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**TONBRIDGE & MALLING**  
**BOROUGH COUNCIL**

EXECUTIVE SERVICES

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19 February 2020

**COUNCIL - TUESDAY, 18TH FEBRUARY, 2020**

I am now able to enclose, for consideration at the Tuesday, 18th February, 2020 meeting of the Council, the following reports that were unavailable when the agenda was printed.

**Agenda No    Item**

22.    **Risk Management (Pages 3 - 34)**

*Item CB 20/7 referred from Cabinet minutes of 13 February 2020*

23.    **Treasury Management Update and Annual Investment Strategy 2020/21 (Pages 35 - 76)**

*Item CB 20/8 referred from Cabinet minutes of 13 February 2020*

24.    **Setting the Budget for 2020/21 (Pages 77 - 180)**

*Item CB 20/9 referred from Cabinet minutes of 13 February 2020*

25.    **Setting the Council Tax 2020/21 (Pages 181 - 194)**

*Item CB 20/10 referred from Cabinet minutes of 13 February 2020*

26.    **Review of Public Health (Pages 195 - 216)**

*Item CB 20/11 referred from Cabinet minutes of 13 February 2020*

27.    **Review of Disabled Facilities Grants (Pages 217 - 246)**

*Item CB 20/12 referred from Cabinet minutes of 13 February 2020*

28. **Corporate Strategy 2020-2023** (Pages 247 - 258)

*Item CB 20/13 referred from Cabinet minutes of 13 February 2020*

29. **Class C Empty Property Council Tax Discount and Long Term Empty Homes Premium** (Pages 259 - 266)

*Item CB 20/14 referred from Cabinet minutes of 13 February 2020*

30. **Local Council Tax Reduction Scheme 2020/21** (Pages 267 - 320)

*Item CB 20/15 referred from Cabinet minutes of 13 February 2020*

31. **Asset Management Plan** (Pages 321 - 358)

*Item CB 20/16 referred from Cabinet minutes of 13 February 2020*

J E BEILBY  
Chief Executive

## Item CB 20/7 referred from Cabinet minutes of 13 February 2020

### CB 20/7 RISK MANAGEMENT

The report of the Management Team invited Members to review the Risk Management Strategy and accompanying Risk Management Guidance which set out the Council's risk management objectives and detailed the roles and responsibilities of officers, Members and partners in the identification, evaluation and cost-effective control of risks. The report also provided an update on the risk management process and the Strategic Risk Register. Members noted that the entry in relation to the Waste Contract had been escalated to 'high risk' following the performance issues since 30 September when the new recycling arrangements were rolled out.

It was noted that the Audit Committee at its meeting on 20 January 2020 had endorsed the strategy and commended it for adoption by the Council.

**RECOMMENDED:** That the Risk Management Strategy and accompanying Risk Management Guidance be adopted by the Council.

**\*Referred to Council**

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# TONBRIDGE & MALLING BOROUGH COUNCIL

## CABINET

13 February 2020

### Report of the Management Team

#### Part 1- Public

#### Matters for Recommendation to Council

#### **1 RISK MANAGEMENT**

**The report asks Members to review the Risk Management Strategy and accompanying Risk Management Guidance and to recommend its adoption by Full Council.**

**The report also provides an update on the risk management process and the Strategic Risk Register.**

#### **1.1 Introduction**

1.1.1 The Risk Management Strategy sets out the Council's risk management objectives and details the roles and responsibilities of officers, Members and the Council's partners in the identification, evaluation and cost-effective control of risks.

1.1.2 The Council's risk management arrangements are designed to ensure that risks are reduced to an acceptable level or, where reasonable, eliminated thereby safeguarding the Council's assets, employees and customers and the delivery of services to the local community. Examples of risk include budget deficit, cyber/data loss, environmental and reputational.

1.1.3 The Council endeavours to pursue a forward-looking and dynamic approach to delivering services to the local community and will not be averse to taking a degree of commercial risk. However, it will always exercise a prudent approach to risk taking and decisions will be made within the parameters of the Council's internal control arrangements, i.e. Constitution, Procedural Rules, etc. These arrangements will serve to ensure that the Council does not expose itself to risks above an acceptable level.

#### **1.2 Review of the Risk Management Strategy**

1.2.1 As part of arrangements in place to ensure risk management maintains a high profile within the Council, the Strategy and accompanying Guidance is subject to annual review and endorsement through the Audit Committee, Cabinet and Council.

- 1.2.2 This latest review of the Risk Management Strategy and the accompanying Risk Management Guidance resulted in a few changes on points of clarification following the outcome of an audit review of risk management.
- 1.2.3 A copy of the updated Risk Management Strategy and accompanying Risk Management Guidance is attached at **[Annex 1]** and **[Annex 2]** respectively.
- 1.2.4 The Audit Committee at its meeting in January endorsed the Risk Management Strategy and accompanying Risk Management Guidance as presented.

### **1.3 Risk Management Escalation Process**

- 1.3.1 Effectively risks are assessed/scored in terms of their likelihood/impact.
- 1.3.2 Any risk evaluated as 'High Risk' (score of 15 or above) will be deemed by the Council to be beyond 'risk tolerance' and to have exceeded its 'risk appetite' and will be escalated immediately. Such risks should be added to the service's risk register and discussed at the earliest opportunity within the Service Management Team (SMT) to inform a decision as to whether this should be escalated to Management Team by the respective Service Director. Management Team should then consider whether the risk is significant enough for inclusion in the Strategic Risk Register and action this if relevant. A record should be maintained of risks discussed at both SMTs and Management Team and the outcome of those discussions.
- 1.3.3 Similarly risks identified as "Medium Risk" may be escalated to the appropriate SMT for advice and to ensure they are kept fully aware of the current risks being faced. Risks determined as "Low Risk" should be managed within the service team. It is recommended that SMTs consider periodic review or moderation processes for Service Risk Registers to ensure they are happy with the scores risks have been given and confirm whether there are 'Medium' or 'Low' risks they wish to consider further.

### **1.4 Strategic Risk Register**

- 1.4.1 The Strategic Risk Register (SRR) is considered to be a 'live' document and is updated, as often as is required, by the Management Team. An update of the current strategic risks and how they are being managed as at the time of writing is appended at **[Annex 3]**.
- 1.4.2 No new risks have been added to the SRR either by Management Team directly or following escalation by SMTs since the last report to this Committee in October. However, Members are asked to note the updates in red font since the last iteration of the Register.
- 1.4.3 Members will note that the entry in relation to the Waste Contract has been escalated to **RED** (i.e. High Risk) following the performance issues since 30 September when the new recycling arrangements were rolled out. This matter is

under weekly review by the Service in liaison with the Contractor and the Cabinet Member.

## **1.5 Ongoing Risks and Risks Identified by Service Management Teams and Management Team**

1.5.1 A schedule of ongoing risks and risks identified by Service Management Teams and Management Team since the last report to this Committee in October is appended at [**Annex 4**].

## **1.6 Legal Implications**

1.6.1 There is a Health and Safety requirement for effective risk management to be in place and the Strategy supports this requirement.

1.6.2 There is also a requirement in the Accounts and Audit Regulations that accounting control systems must include measures to ensure that risk is appropriately managed.

## **1.7 Financial and Value for Money Considerations**

1.7.1 Financial issues may arise in mitigating risk which will be managed within existing budget resources or reported to Members if this is not possible.

1.7.2 Effective risk management arrangements make a positive contribution to ensuring value for money is provided in the delivery of services.

## **1.8 Risk Assessment**

1.8.1 Sound risk management arrangements aid the Council in effective strategic decision-making. The Council's approach to risk should be reviewed on a regular basis to ensure it is up to date and operating effectively.

## **1.9 Equality Impact Assessment**

1.9.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

## **1.10 Policy Considerations**

1.10.1 Risk management is relevant to all areas of the Council's business.

## **1.11 Recommendations**

1.11.1 Cabinet are asked to:

- 1) Review the Risk Management Strategy and accompanying Risk Management Guidance and, subject to any amendments required, to **recommend** to Council it be adopted.

- 2) Note the updates to the Strategic Risk Register since the last iteration.
- 3) Note the escalation of the Waste Contract item to Red (i.e. High Risk).

Background papers:

contact: Sharon Shelton

Nil

Sharon Shelton

Director of Finance and Transformation on behalf of the Management Team

# RISK MANAGEMENT STRATEGY



January 2020

## **1. Introduction**

- 1.1. The risk management strategy of Tonbridge and Malling Borough Council (the Council) is to adopt best practices in the identification, evaluation, and cost-effective control of risks. This is intended to ensure that risks are reduced to an acceptable level or, where reasonable eliminated, thereby safeguarding the Council's assets, employees and customers and the delivery of services to the local community.
- 1.2. The Council endeavours to pursue a forward-looking and dynamic approach to delivering services to the local community and will not be averse to taking a degree of commercial risk. However, it will always exercise a prudent approach to risk taking and decisions will be made within the parameters of the Council's internal control arrangements, i.e. Constitution, Procedural Rules, etc. These arrangements will serve to ensure that the Council does not expose itself to risks above an acceptable level.

## **2. Mandate and commitment**

- 2.1. This strategy is supported and endorsed by the Management Team and Members of the Audit Committee who will ensure that:
  - The risk management objectives are aligned with the objectives and strategies of the Council
  - The Council's culture and risk management strategy are aligned
  - The necessary resources are allocated to risk management
  - There is a commitment to embedding risk management throughout the organisation, making it a part of everyday service delivery and decision making
  - The framework for managing risk continues to remain appropriate

## **3. Applicability**

- 3.1. This strategy applies to the whole of the Council's core functions. Where the Council enters into partnerships the principles of risk management established by this strategy and supporting guidance should be considered as best practice and applied where possible. We would also expect that our significant contractors have risk management arrangements at a similar level, and this should be established and monitored through procurement processes and contract management arrangements.

## **4. Objectives**

- 4.1. The risk management objectives of the Council are to:
  - Embed risk management into the culture of the Council
  - Apply best practice to manage risk using a balanced, practical and effective approach
  - Manage risks in line with its risk appetite, and thereby enable it to achieve its objectives more effectively

- Integrate the identification and management of risk into policy and operational decisions, anticipating and responding proactively to social, environmental and legislative changes and directives that may impact on delivery of our objectives
- Eliminate or reduce the impact, disruption and loss from current and emerging events
- Harness risk management to identify opportunities that current and emerging events may present and maximise benefits and outcomes
- Ensure effective intelligence sharing and collaboration between risk management disciplines across all Council activities
- Ensure fraud risks are proactively considered and embedded into the organisation's risk management arrangements
- Benefit from consolidating ongoing learning and experience through the collation and sharing of risk knowledge; demonstrate a consistent approach to the management of risks when embarking on significant change activity
- Ensure sound and transparent risk management arrangements are operated in partnership and commissioner / provider situations, underpinned by a culture that supports collaboration and the development of trust, ensuring clear effective lines of communication and the management of relationships.

4.2. The delivery of this strategy is the collective responsibility of officers, Service Management Teams, Management Team, the Council's partners and Members, with delivery being assured by the Management Team.

## 5. Roles and responsibilities

- 5.1. Responsibility for risk management runs throughout the Council; everyone has a role to play. Managers and staff that are accountable for achieving an objective are accountable for managing the risks to achieving it. To ensure that risk management is successful, the roles and responsibilities of key groups and individuals must be clearly identified, see table at 5.3 below.
- 5.2. Other officer groups' deal with related risk specialisms such as Health and Safety; Treasury Management; Emergency Resilience and Business Continuity; Insurance; Information Security; Anti-fraud, bribery and corruption, etc. These groups are linked into the governance arrangements of the Council so that their work is co-ordinated within the Council's overall risk management framework.
- 5.3. In order to support Members and Officers with their responsibilities, risk management guidance is available.

<b>Group or Individual</b>	<b>Responsibilities</b>
Full Council / Cabinet	Approval of the Risk Management Strategy will be witnessed by the signature of the Leader of the Council.
Audit Committee	The Chairman of the Audit Committee will take a lead role in promoting the application of sound risk management practices across the Council.  Training will be provided periodically for all Audit Committee members.

	<p>The Audit Committee will consider the Risk Management process as part of the assurance evidence in support of any Corporate Governance Statement.</p> <p>The Audit Committee will provide independent assurance of the adequacy of the risk management framework and will monitor the effective development and operation of risk management in the Council.</p>
Committees	<p>Responsibility for considering risk when making decisions on behalf of the Council.</p> <p>Promote and demonstrate the behaviours and values that support well-informed and considered risk taking, while maintaining accountability.</p> <p>Encourage open and frank conversations about risks, ensuring appropriate reporting and escalation as required.</p>
Advisory Boards	<p>Promote and demonstrate the behaviours and values that support well-informed and considered risk taking, while maintaining accountability.</p> <p>Encourage open and frank conversations about risks, ensuring appropriate reporting and escalation as required.</p>
Chief Executive	<p>Responsibility for the overall monitoring of strategic risks across the Council, including the endorsement of priorities and management action. Responsible for ensuring that risk management resources are appropriate.</p> <p>Also responsible for counter-signing the Risk Management Strategy.</p>
Section 151 Officer	<p>Active involvement in all material business decisions to ensure immediate and longer term financial implications, opportunities and risks are fully considered.</p>
Management Team (MT)	<p>To ensure the Council manages risks effectively and actively consider, own and manage key strategic risks affecting the Council through the Strategic Risk Register.</p> <p>Keep the Council's risk management framework under regular review and approve and monitor delivery of the annual risk work programme.</p> <p>Promote and demonstrate the behaviours and values that support well-informed and considered risk taking, while maintaining accountability.</p> <p>Encourage open and frank conversations about risks, ensuring appropriate reporting and escalation as required.</p> <p>Delegate the development and delivery of appropriate training to support the implementation of this policy for Members and Officers.</p>
Service Management Teams (SMT)	<p>Responsibility for the effective management of risk within the directorate, including risk escalation and reporting to the Management Team as appropriate.</p> <p>Briefing sessions will be provided on an as and when basis to senior management.</p>
Internal Audit	<p>Assesses the effectiveness of the risk management framework and the control environment in mitigating risk.</p> <p>Review and challenge risk management arrangements through its audit and fraud prevention activities.</p>



All elected Members and staff	Identify risks and contribute to their management as appropriate. Report inefficient, unnecessary or unworkable controls. Report loss events or near-miss incidents to management.
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## 6. Review of this strategy

- 6.1. It is the responsibility of the Audit Committee to: ‘On behalf of the Council ensure that Risk Management and Internal Control systems are in place that are adequate for purpose, and are effectively and efficiently operated.’ Internal Audit will support their role in assuring its effectiveness and adequacy.
- 6.2. Information from Internal Audit and from other sources will be used to inform recommended changes to the strategy and framework at least annually. Any changes will be presented to the Audit Committee for approval before publication. The Strategy was last reviewed in January 2020 and will be reviewed next in January 2021.

## 7. Approval

Signed:

Print Name: Nicolas Heslop

Date:

Position: Leader of the Council

Signed:

Print Name: Julie Beilby

Date:

Position: Chief Executive

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**TONBRIDGE AND MALLING BOROUGH COUNCIL**  
**RISK MANAGEMENT GUIDANCE**

## **1. Introduction**

- 1.1. Tonbridge and Malling Borough Council (the Council) has an approved Risk Management Strategy (the Strategy) and this guidance should be read in conjunction with this Strategy. The aim of this guidance is two-fold; to specify how the Council will deliver its objectives as outlined in the Strategy, and provide guidance on how to effectively manage risk.

## **2. Achieving strategy objectives**

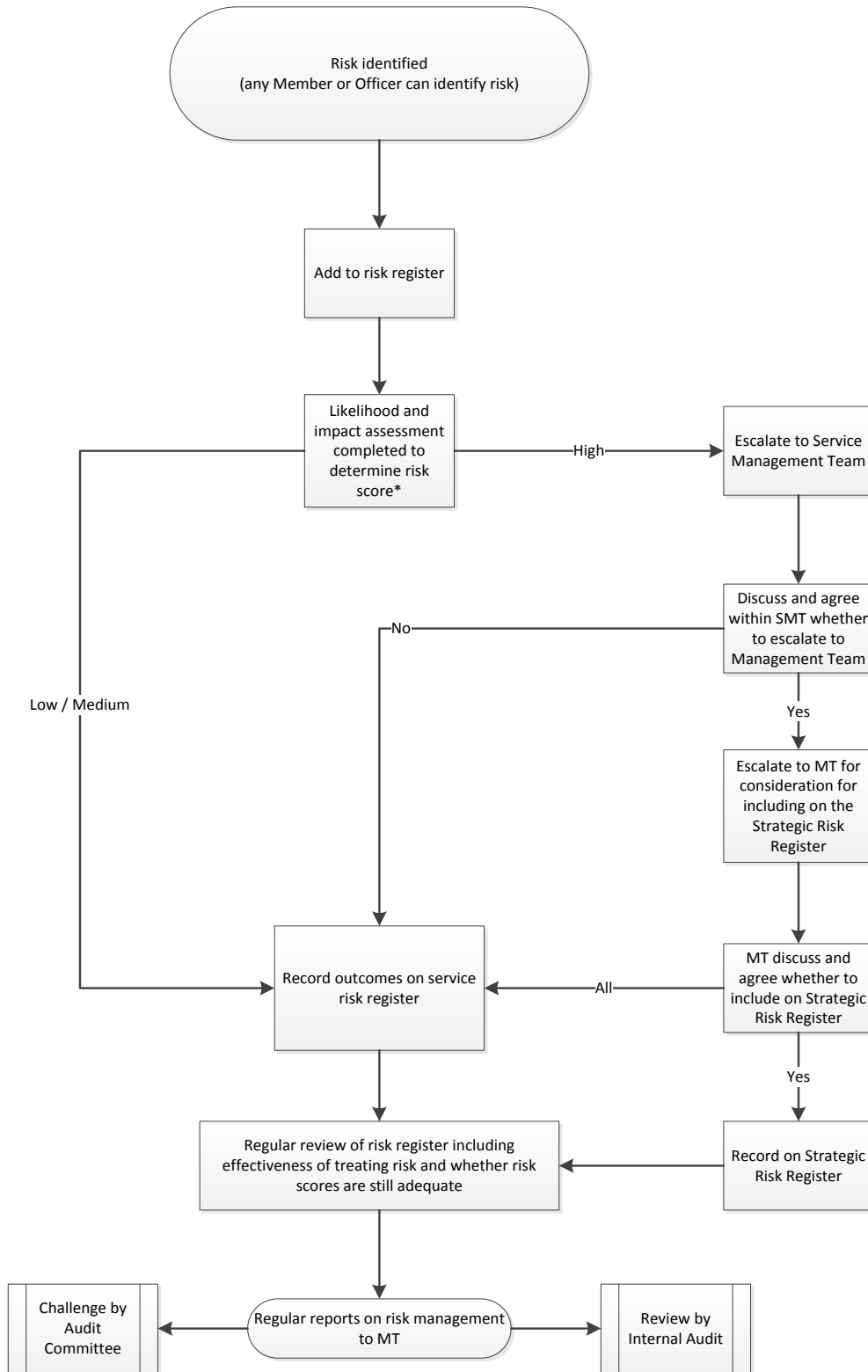
- 2.1. The Council shall achieve its objectives, as outlined in the Strategy, through:
- Integrating effective risk management practices into the Council's management, decision making and planning activities.
  - Maintaining common links between business planning, performance and risk management.
  - Maintaining the frequency and effectiveness of monitoring of key risks.
  - Providing a mix of risk management training, awareness sessions and support for both Members and Officers of the Council.
  - Ensuring links between audit planning and risk management processes to enable assurance on the effectiveness of risk management across the Council.
  - Subjecting the Council's risk framework and practice to annual review to determine the effectiveness of arrangements and level of risk maturity.
  - Ensuring risk management arrangements are embedded within transformation activity.
  - Providing continuous challenge and quality assurance to all elements of the risk management process.
  - Focusing on robust monitoring of mitigating actions to ensure that risks, once identified and assessed, are appropriately managed.
  - Working collaboratively with partners and providers (both internal and external) to develop effective risk ownership and risk sharing arrangements; striking a proportionate balance of oversight of risks of providers / partners without being over-constrictive.
  - Providing guidance on identifying, assessing, managing and reporting on risk, including escalation of risks.

## **3. Risk management at a glance**

- 3.1. The following process flow visually demonstrates the risk management process.

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## RISK MANAGEMENT GUIDANCE



\* A risk assessment form is available at appendix B which can be used to help this part of the process

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## 4. Identifying risks

- 4.1. Risk is something that might happen, which if it materialises will affect us in some way or other. A risk is a combination of 'likelihood' and 'impact', that is; how likely the risk is to happen and if it did how much would it affect us. As soon as a risk is identified it should be recorded on the Risk Register, see Appendix A. This Register should be continually updated to demonstrate assessment, evaluation, treatment and ongoing review.
- 4.2. Before we can evaluate the level of risk associated with an activity we have to determine what is most likely to trigger the risk or initiate its occurrence and assess what the consequences may be if it did occur, i.e. identify the risk event.
- 4.3. Risk assessment looks to determine the key triggers and causes and the likely consequences and impact. Once these are established we can use the assessment to gauge the likelihood of occurrence and impact of the consequences to determine the severity or level of risk.

## 5. Assessing risks

- 5.1. Identified risks need to be assessed so that they may be evaluated to determine their severity and to present an overall picture of the extent of the combined risks on the achievement of the objectives. The Council recognises 3 levels of risk:

LOW	MEDIUM	HIGH
1 – 4	5 – 12	15 – 24

- 5.2. The scoring of risks will be carried out using a Likelihood & Impact matrix, see table below with accompanying definitions.

<b>Likelihood</b> ↕	Almost inevitable	6	6 Medium	12 Medium	18 High	24 High
	Very likely	5	5 Medium	10 medium	15 High	20 High
	Likely	4	4 Low	8 Medium	12 Medium	16 High
	Unlikely	3	3 Low	6 Medium	9 Medium	12 Medium
	Very Unlikely	2	2 Low	4 Low	6 Medium	8 Medium
	Almost impossible	1	1 Low	2 Low	3 Low	4 Low
			1	2	3	4
<b>Impact</b> ↗			Negligible	Marginal	Significant	Critical

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- 5.3. Each risk identified and recorded may be broken down into its component parts using a Risk Assessment Form – see Appendix B.
- 5.4. The source/cause, risk event and consequences should be listed, together with any controls or actions and their owners. Such controls and actions are used to mitigate the risk level and should be described in a clear and specific manner to enable stakeholders to gain sufficient understanding of them.
- 5.5. Risk assessments should be used to assess the level of risk associated with the objective and inform the process for refreshing risk registers. In some cases, where the details of risks are clear, key risk information can be entered straight onto risk registers.
- 5.6. Key project and partnership risks should be included within this process as they will have their sources of origin in business objectives.

## **6. Evaluating risks**

- 6.1. From the information collated and recorded when assessing the risk it should be possible to estimate and distinguish how likely the risk is to happen – Almost inevitable, very likely, likely, unlikely, very unlikely, almost impossible. Similarly, from the information collated and recorded it should be possible to distinguish the level of impact the risk would have if the risk occurred now – negligible, marginal, significant or critical.

For example:

- A risk with an “unlikely” likelihood (3) and “critical” impact (4) would equate to a “Medium” risk level with a score of 12 (3 x 4).
  - A risk that is judged to be “likely” (4) and have a “negligible” impact (1) would equate to a “Low” risk level with a score of 4 (4 x 1).
- 6.2. When determining the risk rating, bear in mind that it is not an exact science. Without significant historical data or mathematical prediction it is, for the most part, a subjective but important estimate. Appendix C provides a couple of guides to help you to estimate likelihood and impact.
  - 6.3. For reference, the initial result of an evaluation is known as the ‘inherent risk’, which refers to the exposure arising from a specific risk *before* any action has been taken to manage it. Due to the fact that determining the inherent risk can seem a rather theoretical exercise, there is not a requirement to include this as part of the risk assessment process. The focus is instead on assessing the current level of risk, taking controls in place into account, and setting a realistic target level of risk that you would wish to manage the risk down to.

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## **7. Escalating risks**

- 7.1. It is not uncommon for risks to have knock-on effects for other activities across a risk perspective or in another risk perspective, for example a risk in one operational (perspective) area may be a source of risk to another; similarly a high level risk in a project perspective may need to be highlighted and considered at a strategic perspective.
- 7.2. It is essential that we understand risks and their potential to have knock-on effects. It is equally important that we set out clear rules for escalation of risks.
- 7.3. Any risk evaluated as 'High Risk' (score of 15 or above) will be deemed by the Council to be beyond 'risk tolerance' and to have exceeded its 'risk appetite' and will be escalated immediately. Such risks should be added to the service's risk register and discussed at the earliest opportunity within the Service Management Team (SMT) to inform a decision as to whether this should be escalated to Management Team (MT) by the respective Service Director. Management Team should then consider whether the risk is significant enough for inclusion in the Strategic Risk Register and action this if relevant. A record should be maintained of all 'High' risks discussed at SMTs and MT and the outcome of those discussions.
- 7.4. Similarly risks identified as "Medium Risk" may be escalated to the appropriate Service Management for advice and to ensure they are kept fully aware of the current risks being faced. Risks determined as "Low Risk" should be managed within the service team. It is recommended that SMTs consider periodic review or moderation processes for Service Risk Registers to ensure they are happy with the scores risks have been given and confirm whether there are 'Medium' or 'Low' risks they wish to consider further.
- 7.5. Where 'High' risks are identified in Project and Programme Risk Registers the Project / Programme Manager must check its impact on the relevant division or directorate risk registers.
- 7.6. The target residual rating for a risk is expected to be 'Medium' or lower. In the event that this is not deemed realistic in the short to medium term, this shall be discussed as part of the escalation process, and this position regularly reviewed with the ultimate aim of bringing the level of risk to a tolerable level.
- 7.7. There may be rare occasions where a risk is deemed to be well within risk appetite and therefore could be seen as over-controlled. In this instance a target level of risk could be set that is higher than the current level, as long as it remains within risk appetite.

## **8. Proximity of risk**

- 8.1. Some risks identified may pose an immediate risk whereas others may not be a risk for several months or even years. Establishing risk 'proximity' adds an



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additional dimension especially when planning and prioritising resources to deal with risk actions.

8.2. Proximity may be categorised as follows:

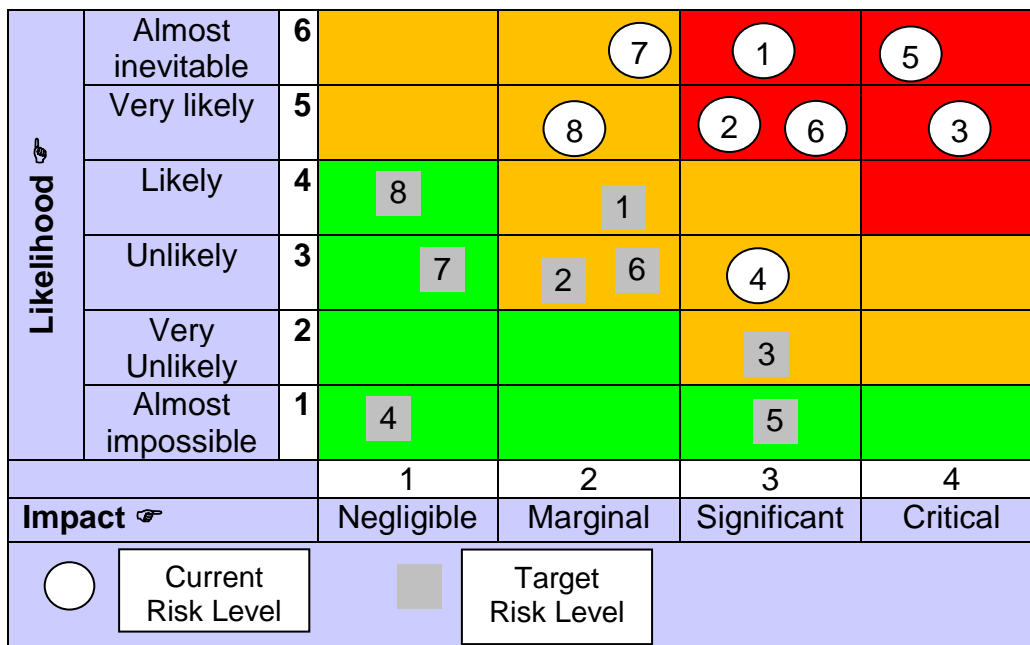
- Immediate – Risk likely to occur / most severe within the next 6 months
- Medium Term - Risk likely to occur / most severe between 6 to 12 months
- Long Term - Risk likely to occur / most severe 12 months plus

## 9. Summary risk profile

9.1. A summary risk profile is a simple mechanism to increase the visibility of risks. It is a graphical representation of information normally found on an existing risk register.

9.2. It provides a powerful visual snapshot of the collective risk associated with the activity. The summary risk profile makes use of the chart in figure 1 above to plot each of the risks identified. The example below gives an example of a completed Summary Risk Profile.

9.3. Example - Completed Summary Risk Profile



9.4. In the example, the risk numbers (in white circles) are plotted to show their current risk levels for a series of 8 risks. It suggests that the activity is fairly high risk overall.

9.5. Again, in the example, the risk numbers (in grey squares) are plotted to show the target risk levels for the series of 8 risks. These show the effect that the risk controls and actions should have on the risks if they were successfully applied and completed.

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9.6. Overall it demonstrates how an activity that carries a degree of high risk and potential failure could be made more acceptable. On a cautionary note, the effort and resources to be expended on managing the risk need to be re-factored into plans to ensure the activity in question remains a viable one.

## **10. Allocating risks and determining actions**

10.1. All risks, no matter how they are assessed, should be allocated an owner. The owner shall be responsible for managing the risk to ensure it is appropriately treated. The level of risk will determine who the owner should be:

- High Risk – Service Management Team / Management Team
- Medium Risk – Service Management Team
- Low Risk – Service Manager

10.2. Once a risk has been identified, assessed and evaluated, it's important that actions are determined to treat the risk. The extent of any actions will be driven by a number of factors including the overall risk score, risk appetite and desired risk score. All actions should be documented on the Risk Assessment Form.

## **11. Monitoring Risks**

11.1. Risks should be continuously monitored, as unmanaged risks can prevent the Council from achieving its objectives. The extent of monitoring will be driven by the risk rating. For example a risk assessed as High would require more frequent monitoring than a risk assessed as Low.

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**Appendix A - Risk Register**

Area \_\_\_\_\_

No	Risk Title	Consequences	Date identified	Likelihood Score	Impact score	Overall inherent risk score	Risk Assessment form completed?	Desired risk score	Mitigating actions to achieve desired risk score	Links to Corporate Objectives / Directorate Business Plans	Risk Owner	Review Date

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**Appendix B - Risk Assessment Form**

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<b>SECTION 1 – RISK</b>									
<b>Risk Owner:</b>			<b>Service:</b>				<b>Directorate:</b>		
<b>Risk Event:</b>			<b>Source/ cause:</b>				<b>Consequences:</b>		
							<b>Likelihood score:</b> <b>Impact score:</b> <b>Overall risk score:</b> <b>Accepted?*</b>		
Likelihood F	Almost inevitable	6	6 Medium	12 Medium	18 High	24 High	* If yes, provide rationale. * If no, go to Section 2.		
	Very likely	5	5 Medium	10 medium	15 High	20 High			
	Likely	4	4 Low	8 Medium	12 Medium	16 High			
	Unlikely	3	3 Low	6 Medium	9 Medium	12 Medium			
	Very Unlikely	2	2 Low	4 Low	6 Medium	8 Medium			
	Almost impossible	1	1 Low	2 Low	3 Low	4 Low			
			1	2	3	4			
<b>Impact</b> <input type="checkbox"/>		Negligible	Marginal	Significant	Critical				
<b>SECTION 2 – CONTROLS/ MITIGATING ACTIONS (copy this section for each control/ action)</b>									
<b>Control/ Action Owner:</b>			<b>Service:</b>				<b>Directorate:</b>		
<b>Control/ Action:</b>			<b>Dependencies:</b>				<b>Key Dates:</b>		
							<ul style="list-style-type: none"> <li>Implementation:</li> <li>Review date:</li> <li>Reporting intervals:</li> </ul>		

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**Appendix C - Determining Likelihood and Impact**

	Likelihood	Example – winter weather
<b>Almost Inevitable</b>	<ul style="list-style-type: none"> <li>Is expected to happen</li> </ul>	<ul style="list-style-type: none"> <li>Rain</li> </ul>
<b>Very Likely</b>	<ul style="list-style-type: none"> <li>More likely to happen than not</li> </ul>	<ul style="list-style-type: none"> <li>Strong winds</li> </ul>
<b>Likely</b>	<ul style="list-style-type: none"> <li>Strong possibility it will happen</li> </ul>	<ul style="list-style-type: none"> <li>Snow</li> </ul>
<b>Unlikely</b>	<ul style="list-style-type: none"> <li>This could happen</li> </ul>	<ul style="list-style-type: none"> <li>Flooding</li> </ul>
<b>Very Unlikely</b>	<ul style="list-style-type: none"> <li>There is a remote possibility this could happen</li> </ul>	<ul style="list-style-type: none"> <li>Hurricane</li> </ul>
<b>Almost Impossible</b>	<ul style="list-style-type: none"> <li>Once in a lifetime occurrence</li> </ul>	<ul style="list-style-type: none"> <li>Thames freezes over</li> </ul>

	Impact*	Example
<b>Critical</b>	<ul style="list-style-type: none"> <li>Unacceptable level of loss or damage</li> </ul>	<ul style="list-style-type: none"> <li>Significant material financial loss e.g. impacts statutory service delivery/going concern status</li> <li>Loss of life or permanent/ debilitating damage</li> <li>National media coverage, judicial review, government intervention</li> </ul>
<b>Significant</b>	<ul style="list-style-type: none"> <li>Considerable level of loss or damage</li> </ul>	<ul style="list-style-type: none"> <li>Material financial loss e.g. impacts non-statutory service delivery, risk of redundancies</li> <li>Major injury</li> <li>Local media coverage, government interest</li> </ul>
<b>Marginal</b>	<ul style="list-style-type: none"> <li>Limited loss or damage</li> </ul>	<ul style="list-style-type: none"> <li>Some financial loss but manageable impact on service delivery</li> <li>Minor injury</li> <li>Limited social media interest</li> </ul>
<b>Negligible</b>	<ul style="list-style-type: none"> <li>Tolerable level of loss or damage</li> </ul>	<ul style="list-style-type: none"> <li>No or very minimal financial loss</li> <li>Minor ‘trips and slips’</li> <li>No media interest</li> </ul>

\*Impact should always be considered in terms of financial loss, harm to a person or people and the Council’s reputation and should link to Tonbridge and Malling Borough Council’s risk appetite.

