

Dr G J Burrell

***** Hythe, Kent, CT21 ***

Tel: 01303 *****, Mob: 07*****, Email: *****

4th March 2023

FAO: Mr Paul Dossett
Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

Copy to: Mrs Charlotte Spendley,
s151 Officer, Folkestone-Hythe District Council

Dear Mr Dossett

Folkestone-Hythe District Council: OBJECTION to the Accounts for the year ended 31 March 2022.

1. I am writing to OBJECT to the Folkestone-Hythe District Council's accounts for the Financial Year 2021/22. This letter sets out the grounds for my objection and the remedies that I am seeking.
2. My objection has been raised under the provisions of the Local Audit and Accountancy Act 2014 under which I have exercised my right to inspect the accounts. The basis of my inspection of the accounts is detailed in Appendix A. However, as you are aware, as copy addressee to an email from the council dated 2 Mar 2023, they will endeavour to provide the information available by close of Monday 6th March. That will, of course, mean that I will not be in possession of the information necessary for analysis prior to the deadline for submission, 6 Mar 2023. I am therefore obliged to submit my objection based upon information already in the public domain, as published by the council.
3. For the above reason, I reserve my right to add further grounds for my objection should I deem this necessary.

Summary of Grounds for Objection

4. My objection addresses the impact of ineffective project management and financial control as applies to major development projects being undertaken by the council itself. **I focus specifically on the Princes Parade development project** since this is the second largest project being undertaken by the council itself, and for which I possess extensive data.. The largest project is the Otterpool development for which I possess little data but it is of potential concern that similar lax governance issues might well apply.
5. I have 4 grounds for objecting:
 - a) The accounts give a false impression of the state of the council's finances by omitting any reference whatsoever to the Princes Parade development project while it is known to impose a major detrimental impact on the council's financial resources both during the accounting year and beyond.
 - b) While being aware prior to the start of the accounting period (1 April 2021) that the Princes Parade project could not be delivered within the then applicable budget set in February 2019, the council continued to enter into substantial new commitments.

- c) The council decided to continue with the project after being advised of a 56 % escalation in cost (to £45.3m) at the January 2022 Cabinet, while failing to disclose knowledge that the leisure centre facility was very poor Value-for-Money.
- d) Payments made to suppliers exceeded the contract (or purchase order) approved values, with no evidence of control via a reconciliation process.

Factors from which I allege accounting failures have arisen

6. When you assess the grounds I have raised it is appropriate to be aware of the following factors:
- a) The issues I identify apply specifically where the council undertakes large development projects, since they demand project management experience that extends beyond the normal capability expected of council officers. In particular, it needs to be recognised that several of the staff who previously worked within the planning department have been transferred into the project team, whereas the skills for effective project management are totally different from those employed by planners. My evidence has focused on the Princes Parade project for which the project management methods being employed are clearly ineffective in respect of financial control. Concerns therefore arise in regard to the management of other large projects, e.g. the Otterpool development, for which the council management team are likewise ex-planners.
 - b) Control of large projects has been delegated to branch heads who are required to exercise both project and financial management without possessing the full range of necessary expertise. The section 151 Officer relies heavily on the project management team to control their budgets, which may be fine for smaller commitments, but there is no evidence of *de-facto* s151 involvement over commitments in excess of, say, £10k.
 - c) For the Princes Parade project the branch heads rely extensively on advice provided by consultants and by those contractors who are undertaking the design and build programme itself. The consultants base their advice on briefings from the project team, while the implementing contractors strive to avoid placing at risk their ongoing contract work for which they have already been selected as “preferred contractor”. The project team change staff frequently and rely on information within reports, plus what is passed on from previous incumbents. The quality of the information upon which the project is based is therefore extremely poor and frequently inaccurate, especially for Princes Parade which is a complex project. This project suffers dramatically in this scenario, for which the unachievable and political aspirations of the Council Leader have taken precedence due to an overall lack of technical understanding within the council of the project and therefore of the impact on costs.
 - d) Many commitments for large projects, such as for Princes Parade, lead to substantial expenditure that spills over into following years. Purchase Orders are raised that fail to specify exactly what is being ordered and payments are made on a regular basis (usually monthly) irrespective of the work that has been done, and with no statement of the balance outstanding against each original order. This inadequacy in control leads to payments being made that are substantially in excess of the Purchase Order values. In addition, the project team have used Framework Umbrella contracts in which tasks are “called off” without producing Purchase Orders, which is a highly unsatisfactory method. My inspection request aimed to quantify the impact of those financial control deficiencies. If the process had been carried out effectively then the project team and s151 officer should, between them, be able to provide the information I have requested. Currently I remain uncertain whether they will be able to provide that data.

