship management of external auditor including production of credible value for money strategy Work done by Improvement Board Training programme to improve member behaviour (the source of the qualification) Constitution rewrite in progress to ensure robust arrangement in place for code breaches 	Completed Feb 2016	DCR CE DCG DCG

Governance and Audit Committee Action Plan 2017/18

Following the completion of an annual assessment of the performance of the Governance and Audit Committee for the period May 2016 to April 2017, the issues below were identified and action will be undertaken during the period May 2017 to April 2018 to address these.

Ref	Good practice principle / description / issue identified	Proposed Action	Proposed completion date	Responsible officer / body
15-16/01	CIPFA-Good Governance in Local Government -2016 Framework	Implement new framework	On-going	DCG DCR
15-16/02	Implement the requirements of the Local Accountability and Audit Act 2014	Keep Committee informed as options become clearer	On-going	DCR

Key:

DCG Director of Corporate Governance & Monitoring Officer
DCR Director of Corporate Resources/S151 Officer
CE Chief Executive

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Independent Chair of Standards Annual Report

Full Council- 23 March 2017

Report Author *Dr. Jonathan Sexton,
Independent Chairman of Standards Committee*

Status **For Information**

Classification: **Unrestricted**

Executive Summary:

The Chairman's annual report summarises and comments on the work of the Standards Committee for the period May 2016 March 2017.

Recommendation(s):

Members note the report.

CORPORATE IMPLICATIONS

Financial and Value for Money	None arising from this report									
Legal	The Localism Act 2011 requires local authorities to establish arrangements to deal with allegations that council members have broken the Code of Conduct.									
Corporate	The role of the Standards Committee is to promote high standards of conduct by councillors and co-opted members in accordance with the members' Code of Conduct. This report relates to the Committees function to monitor the effectiveness of the Code of Conduct.									
Equalities Act 2010 & Public Sector Equality Duty	<p>Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only</p> <table><tr><td colspan="2">Please indicate which aim is relevant to the report.</td></tr><tr><td>Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,</td><td>✓</td></tr><tr><td>Advance equality of opportunity between people who share a protected characteristic and people who do not share it</td><td>✓</td></tr><tr><td>Foster good relations between people who share a protected characteristic and people who do not share it.</td><td>✓</td></tr></table> <p>aim (i) of the Duty applies to Marriage & civil partnership. The Standards Committee is a key mechanism to enforce the requirements of the Public sector Equality Duty.</p>		Please indicate which aim is relevant to the report.		Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	✓	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	✓	Foster good relations between people who share a protected characteristic and people who do not share it.	✓
Please indicate which aim is relevant to the report.										
Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	✓									
Advance equality of opportunity between people who share a protected characteristic and people who do not share it	✓									
Foster good relations between people who share a protected characteristic and people who do not share it.	✓									

CORPORATE PRIORITIES (tick those relevant)✓	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	

CORPORATE VALUES (tick those relevant)✓	
Delivering value for money	
Supporting the Workforce	✓
Promoting open communications	✓

1.0 Introduction and Background

- 1.1 My third report to Thanet District Council largely covers the Municipal Year 2016/17. If the previous year was primarily focussed upon overseeing major revisions to the Council's Constitution, the demands of this year have reverted to an oversight of Standards.

2.0 Member Conduct Within the Council Chamber

- 2.1 Overall the behaviour of members in Full Council has kept faith with the spirit of collaboration through contestability that flows from the Improvement Board agenda developed during 2014. Regrettably in one meeting (13 October 2016), behaviour reverted to personalised attacks by some leading Members from different sides of the Chamber. However, by the following meeting (1 December 2016) and with some apologies expressed and acknowledged, behaviour had returned to an acceptable style of discourse.
- 2.2 A follow up meeting of the Improvement Board with input from LGA Peer Review members has been arranged for 28 April 2017 to assess continued progress with the Improvement agenda. Member behaviour may be one issue that is explored, as this was a key part of the Improvement Board agenda.
- 2.3 One sustained initiative from the Improvement Board is the continued programme of Member training. The schedule of training held over this period is attached as an appendix to this report. All staff who have contributed to these courses should be acknowledged as well as Democratic Services who organised these. Regrettably take up has not been consistent even among newly elected Members. Certainly the complaints concerning of one Member resulting an outcome of informal disputes resolution procedure, might have been avoided had that Member taken up such opportunities.

3.0 Constitutional Working Party (CRWP) and Standards Committee Meetings

- 3.1 Having met regularly throughout 2015/16 with a significant revision agenda, it is unsurprising that CRWP has met less frequently over the past year. On 8 June 2016 it met to appraise the proposal for a pilot scheme for public speaking at Overview and Scrutiny Committee, subsequently endorsed by Standards Committee 28 June and Full Council. An appraisal of the scheme is in preparation and will be considered by Overview & Scrutiny Panel, then by Full Council shortly. CRWP met on 24 August and agreed to recommend proposed changes to procedures involving the Council's official seal. However, such proposals were not supported by Standards Committee when meeting on 13th September. A meeting of Standards Committee scheduled for 24th November was cancelled due to lack of business.

- 3.2 I am not concerned at this stage with the relative lack of activity during 2016. Both Committees were worked hard in the preceding year on constitutional revisions and it is surely prudent that the revised Constitution is given time to bed down.

4.0 Town and Parish Councils in the Thanet Area

- 4.1 In previous reports I have expressed concern at the number of Standards Sub Committees necessarily convened over issues arising from our local towns and parish councils. During the 2016/7, however, the incidence of complaints from this source has been small.
- 4.2 One welcome development furthermore was a meeting arranged on 7 October where the Monitoring Officer and I met with Clive Powell and other colleagues from the Kent Association of Local Councils KALC. The outcome was a commitment that KALC would arrange a series of training sessions on Improving Governance for Local councils in Thanet. Such training is open to all councillors and officers supported by a five month package of further support mentoring. The team providing this includes Mr Powell, a local Clerk and an out of area Member from the KALC Executive Committee. A six month review would then be organised. The Monitoring Officer offered a modest financial commitment from TDC to support the programme. Subsequently it was decided by the participating Councils that they would manage this from within their own resources and not seek further TDC involvement. We were advised that the programme would be planned to commence early in this calendar year. Assuming that progress has been made with the training programme, I am content to have helped initiate matters. It is vital that the councils themselves have full ownership of all of this.
- 4.3 I am grateful for the help received from the parish council members who are nominated to sit on the Thanet Standards Committee and whose insight is valuable when Sub Committees are formed to address complaints involving parish and town council members.

5.0 Complaint TDCSC144/16

- 5.1 It is not intended, nor would it be proper to refresh the causative facts of this high profile complaint, which came as a report to Full Council on 13 October. This was the first time that the full range of measures were employed, being unanimously supported. Nevertheless there is some learning to come from the case, which may be both worthy of refinement to the provisions of the Constitution and for more general reflection.
- 5.2 Firstly one disciplinary recommendation was the offering of a public apology. This was read out by the Chairman of the Council. Such a practice is entirely possible within stated rules and my commentary now should not be seen as a criticism, either of the Member, nor the Chairman. Consideration however should be given revising the Constitution, to require that in future, on the hopefully rare occasions where this is judged appropriate, that a statement of apology be made in person.
- 5.3 Consideration should also be given to requiring the Monitoring Officer to scrutinise any future public statement of apology prior to issue, not for the purposes of dictating the wording, but to ensure that such a statement, at least address the kernel of the complaint.
- 5.4 Thirdly, there was some confusion at the Town Council over their consideration of the recommendations from the Monitoring Officer. In future, it would be preferable if the

recommendations to the Town (or Parish) Council are written separately from the recommendations to the District Council, so that there is greater clarity.

- 5.5 Fourthly everyone, politicians and the public alike, need to recognise that whilst complaints are about Members as politicians the full investigation process has to be thorough and may take time. In this case the budget for an independent investigator had been exhausted (employed on one parish council complaint, and on two TDC Members who resigned from the Council whilst the Investigation was underway). So, the Investigative process was undertaken by a member of this Councils legal team in addition to her existing workload. There was some pressure both by some Members and also by members of the public, expressing impatience at the time being taken. This wasn't helpful. I should state, recognising that this touches on the role of Monitoring Officer, I took it upon myself to be assured that the complainants were kept abreast of process with the investigation and of the outcome of both Sub Committee hearings. However, I would advise the Council of its duty to provide the Monitoring Officer with such staff, accommodation and other resources as are, in his or her opinion, sufficient to allow him or her to perform their duties.
- 5.6 Lastly for the sake of clarity, the membership of a Standards Sub Committee that receives the outcome of a formal investigation does not require the same membership of the Sub Committee that received the initial complaint, and determined that formal investigation was appropriate.
- 5.7 As will be clear from the foregoing, the management of this complaint wasn't straight forward. Nevertheless the positives to draw from these issues are that notwithstanding some comings and goings, the Standards Process is being taken seriously.

6.0 Complaints about Member behaviour in Thanet District Council 2016/17

- 6.1 The totality of complaints considered by. Convened Sub Committee of the Council's Standards Committee, relating to both District and Town/Parish Councils is set out in the table below. In view of the data (small numbers), an expression in percentage terms might lead to misleading or sensational interpretation. Absolute numbers are therefore used.

	COMPLAINT NO:	DATE	PROGRESS	COMPLAINANT	AGAINST	ALLEGATION
	2016/17					
144	TDCSC144/16	29/03/2016	Breach of Code of Conduct, sanctions recommended. Closed	Members of the Public	TDC Councillor	Allegations of inappropriate comments made on social media bringing office into disrepute.
145	TDCSC145/16	13/04/2016	Informal Dispute Resolution. Letter from the Monitoring Officer issued. Closed	Member of the Public	TDC Councillor	Allegations of inappropriate comments made to the media bringing office into disrepute
146	TDCSC146/16	04/05/2016	Informal Dispute Resolution. Letter from the Monitoring Officer issued.	Parish Councillor	Parish Councillor	Allegations of bullying and unfair behaviour in council meetings

	COMPLAINT NO:	DATE	PROGRESS	COMPLAINANT	AGAINST	ALLEGATION
	2016/17					
			Closed			
147	TDCSC147/16	18/07/2016	Informal Dispute Resolution. Letter from the Monitoring Officer issued. Closed	Member of the Public	TDC Councillor	Allegations of rudeness in email correspondence.
148	TDCSC148/16	23/09/2016	Did not meet legal jurisdiction test. Closed	Member of the Public	TDC and Parish Councillors	-
149	TDCSC149/16	25/08/2016	Withdrawn Closed	TDC Councillor	TDC Councillor	Allegations of harassment.
150	TDCSC150/16	24/10/2016	No further action. Closed	TDC Councillor	TDC Councillor	Allegations of bullying and unfair behaviour in council meetings
151	TDCSC151/16	28/10/2016	No further action Closed	TDC Councillor	TDC Councillor	Allegations of inappropriate use of civic robes.
152	TDCSC152/16	28/10/2016	Did not meet legal jurisdiction test. Closed	TDC Councillor	TDC Councillor	-
153	TDCSC153/16	28/10/2016	No further action Closed	TDC Councillor	TDC Councillor	Allegations that inappropriate comments had been made to the press regarding a safeguarding matter.
154	TDCSC154/16	31/10/2016	No further action. Closed	Member of the Public	TDC Councillor	Allegation that subject member had failed to declare an interest in a planning application.
155	TDCSC155/16	03/11/2016	Informal Dispute Resolution. Letter from the Monitoring Officer issued. Closed	Member of the Public	TDC Councillor	Allegations of harassment and unannounced visit to member of the public's home.
156	TDCSC156/16	08/12/2016	Informal Dispute Resolution Letter from the Monitoring Officer issued.	TDC Councillor	TDC Councillor	Allegations concerning prejudiced and political views and renegeing on duty to assist resident.