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No	Risk Title	Risk Type	Consequences	Date identified	Likelihood Score	Impact score	Overall risk score	Current Mitigation	Desired Likelihood Score	Desired Impact score	Desired risk score	Actions required to ensure mitigation remains	Links to Corporate Objectives / Strategies	Lead on behalf of Management Team	Review Date
1	Safeguarding and PREVENT	S, R	Significant impact should a child, young person or vulnerable adult come to harm, including radicalisation and child sex exploitation, and TMBC are unable to demonstrate appropriate processes were in place.	01/04/2017	3	4	12	The responsibility for safeguarding is with the Chief Executive, rather than an individual service and a review implemented. Audit Review undertaken, identifying areas of weakness to be address, progress to date with Training delivered to all Hackney Carriage and Private Hire Drivers. Secure Database now in place, with secure access, for recording of safeguarding concerns and referrals onto other agencies	3	4	12	Posts requiring DBS checks have been reviewed by Legal Services and are now part of a single secure register. Policy procedure on DBS checks reported to Corp MT in Sept 2019. Safeguarding Audit undertaken and completed in 2018/19.	Safeguarding Policy	Chief Executive	Jul-20
2	Financial position/budget deficit	F, R	Financially unstable organisation. Failure to deliver a balanced budget, detrimental impact on quality of service, increased intervention. Failure to maximise New Homes Bonus. <b>UPDATE: The 2020/21 budget has been drafted in the absence of a provisional local government finance settlement which has been delayed due to the General Election (expected early January 2020).</b>	01/04/2017	4	3	12	The Council provides an annual statement (as a minimum) on the following areas;  Treasury Management and Investment Strategy. Robustness of estimates and adequacy of reserves. Effective monitoring control procedures.  Savings and Transformation Strategy (STS) reviewed and updated.  Unqualified Audit and Value for Money Opinion contained with Annual Audit Letter.  Medium Term Financial Strategy (MTFS) updated and shared regularly with Cabinet to keep members aware of current financial situation. Business Rates income monitoring as part of Pool/Pilot arrangements. Now appear to be above baseline following closure of Aylesford Newsprint. Council Tax increase approved by Council for 19/20 at 2.99%	3	3	9	Areas of potential savings yet to be identified and prioritised, with commitment to delivery of those selected. Commissioning of service reviews via MT to identify potential areas of transformation and savings.  Strategic asset review to be undertaken.  O&S Committee Jan 18 established work programme to identify potential savings.  Fair Funding review underway but will need to await outcome which due to Brexit has been delayed.  Savings target updated in August 2019 to £675k, Cabinet in June asked how funding gap should be address with focus on first tranche.  Further update to MTFS in progress. Report being prepared for Cabinet 16 October  <b>Draft budget prepared for 20/21 will need to assessed in the light of the provisional local government finance settlement, which has been delayed due to the General Election. Draft budget and MTS show savings target at £320k</b>	Vision- to be a financially sustainable Council. Taking a business like approach.	Director of Finance and Transformation	Jan-20
3	Brexit Impact and Economic Stability	F	Financial impact and effect on the economy as well as uncertainty around current EU legislation, i.e. what replaces it, could have a significant financial impact and lead to legislative changes impacting on finance and resources. A number of key threats to business continuity including: border delays and congestion impacts on the Kent road network creating difficulties for local businesses, TMBC staff and potential air quality issues; loss of KCC staff e.g. welfare/social services support; potential loss of TMBC waste contract workforce, general increase in costs as imports become restricted.	01/04/2017	4	4	16	Kent-wide working to understand, plan for and react to pressures.  Regular review of; MTFS reflecting economic factors  Treasury Management and Investment strategies.  Bid for Brexit funding compiled but even funding distributed to District Councils, irrespective of geographic location.  The potential for No Deal BREXIT could have far wider and more impactful implications that has been factored into MTFS.	3	4	12	Council working with Kent Resilience forum and County Partnership groups including Strategic and Tactical Co-ordinating Groups. Business Impact assessments complete. Business continuity planning updated to ensure smooth running of services to public, including expansion of remote working initiatives with Laptop access to Council IT infrastructure. In order to prepare management Brexit Emergency Planning Exercises were held in March 2019.  Work still ongoing with partners whilst Brexit delayed until 31st October 2019.  Government advice to plan for No Deal Brexit. MT to review plans weekly including engagement with KRF and Countywide planning arrangements.  MT to monitor further funding arrangements announced and will plan accordingly. MT undertaking review of Business Continue Plans for our key services led by service managers.  Further Brexit funding announced. TMBC to receive allocation of £70k (money not yet received)  <b>Over 50% of staff now able to work remotely with laptops improving business continuity. MT assessing Brexit risks/actions weekly</b>	N/A - external risk.	Chief Executive / Director of Finance and Transformation/ Management Team	Jan-20

No	Risk Title	Risk Type	Consequences	Date identified	Likelihood Score	Impact score	Overall risk score	Current Mitigation	Desired Likelihood Score	Desired Impact score	Desired risk score	Actions required to ensure mitigation remains	Links to Corporate Objectives / Strategies	Lead on behalf of Management Team	Review Date
4	Corporate Strategy and Savings and Transformation Strategy	F, R, S	Failure to meet objectives and/or make savings, including those arising from the planned West Kent Waste Partnership. Impact on quality of service, budget overspends, salami slicing, etc. staff motivation impacted and increased risk of fraud or error.	01/04/2017	3	4	12	STS reviewed and updated in line with review of MTFS. With regular reports to update MT and Members  Corporate Strategy reviewed - report to O&S January 2020	3	3	9	Areas of potential savings to be formally identified and prioritised, with commitment to delivery of those selected.  Commissioning of in service reviews via MT to identify potential areas of transformation and savings.  Strategic asset management review to deliver new income .  O&S programme to be supported in order to deliver savings to contribute to STS.  MTFS and STS updated by Members Feb 2019, and further report to Cabinet June 2019.  MTFS report to go to Cabinet 16 October 2019  Draft budget prepared for 20/21 will need to be assessed in the light of the provisional local government finance settlement, which has been delayed due to the General Election. Draft budget and MTS show savings target at £320k	Vision- to be a financially sustainable Council focusing on ensuring good value for money, continuously reviewing how our services are provided and funded, focusing our available resources where they will have most beneficial impact, and maximising commercial opportunities.  Taking a business like approach.	Chief Executive / Director of Finance and Transformation/ Management Team	Jan-20
5	Local Plan	F, R	Lack of sound legal footing for Plan leading to risk of failure at Examination. Risk of challenge from not meeting identified development needs. Reputational risk and widespread public concern arising from decision making on strategic development. Lack of infrastructure to support future development.	01/04/2017	3	4	12	Audit of Local Plan process complete with Specialist Consultants and Counsel engaged where appropriate on key issues for examination  Duty to co-operate discussions and audit in hand.  Members briefing held on local plan process.  Liaison undertaken with key stakeholders, service and infrastructure providers.  July 19 - First stage responses from Inspector submitted.  Further member briefings scheduled for July.	3	3	9	Final refinement of evidence and narrowing down of sites to address development needs.  Members approved response in June. With submission of full plan made in September 2018 with consultation completed in November 2018.  Submission of Sec of State made 23rd Jan 2019.  Inspectors appointed and dialogue commenced. Questions raised by inspectors completed in July 2019  Further consultation requested by Inspector over summer period. This is likely to push back the date of examination to early 2020.  Correspondence received by Inspector on 13/09/19 identifies 3 key risks to be covered by phase 1 of the hearings; no dates set for phase 2 of the hearings.  Further clarification being sought from the Inspector, in particular relating to phase 2 hearings, with expected response by the end of September 2019.  Notable increase in speculative major applications and related appeals, which have the potential to put certain aspects of the Local Plan at risk, including the delivery of key infrastructure.  Further clarification being sought to assist with risk assessment in this respect.	Local Plan assists in economic growth, delivering the supply of future housing and addressing affordability. Procedures set by National Government	Director of Planning, Housing and Environmental Health	Feb-20
6	Organisational development inc. staff recruitment and retention/skills mix	F, R, S	Lack of resources or the right skills to deliver required outcomes, loss of key professionals/senior officers due to pay constraints and pressures, reduced staff morale and quality of work, leading to financial loss, reputational damage and detrimental impact on staff wellbeing.	01/04/2017	3	4	12	Review of staff resources and skills via service reviews.  Organisational structure reviews are part of S&TS to achieve efficiency, coordinated service delivery and reflect changing legislative and policy requirements and priorities.	3	4	12	Succession planning along with Development of further skills and expertise through strategies such as shared services and specialist Commissioning.  Engagement of external consultants and specialists where required.  Resilience and rationalisation of existing structures.  Recruitment and retention strategy to be reviewed by MT.  Pay Award agreed by Members, 2% for 2018/19 in line with national award. 2.5% for 2019/20 above the national award.  Structural reviews approved by Members in 2017/18 and 2018/19.  Personnel staff recruited with specialist experience in recruitment. This was demonstrated with a revised methodology for the recruitment of the DPEHH and Head of IT.  Transitional arrangements to encourage development opportunities where appropriate.	HR Strategy Savings and Transformation Strategy	Chief Executive	Mar-20



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7	Health and Safety	F, R, S	Significant reputational impact should a service user, officer, member or contractor come to harm and TMBC are unable to demonstrate appropriate processes were in place (could be merged with safeguarding although arguably a different thing).	01/04/2017	3	4	12	Lone working policy and service based practices to be continuously monitored.  Health and Safety considered by management at weekly SMT meetings.  Staff involvement with JECC (supported by Members) Ongoing review undertaken to react to potential key risk areas.  Organisational learning and response to national events	3	4	12	Embedding and dissemination of good practice through staff briefings.  Officer led Health and Safety Group identifying cross organisational issues with feedback to Management Team and Health and Safety Officer.  All serviced have reviewed lone working procedures and risk assessments. Staff survey to be drafted to consider impact of work on wellbeing and whether support services meet need and communication channels are adequate.  <b>Staff survey has been completed to consider impact of work on wellbeing and whether support services meet need and communication channels are adequate. Findings from staff survey being completed.</b>	Staff wellbeing and customer care underpin the Council's fundamental service and corporate objectives	Director of Planning, Housing and Environmental Health	Apr-20
8	Compliance with legislation inc. new GDPR requirements	F, R	Failure to meet legislative requirements or statutory obligations may result in loss of personal data, financial penalties and/or damage to the Council's reputation.	01/04/2017	3	4	12	The Council has a nominated Senior Information Risk Officer and Data Protection Officer.  Assessment of Legal opinion included within all reports to Members. GDPR requirements are addressed by two officer groups, Information Governance Group and Procurement OSG, which includes Legal representation. CPD and Professional Monitoring offered to all staff The Council has undertaken both Corporate Governance and GPDR reviews / audits. Legal Services give sign off of key corporate projects	2	4	8	The Council continues to disseminate new legislative requirements to both Officers and Members. Officers ensure that professional upadation training is undertaken. Members received GDPR training in July 2018, with all officers completing e-learning on GDPR by May 2018.  Revised constitution, updated to reflect GDPR approved by Members in July 2019. Additional GDPR and Cyber Awareness Training now being undertaken by all staff and members, completion date of October 2019.	Need to ensure that all 7 key themes of the Corporate Strategy are delivered in lawful manner.	Director of Central Services and Deputy Chief Executive	Jun-20
9	Cyber security	F, R	Loss of data and legislative breach, leading to financial penalties and reputational impact.	01/04/2017	4	4	16	The Council has; IT Security Policy  Network Security Measures (Firewall, access level controls)  Considered cyber insurance  Established and Information Governance Group Reviewed and cleansed data held by the Authority.  Work underway to mitigate processor flaws which could lead to external cyber attack. Appointed a Member Cyber Champion. Rolled out Cyber awareness training to all staff and Members. Deployed software to identify potential confidential data held on the servers. Renewed and upgraded the software to identify and stop cyber attacks.	4	3	12	The Council has; Procured cyber security 'recovery' contract via Kent Connects. Prioritised the resources (both financial and staff) to ensure relevant updates are carried out in a timely manner. Continued roll out of mitigation for processor flaws. Considers cyber security as part of disaster and business continuity recovery process. Deployed improved cyber security training to all staff and members to be completed by end of October 2019. <b>New software in process of procurement for cyber management</b>	IT Strategy	Director of Finance and Transformation	Mar-20
10	IT Infrastructure	F, R	Failure to adequately invest resulting in inability to keep pace with technological change, leading to systems that are not fit for purpose to meet organisational need.	01/04/2017	3	4	12	IT Strategy and action plans reviewed and updated.  Invest to save opportunities and funding identified. Digital Strategy - Updated and approved by Members in July 2019.	3	4	12	New IT Strategy for period 2018-22 with linkage to MTFS and Savings and Transformation Strategy.  Development of virtualisation project to enable efficient and effective ways of working. Review of data quality to ensure improvement and efficiency can be achieved. I pads and required software rolled out the Councillors, MT Members and Senior Management Staff. New IT Strategy approved with specific emphasis to improve website functionality, website work commissioned following FIPAB approval in January 2019. New Head of IT appointed April 2019 with significant experience of implementing digital strategies in Local Authorities Officer and Member Groups established to consider implementation of digital agenda and changes to the Website format and content. Website capital plan evaluation to FIPAB 18 September 2019. total Mobile purchased and being rolled out. <b>Website software in procurement process. Numerous digital projects underway. Report to FIPAB Jan 2020</b>	IT Strategy	Director of Finance and Transformation	Mar-20

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11	Elections	R	Failure to comply with legislation, miscounts and significant reputational impact.	01/04/2017	2	4	8	Ensure experienced staff are in place, corporate team reviewing activity and monitoring progress.	2	4	8	Broadening of staff skills and experience to build resilience.  Borough Council Election and European Election delivered successfully. MT horizon scanning on any increased chance of snap General Election. RO and DRO's assessing risks. Update 12/09/19. Risks continue to be evaluated with enhance risks if election is post "no deal" Brexit due to potential congestion and disruption issues UPDATE(29/10/19) Potential Snap election in Dec 2019. Requires detailed risk register in respect of holding a winter Update Dec 2019. Election held on 12 Dec. NO issues arising due to detailed planning.	Statutory requirement	Chief Executive	Mar-20
12	Business Continuity and Emergency Planning	F, R, S	Failure to provide statutory service or meet residents' needs resulting in additional costs, risk of harm and reputational impact. Impact/pressures on services and resources. Failure to ensure proper safeguards to prevent or to respond adequately to a significant disaster/event e.g. terrorist attack at a large scale public event or fire.	01/04/2017	3	4	12	The Council has in place;  Business Continuity Plan. Corporate Business Continuity Risk Register  Disaster Recovery Plans  Inter-Authority Agreements Mutual Aid Agreement Partnership agreement with Kent Resilience Team.  Emergency Planning Support Officer. Duty Emergency Coordinator System and Duty Officer System introduced to provide greater resilience.	3	4	12	Emergency planning documentation undergoing constant review and key aspects exercised on an annual basis.  Training organised by Kent Resilience Team training. Business Continuity working group established to review and update existing Plan. Updated plan to be considered by Management Team and tested by a training exercise. New Duty Officer rota in place to support Duty Emergency Coordinators out of hours. Now fully trained. Out of Hours Manual reviewed and updated. DSSLTS sits on Kent Resilience Forum Board	Business continuity underpins the delivery of the Council's essential services	Director of Street Scene, Leisure & Technical Services	Jun-20
13	Devolution	F, R, S	Uncertainty about future operating models and changes / opportunities in responsibilities or service provision leading to financial pressures, impact on quality of services, reputational damage.	01/04/2017	3	3	9	Continual scanning of national / regional and Kent wide agenda by CE / Corporate Services manager. Participation in county wide debate via Joint Kent Chief Execs and Kent Leaders meetings.  Update DEC 18 - County wide devolution discussions have been formally ceased. Horizon scanning and continued participation in Kent Leaders and CE meetings is ongoing.	3	3	9	N/A	External risk/national issue	Chief Executive	As required
14	Partnerships inc. shared services	F, R, S	Reliance on partners to deliver key services, including private sector companies. Could include specific partnership or shared service models such as the Leisure Trust and risks around service delivery and impact on staff morale / retention if base moves from TMBC . Potential resistance to shared services / partnerships impacting on ability to deliver Savings & Transformation Strategy. Private sector partnerships failing having consequences for service delivery.	01/04/2017	3	3	9	Regular liaison meetings with partners. Partnership Agreements in place and reviewed as appropriate.  Good communication with staff.  In the light of the Carillion situation (which does not affect TMBC directly) maintain awareness of issues relating to private sector partners and plans formulated for service delivery in the event of failure via business continuity.	3	3	9	FIPAB Jan 2018 updated on GBC's decision to pull out of progressing shared service for Revs and Bens. Review of Revs and Bens being conducted to ensure service continuity.  New Waste Services Contract in partnership with Urbaser, TWBC and KCC commenced 1st March 2019. Formal Inter Authority Agreement and Partnership Agreement in place.  Ground Maintenance Contract extended in light of good performance of contractor.  UPDATE: Gravesham Borough Council gave notice to cease shared management arrangement for revenue and benefits management - arrangement to cease 30 September 2019. DFT will consider staff needs and report to GP Committee as appropriate. Report to GP Committee re revenues and benefits management planned for 8 October.	Savings and Transformation Strategy	Chief Executive	As required

No	Risk Title	Risk Type	Consequences	Date identified	Likelihood Score	Impact score	Overall risk score	Current Mitigation	Desired Likelihood Score	Desired Impact score	Desired risk score	Actions required to ensure mitigation remains	Links to Corporate Objectives / Strategies	Lead on behalf of Management Team	Review Date
15	Welfare reform inc. Housing need	F, R, S	Safeguarding impact on TMBC residents due to reduction in benefits, introduction of UC and increase in applications for DHP, etc. Failure to adequately understand and meet housing needs and return unsuitable properties to use leading to increase in homelessness or occupation of unsuitable homes. Financial impact of increased emergency accommodation and failure to maximise new homes bonus.	01/04/2017	4	3	12	<p>Cross sector working (e.g. welfare reform group) to identify issues and solution.</p> <p>Providing advice to residents on welfare and housing. Working with partners to identify land and funding opportunities.</p> <p>Working with Registered Provider Partners to ensure needs of residents are being met. Working with owners to bring long term empty properties back into use.</p> <p>New initiatives for Temporary Accommodation, including purchase of flats.</p> <p>Review implications for new Homeless Reduction Act requirements.</p> <p>Concessionary charges for key services. EQIA assessment of key decisions included in all Board reports.</p> <p>HRA implications assessed and GPC agreed new posts to deliver service which have been recruited to. Universal Credit rolled out Nov 18 for Tonbridge &amp; Maidstone Job Centres. Signposting now to UC rather than HB for new working age claimants.</p>	3	3	9	<p>Prepare for impact of further roll out of Universal Credit by learning from other areas earlier in the programme.</p> <p>Consideration of review of housing service to meet the needs following Housing legislative changes.</p> <p>Temporary Accommodation purchased.</p> <p>Member training from DWP provided re UC Nov 2018.</p> <p>Continue to facilitate Welfare Reform group and widen participation from external partners so as to ensure best support for those affected by welfare reforms in T&amp;M.</p> <p>UPDATE: July 2019 Further review of staffing within housing underway in response to nationally recognised increased demand as a result of impact of HRA.</p> <p>Consultation on the Council Tax Reduction Scheme to be launched in September 19 following report to FIPAB July 2019. Intention to move to an income banded scheme.</p> <p>Report to FIPAB 18 September with capital plan scheme for purchase of additional Temporary Accommodation</p> <p>Report to FIPAB 18 September confirming launch of consultation on CTR Scheme</p> <p><b>New CTR scheme being proposed - FIPAB Jan 20</b></p>	Promoting Fairness - acting transparently at all times and being accountable for what we do, and promoting equality of opportunities. Embracing Effective Partnership Working - achieving more by working and engaging effectively with a wide range of local partners from the private, public, voluntary and community sectors.	Director of Finance and Transformation/ Director of Planning, Housing and Environmental Health	Mar-20
16	Political factors including stability of political leadership and decision making	F, R	Decisions required to achieve objectives including corporate strategy and savings and transformation may not be made and therefore required savings not achieved.	01/04/2017	3	3	9	<p>Close liaison with Leader, Deputy Leader and Cabinet in developing the Savings &amp; Transformation Strategy.</p> <p>Clear and comprehensive reports to support Members in making appropriate decisions to support the S&amp;TS.</p>	3	3	9	<p>Member briefings and training sessions.</p> <p>UPDATE JULY 2019- series of induction and training sessions delivered to Members following local elections in May 2019</p>	Underpins delivery of overall strategy and Savings and Transformation.	Chief Executive	As required
17	Flooding	F, R, S	Impact on resources to support emergency planning, financial impact due to damage, loss of resources, etc. Residents and staff put at risk of harm. Impact on key flood risk areas - Tonbridge, Hildenborough, East Peckham and Aylesford.	01/04/2017	3	4	12	<p>Working with partners (EA/KCC/LEP) to secure funding and implement flood defence schemes which will reduce risk of future flooding.</p> <p>Assistance provided to Parish/Town Council's to help develop local Flood Plans. Team of Volunteer Flood Wardens in place.</p>	3	4	12	<p>Work with partner organisations via Kent Resilience Forum continuing.</p> <p>Council represented on key County Partnership Groups overseeing Brexit implications including Strategic Coordinating Group.</p> <p>Council Officers dial into Severe Weather Advisory Group meetings.</p> <p>Regular attendance at KRF training sessions.</p> <p>Aylesford Community Flood Plan completed/launched and training taken place.</p> <p>Ongoing support for Tonbridge Flood Group</p>	Emergency Plan Contingencies Act 2004 Kent Emergency Response Framework West Kent Partnership and Medway Catchment Partnership	Civil Scene, Leisure & Technical Services	Mar-20
18	Contaminated Land	F, R, S	Impact on homes, public health. Residents put at risk of harm.	01/01/2018	3	4	12	<p>Working with partners (EA and other) and specialist consultants to monitor potential sites and assess risk to inform action as is needed</p>	3	3	9	<p>Joco Pit, Borough Green</p> <p>Potential issue identified, residents engaged with public sessions held in Jan 2018.</p> <p>Report to Members Feb 2018.</p> <p>Additional monitoring secured and undertaken through to May 2018.</p> <p>Results indicate low level risk to be considered as 'part 2 contaminated land'.</p> <p>Results shared with members and residents, including further public sessions in June/July 2018.</p> <p>Ongoing monitoring to remain for 12 month period. With conclusion and report to members in Sept 2019.</p> <p>Priority Wood, Tonbridge</p> <p>Appointment of contractor to monitor emissions made in June 2019.</p> <p><b>Monitoring of site now ongoing. Initial report to be presented to Members in February 2020.</b></p>	Contaminated Land Strategy	Director of Planning Housing and Environmental Health	Mar-20

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19	Procurement and Implementation of Waste/ Recycling Contract	F, R, S	Failure to provide new service and deliver described outcomes in accordance with contract timescales. Significant reputational risk. Risk of challenge from tenderers. Failure to achieve financial targets for garden waste scheme.	01/07/2018	4	4	16	Partnership arrangement with TWBC, with allocation of key tasks. Internal Project Group reporting regularly to MT, Members, including a separate Member Working Group. External advice sought from specialists on key decisions. Detailed project plan, risk register and marketing plan in place. New inter authority agreement with KCC encourages improved recycling performance and shares risks and rewards. IT, Communications and Operations identified as crucial work streams and individual working groups established to manage and implement these work areas.	3	3	9	New contractor (Urbaser) appointed with commencement in March 2019. New service delivery arrangements, including opt in garden waste collections commenced 30th September 2019. Operational and Marketing plan approved by members in Feb 2019. Contractor Annual Service plan to be monitored by Partnership Manager. Garden Waste charges set to encourage uptake  Government consultation on new Waste & Resources Strategy including greater consistency of collection arrangements across local authorities. Response sent on new Government Strategy in liaison with Kent Resource Partnership.  Contract performance, following new service delivery arrangements, has been unsatisfactory in terms of missed collections and uncompleted rounds. Focus is now on ensuring the contractor delivers the contract in accordance with the specification across the whole borough. Uptake of garden waste subscription has been positive and exceeded 30% initial target. Reports on progress submitted to meeting of SS&EAB and Member Liaison Group in place.	Delivery of cost effective service to meet customer needs.	Director of Street Scene, Leisure & Technical Services	Mar-20

**Ongoing Risks and Risks Identified by Service Management Teams and Management Team**

	Risk Identified	Background	Removed or ongoing	Reason for removal / ongoing
Chief Executive and Central Services	General Election	Preparation for and delivering Autumn General Election with impact of Brexit 31/10/19	Removed	Election held on 12 Dec. NO issues arising due to detailed planning. Brexit now deferred until 31/1/20
	Brexit	Impact on resources identified within service	Ongoing	
	Coco Compliance	Review of IT Infrastructure identified several areas of weakness for IT standards compliance	Ongoing	Number of risk removed, expected that remaining risks, once removed, will allow full compliance
Finance and Transformation	Council Tax and Business Rates Billing	Production of nearly 57,000 bills for Council Tax and Business Rates. Equipment needed to print and prepare bills for dispatch not yet in place at TMBC offices.	Removed	Agreement with neighbouring borough now in place to ensure bills to be sent out.
	Local Government Finance Settlement	Due to General Election, delays to publication of financial settlement could be delayed until new calendar year, affecting estimate reports to Members.	Removed	Provisional Settlement published in week before Christmas, no significant variation to information contained within early estimate reports, will be updated for later reports to Members.
	Cyber Security	Warning received of heightened risk of attack	Ongoing	Training to be rolled out to all employees and Councillors. Order placed for new monitoring equipment
	Disaster recovery	IT Disaster recovery - need to provide adequate resources	Ongoing	Order placed for new equipment
	Supported Accommodation	Change in KCC approach for care need could have impact on ability to recover Housing Benefit Subsidy	Ongoing	Meetings arranged to assess full impact to district councils
	Support for Waste rollout	Roll out of both new collection method and Garden Waste Service has heavily involved both IT and Financial Services to implement online facilities and links with new contractor	Removed	Roll out now completed
Planning, Housing and Environmental Health	Temporary Accommodation (TA)	Increasing use of TA (backdrop of HRA implementation/access to affordable PRS etc) resulting in increasing cost to Council	New	Work at a strategic level to respond to increasing demand is ongoing however will take time to come to fruition and have impact on numbers. Also important to note that numbers are not static and increases are expected.

**Ongoing Risks and Risks Identified by Service Management Teams and Management Team**

	<b>Risk Identified</b>	<b>Background</b>	<b>Removed or ongoing</b>	<b>Reason for removal / ongoing</b>
<b>Street Scene, Leisure and Technical Services</b>	Operation Fennel	Impact of no deal Brexit on road network linked to Eurotunnel/Dover port. Particular focus for TMBC on M20 and M26. Risks relate to business continuity, media & comms and staff resourcing .	Ongoing	Brexit exercise (Loki) for 2nd tier Officers undertaken March 2019. Follow up exercise (Loki II) to be undertaken in September 2019. Remote access capabilities reviewed, and implications for Council's key Services reviewed by Management Team. Ongoing attendance at all Strategic/Tactical Coordinating Group meetings.
	Legionella	Problem identified in LLC Dry change showers.	Ongoing	Following action taken in accordance with HSE guidance. Issue addressed through ongoing dosing and showers now reopened to public. Regular sampling ongoing and advice received from external consultant.
	Castle Motte Trees	Following high winds a tree fell and caused significant damage. Tree removed and pathway repaired. Path closed to public until works complete. Historic England consulted and have recommended removal of all trees on motte to protect ancient monument from future damage.	Ongoing	Expert Tree Survey inspection being undertaken prior to a report to a future meeting of CHAB. Local Members and Tonbridge Historical Society being consulted.

## Item CB 20/8 referred from Cabinet minutes of 13 February 2020

### CB 20/8 TREASURY MANAGEMENT UPDATE AND ANNUAL INVESTMENT STRATEGY 2020/21

The report of the Director of Finance and Transformation provided details of investments undertaken and return achieved in the first nine months of the current financial year and an introduction to the 2020/21 Treasury Management and Annual Investment Strategy. Members were invited to recommend adoption of the Strategy by the Council.

It was noted that the Audit Committee at its meeting on 20 January 2020 had reviewed and endorsed the matters covered by the report.

The Cabinet acknowledged the work of officers involved in the Council's treasury management.

#### **RECOMMENDED:** That

- (1) the treasury management position as at 31 December 2019 and the higher level of income incorporated in the 2019/20 revised estimates be noted; and
- (2) the Treasury Management and Annual Investment Strategy for 2020/21, as set out at Annex 5 to the report, be adopted.

**\*Referred to Council**

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# TONBRIDGE & MALLING BOROUGH COUNCIL

## CABINET

13 February 2020

### Report of the Director of Finance & Transformation

#### Part 1- Public

#### Matters for Recommendation to Council

#### 1 TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2020/21

**The report provides details of investments undertaken and return achieved in the first nine months of the current financial year and an introduction to the 2020/21 Treasury Management and Annual Investment Strategy. Members are invited to recommend adoption of the Strategy to Council.**

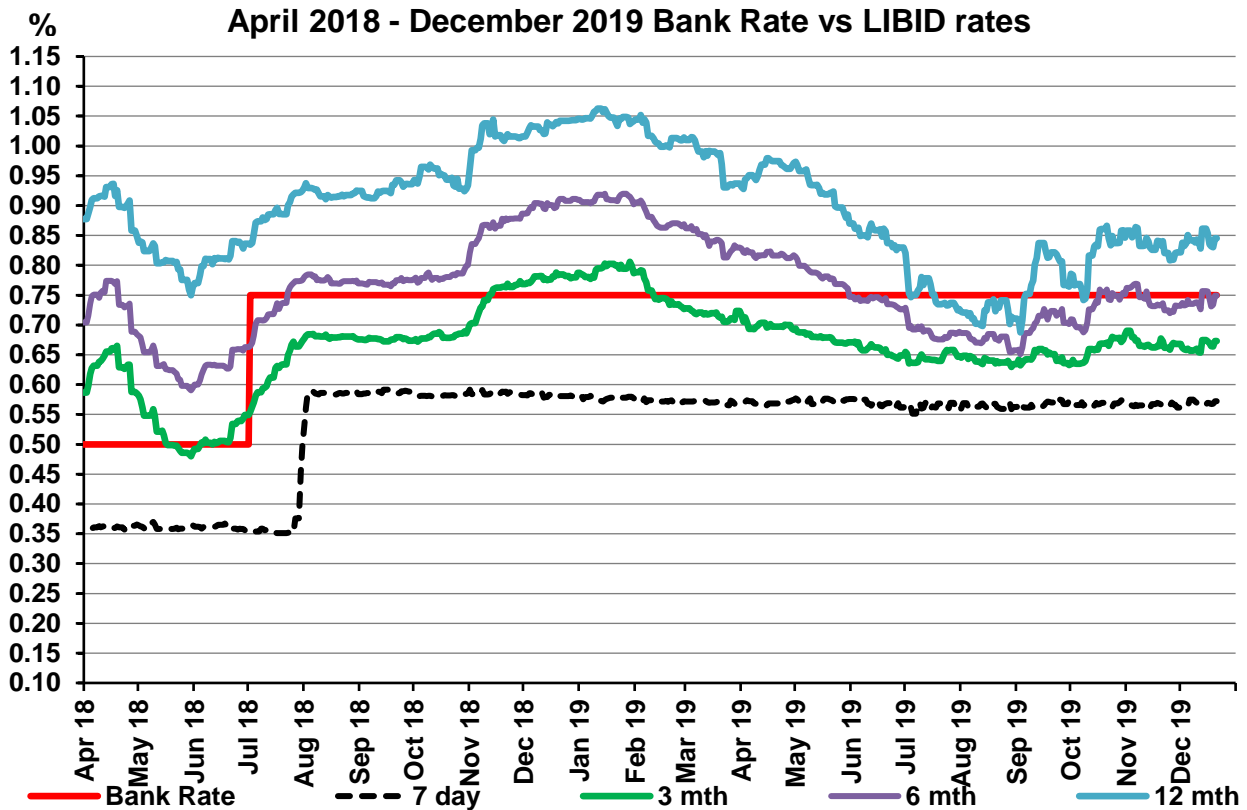
##### 1.1 Introduction

- 1.1.1 The Local Government Act 2003 requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are 'affordable, prudent and sustainable'.
- 1.1.2 The Act also requires the Council to set out its Treasury Management Strategy for borrowing and to prepare an Annual Investment Strategy. The latter sets out the Council's policies for managing its investments and for giving priority to the **security** and **liquidity** of those investments.
- 1.1.3 The Strategies are set out in a single document at **[Annex 5]** to this report.
- 1.1.4 The portfolio of the Audit Committee includes the review of treasury management activities. Accordingly, that Committee reviewed and endorsed the matters covered by this report and **[Annex 5]** at its meeting on 20 January 2020.
- 1.1.5 The Strategy is a complex technical document and is a specialist area of work, **I should be grateful if Members could raise any queries with the author of this report (Michael Withey ext. 6103) in advance of the meeting** as Michael will not be present on 13 February.

##### 1.2 Treasury Management Update

- 1.2.1 Having satisfied security and liquidity requirements, the Council aims to optimise the yield on its investments. Since the 2008 financial crisis yields have been low reflecting the 0.5% Bank Rate introduced in March 2009. The Bank Rate having remained at 0.5% for seven years was reduced to 0.25% in August 2016. The reduction by the Bank of England was accompanied by other initiatives to help

bolster economic activity which included 'Term Funding' for banks. In November 2017, the Bank of England returned the Bank Rate to 0.5%. Bank Rate was increased to 0.75% in August 2018. Link's current forecast (November 2018) anticipates Bank Rate rising to 1.0% by March 2021 and to 1.25% by June 2022. The impact these measures have had on investment rates is demonstrated in the chart below.



- 1.2.2 The Council's investments are derived from cash flow surpluses, core cash balances and other long term cash balances.
- 1.2.3 Cash flow surpluses are available on a temporary basis and the amount mainly dependent on the timing of council tax and business rates collected and their payment to precept authorities and government. Less significant cash flows relate to receipt of grants, payments to housing benefit recipients, suppliers and staff. Cash flow surpluses build up during the course of a financial year and are spent by financial year end. Thus far in 2019/20 cash flow surpluses have averaged £13.3m.
- 1.2.4 The Authority also has £23m of core cash balances. These funds are for the most part available to invest for more than one year, albeit a proportion is usually transferred to cash flow towards the end of the financial year to top-up daily cash balances. Core cash includes the Council's capital and revenue reserves which are being consumed over time to meet capital expenditure and 'buy time' to

enable the authority to deliver its revenue savings targets. The core cash balance also includes a proportion of some £9m set aside to meet business rate appeals which are expected to be resolved during 2020/21 and beyond.

1.2.5 Long term investment comprises £5m in property fund investments.

1.2.6 A full list of investments held on 31 December 2019 is provided at **[Annex 1]** and a copy of our lending list of 27 December 2019 is provided at **[Annex 2]**. The table below provides a summary of funds invested and income earned at the end of December.

	<b>Funds invested at 31 Dec 2019 £m</b>	<b>Average duration to maturity Days</b>	<b>Weighted average rate of return %</b>	<b>Interest / dividends earned to 31 Dec 2019 £</b>	<b>Annualised return %</b>	<b>LIBID benchmark (average from 1 April) %</b>
<b>Cash flow</b>	26.9	26	0.81	103,700	0.78	0.57 (7 Day)
<b>Core cash</b>	23.0	122	1.11	215,100	1.11	0.66 (3 Mth)
<b>Sub-total</b>	<b>49.9</b>	<b>70</b>	<b>0.95</b>	<b>318,800</b>	<b>0.98</b>	<b>0.62 (Ave)</b>
<b>Long term</b>	5.0		3.56	132,300	3.51	
<b>Total</b>	<b>54.9</b>		<b>1.18</b>	<b>451,100</b>	<b>1.24</b>	

1.2.7 **Cash flow and core cash investments.** Interest earned of £318,800 from cash flow surpluses and core cash balances to the end of December is £105,500 better than the original estimate for the same period. The authority also outperformed the LIBID benchmark by 36 basis points. The additional income is due in part to higher core fund balances (unspent business rate appeals provisions) and in part due to an improvement in investment rates banks offered in the latter part of 2018 and early 2019. Investment income from cash flow surpluses and core cash balances is expected to exceed the original estimate for the year as a whole by some £117,000 and this increase is reflected in the revised estimates.

1.2.8 The Council takes advantage of Link's benchmarking service which enables performance to be gauged against Link's other local authority clients. An extract from the latest benchmarking data is provided in the form of a scatter graph at **[Annex 3]**. The graph shows the return (vertical scale) vs. the credit / duration risk (horizontal scale) associated with an authority's investments. At 30 September 2019 our return at 1.02% (purple diamond) was above the local authority average of 0.89%. Based on the Council's exposure to credit / duration risk that return was also above Link's predicted return (above the upper boundary indicated by the green diagonal line). The Council's risk exposure, whilst above the local authority average, was not excessive by comparison.

- 1.2.9 **Long term investment.** The availability of cash balances over the longer term (10 years) and the suitability of different types of long term investment (equities, bonds and commercial property) was explored in the report to Audit Committee, January 2017. Of the alternatives, investment in property funds was considered best suited to meet the Council's more immediate funding need: a sustainable, stable income stream.
- 1.2.10 £3m was invested in property investment funds during 2017/18 and a further £2m invested during 2018/19. Investment was spread across three funds to ensure, as far as is possible, stability of annual income and capital growth over time. Additional property fund investments could be made in the future as resources become available from asset disposals and other windfalls.
- 1.2.11 During the period 1 April 2019 to 31 December 2019 the £5m investment in property funds generated dividends (income) of £132,300 which represents an annualised return of 3.51%. Dividends for the 2019/20 financial year as a whole are estimated at £175,000, £25,000 below the original estimate. The reduction in income is reflected in the revised estimates.
- 1.2.12 Property funds issue and redeem primary units at a buy and sell price with the difference between the two prices reflecting the costs associated with buying and selling property (legal and other fees, stamp duty etc.). The price spread varies from fund to fund but is typically in the region of 8% (6% on entry to a fund and 2% on exit). Where units are traded on a secondary market the impact of the spread can be reduced and delays in the purchase or redemption of units avoided. The table below compares the sale value of each investment if sold to the fund manager with the initial purchase price. Economic growth in the UK slowed in 2018/19 as did the rate at which fund sale values appreciated. A fall in sale values was recorded at some month ends especially during the second half of 2018/19 and thus far in 2019/20. Nevertheless, since inception, the overall progress towards breakeven is still positive.