- e) There is no evidence that reconciliation is being undertaken to ensure that each payment is made correctly in accordance with a Purchase Order or Contract. If such reconciliation had taken place then the observed over-payments would not have occurred.
- f) Project Budgets are approved by Cabinet, while Annual Budgets (including Capital expenditure) are proposed by Cabinet and approved by Full Council. It is thereby taken “as read” that the overall Budget for each Project has been approved by Council. However, control of expenditure against the Annual Budget does not exercise control over expenditure on a Project. Annual spend on a major development project rarely exceeds the Annual Budget but, clearly, that does not mean the project can be delivered within the set Project Budget; this is mainly because projects frequently suffer slippages of expenditure into future years. While this is obvious, I draw particular attention to this in the case of Princes Parade when assessing the expenditure recorded for FY2021/22.
- g) The draft 21/22 Accounts fail to mention the financial commitment to the Princes Parade project, which is disturbing since it is the second largest project being undertaken by the council. The Princes Parade financial commitments are expected to impact on the **Earmarked Reserves**, which I consider to be a misleading omission in that it is known this will have a substantial effect going forward.
- h) I have in the past sought from the council audit trail evidence for the appointment of contractors when large contractual commitments are involved. The council’s interpretation of what constitutes an “audit trail” is highly deficient to the point of being almost non-existent. As an example, having good reason to suspect the council had no proper audit trail for the appointment of Faithful & Gould in April 2019, I requested the audit trail information that led to their appointment as contractor for design work on the Princes Parade project. By law, local authorities are required to retain such information for a minimum of 6 years. FHDC were unable to provide the requested information and, following the intervention of the Information Commissioner via an EIR complaint, the council made the unbelievable claim that the requested information had been destroyed after only 12 months (*ICO Decision Notice Reference: IC-48155-F3S5, 30 Mar 2021*). Again this is an example of poor control when entering into large contractual commitments, in this case resulting in payment irregularities, as seen in Appendix B.

Evidence of Accounting Failures relating to the Princes Parade Project

Unauthorized expenditure during 2021

7. The Princes Parade Project Budget, applicable during the majority of the FY2021/22 accounting period, was set in February 2019 at £29m. That budget remained applicable until a necessary cost increase to £45.3m was exposed to Cabinet in January 2022. That uplifted budget was a slimmed-down figure, attained by the contractor, BAM, after making a significant number of undesirable reductions in the specification for the leisure centre. (NB. That figure included costs for those parts of the development for which FHDC retained responsibility). It should be noted that this increase preceded the current national inflationary pressures and was solely the consequence of previous under-estimation of the full requirements of the project. In spite of that 56% escalation, Cabinet voted to approve that uplifted budget.
8. Assessments in 2018 by 3 separate local, qualified experts had previously provided detailed reports to the council that showed the project would cost substantially more than the February 2019 budget. The council was fully aware that those assessments had been prepared to a professional standard but chose to dismiss them and proceed with the project regardless. The

council continued to retain that stance even though their subsequent January 2022 figures, derived principally by the contractors, still remain lower than those of the public experts. Council officers, at all levels, were certainly aware that the February 2019 Project Budget of £29m was financially 'tight'.