	COMPLAINT NO:	DATE	PROGRESS	COMPLAINANT	AGAINST	ALLEGATION
	2016/17					
			Closed			
157	TDCSC157/16	21/12/2016	Did not meet legal jurisdiction test. Closed	Member of the Public	TDC Councillor	-
158	TDCSC158/17	20/01/2017	Did not meet legal jurisdiction test. Closed	TDC Councillor	TDC Councillor	-
159	TDCSC159/17	27/01/2017	Did not meet legal jurisdiction test. Closed	Member of the Public	TDC Councillor	-
160	TDCSC160/17	08/02/2017	Assessment Sub-Committee scheduled. Open	Member of the Public	Parish Councillor	Alleged defamation of character and to unduly influence the outcome of an election.

6.2 The Council received 21 cases of complaint, but since 5 of these related to one issue (complaint TDC 144/16) I have chosen to group these as one, which is how they were managed in the process. Therefore, 16 complaints were considered. This is an increase from the previous year (15) but judged to be within an acceptable range, especially as a key task for the Standards Committee is, over time to contain the number of Standards related complaints.

6.3 Two of the complaints relate to parish/town councils (interestingly, the same council).

6.4 The number of complaints received relating solely to Thanet District Council therefore was 14. Of these 6 were rejected by the Monitoring Officer for failing one or more of the jurisdiction tests, This left 8 cases which received formal consideration by a convened Standards Sub Committee. After due consideration 4 complaints were considered against the local assessment criteria and it was recommended that no further action be taken. The remaining 4 complaints were judged to be of substance. Should TDC therefore be required to submit a statistical return to an outside body such as the Local Government Association, or elsewhere for formal publication I would judge that our return should equate to 4 demonstrable Standards Complaints.

6.5 One of the confirmed cases, as will be obvious from the extensive commentary above, required a full formal investigation. The remaining cases were managed as informal resolutions, resulting in a letter of admonishment from the Monitoring Officer to the relevant Member, reflecting the considered judgement of that convened Standards Sub Committee.

6.7 Some other comments are appropriate. Firstly, Sub Committees tend to be wary of complaints that have been initiated by Members against other Members of the Council, especially where these are of different political persuasions. To maintain confidence in the Standards system, especially one with a minimum of statutory

framework it is vital that it is not viewed as a tool for party political, nor individual political gain. That is not to deny Members the right to make complaints against other Members; much of course will depend of the facts of each case received. But generally, complaints from this source will be entertained with some caution.

- 6.8 Secondly, and in contrast to past years there is no discernible pattern to the grounds for complaint. In previous years the abuse within the realms of social media was a particular issue; and whilst the most significant complaint addressed this year concerned this very issue, overall social media has not offered itself as a rich vein for complaints during 2016/17.
- 6.9 In spite of a necessary focus on complaints against Members in a report on Standards, it is right to stress that these very much are minority incidents. The large majority of Members succeed in working diligently within the Council's conventions and protocols to serve their communities; to determine and scrutinise Council policy and generally promote the good of the area.
- 7.0 Finally I would like to commend to the Council the work of Democratic Services, especially Emily Kennedy, for maintaining the informal objective of a six week period from receiving an initial complaint, through examination, determination and response to a complainant in a straightforward case.

8.0 Thanks

- 8.1 I would like to thank Mr Tim Howes, Monitoring Officer for his continuing wisdom, knowledge and professional integrity. My thanks also go to the officers of Democratic Services who have sought to serve the Standards agenda with diligence. I would especially like to thank Ciara Feeney of Legal Services for her investigation relating to complaint TDC 144/16, which whilst providing an excellent professional development opportunity, was undertaken and published to a very high professional standard. My thanks also go to Mrs Janet Bacon, Vice Chair of Standards.
- 8.2 Finally I would like to acknowledge those Members of the Standards Committee who have severally contributed to the convening of Standards Sub Committees. It is never easy to be required to pass judgement on colleagues, and this should be publicly acknowledged.

8.3 Member Training Programme 2016-17

<u>Date</u>	<u>Time</u>	<u>Course</u>	<u>Trainer/Facilitator</u>	<u>Location</u>
5 Apr 2016	18.15	Members Briefing	Various	Council Chamber
13 Apr 2016	14.00	Advanced Planning Training	Iain Livingstone	Council Chamber
13 Apr 2016	19.00	Advanced Planning Training	Iain Livingstone	Council Chamber
25 May 2016	19.00	Coffee Evening – Housing	Representatives from: Strategic Housing, Housing Options and Housing Regeneration	Austen Room
19 May 2016	14.00	Member/Officer Protocol Training	Tim Howes	Council Chamber
19 May 2016	19.00	Member/Officer Protocol Training	Tim Howes	Council Chamber
8 June 2016	10.00	Scrutiny Training – this session will be run jointly with Officers	Centre for Public Scrutiny	Council Chamber
8 June	19.00	Scrutiny Training– this	Centre for Public Scrutiny	Council

2016		session will be run jointly with Officers		Chamber
21 Jun 2016	18.15	Members Briefing	Various	Council Chamber
6 July 2016	19.00	Due Regard in Decision Making	external trainer TBC	Council Chamber
19 July 2016	19.00	Coffee Evening – Planning	Representatives from: Strategic Planning, Planning Applications and Building Control	Austen Room
6 Sept 2016	18.15	Members Briefing	Various	Council Chamber
14 Sept 2016	14.00	Public Speaking Training	David McGrath - Link Support Services	Council Chamber
14 Sept 2016	19.00	Public Speaking Training	David McGrath - Link Support Services	Council Chamber
6 Oct 2016	14.00	Social Media and Email Etiquette Training	Hannah Thorpe	Council Chamber
6 Oct 2016	19.00	Social Media and Email Etiquette Training	Hannah Thorpe	Council Chamber
26 Oct 2016	19.00	Coffee evening – Operational services	Representatives from: Waste and Recycling, Open Spaces, Maritime, Technical Services and Enforcement	Austen Room
29 Nov 2016	14.00	Effective Casework and Advice Surgeries for Councillors	South East Employers	Council Chamber
29 Nov 2016	19.00	Effective Casework and Advice Surgeries for Councillors	South East Employers	Council Chamber
6 Dec 2016	18.15	Members Briefing	Various	Council Chamber
10 Jan 2017	18.15	Members Briefing - Budget	Director of Corporate Resources	Council Chamber
24 Jan 2017	14.00	Questioning Skills Training	David McGrath - Link Support Services	Council Chamber
24 Jan 2017	19.00	Questioning Skills Training	David McGrath - Link Support Services	Council Chamber
7 Feb 2017	18.15	Members Briefing	Various	Council Chamber
21 Feb 2017	14.00	Difficult Conversation Training	East Kent HR	Council Chamber
21 Feb 2017	19.00	Difficult Conversation Training	East Kent HR	Council Chamber
21 March 2017	19.00	Coffee Evening – Safer Neighbourhoods	Representatives from: Community Safety & Leisure, Public Protection, Environmental Protection and Regulatory Services.	Austen Room

Contact Officer:	<i>Tim Howes, Director of Corporate Governance</i>
Reporting to:	<i>Madeline Homer, Chief Executive</i>

Pay Policy Statement – Financial Year 2017/18

Council 22 March 2017

Report Author **Madeline Homer, Head of Paid Service**

Portfolio Holder **Cllr Derek Crow-Brown – Corporate Governance Services**

Status **For Decision**

Classification: **Unrestricted**

Ward: **All Wards**

Executive Summary:

This Pay Policy Statement sets out the council's approach to pay in accordance with the requirements of section 38 of the Localism Act 2011. The purpose of the statement is to provide transparency with regard to the council's approach to setting the pay of its employees. This paper presents the Pay Policy Statement to cover the financial year 2017/18.

The Localism Act 2011 requires that the Pay Policy Statement must be approved by resolution of the Council by 31st March 2017 and then published soon after.

Recommendation(s):

Approve the Pay Policy Statement for 2017/18 as set out in Annex 1, after which it will be published.

CORPORATE IMPLICATIONS

Financial and Value for Money	Budget relating to staff pay is agreed through appropriate authority procedures and is within current budget.
Legal	The Pay Policy Statement 2017/18 must be approved by resolution of the Council by end of 31 March 2017 to ensure compliance with the Localism Act 2011.
Corporate	The Pay Policy Statement supports the council's objective of transparency, ensures compliance with statutory legislation and provides direction for members and officers making decisions on pay.
Equalities Act 2010 & Public Sector Equality Duty	In determining pay and remuneration for all of its employees, the council will comply with all relevant employment legislation. This includes the Equality Act 2010 and the Public Sector Equality Duty.

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CORPORATE PRIORITIES (tick those relevant)✓	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	

CORPORATE VALUES (tick those relevant)✓	
Delivering value for money	✓
Supporting the Workforce	✓
Promoting open communications	

1.0 Introduction and Background

- 1.1 Section 38 of the Localism Act 2011 requires the council to produce and publish a Pay Policy statement for each financial year.
- 1.2 The Pay Policy Statement ensures transparency with regard to the council's approach to setting the pay of all its employees by identifying:
- the methods by which salaries of all employees are determined;
 - the detail and level of remuneration of its most senior staff i.e. 'chief officers', as defined by the relevant legislation;
 - the relationship between
 - the remuneration of its Chief Officers and
 - the remuneration of its employees who are not Chief Officers
- 1.3 The Pay Policy Statement provides direction to members and officers making detailed decisions on pay, providing a clear statement of the principles underpinning decisions on the use of public funds.