<b>Property fund</b> (Primary = units in the fund purchased from the fund manager. Secondary = units purchased from another investor at a discount. Date = first month the investment attracted dividends)	Purchase price	Sale value at date of purchase	Sale value 31 Dec 2019	31 Dec 19 sale value above (below) purchase price (c-a)
	a	b	c	(c-a)
	£	£	£	£
<i>LAPF (Primary, July 2017)</i>	1,000,000	922,200	959,350	(40,650)
<i>Lothbury (Primary, July 2017)</i>	1,000,000	927,700	969,150	(30,850)
<i>Hermes (Secondary, Oct 2017)</i>	1,000,000	939,000	1,005,250	5,250
<i>LAPF (Primary, June 2018)</i>	1,000,000	922,200	919,850	(80,150)
<i>Lothbury (Secondary, July 2018)</i>	1,000,000	973,000	950,450	(49,550)
<b>Total change in principal</b>	5,000,000	4,684,100	4,804,050	<b>(195,950)</b>
			<b>Total dividends received</b>	<b>369,750</b>
			<b>Net benefit since inception</b>	<b>173,800</b>

1.2.13 Since inception, the Council has received dividends from its property fund investments totalling £369,750. Taking the current £195,950 deficit on sale values into account the net benefit to the Council thus far is £173,800.

1.2.14 **Treasury management function.** Income and expenditure estimates attributed to the Treasury Management function is provided at **[Annex 4]**. This shows the aggregate staff resource applied to treasury management is less than one full time equivalent and that income exceeds costs by a significant margin. Income in future years forms part of the Council's medium term financial strategy and is expected to increase as Bank Rate rises. Expenditure is expected to rise in-line with inflation.

### 1.3 Annual Investment Strategy for 2020/21

1.3.1 The strategy sets out the parameters that limit the Council's exposure to investment risks by requiring investments to be placed with highly credit rated institutions and that those investments are diversified across a range of counterparties. Except where indicated by ***bold italic*** text, the 2020/21 Annual Investment Strategy **[Annex 5]** adopts the same risk parameters as currently approved. In summary these are :

- 100% of funds can be invested in the UK. Exposure to non-UK financial institutions is restricted to no more than 20% of funds per sovereign.
- Non-UK counterparties must be regulated by a sovereign rated AA- or higher as recognised by each of the three main rating agencies (Fitch, Moody's or Standard & Poor's).
- Investment in UK institutions is subject to the UK sovereign being rated A- or higher by each of the three main rating agencies. The UK's current rating is AA.
- Exposure to individual counterparties / groups of related counterparty must not exceed 20% of funds.
- In selecting suitable counterparties for overnight deposits and deposits up to 2 years in duration, the Council has adopted Link's credit worthiness methodology. The methodology combines the output from all three credit rating agencies including credit watches / outlooks and credit default swap data to assign a durational band to a financial institution (100 days, 6 months, 1 year, 5 years, etc.). At the time of placing an investment the financial institution must be assigned a durational band of at least 100 days (based on credit ratings alone). Other than for UK nationalised institutions this broadly equates to a minimum long term credit rating of Fitch A- (high) and a short term credit rating of Fitch F1 (highest).
- Investment in UK nationalised banks is subject to the bank having a minimum long term credit rating of Fitch BBB (good) and a short term credit rating of

Fitch F2 (good). The Royal Bank of Scotland and National Westminster Bank are currently rated Fitch A+, F1.

- The duration of an investment in a foreign bank must not exceed Link's post CDS recommendation. For UK financial institutions Link's duration recommendation can be enhanced by up to 6 months subject to the combined duration (Link recommendation plus the enhancement) not exceeding 12 months. The Council's Treasury Management Practices have been modified to ensure that: where duration is being enhanced by more than 3 months the bank's CDS must be below the average for all other banks at the time of placing the investment; the discretion is only to be applied to take advantage of an exceptional offer and; counterparty exposure in respect of the additional enhancement (plus 6 months instead of the standard plus 3 months for a UK institution) will be limited to 10% of investment balances.
- Money Market funds should be AAA rated and exposure limited to no more than 20% per fund. LVNAV (low volatility) or VNAV (variable net asset value) funds may be used as an alternative to CNAV (constant net asset value) funds.
- Enhanced Cash and Government Liquidity Funds should be rated AAA and exposure limited to no more than 10% per fund and 20% to all such funds.
- Exposure to non-credit rated property funds is limited to no more than 20% (£3m) of expected long term cash balances. No limit applies where invested funds are derived from or in anticipation of new resources e.g. proceeds from selling existing property.
- Exposure to non-credit rated diversified income (multi-asset) funds is limited to no more than 20% (£3m) of expected long term cash balances.
- The strategy also limits the type of instrument (e.g. fixed term deposits, certificates of deposit, commercial paper, floating rate notes, treasury bills, etc.) that can be used and establishes a maximum investment duration for Gilts of 5 years, **3 years for deposits with local authorities** and 2 years for all other types of investment other than investment in property funds and diversified income funds.
- The strategy includes prudential indicators for borrowing. Whilst there is no expectation that the Council will need to borrow to fund its capital expenditure proposals prior to 2026/27, borrowing on a temporary basis may be required to meet payment obligations. Borrowing limits are expressed as the operational limit (currently £2m) and authorised limit (currently £5m). The existing limits have been in place for over fifteen years and need to be increased to reflect the scale of payments that now arise each month. Our largest monthly outflows relate to business rates and precept payments circa £5m each. Whilst they tend to fall on different days of the month that is not always the case. **The 2020/21 strategy adopts an operational borrowing limit of £4m and an authorised borrowing limit of £7m.** Raising the limits is a precautionary measure. In recent years the Council's cash flows have

been managed in such a way that no overdraft fees or temporary borrowing costs have arisen.

- 1.3.2 At the present time an appropriate level of diversification is achieved through access, both directly and via brokers, to an adequate number of high credit rated financial institutions. Our cash flow forecasting aims to ensure the Council has sufficient liquidity to meet payment obligations at all times. Excess liquidity is avoided by using term deposits and other instruments to generate additional yield when daily cash surpluses permit. Cash flow surpluses can and are transferred to core cash to enable longer duration investments to be undertaken than would otherwise be the case.
- 1.3.3 The 2020/21 strategy [**Annex 5**] reflects the current economic environment, Link Asset Services' latest interest rate forecast and incorporates the risk parameters summarised in paragraph 1.3.1.
- 1.3.4 The authority is currently debt free and no borrowing is forecast to meet the Council's capital expenditure proposals prior to 2026/27. This does not however, preclude a decision to borrow in order to fund in full or in part a commercial investment opportunity that meets the Council's strategic priorities and objectives, achieves value for money and delivers a financial return. Each such opportunity to be considered on a case by case basis as appropriate. Our procedures, practices and governance arrangements will need to be expanded to enable the Council to meet the requirements of the Chartered Institute of Public Finance & Accountancy's Treasury Management and Prudential Codes of Practice 2017 and the 2018 Statutory Guidance on Local Government Investments relating to non-treasury investments. The issues that need to be considered will be addressed in the near future for consideration and endorsement by Members.

## **1.4 Legal Implications**

- 1.4.1 Under Section 151 of the Local Government Act 1972, the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management.
- 1.4.2 This report fulfils the requirements of the Chartered Institute of Public Finance & Accountancy's Treasury Management and Prudential Codes of Practice 2017 and the 2018 Statutory Guidance on Local Government Investments.

## **1.5 Financial and Value for Money Considerations**

- 1.5.1 Investment income from cash flow and core cash at the end of December 2019 (month nine of the financial year) is £105,500 better than budget for the same period. Income for the 2019/20 financial year as a whole is likely to exceed budget by some £117,000 and this increase has been incorporated into the revised estimates.

- 1.5.2 Property funds are presently performing in-line with budget albeit just below the 4% return anticipated over the long term. Income for the 2019/20 financial year as a whole is expected to be £175,000 some £25,000 below the original estimate for 2019/20.
- 1.5.3 The Bank Rate having remained at a historic low of 0.5% for over seven years was cut to 0.25% in August 2016. In November 2017, the Bank of England returned the Bank Rate to 0.5%. Bank rate was increased to 0.75% in August 2018. Link's current forecast (November 2019) anticipates Bank Rate rising to 1.0% by March 2021 and to 1.25% by June 2022.
- 1.5.4 Performance is monitored against a benchmark return and against other local authorities in Kent and the broader local authority pool via Link's benchmarking service.
- 1.5.5 Whilst the annual income stream from a property fund exhibits stability (circa 4% per annum net of management fees) capital values rise and fall with the cyclical nature of economic activity. During a downturn in the economy capital values may fall significantly. The duration of a property fund investment may need to be extended to avoid crystalizing a loss and as a consequence the investment's duration cannot be determined with certainty.
- 1.5.6 Buying and selling property involves significant costs making property unsuitable for short term investment. Buying and selling costs are reflected in the entry fees (circa 6%) and exit fees (circa 2%) a property fund will charge unit holders. These fees are expected to be recouped overtime through capital appreciation.
- 1.5.7 The money being applied to property fund investment from existing resources is expected to be available in perpetuity. Nevertheless, the Council's cash balances will continue to be monitored and due regard had to the potential for a fund to delay payment of redemption requests by up to 12 months. Funds will seek to minimise their own cash balances in favour of holding property and therefore manage redemption requests for the benefit of all fund participants. The Council is only likely to seek redemption to pursue a higher yielding income opportunity should one be identified.
- 1.5.8 Diversified income funds aim to limit risk by spreading investment across a broad range of asset classes (equities, bonds, property and cash). Nevertheless, the principal sum invested may fall as a consequence of adverse economic or market events.

## **1.6 Risk Assessment**

- 1.6.1 Link Asset Services are employed to provide advice on the content of the Treasury Management and Annual Investment Strategy and this, coupled with a regular audit of treasury activities ensures that the requirements of the Strategy and the Treasury Policy Statement adopted by this Council are complied with.



- 1.6.2 Credit ratings remain a key tool in assessing risk. It is recognised that their use should be supplemented with sovereign ratings and market intelligence. Appropriate sovereign, group and counterparty limits are established to ensure an appropriate level of diversification.
- 1.6.3 In the light of these safeguards and stringent Treasury Management Procedures it is considered that any risks to the authority implicit in the 2020/21 Strategy have been minimised.

## 1.7 Equality Impact Assessment

- 1.7.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

## 1.8 Recommendations

- 1.8.1 Members are invited to **RECOMMEND** that Council:
- 1) Note the treasury management position as at 31 December 2019 and the higher level of income incorporated in the 2019/20 revised estimates.
  - 2) Adopts the Treasury Management and Annual Investment Strategy for 2020/21 set out at **[Annex 5]**.

Background papers:

contact: Mike Withey

Link Asset Services: Interest rate forecast (November 2019), economic commentary and benchmarking data.

Sharon Shelton  
Director of Finance & Transformation

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## Tonbridge and Malling Borough Council - Investment summary 31 December 2019

Counterparty / type of investment	Sovereign	Fitch long term	Fitch short term	Link suggested post CDS duration limit	Investment					Cash Flow surpluses £	Core Cash balances £	Long term investment balances £	
					Start date	End date	Duration at start	Amount invested £	Return %				Proportion of total %
<b>Banks and Building Societies</b>													
<b>Bank of Scotland :</b>	UK	A+	F1	1 year				<b>3,000,000</b>		5.46%			
Fixed term deposit					04/03/2019	21/02/2020	1 year	1,000,000	1.25			1,000,000	
Fixed term deposit					27/03/2019	27/03/2020	1 year	1,000,000	1.25			1,000,000	
Fixed term deposit					15/04/2019	15/04/2020	1 year	1,000,000	1.25			1,000,000	
<b>Barclays Bank :</b>	UK	A+	F1	6 months				<b>4,000,000</b>		7.28%			
95 day notice account					20/06/2019	TBD	95 Days	1,000,000	0.95		1,000,000		
95 day notice account					23/07/2019	TBD	95 Days	3,000,000	0.95		3,000,000		
<b>Coventry Building Society :</b>	UK	A-	F1	6 months				<b>1,000,000</b>		1.82%			
Fixed term deposit					20/06/2019	20/03/2020	9 months	1,000,000	0.96		1,000,000		
<b>Goldman Sachs International Bank :</b>	UK	A	F1	6 months				<b>4,000,000</b>		7.28%			
Fixed term deposit					10/09/2019	10/06/2020	9 months	2,000,000	0.96			2,000,000	
Fixed term deposit					15/10/2019	15/07/2020	9 months	2,000,000	0.99			2,000,000	
<b>HSBC Bank :</b>	UK	A+	F1+	1 year				<b>7,000,000</b>		12.75%			
31 day notice account					07/11/2019	TBD	31 Days	2,000,000	0.90		2,000,000		
31 day notice account					21/11/2019	TBD	31 Days	2,000,000	0.90		2,000,000		
31 day notice account					02/12/2019	TBD	31 Days	3,000,000	0.90		3,000,000		
<b>Lloyds Bank :</b>	UK	A+	F1	1 year				<b>4,000,000</b>		7.28%			
Fixed term deposit					15/05/2019	15/05/2020	1 year	2,000,000	1.25			2,000,000	
Fixed term deposit					28/05/2019	28/05/2020	1 year	1,000,000	1.25			1,000,000	
Fixed term deposit					14/11/2019	13/11/2020	1 year	1,000,000	1.10			1,000,000	
<b>National Westminster Bank :</b>	UK	A+	F1	1 year				<b>4,010,000</b>		7.30%			
Deposit account					31/12/2019	02/01/2020	Overnight	10,000	0.20		10,000		
Certificate of deposit					25/03/2019	25/03/2020	1 year	2,000,000	1.08			2,000,000	
Certificate of deposit					07/05/2019	07/05/2020	1 year	2,000,000	1.08			2,000,000	
<b>Rabobank :</b>	Netherlands	AA-	F1+	1 year				<b>2,000,000</b>		3.64%			
Certificate of deposit					15/01/2019	14/01/2020	1 year	2,000,000	1.16			2,000,000	
<b>Santander UK Bank :</b>	UK	A+	F1	6 months				<b>6,000,000</b>		10.92%			
Fixed term deposit					02/04/2019	02/01/2020	9 Months	1,000,000	1.13			1,000,000	
Fixed term deposit					17/05/2019	17/02/2020	9 Months	1,000,000	1.13			1,000,000	
Fixed term deposit					23/08/2019	22/05/2020	9 Months	2,000,000	1.13			2,000,000	
Fixed term deposit					05/09/2019	05/06/2020	9 Months	2,000,000	0.93			2,000,000	
<b>Money Market Funds</b>													
<b>Blackrock MMF - shares held</b>	N/A	AAA	mmf (Eq)	5 years	31/12/2019	02/01/2020	Overnight	<b>250,000</b>	0.69	0.46%	250,000		
<b>BNP Paribas MMF - shares held</b>	N/A	AAA	mmf (Eq)	5 years	31/12/2019	02/01/2020	Overnight	<b>1,000,000</b>	0.70	1.82%	1,000,000		
<b>DWS Deutsche MMF - shares held</b>	N/A	AAA	mmf	5 years	31/12/2019	02/01/2020	Overnight	<b>3,282,000</b>	0.70	5.98%	3,282,000		
<b>Federated MMF - shares held</b>	N/A	AAA	mmf	5 years	31/12/2019	02/01/2020	Overnight	<b>6,939,000</b>	0.73	12.63%	6,939,000		
<b>Morgan Stanley MMF - shares held</b>	N/A	AAA	mmf	5 years	31/12/2019	02/01/2020	Overnight	<b>3,440,000</b>	0.70	6.26%	3,440,000		
<b>Property Funds</b>													
<b>Hermes Property Unit Trust :</b>	N/A	N/A	N/A	N/A				<b>1,000,000</b>		1.82%			
Property fund units					29/09/2017	N/A	N/A	1,000,000	3.40			1,000,000	
<b>Local Authorities' Property Fund :</b>	N/A	N/A	N/A	N/A				<b>2,000,000</b>		3.64%			
Property fund units					29/06/2017	N/A	N/A	1,000,000	4.30			1,000,000	
Property fund units					30/05/2018	N/A	N/A	1,000,000	4.04			1,000,000	
<b>Lothbury Property Trust :</b>	N/A	N/A	N/A	N/A				<b>2,000,000</b>		3.64%			
Property fund units					06/07/2017	N/A	N/A	1,000,000	3.09			1,000,000	
Property fund units					02/07/2018	N/A	N/A	1,000,000	3.02			1,000,000	
<b>Total invested</b>								<b>54,921,000</b>		<b>100.00%</b>	<b>26,921,000</b>	<b>23,000,000</b>	<b>5,000,000</b>

<b>Number of investments</b>	33	<b>Average investment value £</b>		1,664,000	
<b>Number of counter parties</b>	17	<b>Average counter party investment £</b>		3,231,000	
<b>Group exposures:</b>		<b>Core £</b>	<b>Cash £</b>	<b>Combined £</b>	<b>%</b>
<b>Royal Bank of Scotland + National Westminster (UK Nationalised MAX 20%)</b>		4,000,000	10,000	4,010,000	7.30
<b>Bank of Scotland + Lloyds (MAX 20%)</b>		7,000,000	-	7,000,000	12.75
<b>Property Funds Total</b>				<b>£</b>	<b>%</b>
				5,000,000	9.10

**Total non-specified investments should be less than 60% of Investment balances** 9.10%

**Notes:**  
Property fund returns are based on dividends distributed from the start of each investment. Capital appreciation / depreciation is recorded elsewhere. Last update November 2019.  
End date for notice accounts to be determined (TBD)

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## Tonbridge and Malling Borough Council Lending List

Checked against Link's "Suggested Credit List" dated 27/12/19 Minimum investment criteria is Link's green duration band (100 days). Entry point broadly equates to Fitch A-, F1 unless UK nationalised.								
Counterparty	Sovereign	Sovereign rating [1]	Fitch long term	Fitch short term	UK classification	Exposure limit	Link duration based on [2]	
							Credit ratings	Post CDS
<b>UK Banks, Building Societies and other Financial Institutions :</b>								
Bank of Scotland (Group limit BOS & Lloyds £7m)	UK	AA	A+	F1	Ring-fenced	£7m	1 year	1 year
Barclays Bank (Group Limit Barclays and Barclays UK £7m)	UK	AA	A+	F1	Non-RF	£7m	6 months	6 months
Barclays Bank UK (Group Limit Barclays and Barclays UK £7m)	UK	AA	A+	F1	Ring-fenced	£7m	6 months	6 months
Goldman Sachs International Bank	UK	AA	A	F1	Exempt	£7m	6 months	6 months
Handelsbanken Plc (Group Limit with Svenska Handelsbanken AB £7m)	UK	AA	AA	F1+	Exempt	£7m	1 year	1 year
HSBC UK Bank	UK	AA	A+	F1+	Ring-fenced	£7m	1 year	1 year
Lloyds Bank (Group limit BOS & Lloyds £7m)	UK	AA	A+	F1	Ring-fenced	£7m	1 year	1 year
Santander UK	UK	AA	A+	F1	Ring-fenced	£7m	6 months	6 months
Standard Chartered Bank	UK	AA	A+	F1	Exempt	£7m	6 months	6 months
Coventry Building Society	UK	AA	A-	F1	Exempt	£7m	6 months	6 months
Nationwide Building Society	UK	AA	A	F1	Exempt	£7m	6 months	6 months
National Westminster Bank (Group limit Nat West and RBS £7m). UK Nationalised.	UK	AA	A+	F1	Ring-fenced	£7m	1 year	1 year
The Royal Bank of Scotland (Group limit Nat West and RBS £7m). UK Nationalised.	UK	AA	A+	F1	Ring-fenced	£7m	1 year	1 year
UK Debt Management Office including Treasury Bills	UK	AA	n/a	n/a	n/a	No limit	5 years	5 years
UK Treasury Sovereign Bonds (Gilts)	UK	AA	n/a	n/a	n/a	£16m/£8m	5 years	5 years
UK Local Authority (per authority)	UK	AA	n/a	n/a	n/a	£7m	5 years	5 years
<b>Non-UK Banks :</b>								
Bank of Montreal	Canada	AAA	AA-	F1+	n/a	£7m	1 year	1 year
Toronto Dominion Bank	Canada	AAA	AA-	F1+	n/a	£7m	1 year	1 year
Nordea Bank Abp	Finland	AA+	AA-	F1+	n/a	£7m	1 year	1 year
Rabobank (Cooperatieve Rabobank U.A.)	Netherlands	AAA	AA-	F1+	n/a	£7m	1 year	1 year
ING Bank	Netherlands	AAA	AA-	F1+	n/a	£7m	1 year	1 year
Svenska Handelsbanken AB (Group Limit with Handelsbanken Plc £7m)	Sweden	AAA	AA	F1+	n/a	£7m	1 year	1 year
[1] Reflects the lowest of the three rating agencies views (Fitch, Moody's and Standard and Poor's). Strategy requires sovereigns to be rated at least AA-. Non-UK sovereign limit of 20% or £7m per sovereign.								
[2] All deposits overnight unless otherwise approved in advance by the Director of Finance and Transformation AND Chief Financial Services Officer. If other than overnight duration for non-UK entities must not exceed Link's post CDS duration suggestion. For UK entities duration may be extended by up to three months based on credit ratings alone or six months if CDS is below average, subject to a maximum combined duration of 12 months.								

<b>Money Market Funds (Minimum investment criteria AAA) :</b>					
Fund Name	Moody	Fitch	S&P	Exposure Limit	Link credit worthiness
Blackrock Institutional Cash Series - Sterling Liquidity	AAA	-	AAA	£7m	5 years
BNP Paribas InstiCash - GBP	-	-	AAA	£7m	5 years
DWS Deutsche Global Liquidity - Deutsche Managed Sterling	AAA	AAA	AAA	£7m	5 years
Federated Cash Management - Short Term Sterling Prime	-	AAA	AAA	£7m	5 years
Insight - Sterling Liquidity (Group limit IL & ILP of £7m)	-	AAA	AAA	£7m	5 years
Morgan Stanley Liquidity - Sterling	AAA	AAA	AAA	£7m	5 years

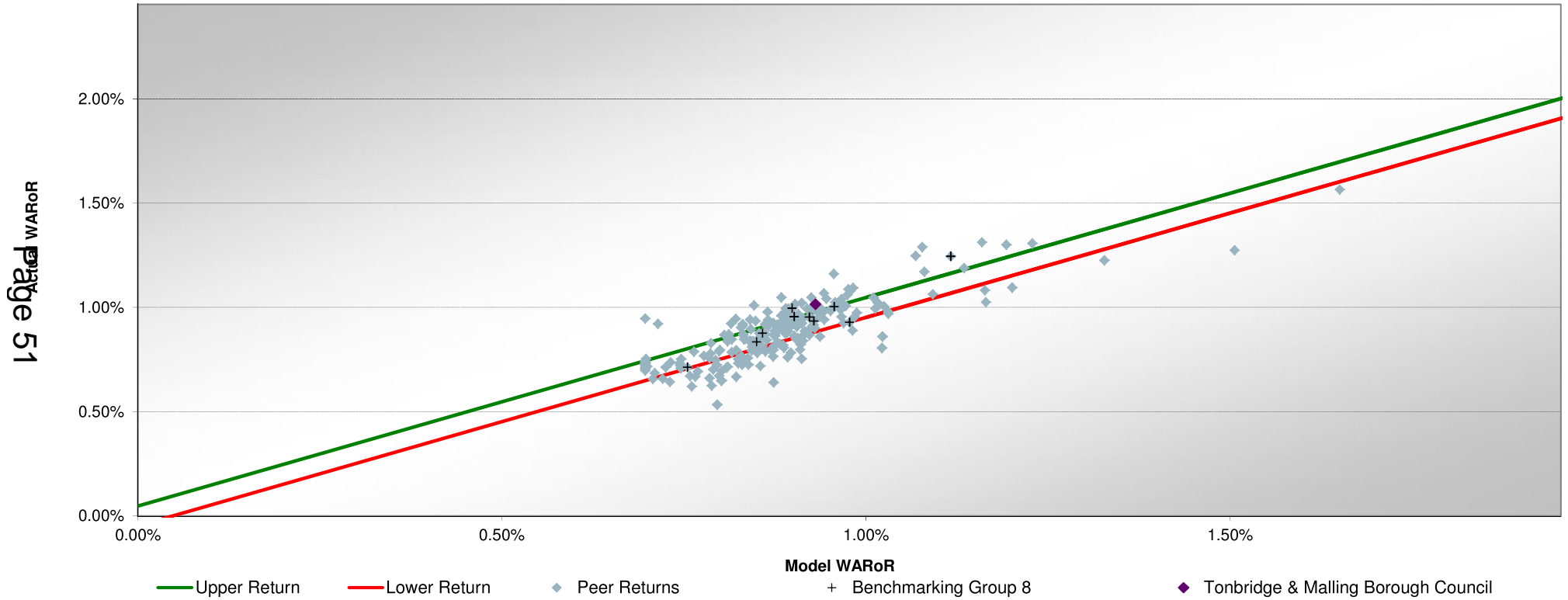
<b>Enhanced Cash Funds (Minimum investment criteria AAA) :</b>					
Fund Name	Moody	Fitch	S&P	Exposure Limit	Link credit worthiness
Insight - Sterling Liquidity Plus (Group limit IL & ILP £7m)	-	AAA	AA+	£3.5m	5 years

Approved by Director of Finance and Transformation 30 December 2019	No Change
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Tonbridge & Malling Borough Council

Population Returns against Model Returns September 2019



	Actual WARoR	Model WARoR	Difference	Lower Bound	Upper Bound	Performance
<b>Tonbridge &amp; Malling Borough Council</b>	1.02%	0.93%	0.08%	0.88%	0.98%	Above

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Extract from FIPAB estimates presentation - 8 January 2020. Costs attributed to banking arrangements and transfers in lieu of interest are excluded.

**DIRECTOR OF FINANCE & TRANSFORMATION**

	2019/20		2020/21
	ORIGINAL ESTIMATE £	REVISED ESTIMATE £	ESTIMATE £
<b>4 TREASURY MANAGEMENT</b>			
<b>Employees</b>			
Salaries	30,000	29,500	31,100
<b>Supplies &amp; Services</b>			
Treasury Advisor & Dealing Fees	10,700	10,700	10,900
	40,700	40,200	42,000
<b>Less Income</b>			
Interest on:			
Cash Flow Investments	(114,000)	(125,000) a)	(105,000) b)
Core Cash Investments	(169,000)	(275,000) a)	(209,000) b)
Long Term Investments	(200,000)	(175,000) c)	(211,000) c)
Other Miscellaneous Interest	(150)	(150)	-
	(483,150)	(575,150)	(525,000)
	(442,450)	(534,950)	(483,000)
<b>Central, Departmental &amp; Technical Support Services</b>			
Central Salaries & Administration	2,550	2,550	2,650
Information Technology Expenses	300	350	350
Departmental Administrative Expenses	14,050	13,950	14,700
	(425,550)	(518,100)	(465,300)
<b><u>TO SUMMARY</u></b>			
	0.89	0.85	0.85
<b>Full Time Equivalent Number of Staff</b> (including Support Service Staff)			

- a) Reflects, in the main, higher than expected cash balances due to delay by valuation office in resolving business rate appeals. Cash flow assumes a return for the year of 0.85% on average cash flow balances of £14m. Core cash assumes a return of 1.15% on average core cash balances of £24m.
- b) Assumes that a proportion of outstanding business rate appeals cases will be resolved and that balances will be drawn down to fund capital plan initiatives. Income from cash flow based on 0.85% return on average cash flow balances of £12m. Core cash assumes a 1.20% return on average core cash balances of £16m.
- c) Revised reflects the current 3.5% return on £5m invested in externally managed property funds. Forward estimate assumes proceeds from the disposal of offices at River Walk will become available for investment part way through 2020/21 and return from property funds will rise to 3.6%.

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## Treasury Management and Annual Investment Strategy 2020/21

### 1 Introduction

#### 1.1 Treasury management is defined as:

‘The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks’.

#### 1.2 The strategy covers:

- Statutory and regulatory requirements
- Balanced budget requirement
- Prudential and treasury Indicators
- Borrowing requirement
- Current treasury position
- Prospects for interest rates
- Investment policy
- Creditworthiness policy
- Country, counterparty and group exposure limits
- Cash flow and core fund investment
- Medium and long term investment
- Year end investment report
- Policy on use of external service providers.

### 2 Statutory and regulatory requirements

- 2.1 The Local Government Act 2003 (the Act) and supporting regulations requires the Council to ‘have regard to’ the Chartered Institute of Public Finance (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable.
- 2.2 The Act requires the Council to set out its Treasury Management Strategy for borrowing and to prepare an Annual Investment Strategy

which sets out the Council's policies for managing its investments and for giving priority to the **security** and **liquidity** of those investments.

- 2.3 The Ministry for Housing, Communities and Local Government (MHCLG) issued revised Statutory Guidance on Local Government Investments (2018 Edition). CIPFA also amended the Prudential Code for Capital Finance in Local Authorities (2017 Edition) and the Treasury Management in the Public Services: Code of Practice and Cross Sectorial Guidance Notes (2017 Edition). The MHCLG and CIPFA Codes came into effect on 1<sup>st</sup> April 2018.
- 2.4 Historically the scope of the statutory guidance and CIPFA codes was limited to the investment of an authority's cash surpluses and the management of borrowing undertaken to support its capital expenditure plans. The updated statutory guidance and codes broaden that scope to include expenditure on loans and the acquisition of non-financial assets (property) intended to generate a profit. The Council has not engaged in any commercial investments and has no material non-treasury investments.
- 2.5 The Council formally adopted the revised CIPFA Treasury Management Code of Practice (2017 Edition) on 30 October 2018. The primary requirements of the Code are as follows:
- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
  - Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
  - Receipt by the full Council of an Annual Treasury Management Strategy, including the Annual Investment Strategy, for the year ahead; a mid-year Review Report; and an Annual Report (stewardship report) covering activities during the previous year.
  - Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
  - Delegation by the Council of the role of scrutiny of the Treasury Management Strategy and policies to a specific named body. For this Council the delegated body is the Audit Committee.
- 2.6 The scheme of delegation and role of the Section 151 officer that give effect to these requirements are set out at [**Appendix 1**].

### 3 **Balanced budget requirement**

3.1 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from:

- increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
- any increases in running costs from new capital projects are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

### 4 **Prudential and treasury indicators**

4.1 It is a statutory duty under Section 3 of the Act and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the 'Affordable Borrowing Limit'. In England and Wales the Authorised Limit represents the legislative limit specified in the Act.

4.2 The Council must have regard to the Prudential Code when setting the 'Authorised Limit', which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax levels is 'acceptable'.

4.3 Whilst termed an 'Affordable Borrowing Limit', the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The 'Authorised Limit' is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.

4.4 Prudential and Treasury Indicators relevant to setting an integrated treasury management strategy are set out in **[Appendix 2]**.

### 5 **Borrowing requirement**

5.1 Other than for cash flow purposes and then within the limits set out at **[Appendix 2]** borrowing will not be necessary. All capital expenditure prior to 2026/27 is expected to be funded from the Revenue Reserve for Capital Schemes, grants, developer contributions and capital receipts arising from the sale of assets. This does not however,

preclude a decision to borrow in order to fund in full or in part a commercial investment opportunity that meets the Council's strategic priorities and objectives, achieves value for money and delivers a financial return. Each such opportunity to be considered on a case by case basis as appropriate.

- 5.2 The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

## **6 Current treasury position**

- 6.1 The Council is debt free and as such the overall treasury position at 31 December 2019 comprised only investments. On that date the Council's cash flow and core fund investments totaled £50m and was invested in a mix of money market funds, bank notice accounts and time deposits with banks and building societies. The average duration to maturity of the portfolio was 70 days with a weighted average rate of return 0.95%. Returns in future years are expected to improve as Bank Rate rises. Income from investments forms part of the Council's ten year medium term financial strategy (MTFS). An updated MTFS will be presented to Council in February 2020.

- 6.2 The Council also held £5m in externally managed property fund investments at 31 December 2019. The property funds are expected to generate income of 3.5% in 2019/20 rising to 4% in future years. Overtime, the rise in the value of each property funds' assets (capital appreciation) is expected to negate fund entry and exit costs.

- 6.2 At present the Council has no material non-treasury investments (e.g. directly owned commercial property, shares in subsidiaries or loans to third parties). The procedures, practices and governance arrangements to enable the Council to meet the requirements of the Chartered Institute of Public Finance & Accountancy's Treasury Management and Prudential Codes of Practice 2017 and the 2018 Statutory Guidance on Local Government Investments relating to non-treasury investments are referred to in the reports to Audit Committee 1 October 2018 and 20 January 2020.

## **7 Prospects for interest rates**

- 7.1 The Council has appointed Link Asset Services as treasury advisor to the Council and part of their service is to assist the Council to formulate a view on interest rates. **[Appendix 3]** draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. Link's expectation for the Bank Rate for the financial year ends (March) is:

- 2019/ 2020 0.75%
- 2020/ 2021 1.00%
- 2021/ 2022 1.00%
- 2022/ 2023 1.25%

7.2 The above forecasts have been based on an assumption that there is an agreed deal on Brexit, including agreement on the terms of trade between the UK and EU, at some point in time. The result of the general election has removed much uncertainty around this major assumption. However, it does not remove uncertainty around whether agreement can be reached with the EU on a trade deal within the short time to December 2020, as the prime minister has pledged

7.3 It has been little surprise that the Monetary Policy Committee (MPC) has left Bank Rate unchanged at 0.75% so far in 2019 due to the ongoing uncertainty over Brexit and the outcome of the general election. In its meeting on 7 November, the MPC became more dovish due to increased concerns over the outlook for the domestic economy if Brexit uncertainties were to become more entrenched, and for weak global economic growth: if those uncertainties were to materialise, then the MPC may cut Bank Rate. However, if they were both to dissipate, then rates would need to rise at a 'gradual pace and to a limited extent'. Brexit uncertainty has had a dampening effect on UK GDP growth in 2019, especially around mid-year. There is still some residual risk that the MPC could cut Bank Rate as the UK economy is still likely to only grow weakly in 2020 due to continuing uncertainty over whether there could effectively be a no deal Brexit in December 2020 if agreement on a trade deal is not reached with the EU. Until that major uncertainty is removed, or the period for agreeing a deal is extended, the MPC is not expected to raise Bank Rate.

7.4 There has been much speculation during 2019 that the bond market has gone into a bubble, as evidenced by high bond prices and remarkably low yields. However, given the context that there have been heightened expectations that the US was heading for a recession in 2020, and a general background of a downturn in world economic growth, together with inflation generally at low levels in most countries and expected to remain subdued, conditions are ripe for low bond yields. While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a substantive impact on consumer spending and inflation. This has pulled down the

overall level of interest rates and bond yields in financial markets over the last thirty years. We have therefore seen over the last year, many bond yields up to ten years in the Eurozone actually turn negative. In addition, there has, at times, been an inversion of bond yields in the US whereby ten-year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated, as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities. However, stock markets are also currently at high levels as some investors have focused on chasing returns in the context of ultra-low interest rates on cash.

- 7.5 From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt issues, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.
- 7.6 Economic and interest rate forecasting remains difficult with so many influences weighing on UK gilt yields and PWLB rates. The above forecasts, and MPC decisions, will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.
- 7.7 Investment returns are likely to remain low during 2020/21 with little increase in the following two years. However, if substantive progress was made with an agreed trade deal averting a no deal Brexit, then there is upside potential for earnings.
- 7.8 Link's more detailed view of the current economic background is included at **[Appendix 4]**.

## **8 Investment policy**

- 8.1 The Council's investment policy has regard to the MHCLG's Guidance on Local Government Investments and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes. The Council's investment priorities will be security first, liquidity second, and then yield.
- 8.2 In accordance with the above guidance from the MHCLG and CIPFA, and in order to minimise the risk to investments, the Council applies



minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

- 8.3 Ratings are not the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment also takes account of information that reflects the opinion of the markets. To this end the Council engages with its advisors to maintain a monitor on market pricing such as 'credit default swaps' and overlay that information on top of the credit ratings.
- 8.4 Other information sources used includes the financial press, share price and other information relating to the banking sector in order to establish a robust scrutiny process on the suitability of potential investment counterparties.
- 8.5 Investment instruments identified for use are listed in **[Appendix 5]** under 'specified' and 'non-specified' investment categories. Counterparty limits are detailed in section 10 below.