9. On 23 February 2021 Faithful & Gould, working under direct contract to the council had reported in their Stage 3 Cost Plan that the project exceeded the Feb 2019 Project Budget. The council will therefore have been fully aware at the start of the accounting period that any further contractual commitments to the Princes Parade project during 2021 would cause the Project Budget to be breached - but they nonetheless proceeded to enter into further commitments via their contractors. Ongoing 'value engineering' would involve further reductions in the specification (including content and quality) in respect of the work for which the build contractor (BAM) would be responsible, while simultaneously transferring significant work and risk to the council. **The continuation of work, as occurred at that stage without further financial approval, was a breach of governance**, running counter to the council's own regulations and those demanded of local authorities.
10. Yet further, a letter dated 12 October 2021 from Mr Tim Madden (Director, Transformation and Transition and previously s151 Officer), responsible for the Princes Parade project, including the Faithful & Gould contract, falsely claimed that sufficient funding was available to deliver the plan within the February 2019 budget (Appendix C). That was during the period that a cost escalation was being worked-up in readiness for January's Cabinet meeting.
11. By continuing to undertake work on the project, the council was not only incurring expenditure in the accounting year, it was also building up formal and implied contractual commitments that impacted detrimentally on future years; and doing so on the unreasonable assumption that a cost increase would subsequently be approved by necessity. With full knowledge that the Feb 2019 budget was 'tight' and would need to be breached, every penny the council allowed to be spent would ultimately need to be recouped from Revenue, wasting council-tax payers' money. After such expenditure had been permitted to occur, as happened, the burden on Revenue became locked in irrespective of whether or not the project continued; either by the need to write off a loss or supplement the project by a loan or from reserves.
12. Not only did it become necessary to uplift the Project Budget in January 2022, while demanding a reduced specification, it has more recently been shown that even that uplift was insufficient, principally (but not only) because of recent inflationary pressures.
13. There can be no doubt therefore that continuation of work during 2021, without having gained approval by Cabinet and Full Council to a Project Budget uplift, led to both unauthorized expenditure in FY2021/22 plus irretrievable commitments into FY2022/23 and beyond based upon an unreasonable assumption that further cost escalation would always be approved. In essence there was a very high risk that money would be wasted amounting to many £ millions.

Withholding knowledge that the Princes Parade Project offered Appalling Value-for-Money

14. During the period 14 Dec 2021 to 10 Jan 2022, in preparing for the January 2022 Cabinet meeting to gain approval for a major uplift in the project budget, the contractors advising the council (Faithful & Gould and Hadron) deliberately sought to hide the fact that the project, for which the purpose was to build a leisure centre, was very poor value-for-money. The evidence is detailed in Appendix D.
15. Even after applying extensive 'value engineering' to minimise project costs, the excess cost for building the leisure centre on the Princes Parade site is estimated to be about £6 million when compared with the average for similar facilities built in the UK.

16. That information was not provided to decision makers at the Cabinet meeting that approved the project in January 2022, nor to the subsequent Council meeting that endorsed the budget.
17. Without doubt the project is known to offer appalling Value-for-Money and that is particularly the case in view of the existence of at least one cheaper and better alternative.

Overpayments to suppliers

18. An appraisal of the *Payments to Suppliers* against the published *Purchase Orders*, leads to the conclusion that there are significant discrepancies because the procedures in use are not robust. I have outlined my assessment of this issue in section 6. In the absence of the data I requested it is impossible to be specific. I have however looked at three prominent providers employed during the accounting period, namely Faithful & Gould, Tibbalds and BAM. In all cases the published payment data fails to identify the relevant Purchase Orders, nor describe what is being purchased. It is possible however to compare the total payments over the project lifetime with the purchase order totals, which exposes matters that are of concern.
19. The Faithful & Gould payments data is presented at Appendix B, covering all years for which the supplier has participated in the project. While it is possible that the council has erroneously failed to publish a full list of purchase orders, the totals should reconcile, with the expectation that the PO total should exceed the payments until completion. For F&G the payments since 2019 amount to **£1,706,818** while the PO total is **£1,358,771 (incl VAT)**. F&G appear to have been overpaid by **£348k**. This needs to be explained to ensure there is no wrong-doing,
20. Similarly for Tibbalds Planning & Urban Design, presented in Appendix E, the total payments (since 2016) amount to **£553,474** while the purchase Orders total is **£367,840**. The over-payment appears to be **£186k** and again this needs to be explained. I am aware that Tibbalds are undertaking work on the Otterpool project for which the purchase order has been removed leaving: SD00116, SD00117, SD00151, SD00239, SD00303, FS01236.
21. For payments to BAM, a difficulty arises because most of the tasks are being undertaken through the issue of "Contract Instructions" - without any corresponding Purchase Orders. That is bad practice, as well as a lack of Transparency.
22. The way in which Purchase Orders are being used is, at best, bad practice or, at worst, fraudulent. The methods in use are unsuitable for managing major development projects and need to be made robust.