2.0 The Current Situation

- 2.1 In accordance with the Localism Act 2011, the council is required to prepare and approve a Pay Policy Statement before the end of 31 March immediately preceding the financial year to which it relates, in this case for 2017/18
- 2.2 The councils Pay Policy Statement 2017/18 must be approved by resolution of the Council before it comes into force.
- 2.3 During 2016/17 there have been no significant changes to the pay policy statement and therefore the pay policy statement 2017/18 reflects only an update to that which was published for 2016/17.
- 2.4 The pay policy statement 2017/18 is attached at annex 1 and details the council's approach to setting the pay of its employees.

3.0 Next Steps

- 3.1 Once approved the Pay Policy Statement 2017/18 will be published on the council's website, outlining the council's approach to paying all staff.

Contact Officer:	Janette Gates, HR Business Partner, 07764 246027
Reporting to:	Madeline Homer, Chief Executive

Annex List

<i>Annex 1</i>	Thanet District Council, Pay Policy Statement 2017/18
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Background Papers

Title	Details of where to access copy
<i>None</i>	

Corporate Consultation

Finance	Tim Willis, Director of Corporate Resources and S151 Officer
Legal	Tim Howes, Director of Corporate Governance and Monitoring Officer

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Thanet District Council's Pay Policy Statement

FINANCIAL YEAR 2017-18

1. Purpose

This Pay Policy Statement sets out the council's approach to pay in accordance with the requirements of Section 38 of the Localism Act 2011.

The purpose of the statement is to provide transparency with regard to the council's approach to setting the pay of its employees by identifying:

- the methods by which salaries of all employees are determined;
- the detail and level of remuneration of its most senior staff i.e. 'chief officers', as defined by the relevant legislation;
- the relationship between
 - the remuneration of its Chief Officers and
 - the remuneration of its employees who are not Chief Officers

The Chief Executive (as Head of Paid Service) and General Purposes Committee, in so far as it relates to relevant Chief Officers, are responsible for ensuring the provisions set out in this statement are applied consistently throughout the council.

The council is required to prepare and approve a pay policy statement before the end of 31 March immediately preceding the financial year to which it relates and must be approved by resolution of the Council before it comes into force.

2. Definitions and interpretation

For the purpose of this pay policy the following definitions will apply:

"Pay" in addition to salary includes charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements, and termination payments.

For the purposes of this pay policy '**Chief Officers**' are as follows:

- Chief Executive, as Head of Paid Services
- Director of Corporate Resources, as Chief Financial Officer
- Director of Corporate Governance and Monitoring Officer, as Monitoring Officer
- Director of Operational Services and Director of Community Services, as non-statutory Chief Officers
- Director of Shared Services, as non-statutory Chief Officer

Deputy Chief Officers (as defined within the Local Government and Housing Act 1989) i.e. direct reports to chief officers, as follows:

- Head of Financial Services
- Head of Communications
- Head of Housing Services
- Head of Port & Technical Services
- Committee Services Manager
- Electoral Services Manager
- Business Transformation Manager
- Head of Safer Neighbourhoods
- Head of Growth and Development
- Head of Asset Management
- Head of Operational Services
- Head of Legal Services & Deputy Monitoring Officer
- Assistant Director – Customer Delivery (EK Services)
- Head of ICT (EK Services)

- Business Support Manager (EK Services)
- Finance Manager (EK Services)

“Lowest paid employees” refers to those staff employed within grade TG-B of the Council’s pay framework. This definition for the “lowest paid employees” has been adopted because grade TG-B is the lowest grade to which staff are employed on the Council’s pay framework.

“Employee who is not a Chief Officer” refers to all staff that are not covered under the “Chief Officer” group listed above. This includes the “lowest paid employees” i.e. staff on grades TG-B to TG-P.

This excludes staff governed by national consultation groups, e.g. apprentices.

3. Pay framework

3.1 General approach

The council recognises the need to exercise the greatest care in managing scarce public resources, whilst also securing and retaining high quality employees. The level of remuneration is a very important factor in both recruitment and retention. In light of the economic pressures there is a need to balance affordability and value for money with creating an environment where retention of the wealth of skills and experience within the organisation is cemented and, where external recruitment is required, the organisation can be counted as employers of choice.

In determining the pay and remuneration of all its employees, the council will comply with all relevant legislation. This includes legislation such as the Equality Act 2010, Part-time Employment (Prevention of Less Favourable treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. The council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of job evaluation mechanisms, which directly establishes the relative levels of posts in grades according to the requirements, demands and responsibilities of the role.

In the application of the pay framework, the council takes into account market rates, individual performance and the need for consistency in the way grades are applied.

3.2 Responsibility for decisions on remuneration

With the exception of any groups where pay is governed by national consultation groups, pay for the “lowest paid employees” and “all other employees who are not Chief Officers” is determined by the council’s agreed pay framework.

Pay for ‘Deputy Chief Officers’ is determined by the council agreed pay framework.

The Employee Council, is the council’s recognised negotiating body for the purposes of pay bargaining. This includes Unison and GMB. Pay awards are considered and determined locally in negotiation with both Unison and GMB through the Employee Council.

Thanet District Council’s pay framework was resolved by Council on 28 February 2013 and implemented on 1 April 2013 following agreement with the unions.

It is essential for good governance that decisions on pay and reward packages for chief executives and chief officers are made in an open and accountable way and that there is a verified and accountable process for recommending the levels of top salaries.

The current framework, in so far as it affects the Chief Executive and the Chief Officers (excluding Deputy Chief Officers) was agreed by the General Purposes Committee on 21 February 2013.

Any future changes to the council’s pay framework where it affects pay for Chief Executive and the Chief Officers are to be agreed by the General Purposes Committee.

3.3 Salary grades and grading framework

Following a national requirement for all Local Authorities and other public sector employers to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer, the council implemented the Hay job evaluation scheme.

Grades are determined in line with the Hay job evaluation scheme.

There are 18 grades (TG-B to TG-S) in the pay framework, grade TG-B being the lowest and grade TG-S the highest. Each employee will be on one of the grades based on the job evaluation of their role.

Thanet District Council pays the Living Wage to all employees.

3.4 Pay for contribution

From 1 April 2014, progression within the salary band will be dependent on performance and competency, as measured through the Performance Appraisal and Development Review process. Percentage increase in base pay will be determined based on the pay budget available. Pay progression will be dependent on individual performance/competency rating each year and the pay for contribution percentage applicable to that rating in a particular year.

For those close to or at the maximum salary rating for the scale a payment equivalent to others who have the same performance contribution rating, will be made in the form of a lump sum.

4. Remuneration and benefits

4.1 Salaries

4.1.1 “Chief Officer” – remuneration & the relationship to non-chief officers

All Chief Officers are currently employed within grades TG-Q to TG-S

4.1.2 “Statutory Chief Officers” – the Chief Executive

This Chief Executive is paid within the council’s pay framework, which applies to all employees.

Salary on appointment will be approved by Full Council acting on the recommendations of an appointments panel with the consent of the Cabinet Leader.

The annual performance for the Chief Executive is considered by the Leader of the Council in consultation with the Group Leaders following the council’s agreed performance appraisal process. Progression through the salary band will be dependent on performance/competency rating as determined by Performance Appraisal as outlined above.

Typically, the Chief Executive receives the same percentage pay awards as other officers, resultant from local negotiations, through the Employee Council.

The Chief Executive’s remuneration is published annually on the council’s website.

4.1.3 “Statutory Chief Officers” – other than the Chief Executive

These Chief Officers are paid within the council’s pay framework, which applies to all employees. The annual performance for these Chief Officers is considered by the Chief Executive in line with the council’s agreed performance appraisal process. Progression through the salary band will be dependent on performance/competency rating as determined by Performance Appraisal as outlined above.

For this group of Chief Officers appointment, and salary on appointment, will be made by the General Purposes Committee.

Typically pay awards are considered and determined locally in negotiation with both Unison and GMB through the Employee Council.

The remuneration of these Chief Officers are published annually on the council's website.

4.1.4 “Non Statutory Chief Officers” – Director of Shared Services

The Director of Shared Services is paid within the council's pay framework, which applies to all employees.

Salary on appointment will be approved by the General Purpose Committee acting on recommendation of the East Kent Services Committee.

The annual performance for the Director of Shared Services is considered by the Chief Executive of Thanet District Council in consultation with the Chief Executives of Canterbury City Council and Dover District Council. Progression through the salary band will be dependent on performance/competency rating as determined by Performance Appraisal as outlined above.

Typically pay awards are considered and determined locally in negotiation with both Unison and GMB through the Employee Council.

The Director of Shared Services' remuneration is published annually on the council's website.

4.1.5 “Non Statutory Chief Officers” other than the Chief Executive and Director of Shared Services.

These Chief Officers are paid within the council's pay framework, which applies to all employees.

The annual performance for these Chief Officers is considered by the Chief Executive in line with the council's agreed performance appraisal process. Progression through the salary band will be dependent on performance/competency rating as determined by Performance Appraisal as outlined above.

For this group of Chief Officers appointment, and salary on appointment, will be made by the General Purposes Committee.

Typically pay awards are considered and determined locally in negotiation with both Unison and GMB through the Employee Council.

Remuneration of Non Statutory Chief Officers are published annually on the council's website.

4.1.6 “Deputy Chief Officers” (direct reports to non-statutory chief officers who report to statutory chief officers)

Deputy Chief Officers are paid within the council's pay framework, which applies to all employees.

Progression through the salary band will be dependent on performance/competency rating as determined by Performance Appraisal as outlined above.

Pay awards are considered and determined locally in negotiation with both Unison and GMB through the Employee Council.

4.1.7 “Lowest paid employees” and “other employees”.

Each “lowest paid employee” is paid within the salary range for grade TG-B and all “other employees” are paid within the salary range TG-C to TG-P, within the council's pay framework, which applies to all employees.

Progression through the salary band will be dependent on performance/competency rating as determined by Performance Appraisal as outlined above.

Pay awards are considered and determined locally in negotiation with both Unison and GMB through the Employee Council.

4.1.8 Relationship between remuneration of “Chief Officers” and “employees who are not Chief Officers”

The highest paid employee's salary is 4.65 times that of the "median" average earnings across the authority.

4.2 Salaries on appointment for new starters

New starters will normally be appointed to the minimum of the salary scale of the grade for the post.

If any relevant factors such as a requirement for unique knowledge and skills or extensive previous experience exist, a Manager may make a documented business case for a higher starting salary to be approved by the Senior Management Team at the monthly workforce forum meeting/EK Services Management Team meeting before the candidate is offered the job. In such cases Managers must take due regard of the salaries of existing staff doing similar work to ensure pay equity.