## **9 Creditworthiness policy**

- 9.1 The creditworthiness service provided by Link has been progressively enhanced over the last few years and now uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings are supplemented using the following overlays:
- Credit watches and credit outlooks from credit rating agencies;
  - Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings; and
  - Sovereign ratings to select counterparties from only the most creditworthy countries.
- 9.2 This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to inform the duration of an investment and are therefore referred to as durational bands. The Council is satisfied that this service now gives a much improved level of security for its investments.

- 9.3 The selection of counterparties with a high level of creditworthiness is achieved by selecting institutions down to a minimum durational band within Link's weekly credit list of potential counterparties (worldwide). Subject to an appropriate sovereign and counterparty rating the Council uses counterparties within the following durational bands:

Yellow/Pink	5 years
Purple	2 years
Blue	1 year (UK nationalised Banks)
Orange	1 year
Red	6 months
Green	100 Days

- 9.4 The Council does not use the approach suggested by CIPFA of using the lowest rating from all three rating agencies to determine creditworthy counterparties. Moody's tends to be more aggressive in giving low ratings than the other two agencies and adopting the CIPFA approach may leave the Council with too few banks on its approved lending list. The Link creditworthiness service uses a wider array of information than just primary ratings and in combination with a risk weighted scoring system undue preponderance is not given to any one agency's ratings.
- 9.5 All credit ratings are reviewed weekly and monitored on a daily basis. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.
- If a downgrade results in the counterparty no longer meeting the Council's minimum criteria its use for new investment is withdrawn immediately.
  - In addition to the use of credit ratings the Council is advised of movements in Credit Default Swap data against the iTraxx benchmark and other market data on a daily basis. Extreme market movements may result in a scaling back of the duration assessment or removal from the Councils lending list altogether.
- 9.6 Sole reliance is not placed on the use of the Link service. In addition the Council uses market information including information on any external support for banks to assist the decision making process.

## **10 Country, counterparty and group exposure limits**

- 10.1 The Council has determined that it will only use approved counterparties from the UK subject to a minimum sovereign credit rating of A- and from other countries subject to a minimum sovereign credit rating of AA-. The minimum will be the lowest rating determined

by Fitch, Moody's and Standard and Poor's. The list of countries that qualify using this credit criteria as at the date of this report are shown in **[Appendix 6]**. The list will be amended in accordance with this policy should ratings change.

- 10.2 Avoidance of a concentration of investments in too few counterparties or countries is a key to effective diversification and in this regard the limits set out below are thought to achieve a prudent balance between risk and practicality.

<b>Country, Counterparty and Group exposure</b>	<b>Maximum Proportion of Portfolio</b>
UK regulated financial institutions subject to UK Sovereign rating of A- or higher and the institution limits detailed below.	100%
Non-UK regulated financial institutions as an amount per sovereign rated AA- or higher and subject to the institution limits detailed below.	20%
Group of related financial institutions.	20%
Each financial institution rated Fitch A-, F1 or higher (green excluding CDS using Link's credit methodology).	20%
Each UK nationalised bank rated Fitch BBB, F2 or higher (green excluding CDS using Link's credit methodology).	20%
Each AAA rated multilateral / supranational bank.	20%
Each AAA rated CNAV, LVNAV or VNAV money market fund.	20%
Each AAA rated enhanced cash fund / government liquidity fund / gilt fund subject to a maximum 20% exposure to all such funds.	10%
Non-specified investments over 1 year duration.	60%
Each non-rated property fund used for long term investment subject to a maximum £3m (20% of expected long term balances) per fund and across all such funds. No cash limit applies to new resources made available from, or in anticipation of, the sale of existing property assets or other windfalls.	N/A
Each non-rated diversified income (multi-asset) fund used for medium term investment subject to a maximum £3m (20% of expected long term balances) per fund and across all such funds.	N/A

- 10.3 Cash flow balances vary depending on the timing of receipts and payments during the month and from month to month. The investment limits identified in paragraph 10.2 will be based on an estimate of the expected average daily cash flow balance at the start of the financial year augmented by core cash and other balances. Counterparty investments will be managed to ensure compliance with the limits at the start and end of each financial year when balances available for investment will be at a low point.

## 11 Cash flow and core fund investment

- 11.1 Funds available for investment are split between cash flow and core cash. Cash flow funds are generated from the collection of council tax, business rates and other income streams. They are consumed during the financial year to meet payments to precepting authorities and government (NNDR contributions) and to meet service delivery costs (benefit payments, staff salaries and suppliers in general). The consumption of cash flow funds during the course of a financial year places a natural limit on the maximum duration of investments (up to one year). Core funds comprise monies set aside in the Council's revenue and capital reserves and are generally available to invest for durations in excess of one year.
- 11.2 **Cash flow investments.** The average daily cash flow balance throughout 2020/21 is expected to be £12m with a proportion available for longer than three months. Cash flow investments will be made with reference to cash flow requirements (liquidity) and the outlook for short-term interest rates i.e. rates for investments up to 12 months. Liquidity will be maintained by using bank deposit accounts and money markets funds. Where duration can be tolerated, additional yield will be generated by utilising term deposits with banks and building societies and enhanced cash funds. Cash balances available for more than 3 months may be transferred to the core fund portfolio if a better overall return for the Council can be achieved by doing so.
- 11.3 In compiling the Council's estimates for 2020/21 a return on cash flow investments of 0.85% has been assumed.
- 11.4 **Core fund investments.** Historically the Council's core funds have been managed by an external fund manager. All core funds were returned to the Council for in-house management during 2014/15. The core fund balance is diminishing as a proportion is consumed each year (approximately £2m per annum) to support the Council's revenue budget and capital expenditure plans. The average core fund balance during 2020/21 is expected to be £16m.

- 11.5 The Council will avoid locking into longer term deals while investment rates continue their current low levels unless attractive rates are available with counterparties of particularly high creditworthiness which make longer term deals worthwhile and are within the risk parameters set by the Council.
- 11.6 In compiling the Council's estimates for 2020/21 a return on core fund investments of 1.20% has been assumed. Subject to the credit quality and exposure limits outlined in paragraph 10.2, liquidity and yield will be achieved by a mix of investments using predominantly fixed term deposits and certificates of deposit. Notice accounts and enhanced cash funds will also be used if these offer favourable returns relative to term deposits.

## **12 Medium and long term investment.**

- 12.1 The strategy includes provision (paragraph 10.2 and detailed in Appendix 5) to undertake medium term investment in diversified income (cash, bonds, equity and property) through an externally managed collective investment scheme (fund). Investment in such schemes typically implies a 5 year commitment to recoup entry and exit fees and mitigate the potential for a fall in the value of assets under management.
- 12.2 A detailed evaluation of the funds asset quality, market risk, redemption constraints, management and governance arrangements will be undertaken in advance of any investment taking place. Any sums invested will be reported at regular intervals with income received and changes in capital value separately identified.
- 12.3 The strategy includes provision (paragraph 10.2 and detailed in Appendix 5) to undertake long term investment in property through an externally managed collective investment scheme (fund). Investment in such schemes typically implies a 10 year commitment to recoup entry and exit fees. To mitigate the risk that capital values may fall due to changes in economic activity, investment duration cannot be determined with certainty at the time the investment commences. As a consequence any cash balances applied to such an investment must be available for the long term and there must be flexibility over the timing of redemption(s) in the future. Sums invested will be reported at regular intervals with income received and changes in capital value separately identified.

## **13 Year end investment report**

13.1 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

**14 Policy on the use of external service providers**

14.1 The Council uses Link Asset Services as its external treasury management advisors.

14.2 The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers.

14.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

**Financial Services  
January 2020**

**Appendices**

1. Treasury management scheme of delegation
2. Prudential and treasury indicators
3. Interest rate forecasts
4. Economic background provided by Link Asset Services
5. Credit and counterparty risk management (TMP1)
6. Approved countries for investments

## Appendix 1 Treasury management scheme of delegation

### Full Council

- Budget approval.
- Approval of treasury management policy.
- Approval of the annual treasury management and investment strategy.
- Approval of amendments to the Council's adopted clauses, treasury management policy and annual treasury management and investment strategy.
- Approval of the treasury management outturn and mid-year reports.

### Cabinet

- Budget consideration.
- Approval of the division of responsibilities.
- Approval of the selection of external service providers and agreeing terms of appointment.
- Acting on recommendations in connection with monitoring reports.

### Audit Committee

- Reviewing the annual treasury management and investment strategy and making recommendations to Cabinet and Council.
- Receive reports on treasury activity at regular intervals during the year and making recommendations to Cabinet.
- Reviewing treasury management policy, practices and procedures and making recommendations to Cabinet and Council.

### Finance, Innovation and Property Advisory Board

- Receiving budgetary control reports at regular intervals that include treasury management performance.

### The S151 (responsible) officer

- Recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance.
- Submitting regular treasury management policy reports.
- Submitting budgets and budget variations.
- Receiving and reviewing management information reports.
- Reviewing the performance of the treasury management function.
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.
- Prepare and maintain effective treasury management practices (TMPs).
- Ensuring the adequacy of internal audit, and liaising with external audit.
- Recommending the appointment of external service providers.
- Preparation of a Capital Strategy and for ensuring the strategy is sustainable, affordable and prudent in the long term and that due diligence has been carried out to support each investment decision and those decisions are in accordance with the risk appetite of the authority.

## Appendix 2 Prudential and treasury indicators

The prudential indicators relating to capital expenditure cannot be set until the capital programme is finally determined and will as a consequence be reported as part of the Setting the Budget for 2020/21 report that is to be submitted to Cabinet on 13 February 2020.

The treasury management indicators are as set out in the table below:

TREASURY MANAGEMENT INDICATORS	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Authorised Limit for external debt :					
borrowing	Nil	5,000	7,000	7,000	7,000
other long term liabilities	Nil	Nil	Nil	Nil	Nil
TOTAL	Nil	5,000	7,000	7,000	7,000
Operational Boundary for external debt:-					
borrowing	Nil	2,000	4,000	4,000	4,000
other long term liabilities	Nil	Nil	Nil	Nil	Nil
TOTAL	Nil	2,000	4,000	4,000	4,000
Actual external debt	Nil	Nil	Nil	Nil	Nil
Upper limit for fixed interest rate exposure > 1 year at year end	Nil	It is anticipated that exposure will range between 0% to 60%			
Upper limit for variable rate exposure < 1 year at year end	15,411 (42.3%)	It is anticipated that exposure will range between 40% to 100%			
Upper limit for total principal sums invested for over 365 days at year end	5,000 (13.7%)	60% of funds			

Maturity structure of fixed rate borrowing during 2017/18 - 2021/22	upper limit	lower limit
under 12 months	100 %	0 %
Over 12 months	0 %	0 %



**Appendix 3 Interest rate forecasts – November 2019**

<b>Bank Rate</b>														
	NOW	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Link Asset Services	0.75%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.25%
Capital Economics	0.75%	0.75%	0.75%	0.75%	0.75%	-	-	-	1.00%	-	-	-	-	-
<b>5yr PWLB Rate</b>														
	NOW	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Link Asset Services	2.42%	2.40%	2.40%	2.50%	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.20%	3.20%
Capital Economics	2.42%	2.40%	2.50%	2.50%	2.60%	-	-	-	2.80%	-	-	-	-	-
<b>10yr PWLB Rate</b>														
	NOW	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Link Asset Services	2.66%	2.70%	2.70%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.50%
Capital Economics	2.66%	2.60%	2.70%	2.80%	2.80%	-	-	-	3.10%	-	-	-	-	-
<b>25yr PWLB Rate</b>														
	NOW	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Link Asset Services	3.20%	3.30%	3.40%	3.40%	3.50%	3.60%	3.70%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.10%
Capital Economics	3.20%	3.00%	3.10%	3.20%	3.20%	-	-	-	3.40%	-	-	-	-	-
<b>50yr PWLB Rate</b>														
	NOW	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Link Asset Services	3.04%	3.20%	3.30%	3.30%	3.40%	3.50%	3.60%	3.60%	3.70%	3.80%	3.90%	3.90%	4.00%	4.00%
Capital Economics	3.04%	3.00%	3.10%	3.20%	3.20%	-	-	-	3.50%	-	-	-	-	-
<b>Link Asset Services Interest Rate View</b>														
	Now	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate	0.75%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.25%
3 Month LIBID	0.67%	0.70%	0.70%	0.80%	0.90%	1.00%	1.00%	1.00%	1.10%	1.20%	1.30%	1.30%	1.30%	1.30%
6 Month LIBID	0.75%	0.80%	0.80%	0.90%	1.00%	1.10%	1.10%	1.20%	1.30%	1.40%	1.50%	1.50%	1.50%	1.50%
12 Month LIBID	0.86%	1.00%	1.00%	1.10%	1.20%	1.30%	1.30%	1.40%	1.50%	1.60%	1.70%	1.70%	1.70%	1.70%

## Appendix 4 Economic background based on text provided by Link Asset Services

- 1 **UK GDP growth** has taken a toll from the Brexit uncertainty throughout 2019. Quarter 1 was unexpectedly strong at 0.5% q/q, quarter 2 dire at -0.2% q/q and quarter 3 surprised on the upside at +0.4% q/q (+1.1% y/y). However, the peak of Brexit uncertainty during the final quarter appears to have suppressed quarterly growth to near zero. The economy is expected to tread water in 2020, with tepid growth of around 1% until there is more certainty once the Brexit trade deal deadline of December 2020 passes.
- 3 While the Bank of England went through the routine of producing another **quarterly Inflation Report** (now renamed the Monetary Policy Report) in November 2019, it is questionable how much all the writing and numbers were worth when faced with the uncertainties of where the UK will be after the general election in December. The Bank made a change in their Brexit assumptions to now include a withdrawal agreement being passed. Possibly the biggest message of note was an increase in concerns among MPC members around weak global economic growth and the potential for Brexit uncertainties to become entrenched and so delay UK economic recovery. Consequently, the MPC voted 7-2 to maintain Bank Rate at 0.75% but two members were sufficiently concerned to vote for an immediate Bank Rate cut to 0.5%. The MPC warned that if global growth does not pick up or Brexit uncertainties intensify then a rate cut was now more likely. Conversely, if risks do recede, then a more rapid recovery of growth will require gradual and limited rate rises. The speed of recovery will depend on the extent to which uncertainty dissipates over the final terms for trade between the UK and EU and by how much global growth rates pick up. The Bank revised its inflation forecasts down to 1.25% in 2019, 1.5% in 2020 and 2.0% in 2021.
- 4 The **MPC meeting in December** repeated the previous month's vote of 7-2 to keep Bank Rate on hold. Their key view was that there was currently 'no evidence about the extent to which policy uncertainties among companies and households had declined' prompting no immediate action. The two members who voted for a cut were concerned that the labour market was faltering. On the other hand, there was a clear warning in the minutes that the MPC were concerned that 'domestic unit labour costs have continued to grow at rates above those consistent with meeting the inflation target in the medium term'.
- 5 If economic growth were to weaken considerably, the MPC has little room to make a significant impact with Bank Rate still only at 0.75%. The MPC may suggest Government support growth by way of a **fiscal boost** e.g. tax cuts, increases in the annual expenditure budgets of government departments and services and expenditure on infrastructure projects. Some movement has already been made in this direction with the Chancellor amending the fiscal rules in November to allow for an increase in government expenditure. The

Government's election manifesto also promised to increase government spending by up to £20bn per annum (expected to add some 1% to GDP growth rates) by investing primarily in infrastructure.

- 6 **CPI inflation** has been hovering around the Bank of England's target of 2% during 2019, but fell again in both October and November to a three-year low of 1.5%. It is likely to remain close to or under 2% over the next two years and should not pose any immediate concern to the MPC at the current time. However, a no deal Brexit could see inflation rise towards 4% primarily because of imported inflation on the back of a weakening pound.
- 7 With regard to the **labour market**, growth in numbers employed has been quite resilient through 2019 until the three months to September where it fell by 58,000. However, there was an encouraging pick up again in the three months to October with growth of 24,000. The unemployment rate held steady at a 44-year low of 3.8% on the Independent Labour Organisation measure in October. Wage inflation has been steadily falling from a high point of 3.9% in July to 3.5% in October (3-month average regular pay, excluding bonuses). This meant that in real terms (wage rates higher than CPI inflation) earnings grew by about 2%. As the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. The other message from the fall in wage growth is that employers are beginning to find it easier to hire suitable staff, indicating that supply pressure in the labour market is easing.
- 8 **USA.** President Trump's easing of fiscal policy in 2018 fuelled a temporary boost in consumption in that year which generated an upturn in the rate of growth to a robust 2.9% y/y. **Growth** in 2019 has been falling after a strong start in quarter 1 at 3.1%, (annualised rate), to 2.0% in quarter 2 and then 2.1% in quarter 3. The economy looks likely to have maintained a growth rate similar to quarter 3 into quarter 4. Fears of a recession have largely dissipated. The strong growth in employment numbers during 2018 has weakened during 2019, indicating that the economy had been cooling, while inflationary pressures were also weakening. However, CPI inflation rose from 1.8% to 2.1% in November, a one year high, caused by a rise in gasoline prices.
- 9 The US **Federal Reserve** (Fed) finished its series of increases in rates to 2.25 – 2.50% in December 2018. In July 2019, it cut rates by 0.25% as a 'midterm adjustment' but flagged up that this was not intended to be seen as the start of a series of cuts to ward off a downturn in growth. It also ended its programme of quantitative tightening in August, (reducing its holdings of treasuries). It then cut rates by 0.25% again in September and by another 0.25% in its October meeting to 1.50 – 1.75%. At its September meeting it also said it was going to **start buying Treasuries again**, although this was

not to be seen as a resumption of quantitative easing but rather an exercise to relieve liquidity pressures in the repo market. Despite those protestations, this still means that the Fed is again expanding its balance sheet holdings of government debt. In the first month, it will buy \$60bn, whereas it had been reducing its balance sheet by \$50bn per month during 2019. As it will be buying only short-term (under 12 months) Treasury bills, it is technically correct that this is not quantitative easing (which is purchase of long term debt). The Fed left rates unchanged in December. However, the accompanying statement was more optimistic about the future course of the economy which would indicate that further cuts are unlikely.

- 10 Investor confidence has been badly rattled by the progressive ramping up of increases in tariffs President Trump has made on Chinese imports and China has responded with increases in tariffs on American imports. This **trade war** is seen as depressing US, Chinese and world growth. In the EU, it is also particularly impacting Germany as exports of goods and services are equivalent to 46% of total GDP. It will also impact developing countries dependent on exporting commodities to China. However, in November / December, progress has been made on agreeing a phase one deal between the US and China to roll back some of the tariffs; this gives some hope of resolving this dispute.
- 11 **EUROZONE. Growth** has been slowing from +1.8 % during 2018 to around half of that in 2019. Growth was +0.4% q/q (+1.2% y/y) in quarter 1, +0.2% q/q (+1.2% y/y) in quarter 2 and then +0.2% q/q (+1.1%y/y) in quarter 3; there appears to be little upside potential in the near future. German GDP growth has been struggling to stay in positive territory in 2019 and fell by -0.1% in quarter 2; industrial production was down 4% y/y in June with car production down 10% y/y. Germany would be particularly vulnerable to a no deal Brexit and the potential for US imposed tariffs on EU produced cars.
- 12 **The European Central Bank (ECB)** ended its programme of quantitative easing (purchases of debt) in December 2018, which then meant that the central banks in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world financial markets through quantitative easing. However, the downturn in EZ growth in the second half of 2018 and into 2019, together with inflation falling well under the upper limit of its target range of 0 to 2% (it aims to keep it near to 2%) has prompted the ECB to take new measures to stimulate growth. At its March meeting it said that it expected to leave interest rates at their present levels 'at least through the end of 2019' and announced a **third round of TLTROs** (targeted longer term refinancing operations) providing banks with cheap borrowing. As with the last round, the new TLTROs include an incentive to encourage bank lending. Since then, the downturn in EZ and world growth has gathered momentum. At its September meeting the ECB cut its deposit rate further into negative territory, from -0.4% to -0.5%, and announced a **resumption of**

**quantitative easing** for an unlimited period. At its October meeting, doubtful whether this loosening of monetary policy will have much impact, the ECB stated that governments would need to help stimulate growth by 'growth friendly' fiscal policy.

- 14 **CHINA.** Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and shadow banking systems. In addition, there still needs to be a greater switch from investment in industrial capacity, property construction and infrastructure to consumer goods production.
- 17 **WORLD GROWTH.** The trade war between the US and China has coincided with a general weakening of growth in the major economies of the world raising concern in the financial markets. These concerns have resulted in **government bond yields** in the developed world falling significantly during 2019. If there were a worldwide downturn in growth, central banks in most of the major economies now have limited scope in terms of monetary policy measures (rates are already very low). There are also concerns about how much distortion of financial markets has already occurred with the current levels of quantitative easing purchases of debt by central banks and the use of negative central bank rates in some countries. The latest PMI survey statistics of economic health for the US, UK, EU and China have all been predicting a downturn in growth confirming investor sentiment that the outlook for global growth during the year ahead is weak.

December 2019

## Appendix 5 Credit and counterparty risk management (TMP1)

All specified and non-specified Investments will be:

Subject to the sovereign, counterparty and group exposure limits identified in the Annual Investment Strategy (Section 10).

Subject to the duration limit suggested by Link (+6 months for UK financial institutions) at the time each investment is placed.

Subject to a maximum of 60% of funds being held in non-specified investments at any one time.

Sterling denominated.

**Specified Investments** (maturities up to 1 year):

investment	Minimum Credit Criteria
UK Debt Management Agency Deposit Facility	UK Sovereign A-
Term deposits - UK local authorities	UK Sovereign A-
Term deposits - UK nationalised banks	UK Sovereign A- Counterparty BBB, F2 or Green excluding CDS
Term deposits – all other banks and building societies	UK Sovereign A- / Non-UK Sovereign AA- Counterparty A-, F1 or Green excluding CDS
Certificates of deposit - UK nationalised banks	UK Sovereign A- Counterparty BBB, F2 or Green excluding CDS
Certificates of deposit – all other banks and building societies	UK Sovereign A- / Non-UK Sovereign AA- Counterparty A-, F1, or Green excluding CDS
UK Treasury Bills	UK Sovereign A-
UK Government Gilts	UK Sovereign A-
Bonds issued by multi-lateral development banks	AAA
Sovereign bond issues (other than the UK govt)	AAA
Money Market Funds (CNAV, LVNAV or VNAV)	AAA
Enhanced Cash and Government Liquidity Funds	AAA



**Non-specified Investments** (maturities in excess of 1 year and any maturity if not included above):

Investment	Minimum Credit Criteria	Max duration to maturity
Fixed term deposits with variable rate and variable maturities (structured deposits) - UK nationalised banks	UK Sovereign A- Counterparty BBB,F2 (Green)	2 years
Fixed term deposits with variable rate and variable maturities (structured deposits) - banks and building societies	UK sovereign A- / Non-UK Sovereign AA- Counterparty A-, F1 (Green)	2 years
Term deposits - local authorities	UK Sovereign A-	<b>3 years</b>
Term deposits - UK nationalised banks	UK Sovereign A- Counterparty BBB,F2 (Green)	2 years
Term deposits - banks, building societies	UK Sovereign A- / Non-UK Sovereign AA- Counterparty A-, F1 (Green)	2 years
Certificates of deposit - UK nationalised banks	UK Sovereign A- Counterparty BBB,F2 (Green)	2 years
Certificates of deposit - banks and building societies	UK Sovereign A- / Non-UK Sovereign AA- Counterparty A-, F1 (Green)	2 years
Commercial paper - UK nationalised banks	UK Sovereign A- Counterparty BBB,F2 (Green)	2 years
Commercial paper - banks and building societies	UK Sovereign A- / Non-UK Sovereign AA- Counterparty A-, F1 (Green)	2 years
Floating rate notes issued by multilateral development banks	AAA	2 years
Bonds issued by multilateral development banks	AAA	2 years
Sovereign bonds (other than the UK Government)	AAA	2 years
UK Government Gilts	UK Sovereign A-	5 years
Property Funds	N/A	N/A
Diversified Income Funds	N/A	N/A

**Accounting treatment of investments.** The accounting treatment may differ from the underlying cash transactions arising from investment decisions made. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

## Appendix 6      Approved countries for investments

Each financial institution must meet the minimum credit criteria specified in the Annual Investment Strategy (Section 10). For non-UK regulated institutions the institutions sovereign must be rated AA- or higher by each of the three rating agencies - Fitch, Moody's and Standard and Poor's.

This list will be reviewed and amended if appropriate on a weekly basis by the Director of Finance and Transformation.

As of 31 December 2019 sovereigns meeting the above requirement which also (except for Hong Kong, Norway and Luxembourg) have banks operating in sterling markets with credit ratings of green or above on the Link Asset Services' Credit Worthiness List were:

AAA	Australia Canada Denmark Germany Luxembourg Netherlands Norway Singapore Sweden Switzerland
AA+	Finland USA
AA	Abu Dhabi (UAE) France Hong Kong
AA-	Belgium Qatar

At 31<sup>st</sup> December 2019 the UK received a credit rating of AA from each of Fitch, Moody's and Standard and Poor's.



## Item CB 20/9 referred from Cabinet minutes of 13 February 2020

### CB 20/9 SETTING THE BUDGET FOR 2020/21

Further to the reports to the Finance, Innovation and Property Advisory Board and the Overview and Scrutiny Committee earlier in the cycle, the joint report of the Chief Executive, Director of Finance and Transformation, the Leader and Cabinet Member for Finance, Innovation and Property updated the Cabinet on issues relating to the Medium Term Financial Strategy (MTFS) and gave details of the necessary procedure to be followed in order to set the budget for 2020/21.

Members noted that all figures contained in the report were based on the provisional local government financial settlement received in December 2019. Although the final settlement figures had been notified to local authorities by the Ministry of Housing, Communities and Local Government, a debate and vote regarding the final financial settlement had been deferred by Government until after the Parliamentary recess. It was noted that the final settlement figures for Tonbridge and Malling Borough Council were the same as the provisional settlement figures. As the full Council meeting to set the council tax for 2020/21 was due to take place on 18 February, before the reconvening of Parliament, the Director of Finance and Transformation advised that there was a very small risk that the approved final settlement figures might differ from those included in the report.

It was also noted that the settlement figures included funding in 2020/21 for “Negative RSG” and funding for New Homes Bonus remained for 2020/21 although its long term future was uncertain. The Cabinet was also reminded that the Fair Funding Review had been delayed and a consultation was now expected in the Spring 2020.

Attention was drawn to recommendations from Advisory Boards and the decision of the Licensing and Appeals Committee regarding the levels of fees and charges to be implemented from 1 April 2020 which had been incorporated in the draft Estimates. Particular reference was made to the recommendation of the Finance, Innovation and Property Advisory Board that the budget for Borough Christmas Lighting be capped at £40,000.

The report then described the remaining procedure to be followed in setting the budget for 2020/21 and calculating the council tax. For the purposes of updating the MTFS a council tax increase of £5 in 2020/21 had been assumed and for each year thereafter.

The Cabinet deliberated on the most appropriate guidance to offer the Council as to the way forward for updating the MTFS for the next ten year period and setting the council tax for 2020/21. Members were advised of details of special expenses for the same period.

An updated copy of the Savings and Transformation Strategy was presented, including revised outline targets and timescales to be revisited and aligned with the latest projected “funding gap”. Members were also reminded that the funding gap set out in the report assumed that all the recommendations made by Advisory Boards and Committees, such as the transfer of public conveniences to parish councils, were delivered. If for whatever reason these were found not to be deliverable, the funding

gap and therefore the savings and transformation target would increase.

Finally, the Director of Finance and Transformation explained the basis on which the statement as to the Robustness of the Estimates and Adequacy of the Reserves had been made, including an understanding that the required savings and transformation contributions based on latest projections of £320,000 would be delivered.

**RECOMMENDED:** That

- (1) the budget for Borough Christmas Lighting be capped at £40,000 be endorsed;
- (2) the fees and charges set out in Annex 2 to the report, as recommended by the appropriate Advisory Boards, be endorsed (see Decision Nos D200009CAB to D200015CAB) other than item SSE 19/25 (Review of Car Parking Fees and Charges) which had been endorsed at the extraordinary meeting on 6 January (D200001CAB);
- (3) the Capital Plan be updated as set out in paragraph 1.6.15 to the report and adopted accordingly;
- (4) the Capital Strategy as presented to the Finance, Innovation and Property Advisory Board on 8 January and the Overview and Scrutiny Committee on 15 January 2020 be endorsed and adopted by the Council;
- (5) the prudential indicators listed in paragraphs 1.7.7 and 1.7.12 of the report be endorsed and adopted;
- (6) for the financial year 2020/21 the Council's Minimum Revenue Provision, as set out at paragraph 1.7.15 of the report, be noted as nil;
- (7) subject to review each year, the maximum 'annual capital allowance' be increased from £200,000 to £250,000;
- (8) a Budget Stabilisation reserve be established in the sum of £3,500,000 to manage risk, assist in meeting future savings and transformation contributions and/or fund in full or in part an appropriate commercial investment opportunity as detailed at paragraph 1.9.10 of the report;
- (9) the updated Medium Term Financial Strategy, as set out at Annex 11a to the report, be noted and endorsed;
- (10) the Council be recommended to approve a council tax increase of £5 per annum at Band D as the best way forward in updating the Medium Term Financial Strategy for the next ten-year period and setting the council tax for 2020/21;
- (11) the updated Savings and Transformation Strategy detailed at Annex 11c to the report, including the proposed scale and timing of each of the required savings and transformation contributions set out at paragraph 1.10.6 of the report, be noted and endorsed;

- (12) the special expenses calculated in accordance with the Special Expenses Scheme set out in Annex 14b to the report be endorsed;
- (13) the Statement provided by the Director of Finance and Transformation as to the Robustness of the Estimates and the Adequacy of the Reserves be noted and endorsed; and
- (14) the requirements of the CIPFA FM Code be noted and compliance demonstrated by way of a self-assessment to be reported to a future meeting of the Finance, Innovation and Property Advisory Board, and the outcome of the review of the CIPFA Financial Resilience Index.

**\*Referred to Council**

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# TONBRIDGE & MALLING BOROUGH COUNCIL

## CABINET

13 February 2020

Report of the Chief Executive, Director of Finance and Transformation, Leader of the Council and Cabinet Member for Finance, Innovation and Property

### Part 1- Public

#### Matters for Recommendation to Council

#### 1 SETTING THE BUDGET 2020/21

Further to reports to the meeting of the Finance, Innovation and Property Advisory Board and Overview and Scrutiny Committee earlier in the cycle, this report updates Cabinet on issues relating to the Medium Term Financial Strategy. It also takes Members through the necessary procedures in order to set the Budget for 2020/21.

*Members are asked to note that at the time of writing this report, the final settlement has not been received. All figures contained in the report are based on the provisional settlement.*

#### 1.1 Introduction and Foreword

- 1.1.1 At the Full Council meeting on 18 February, Members will determine both the Budget and the level of council tax for 2020/21. The detailed Estimates for 2020/21 prepared by your Officers have been carefully considered by the Finance, Innovation and Property Advisory Board and the Overview and Scrutiny Committee. Details are set out at paragraph 1.4 below.
- 1.1.2 Whilst the primary purpose of this report is for Cabinet to recommend the Budget and resultant level of council tax for 2020/21; as ever, this one year cannot be viewed in isolation. This budget sits within the context of our Medium Term Financial Strategy (MTFS) covering a ten-year period. Financial decisions made in respect of the year 2020/21 will have an impact across the MTFS and upon the required savings and transformation contributions the Council will need to achieve in order to 'balance its books' and we must not lose sight of the scale of this particular challenge.
- 1.1.3 The Localism Act requires a local authority to seek the approval of their electorate via a local referendum if it proposes to raise council tax above the threshold set by the Secretary of State. For the year 2020/21, based on information issued alongside the provisional settlement, a referendum will be triggered where council tax is increased by **2%, or more than 2% and more than £5.**

- 1.1.4 This time last year the MTFS assumed a council tax increase of £5 representing a 2.4% increase in council tax. For the purposes of preparing the budget papers and updating the MTFS an **increase of £5 in 2020/21** has been assumed and each year thereafter.
- 1.1.5 Attached at **[Annex 1a]** for Members' information is a copy of the Referendums Principles setting out the level of council tax increase for 2020/21 above which the local authority would be required to seek approval of their electorate via a local referendum.
- 1.1.6 When setting the budget for 2019/20 in February 2019, projections at that time suggested a funding gap between expenditure and income of circa £550,000. This 'gap' was translated into three savings and transformation contributions of £100,000, £400,000 and £50,000 to be achieved by the start of the year 2020/21, 2024/25 and 2028/29 respectively.
- 1.1.7 The savings and transformation contribution identified to date in 2019/20 is £369,000. However, as always, there are other factors that can impact on the MTFS that either takes the funding gap in the right or wrong direction. When these factors are taken into account the net savings and transformation contribution identified to date in 2019/20 is £230,000 and the **latest projected 'outstanding' funding gap £320,000**.
- 1.1.8 This report necessarily touches on a number of related areas (some of which are complex) that the Director of Finance and Transformation is required to draw to Members' attention in order to provide assurance and advice to aid decision making. The report is, therefore, broken down into sections dealing with the following areas:
- Local Government Finance Settlement
  - Kent Business Rates Pool
  - Revenue Estimates 2020/21
  - Fees and Charges
  - Capital Plan
  - Treasury Management and Annual Investment Strategy
  - Consultation with Non-Domestic (Business) Ratepayers
  - Medium Term Financial Strategy Update
  - Savings and Transformation Strategy
  - Collection Fund Adjustments

- Special Expenses and Parish Council Precepts
- Robustness of the Estimates / Adequacy of the Reserves
- The Chartered Institute of Public Finance and Accountancy Financial Management Code and Financial Resilience Index
- Calculation of Borough Council's Tax Requirement

## 1.2 Local Government Finance Settlement

### *Settlement Funding Assessment (Core Funding)*

- 1.2.1 On 20 December 2019, the Secretary of State for the Ministry of Housing, Communities and Local Government, Robert Jenrick MP, made a statement to Parliament on the provisional local government finance settlement for 2020/21. The consultation in respect of the provisional settlement closed on 17 January 2020 and at the time of writing, we have not received the final settlement. We do not, however, anticipate that the final settlement will be significantly different to the provisional.
- 1.2.2 The expectation this time last year was that the 2019 Spending Review would determine the overall funding envelope for local government over a three or four-year period; and the Fair Funding Review how that funding was shaken down to individual councils and, in turn, business rates baselines and baseline funding levels.
- 1.2.3 Given the diversion of parliamentary business on other matters this has proved not to be the case, and we have accordingly received a Settlement Funding Assessment (SFA) for one year only (2020/21). The Fair Funding Review has also been deferred, as a result further prolonging the period of 'limbo' which again does little to aid medium term financial planning. Furthermore, the proposed move to a 75% Business Rates Retention Scheme in 2020/21 has also been deferred.
- 1.2.4 The SFA for 2020/21 is not that dissimilar to 2019/20 uplifted for inflation with the Government funding, for a further year, what has been referred to as 'Negative RSG'. To put this into context in our case 'Negative RSG' is around £1m and, in turn, giving a SFA of either £1.3m or £2.3m. However, it is important to stress that **funding beyond 2020/21 will be dependent** on the outcome of the expected multi-year settlement to follow and the Fair Funding Review.
- 1.2.5 As a result 2019/20 and now 2020/21 could be seen as a **holding year**.
- 1.2.6 Our SFA for the year 2020/21 as shown in the table below is £2,301,752, a cash increase of £36,902 or 1.6% when compared to the equivalent figure of £2,264,850 in 2019/20.

### *New Homes Bonus*

- 1.2.7 Similarly, New Homes Bonus (NHB) is to continue in its current form in 2020/21 and where the baseline below which NHB will not be paid remains at 0.4%. The Council's NHB for the year 2020/21 as shown in the table below is £3,375,063, a cash decrease of £82,365 or 2.4% when compared to the equivalent figure of £3,457,428 in 2019/20.
- 1.2.8 However, NHB, in its current form at least, is highly unlikely to continue beyond 2020/21 where legacy payments only, excluding the 2020/21 allocation, will be received, the last of which may be in 2022/23 (subject to confirmation). Notwithstanding NHB would have continued to reduce over time as the changes already made to the scheme worked their way through the system and the recent above average housing delivery fell out of the calculation to around £1.8m.
- 1.2.9 The future of NHB or a replacement remains the subject of discussion. To put this into context NHB could:
- Continue in its current form – NHB £1.8m
  - Be withdrawn and not replaced – NHB £nil placing the Council's finances under severe pressure.
  - Replaced, but where the funding stream and sum awarded is much reduced – for example NHB replacement £900,000 or half that of NHB.
- 1.2.10 This is a dramatic change to the sums (in excess of £3m) we have so far received. It remains our ambition to restructure the MTFS so it is not as reliant on NHB or its replacement.