Impact on Earmarked Reserves

23. The ongoing impact of the Princes Parade project on the council's finances is clearly significant but the Accounts fail to address this. In January 2022 it was established that the project would no longer provide the anticipated benefit to the Revenue Budget. Instead it would demand a long-term loan of £6m - £10m that would need to be serviced from Revenue.
24. In addition there would be significant cash flow requirements, in particular in early years while receipts are awaited against land sales. There are serious doubts about the agreement of a sales contract with the alleged purchaser and the timing of the receipts.
25. Inevitably these factors will have an impact on Earmarked Reserves and this needs to be addressed in the Statement of Accounts.

Remedies being sought

26. I OBJECT to the Accounts 2021/22 pursuant to the Local Audit & Accountability Act 2014 section 27(1a and 1b), section 28 and section 24 schedule 7.

27. I am asking that you, as external auditor:

- a) Investigate to determine whether the council has in place, and has exercised, effective governance arrangements.
- b) Determine whether any wrong doings have taken place and initiate action if appropriate.
- c) Issue a Public Interest Report

Yours sincerely,

Dr G J Burrell

APPENDIX A

Inspection of data relating to the Princes Parade project

BASIS OF MY INSPECTION REQUEST:

My request to inspect the Draft Accounts specifically relates to the Princes Parade development in order to provide an assurance that the expenditure incurred and commitments that existed during the accounting period are consistent with both the project and annually-approved budgets; and whether such data has consequently been reflected within these 21/22 Accounts.

The transaction and purchase orders published on the council's website suggest that inadequate financial control of the Princes Parade project has taken place following approval of the overall project budget by Full Council in February 2019. That budget was applicable during this accounting period. In addition the council's contractors had already determined in their cost plan dated 23 February 2021 that the development could not be delivered within the project budget and, in December 2021 (prior to the current inflationary problems), were aware that the proposed development was very poor value-for money when compared with all other such facilities built within the UK. (If desired I am able to provide definitive data, contained within a FHDC FOI response, that the up-lifted project budget approved by the January 2022 Cabinet, was known to offer poor value for money).

While the annual budget set for the Princes Parade project may not have been breached in-year, it appears however that expenditure has been occurred that falls outside of the scope of work covered by the project budget. That additional expenditure, plus other previously unforeseen costs, demanded a major uplift in the latter budget for the project as a whole in January 2022. The use of Framework contracts requires effective project management by the council's project team to ensure the work undertaken remains within scope, also that any work demanded on a 'call-off' basis is reflected within a line item of cost within the council's project plan. The project team leader and/or the section151 Officer should possess records detailing the project management data I am requesting, updated at least quarterly (and preferably monthly), which identifies payments, accrued commitments and projections on a line-item of cost basis throughout the project.

It is essential therefore that such information is provided to demonstrate that adequate financial control has been applied for this complex project, that appropriate budgets have been set and the impact on Earmarked Reserves has been correctly identified.

DATA REQUESTED FOR MY INSPECTION OF THE 21/22 DRAFT ACCOUNTS:

The following relates only to the Princes Parade design and build programme, including all on-site work for which the council is responsible. I am not seeking information regarding the operation of the leisure centre.

A. List of the line items used by the council's project team for cost management control purposes during the accounting period.

B. At the start of the year and end of each quarter for the overall project:

1. Total Project budget
2. Annual Budget (Council-approved budget for in-year expenditure)
3. Expenditure in the quarter
4. Total project expenditure to date

5. In-year projected spend
6. Forecast of anticipated project cost to completion
7. Value of Accrued Commitments to date (i.e. authorised activities for which payments have not yet been made)
8. List of current contracts with authorised expenditure levels as approved for each. Note that this may differ from the overall contract Limit of Liability in the case of Framework/Call-off contracts.