4.3 Salaries on promotion

A promotion is defined as an appointment to a higher graded post.

Employees who are promoted will normally be awarded a basic salary within the salary scale of the new grade 2.5% higher than their previous salary. If any relevant factors exist which substantiate an increase above 2.5% a Manager may make a documented business case to be approved by the Senior Management Team at the monthly workforce forum meeting/EK Services Management Team meeting having due regard of the salaries of existing staff doing similar work to ensure pay equity.

The basic salary on promotion should not be below the minimum of the salary scale of the new post.

4.4 Market supplements

There may be exceptional circumstances from time to time when a particular job or jobs require payment of a market supplement in order to recruit or maintain adequate staffing levels.

Payment of a market supplement will only apply when alternative ways of recruiting and retaining staff have been fully explored; it is expected that the use of market supplements will be rare.

A market supplement put forward for approval must be supported by a documented business case with the following information:

- A clear definition of the job or group of jobs affected.
- The period of time for which the supplement should apply; this would normally be one year, but in any event should not exceed two years.
- Evidence of pay-related recruitment and retention difficulties compared to other groups of staff using appropriate indicators e.g. turnover rates, stability rates, numbers of responses to job advertisements, quality assessment of applicants and interviewees, data on competitive pay.
- Confirmation that the proposed market supplement would not create any indefensible internal pay inequities.

The business case must be approved by the Senior Management Team at the monthly workforce forum meeting/EK Services Management Team meeting.

Market supplements at Thanet District Council must be approved by the Chief Executive. Market supplements at EK Services must be approved by the Director of EK Services.

Market supplements approved under this policy will apply for a period not exceeding two years without review. The duration of the market supplement will be clearly identified in recruitment and appointment discussions and documentation for new staff, and in contractual variations for existing staff. Any continuation of a market supplement beyond the initial period will require submission of a fresh business case for approval.

EK Human Resources will maintain a database of all market supplements that are approved and will ensure that the appropriate Senior Management Team reviews these annually. A review will also be carried out when an individual leaves a post that has attracted a market supplement, in order to assess the need to advertise the vacancy with a market supplement in the current labour market. Further reviews will be carried out whenever a post is re-evaluated through the job evaluation process. If a review results in a decision that the market supplement is no longer justified, it will be withdrawn. In these circumstances, for employees still in receipt of a market supplement, three months' written notice will be given that the market supplement is being withdrawn. Where such a review leads to a decision to withdraw the market supplement, this will apply with immediate effect for vacant posts.

Market supplements are paid monthly and are pensionable.

4.5 Honoraria payments

Honoraria payments are a means of adjusting salaries on a temporary basis for undertaking additional duties for a limited period normally not exceeding one year.

Employees undertaking the full duties and responsibilities for a higher graded post for a continuous period over four weeks should receive payment in accordance with the grade of the post temporarily occupied as if they had been promoted into the post.

A partial payment may be made to an individual who performs some of the duties and responsibilities of a higher graded post. The amount of payment should be assessed taking into account the specific circumstances of each case.

Recommendations for honoraria payments must be submitted to EK Human Resources for verification.

Honoraria payments at Thanet District Council must be approved by the Chief Executive. Honoraria payments at EK Services must be approved by the Director of EK Services.

The duration of the period of acting up should be indicated before it commences and confirmed in writing. It must be remembered that acting up is a temporary arrangement and in no circumstances should be allowed to exceed 12 months without re-approval. EK Human Resources will maintain a central log of all current honoraria payments. All honoraria payments will cease at the agreed date. Six weeks prior to the end period of a payment, EK Human Resources will inform the relevant line manager that the payment will cease on the due date unless re-approval is sought. For a further honorarium to be paid, a further request will need to be submitted via the relevant approval process. Should circumstances change before the previously agreed end date the payment may be withdrawn earlier. In these circumstances the value of the honorarium will not be protected. One month prior to the honorarium ceasing, EK Human Resources will write to the employee to inform them that the payment will be ceasing.

Honoraria payments are paid monthly and are pensionable.

4.6 Charges, fees or allowances

Any allowance or payments will only be made to employees in connection with their role or the patterns of hours they work and must be in accordance with the council's agreed policies/approach for pay, benefits and allowances. These will apply to all staff, unless otherwise specified within the policy, and include:

- Disturbance allowance scheme

- Disturbance and travelling allowances following reorganisations
- Emergency call outs
- Irregular hours working
- Mileage reimbursement
- Payment in lieu of a lease car
- Overtime
- Standby/call out allowance
- Expenses and Subsistence allowance
- Training and development scheme – financial assistance
- Contribution towards annual bus pass
- Professional Fees for specific posts
- Professional fees whilst undertaking post entry training
- First aid payment
- Personal protective equipment
- Free parking

Information is available to staff on the council's website or by telephoning EK Human Resources on 01304 872799 and are available to the public on request.

Election duties - the chief returning officer and the deputy returning officer receive a one-off payment for election duties. Payments are made on the basis of population in the district and whether the election is local, national – the payment for national elections is agreed nationally and the payment for local elections agreed at county level.

4.7 Employee discount scheme

The council currently offers all employees access to an employee discount scheme. This offers employees the chance to purchase a range of goods and services at discounted rates from a variety of suppliers.

4.8 Benefits in kind

- Computershare childcare voucher scheme – available to all staff
- Reduced leisure centre membership – available to all staff
- Relocation allowance – available in some cases for staff moving into the area for work
- VDU eye tests – all staff
- 25 Year Long service award

4.9 Pension

All employees as a result of their employment are eligible to join the Local Government Pension Scheme (LGPS).

4.10 Severance payments

We are already required to publish our policy on discretionary payments on early termination of employment as well as publishing our policy on increasing an employee's total pension scheme membership and on awarding additional pension. This information is disclosed within the council's statement of accounts, available on the website and in council policies in respect of:

- Discretionary Functions of the LGPS
- Early Termination of Employment
- LGPS Banding report and Policy
- Flexible Retirement
- Employment Stability

These policies are available to staff on the council's intranet or on request from the EK Human Resources and available to the public on request.

5 Data transparency

To support data transparency the council publishes on the website salary related information in accordance with the Local Government Transparency Code 2014.

Salary scales are currently published on the intranet and available to the public on request.

Thanet Community Safety Partnership Plan 2017-2020

Council	22nd March 2017
Report Author	Jessica Bailey, Community Safety Team Leader
Portfolio Holder	Cllr Lin Fairbrass, Deputy Leader
Status	For Information
Classification:	Unrestricted
Key Decision	No
Ward:	All wards

Executive Summary:

This report sets out the proposed Thanet Community Safety Partnership (TCSP) Plan for 2017-20.

This report sets out the proposal for the partnership to continue three similar overarching focus areas for the next three years; Reducing Offending and Reoffending, Safeguarding Vulnerability and Community Reassurance. More detailed activity that each agency is leading on is set out within each partners action plan and will be updated and refreshed each year.

As this is a joint partnership plan, whilst the District Council plays a role in administration and facilitation, it is not accountable for all agencies' delivery. Scrutiny has an important role to hold partner agencies to account.

The report asks for the proposed themes and draft actions within the Community Safety Plan to be agreed, to enable partner agencies to commence delivery and work jointly to improve Community Safety in Thanet.

Recommendation(s):

That the Council

1. Approve the Thanet Community Safety Plan for 2017-20;

CORPORATE IMPLICATIONS	
Financial and Value for Money	<p>There is no negative financial impact on 2017-18 budgets arising from this report.</p> <p>District Council Community Safety staff facilitate the Community Safety Partnership alongside their TDC function of anti-social behaviour case management. Salaries for these staff are covered within the budget for 2017-18.</p> <p>The Kent Police and Crime Commissioner (PCC) has confirmed that the Thanet Community Safety Partnership will be awarded a grant of approximately £33116 (depending on final government settlement). This will be available for delivery of the 2017 plan activity, so no additional spend is anticipated from 2017-18 budgets.</p> <p>The commissioner has agreed that Community Safety Partnerships will get the same amount agreed for the next three years, in line with inflationary adjustments.</p> <p>Expenditure of the Police and Crime Commissioner funding will be ratified by the TCSP Executive Group in advance and financial monitoring returned twice yearly to the office of the Kent Police and Crime Commissioner, in line with any spending guidelines.</p>
Legal	<p>In relation to any decision or project implemented by any department in the Local Authority, under section 17 of the Crime and Disorder Act 1998, the Local Authority has a duty to do all that it reasonable to prevent crime and disorder and reduce reoffending.</p> <p>This Community Safety Plan provides evidence of compliance by the District Council and other responsible authorities of the statutory functions contained within the Crime and Disorder Act 1998 and subsequent updates in other legislation.</p>
Corporate	<p>There are no perceived corporate risks associated with this report.</p> <p>The draft Community Safety Plan focus areas in 2017-20 support the corporate plan objectives, Priority 1: A clean and Welcoming Environment and Priority 2: Supporting neighbourhoods. This directly supports 'continuing to work with partners to improve community safety'. Taking a partnership approach also supports corporate value 1: Delivering value for money, particularly around targeting resources and delivering more cost effective services.</p>
Equalities Act 2010 & Public Sector Equality Duty	<p>Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.</p>

	Please indicate which aim is relevant to the report.	
	Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	✓
	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	✓
	Foster good relations between people who share a protected characteristic and people who do not share it.	✓
There no equity and equalities issues arising directly from this report but the Council needs to retain a strong focus and understanding on issues of diversity amongst the local community and ensure service delivery matches these. It should also be noted that a theme contained within the plan focuses on protecting vulnerable individuals.		

CORPORATE PRIORITIES (tick those relevant)✓	
A clean and welcoming Environment	✓
Promoting inward investment and job creation	
Supporting neighbourhoods	✓

CORPORATE VALUES (tick those relevant)✓	
Delivering value for money	
Supporting the Workforce	
Promoting open communications	✓

1.0 Background

- 1.1 Thanet District Council has a statutory duty via the Crime and Disorder Act 1998 to work jointly with other 'responsible authorities' which includes County Council, Police, Fire, Probation and Health services, to reduce crime and disorder and reoffending through the facilitation of a Community Safety Partnership (CSP). Thanet District Council facilitates the CSP on behalf of these agencies.
- 1.2 Each CSP is required to undertake an annual assessment of all relevant agency data to identify emerging crime and disorder trends. These trends, along with feedback from public and partner consultation, then inform focus areas and themes for Community Safety Plan activity for the coming year.
- 1.3 Whilst each partnership agency has put forward proposed actions, due to the plan being produced before the financial year, the action plan may be subject to some change, once budgets and resources are finalised for the next financial year.