### *Overall Government Grant Funding (Settlement Funding Assessment + NHB)*

- 1.2.11 Overall, grant funding including NHB for the year 2020/21 as shown in the table below is £5,676,815, a cash decrease of £45,463 or 0.8% when compared to the equivalent figure of £5,722,278 in 2019/20.

	2019/20	2020/21	Cash Increase/ (Decrease)	
	£	£	£	%
Local Share of Business Rates (baseline)	2,264,850	2,301,752	36,902	1.6
Tariff Adjustment ('negative RSG')				
<b>Settlement Funding Assessment</b>	<b>2,264,850</b>	<b>2,301,752</b>	<b>36,902</b>	<b>1.6</b>
<b>New Homes Bonus</b>	<b>3,457,428</b>	<b>3,375,063</b>	<b>(82,365)</b>	<b>(2.4)</b>
<b>Overall Grant Funding</b>	<b>5,722,278</b>	<b>5,676,815</b>	<b>(45,463)</b>	<b>(0.8)</b>



1.2.12 The government in recent years has referred to the increase / (decrease) in an authority's core spending power. Using 2015/16 as the base year the increase in core spending power over the period calculated by the government in cash terms is £1,279,126 or 8.2%.

1.2.13 Of the twelve district councils in Kent Tonbridge & Malling Borough Council receives the lowest Settlement Funding Assessment both in total and per head. A comparison of our Settlement Funding Assessment with those of other Kent district councils is provided at **[Annex 1b]**.

### 1.3 Kent Business Rates Pool

1.3.1 The Council is a member of the Kent Business Rates Pool. In the event that the Council exceeds its baseline funding level will pay a reduced levy to Central Government. If the Council fails to achieve 92.5% of its baseline a safety net payment is made by the Pool up to this level.

1.3.2 The proposed move to a 75% Business Rates Retention Scheme has been deferred.

### 1.4 Revenue Estimates 2020/21

1.4.1 As mentioned in the Foreword, the draft Revenue Estimates for 2020/21 were presented to the meetings of the Finance, Innovation and Property Advisory Board and the Overview and Scrutiny Committee earlier in the cycle. The role of the Advisory Board and of the Committee is to assist both the Cabinet and the Council in the development of its budget within the context of the Medium Term Financial Strategy and the Council's priorities. Whilst a number of questions were posed by Members at these meetings, with the exception of a recommendation that the budget for Borough Christmas Lighting be capped at £40,000, the Revenue Estimates as presented were endorsed.

1.4.2 Adjustments made to the Revenue Estimates presented to the Finance, Innovation and Property Advisory Board and the Overview and Scrutiny Committee are detailed in the table below.

	<b>Revised Estimate 2019/20 £</b>	<b>Original Estimate 2020/21 £</b>
Summary Total reported to Finance, Innovation and Property Advisory Board on 8 January 2020	14,086,750	14,310,650
Delivery of additional recycling containers	67,000	
Extension of current bring site recycling arrangements	51,700	
Business Rates Retention Scheme Reserve	36,400	12,250
External Audit fees	6,600	2,200
Upper and Lower Medway Internal Drainage Boards		2,950

Borough Christmas Lighting		(8,000)
Housing Benefits / CTS Administration Grant		(16,600)
Under-indexing business rates multiplier		(18,450)
Tonbridge and Malling Leisure Trust pension costs		(20,700)
<b>Current Summary Total</b>	<b>14,248,450</b>	<b>14,264,300</b>

## 1.5 Fees and Charges

1.5.1 During the course of this budget cycle Members have, via the appropriate Advisory Boards, made recommendations regarding the levels of fees and charges to be implemented.

1.5.2 Proposals in respect of fees and charges recommended via the appropriate Advisory Boards have been reflected in the Budget. A summary of these recommendations, together with the resolution of Licensing and Appeals Committee in respect of licensing fees is set out at **[Annex 2]**. Members should note that in respect of car parking fees and charges, the proposals are presently out to public consultation.

1.5.3 Cabinet is accordingly **RECOMMENDED** to endorse the fees and charges set out in **[Annex 2]** as recommended by the appropriate Advisory Boards other than item SSE 19/25 which was endorsed at the meeting on 6 January.

## 1.6 Capital Plan

1.6.1 The Capital Plan Review process started at the Finance, Innovation and Property Advisory Board on 8 January followed by the Overview and Scrutiny Committee on 15 January.

1.6.2 Members' attention was drawn to the difficult financial landscape and the impact this has on the ability of the Council to invest in capital schemes. It was, however, also acknowledged that some capital projects can have a beneficial effect on the revenue position by either generating additional or new income, or alternatively producing cost savings in due course.

1.6.3 Members were reminded of the criteria established to guide the inclusion of new schemes to List C (holding list of schemes not yet fully worked up) and ultimately the inclusion of schemes on List A (schemes assigned budget provision). The criteria are:

- to meet legislative requirements including health and safety obligations;
- funded from external resources; and
- reduce revenue expenditure and or generate income.

1.6.4 The subsequent recommendations where appropriate have regard to these criteria.

- 1.6.5 Capital expenditure is currently funded from the revenue reserve for capital schemes, grants from government and other bodies, developer contributions and from capital receipts derived from the sale of assets.
- 1.6.6 It is important to ensure that the revenue reserve for capital schemes can continue to fund capital expenditure at least until we reach a position where the annual contribution to the reserve matches the funding required for the replacement of existing assets (vehicles, plant and equipment) as well as recurring capital expenditure.
- 1.6.7 As a result there is an annual capital allowance for all other capital expenditure. Any 'bids' for capital schemes or discretionary capital grants are to be assessed in the context of the annual allowance. The annual capital allowance is currently set at £200,000. It is proposed subject to review each year that the maximum annual capital allowance be increased to £250,000 for the period 2020/21 to 2025/26.
- 1.6.8 It should be noted, based on current projections, that from 2026/27 the Council may need to borrow to fund such expenditure. This does not however, preclude a decision to borrow in order to fund in full or in part a commercial investment opportunity that meets the Council's strategic priorities and objectives, achieves value for money and delivers a financial return. Each such opportunity to be considered on a case by case basis as appropriate.
- 1.6.9 In addition, the Invest to Save Reserve or Transformation Reserve (made up of specific grants received from government in respect of revenues and benefits functions) could be used to fund in full or in part appropriate capital plan schemes.
- 1.6.10 The Finance, Innovation and Property Advisory Board and the Overview and Scrutiny Committee endorsed the recommendations as detailed in the papers. The recommendations were:
- 1) Cabinet be asked to endorse the Capital Plan (List A) position at Annex 1 (FIPAB agenda) and summarised at **[Annex 3]**.
  - 2) The schemes listed in **[Annex 4]** are added to List C or deleted from List C as detailed.
  - 3) The schemes listed in **[Annex 5]** are selected for evaluation over the coming year. On this occasion, four new schemes have been recommended including three for Fast-Track evaluation. In addition, there are four schemes selected for evaluation in a previous Review that are either on hold following evaluation, subject to further evaluation or yet to be evaluated as follows: Tonbridge Farm Sportsground – Provision of Toilets, Leybourne Lakes Country Park – Facility Improvements, River Medway – Riverside Lighting, Tonbridge and Financial Services Document Management Software.

- 4) The evaluated List C schemes are progressed in accordance with the recommendation shown in **[Annex 6]**.
- 5) Cabinet be asked to endorse the Capital Strategy at Annex 4 (FIPAB agenda) for adoption by Council and publication on the Council's website.

1.6.11 The estimated annual revenue costs of the evaluated List C schemes are given in the table below. The amount and timing of any revenue impact depends on the profiling of the capital expenditure and the timing of any changes in activity levels which generate changes to running costs or income. It can be seen that if the schemes are progressed as recommended the estimated revenue consequences are (£53,000) in 2020/21 and (£105,950) in subsequent years.

Scheme	Capital Cost £	Revenue Impact	
		2020/21 £	2021/22 £
Leybourne Lakes Country Park: Path Improvement Works	60,000	0	0
Tonbridge Cemetery Memorial Garden Vaults	16,000	300	650
Car Parking Improvement Works	210,000	(53,300)	(106,600)
<b>Total</b>	<b>286,000</b>	<b>(53,000)</b>	<b>(105,950)</b>

1.6.12 The estimated capital cost of the path improvement works at Leybourne Lakes Country Park is to be funded by way of external funding and developer contributions; and the memorial garden vaults and car parking improvement works can be met from the annual capital allowance of £250,000.

1.6.13 An updated summary of the Capital Plan incorporating the schemes listed in paragraph 1.6.11 is attached at **[Annex 7]**.

1.6.14 A funding statement based on **[Annex 7]** is attached at **[Annex 8]**. The main source of funding is the Revenue Reserve for Capital Schemes and the impact on the Revenue Reserve for Capital Schemes is illustrated in **[Annex 9]**.

1.6.15 Accordingly, it is **RECOMMENDED** that:

- 1) Cabinet approves the existing Capital Plan (List A) position at Annex 1 (FIPAB agenda) and summarised at **[Annex 3]**.
- 2) Cabinet approves that the schemes listed in **[Annex 4]** are added to List C or deleted from List C as detailed.
- 3) Cabinet approves the selection of those schemes listed in **[Annex 5]** for evaluation over the coming year. On this occasion, four new schemes have been recommended including three for Fast-Track evaluation.
- 4) Cabinet approves the transfer of schemes detailed in **[Annex 6]** to List A.

- 5) Cabinet approves the updated Capital Plan (List A) as summarised in **[Annex 7]**.
- 6) Cabinet endorse the Capital Strategy as presented to the Finance, Innovation and Property Advisory Board on 8 January and Overview and Scrutiny Committee on 15 January.

## **1.7 Treasury Management and Annual Investment Strategy**

- 1.7.1 The Local Government Act 2003 and its subsidiary regulations set out the framework for the system of capital controls which applied from 1 April 2004 whereby local authorities must set their own borrowing limits with regard to affordability, prudence and sustainability. Underpinning this is a requirement to follow the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.7.2 The Prudential Code requires that the CIPFA Treasury Management Code of Practice is adopted and that a number of prudential indicators are set.
- 1.7.3 An updated Prudential Code and Treasury Management Code were published by CIPFA in December 2017. The focus of both updates is to ensure the risks associated with investment in 'non-financial assets which are held primarily for financial returns' are properly evaluated, reported, subject to scrutiny and managed over time.
- 1.7.4 Council adopted the December 2017 edition of the Codes in October 2018 and the requirements of the Codes have been taken into account and reflected as appropriate in the annual review and update of both the Capital Strategy and the Treasury Management and Annual Investment Strategy 2020/21.
- 1.7.5 The approval of the Treasury Management and Annual Investment Strategy and determination of the prudential indicators has to be made by Full Council, as do amendments to either the Strategy or indicators during the year.
- 1.7.6 The Prudential Code under the auspices of the Local Government Act 2003 and subsidiary regulations requires that a number of treasury management prudential indicators are set. These are set out below along with any discretionary – local (L) indicators used.
  - 1) The capital financing requirement - the extent to which the authority needs to undertake external borrowing to support its capital programme.
  - 2) The operational boundary for external debt.
  - 3) The authorised limit for external debt.
  - 4) The actual external debt.
  - 5) The upper limit for fixed interest rate exposure.

- 6) The upper limit for variable rate exposure.
- 7) The upper limit for total principal sums invested for over 365 days.
- 8) The maturity structure for new fixed rate borrowing during 2020/21.

1.7.7 A summary of the indicators appears in the table below.

<b>Treasury Management Prudential Indicators</b>					
<b>Prudential Indicator</b>	<b>2018/19 Actual</b>	<b>2019/20 Revised Estimate</b>	<b>2020/21 Estimate</b>	<b>2021/22 Estimate</b>	<b>2022/23 Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
The capital financing requirement	NIL	NIL	NIL	NIL	NIL
The operational boundary for external debt	NIL	4,000	4,000	4,000	4,000
The authorised limit for external debt	NIL	7,000	7,000	7,000	7,000
Actual external debt	NIL	NIL	NIL	NIL	NIL
The upper limit for fixed interest rate exposure >1 year at year end	NIL	It is anticipated that the net exposure will range between 0% to 60%			
The upper limit for variable rate exposure < 1 year at year end	15,411 42.3%	It is anticipated that the net exposure will range between 40% to 100%			
The upper limit for total principal sums invested for over 365 days at year end	5,000 13.7%	60% of funds			
The maturity structure for new fixed rate borrowing during 2020/21	Upper Limit		Lower Limit		
Under 12 months	100%		NIL		
Over 12 months	NIL		NIL		

1.7.8 The capital financing requirement measures the amount of external borrowing that the Council expects to have to undertake in support of its capital programme. A nil figure indicates that no borrowing is required. As this Council is debt free and does not expect to have to borrow to support its capital programme over the period covered, this indicator is nil.

1.7.9 The operational boundary is designed to cover all day to day borrowing requirements. As this Council is debt free, borrowing is only undertaken on a short-term basis to cover cash flow management. The operational boundary which for a number of years has been set at £2m is to be increased to £4m to reflect the scale of payments that now arise each month.

1.7.10 The authorised limit is intended to provide a degree of headroom above the operational boundary to cover unexpected and unusual borrowing requirements. Likewise, the authorised limit which for a number of years has been set at £5m is to be increased to £7m.

1.7.11 As mentioned at paragraph 1.6.8 this does not however, preclude a decision to borrow in order to fund in full or in part a commercial investment opportunity that meets the Council's strategic priorities and objectives, achieves value for money and delivers a financial return. Each such opportunity to be considered on a case by case basis as appropriate and the prudential indicators updated and approved accordingly.

1.7.12 The other prudential indicators we are required or choose to set are shown in the table below.

### Prudential Indicators

<b>1.</b>	Ratio of actual and estimated financing costs to the net revenue stream	(Interest payable with respect to borrowing less interest and investment income) ÷ (government grants plus call on local taxpayers) x 100%.						
	2018/19 actual	2019/20 estimated	2020/21 estimated	2021/22 estimated	2022/23 estimated	2023/24 estimated	2024/25 estimated	2025/26 estimated
	-3.51%	-4.07%	-3.56%	-6.07%	-6.60%	-7.19%	-7.53%	-7.99%
<b>2.</b>	Estimates of the incremental impact of capital investment decisions on the council tax (L)	The revenue impact of capital schemes added to the capital plan on the council tax Band D equivalent. The figures below show the estimated effect on the Borough Council's Band D equivalent of the addition of List B schemes to list A. A more detailed version of this indicator appears in <b>[Annex 10]</b> .						
		2020/21 estimated	2021/22 estimated	2022/23 estimated	2023/24 estimated	2024/25 estimated	2025/26 estimated	
	Total	£ (1.03)	£ (2.06)	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00
<b>3.</b>	Actual and estimated capital expenditure	This indicator is based on the updated capital plan position. The figures are based on those shown in <b>[Annex 8]</b> .						
	2018/19 actual	2019/20 estimated	2020/21 estimated	2021/22 estimated	2022/23 estimated	2023/24 estimated	2024/25 estimated	2025/26 estimated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	3,587	7,681	3,876	2,416	2,250	3,053	2,196	2,099

1.7.13 We, therefore, **RECOMMEND** that for the financial year 2020/21 the prudential indicators listed in paragraphs 1.7.7 and 1.7.12 be recommended to Council for adoption.

1.7.14 A local authority has a statutory duty to "determine for the current financial year an amount of minimum revenue provision that it considers to be prudent" in relation to its capital expenditure. It would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred and so such expenditure is spread over several years so as to try and match the years over which such assets benefit the local community through their useful life.

1.7.15 The spreading of these costs is through what is termed an *annual minimum revenue provision*. As the Council is debt free and, at least in the short term, does not expect to borrow to support its capital programme the minimum revenue provision is nil. Guidance issued by the Government also recommends that a Minimum Revenue Provision Policy Statement be prepared. We propose to prepare such a Statement at a time when our capital expenditure plans cannot be met without recourse to borrowing. Based on current estimates, this is not anticipated to be before 2026/27.

1.7.16 Members are asked to **Note** that for the financial year 2020/21 our *annual minimum revenue provision* is nil subject to the comment at paragraph 1.7.11.

## 1.8 Consultation with Non-Domestic (Business) Ratepayers

1.8.1 Representatives of the Council's Non-Domestic Ratepayers have been consulted in respect of the draft revenue budget and capital plan. The consultees, who include the local Chambers of Commerce as well as a group of the larger ratepayers in the Borough receive on request information and copies of the draft budgets and are invited to make written representations if they deem it appropriate. The deadline given for responses was 17 January 2020. ***Cabinet is advised that no comments have been received.***

## 1.9 Medium Term Financial Strategy Update

1.9.1 To recap, the Council's Medium Term Financial Strategy (MTFS) covers both revenue and capital budgets over a rolling ten-year period, and it is this Strategy that underpins the budget setting process for the forthcoming year and over the strategy period. The aim of the MTFS is to give us a realistic and sustainable plan that reflects the Council's priorities.

1.9.2 The Strategy also sets out, based on current financial information, not only the projected budgets for the period, but also the levels of council tax that are projected to be required to meet the Council's spending plans. Underneath the Strategy for the budget setting year sits detailed estimates formulated in conjunction with Services taking into account past outturn, current spending plans and likely future demand levels / pressures.

1.9.3 Members are aware of the financial challenge faced by the Council as a result of the Government's budget deficit reduction programme which has resulted in reductions in the financial support offered to local government. We do, however, believe that our MTFS is resilient and the financial pressures likely to confront us can be addressed in a measured and controlled way, but this is becoming progressively more difficult.

1.9.4 The MTFS sets out the high level objectives the Council wishes to fulfil over the agreed time span. These are:



- To achieve a **balanced revenue budget** that delivers the Council's priorities by the end of the strategy period.
  - To retain a **minimum of £3.0m** in the General Revenue Reserve by the end of the strategy period.
  - Seek to set future increases in council tax having regard to the **guidelines** issued by the Secretary of State.
  - Continue to **identify efficiency savings** and **opportunities for new or additional income sources** and to **seek appropriate reductions in service costs** in delivery of the Savings and Transformation Strategy (STS) approved by Members.
  - Subject to there being sufficient resources within the capital reserve, set a **maximum 'annual capital allowance'** each year as part of the budget setting process for all new capital schemes (currently set at £200,000 from the Council's own resources) and give priority to those schemes that generate income or reduce costs.
- 1.9.5 As mentioned in the report to Cabinet on 16 October 2019, it is proposed subject to review each year that the **maximum 'annual capital allowance'** be increased from £200,000 to £250,000 to reflect cost inflation.
- 1.9.6 The budget for 2020/21 is, naturally, the starting point for updating the MTFS. Referring to paragraph 1.4.2, Members will note that the Summary Total for the 2019/20 Revised Estimates is £14,248,450; and for the 2020/21 Estimates is £14,264,300 and is used in the budget projections in the Medium Term Financial Strategy at **[Annex 11a]**.
- 1.9.7 When updating the MTFS we need to take into account the following (not exclusive) factors:
- Overall Government Grant Funding (Settlement Funding Assessment + NHB)*
- 1.9.8 Notwithstanding the continuing uncertainty and volatility surrounding local government finances with the increased risk of significant variations compared to projections, we still need to plan ahead as best we can. To put this into context at one end of the spectrum overall government grant funding could be £1.5m and at the other £3.3m.
- 1.9.9 In the latest iteration of the MTFS it is assumed overall government grant funding will **steadily** reduce from circa £5.95m (includes an element of business rates growth) in 2019/20 to £2.45m in 2023/24 uplifted for inflation year on year thereafter. A cash decrease of £3.5m or 58.8% over the period.
- 1.9.10 It is proposed that sums received in excess of £2.45m in each of the years 2020/21 to 2022/23 be used to establish a Budget Stabilisation reserve to manage

risk, assist in meeting future savings and transformation contributions and/or fund in full or in part an appropriate commercial investment opportunity. The excess in 2020/21 is circa £3.5m.

- 1.9.11 A hypothetical example of how the assumed overall government grant funding of £2.45m in 2023/24 might be made up is business rates baseline (£1.5m) business rates growth (£250,000) and NHB replacement (£700,000).

*Business Rates Retention Scheme*

- 1.9.12 The ongoing impact of the Business Rates Retention Scheme and the move to an 'interim' 75% Retention Scheme deferred to 2021/22 and an 'eventual' 100% Retention Scheme.
- 1.9.13 Beyond 2020/21, however, the **question remains** as to what will our business rates baseline and baseline funding level be under an 'interim' 75% and 'eventual' 100% Business Rates Retention Scheme and how this then compares to that reflected in the MTFS taking into account transfer of any new responsibilities?

*Council Tax Referendum Principles*

- 1.9.14 The MTFS sets out, not only the projected budgets for the period, but also the levels of council tax that are projected to be required to meet the Council's spending plans.
- 1.9.15 For the year 2020/21, a referendum will be triggered where council tax is increased by **2%, or more than 2% and more than £5**. This time last year the MTFS assumed a council tax increase of £5 representing a 2.4% increase in council tax. *Members should note that at the time of writing this report we have not received the final settlement nor the final accompanying statement regarding referendum principles. We do not, however, anticipate that there will be any change from the statement issued with the provisional settlement.*

- 1.9.16 For the purposes of preparing the budget papers and updating the MTFS an **increase of £5 in 2020/21** has been assumed and each year thereafter.

*Funding Gap*

- 1.9.17 As we know, the funding gap is not static and constantly changes in response to both internal and external factors. When setting the budget for 2019/20 in February 2019, projections at that time suggested a funding gap between expenditure and income of circa £550,000.
- 1.9.18 In October 2019, following an interim high level review of our MTFS and the anticipated challenges we were expecting to face, a report to Cabinet suggested that when taken together budget or potential budget pressures in the 'pipeline' could push the funding gap to circa £800,000. **Since then a series of decisions or recommendations have been made by Members which have been**

**incorporated into these draft Estimates** and accordingly, amongst other things, have contributed to our savings and transformation contributions, netting the projected outstanding funding gap down to £320,000. By way of example:

- 1) Purchase of temporary accommodation for homelessness purposes.
- 2) Transfer of ownership and responsibility for public conveniences to the relevant town/parish council or disposal.
- 3) Impact of pension fund triennial valuation less than expected.
- 4) Recommendations regarding fees and charges including existing and proposed new car parking charges recommended, subject to consultation, by the Street Scene and Environment Services Advisory Board and endorsed by Cabinet.
- 5) Much higher take-up of the opt-in garden waste service.
- 6) Inflationary uplift applied to the waste services contract sum.
- 7) Not forgetting that the sale of both River Walk Offices and River Lawn Amenity Land, together with the closure of customer surgeries are also included in the financial position presented.

1.9.19 **Clearly, if one or more of the above are not actioned either in full or in part or the savings and transformation contribution is less than that assumed the projected funding gap increases accordingly.**

1.9.20 **[Annex 11a]** sets out the picture for the MTFS.

## **1.10 Savings and Transformation Strategy**

1.10.1 Alongside the MTFS sits a Savings and Transformation Strategy (STS). The purpose of the Strategy is to provide structure, focus and direction in addressing the financial challenge faced by the Council. In so doing, it recognises that there is no one simple solution and as a result we will need to adopt a number of ways to deliver the required savings and transformation contributions within an agreed timescale.

1.10.2 A number of key themes have been identified, together with outline targets and timescales which need to be revisited and aligned with the latest projected funding gap.

### *Savings and Transformation Contributions*

1.10.3 To recap, this year's savings and transformation contribution was set at £100,000 and to date **net savings in the order of £230,000 have been identified** when looking across the ten-year period of the MTFS as summarised in the table below.

- 1.10.4 Factors that have contributed towards meeting this year's contribution include the waste services contract, recommendations regarding fees and charges, purchase of temporary accommodation and review of public conveniences provision. Factors that have taken the funding gap in the 'wrong' direction include increase in homeless caseload, government grant and demand on the IT infrastructure.

	<b>£'000</b>
Savings and Transformation Contributions Identified to Date	(369)
Other Factors Impacting on MTFs	139
<b>Net (Savings) / Budget Growth</b>	<b>(230)</b>

- 1.10.5 This time last year the projected funding gap was £550,000 and a year on, all other things being equal, was expected to be £450,000. The latest projected 'outstanding' funding gap is £320,000 (£550,000 - £230,000) as outlined in paragraph 1.9.18. ***It is important to note however that this assumes that all the recommendations made by Boards and Committees (e.g. the transfer of public conveniences to parish councils and the introduction of the car parking charges which are currently out to consultation) are delivered. If for whatever reason these are found not to be deliverable, the funding gap – and therefore the savings and transformation target – will increase.***
- 1.10.6 As in previous iterations of the MTFs the latest projected 'outstanding' funding gap can be broken down into tranches. The proposed number, scale and timing of requisite future savings and transformation contributions is given below.
- 1) Tranche 1 - £20,000 to be achieved by April 2021.
  - 2) Tranche 2 - £300,000 to be achieved by April 2024.
- 1.10.7 Before turning to the updated STS, it is worth reflecting on the cumulative savings and transformation contributions either achieved or identified to date since the inception of the Strategy in 2016. **[Annex 11b]** sets out the individual savings and transformation contributions achieved or identified to date in each year, by theme and summarised below.

Theme	Savings and Transformation Contributions					
	By April 2016	By April 2017	By April 2018	By April 2019	By April 2020	Total
	£000	£000	£000	£000	£000	£000
Income Generation & Cost Recovery	60	146	88	0	168	<b>462</b>
In-Service Efficiencies	200	77	50	0	0	<b>327</b>

Service Change & Reduction	0	100	3	65	201	<b>369</b>
Contracts	0	0	200	585	0	<b>785</b>
Organisation Structure Change	15	129	119	0	0	<b>263</b>
Partnership Funding	0	431	0	0	0	<b>431</b>
Asset Management	0	0	186	0	0	<b>186</b>
<b>Total</b>	<b>275</b>	<b>883</b>	<b>646</b>	<b>650</b>	<b>369</b>	<b>2,823</b>

1.10.8 An updated copy of the STS, recommended by Management Team, including revised outline targets and timescales for each of the themes totalling £320,000 can be found at **[Annex 11c]**.

1.10.9 It is probably worth reiterating that 2019/20 and now 2020/21 could be seen as 'holding' years as we await the expected multi-year settlement to follow and the outcome of the Fair Funding Review. How we will fair at the end of that process compared to that assumed an important piece of the jigsaw. ***The Director of Finance and Transformation is keen to stress that depending on the outcome and what happens to NHB further (potentially significant) savings could be required.***

1.10.10 Cabinet is **RECOMMENDED** to:

- 1) Endorse subject to review each year that the **maximum 'annual capital allowance'** be increased from £200,000 to £250,000 as detailed at paragraph 1.9.5.
- 2) Endorse that a Budget Stabilisation reserve be established in the sum of £3,500,000 to manage risk, assist in meeting future savings and transformation contributions and/or fund in full or in part an appropriate commercial investment opportunity as detailed at paragraph 1.9.10.
- 3) Note and endorse the updated MTFS **[Annex 11a]**.
- 4) Give guidance to Full Council as to the best way forward in updating the MTFS for the next ten-year period, and setting the council tax for 2020/21.
- 5) Note and endorse the updated STS **[Annex 11c]** including the proposed scale and timing of each of the required savings and transformation contributions set out at paragraph 1.10.6.

1.10.11 Turning back to the specific budget year 2020/21. The budget for 2020/21 includes a contribution **to** the general revenue reserve of £371,950 and a Summary of the Revenue Estimates Booklet is attached at **[Annex 12]**.

## 1.11 Collection Fund Adjustments

1.11.1 As the billing authority for the area, this Council has responsibility for maintaining the 'collection fund' accounts into which council tax and business rates are paid.

1.11.2 Each year before we can finalise our calculations in respect of the tax requirements, we have to:

- Estimate the surplus / deficit on the collection fund for 2019/20 in respect of council tax and then share this between the major precepting authorities (including ourselves).
- Estimate the surplus / deficit on the collection fund for 2019/20 in respect of business rates and then share this between the relevant parties in accordance with the business rates retention scheme.

1.11.3 These are known as collection fund adjustments:

- The **surplus** on the collection fund for 2019/20 in respect of council tax is estimated to be £459,604. Our share, to be reflected in the 2020/21 Estimates is £66,826 [**Annex 13a**].
- The **surplus** on the collection fund for 2019/20 in respect of business rates is estimated to be £2,057,735. Our share, to be reflected in the 2020/21 Estimates is £823,094 [**Annex 13b**].

## 1.12 Special Expenses and Parish Council Precepts

1.12.1 A Special Expenses Scheme was introduced on the 1 April 2017 [**Annex 14a**].

1.12.2 Details of the Special Expenses for 2020/21 are set out at [**Annex 14b**]. The basic amount of council tax of £197.68 plus the special expenses Band D charge, where applicable, gives the total Borough Council Band D charge for that area.

1.12.3 When publishing the Borough Council's level of council tax at Band D for "official" purposes in accordance with the prescribed methodology from the Ministry of Housing, Communities and Local Government (MHCLG), we are required to aggregate all expenditure (as if special expenses did not exist) and calculate a **notional** Band D figure. (This is so that the MHCLG can see that the referendum principles have been adhered to).

1.12.4 The resultant published (notional) council tax at Band D for 2020/21 is £214.50, being £5 or 2.4% higher than the published Band D council tax for 2019/20. As Members will note, no resident will actually pay this exact amount as the Borough Council's Band D – unless it is by coincidence.

1.12.5 Cabinet is requested to **ENDORSE** the special expenses calculated in accordance with the Special Expenses Scheme and set out at [**Annex 14b**].

1.12.6 Details of Parish Council precepts notified to the Borough Council are given at [**Annex 15**].

## 1.13 The Robustness of the Estimates and the Adequacy of the Reserves

- 1.13.1 The Council is required to have regard to the level of its balances and reserves before determining its council tax requirement. **[Annex 16]** sets out the projected general fund and general revenue reserve balances based on an increase of £5 to the notional council tax level.
- 1.13.2 The Local Government Act 2003 requires the Chief Financial Officer (in our case the Director of Finance and Transformation) to report to an authority, when making the statutory calculations required to determine its council tax, on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides.
- 1.13.3 What is required is the professional advice of the Director of Finance and Transformation on these two questions. This responsibility is discharged by way of a certified Statement.
- 1.13.4 The Director of Finance and Transformation advises that she is satisfied as to the robustness of the estimates and the adequacy of reserves on the understanding that the **required savings and transformation contributions based on latest projections in the sum of £320,000 are delivered in the timeframe assumed in the Medium Term Financial Strategy.**
- 1.13.5 The Statement referred to above is appended at **[Annex 17a]**. Members will note that overall the Director of Finance and Transformation signifies that, in her professional opinion, the estimates are robust and the level of reserves adequate.
- 1.13.6 A schedule of the reserves held by the Council at 1 April 2019 and proposed utilisation of those reserves to 31 March 2021 is provided at **[Annex 17b]**. As this Council's Chief Finance Officer, the Director of Finance and Transformation has undertaken a review of the earmarked reserves held and is satisfied as to the position depicted and will revisit the position as part of the closedown process for 2019/20.
- 1.13.7 Members are **RECOMMENDED** to note and endorse the Statement **[Annex 17a]** provided by the Director of Finance and Transformation.

#### **1.14 The Chartered Institute of Public Finance and Accountancy Financial Management Code and Financial Resilience Index**

- 1.14.1 In October 2019 the Chartered Institute of Public Finance and Accountancy (CIPFA) published a Financial Management Code (FM Code) to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code is based on a series of principles supported by specific standards and statements of practice considered necessary to provide the strong foundation to:
- financially manage the short, medium and long-term finances
  - manage financial resilience to meet unforeseen demands on services

- financially manage unexpected shocks in their financial circumstances.
- 1.14.2 The Code requires that a local authority demonstrate that its processes satisfy the principles of good financial management for an authority of its size, responsibilities and circumstances and sought to rely on the local exercise of professional judgement backed by appropriate reporting. None of this should be of particular concern to us as we believe good financial management is in all significant respects already embedded at Tonbridge and Malling.
- 1.14.3 Compliance will typically but not always be demonstrated by documenting compliance with the Statements of Standard Practice which underpin each of the Financial Management Standards. We see this requiring a response to each of the Statements of Standard Practice by way of a self-assessment which is to be progressed later this year and the outcome reported to the Finance, Innovation and Property Advisory Board.
- 1.14.4 In addition, the CIPFA Financial Resilience Index aims to provide a tool with a group of indicators able to illustrate the trajectory of an authority's financial position and resilience within the context of each authority's own comparator tier and nearest neighbour group. CIPFA has designed the index to provide reassurance and prompt challenge where it may be needed.
- 1.14.5 There are no particular concerns to draw to Members attention from a review of the Financial Resilience Index published in December 2019. A copy of the Index (tier comparator) is attached at **[Annex 17c]** for information.
- 1.14.6 Members are **RECOMMENDED** to note the requirements of the CIPFA FM Code and to demonstrate compliance by way of a self-assessment to be reported to a future meeting of the Finance, Innovation and Property Advisory Board; and the outcome of the review of the CIPFA Financial Resilience Index.

## 1.15 Calculation of Borough Council's Tax Requirement

- 1.15.1 The Council is required to calculate:
- Its aggregate expenditure which, for this purpose, includes our share of any Collection Fund deficit and the Parish Council precepts.
  - Its aggregate income which, for this purpose, includes our share of any Collection Fund surplus and the Local Government Finance Settlement (see paragraph 1.2).
  - The amount by which the aggregate expenditure exceeds the aggregate income is to be its council tax requirement for the year.
- 1.15.2 Assuming Cabinet's concurrence with the recommendations set out in paragraph 1.10.10, the calculation is set out at **[Annex 18]**. It should be noted that, for this



purpose, the Borough Council's council tax requirement includes the Parish Council precepts.

## **1.16 Legal Implications**

- 1.16.1 There are a number of legislative requirements to consider in setting the Budget which will be addressed as we move through the budget cycle.
- 1.16.2 The Localism Act gives local communities the power to veto excessive council tax increases. The Secretary of State will determine a limit for council tax increases which has to be approved by the House of Commons. If an authority proposes to raise council tax above this limit they will have to hold a referendum to get approval for this from local voters who will be asked to approve or veto the rise.

## **1.17 Financial and Value for Money Considerations**

- 1.17.1 The 2020/21 provisional local government finance settlement is relatively positive for TMBC, which is welcome news. However, as I have said, this is a "further" standalone "holding year" and two key questions remain. Firstly, what will our business rates baseline and baseline funding level be under an 'interim' 75% and 'eventual' 100% Business Rates Retention scheme, and how will this compare to that reflected in the MTFS taking into account transfer of any new responsibilities? Secondly, what is the extent to which NHB will feature in future government grant funding and if replaced what level of funding would we receive in its place?
- 1.17.2 Funding beyond 2020/21 **dependent** on the outcome of the expected multi-year settlement to follow and the Fair Funding Review making financial planning that more difficult. How we will fair at the end of that process compared to that assumed a critical piece of the jigsaw.
- 1.17.3 Furthermore, the impact of current economic conditions on Council finances / financial assumptions in respect of inflation, interest rates, income levels, etc. and the scale of the impact over the medium term is uncertain and difficult to determine.
- 1.17.4 The Capital Strategy outlines a capital plan process which follows the CIPFA Prudential Code and in addition to supporting the achievement of the Council's strategic priorities and objectives, focuses on value for money.

## **1.18 Risk Assessment**

- 1.18.1 The Local Government Act 2003 requires the Chief Financial Officer, when calculating the Council Tax Requirement, to report on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. Consideration will and is given to the risks associated with any budget setting process where various financial and other assumptions have to be made. To mitigate the risks detailed estimates are formulated in conjunction with Services taking into account past outturn, current spending plans and likely future

demand levels / pressures and external advice on assumptions obtained where appropriate.