C. At the start of the year and end of each quarter for each line-item:

1. Identity/reference of the line-item
2. Total budget allocation for this line item
3. Payments made against this line item in the quarter
4. Expenditure on this line item to date
5. In-year projected spend on this line-item
6. Forecast of anticipated project cost to completion for this line item
7. Value of Accrued Commitments to date (i.e. authorised activities on this line item for which payments have not yet been made)
8. List of relevant contracts with authorised expenditure levels.

D. Details, amounts and timing, of the impact on the **Earmarked Reserves** that appear in the Draft Accounts and confirmation that all changes to the Princes Parade project have been included.

Dr G J Burrell
5 February 2023

APPENDIX B

Faithful & Gould payments for Princes Parade

Authorised contract value = **£1,358,771** (incl VAT)

Total payments = **£1,706,818** (Published payments to suppliers)

Supplier Name	Date	Transaction Ref	Amount	Capital/Revenue
Faithful & Gould Ltd	22/12/2022	504504	30,064.42	Capital
Faithful & Gould Ltd	22/12/2022	505601	19,082.58	Capital
Faithful & Gould Ltd	04/10/2022	502966	19,227.29	Capital
Faithful & Gould Ltd	09/08/2022	500954	38,006.12	Capital
Faithful & Gould Ltd	19/07/2022	499738	33,319.07	Capital
Faithful & Gould Ltd	28/06/2022	498756	22,674.35	Capital
Faithful & Gould Ltd	09/06/2022	497389	33,262.56	Capital
Faithful & Gould Ltd	12/04/2022	495427	14,669.64	Capital
Faithful & Gould Ltd	15/03/2022	493831	13,417.20	Capital
Faithful & Gould Ltd	03/02/2022	491784	26,834.40	Capital
Faithful & Gould Ltd	09/12/2021	489474	77,832.62	Capital
Faithful & Gould Ltd	16/11/2021	488206	90,935.27	Capital
Faithful & Gould Ltd	11/11/2021	486638	117,364.52	Capital
Faithful & Gould Ltd	14/09/2021	485104	143,633.06	Capital
Faithful & Gould Ltd	17/08/2021	483832	75,323.46	Capital
Faithful & Gould Ltd	22/07/2021	482524	110,778.33	Capital
Faithful & Gould Ltd	08/06/2021	480579	94,939.37	Capital
Faithful & Gould Ltd	13/05/2021	479173	110,826.04	Capital
Faithful & Gould Ltd	15/04/2021	477758	58,457.44	Capital
Faithful & Gould Ltd	09/03/2021	475796	10,012.80	Capital
Faithful & Gould Ltd	09/03/2021	475880	63,043.69	Capital
Faithful & Gould Ltd	03/10/2019	448913	125,978.42	Capital
Faithful & Gould Ltd	24/09/2019	446682	89,936.21	Capital
Faithful & Gould Ltd	27/08/2019	446603	91,844.21	Capital
Faithful & Gould Ltd	13/06/2019	442835	98,223.30	Capital
Faithful & Gould Ltd	09/05/2019	441107	97,131.30	Capital
Total			1,706,818	

Release of AUDIT TRAIL data relating to the irregular (unauthorised) manner of awarding the contract in April 2019 was refused by FHDC in response to a FOI request raised on xxx. After raising a complaint with the ICO the Information Commissioner instructed FHDC to release the requested information for which leading to

APPENDIX C

Incorrect Claim by FHDC Director re Availability of Funding

Direct Dial: 01303 853300
Email: tim.madden@folkestone-hythe.gov.uk
Date: 12th October, 2021



Ms Lisette Patching
Planning Dept.
Folkestone & Hythe District Council
Castle Hill Avenue
Folkestone
CT20 2QY

Dear Ms Patching

Re: Princes Parade Planning Condition

With regard to the discharge of planning condition 14, I can confirm that the Council at the Cabinet meeting of February 13, 2019 agreed the funding for the construction and fitting out of the leisure centre and that the plan that it is deliverable with that funding.