2.0 Last year's Community Safety Plan (2016-17)

- 2.1 Last year's plan (for the financial year 2016-17) was very ambitious, with over 50 actions for partner agencies being agreed, under the same three themes, reducing offending and reoffending, safeguarding vulnerability and community confidence.
- 2.2 To date, 16 actions have been completed. Highlights have included:
 - Over 441 joint anti-social behaviour investigations, including obtaining 4 criminal behaviour orders, 5 civil injunctions, 2 premises closures, 58 Community Protection Warning Notices and 5 Community Protection Notices.
 - Organising 61 community payback reparation events which has included painting work, litter sweeps and graffiti removal, potentially saving others from picking up these costs
 - Facilitated the support of 64 prolific offenders to foster rehabilitation
 - Set up a bespoke mental health peer support group which is now independently supporting other ex-service users

- Assisted over 500 children visits to the Kent Safety Centre and 436 home safety visits
- 2.3 A further 28 actions remain ongoing and underway and due for completion by the end of the financial year. These include:
- A number of ongoing projects, running until the end of the financial year, such as -
 - diversionary youth engagement work with Early Help
 - Mental Health Peer Support group
 - Domestic Abuse notification scheme and support group
 - Partnership support of the 'Safety in Action' event – scheduled to take place in March 2017
- 2.4 Work streams from six actions will continue into the financial year of 2017-18. Three will be factored into either existing day to day work, such as all out multi agency operations and extending use of the new ASB legislation. A feasibility assessment of the remaining three has identified a need for additional work:
- Further multi agency work around alcohol related disorder
 - Extending use of the new ASB legislation
 - Additional vulnerability work to support victims
- 2.5 Not all projects are always able to be concluded within a neat twelve month timeframe, due to their complexities. This focus on longer term planning for Community Safety initiatives supports a recommendation to consider three year focus on themed areas with updated annual action plans.
- 2.6 Feedback from practitioners at the stakeholder engagement and planning event in December also highlighted a preference for fewer but more in depth and longer term projects and initiatives, which potentially may take longer than the year's cycle to complete.
- 2.7 Partners felt having longer to plan, deliver and evaluate projects would enable the partnership to deliver more in depth and thorough intervention, as opposed to a higher volume of smaller more piecemeal initiatives.
- 2.8 The draft Community Safety Plan 2017-20 proposes a continuation of similar overarching themes, to be consistent for the next three years with an annual refresh of the action plan each year.

3.0 Thanet Community Safety Plan 2017 - 20

- 3.1 The focus areas for the Community Safety Plan are established through a process of data analysis, consultation and collaborative planning.
- 3.2 Partnership data is provided by all agencies, assessed by Kent County Council Community Safety Unit and then reviewed against local context and understanding.
- 3.3 Following data analysis, a practitioner stakeholder event is then held, where officers, informed by the data and local knowledge, discuss emerging issues and share their own organisation's objectives. This year a more focussed event was held where 55 practitioners from 16 public, private and voluntary agencies attended a planning event, held in December 2016.
- 3.4 Focus areas are then proposed and residents engaged with for their views based on local perceptions of safety in the district. This engagement was held between 04 – 27th January 2017 and was been promoted online, in local newspapers, circulated to groups by email and to secondary school children in citizenship classes as well as handed out where possible.

- 3.5 The partnership has an obligation to canvas the views of stakeholders on the proposed focus areas. 340 responses to the survey were received. 75.9% agreed or strongly agreed with the proposed focus areas for the partnership, of reducing offending and reoffending, safeguarding vulnerable people and community reassurance.

4.0 Proposed focus areas

- 4.1 Practitioners and (initial) resident feedback received to date supports continuing similar overarching themes as previous years. The themes also meet the wider strategic objectives of all the Community Safety Partnership agencies.

- **Reducing Offending and Reoffending**

This will include targeted work on the most prolific repeat offenders, diverting first time entrants and maximising the use of new legislation to tackle Anti-Social Behaviour. Focus will also include high volume crimes that cause the most harm to communities, including violent crime particularly in the Night Time Economy.

- **Safeguarding Vulnerability**

This area will include initiatives to support victims of domestic abuse and exploitation, as well as strengthen awareness and alternative provision for those affected by mental health and substance misuse.

- **Community Reassurance**

This theme is worded slightly differently from the previous year in that the focus is primarily on providing 'reassurance' to communities to strengthen and support them, as opposed to being called community 'confidence.' The focus will however, cover similar themes of engagement to identify local priorities and jointly find solutions, as well as raising awareness of the work of all partnership agencies.

- 4.2 These focus areas remain complimentary to the strategic priorities of all of the partner agencies, as well as the Thanet Leadership Group, Health and Well-Being and Invest Thanet. This will ensure partnership efforts compliment but don't duplicate ongoing work.

- 4.3 The full draft Community Safety Plan for 2017-20 (including the action plan for 2017-18) is included in Annex 1.

5.0 Accountability and performance management

- 5.1 Each partner agency has proposed actions and projects that they will lead on delivering and be responsible for. This is slightly different to previous years and aimed to give clearer ownership and accountability to each agency.

- 5.2 Senior representatives from each Community Safety Partnership agency have been consulted and agreed to the provisional draft proposals in the plan.

- 5.3 The current Community Safety Working Party work programme does not include scrutiny of this plan as three separate scrutiny topics were chosen when the work programme was set. The chair of the Community Safety Working Party is invited to the Community Safety Partnership Executive Group alongside the portfolio holder and Senior Managers from each of the respective agencies.

- 5.4 Quarterly updates will be recorded against the measures of success set out in the proposed action plan and full evaluation on conclusion of longer term projects provided to the Community Safety Executive Group.

- 5.5 It is the Community Safety Partnership Executive Group who agrees the final operational Community Safety action Plan. Updates will also be given to the chair of the Community Safety Working Party upon request alongside a mid-year update to the full overview and scrutiny panel.
- 5.6 The action plan is a working document any may undergo minor operational changes if in the course of the year a significant issue emerges requiring a partnership focus, or following a request from the CSP executive Group or scrutiny.
- 5.7 The Overview and Scrutiny Panel held a productive discussion and challenge around the proposed plan this has led to the inclusion of speeding and inconsiderate parking into the plan. There were also requests for further updates on a number of the proposed projects as they progress through the year.

Contact Officer:	Jessica Bailey, Community Safety Team Leader
Reporting to:	Penny Button, Head of Safer Neighbourhoods

Annex List

Annex 1	Draft Community safety Plan for 2017-2020
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Background Papers

Title	Details of where to access copy
None	N/A

Corporate Consultation

Finance	Matt Sanham, Financial Services Manager
	Clive Bowen, External Funding Officer
PR	Hannah Thorpe, Head of Communications
Legal Services	Ciara Feeney, Legal Services Manager

Community Safety Plan 2017-2020



thanetcommunitysafety.org

What is a Community Safety Partnership (CSP)?

The Crime and Disorder Act 1998, introduced a statutory obligation for certain agencies to join together and formally work to improve community safety and reduce crime and the underlying causes.

The partnership has to annually assess local needs and agree and produce an action plan that sets out how they are going to do this.

Membership

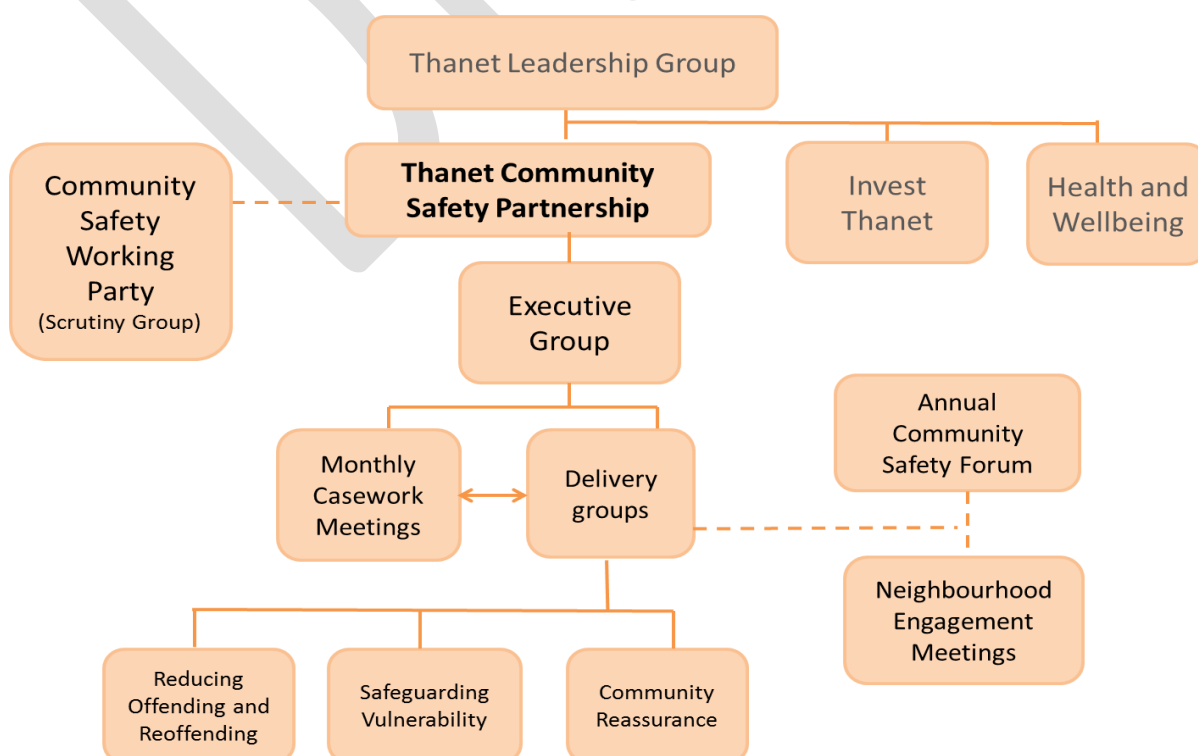
Thanet Community Safety Partnership is made up of;

Thanet District Council, Kent Police, Kent County Council, Kent Fire and Rescue Service , Probation Services and Thanet Clinical Commissioning Group (for local health services)

Accountability

The partnership has to consult with its stakeholders to ensure local concerns are incorporated. An annual perception survey and Community Safety forum event takes place each year in January and representatives from partnership agencies attend quarterly area specific resident led Neighbourhood Engagement Meetings.