- 1.18.2 The Medium Term Financial Strategy sets out the high level financial objectives the Council wishes to fulfil and underpins the budget setting process for the forthcoming year and over the Strategy period. As the Council's high level financial planning tool the Strategy needs to be reviewed and updated at least annually and in the current climate the Savings and Transformation Strategy regularly reviewed by Management Team. **In addition, not identifying and implementing the requisite savings and transformation contributions will put at risk the integrity of the MTFs.**
- 1.18.3 **Members are also reminded that the funding gap set out in the report assumes that all the recommendations made by Boards and Committees (e.g. the transfer of public conveniences to parish councils and the introduction of the car parking charges which are currently out to consultation) are delivered. If for whatever reason these are found not to be deliverable, the funding gap – and therefore the savings and transformation target – will increase.**
- 1.18.4 The continuing uncertainty and volatility surrounding local government finances and more recently Brexit make financial planning that more difficult with the increased risk of significant variances compared to projections; and the consequent implications on the level of reserves held.
- 1.18.5 The projected figures for New Homes Bonus or its replacement are at risk of further revision downwards which would, in turn, increase the required savings and transformation contributions.
- 1.18.6 The Inter Authority Agreement with KCC as part of the Waste Services Contract may not be extended beyond the initial 8 year period of the contract, albeit this is considered unlikely. The Waste Services Contract also may not be extended beyond the initial 8 year contract period with potential adverse budget implications.
- 1.18.7 Members are reminded that there are factors not reflected in the MTFs, e.g. the cost of borrowing for new capital plan schemes when and if required.
- 1.18.8 Failure to endorse a satisfactory Capital Strategy may lead to a capital programme which does not fully support the Council's strategic priorities and objectives.
- 1.18.9 Any increase in council tax above the relevant threshold, even by a fraction of a percentage point, would require a referendum to be held.
- 1.18.10 At the time of finalising this report for agenda publication, we have not received the final local government finance settlement. **Figures contained within this report are, therefore, based on the provisional settlement.** We do not

anticipate there being any significant difference in the 'final' figures. Members will, of course, be updated as appropriate.

## 1.19 Equality Impact Assessment

1.19.1 Where there is a perceived impact on end users an equality impact assessment has been carried out and as further savings and transformation options emerge, further equality impact assessments will need to be carried out as appropriate.

## 1.20 Policy Considerations

1.20.1 Business Continuity/Resilience

1.20.2 Community

## 1.21 Summary of Recommendations

1.21.1 Cabinet is **RECOMMENDED** to:

- 1) Endorse the recommendation that the budget for Borough Christmas Lighting be capped at £40,000.
- 2) Endorse the fees and charges set out in **[Annex 2]** as recommended by the appropriate Advisory Boards other than item SSE 19/25 which was endorsed at the meeting on 6 January.
- 3) Update the Capital Plan as set out in paragraph 1.6.15 and recommend that Council adopt the Capital Plan accordingly.
- 4) Endorse the Capital Strategy as presented to the Finance, Innovation and Property Advisory Board on 8 January and the Overview and Scrutiny Committee on 15 January and recommend to Council it be adopted.
- 5) Endorse the prudential indicators listed in paragraphs 1.7.7 and 1.7.12 and recommend to Council that they be adopted.
- 6) Note that for the financial year 2020/21 our *annual minimum revenue provision* as set out at paragraph 1.7.15 is *nil* subject to the comment at paragraph 1.7.11.
- 7) Endorse subject to review each year that the maximum 'annual capital allowance' be increased from £200,000 to £250,000.
- 8) Endorse that a Budget Stabilisation reserve be established in the sum of £3,500,000 to manage risk, assist in meeting future savings and transformation contributions and/or fund in full or in part an appropriate commercial investment opportunity as detailed at paragraph 1.9.10.
- 9) Note and endorse the updated MTFs **[Annex 11a]**.

- 10) Give guidance to Full Council as to the best way forward in updating the MTFs for the next ten-year period, and setting the council tax for 2020/21.
- 11) Note and endorse the updated STS [**Annex 11c**] including the proposed scale and timing of each of the required savings and transformation contributions set out at paragraph 1.10.6.
- 12) Endorse the special expenses calculated in accordance with the Special Expenses Scheme and set out at [**Annex 14b**].
- 13) Note and endorse the Statement [**Annex 17a**] provided by the Director of Finance and Transformation as to the Robustness of the Estimates and the Adequacy of the Reserves.
- 14) Members are **RECOMMENDED** to note the requirements of the CIPFA FM Code and to demonstrate compliance by way of a self-assessment to be reported to a future meeting of the Finance, Innovation and Property Advisory Board; and the outcome of the review of the CIPFA Financial Resilience Index.

Background papers:

Nil

contact: Neil Lawley  
Sharon Shelton

Julie Beilby  
Chief Executive

Sharon Shelton  
Director of Finance and Transformation

Nicolas Heslop  
Leader of the Council

Martin Coffin  
Cabinet Member for Finance, Innovation and Property  
and Deputy Executive Leader

# The Referendums Relating to Council Tax Increases (Principles) (England) Report 2020/21

## Legislative background

### *General*

1. Under section 52ZB(a) of the Local Government Finance Act 1992 (“the 1992 Act”) each billing authority and precepting authority must determine whether its relevant basic amount of council tax(b) for a financial year (“the year under consideration”) is excessive. In essence, the relevant basic amount of council tax for an authority is that authority’s average band D council tax, excluding local precepts. If an authority’s relevant basic amount of council tax is excessive a referendum must be held in relation to that amount.
2. Under section 52ZC(c) of the 1992 Act the question of whether an authority’s relevant basic amount of council tax is excessive must be decided in accordance with a set of principles determined by the Secretary of State. A set of principles —
  - may contain one principle or two or more principles, and
  - must constitute or include a comparison between the authority’s relevant basic amount of council tax for the year under consideration and its relevant basic amount of council tax for the financial year immediately preceding the year under consideration(d).
3. In setting principles for the year under consideration the Secretary of State may determine categories of authority. If the Secretary of State does so the same principles must be determined for all authorities falling within the same category and if an authority does not fall within any of the categories its relevant basic amount of council tax is not capable of being excessive for the year under consideration(e).
4. If the Secretary of State does not determine categories of authority for the year under consideration, any principles determined for the year must be such that the same set is determined for all authorities(f).
5. The principles for a financial year must be set out in a report which must be laid before and approved by the House of Commons. If the

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**a** Section 52ZB was inserted into the 1992 Act by Schedule 5 to the Localism Act 2011.

**b** The term “relevant basic amount of council tax” is defined in section 52ZX of the 1992 Act (inserted as above and amended by section 41(1) and (9) to (13) of the Local Audit and Accountability Act 2014 and is modified by S.I. 2017/611).

**c** Section 52ZC was inserted into the 1992 Act by Schedule 5 to the Localism Act 2011 and is modified by S.I. 2017/611.

**d** Section 52ZC(2) and (3) of the 1992 Act.

**e** Section 52ZC(4) of the 1992 Act.

**f** Section 52ZC(5) of the 1992 Act.

report for a financial year is not approved on or before the date on which the local government finance report for the same year is approved by the House of Commons, no principles have effect for that year and accordingly no authority's relevant basic amount of council tax is capable of being excessive for that year(a).

*The Greater London Authority*

6. The Greater London Authority ("the GLA") calculates two different basic amounts of council tax for a financial year —
  - (a) an amount which applies to the City of London and which does not include any amount in respect of the Mayor's Office for Policing and Crime, and
  - (b) an amount which applies to all parts of Greater London other than the City of London and which includes an amount in respect of the Mayor's Office for Policing and Crime(b).
7. The GLA's relevant basic amount of council tax is defined by reference to these two amounts. In particular —
  - the relevant basic amount derived from the amount mentioned in paragraph 6(a) above is referred to in the 1992 Act as the GLA's unadjusted relevant basic amount of council tax, and
  - the relevant basic amount derived from the amount mentioned in paragraph 6(b) above is referred to in the 1992 Act as the GLA's adjusted relevant basic amount of council tax(c).
8. A principle that applies to the GLA, and that constitutes or includes a comparison between the GLA's relevant basic amount of council tax for the year under consideration and the financial year immediately preceding that year, may only provide for —
  - a comparison between unadjusted relevant basic amounts of council tax,
  - a comparison between adjusted relevant basic amounts of council tax, or
  - both(d).

*An authority which has power to calculate its council tax under the Local Government (Structural Changes) (Finance) Regulations 2008*

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**a** See generally section 52ZD of the 1992 Act, inserted as above.

**b** Sections 88(2) and 89(3) of the Greater London Authority Act 1999. Section 88(2) was substituted by section 77(1) and (3) of the Localism Act 2011 and section 89(4) (which is mentioned in section 89(3)) was substituted by section 77(1) and (7) of that Act. The Mayor's Office for Policing and Crime was established by section 3 of the Police Reform and Social Responsibility Act 2011.

**c** Section 52ZX(4) of the 1992 Act.

**d** Section 52ZC(6) of the 1992 Act.

9. Where structural change occurs under the Local Government and Public Involvement in Health Act 2007, in order to equalise more equitably the council tax payable in the predecessor areas an authority is able to calculate its council tax under Part 4 (equalisation of council tax) of the Local Government (Structural Changes) (Finance) Regulations 2008 (“the 2008 regulations”)(a) for a transitional period.
10. If an authority has the power to calculate its council tax for a financial year under Part 4 of the 2008 Regulations, those Regulations modify the operation of the council tax referendums provisions in the 1992 Act in relation to that year. In particular, section 52ZC of the 1992 Act is modified to allow the authority to use different methods of comparison to determine whether its council tax increase is excessive in accordance with its preferred approach to equalisation. The modifications which apply also depend on how the financial year for which principles are being set relates to the date of the structural change(b).
11. In relation to the financial year 2020-21, West Suffolk District Council, Bournemouth, Christchurch and Poole Council, and Buckinghamshire Council have the power to calculate their council tax under Part 4 of the 2008 Regulations. In relation to Buckinghamshire Council the modifications in Part 1 of Schedule 3 to the 2008 Regulations apply for 2020-21(c). In relation to West Suffolk District Council and Bournemouth, Christchurch and Poole Council the modifications in Part 2 of that Schedule apply for 2020-21(d).

## **The Report**

12. This Report is made by the Secretary of State for Housing, Communities and Local Government and laid before the House of Commons under section 52ZD(1) of the 1992 Act.
13. The Report applies to all billing authorities, major precepting authorities falling within section 39(1)(a), (aa) and (b) to (db) of the 1992 Act and the Greater Manchester Combined Authority(e). No principles are specified for local precepting authorities or other mayoral combined authorities.

## **Principles for the financial year beginning on 1st April 2020**

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a S.I. 2008/3022, as amended by the Local Government (Structural Changes) (Finance) (Amendment) Regulations 2012 (S.I. 2012/20) and the Local Government (Structural Changes) (Finance) (Amendment) Regulations 2018 (S.I. 2018/1296)

b See regulation 15A of, and Schedule 3 to, the 2008 Regulations, as amended by S.I. 2018/1296. Different modifications apply for the first, second to seventh, and eighth years following the date of the structural change.

c See paragraphs 1 to 8 of that Schedule, as amended by S.I. 2018/1296.

d See paragraphs 9 to 16 of that Schedule, as amended by S.I. 2018/1296.

e The Greater Manchester Combined Authority was created by the Greater Manchester Combined Authority Order 2011, S.I. 2011/908.

14. The principles which apply for 2020-21 are set out in Annex A to this Report. If this Report is approved by resolution of the House of Commons the principles will have effect for that financial year.

Signed by authority of the Secretary of State for Housing, Communities and Local Government

[ ] 2020

*Name*  
Parliamentary Under Secretary of State  
Ministry of Housing, Communities and Local Government



## **Principles for the financial year beginning on 1st April 2020**

The set of principles determined by the Secretary of State under section 52ZC(1) of the Local Government Finance Act 1992 for the financial year beginning on 1st April 2020 is as follows:

### **Interpretation**

1.—(1) In this set of principles—

“2019-20” means the financial year beginning on 1st April 2019;

“2020-21” means the financial year beginning on 1st April 2020;

“the 1992 Act” means the Local Government Finance Act 1992(a);

“the 2008 Regulations” means the Local Government (Structural Changes) (Finance) Regulations 2008(b);

“the GLA” means the Greater London Authority;

“predecessor area” has the same meaning as in regulation 12(1) of the 2008 Regulations;

“a relevant local authority” means—

(a) an authority falling within section 1(4) of the Care Act 2014(c) (other than Bournemouth, Christchurch and Poole Council); and

(b) the Council of the Isles of Scilly;

“a shire district council” means a district council for an area for which there is a county council.

(2) In this set of principles any reference to an authority is a reference to a billing authority, a major precepting authority falling within section 39(1)(a), (aa) and (b) to (db) of the 1992 Act, and the Greater Manchester Combined Authority.

(3) Terms used in this set of principles which are also used in the 1992 Act have the same meanings as in that Act.

### **Categories of authority for 2020-21**

2. For 2020-21, the Secretary of State determines that the following are categories of authority for the purposes of section 52ZC of the 1992 Act—

(a) any relevant local authority(d);

(b) the GLA;

(c) any shire district council (other than West Suffolk District Council);

(d) any police and crime commissioner;

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(a) 1992 c.14.

(b) S.I. 2008/3022, as amended by S.I. 2012/20 and 2018/1296.

(c) 2014 c.23. The definition in section 1(4) of the Act covers (a) county councils in England; (b) district councils for an area in England for which there is no county council; (c) London borough councils, and (d) the Common Council of the City of London.

(d) The bodies that are within this category are set out, for information, in Annex B to this Report.

- (e) the Greater Manchester Combined Authority(a);
- (f) West Suffolk District Council;
- (g) Buckinghamshire Council;
- (h) Bournemouth, Christchurch and Poole Council; and
- (i) any other authority.

**Principles for 2020-21 for authorities belonging to the category mentioned in paragraph 2(a)**

3. For 2020-21, the relevant basic amount of council tax of an authority which belongs to the category mentioned in paragraph 2(a) is excessive if the authority's relevant basic amount of council tax for 2020-21 is 4% (comprising 2% for expenditure on adult social care, and 2% for other expenditure), or more than 4%, greater than its relevant basic amount of council tax for 2019-20.

**Principles for 2020-21 for the Greater London Authority**

4. For 2020-21, the GLA's relevant basic amount of council tax is excessive if—

- (a) the GLA's unadjusted relevant basic amount of council tax for 2020-21 is 2%, or more than 2%, greater than its unadjusted relevant basic amount of council tax for 2019-20; or
- (b) the GLA's adjusted relevant basic amount of council tax for 2020-21 is more than [XX] greater than its adjusted relevant basic amount of council tax for 2019-20.

**Principles for 2020-21 for authorities belonging to the category mentioned in paragraph 2(c)**

5. For 2020-21, the relevant basic amount of council tax of an authority which belongs to the category mentioned in paragraph 2(c) is excessive if the authority's relevant basic amount of council tax for 2020-21 is—

- (a) 2%, or more than 2%, greater than its relevant basic amount of council tax for 2019-20; and
- (b) more than £5 greater than its relevant basic amount of council tax for 2019-20.

**Principles for 2020-21 for authorities belonging to the category mentioned in paragraph 2(d)**

6. For 2020-21, the relevant basic amount of council tax of an authority which belongs to the category mentioned in paragraph 2(d) is excessive if the authority's relevant basic amount of council tax for 2020-21 is more than [XX] greater than its relevant basic amount of council tax for 2019-20.

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(a) Where the mayor of a combined authority exercises PCC functions Chapter 4ZA of Part 1 of the Local Government Finance Act 1992 is modified by paragraphs 7 to 10 of the Schedule to the Combined Authorities (Finance) Order 2017, S.I. 2017/611.

## **Principles for 2020-21 for the Greater Manchester Combined Authority**

7. For 2020-21, the PCC component relevant basic amount of council tax of the Greater Manchester Combined Authority is excessive if the authority's PCC component relevant basic amount of council tax for 2020-21 is more than [XX] greater than its PCC component relevant basic amount of council tax for 2019-20.

## **Principles for 2020-21 for West Suffolk District Council**

8.—(1) If West Suffolk District Council calculates its basic amount of council tax for 2020-21 under section 31B(1) of the 1992 Act, West Suffolk District Council's relevant basic amount of council tax for 2020-21 is excessive if the amount mentioned in section 52ZC(3A)(a)(a) of the 1992 Act is—

- (a) 2%, or more than 2%, greater than the amount mentioned in section 52ZC(3A)(b) of that Act; and
- (b) more than £5 greater than the amount mentioned in section 52ZC(3A)(b) of that Act.

(2) If West Suffolk District Council calculates basic amounts of council tax for its predecessor areas for 2020-21 under Part 4 of the 2008 Regulations, the authority's relevant basic amount of council tax for that year is excessive if —

(a) for any of West Suffolk District Council's predecessor areas, the amount mentioned in section 52ZC(3C)(a) in the 1992 Act is—

- (i) 2%, or more than 2%, greater than the amount mentioned in section 52ZC(3C)(b) of that Act; and
- (ii) more than £5 greater than the amount mentioned in section 52ZC(3C)(b) of that Act; and

(b) the amount mentioned in section 52ZC(3F)(a) of the 1992 Act is—

- (i) 2%, or more than 2%, greater than the amount mentioned in section 52ZC(3F)(b) of that Act; and
- (ii) more than £5 greater than the amount mentioned in section 52ZC(3F)(b) of that Act.

## **Principles for 2020-21 for Buckinghamshire Council**

9.—(1) If Buckinghamshire Council calculates its basic amount of council tax for 2020-21 under section 31B(1) of the 1992 Act, Buckinghamshire Council's relevant basic amount of council tax for 2020-21 is excessive if the amount mentioned in section 52ZC(3A)(a)(b) of the 1992 Act is 4% (comprising 2% for expenditure on adult social care and 2% for other expenditure), or more than 4%, greater than the amount mentioned in section 52ZC(3A)(b) of that Act.

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(a) For 2020-21, the modifications in paragraphs 9 to 16 of Schedule 3 to the 2008 Regulations (as amended by S.I. 2018/1296) apply to the 1992 Act in relation to West Suffolk District Council. See paragraph 1A for modifications to section 52ZC of the 1992 Act.

(b) For 2020-21, the modifications in paragraphs 1 to 8 of Schedule 3 to the 2008 Regulations (as amended by S.I. 2018/1296) apply to the 1992 Act in relation to Buckinghamshire Council. See paragraph 1 for modifications to section 52ZC of the 1992 Act.

(2) If Buckinghamshire Council calculates basic amounts of council tax for its predecessor areas for 2020-21 under Part 4 of the 2008 Regulations, Buckinghamshire Council's relevant basic amount of council tax for that year is excessive if—

- (a) for any of the Buckinghamshire Council's predecessor areas, the amount mentioned in section 52ZC(3C)(a) of the 1992 Act is 4% (comprising 2% for expenditure on adult social care, and 2% for other expenditure), or more than 4%, greater than the amount mentioned in section 52ZC(3C)(b); and
- (b) the amount mentioned in section 52ZC(3D)(a) of the 1992 Act is 4% (comprising 2% for expenditure on adult social care, and 2% for other expenditure), or more than 4%, greater than the amount mentioned in section 52ZC(3D)(b);

### **Principles for 2020-21 for Bournemouth, Christchurch and Poole Council**

**10.**—(1) If Bournemouth, Christchurch and Poole Council calculates its basic amount of council tax for 2020-21 under section 31B(1) of the 1992 Act, Bournemouth, Christchurch and Poole Council's relevant basic amount of council tax for 2020-21 is excessive if the amount mentioned in section 52ZC(3A)(a)(a) of the 1992 Act is 4% (comprising 2% for expenditure on adult social care and 2% for other expenditure), or more than 4%, greater than the amount mentioned in section 52ZC(3A)(b) of that Act.

(2) If Bournemouth, Christchurch and Poole Council calculates basic amounts of council tax for its predecessor areas for 2020-21 under Part 4 of the 2008 Regulations, the authority's relevant basic amount of council tax for that year is excessive if—

- (a) for any of Bournemouth, Christchurch and Poole Council's predecessor areas, the amount mentioned in section 52ZC(3C)(a) of the 1992 Act is 4% (comprising 2% for expenditure on adult social care, and 2% for other expenditure), or more than 4%, greater than the amount mentioned in section 52ZC(3C)(b); and
- (b) the amount mentioned in section 52ZC(3F)(a) of the 1992 Act is 4% (comprising 2% for expenditure on adult social care, and 2% for other expenditure), or more than 4%, greater than the amount mentioned in section 52ZC(3F)(b);

### **Principles for 2020-21 for authorities belonging to the category mentioned in paragraph 2(i)**

**11.** For 2020-21, the relevant basic amount of council tax of an authority which belongs to the category mentioned in paragraph 2(i) is excessive if the authority's relevant basic amount of council tax for 2020-21 is 2%, or more than 2%, greater than its relevant basic amount of council tax for 2019-20.

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(a) For 2020-21, the modifications in paragraphs 9 to 16 of Schedule 3 to the 2008 Regulations (as amended by S.I. 2018/1296) apply to the 1992 Act in relation to Bournemouth, Christchurch and Poole Council. See paragraph 1 for modifications to section 52ZC of the 1992 Act.

Local authorities for the following areas fall within the definition of “relevant local authority” in the *Principles for the financial year beginning on 1st April 2020*

(INNER LONDON)

City of London  
Camden  
Greenwich  
Hackney  
Hammersmith & Fulham

Islington  
Kensington & Chelsea  
Lambeth  
Lewisham  
Southwark

Tower Hamlets  
Wandsworth  
Westminster

(OUTER LONDON)

Barking & Dagenham  
Barnet  
Bexley  
Brent  
Bromley

Croydon  
Ealing  
Enfield  
Haringey  
Harrow

Havering  
Hillingdon  
Hounslow  
Kingston-upon-Thames  
Merton

Newham  
Redbridge  
Richmond-upon-Thames  
Sutton  
Waltham Forest

(GREATER MANCHESTER)

Bolton  
Bury  
Manchester  
Oldham  
Rochdale  
Salford  
Stockport  
Tameside

Trafford  
Wigan

(MERSEYSIDE)

Knowsley  
Liverpool  
St Helens  
Sefton  
Wirral

(SOUTH YORKSHIRE)

Barnsley  
Doncaster  
Rotherham  
Sheffield

(TYNE AND WEAR)

Gateshead  
Newcastle-upon-Tyne  
North Tyneside  
South Tyneside  
Sunderland

(WEST MIDLANDS)

Birmingham  
Coventry  
Dudley  
Sandwell  
Solihull  
Walsall  
Wolverhampton

(WEST YORKSHIRE)

Bradford  
Calderdale  
Kirklees  
Leeds  
Wakefield

(COUNTY COUNCILS)

Cambridgeshire  
Cumbria  
Derbyshire  
Devon

East Sussex  
Essex  
Gloucestershire  
Hampshire  
Hertfordshire

Kent  
Lancashire  
Leicestershire  
Lincolnshire  
Norfolk

North Yorkshire

Nottinghamshire  
Oxfordshire  
Somerset

Staffordshire  
Suffolk  
Surrey  
Warwickshire  
West Sussex  
Worcestershire

(UNITARY AUTHORITIES)  
Bath & North East Somerset  
Bedford  
Blackburn with Darwen  
Blackpool

Bracknell Forest  
Brighton & Hove  
Bristol  
Central Bedfordshire  
Cheshire East

Cheshire West and Chester  
Cornwall  
Darlington  
Derby  
Dorset

Durham  
East Riding of Yorkshire  
Halton  
Hartlepool  
Herefordshire

Isle of Wight Council  
Isles of Scilly  
Kingston-upon-Hull  
Leicester  
Luton

Medway  
Middlesbrough  
Milton Keynes  
North East Lincolnshire  
North Lincolnshire

North Somerset  
Northumberland  
Nottingham  
Peterborough  
Plymouth

Portsmouth  
Reading  
Redcar & Cleveland

Rutland  
Shropshire

Slough  
South Gloucestershire  
Southampton  
Southend-on-Sea  
Stockton-on-Tees

Stoke-on-Trent  
Swindon  
Telford & Wrekin  
Thurrock  
Torbay

Warrington  
West Berkshire  
Wiltshire  
Windsor & Maidenhead  
Wokingham  
York



**Local Government Finance Settlement 2020/21**

	2020/21				
	Revenue Support Grant £	Business Rates Baseline £	Settlement Funding Assessment £	Estimated Population mid-2018	Per Head £
Ashford	-	2,877,629	2,877,629	129,281	22.26
Canterbury	-	4,687,349	4,687,349	164,553	28.49
Dartford	-	2,715,907	2,715,907	109,709	24.76
Dover	57,459	3,705,016	3,762,475	116,969	32.17
Folkestone and Hythe	-	3,732,549	3,732,549	112,578	33.16
Gravesham	-	2,964,812	2,964,812	106,385	27.87
Maidstone	-	3,259,829	3,259,829	169,955	19.18
Sevenoaks	-	2,304,245	2,304,245	120,293	19.16
Swale	114,987	4,290,310	4,405,297	148,519	29.66
Thanet	99,041	5,053,855	5,152,896	141,819	36.33
<b>Tonbridge and Malling</b>	-	<b>2,301,752</b>	<b>2,301,752</b>	<b>130,508</b>	<b>17.64</b>
Tunbridge Wells	-	2,374,684	2,374,684	118,054	20.12

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**Item SSE 19/25 referred from Street Scene and Environment Services  
Advisory Board minutes of 30 October 2019**

**SSE 19/25 REVIEW OF CAR PARKING FEES AND CHARGES**

The joint report of the Director of Street Scene, Leisure and Technical Services and the Director of Finance and Transformation brought forward proposals for fees and charges for existing car parking to be implemented from 1 April 2020. In addition, the report sought approval for the introduction of charges in a number of the Council's smaller car parks, highlighted a review of initiatives to improve digital access for customers and the intention to introduce electric charging points and confirmed parking arrangements for the Blood Transfusion Service and the Breast Screening Unit in Tonbridge.

**RECOMMENDED:** That,

- (1) subject to consideration of the consultation referred to at paragraph 1.22 of the report, Cabinet be commended to approve the following proposals with effect from 1 April 2020:-
  1. introduce the schedule of charges for short and long stay parking in Tonbridge as shown in Table 1 of the report;
  2. revise the parking arrangements at Tonbridge Castle to maximise public use whilst still retaining appropriate parking arrangements for staff;
  3. adopt the schedules of Peak and Off-Peak Season Ticket charges in Tonbridge as shown in Tables 2 and 3;
  4. increase Ryarsh Lane annual season ticket charges to £255;
  5. introduce the schedules of charges for short stay parking in West Malling shown in Table 5;
  6. introduce the schedule of charges for Blue Bell Hill car park shown in Table 6;
  7. introduce the schedule of charges for parking in Borough Green Western Road car park shown in Table 7;
  8. increase Residents Permits to £45 per year and introduce a rising scale of charges for those parking more than 2 cars in the road;
  9. introduce the schedule of charges for Business Permits and dispensations shown in Table 8, subject to consideration of a 'means tested regime' at the next annual review;
  10. visitor permits be retained at £12 for a book of 10 permits, with the current offer of 10 free permits to new applicants retained;

11. introduce the schedule of charges for Haysden and Leybourne Lakes Country Parks shown in Table 9;
12. introduce the schedule of charges for on-street pay & display parking in Tonbridge shown in Table 10 and incorporate the existing parking bays in the northern end of the High Street and Lyons Crescent; and
13. parking charges on Sunday and Bank Holidays remain free of charge.

(2) the following be commended to Cabinet:-

1. car parking charges be introduced to the Council's existing car parks in Aylesford, Martin Square Larkfield and Snodland, as outlined in the report, and a period of formal consultation be undertaken in accordance with the requirements of Statutory Regulations;
2. a Capital Plan evaluation be undertaken for consideration at the Finance, Innovation and Property Advisory Board for the provision of new parking machines, CCTV (subject to the outcome of the Overview and Scrutiny Committee), signage and Improvements in Aylesford, Martin Square Larkfield and Snodland car parks, Tonbridge Castle Grounds and on street parking bays in Tonbridge High Street and Lyons Crescent;
3. a report be presented to a future meeting of the Street Scene and Environment Services Advisory Board on initiatives to support the priorities outlined in the Council's Digital Strategy;
4. the Parking Service back office administration system be upgraded with the existing suppliers;
5. parking initiatives to support the Council's commitment to a sustainable low-carbon future be incorporated in the emerging Climate Change Strategy, with a report on the introduction of electric car charging points across the Council's car parks being considered at a future meeting of the Street Scene and Environment Services Advisory Board;
6. the parking concessions for the Blood Transfusion Services and Breast Screening Unit, as outlined in the report, be approved;
7. the possibility of additional parking provision in the Castle Fields area of Tonbridge be investigated; and

8. the long term future of the Sovereign Way East car park be reviewed as part of a future review of assets in Tonbridge Town Centre to determine the best use of the site.

**\*Referred to Cabinet**

**Item SSE 19/27 referred from Street Scene and Environment Services  
Advisory Board minutes of 30 October 2019**

**SSE 19/27 REVIEW OF FEES AND CHARGES**

The joint report of the Director of Street Scene, Leisure and Technical Services, the Director of Planning, Housing and Environmental Health and the Director of Finance and Transformation set out the proposed fees and charges for the provision of services in respect of household bulky refuse and fridge/freezer collections, “missed” refuse collections, stray dog redemption fees, pest control, food certificates, contaminated land monitoring and private water supplies from 1 April 2020.

**RECOMMENDED:** That

- (1) the scale of charges for household bulky refuse and fridge/freezer collections, “missed” refuse collections, stray dog redemption fees, pest control, food certificates, contaminated land monitoring and private water supplies, as detailed in the report, be approved; and
- (2) the above charges be implemented from 1 April 2020.

**\*Referred to Cabinet**

**Item CH 19/40 referred from Communities and Housing Advisory  
Board minutes of 12 November 2019**

**CH 19/40 REVIEW OF CEMETERY CHARGES 2020/21**

Consideration was given to the joint report of the Director of Street Scene, Leisure and Technical Services and Director of Finance and Transformation setting out charging proposals for 2020/21 regarding Tonbridge Cemetery. A comparison with other Kent district councils’ charges was provided and it was anticipated that the proposals would generate additional net income of approximately £1,200.

**RECOMMENDED:** That the proposed charges for Tonbridge Cemetery, as detailed at Annex 2 to the report, be approved and implemented from 1 April 2020.

**\*Referred to Cabinet**

**Item CH 19/41 referred from Communities and Housing Advisory Board minutes of 12 November 2019**

**CH 19/41 REVIEW OF HOUSE IN MULTIPLE OCCUPATION AND CARAVAN SITE LICENSING FEES 2020/21**

The report of the Director of Planning, Housing and Environmental Health provided an update on existing fees for licensing houses in multiple occupation (HMOs) and caravan sites together with recommended charges following a review of costs of processing the respective applications. The proposed fee increases had been benchmarked against neighbouring authorities.

**RECOMMENDED:** That the following charges be approved with effect from 1 April 2020:

£537 for a new mandatory HMO licence application;  
£495 for the renewal of a mandatory HMO licence application;  
£390 for a new caravan site licence where the use of the site is for permanent residential use; and  
£185 for the transfer of a caravan site licence for a permanent residential use site.

**\*Referred to Cabinet**

**Item PE 19/24 referred from Planning and Transportation Advisory Board minutes of 13 November 2019**

**PE 19/24 REVIEW OF PLANNING APPLICATION CHARGING REGIME**

The report of the Director of Planning, Housing and Environmental Health provided a review of the pre-application charging regime and set out the proposed new charges for 2020-2021. The report advised of the need to review the protocol each year to ensure the evidence base was up-to-date while the annual consideration of the charging schedule ensured that it was fairly applied and ensured proportionate recovery of costs incurred in providing pre-application advice.

**RECOMMENDED:** That Cabinet approve the adoption of the updated Pre-application Charging Schedule 2020/21, as set out at Annex 1 to the report, with effect from 1 April 2020.

**\*Referred to Cabinet**

**Item FIP 20/3 referred from Finance, Innovation and Property Advisory Board minutes of 8 January 2020**

**FIP 20/3 REVIEW OF FEES AND CHARGES 2020/21**

The report of the Management Team brought forward for consideration as part of the Budget setting process for 2020/21 proposals in respect of those fees

and charges that were the responsibility of the Cabinet Member for Finance, Innovation and Property or not reported elsewhere.

**RECOMMENDED:** That

- (1) in respect of the recovery of legal fees payable by third parties, the Council's charges follow the rates set out at section 1.2 of the report and continue to reflect existing practices highlighted therein;
- (2) the proposed scale of fees for local land charges searches and enquiries set out at Annex 1 to the report be adopted with effect from 1 April 2020;
- (3) the current photocopying charges of 10p (inclusive of VAT) for each page of the same document or additional copies of the same page plus postage as appropriate be retained;
- (4) the fee schedule for street naming and numbering set out in section 1.6 of the report be adopted with effect from 1 April 2020; and
- (5) the amount of council tax and business rate Court costs recharged remain as set out at paragraph 1.7.2 of the report for the 2020/21 financial year.  
**\*Referred to Cabinet**

**Item FIP 20/4 referred from Finance, Innovation and Property Advisory Board minutes of 8 January 2020**

**FIP 20/4 TONBRIDGE CASTLE - REVIEW OF FEES AND CHARGES**

The report of the Director of Central Services and Monitoring Officer presented a review of fees and charges in respect of the variety of services and functions delivered at Tonbridge Castle and made recommendations to increase revenue streams from a number of different areas. It was noted that it had been agreed to end concessionary fees for Council Chamber bookings following a review by the Overview and Scrutiny Committee.

**RECOMMENDED:** That

- (1) the new pricing model for the Castle Tour at Tonbridge Castle be approved as set out at paragraph 1.5.6 of the report;
- (2) the new pricing model for Schoolchildren Educational Workshops at Tonbridge Castle be approved as set out at paragraph 1.6.3 of the report; and
- (3) the pricing model for hiring out the Council Chamber and meeting rooms at Tonbridge Castle be approved as set out at paragraph 1.8.3 of the report.  
**\*Referred to Cabinet**

**Item FIP 20/5 referred from Finance, Innovation and Property Advisory Board minutes of 8 January 2020**

**FIP 20/5 REVIEW OF BUILDING CONTROL PARTNERSHIP FEES FOR 2020/21**

The report of the Director of Planning, Housing and Environmental Health referred to the partnership arrangement with Sevenoaks District Council for provision of the Building Control Service, overseen by a Management Board. It was noted that a fee increase would not be applied for 2020/21 Building Control Partnership standard charges due to surpluses accrued since 2017/18. However there would be a review of building control services in 2020/21 to ensure that the correct percentage split was being applied between chargeable and non-chargeable services.

**RECOMMENDED:** That the charges set out at Annex 1 to the report be approved from 1 April 2020.

**\*Referred to Cabinet**

**Decision taken by Licensing and Appeals Committee of 26 November 2019**

**LA 19/41 REVIEW OF FEES AND CHARGES 2020/21 - LICENSING FEES**

Following a review of the existing fee structure the report of the Director of Central Services set out details of the proposed licensing fees and charges for 2020/21 in respect of Hackney Carriage and Private Hire, Pleasure Boats and Boatmen, Scrap Metal Dealers, Animal Welfare, Street Trading Consents in Tonbridge, Sex Establishments and the licensing of premises and practitioners providing Acupuncture, Tattooing, Ear Piercing, Semi-permanent make-up and Electrolysis.

**RESOLVED:** That the proposed scale of fees for licences, consents and registrations, as set out at Annex 1 to the report, be adopted with effect from 1 April 2020.