This can be found at [Agenda for Cabinet on Wednesday, 13th February, 2019, 5.00 pm - Folkestone & Hythe District Council \(folkestone-hythe.gov.uk\)](#)

Yours sincerely



Tim Madden
Director, Transformation and Transition

APPENDIX D

Princes Parade project - Evidence of Poor Value-for-Money

This evidence is taken from a 941 page FOI/EIR response received by Dr Burrell from Folkestone-Hythe District Council via the *What Do They Know* website under the title **Outputs from Faithful & Gould contract(s) for the Princes Parade development**

https://www.whatdotheyknow.com/request/outputs_from_faithful_gould_cont#incoming-2122438

The evidence demonstrates Hadron and Faithful & Gould's efforts to overcome their concern that the leisure centre comes out as being poor value for money in comparison with all other UK leisure centre projects. Both contractors were under direct contract to FHDC, while at the time were embedded within BAM's construction contractor team. Hadron were giving project management support to FHDC while F&G were undertaking the design work.

This information covers the lead-up to the Jan 2022 Cabinet at which the decision was taken to approve a massively escalated budget for the project.

Page numbers relate to the EIR response.

p888 – On 23 February 2021 Faithful & Gould's Stage 3 Cost Plan identified that the project cost as approved in Jan 2019 could not be met but this non-viability was not exposed until Cabinet Jan 2022. The council's director responsible for the Princes Parade project (Mr Madden) would have been well aware of this over the previous 11-months but remained silent. As shown in Appendix C, on 12 Oct 2021 he also made the false claim about the sufficiency of the available funding to deliver the project.

p815 - Hadron asked on 10 Jan 2022, just prior to the critical Cabinet meeting - *"What are we doing about the benchmarking to make it look more sensible?"* having already established that the comparative benchmarking charts show up the development costs in a very poor (expensive) light. Hadron's question was preceded by:

p821 - Faithfull & Gould on 14 Dec 2021 emailed Hadron with *"As discussed please see attached benchmarking cost data for new build leisure centres. The rates shown are for the build costs of the leisure centre building only including prelims and OH&P, excluding external works, fees, contingency etc."*

p820 - F&G on 15 Dec 2021 emailed Hadron with *"Please see attached revised benchmarking data which incorporated some of the higher cost projects."*

p819 - Faithfull & Gould on 15 Dec 2021 emailed Hadron with *"Please see attached the correct benchmarking, I forgot to include the notes on the previous one."*

p818 - Hadron on 15 Dec 2021 emailed F&G: *"Thanks. I think we could add in the Wave in Coventry and also the Cov 50m pool as these are predominantly wet leisure centres. This may give us a couple more higher value projects so PP doesn't look so expensive. I can talk you through some rates for these?"*

Can you ask around internally and give some thought to other projects that may also be more similar or high value."

p817 F&G 16 Dec 2021 to Hadron: *"Would you be able to share the cost data on these leisure centres?"*

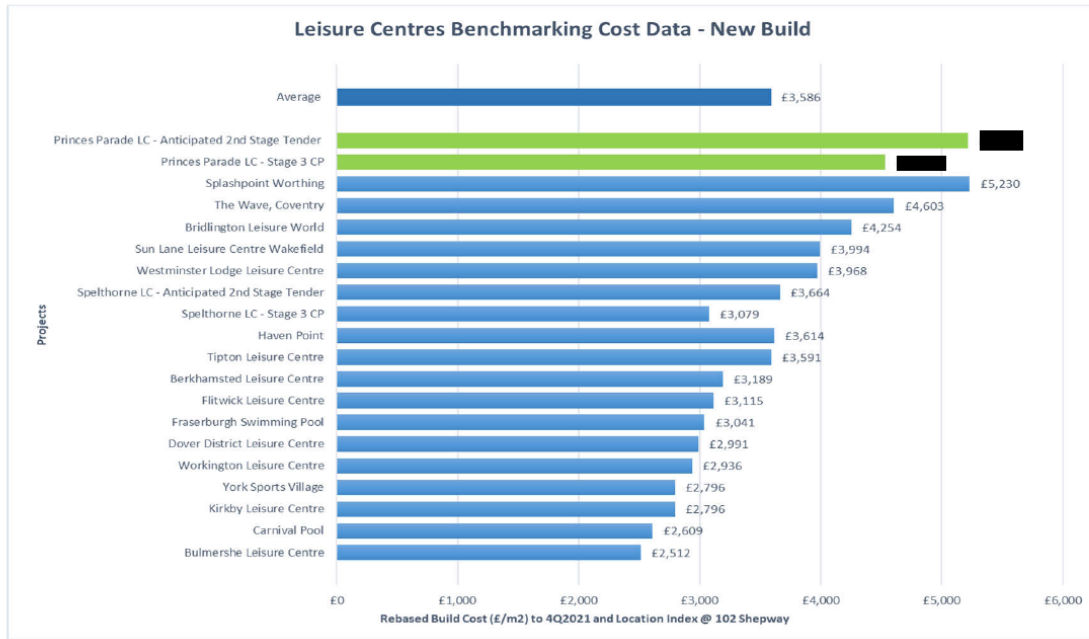
p817 - Hadron 16 Dec to F&G: *"See attached in confidence. The 50m pool ones does not help us, so we might want to leave that out."*