Partnership structure



Demographics

- ⇒ The Thanet district has approximately 139,800 people, which is the fourth largest local authority district in the Kent County Council area. Over the last 10 years Thanet's population has grown by 8.1% which equates to an extra 10,500 people. This is the second lowest growth rate in Kent. Forecasts suggest over the next 15 years the population will grow further by 21.5%, which is higher than most other areas anticipated growth. (Office for National statistics 2015)
- ⇒ Thanet District has an older age profile compared to the county average, with a greater proportion of 55+ year olds than the average for the KCC area, Particularly females. Thanet also has a lower percentage of those aged 20-54 year olds. Particularly males.
- ⇒ 95.5% of Thanet's population is white British, with 4.5% of Black Minority Ethnic (BME) origin, which is below the county average of 6.3% (2011 census ONS)
- ⇒ In 2015 Thanet District was ranked as the most deprived district in Kent (out of 12 districts, with the most deprived being ranked 1). Nationally, Thanet ranks 28th out of 326 local authority districts in England. This rank places it within England's 10% most deprived areas. (Indices of deprivation DCLG 2015)

Tourism

- ⇒ Thanet's visitor economy grew 19% in 2015, making it the biggest district tourism growth in Kent.
- ⇒ Whilst nationally visitors to England dropped 5%, tourism to Margate, Broadstairs and Ramsgate rose 16%, welcoming nearly 4 million visitors. (Visit Kent 2016)
- ⇒ For those wanting to invest in property, house prices in Thanet have risen by up to 34% since 2012 (Homestart 2016)

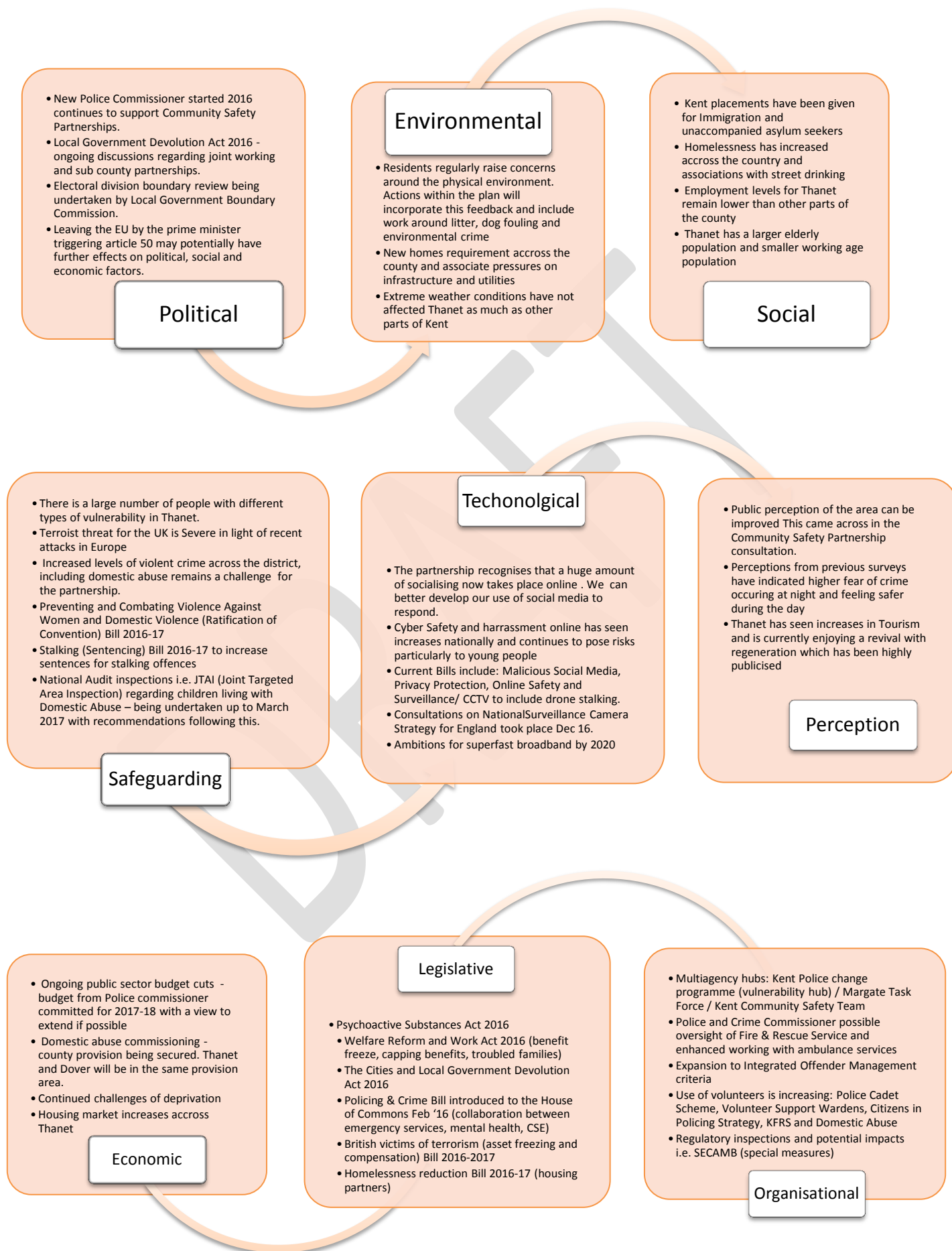
Crime

- ⇒ The data for all recorded victim-based crimes for Thanet shows an increase of 13.7 per cent (Jan – Dec 2016) compared to the same period in 2015; which is slightly higher than the force-wide figure of 13.2 per cent. An increase in public confidence in reporting crime, improved recording practices, the introduction of new crime types and the inclusion of offences not previously recorded have all influenced these statistics.
- ⇒ The data is also reflecting trends across the country. Nationally, recorded crime figures are showing increases of 8 per cent compared with the previous year (Office for National Statistics September 2016).

In addition to data trends the partnership also considers additional challenges, such as Political, Environmental, Technological and Legal factors which may have an impact on delivery.



Horizon scanning



Key activity and achievements this year

- ✓ Completed 441 ASB Investigations
- ✓ Saved the council £53,000 by informally resolving complex cases
- ✓ Oversaw 50 TCSP projects
- ✓ Made 45 Child Safeguarding referrals
- ✓ Issued 22 Community Protection Warning Notices
- ✓ Made 9 Vulnerable adult referrals
- ✓ Gained 4 Civil Injunctions

- ✓ Gained 4 Criminal Behaviour Orders
- ✓ Gained 2 premises Closure Orders
- ✓ Facilitated 19 Neighbourhood Responsibility Panels
- ✓ Organised 'all-out' enforcement operations in the night time economy areas
- ✓ Ran high profile Domestic Abuse operation
- ✓ Identified a number of addresses of people vulnerable to crime and conducted 'safe and well' checks









- ✓ Organised Safer Thanet Day visited by hundreds of families
- ✓ Carried out 436 visits to vulnerable people or for home safety
- ✓ Organised Safety in Action for 434 children
- ✓ 518 Thanet children visited the Safety Experience Centre
- ✓ Delivered License to Kill event
- ✓ Utilised the Hair Care Network to share key safety messages in salons

- ✓ Saved the Council £90,000 in utilizing Community Payback for clearing alleyways and graffiti
- ✓ Organised 61 Community Payback reparation events at the request of TCSP
- ✓ Supported 64 ex-offenders to deter from re-entering the Criminal Justice System

- ✓ Supported a mental health peer support group which was attended by 13 members.
- ✓ Delivered drop ins for GP surgeries
- ✓ Procured a new engagement vehicle, fit to undertake Mental Health triage

- ✓ 900 Multi Agency Tool questionnaires completed
- ✓ Engaged with over 517 people through Illicit Tobacco Roadshows
- ✓ 142 emergency referrals to agencies
- ✓ 50 multi agency Streetweek operations
- ✓ 33 referrals to Save the Children's Eat, Sleep, Learn, Play! Scheme for families in need
- ✓ Attended and engaged in 31 various community engagement events

Strategic links

	Community Safety Initiatives			Agency Plans						Due regard
	Increased Environmental Enforcement	Raising awareness of safeguarding	Improve use of TCSP website & social media	Corporate Plan						Police Crime Commissioner (Policing and Crime Plan 2016-2017) <ul style="list-style-type: none">• Cutting crime and reducing reoffending• Delivering value for money• Visible, effective and dedicated policing• Putting victims at heart of policing• Tackling substance abuse and ASB• Revolutionising the way people with mental illness interact with the police• Mental Health
	Multi agency all out operations	Organised Criminality	Improved visibility and Reassurance	Control Strategy						
				Child Sexual Exploitation	Trafficking and Modern Slavery	Gangs and Organised Crime	DA & violence	Counter Terrorism	High harm impact crime	
	Road safety Nuisance Parking	Vulnerable persons engagement	Young drivers dangers	Safety and Wellbeing Plan 2014-16 (2016-18 due)						
				Health and Wellbeing	Responding to medical emergencies	Responding to fires and Road Traffic Collisions		Staffing fire stations		
	Repeat MH callers	Alcohol related disorder	Pharmacy bags / safety messages	Joint Health and Wellbeing Strategy 2014-17						
				Every child has the best start in life	Effective prevention of ill health by taking greater responsibility		Enhanced quality of life for people with long term conditions	Supporting people with mental health concerns	Assessing and treating people with dementia earlier	
	Community Alcohol Partnership/ Test purchase	Early help intervention with young people at risk	Shared information portal	Increasing opportunities, improving outcomes 2015-2020						
				Children and young people get the best start in life	Community benefit from economic growth		Older and vulnerable residents are safe and supported			
 	Integrated Offender Management	Pilot MH support programme	Community Payback reparation	Annual Service Plan 2016-17 (2017-18 due)						
				Assessment	Rehabilitation	Interventions	Resettlement	Transformation		
	Schools advisors project			NPS Operating model 2016						
				Courts	High risk Community supervision	Custody	Victims	Approved Premises	Youth Offending Service	
				Social Justice Strategy						<ul style="list-style-type: none">• Safeguarding Young People• Improved Mental Health• Young people get the best start in life
				Reduce child poverty & deprivation	Helping customers change and improve their lives	Additional support to claimants with Health issues	Safeguarding Vulnerable adults	Closer working with substance misusers	Local priorities for local needs	

Underlying themes:



Engagement feedback

- Engagement survey on community perceptions and partnership focus areas for 2017-2020 was held during January and advertised in the local newspaper, online, made available in hard copy on freepost return and directly mailed out to random households. 340 responses were received.
- Responses on perceptions of safety were divided, when asked: In the past 12 months how have feelings on safety changed:
 - 5.7% felt things had improved, 47.9% 'stayed the same' and 46.4% had deteriorated.
- The two factors most influencing perception were 'Groups hanging around' (67.4%) and 'How the area looks – eg run down' (55.1%)
- The issues respondents felt they were most concerned about in order or priority were: Dog fouling, Litter, Nuisance parking, people dealing drugs, intimidating groups and flytipping.
- 75.9% agreed or strongly agreed with the proposed focus areas for the partnership, of reducing offending and reoffending, safeguarding vulnerable people and community reassurance.