**Capital Plan: List A  
Service Summary**

	Expenditure To 31/03/19	2019/20 Estimate inc Prior Year Slippage	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	Scheme Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Capital Plan Schemes</b>									
Planning, Housing & Environmental Health	0	1,555	755	155	155	155	155	155	3,085
Street Scene, Leisure & Technical Services	235	2,881	432	636	143	1,263	159	159	5,908
Corporate	271	280	30	90	30	30	30	30	791
Sub-total	506	4,716	1,217	881	328	1,448	344	344	9,784
<b>Capital Renewals</b>									
Planning, Housing & Environmental Health	n/a	24	0	0	0	13	0	0	37
Street Scene, Leisure & Technical Services	n/a	533	923	287	576	389	402	304	3,414
Corporate	n/a	496	376	182	280	137	384	385	2,240
Sub-total	n/a	1,053	1,299	469	856	539	786	689	5,691
<b>Total</b>	506	5,769	2,516	1,350	1,184	1,987	1,130	1,033	15,475

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## Capital Plan Review 2019/20

## Recommendations in respect of List C

	FIPAB Annex 2 Page
<b>Schemes to be added to List C</b>	
<b>Street Scene, Leisure and Technical Services</b>	
Tonbridge Farm Sportsground Improvements	CP 29
Open Spaces: Holly Hill Path Improvements	CP 31
Leybourne Lakes Country Park: Path Improvement Works	CP 33
Tonbridge Cemetery Memorial Garden Vaults	CP 34
Car Parking Improvement Works	CP 36
<b>Corporate Services</b>	
Commercial Opportunities	CP 37

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## Capital Plan Review 2019/20

## Schemes selected for evaluation from List C

	<b>FIPAB Annex 2 Page</b>
<b>Street Scene, Leisure and Technical Services</b>	
Tonbridge Racecourse Sportsground Improvement Works: Phase 3	CP 30
Leybourne Lakes Country Park: Path Improvement Works (Fast-Track)	CP 33
Tonbridge Cemetery Memorial Garden Vaults (Fast-Track)	CP 34
Car Parking Improvement Works (Fast-Track)	CP 36

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## Capital Plan Review 2019/20

## Recommendations in respect of evaluated schemes

	Capital Cost	Estimated Annual Revenue/ Renewals Cost		FIPAB Annex 3 Page
	£'000	£'000		
<b>Street Scene, Leisure and Technical Services</b>				
Leybourne Lakes Country Park: Path Improvement Works	60	0	Transfer from List C to List B	CP 39
Tonbridge Cemetery Memorial Garden Vaults	16	1	Transfer from List C to List B	CP 41
Car Parking Improvement Works	210	(107)	Transfer from List C to List B	CP 43
<b>Total</b>	<b>286</b>	<b>(106)</b>		
<p>The estimated capital cost of the path improvement works at Leybourne Lakes Country Park is to be funded by way of external funding and developer contributions; and the memorial garden vaults and car parking improvement works can be met from the annual capital allowance of £250,000.</p>				

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**Capital Plan: List A  
Service Summary**

	Expenditure To 31/03/19	2019/20 Estimate inc Prior Year Slippage	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	Scheme Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Capital Plan Schemes</b>									
Planning, Housing & Environmental Health	0	1,555	755	155	155	155	155	155	3,085
Street Scene, Leisure & Technical Services	235	2,881	658	636	143	1,263	159	159	6,134
Corporate	271	280	30	90	30	30	30	30	791
Sub-total	506	4,716	1,443	881	328	1,448	344	344	10,010
<b>Capital Renewals</b>									
Planning, Housing & Environmental Health	n/a	24	0	0	0	13	0	0	37
Street Scene, Leisure & Technical Services	n/a	533	923	287	576	389	402	304	3,414
Corporate	n/a	496	376	182	280	137	384	385	2,240
Sub-total	n/a	1,053	1,299	469	856	539	786	689	5,691
<b>Total</b>	506	5,769	2,742	1,350	1,184	1,987	1,130	1,033	15,701

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## Capital Plan Review 2019/20 : Funding the Draft Capital Plan

	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
<b>Capital Plan Schemes</b>							
Capital Renewals	1,053	1,299	469	856	539	786	689
Other Recurring Expenditure (net of grants)	268	309	321	328	335	344	344
One-Off Schemes (net of grants & contributions)	4,448	1,134	560		1,113		
<b>Capital Plan Totals</b>	<b>5,769</b>	<b>2,742</b>	<b>1,350</b>	<b>1,184</b>	<b>1,987</b>	<b>1,130</b>	<b>1,033</b>
Add back grants / contributions	1,912	1,134	1,066	1,066	1,066	1,066	1,066
<b>Total to be funded</b>	<b>7,681</b>	<b>3,876</b>	<b>2,416</b>	<b>2,250</b>	<b>3,053</b>	<b>2,196</b>	<b>2,099</b>
<b>Funded from:</b>							
<b>Grants</b>							
BCF (Disabled Facilities Grant)	1,127	1,026	1,026	1,026	1,026	1,026	1,026
Environment Agency TRSG Revetment	14						
Leybourne Lakes Country Park Path Improvements		40					
<b>Developer Contributions Attributed to</b>							
Temporary Accommodation	500						
Tonbridge School Athletics Track	21						
Tonbridge Racecourse SG Rugby Pitch Drainage		8					
Tonbridge Racecourse SG Swimming Pool Bridge	65						
Open Spaces Site Improvements Phase 2	12						
Haysden Country Park Sewage Treatment Facility	130						
Leybourne Lakes Country Park Path Improvements		20					
<b>Capital and Other Receipts</b>							
DFG Grant Repayments	13	10	10	10	10	10	10
Housing Assistance Grant Repayments	30	30	30	30	30	30	30
Repayment of Mortgages	1						
<b>Balance met from Revenue Reserve for Capital Schemes</b>	<b>5,768</b>	<b>2,742</b>	<b>1,350</b>	<b>1,184</b>	<b>1,987</b>	<b>1,130</b>	<b>1,033</b>
<b>Total funding</b>	<b>7,681</b>	<b>3,876</b>	<b>2,416</b>	<b>2,250</b>	<b>3,053</b>	<b>2,196</b>	<b>2,099</b>

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## Capital Plan Review 2019/20 :Revenue Reserve for Capital Schemes

	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
<b>Balance at 1st April</b>	7,845	6,356	4,464	4,216	4,157	3,318	3,361
<b>Contribution from Revenue to meet Capital Renewals and other Annually Recurring Expenditure</b>	630		1,102	1,125	1,148	1,173	1,190
<b>Revenue contribution for new Capital Plan Schemes</b>	232	250	250	250	250	250	250
Less assumed spend			(250)	(250)	(250)	(250)	(250)
<b>Other Revenue &amp; Earmarked Reserve Contributions</b>							
Revenue Contribution (Air Quality Monitoring Equip)	20						
Revenue Contribution (LLC Ventilation / Boiler / Roof)	979						
Revenue Contribution (TSP/TRSG Bridge)	55						
Waste Contract Earmarked Reserve (New Waste Service)	700						
Invest to Save Reserve (Mobile Working)	23						
Invest to Save Reserve (Website Solution)	140						
Various Reserves/Contributions (Homeless Accommodation)	1,500	600					
<b>Available for application</b>	12,124	7,206	5,566	5,341	5,305	4,491	4,551
<b>Amount applied to fund capital</b>	(5,768)	(2,742)	(1,350)	(1,184)	(1,987)	(1,130)	(1,033)
<b>Balance at 31st March</b>	6,356	4,464	4,216	4,157	3,318	3,361	3,518

Borrowing for new Capital Plan Schemes is not anticipated before 2026/27.

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<b><u>Estimates of the incremental impact of capital investment on Band D equivalent Council Tax</u></b>	2020/21 est. £	2021/22 est. £	2022/23 est. £	2023/24 est. £	2024/25 est. £	2025/26 est. £
Leybourne Lakes Country Park: Path Improvement Works	0.00	0.00				
Tonbridge Cemetery Memorial Garden Vaults	0.00	0.01				
Car Parking Improvement Works	(1.03)	(2.07)				
<b>Total:</b> (Increase in Band D equivalent Council Tax attributable to new capital schemes)	<b>(1.03)</b>	<b>(2.06)</b>				

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## Medium Term Financial Strategy

	Estimate	Projection								
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
<b>EXPENDITURE</b>										
Employees	11,841	12,098	12,362	12,601	12,876	13,099	13,354	13,617	13,884	14,155
Transfer Payments	27,271	27,816	28,373	15,154	15,457	15,766	16,082	16,403	16,731	17,066
Other Expenditure	12,838	11,486	11,767	12,104	12,452	12,818	13,198	14,066	14,498	14,940
Capital Charges	3,321	3,387	3,455	3,524	3,595	3,667	3,740	3,815	3,891	3,969
<b>Total Expenditure</b>	<b>55,271</b>	<b>54,787</b>	<b>55,957</b>	<b>43,383</b>	<b>44,380</b>	<b>45,350</b>	<b>46,374</b>	<b>47,901</b>	<b>49,004</b>	<b>50,130</b>
<b>INCOME</b>										
Fees & Charges	(9,100)	(9,408)	(9,674)	(9,801)	(9,958)	(10,084)	(10,443)	(10,576)	(10,811)	(10,950)
Other Specific Grants & Miscellaneous	(28,146)	(28,415)	(28,946)	(15,583)	(15,894)	(16,210)	(16,533)	(16,863)	(17,198)	(17,541)
Investment Income	(525)	(834)	(935)	(1,050)	(1,133)	(1,239)	(1,306)	(1,335)	(1,332)	(1,325)
<b>Total Income</b>	<b>(37,771)</b>	<b>(38,657)</b>	<b>(39,555)</b>	<b>(26,434)</b>	<b>(26,985)</b>	<b>(27,533)</b>	<b>(28,282)</b>	<b>(28,774)</b>	<b>(29,341)</b>	<b>(29,816)</b>
<b>Appropriations</b>										
Capital Renewals	0	1,102	1,125	1,148	1,173	1,190	1,207	1,224	1,242	1,260
Provision for new Capital Schemes	850	250	250	250	250	250	0	0	0	0
Other Appropriations	(619)	(1,366)	(2,436)	(3,507)	(3,580)	(3,654)	(3,729)	(3,754)	(3,786)	(3,864)
<b>SAVINGS &amp; TRANSFORMATION TARGET</b>	<b>0</b>	<b>(20)</b>	<b>(20)</b>	<b>(21)</b>	<b>(21)</b>	<b>(22)</b>	<b>(22)</b>	<b>(23)</b>	<b>(23)</b>	<b>(23)</b>
<b>SAVINGS &amp; TRANSFORMATION TARGET</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(300)</b>	<b>(306)</b>	<b>(312)</b>	<b>(318)</b>	<b>(325)</b>	<b>(331)</b>
<b>NET BUDGETED SPEND</b>	<b>17,731</b>	<b>16,096</b>	<b>15,321</b>	<b>14,819</b>	<b>14,917</b>	<b>15,275</b>	<b>15,236</b>	<b>16,256</b>	<b>16,771</b>	<b>17,356</b>
<b>FUNDING</b>										
Revenue Reserves	(372)	502	317	208	(137)	(229)	(723)	(166)	(120)	(10)
Government Grant	6,194	4,197	3,224	2,443	2,492	2,542	2,592	2,644	2,697	2,751
Council Tax	11,019	11,397	11,780	12,168	12,562	12,962	13,367	13,778	14,194	14,615
Collection Fund Adjustment	890	0	0	0	0	0	0	0	0	0
<b>Total Funding</b>	<b>17,731</b>	<b>16,096</b>	<b>15,321</b>	<b>14,819</b>	<b>14,917</b>	<b>15,275</b>	<b>15,236</b>	<b>16,256</b>	<b>16,771</b>	<b>17,356</b>
<b>Council Tax Level at Band D</b>	<b>£214.50</b>	<b>£219.50</b>	<b>£224.50</b>	<b>£229.50</b>	<b>£234.50</b>	<b>£239.50</b>	<b>£244.50</b>	<b>£249.50</b>	<b>£254.50</b>	<b>£259.50</b>
<b>Increase on Previous Year</b>	<b>£5.00</b>	<b>£5.00</b>	<b>£5.00</b>	<b>£5.00</b>	<b>£5.00</b>	<b>£5.00</b>	<b>£5.00</b>	<b>£5.00</b>	<b>£5.00</b>	<b>£5.00</b>
<b>RESERVES BALANCE CARRIED FORWARD</b>	<b>6,876</b>	<b>6,374</b>	<b>6,057</b>	<b>5,849</b>	<b>5,986</b>	<b>6,215</b>	<b>6,938</b>	<b>7,104</b>	<b>7,224</b>	<b>7,234</b>

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### Savings and Transformation Contributions Monitoring

Savings and Transformation Contributions identified since introduction of Savings & Transformation Strategy in February 2016

Theme	Savings and Transformation Contributions Identified					
	by April 2016 £000	by April 2017 £000	by April 2018 £000	by April 2019 £000	by April 2020 £000	Total £000
<b>Income Generation &amp; Cost Recovery</b>	<b>60</b>	<b>146</b>	<b>88</b>	<b>0</b>	<b>168</b>	<b>462</b>
Review of Car Parking Fees and Charges (net) [PTAB 12/01/16]	45	85				
Review of Pre-application Planning Procedures and Charging Regime [PTAB 12/01/16]	15					
Bulky Household Waste and Fridge/Freezer Collection Charges [HESAB 22/02/16]		40				
Tonbridge Racecourse Sports Ground Catering Concession		6				
Licensing Income		15				
Property Investment Fund - Core Funds [AC 23/01/17]			13			
Car Parking Options [SSESAB 06/11/17]			75			
Review of Car Parking Fees and Charges (net) [SSESAB 30/10/19]					168	
<b>In-Service Efficiencies</b>	<b>200</b>	<b>77</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>327</b>
Service Efficiency Savings [MT 15/12/15]	200					
Leisure Services Efficiency Savings		4				
Kent Resilience Forum Partnership		3				
Budget Savings Exercise		60				
Mayor's Transport Allowance [OSC 13/09/2016]		10				
Disabled Facilities Grants [FIPAB 3/01/2018]			50			
<b>Service Change &amp; Reduction</b>	<b>0</b>	<b>100</b>	<b>3</b>	<b>65</b>	<b>201</b>	<b>369</b>
Review of Holiday Activity Programmes (includes £16k staff saving) [OSC 26/01/16]		57				
Discretionary Housing Assistance [CHAB 25/07/16]		30				
TMLT IT Infrastructure		13				
Visit Kent / Tourism South East [ERAB 06/07/17]			3			
Temporary Accommodation [Cabinet 20/03/18]				50		
Youth Engagement, Sports & Events Development [OSC 21/06/18]				15		
Customer Services Surgeries [OSC 20/06/19]					16	
Temporary Accommodation [FIPAB 18/09/19]					100	
Council Tax Reduction Scheme Postages [FIPAB 18/09/19]					14	
Public Conveniences [SSESAB 30/10/19]					71	
<b>Contracts</b>	<b>0</b>	<b>0</b>	<b>200</b>	<b>585</b>	<b>0</b>	<b>785</b>
Tonbridge and Malling Leisure Trust Service Fee [CHAB 24/07/17]			145			
Insurance Contract [FIPAB 21/06/17]			55			
Banking and Merchant Acquirer Services [FIPAB 03/01/18]				11		
Waste Services [SSESAB 04/09/18]				574		
<b>Organisation Structure Change</b>	<b>15</b>	<b>129</b>	<b>119</b>	<b>0</b>	<b>0</b>	<b>263</b>
Establishment Changes - DSSLTS (Leisure) [GPC 01/02/16]	16					
Establishment Changes - DSSLTS (Waste & Street Scene) [GPC 01/02/16]	(1)					
Establishment Changes - CE & DCS (Election, Admin, Personnel & Legal) [GPC 27/06/16]		27				
Establishment Changes - DCS (Licensing & Community Safety) [GPC 27/06/16]		(15)				
Establishment Changes - DCS (Media & Communications) [GPC 27/06/16]		8				
Establishment Changes - DPHEH (Housing Needs) [GPC 27/06/16]		44				
Establishment Changes - DSSLTS (Technical Services) [GPC 27/06/16]		20				
Establishment Changes - DPEH & DSSLTS (Administration) [GPC 27/06/16]		7				
Establishment Changes - DSSLTS (Outdoor Leisure) [GPC 27/06/16]		(2)				
Establishment Changes - DFT (Exchequer) [GPC 06/03/17]		40				
Establishment Changes - DSSLTS (Waste & Street Scene) [GPC 26/06/17]			23			
Establishment Changes - DPHEH (Planning) [GPC 26/06/17]			1			
Establishment Changes - DPHEH (Planning) [GPC 20/11/17]			(38)			
Establishment Changes - DPHEH (Housing) [GPC 20/11/17]			50			
Establishment Changes - DCS (Customer Services & Licensing) [GPC 20/11/17]			50			
Establishment Changes - DFT (Information Technology) [GPC 20/11/17]			5			
Members Allowances [Council 11/04/17]			28			
<b>Partnership Funding</b>	<b>0</b>	<b>431</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>431</b>
Key Voluntary Sector Bodies - Grant Support [CAB 01/03/16]		23				
Fairer Charging - Introduction of Local Charges (Special Expenses) [Cabinet 28/07/16]		230				
Fairer Charging - Cessation of Council Tax Support Grant [Cabinet 28/07/16]		178				
<b>Asset Management</b>	<b>0</b>	<b>0</b>	<b>186</b>	<b>0</b>	<b>0</b>	<b>186</b>
Property Investment Fund - potential returns on sale proceeds [Cabinet 24/03/15]			30			
Property Investment Fund - potential returns on sale proceeds [Cabinet 09/02/17]			76			
Property Investment Fund - potential returns on sale proceeds [Cabinet 09/02/17]			80			
<b>TOTAL</b>	<b>275</b>	<b>883</b>	<b>646</b>	<b>650</b>	<b>369</b>	<b>2,823</b>
<b>Savings and Transformation Contributions Target</b>	<b>200</b>	<b>625</b>	<b>650</b>	<b>350</b>	<b>100</b>	<b>1,925</b>
<b>(Below) / Over Target</b>	<b>75</b>	<b>258</b>	<b>(4)</b>	<b>300</b>	<b>269</b>	<b>898</b>

These savings and transformation contributions are measured against the targets set each year within the Savings and Transformation Strategy. It should be remembered that overall targets change each year having regard to all the factors that impact on the Council's finances.

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## Savings & Transformation Strategy 2020/21 – 2029/30

### INTRODUCTION

By way of context, since 2010/11 the Council has seen its local government finance settlement (core funding) decrease by some 65% or £4.3m (from £6.6m in 2010/11 to £2.3m in 2020/21).

The fall in core funding is, in part, negated by the grant award under the New Homes Bonus (NHB) scheme which in 2020/21 is around £3.4m. However, NHB, in its current form at least, is highly unlikely to continue beyond 2020/21 where legacy payments only, excluding the 2020/21 allocation, will be received, the last of which in 2022/23. Notwithstanding NHB would have continued to reduce over time as the changes already made to the scheme worked their way through the system and the recent above average housing delivery fell out of the calculation to around £1.8m.

We are fortunate that we do not have to make all the required savings and transformation contributions in one year and can spread the challenge into ‘tranches’ as set out within the Council’s Medium Term Financial Strategy (MTFS). Nevertheless, the Council have acknowledged that we need to balance customer expectations with the need to make these savings and transformation contributions and achieve as much as possible in the earlier years to provide the best long-term financial sustainability.

In the latest iteration of the MTFS it is assumed overall government grant funding (core funding + NHB or its replacement) will steadily reduce to £2.45m in 2023/24 uplifted by inflation thereafter and where the latest projected outstanding funding gap between expenditure and income is circa £320,000; and the Strategy ‘refreshed’ to ensure that future savings and transformation contributions can be delivered as required. In updating this Strategy, it is noted that the ‘tranches’ assumed within the MTFS are: *Tranche 1* - £20,000 to be achieved by April 2021; and *Tranche 2* - £300,000 to be achieved by April 2024.

### OBJECTIVES

In developing this Strategy, the Council has set the following objectives:

1. To deliver sufficient savings and transformation contributions in order to bridge the funding gap identified in the Council’s MTFS, and to deliver as much as possible in the earlier years in order to minimise risk to the Council’s finances.
2. To direct resources in line with the principles of the Council’s Corporate Strategy.
3. To maintain the Council’s reputation of good front line service provision.

4. To adopt a 'mixed' approach to addressing the funding gap through a series of 'themes'.
5. To be open to accept 'cultural' change/transformation in the ways we work and offer services to the public in order to release efficiencies and savings.
6. To engage, as appropriate, with stakeholders when determining how savings and transformation contributions will be achieved.

## THE STRATEGY

It is recognised that there is no one simple solution to addressing the financial challenge faced. The Council will need to embrace transformation in a multitude of ways in order to deliver the savings and transformation contributions within an agreed timescale.

This Strategy sets out a measured structure and framework for delivering the necessary savings and transformation contributions through a series of 'themes'. Each theme has a deliverable target within a timeframe.

Whilst the framework includes some major areas where savings can be made without direct effect on services, by adopting this Strategy the Council has recognised that it may need to decide that some service areas should change/transform to accommodate saving requirements. That might mean doing things differently, with even greater efficiency – for example, with the help of new technology – and with increased income opportunities where circumstances allow this. It might also mean that services will simply need to be run with fewer resources. All these approaches will require a shift in culture for the organisation so that we can be focused and flexible in the way in which we deliver services to our communities.

The Themes, Targets, and Timeframes for the Strategy are set out in the table below, and will be the subject of review at least annually.

Progress on identifying and implementing savings and transformational opportunities across the various themes will be regularly reported to and reviewed by Management Team and in-year update reports presented to Members as appropriate. The Council is committed to engagement with relevant stakeholders as proposals are brought forward.

Julie Beilby  
Chief Executive

Sharon Shelton  
Director of Finance and Transformation

Nicolas Heslop  
Leader of the Council

Martin Coffin  
Cabinet Member for Finance, Innovation and Property  
and Deputy Executive Leader

February 2020

### Savings & Transformation Strategy 2020/21 - 2029/30

Savings and Transformation Contributions in Previous Years of STS £000	Theme	Indicative Years	Target £000	Savings and Transformation Contributions Identified after Setting of 2020/21 Budget £000	Balance of Target to be Achieved £000
462	Income Generation & Cost Recovery	2020 - 2024	75	0	75
327	In-Service Efficiencies	2020 - 2021	20	0	20
369	Service Change & Reduction	2020 - 2024	170	0	170
785	Contracts	2020 - 2024	10	0	10
263	Organisation Structure Change	2020 - 2024	10	0	10
431	Partnership Funding	2020 - 2024	10	0	10
186	Asset Management	2020 - 2024	25	0	25
2,823	<b>TOTAL</b>		320	0	320

Note: This Strategy will be updated on at least an annual basis to reflect challenges set out in the Medium Term Financial Strategy.

Savings & Transformation Strategy updated February 2020

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**Cabinet 13 February 2020**  
**General Fund Revenue Estimates 2020/21**  
**SUMMARY**

	2019/20 ESTIMATE		2020/21
	ORIGINAL £	REVISED £	ESTIMATE £
<b>Corporate Services</b>	3,700,900	3,692,400	3,568,250
<b>Chief Executive</b>	1,064,350	959,300	968,750
<b>Director of Central Services</b>	133,600	105,200	458,150
<b>Director of Finance &amp; Transformation</b>	1,372,600	1,336,300	1,404,150
<b>Director of Planning, Housing &amp; Environmental Health</b>	3,830,550	3,849,950	4,306,900
<b>Director of Street Scene, Leisure &amp; Technical Services</b>	8,315,650	8,356,250	6,794,800
Sub Total	18,417,650	18,299,400	17,501,000
<b>Capital Accounting Reversals</b>			
Non-Current Asset Depreciation	(2,942,350)	(3,075,100)	(3,165,850)
<b>Contributions to / (from) Reserves</b>			
Building Repairs Reserve			
Withdrawals to fund expenditure	(1,014,700)	(1,019,150)	(1,410,400)
Contribution to Reserve	650,000	725,000	1,075,000
Earmarked Reserves (see page S 2)			
Contributions from Reserves	(1,595,250)	(3,265,700)	(912,450)
Contributions to Reserves	1,351,900	2,134,750	3,949,300
Property Investment Fund Reserve			
Contribution to Reserve	500,000	-	-
Revenue Reserve for Capital Schemes			
Withdrawals to fund expenditure			
Non-Current Assets	(3,703,000)	(5,696,000)	(2,587,000)
Revenue Expenditure Funded from Capital	(70,000)	(72,000)	(155,000)
Other contributions to / (from) Reserve (net)	1,887,000	4,279,000	850,000
<b>Capital Expenditure Charged to General Fund</b>	3,703,000	5,696,000	2,587,000
<b>Government Grants</b>			
New Homes Bonus	(3,457,450)	(3,457,450)	(3,375,050)
Under-indexing Business Rates Multiplier	(73,800)	(73,800)	(92,250)
Brexit Preparedness Grant	-	(70,000)	-
<b>Contributions from KCC</b>	-	(156,500)	-
Sub Total	13,653,000	14,248,450	14,264,300
<b>National Non-Domestic Rates</b>			
Share of National Non-Domestic Rates	(22,514,582)	(22,314,582)	(22,918,471)
Tariff	20,968,608	20,968,608	21,310,255
Levy	3,350	40,850	22,100
Business Rates Pool	44,200	186,650	100,850
Small Business Rate Relief Grant	(896,000)	(937,300)	(931,000)
Retail Relief Grant	-	(279,250)	(281,800)
Supporting Small Business Grant	(10,150)	(9,500)	(11,250)
Public House Relief Grant	-	850	-
Discretionary Relief Grant	(27,000)	(14,150)	(17,950)
<b>Collection Fund Adjustments</b>			
Council Tax (Surplus) / Deficit	(156,020)	(156,020)	(66,826)
National Non-Domestic Rates (Surplus) / Deficit	(869,089)	(869,089)	(823,094)
Sub Total	10,196,317	10,865,517	10,647,114
<b>Contribution to / (from) General Revenue Reserve</b>	450,600	(218,600)	371,950
<b>Balance to be met from Council Tax Payers</b>	10,646,917	10,646,917	11,019,064

**Cabinet 13 February 2020**  
**General Fund Revenue Estimates 2020/21**  
**EARMARKED RESERVES**

	2019/20 ESTIMATE		2020/21
	ORIGINAL £	REVISED £	ESTIMATE £
<b>Contributions from Earmarked Reserves</b>			
Borough Signage Reserve	-	(700)	-
Business Rates Retention Scheme Reserve	(178,650)	(1,093,250)	(190,400)
Community Development Reserve	-	(1,800)	-
Community Safety Partnership Reserve	(6,900)	(6,900)	-
Democratic Representation Reserve	-	(250)	-
Economic Development Reserve	-	(8,500)	(5,900)
Election Expenses Reserve	(160,000)	(121,000)	-
Homelessness Reserve	(114,200)	(348,250)	(116,500)
Housing Assistance Reserve	(112,000)	-	(91,600)
Housing Survey Reserve	(36,000)	(55,800)	-
Housing & Welfare Reform Reserve	(15,000)	(15,000)	-
Invest to Save Reserve	(65,000)	(156,200)	(45,000)
Local Development Framework Reserve	(195,000)	(257,500)	(317,500)
Parks Improvement Fund Reserve	-	(20,250)	-
Public Health Reserve	(10,500)	(7,750)	(5,550)
Repossessions Prevention Fund Reserve	(2,000)	(2,100)	(2,000)
Tonbridge & Malling Leisure Trust Reserve	-	(262,000)	(138,000)
Transformation Reserve	-	(180,450)	-
Waste Services Contract Reserve	(700,000)	(700,000)	-
Waste & Street Scene Initiatives Reserve	-	(28,000)	-
	<b>(1,595,250)</b>	<b>(3,265,700)</b>	<b>(912,450)</b>
<b>Contributions to Earmarked Reserves</b>			
Budget Stabilisation Reserve	-	-	3,500,000
Business Rates Retention Scheme Reserve	983,100	1,090,000	75,650
Climate Change Reserve	-	250,000	-
Election Expenses Reserve	25,000	25,000	25,000
Homelessness Reserve	188,800	434,750	268,650
Local Development Framework Reserve	55,000	255,000	80,000
Tonbridge & Malling Leisure Trust Reserve	100,000	-	-
Transformation Reserve	-	80,000	-
	<b>1,351,900</b>	<b>2,134,750</b>	<b>3,949,300</b>

**Tonbridge and Malling Borough Council**  
**Estimate of Collection Fund Surplus / (Deficit) 2019/20 - Council Tax**

	Estimate	
	£	£
<b><u>Income</u></b>		
Surplus / (Deficit) Brought Forward		1,015,737
Income from Council Tax Payers (Net of Discounts, CTR and Exemptions)		94,122,556
<b>Total Income for the Year</b>		<b>95,138,293</b>
<b><u>Expenditure</u></b>		
Precepts and Demands for 2019/20		
Kent County Council	66,037,317	
Police & Crime Commissioner for Kent	9,816,001	
Kent & Medway Fire & Rescue Authority	3,951,811	
Parishes	2,923,122	
Tonbridge & Malling Borough Council	10,646,917	93,375,168
Provision for Council Tax Non-Collection		255,000
Payment of Estimated Surplus for 2018/19		
Kent County Council	745,184	
Police & Crime Commissioner for Kent	101,811	
Kent & Medway Fire & Rescue Authority	45,506	
Tonbridge & Malling Borough Council	156,020	1,048,521
<b>Total Expenditure for the Year</b>		<b>94,678,689</b>
<b>Estimated Surplus / (Deficit) for 2019/20</b>		<b>459,604</b>

**Allocation of Estimated Surplus / (Deficit) for 2019/20**

	Precepts 2019/20		Surplus / (Deficit)
	£	%	£
Kent County Council	66,037,317	70.72	325,033
Police & Crime Commissioner for Kent	9,816,001	10.51	48,304
Kent & Medway Fire & Rescue Authority	3,951,811	4.23	19,441
Tonbridge & Malling Borough Council	13,570,039	14.54	66,826
<b>Total</b>	<b>93,375,168</b>	<b>100.00</b>	<b>459,604</b>

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**Tonbridge and Malling Borough Council**  
**Estimate of Collection Fund Surplus / (Deficit) 2019/20 - Business Rates**

	Estimate	
	£	£
<b><u>Income</u></b>		
Surplus / (Deficit) Brought Forward		2,731,232
Income from Business Rate Payers		59,755,149
<b>Total Income for the Year</b>		<b>62,486,381</b>
<b><u>Expenditure</u></b>		
Demands for 2019/20 based upon NNDR 1 2019/20		
Kent County Council	5,020,781	
Kent & Medway Fire & Rescue Authority	557,865	
Tonbridge & Malling Borough Council	22,314,582	
Central Government	27,893,228	55,786,456
Allowance for Losses - Bad Debts		400,000
Allowance for Losses - Appeals		2,177,000
Cost of Collection Allowance		161,137
Transitional Protection Payments		(268,669)
Payment of Estimated Surplus for 2018/19		
Kent County Council	1,234,793	
Kent & Medway Fire & Rescue Authority	21,727	
Tonbridge & Malling Borough Council	869,089	
Central Government	47,113	2,172,722
<b>Total Expenditure for the Year</b>		<b>60,428,646</b>
<b>Estimated Surplus / (Deficit) for 2019/20</b>		<b>2,057,735</b>
<b><u>Allocation of Estimated Surplus / (Deficit) for 2019/20</u></b>		
	<b>Allocation</b>	<b>Surplus / (Deficit)</b>
	%	£
Kent County Council	59 / 9	464,451
Kent & Medway Fire & Rescue Authority	1	20,577
Tonbridge & Malling Borough Council	40	823,094
Central Government	0 / 50	749,613
<b>Total</b>		<b>2,057,735</b>

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TONBRIDGE & MALLING BOROUGH COUNCIL  
SPECIAL EXPENSES ('LOCAL CHARGE') SCHEME

**1. Introduction**

- 1.1 The Provisions relating to “special expenses” are contained in the Local Government Finance Act 1992 at sections 34 and 35. These sections allow different amounts of council tax to be calculated for different parts of the district, depending on what if any “special items” relate to those parts. The legal background is set out in the Appendix.
- 1.2 In resolving to implement a Special Expenses Scheme, the Council revokes the Financial Arrangements with Parish Councils Scheme which was effective from 1 April 1992 made under s136 Local Government Act 1972 with effect from the same date (1 April 2017).

**2. Objectives of the Scheme**

- 2.1 The borough consists of 27 parished areas, and one unparished area. Parish councils exercise certain functions in their respective areas, which the Borough Council must exercise directly in the unparished area. These are known as concurrent functions.
- 2.2 The Council has historically awarded grants under s136 Local Government Act 1972 to parish councils in order to contribute towards the cost of concurrent functions. Due to significant financial pressures, the Council finds that it is unable to continue providing this level of financial support and must make savings.
- 2.3 The Council has resolved to adopt a Scheme of Special Expenses in order to provide a fairer system in terms of financial equity for taxpayers across the borough.

**3. Function to be included in Scheme**

- 3.1 Cabinet, at its meeting on 28 July 2016, recommended that the following concurrent functions are included in the Scheme:
- Closed churchyards
  - Open spaces, parks and play areas maintained by TMBC in parished areas; excluding Leybourne Lakes Country Park (strategic site)
  - Open spaces, play areas, parks and sportsgrounds in Tonbridge; excluding Castle Grounds and Haysden Country Park (strategic sites)
  - Support given to ‘Local’ Events
  - Allotments

#### 4. Calculation of Special Expenses

- 4.1 TMBC will calculate an average council tax across the whole of its area under section 31B of the Local Government Finance Act 1992. Included in that will be the amounts payable to parish councils under their precepts, plus the amounts TMBC will spend on performing functions which are performed in parts of its area by parish councils.
- 4.2 Under section 34 of the Local Government Finance Act 1992, TMBC must then deduct the total of any special items. For each part of its area, TMBC must then add back amounts for any relevant special items for that part of its area. The amount added back is calculated by dividing the special item (i.e. the authority's estimated cost of performing the function in that part of its area) by the tax base for the part of the area in which the authority performs the function.
- 4.3 Treating expenses as special expenses does not affect the overall amount that TMBC needs to raise through council tax, and does not, therefore, affect the average amount of council tax across the whole of the borough. It simply means that, compared with what would happen if the expenses were not treated by TMBC as special expenses, the council tax is:
- relatively lower for areas where the parish council performs the concurrent function, as it includes the parish's costs but not TMBC's costs of performing the function elsewhere; and
  - relatively higher for areas where TMBC performs the concurrent function, as all TMBC's costs of performing the concurrent function must be met by taxpayers in the area where TMBC performs it.

#### 5. Implementation

- 5.1 This Scheme is effective from 1 April 2017, following resolution of Full Council on 1 November 2016.
- 5.2 The list of concurrent functions included within the Scheme will be reviewed from time to time and the Scheme updated as necessary.

February 2020



TONBRIDGE & MALLING BOROUGH COUNCIL  
SPECIAL EXPENSES ('LOCAL CHARGE') SCHEME

LEGAL BACKGROUND

Section 34 of the Local Government Finance Act 1992, as amended by the Localism Act 2011, requires that certain items, which are referred to as 'special items', and which relate to a part only of a billing authority's area, be removed from the calculation of the overall basic amount of tax and added to that for the area concerned.

Section 35(1) defines these items as:

- Any precept issued to or anticipated by the authority which is, or is believed to be, applicable to a part of its area and was taken into account by it in making the calculation (or last calculation) in relation to the year under Section 31A(2) above (i.e. the parish precepts, as included in the calculation of the budget requirement).
- Any expenses which are its (the Council's) special expenses and were taken into account by it in making that calculation.

Section 35(2)(d) defines further 'Special Expenses' as:

“any expenses incurred by a billing authority in performing in a part of its area a function performed elsewhere in its area by the sub-treasurer of the Inner Temple, the under-treasurer of the Middle Temple, a parish or community council or the chairman of a parish meeting are the authority's special expenses unless a resolution of the authority to the contrary effect is in force”

In order for expenses incurred in performing any function of a district council to be special expenses the function must be carried out by the district in only part of its area, and the same function must be carried out in another part of the district by one or more parish councils. The detailed identification of concurrent functions is therefore essential for using this special expenses provision.

One of the reasons behind the special expenses regime is to allow a more equitable division of council expenses for council taxpayer funded services so that those receiving the benefit of certain services in a particular area are those who pay for them through their precept and do not pay twice for similar services carried out in any areas where there is not a parish or town council so as to avoid “double taxation” for the relevant services.

The power to charge special expenses is discretionary and in order for it to apply there must be a resolution of the billing authority in force. As the resolution has to refer to the matters which will be special expenses for these purposes the resolution will need to identify which function related activities will be included within the calculation.

Special Expenses must be applied consistently throughout a billing authority's area. There is no discretion to make selective application to some parts of the borough only.