The Wave final account ended up being £[redacted] and that included omitting the soft landscaping so the price in the CSA does not really include many other abnormals."

p816 - F&G 22 Dec 2021 to Hadron: *"Please see attached benchmarking incorporating The Wave. Cov 50 is really low hence it is not shown."*

This resulted in 2 versions of the benchmarking data, first (p796) with an average cost per sqm as £3,589 and the second (p823) as £4,583 due to inclusion of the more expensive leisure centres.

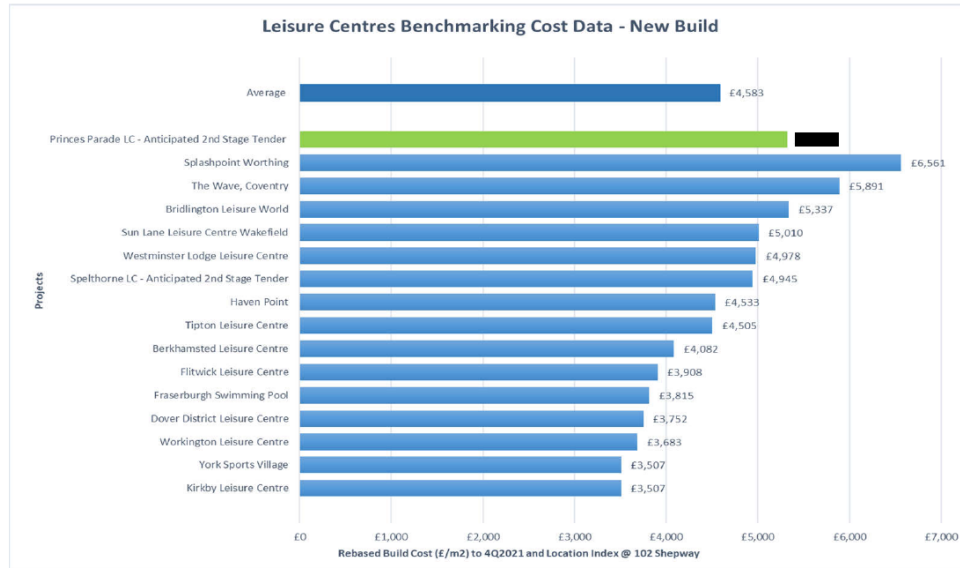
New Build Leisure Centres
December 2021



- Costs are based upon m² rates for build costs including contractor's preliminaries, overheads and profit.
- Costs are rebased to 4Q21 using BCIS All-in Tender Price Index and Shepway Location Index @ 102.
- Costs exclude:

Site Remediation	Inflation
External works	Professional Fees
Drainage	Client FF&E
VAT	Contingency

New Build Leisure Centres
January 2022



- Costs are based upon m² rates for build costs including contractor's preliminaries, overheads and profit.
- Costs are rebased to 4Q21 using BCIS All-in Tender Price Index plus adjustment for abnormal market condition in 2021 and Shepway Location Index @ 102.
- Costs exclude:

Site Remediation	Inflation
External works	Professional Fees
Drainage	Client FF&E

- The above benchmarking bar chart shows the project in a bad light in spite of attempts by the BAM team to make the costs appear attractive. The black bar probably shows BAM's contingency allowance. The figures cover only the work that is to be carried out by BAM, the construction contractor.
- Splashpoint Worthing is a sophisticated LCs with 3 pools, a flume, high diving, sauna, steam room, hot beds, & treatment rooms, while The Wave Coventry is a water park including 6 high speed slides. The Princes Parade project offers far few facilities and it is totally misleading to suggest it is comparable.
- To place the impact in perspective against the average, for the proposed 3,000 m² leisure centre the excess cost impact is expected to be around **£6 million**. However, the true impact may be even greater due the costs having already been minimised by the application of value engineering. That cost reduction process is detailed in the EIR response and includes the removal of facilities, downgrading of the specification and quality, while also referring some work packages back for the council to undertake themselves or pass on to a residential developer.
- The nature of this VFM information revealed above brings into focus the illogicality of the council having ignored the existence and availability of the alternative, entirely suitable site for the leisure centre within Hythe's ongoing Martello Lakes development. It is known that a better leisure centre can be built on that site more cheaply due to a s106 Agreement that provides, for the sum of £1, fully serviced land ready for constructing the leisure centre.

APPENDIX E

Tibbalds Planning & Urban Design payments for Princes Parade

Purchase Orders value = **£367,840** (incl VAT)

Total payments = **£553,474** (Published payments to suppliers)

Supplier Name	Date	Transaction Ref	Amount	Capital/Revenue
Tibbalds	04/08/2016	390921	3,000.00	Revenue
Tibbalds	13/10/2016	394360	64,345.20	Revenue
Tibbalds	18/10/2016	394513	59,110.80	Revenue
Tibbalds	22/11/2016	395501	16,086.00	Revenue
Tibbalds	22/11/2016	395502	14,776.80	Revenue
Tibbalds	13/12/2016	397018	14,776.80	Revenue
Tibbalds	13/12/2016	397019	16,086.00	Revenue
Tibbalds	24/01/2017	399054	16,086.00	Revenue
Tibbalds	24/01/2017	399055	14,776.80	Revenue
Tibbalds	07/02/2017	399763	1,610.40	Revenue
Tibbalds	07/03/2017	401273	2,810.40	Revenue
Tibbalds	12/09/2017	411411	1,610.40	Revenue
Tibbalds	12/09/2017	411412	30,900.00	Revenue
Tibbalds	08/03/2018	420210	6,001.20	Revenue
Tibbalds	08/03/2018	420211	23,123.69	Revenue
Tibbalds	18/09/2018	428604	14,352.60	Revenue
Tibbalds	28/03/2019	438943	8,241.60	Revenue
Tibbalds	31/03/2022	494795	5,804.16	Capital
Tibbalds	08/03/2022	493487	1,647.32	Revenue
Tibbalds	22/02/2022	492687	22,131.36	Capital
Tibbalds	18/01/2022	490869	5,804.16	Capital
Tibbalds	14/12/2021	489580	6,427.16	Capital
Tibbalds	23/11/2021	488568	5,804.16	Capital
Tibbalds	26/10/2021	487138	25,194.64	Capital
Tibbalds	19/10/2021	484904	8,041.20	Revenue
Tibbalds	21/09/2021	484507	803.12	Revenue
Tibbalds	26/08/2021	484227	7,800.00	Revenue
Tibbalds	15/07/2021	482125	6,912.16	Capital
Tibbalds	18/02/2021	473974	21,098.59	Revenue
Tibbalds	20/10/2020	468668	21,098.59	Revenue
Tibbalds	15/09/2020	466884	16,440.01	Revenue
Tibbalds	23/07/2020	465225	21,098.59	Revenue
Tibbalds	30/06/2020	463870	32,879.99	Capital
Tibbalds	02/06/2020	462708	24,803.70	Capital
Tibbalds	03/09/2019	447331	2,209.20	Capital
Tibbalds	13/08/2019	446127	2,145.60	Capital
Tibbalds	20/12/2022	506124	-82.90	Capital
Tibbalds	20/12/2022	506124	7,718.42	Capital
Total			553,473.92	