2017-18 Action Plan



Lead Agency : Thanet District Council

Theme	Issues	Lead	Action to be taken?	By when	Baseline – where are we now?	Desired outcome(s) – What do we want to see?
Reducing Offending and Reoffending	Graffiti	Community Safety Jessica Bailey	<ul style="list-style-type: none"> Assess feasibility of chargeable removal service Formulate graffiti strategy 	Sept 17	No provision	<ul style="list-style-type: none"> Reduction in reports of graffiti Income generation
	Dog Fouling	Enforcement Services: Trevor Kennett	<ul style="list-style-type: none"> Non- uniformed officer patrols in hot spots Review of Dog Control Orders / Public Space Protection Order Assess feasibility for Dog registration pilot Extend dog bag dispenser trial Awareness and engagement campaign 	Aug 17 Jan 18 Dec 17 Jan 18 Sept 17	N/A 6 locations currently	<ul style="list-style-type: none"> Improved street cleanliness and satisfaction through 2018 perception survey Reduction in complaints of cleanliness Reduced waste collection of dog and litter waste Increased engagement events
	Litter / Rubbish / Fly tipping	Enforcement Services: Trevor Kennett	<ul style="list-style-type: none"> Social media campaign on cheap rubbish disposal offers Target adverts offering this on social media Environmental Visual Audit (EVA) inspections 	Aug 17 Ongoing – Mar 18	No provision 3EVA undertaken 2016	<ul style="list-style-type: none"> Improved clear up rate of fly tips 85% of fly-tips cleared within 24 hours Trained officers completing at least 15 EVAs Increase in enforcement notices and court prosecutions
	Unregistered vehicles and nuisance vehicles	Enforcement Services: Trevor Kennett	<ul style="list-style-type: none"> Multi agency operation targeting unregistered vehicles Enforcement against prolific sellers causing a nuisance 	Jan 18 Mar 18	N/A 4 active investigations no prosecutions	<ul style="list-style-type: none"> 5 multi agency operations Removal of vehicles Utilise ASB powers towards prolific sellers

	Parking outside schools	Community Safety Enforcement Services:	<ul style="list-style-type: none"> Proactive targeting of nuisance vehicles outside schools Awareness campaign and A Board pilot 	Oct 17	Tickets issued for zig zag contraventions (TBC)	<ul style="list-style-type: none"> Increase in Penalty Charge Notices issued (in peak locations outside schools)
Safeguarding Vulnerability	Higher levels of vulnerability	Community Safety: Jo-Anna Beckingham	<ul style="list-style-type: none"> Deliver training to key contractors and service managers Pilot bespoke project for taxi drivers and key workers 	Oct 17 Jan 18	N/A Film produced	<ul style="list-style-type: none"> Training delivered to key workers All new licenses issued only on completion of safeguarding training
		Community Safety	<ul style="list-style-type: none"> Raise awareness of prevent counter terrorism duties Support diversionary schemes (Youth Centres and outreach) Strengthen links with key school and health contacts 	Sept 17	5 training sessions held 2016-17	<ul style="list-style-type: none"> Increase in training delivered to practitioners Increase in notifications Targeted youth project
		Community Safety Private Sector Housing Richard Hopkins	<ul style="list-style-type: none"> Continued prioritisation of targeted interventions in private rented sector in deprived areas Proactive selective licensing visits and inspection regime Assess feasibility of expansion 	Mar 18 Dec 17	Total homes made safe from hazards: 1,345 Breach of selective licence notices served: 1,171 Proactive inspection of selective license premises: 1403 Prosecutions: 39	<ul style="list-style-type: none"> Maximise use of selective licensing to reduce deprivation and health inequalities Use new ASB legislation to tackle Anti-Social Behaviour by landlords Increased multi agency inspections Identify vulnerability
	Increased unauthorised encampments and rough sleeping	Housing Options: Victoria May	<ul style="list-style-type: none"> Support Night Shelter Initiative Review success of Aspire Outreach Pilot Continue porchlight outreach Proactive homelessness prevention 	May 17	Current night shelter figures (TBC) Current Aspire referral figures (TBC)	<ul style="list-style-type: none"> Impact of Night Shelter pilot – continued if successful Increase in Aspire outreach Decrease in homelessness Increase in homeless prevention and advice

		Community Safety Units Jessica Bailey	<ul style="list-style-type: none"> Review and update encampment policy Proactive use of ASB legislation for positive requirements to tackle underlying issues Target harden open spaces 	Nov 17	7 CPNW issued for associated nuisance 4 sites identified as peak locations	<ul style="list-style-type: none"> Updated policy Increase in positive requirements and / or enforcement towards those who won't engage Decrease in encampments on TDC owned assets
Community Reassurance	Safer socialising	Licensing Community Safety Units	<ul style="list-style-type: none"> Review alcohol consumption restrictions / Designated Public Places Order Assess feasibility of further restrictions 	Oct 17	Existing DPPO in situ, until Oct 17	<ul style="list-style-type: none"> Reduction in disorder associated with licensed premises Improved perceptions of Night time Economy
	Enhance perception of crime and safety Activity of the partnership not being promoted	TDC Communications and Community Safety : Eden Geddes and Jessica Seaward	<ul style="list-style-type: none"> Update TCSP website Maintain Neighbourhood Engagement programme – drawing in other partners Increase online engagement profile Pilot new ways to promote the partnership successes Regular joint campaigns Safety messages on TV screens in GP practices 	Sept 17	6 paid advertorials 16-17 Facebook reach 28 Dec- 24 Jan 17= 46,357 16% inc in twitter following on TCSP handle 5000 hits on FB (Apr – Sept 16)	<ul style="list-style-type: none"> Completed website Regular PR Increased visitors to website and social media reach Improved perceptions
	Increase resident engagement In council processes	Community Development and Community Safety Colin Rouse	<ul style="list-style-type: none"> Benchmark ideas and pilots Train and provide additional understanding for residents to identify and report offences and informally mediate Identify opportunities for community reparation Ageless Thanet peer group mentoring and engagement 	Dec 17	No provision	<ul style="list-style-type: none"> Residents panel established Training delivered from key service areas Information cascaded to other community groups

Lead Agency : Kent Police

Theme	Identified concerns	Lead	Action to be taken	By when	Baseline – where are we now?	Desired outcome(s) – What do we want to see?
Safeguarding Vulnerability	<ul style="list-style-type: none"> Organised Criminality, including drugs, violence & gangs Safeguarding of adults & young people at risk from exploitation 	CSU Inspector Task Force Lead Officer	<ul style="list-style-type: none"> Pilot Geo-mapping systems Delivering 2 family support panels per week Delivery of Say NO campaigns in schools Multi-agency safe & well visits to better protect vulnerable victims Deliver exploitation awareness sessions Disrupting organised criminality through regular joint operations involving tactical units from various agencies 	Sept 17 Ongoing Mar 18 Ongoing Mar 18 Mar 18	<ul style="list-style-type: none"> Mapping commenced & currently being evaluated 34 Family Support Panels year to date Exploitation awareness sessions have been delivered to professional staff Joint operations have run through 2016 	<ul style="list-style-type: none"> Mapping in place to better inform threat, risk & harm 2 Family Support Panels delivered per week Say NO campaign successfully delivered to our most vulnerable young people in Thanet secondary schools Maintain current level of safe & well visits to protect our most vulnerable adults & young people Further strengthening of joint agency participation through increased knowledge & awareness Quarterly operations to be run

<ul style="list-style-type: none"> Victims of Domestic Abuse & Hate Crime are confident in reporting Prevention of repeat victimisation 	<p>CSU Inspector</p> <p>Community Liaison officer</p>	<ul style="list-style-type: none"> Co-ordination of partnership activity to reduce repeat victimisation To further promote awareness of DA through further advertising using public transport systems, schools, GP surgeries, etc Continue joint agency attendance at One Stop Shop Positive support structures for repeat DA victims identified as particularly vulnerable Promote public awareness of the options available to report hate crimes especially among hard to reach groups and make the 3rd party reporting of hate crime more accessible Work closely with agency partners, in particular Adult Social Services, Ageless Thanet, etc. on strategies to address prevention & reduction of hate crime linked to adult safeguarding Raising awareness of the signs of Human Trafficking to front line practitioners to make them aware of the risks and raise awareness of referral mechanism with partners 	<p>Ongoing</p> <p>Sept 17</p> <p>Ongoing</p> <p>Sept 17</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>	<ul style="list-style-type: none"> Further focussed joint activity to reduce reoffending Information could be further publicised Multi-agency attendance at One Stop Shop Champion identified & training to be completed Hate/mate crime presentations delivered Force tactical Group set up – training plan agreed 	<ul style="list-style-type: none"> Reduction in DA repeat offending cases in Thanet Increased victim confidence to report domestic abuse Information providing support and advice is publicised in key locations across the District An increase in the number of cases referred through the 3rd party reporting process Rate of hate crime by protected characteristics An increase in the number of front line staff trained An increase in referrals made
	<p>CSU Inspector Safeguarding Officer CLO</p>				

Community Reassurance	<ul style="list-style-type: none"> Enhance Partnership visibility 	CSU Inspectors Task Force	<ul style="list-style-type: none"> Produce programme of street engagement operations (including night time economy), combining 'All Out' days, Streetweek and Cleansweep as one operation Brand, promote and schedule engagement with TREV (Thanet Roaming Engagement Vehicle) 	May 17	<ul style="list-style-type: none"> 50 Streetweek operations carried out 2 'All Out' enforcement operations carried out Operations being carried out in isolation 	<ul style="list-style-type: none"> Improved collaborative working Streetweek, all-out days and cleansweep being rolled into one operation TREV deployed for all operations
				Jun 17		



Lead Agency : Kent Fire and Rescue Service

Theme	Identified concerns	Lead officer	How will this be achieved?	By when	Baseline – where are we now?	Desired outcome(s) – What do we want to see?
Reducing Offending and Reoffending	<ul style="list-style-type: none"> Road safety Nuisance and inconsiderate parking in key locations, eg. outside schools, narrow roads 	SM Lawrence Pater FF Stuart Morris	<ul style="list-style-type: none"> Utilize social media and the THINK! campaign Educate drivers and partner agencies around new legislation for driving whilst using mobiles Arrange parking initiative days outside schools. Consider use of parking a-board and cardboard cut-outs. 	July 17	<ul style="list-style-type: none"> Mid-level social media engagement Parking outside some schools in Thanet is bad at drop off times. 	<ul style="list-style-type: none"> Engaged with over 5000 people via social media Engaged with 500 parents outside schools at drop off and pick up times Encouraged and engaged at least 400 school children around irresponsible parking outside schools. A-boards or other signage in place
				Sept 17		
Safeguarding Vulnerability	<ul style="list-style-type: none"> Roma Hub expansion 	SM Andy Bigginton	<ul style="list-style-type: none"> Support Roma Hub -Engage with hub users to gain ideas of what they want Put in sustainability bid to Strong Community Fund (*bid deadline Feb 17) 	Dec 17	<ul style="list-style-type: none"> Roma Hub doing well and starting to expand 	<ul style="list-style-type: none"> Hub has expanded and has more users than in the last year Activities/clubs put in place at hubs request Continued cross boarder initiatives
				Sept 17		
				May 17		

Community Reassurance	<ul style="list-style-type: none"> Dangers occurring when young people start to drive/transit on from year 6 to 7 Speeding 	WM Melanie Quinn	<ul style="list-style-type: none"> Organise the License to Kill event, engaging all Thanet secondary school with invites for events Support the delivery of Safety in Action 	Dec 17 Apr 17	<ul style="list-style-type: none"> 200 young people License to Kill event 2016 436 young people for Safety in action 	<ul style="list-style-type: none"> License to Kill has increased attendance Safety in Action attended by more children (over 500). Follow up visits carried out for both events as necessary.
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Lead Agency : Thanet Clinical Commissioning Group

Theme	Identified concerns	Lead	How will this be achieved?	By When	Baseline – where are we now?	Desired outcome(s) – What do we want to see?
Reducing Offending and Reoffending	Repeat emergency callers with mental health concerns	Police CSU	<ul style="list-style-type: none"> Continued joint working on repeat caller with mental health issues Linking in with planned mental health triage 	Dec 17	<ul style="list-style-type: none"> 1 success from a joint visit/warning from the Police and Crisis team 	<ul style="list-style-type: none"> Increased amounts of visit leading to lower amounts of repeat calling.
Safeguarding Vulnerability	Teenage conception rates	Early Help (KCC) Sharon McLaughlin	<ul style="list-style-type: none"> Ensure healthy relationship and wise choice work are delivered within the Youth Hubs Work with Public Health to ensure target appropriately and Teen second conception rates reduced 	Dec 17	<ul style="list-style-type: none"> Currently 34.1% 	<ul style="list-style-type: none"> Reduction
Community Reassurance	Pharmacy bags/ safety messages	Clinical commissioning Group	<ul style="list-style-type: none"> Assess feasibility with pharmacy's Pilot design and order bags. 	Sept 17	<ul style="list-style-type: none"> No provision 	<ul style="list-style-type: none"> Safety messages being distributed on bags and reaching some communities that may not receive such information in other formats.

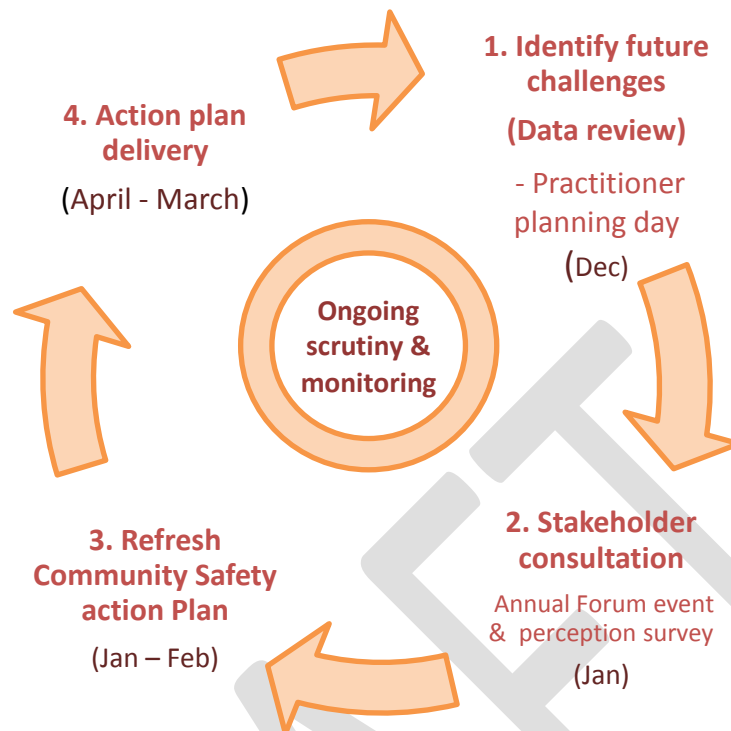
Theme	Identified concerns	Lead	How will this be achieved?	By when	Baseline – where are we now?	Desired outcome(s) – What do we want to see?
Reducing Offending and Reoffending	Under age and proxy sales of alcohol	Trading Standards – Neil Butcher Licensing Community Safety Units	<ul style="list-style-type: none"> Kent Community Alcohol Partnership – Broadstairs and Ramsgate (Eastcliff and Central Harbour wards) Working together with retailers, publicans and other enforcement agencies to jointly raise awareness and reduce young people's access to alcohol 	Mar 18 Dec 17	<ul style="list-style-type: none"> Joint visits with Police licensing officer to all premises selling alcohol getting them to sign up to Alcohol Partnership. Young person's surveys 400+ to date. Current proxy purchase figures (TBC)	<ul style="list-style-type: none"> A reduction in sales of alcohol to under 18s Reduction in proxy purchasing. Improved residents feelings of safety. (Post project survey) Enhanced awareness of sensible drinking levels (young people and adults) and the risks associated with inappropriate or early consumption of alcohol.
	Young people at risk of offending	Early Help Sharon McLaughlin	<ul style="list-style-type: none"> Focus on early identification of 'adolescent risk' as opposed to 'offender management' Renew staff training Assess feasibility of Behaviour change therapy pilot Support Duke of Edinburgh scheme 	Dec 17 Sept 17 Dec 17 Mar 18	Current level of missing notifications (TBC)	<ul style="list-style-type: none"> Reduction in missing notifications Reduction in escalation of known Deter Young Offenders (Managed through Offender Management)

Safeguarding Vulnerability	Awareness of children and young people at risk of neglect	Sharon McLaughlin	<ul style="list-style-type: none"> LCPG sub group “staying safe” to devise neglect training package and deliver to partner agencies 	Dec 17	No provision	<ul style="list-style-type: none"> Increased partner agency awareness Training delivered Reduction in Child In Need referrals
	Children and young people affected by Domestic Abuse		<ul style="list-style-type: none"> Raise awareness of impact of Domestic Abuse on Children and Young People Review and monitor Domestic Abuse Notification scheme in schools 	Sept 17	Current notification levels (TBC)	<ul style="list-style-type: none"> Increased attendance for identified group Reduction in risk taking behaviour
Community Reassurance	Need to improve multi agency communications and information exchange	Kent Community Safety Team	<ul style="list-style-type: none"> Pilot shared area for agencies on the Safer Communities Portal 	Dec 17	Limited provision (Kent Connects Portal – limited membership)	<ul style="list-style-type: none"> Assess feasibility and cost
	Lack of budgetary and life skills	Dept for Work and Pensions	<ul style="list-style-type: none"> Pilot established and schools advisors delivering school inputs 	Mar 18	Not yet established	<ul style="list-style-type: none"> Content designed 10 sessions run in Thanet Secondary schools

Lead Agency : Probation Services

Theme	Identified concerns	Action to be taken	Lead	How will this be achieved?	By When	Baseline – where are we now?	Desired outcome(s) – What do we want to see?
Reducing Offending and Reoffending	Repeat and prolific offenders	Improve support for Integrated Offender Management	IOM Sgt – Kent Police	<ul style="list-style-type: none"> Extend Integrated Offender Management process Align meetings with the monthly casework panel 	Mar 18 (ongoing)	Current offender cohort numbers Current young offender numbers	<ul style="list-style-type: none"> More integrated working Shared ownership of reoffending – reduction in offending
Safeguarding Vulnerability	Mental Health of longer serving offenders post release	Pilot CBT programme	TBC	<ul style="list-style-type: none"> Pilot CBT programme for offenders released from prison suffering from mental health problems 	Bid submitted by Sept 17	<ul style="list-style-type: none"> Current support through mainstream mental health provisions 	<ul style="list-style-type: none"> Submit bid for pilot funds Pilot provision with agreed cohort of offenders
Community Reassurance	Community Payback	Utilisation of community payback for a wide variety of projects	Community Safety	<ul style="list-style-type: none"> Maximise use of Community Payback for graffiti and rubbish removal 	Mar 18	<ul style="list-style-type: none"> 2 large graffiti clearances (cost saving approx. £4800) 55 alleyways (cost saving approx. £81,000) 	<ul style="list-style-type: none"> Increased amount of projects referred Cost saving in Payback undertaking clearance

What happens next?



How can you get involved?

To meet us face to face, come along to your local quarterly Neighbourhood Engagement Meeting : For more information go to

⇒ www.thanetcommunitysafety.org.uk

Or subscribe to our email distribution list:

⇒ community.safety@thanet.gov.uk

Can't wait?

☎ Telephone : 01843 577 000 (Ask for Community Safety)

✉ Email: Community.saftey@thanet.gov.uk

@ Social Media:  @ThanetCSP  Thanet Community Safety Partnership




To find out who your local Police Community Support Officers are visit


⇒ www.kent.police.uk

Useful contacts:

Thanet District Council	01843 577000
Thanet Gateway services	08458 247 202
Kent Police	101 (In an emergency: 999)
Kent Fire and Rescue Service	01622 692121
Kent County Council	03000 414141
KCA UK (formerly Kent Council for Addiction)	01634 298580
Eastern and Coastal Kent NHS Patient advice and liaison service:	01227 783145
Kent Probation – Thanet Office	01843 233050
Hyde Housing Association	01843 853203
Turning Point	01843 298355
Kent Drug And Alcohol Action Team (KDAAT)	01622 221676
National Domestic Violence Helpline	0808 2000 247
Orbit South Housing Association Thanet Office	0800 678 1221
Sanctuary Housing Association	0800 1313348
Southern Housing Association	0300 3031773
Town and Country Housing Association	01892 501480
Porchlight	01843 853540
Victim Support	0808 1689276
Crimestoppers	0800 555 111
Margate Task Force	01843 577 536



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 Thanet Community Safety Partnership

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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 £25 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 Committee Services Manager well in advance of the meeting.

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

MEETING.....

DATE..... AGENDA ITEM

DISCRETIONARY 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.