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## Special Expenses 2020/21

Special Expenses for 2019/20 £	Local Area	Closed Church-yards £	Open Spaces, Parks & Play Areas £	Sports Grounds £	Local Events £	Allotments £	Special Expenses for 2020/21 £	Tax Base	Amount Per Band D Property £
756,231	Tonbridge	10,700	185,884	517,050	44,239	9,200	767,073	13,756.80	55.76
1,716	Addington		1,748				1,748	423.52	4.13
8,840	Aylesford		9,361				9,361	4,383.69	2.14
981	Birling		999				999	205.14	4.87
1,554	Borough Green		1,577				1,577	1,686.49	0.94
0	Burham						0	460.56	0.00
527	Ditton		537				537	1,791.18	0.30
22,794	E. Malling & Larkfield		23,102				23,102	5,003.43	4.62
601	East Peckham		612				612	1,305.24	0.47
0	Hadlow						0	1,525.27	0.00
0	Hildenborough						0	2,214.98	0.00
0	Ightham						0	1,113.13	0.00
0	Kings Hill						0	4,170.16	0.00
27,600	Leybourne		28,119				28,119	1,917.45	14.66
29	Mereworth		30				30	440.34	0.07
0	Offham						0	389.68	0.00
1,222	Platt		1,245				1,245	892.20	1.40
0	Plaxtol						0	593.42	0.00
0	Ryarsh						0	370.12	0.00
0	Shipbourne						0	273.21	0.00
19,118	Snodland		19,476				19,476	3,845.79	5.06
0	Stansted						0	282.02	0.00
0	Trottscliffe						0	274.79	0.00
1,906	Wateringbury		1,941				1,941	893.93	2.17
2,722	West Malling		360		2,357		2,717	1,137.77	2.39
0	West Peckham						0	181.22	0.00
3,505	Wouldham		4,634				4,634	892.99	5.19
1,817	Wrotham		917				917	946.50	0.97
<b>851,163</b>	<b>Total</b>	<b>10,700</b>	<b>280,542</b>	<b>517,050</b>	<b>46,596</b>	<b>9,200</b>	<b>864,088</b>	<b>51,371.02</b>	

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## Parish Council Precepts 2020/21

Precept for 2019/20 £	Parish Council	Precept for 2020/21 £	Tax Base	Amount Per Band D Property £	Per Band D Variation %
23,000.00	Addington	23,000.00	423.52	54.31	(1.5)
250,700.00	Aylesford	257,800.00	4,383.69	58.81	1.9
10,324.00	Birling	10,913.00	205.14	53.20	3.5
177,470.00	Borough Green	201,920.00	1,686.49	119.73	13.1
26,588.09	Burham	26,588.09	460.56	57.73	(2.3)
269,287.00	Ditton	269,231.00	1,791.18	150.31	0.3
312,127.00	E. Malling & Larkfield	347,797.00	5,003.43	69.51	11.9
142,000.00	East Peckham	146,000.00	1,305.24	111.86	1.6
117,759.00	Hadlow	119,995.00	1,525.27	78.67	0.8
69,742.00	Hildenborough	77,524.00	2,214.98	35.00	10.1
122,467.00	Ightham	125,052.00	1,113.13	112.34	2.0
327,018.00	Kings Hill	389,502.00	4,170.16	93.40	15.1
163,950.00	Leybourne	176,299.00	1,917.45	91.94	10.0
32,500.00	Mereworth	33,475.00	440.34	76.02	2.1
21,415.00	Offham	21,592.00	389.68	55.41	0.0
75,000.00	Platt	75,000.00	892.20	84.06	0.1
42,052.00	Plaxtol	50,462.00	593.42	85.04	20.4
25,769.00	Ryarsh	25,769.00	370.12	69.62	5.9
11,215.00	Shipbourne	12,187.00	273.21	44.61	5.0
303,121.00	Snodland	317,025.00	3,845.79	82.43	1.2
17,260.00	Stansted	17,260.00	282.02	61.20	(5.9)
16,500.00	Trottscliffe	16,500.00	274.79	60.05	(2.0)
97,852.42	Wateringbury	93,810.99	893.93	104.94	(3.8)
120,778.00	West Malling	126,015.13	1,137.77	110.76	3.2
5,400.00	West Peckham	5,670.00	181.22	31.29	3.7
47,533.00	Wouldham	62,545.00	892.99	70.04	3.0
94,294.00	Wrotham	101,797.00	946.50	107.55	5.0
<b>2,923,121.51</b>	<b>Total</b>	<b>3,130,729.21</b>	<b>37,614.22</b>		

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**GENERAL FUND WORKING BALANCE**

	£
Balance at 1.4.2019	1,250,000
	<hr/>
Balance at 31.3.2021	1,250,000
	<hr/>

**GENERAL REVENUE RESERVE**

	£	£
Balance 1.4.2019		6,723,099
Budgeted to be transferred to the Reserve	450,600	
Increase on Original Estimate	669,200	
	<hr/>	(218,600)
		<hr/>
Estimated Balance at 1.4.2020		6,504,499
Contribution to the Reserve 2020/21		371,950
		<hr/>
Estimated Balance at 31.3.2021		6,876,449

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## STATEMENT ON THE ROBUSTNESS OF THE ESTIMATES AND THE ADEQUACY OF THE RESERVES

### Introduction

This statement is given in respect of the 2020/21 Budget Setting Process for Tonbridge and Malling Borough Council. I acknowledge my responsibility for ensuring the robustness of the estimates and the adequacy of the reserves as part of this process. The budget has been prepared within the context of a Medium Term Financial Strategy (MTFS) spanning a ten-year period.

The MTFS sets out the high level financial objectives the Council wishes to fulfil over the agreed time span. This includes achieving a balanced revenue budget by the end of the strategy period and to retain a minimum of £3.0m in the General Revenue Reserve by the end of the strategy period. The MTFS also sets out, based on current financial information, not only the projected budgets for the period, but also the levels of council tax that are projected to be required to meet the Council's spending plans.

By way of context, since 2010/11 the Council has seen its local government finance settlement (core funding) decrease by some 65% or £4.3m (from £6.6m to £2.3m in 2020/21).

The fall in core funding is, in part, negated by the grant award under the New Homes Bonus (NHB) scheme which in 2020/21 is around £3.4m. However, NHB, in its current form at least, is highly unlikely to continue beyond 2020/21 where legacy payments only, excluding the 2020/21 allocation, will be received, the last of which in 2022/23. Notwithstanding NHB would have continued to reduce over time as the changes already made to the scheme worked their way through the system and the recent above average housing delivery fell out of the calculation to around £1.8m. It remains our ambition to restructure the MTFS so it is not as reliant on NHB or its replacement.

In the latest iteration of the MTFS it is assumed overall government grant funding (core funding + NHB or its replacement) will **steadily** reduce to £2.45m in 2023/24 uplifted by inflation thereafter and where the latest projected 'outstanding' funding gap between expenditure and income is **circa £320,000** to be addressed over the medium term.

However, funding beyond 2020/21 will be **dependent** on the expected multi-year settlement to follow and the Fair Funding Review and what happens to NHB. How we will fair at the end of that process is extremely difficult to predict at this stage making financial planning that more difficult. As a result 2019/20 and now 2020/21 could be seen as **holding years**. We do believe that our MTFS is resilient and the financial pressures likely to confront us can be addressed in a measured and controlled way, but this is becoming progressively more difficult.

Alongside the MTFS sits a Savings and Transformation Strategy. The purpose of the Strategy is to provide structure, focus and direction in addressing the financial challenge faced by the Council. In so doing, it recognises that there is no one simple solution and as a result we will need to adopt a number of ways to deliver the required savings and transformation contributions within an agreed timescale.

### **Robustness of Estimates**

The aim of the Medium Term Financial Strategy is to give us a realistic and sustainable plan that reflects the Council's priorities and takes us into the future. It is a Strategy that is adopted by Members of the Council alongside the Budget to provide a forward looking context for the consideration of the budget year ahead. It also provides the Council's Corporate Management Team with a tool for strategic financial planning and decision making.

Underneath the Strategy sits detailed estimates formulated in conjunction with Service Managers who carry responsibility of delivering their area of service within budget provision. The estimates take into account past outturn, current spending plans and likely future demand levels / pressures.

Factors taken into account for the 2020/21 Budget Setting Process and in developing the Strategy are:

Corporate Strategy	<p>The Council's financial plans should be in support of its strategic priorities and objectives set out in overview in the <a href="#">Corporate Strategy</a>. The Strategy sets out Our Vision: <i>To continue to be a financially sustainable Council with strong leadership that delivers valued services, a commitment to delivering innovation and change to meet the needs of our Borough guided by our values and priorities:</i></p> <p><i>Achieving efficiency;</i>  <i>Embracing effective partnership working;</i>  <i>Valuing our environment and encouraging sustainable growth; and</i>  <i>Innovation.</i></p> <p>At the time of writing the Corporate Strategy is in the process of being refreshed and a new version is expected to be approved alongside the Budget reconfirming the above values and priorities.</p>
Consultation with Non-Domestic Ratepayers	<p>The Council consults representatives of its non-domestic ratepayers about its expenditure proposals who may make written representations if they deem it appropriate. No such representations have been received.</p>
The level of funding from Central Government towards the costs of local services	<p>Our Settlement Funding Assessment (SFA) for 2020/21 is £2,301,752. This represents a cash increase of £36,902 or 1.6% when compared to the equivalent figure of £2,264,850 in 2019/20.</p>

New Homes Bonus	Our New Homes Bonus (NHB) for 2020/21 is £3,375,063. NHB, in its current form at least, is highly unlikely to continue beyond 2020/21 where legacy payments only, excluding the 2020/21 allocation, will be received, the last of which in 2022/23. Notwithstanding NHB would have continued to reduce over time as the changes already made to the scheme worked their way through the system and the recent above average housing delivery fell out of the calculation to around £1.8m. It remains our ambition to restructure the MTFS so it is not as reliant on NHB or its replacement. For medium term financial planning purposes we have assumed there will continue to be some form of performance funding, but at a much reduced level.
Business Rates	For medium term financial planning purposes beyond 2020/21 we assume an element of growth performance above the business rates baseline attributed to Tonbridge and Malling under the Business Rates Retention Scheme. If our actual income is less than the baseline set the authority will have to meet a share of that shortfall.
Overall Grant Funding	For medium term financial planning purposes, it is assumed overall government grant funding whether that be baseline funding level, some element of growth performance, NHB or its replacement will steadily reduce to £2.45m in 2023/24 uplifted by inflation thereafter. This will need to be revisited following the outcome of the expected multi-year settlement to follow and Fair Funding Review and what happens to NHB.
Council Tax Base	The Council Tax Base for 2020/21 is 51,371.02 band D equivalents with an expectation that this will increase by 4,950 over the strategy period, or 550 per year.
Local Referendums to Veto Excessive Council Tax Increases	The Secretary of State will determine a limit for council tax increases which for 2020/21 has been set at 2%, or more than 2% and more than £5. If an authority proposes to raise council tax above this limit they will have to hold a referendum to get approval for this from local voters who will be asked to approve or veto the rise. Due regard has been taken of the guidelines issued by the Secretary of State. The MTFS reflects an increase in council tax of £5 in 2020/21 and each year thereafter.
The Prudential Code and its impact on Capital Planning	Tonbridge and Malling is a debt-free authority and projections suggest that recourse to borrowing to fund capital expenditure is unlikely before 2026/27. This does not however, preclude a decision to borrow in order to fund in full or in part a commercial investment opportunity that meets the Council's strategic priorities and objectives, achieves value for money and delivers a financial return. Each such opportunity to be considered

	<p>on a case by case basis as appropriate. A key objective of the Prudential Code is to ensure, within a clear framework, the capital investment plans of local authorities are affordable, prudent and sustainable.</p>
The Council's Capital Strategy and Capital Plan	<p>Other than funding for the replacement of our assets which deliver services as well as recurring capital expenditure, there is now an annual capital allowance for all other capital expenditure. Subject to review each year the maximum 'annual capital allowance' is to be set at £250,000 for the period 2020/21 to 2025/26.</p>
Treasury Management	<p>A Treasury Management and Annual Investment Strategy is adopted by the Council each year as required by the Local Government Act 2003 as part of the budget setting process. The Strategy sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. Council in October 2018 adopted the updated Treasury Management and Prudential Codes of Practice published by the Chartered Institute of Public Finance and Accountancy in December 2017.</p> <p>The focus of both updates is to ensure the risks associated with investment in 'non-financial assets which are held primarily for financial returns' are properly evaluated, reported, subject to scrutiny and managed over time.</p> <p>The requirements of the updated Codes of Practice have been taken into account and reflected as appropriate in the annual review and update of the Capital Strategy and in preparing the Treasury Management and Annual Investment Strategy for 2020/21.</p>
Interest Rates	<p>Interest returns on the Council's 'core funds' have been set at 1.20% in 2020/21 rising gradually to 3.5% over the medium term. In setting these rates due regard has been taken of the interest rate forecasts of the Council's independent Treasury Adviser, Link Asset Services. To put this into context, 0.25 of a percentage point would currently generate investment income on our 'core funds' of about £60,000. Conversely, a dip in investment returns would have a negative impact on the Council's budget. The Council has chosen to retain a minimum of £3m in its General Revenue Reserve in order to deal with, amongst other things, interest rate volatility.</p>
Property Investment Fund/s	<p>The Council has recently taken the decision to invest in one or more property investment funds with further potential investment of proceeds from the sale of Council owned assets in the future. In order to guard against downward fluctuations in property values a Property Investment Fund Reserve is to be established.</p>

Adequacy of Reserves	At the beginning of 2020/21, we anticipate that the General Revenue Reserve balance will be £6.5m. The Adequacy of Reserves is discussed in more detail below.
Pay and Price Inflation	The estimates provide for a 2.5% pay award in 2020/21 followed by pay inflation of 2% each year thereafter and price inflation of 2% in 2020/21 and each year thereafter. Except energy and the waste services contract where price inflation is set at 5% and 4% respectively.
Fees and Charges	As has been the practice for a number of years now the objective has been to maximise income, subject to market conditions, opportunities and comparable charges elsewhere.
Emerging Growth Pressures and Priorities	The projections within the MTFs include all known and quantified priorities and growth pressures that we are aware of at the present time. New priorities and growth pressures will undoubtedly emerge over the period and in consequence, the Strategy will be updated at least annually.
Financial Management	The Council's financial information and reporting arrangements are sound and its end of year procedures in relation to budget under / overspends clear. Collection rates for council tax and NNDR remain good. Our external auditor (Grant Thornton UK LLP) following the 2019 audit concluded <i>in all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.</i>
Insurance Arrangements and Business Continuity	Risks identified via the preparation of Service / Section Risk Registers have wherever possible been reduced to an acceptable level. Any remaining risk has been transferred to an external insurance provider. In addition, specific arrangements are in place to ensure the continuity of business in the event of both major and minor disruptions to services. As insurance premiums are reactive to the external perception of the risks faced by local authorities and to market pressures, both risks and excess levels are kept under constant review. The Council recognises that not all risks are financial; and takes into account all risks when making decisions.
Corporate Governance and Risk Management	The Council has adopted a Local Code of Corporate Governance based upon the requirements of the CIPFA/SOLACE Corporate Governance framework. This incorporates Risk Management and the Council is committed to a Risk Management Strategy involving the preparation of Risk Registers at both strategic and operational levels.
Equality Impact Assessments	Where there are deemed to be equality issues as a result of adjustments to revenue budgets a separate equality impact assessment has or will be undertaken at the appropriate time. In addition, an equality impact

	assessment is undertaken and reported to Members prior to commencement of a new capital plan scheme.
Partnership Working	The Council is working in partnership with its neighbouring councils with the aim of not only delivering savings through joint working, but also to improve resilience and performance.
Government Led Issues	Brexit; the outcome of the Spending Review and Fair Funding Review; the sustainability of the NHB scheme and what will follow; proposed move to 100% Business Rates Retention scheme; Welfare Reform and cessation of the administration of housing benefits for working age claimants in the lead up to the introduction of Universal Credit; the ongoing impact of the localisation of council tax support; and proposals to transfer the Land Charges function to HM Land Registry and to devolve the setting of planning fees will impact on the Council's finances in-year and over the medium to longer term. The increased volatility and uncertainty attached to a number of these issues is such that financial planning is becoming increasingly difficult with the increased risk of significant variances compared to projections. As a result we will need to closely monitor the impact of these issues on the Council's finances.
Savings and Transformation Contributions	<p>Latest projections point to a 'funding gap' between expenditure and income of £320,000 to be addressed over the period of the MTFS. It should also be noted dependent on the outcome of the Spending Review and the Fair Funding Review and what happens to NHB, further savings and transformation contributions could be required. Furthermore, the ongoing service reviews by the Overview and Scrutiny Committee dependent on the outcome could result in budget growth.</p> <p>The Council is able to break the required savings and transformation contributions into "tranches" to enable more measured steps to be taken and give time for the Spending Review and the Fair Funding Review to be concluded.</p> <p>In the coming months, options to deliver a further tranche of the required savings and transformation contributions will need to be considered, agreed and actioned under the framework set out in the Savings and Transformation Strategy.</p> <p>In addition, the Management Team will continue to seek efficiency savings in the delivery of existing services.</p>

These assumptions and changing circumstances will require the Strategy to be reviewed and updated at least annually.

Two key questions remain to be answered:

- What will our business rates baseline and baseline funding level be under an 'interim' 75% and 'eventual' 100% Business Rates Retention scheme, and how will this compare to that reflected in the MTFS taking into account transfer of any new responsibilities?
- What is the extent to which NHB will feature in future government grant funding and if replaced what level of funding would we receive in its place?

**The answers to these questions are fundamental for the ongoing financial planning for this Council.**

### **Adequacy of Reserves**

The minimum prudent level of reserves that the Council should maintain is a matter of judgement. It is the Council's safety net for unseen or other circumstances. The minimum level cannot be judged merely against the current risks facing the Council as these can and will change over time. The objective is to retain a minimum of £3.0m in the General Revenue Reserve by the end of the strategy period and given below are areas of operational and financial risk (not exhaustive) considered in determining the appropriate minimum level.

- Brexit
- Interest Rate volatility
- Income volatility
- Change to Government Grant including New Homes Bonus
- Identified savings not being delivered in the required timescales
- Localisation of council tax support
- Business rates retention scheme and associated volatility of income
- Planning Inquiries
- Partnership Working
- Climate Change
- Emergencies
- Economic and world recession
- Poor performance on Superannuation Fund
- Bankruptcy / liquidation of a major service partner
- Closure of a major trading area, e.g. leisure centre for uninsured works
- Cyber/data loss
- Problems with computer systems causing shortfall or halt in collection performance

- Government Legislation
- Ability to take advantage of opportunities
- Uninsured risks

Clearly, the minimum General Revenue Reserve balance needs to and will be kept under regular review. The General Revenue Reserve balance at 31 March 2030 is estimated to be £7.234m based on an increase in council tax of £5 for 2020/21 with the Council working to a balanced budget.

In addition, a number of Earmarked Reserves exist to cover items that will require short-term revenue expenditure in the near future.

The Revenue Reserve for Capital Schemes is established to finance future capital expenditure. A funding statement illustrates that recourse to borrowing to fund capital expenditure is unlikely before 2026/27 other than by exception on a case by case basis. The Revenue Reserve for Capital Schemes balance at 31 March 2026 is estimated to be £3.518m.

A schedule of the reserves held as at 1 April 2019 and proposed utilisation of those reserves to 31 March 2021 is provided in Annex 17b.

Balances held generate interest receipts which support, underpin and contribute towards meeting the objectives of the Strategy.

### **The Chartered Institute of Public Finance and Accountancy Financial Management Code and Financial Resilience Index**

In October 2019 the Chartered Institute of Public Finance and Accountancy (CIPFA) published a Financial Management Code (FM Code) to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM code is based on a series of principles supported by specific standards and statements of practice considered necessary to provide the strong foundation to:

- financially manage the short, medium and long-term finances
- manage financial resilience to meet unforeseen demands on services
- financially manage unexpected shocks in their financial circumstances.

The Code requires that a local authority demonstrate that its processes satisfy the principles of good financial management for an authority of its size, responsibilities and circumstances and sought to rely on the local exercise of professional judgement backed by appropriate reporting. None of this is should be of particular concern to us as we believe good financial management is in all significant respects already embedded at Tonbridge and Malling.



Compliance will typically but not always be demonstrated by documenting compliance with the Statements of Standard Practice which underpin each of the Financial Management Standards. We see this requiring a response to each of the Statements of Standard Practice by way of a self-assessment which is to be progressed later this year and the outcome reported to the Finance, Innovation and Property Advisory Board.

In addition, the Financial Resilience Index produced by CIPFA aims to provide a tool with a group of indicators able to illustrate the trajectory of an authority's financial position and resilience within the context of each authority's own comparator tier and nearest neighbour group. CIPFA has designed the index to provide reassurance and prompt challenge where it may be needed.

There are no particular concerns to draw to Members attention from a review of the Financial Resilience Index published in December 2019. A copy of the Index (tier comparator) is attached at Annex 17c.

**Opinion**

I am of the opinion that the approach taken in developing the 2020/21 budget meets the requirements contained in the Local Government Act 2003 to ensure the robustness of the estimates and the adequacy of the reserves.

Signed: 

Date: 13 February 2020

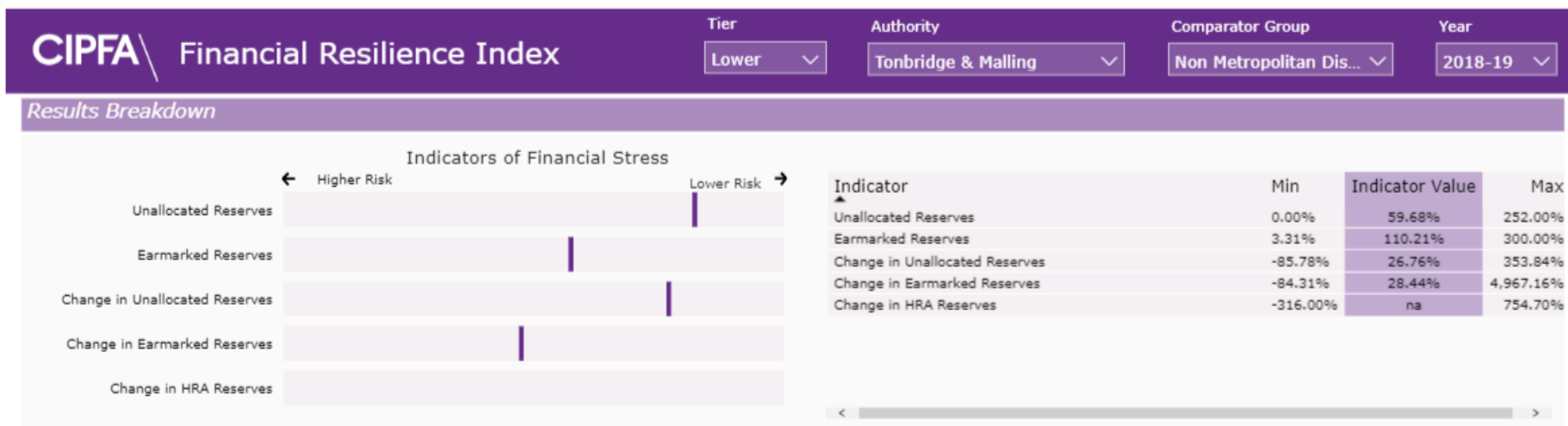
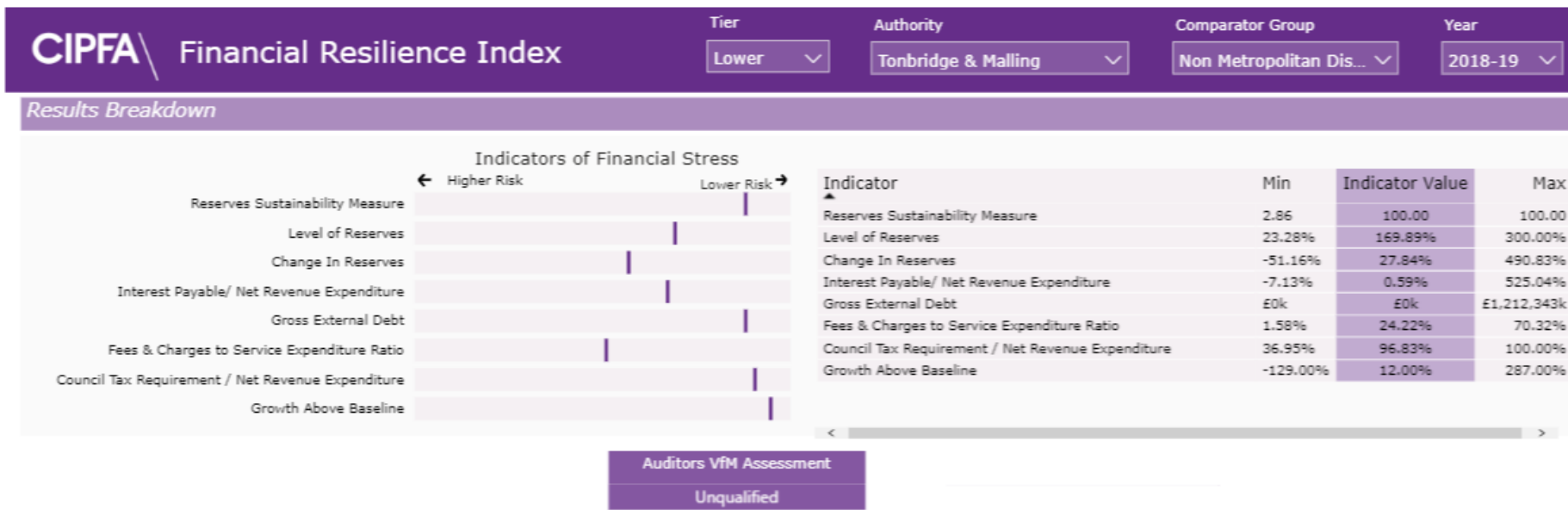
Director of Finance and Transformation, BSc (Hons) FCPFA

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**RESERVES ESTIMATE 2020/21**

Description	Balance as at	Estimated Contribution		Estimated	Estimated Contribution		Estimated
	1 April 2019	From	To	Balance as at	From	To	Balance as at
	£	£	£	£	£	£	£
<b>General Revenue Reserve</b>	6,723,099	(218,600)		6,504,499		371,950	6,876,449
<b>Revenue Reserve for Capital Schemes</b>	7,844,605	(5,768,000)	4,279,000	6,355,605	(2,742,000)	850,000	4,463,605
<b>Building Repairs Reserve</b>	652,038	(1,019,150)	725,000	357,888	(1,410,400)	1,075,000	22,488
<b>Property Investment Fund Reserve</b>	1,750,000			1,750,000			1,750,000
<b>Earmarked Reserves</b>							
Democratic Representation	20,145	(250)		19,895			19,895
Special Projects	866,452	(813,750)	0	52,702	(2,000)	0	50,702
Local Development Framework	381,039	(257,500)	255,000	378,539	(317,500)	80,000	141,039
Homelessness Reduction	340,301	(348,250)	434,750	426,801	(116,500)	268,650	578,951
Election	210,721	(121,000)	25,000	114,721		25,000	139,721
Asset Review	16,013			16,013			16,013
Training	22,813			22,813			22,813
Road Closures	7,362			7,362			7,362
Community Development	10,359	(1,800)		8,559			8,559
Invest to Save	314,104	(156,200)		157,904	(45,000)		112,904
Economic Development	14,440	(8,500)		5,940	(5,900)		40
Housing & Welfare Reform	53,200	(15,000)		38,200			38,200
Tonbridge and Malling Leisure Trust	901,470	(262,000)		639,470	(138,000)		501,470
Housing Assistance	200,000			200,000	(91,600)		108,400
Business Rates Retention Scheme	862,848	(1,093,250)	1,090,000	859,598	(190,400)	75,650	744,848
Public Health	54,477	(7,750)		46,727	(5,550)		41,177
Transformation	254,361	(180,450)	80,000	153,911			153,911
Climate Change	0		250,000	250,000			250,000
Budget Stabilisation	0			0		3,500,000	3,500,000
	4,530,105	(3,265,700)	2,134,750	3,399,155	(912,450)	3,949,300	6,436,005
<b>Total</b>	<b>21,499,846</b>	<b>(10,271,450)</b>	<b>7,138,750</b>	<b>18,367,146</b>	<b>(5,064,850)</b>	<b>6,246,250</b>	<b>19,548,546</b>

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Tonbridge & Malling Borough Council**Calculation of Council Tax Requirement for the year 2020/21 including sums required to meet Special Expenses and Parish Council Precepts**

That the following amounts be now calculated by the Council for the year 2020/21 in accordance with Section 31A of the Local Government Finance Act 1992:-

	£
(a) Aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) N.B. Includes Special Expenses and Parish Council Precepts	87,060,534
(b) Aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) N.B. Includes Local Government Finance Settlement	72,910,741
(c) Calculation under Section 31A (4), being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above	----- 14,149,793 -----

<u>Memorandum:-</u>	
	£
Borough Council	10,154,976
Special Expenses	864,088
Parish Council Precepts	3,130,729
	-----
Total	14,149,793 -----

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## Item CB 20/10 referred from Cabinet minutes of 13 February 2020

### CB 20/10 SETTING THE COUNCIL TAX 2020/21

The joint report of the Chief Executive, Director of Finance and Transformation, Leader of the Council and Cabinet Member for Finance, Innovation and Property set out the requirements under the Local Government Finance Act 1992 for a billing authority to set an amount of council tax for each category of dwelling in its area. Members were advised of the position concerning the determination of their respective precepts for 2020/21 by the major precepting authorities.

Consideration was given to a draft resolution identifying the processes to be undertaken in arriving at the levels of council tax applicable to each part of the Borough to which any charges under the special expenses scheme would be added. The resolution and further information regarding the precepts of the other authorities would be reported to the full Council on 18 February 2020.

**RECOMMENDED:** That the resolution be noted and the Council be recommended to approve a £5 per annum increase (or 2.4%) at Band D in the Borough Council's element of the council tax for 2020/21, representing a notional 'average' charge at Band D of £214.50.

**\*Referred to Council**

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# TONBRIDGE & MALLING BOROUGH COUNCIL

## CABINET

13 February 2020

Report of the Chief Executive, Director of Finance and Transformation, Leader of the Council and Cabinet Member for Finance, Innovation and Property

### Part 1- Public

#### Matters for Recommendation to Council

#### **1 SETTING THE COUNCIL TAX 2020/21**

This report takes Cabinet through the process of setting the level of Council Tax for the financial year 2020/21 and seeks Cabinet's recommendations.

#### **1.1 Introduction**

1.1.1 The legislative framework for the setting of Council Tax is Chapter III of the Local Government Finance Act 1992. Section 30 requires that for each financial year and for each category of dwelling in its area, a billing authority shall set an amount of Council Tax.

1.1.2 The amount set will be the aggregate of the amount set by the billing authority under Sections 31A and 36 of the Act and the amounts set by major precepting authorities under Sections 42A, 42B and 45 to 47 of the Act.

#### **1.2 Council Tax Base for 2020/21**

1.2.1 The Council is required to set its tax base for the forthcoming financial year, and notify it to the major precepting authorities, during the period 1 December to 31 January.

1.2.2 Attached at **[Annex 1]** is the council tax base for the financial year 2020/21 which has been determined by the Director of Finance and Transformation in accordance with her delegated authority. This shows that there are 51,371.02 Band D equivalent properties within the Borough compared to 50,820.61 in the year 2019/20 (an increase of 1.08%).

1.2.3 All precepting authorities have been notified of the tax base for 2020/21.

#### **1.3 Amounts of Council Tax to be set by the Billing Authority**

1.3.1 The process is that, having determined the billing authority's tax requirement, this sum is initially divided by the tax base to determine the overall level of tax, inclusive of special expenses and parish precepts.

- 1.3.2 The resultant figure represents an average charge within the Borough for both Borough and Parish Council requirements. As part of the statutory process, this average is recorded on the Council's council tax resolution, which we refer to later. As Cabinet is aware, however, the average charge does not apply to any of the areas within the Borough other than by coincidence. In order to calculate the levels of tax for each of the areas within the Borough, it is necessary to determine the basic level of Council Tax that will apply to the whole of the Borough, and then calculate the additional charges relating to particular areas. This process determines the tax for Band D properties in each of those areas.
- 1.3.3 The tax for the full range of Band A to H properties is then established by using the ratios for each of the Bands as they relate to Band D. The relevant statutory ratios are as follows:

**Table 1 - Band Ratio Relative to Band D**

Band	Ratio to Band D
A	6/9
B	7/9
C	8/9
D	9/9
E	11/9
F	13/9
G	15/9
H	18/9

- 1.3.4 The level of tax set by the major precepting authorities, Kent County Council, The Police & Crime Commissioner for Kent and the Kent & Medway Fire & Rescue Authority, is then added to establish the overall tax for each band in each part of the area.

**1.4 Kent County Council / The Police & Crime Commissioner for Kent / Kent & Medway Fire & Rescue Authority Precepts**

- 1.4.1 Kent County Council's Cabinet meeting is due to take place on 27 January, at which a recommendation concerning its precept will be made. The County Council's full Council meeting to confirm the precept is to be held on 13 February.

- 1.4.2 The Police & Crime Commissioner for Kent's precept and level of Council Tax is due to be considered at a meeting on 6 February and we await confirmation of the outcome.
- 1.4.3 The Kent & Medway Fire & Rescue Authority's precept and level of Council Tax is due to be agreed on 14 February.

## **1.5 Draft Resolution**

- 1.5.1 Attached at **[Annex 2]** is a draft resolution which seeks to identify for Cabinet the processes which have to be undertaken to arrive at the levels of Council Tax applicable to each part of the Borough. The parts in bold type seek to explain each calculation.
- 1.5.2 The resolution itself, incorporating the Borough Council's budget and Parish Council precept information and council tax levels for all major precepting authorities, will be presented to the meeting of the Council on 18 February 2020.

## **1.6 Legal Implications**

- 1.6.1 There are a number of legislative requirements to consider in setting the Budget which will be addressed as we move through the budget cycle.
- 1.6.2 The Localism Act introduced a requirement for council tax referendums to be held if an authority increases its relevant basic amount of council tax in excess of principles determined by the Secretary of State and approved by the House of Commons.

## **1.7 Financial and Value for Money Considerations**

- 1.7.1 As set out above.

## **1.8 Risk Assessment**

- 1.8.1 The Local Government Act 2003 requires the Chief Financial Officer, when calculating the Council Tax Requirement, to report on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. Consideration will and is given to the risks associated with any budget setting process where various financial and other assumptions have to be made. To mitigate the risks detailed estimates are formulated in conjunction with Services taking into account past outturn, current spending plans and likely future demand levels / pressures and external guidance on assumptions obtained where appropriate.
- 1.8.2 Under the provisions of the Localism Act, any increase in the relevant basic amount of council tax above the principles, however small, will require a referendum to be held which is a risk in itself.

## 1.9 Equality Impact Assessment

1.9.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

## 1.10 Recommendations

1.10.1 Cabinet is asked to **note** the resolution, and **make recommendations to** Council as appropriate.

Background papers:

contact: Sharon Shelton  
Neil Lawley

Nil

Julie Beilby  
Chief Executive

Sharon Shelton  
Director of Finance and Transformation

Nicolas Heslop  
Leader of the Council

Martin Coffin  
Cabinet Member for Finance, Innovation and Property  
and Deputy Executive Leader

**COUNCIL TAX - TAX BASE FOR 2020/21**

<b>Parish</b>	<b>Tax Base</b>
	<b>Band D Equivalents</b>
ADDINGTON	423.52
AYLESFORD	4,383.69
BIRLING	205.14
BOROUGH GREEN	1,686.49
BURHAM	460.56
DITTON	1,791.18
EAST MALLING & LARKFIELD	5,003.43
EAST PECKHAM	1,305.24
HADLOW	1,525.27
HILDENBOROUGH	2,214.98
IGHTHAM	1,113.13
KINGS HILL	4,170.16
LEYBOURNE	1,917.45
MEREWORTH	440.34
OFFHAM	389.68
PLATT	892.20
PLAXTOL	593.42
RYARSH	370.12
SHIPBOURNE	273.21
SNODLAND	3,845.79
STANSTED	282.02
TROTTISCLIFFE	274.79
WATERINGBURY	893.93
WEST MALLING	1,137.77
WEST PECKHAM	181.22
WOULDHAM	892.99
WROTHAM	946.50
TONBRIDGE	13,756.80
<b>TOTAL</b>	<b>51,371.02</b>

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**COUNCIL TAX****DRAFT RESOLUTION**

***Blank version of the Council Tax Resolution (except for Band D equivalents). Explanatory text is provided in Bold Italics.***

1. It be noted that on 18th February 2020 the Council calculated:
- (a) the Council Tax Base 2020/21 for the whole Council area as 51,371.02 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")] and,
- (b) for dwellings in those parts of its area to which one or more special items (Special expenses and or a Parish precept) relates as follows:

Tonbridge	13,756.80
Addington	423.52
Aylesford	4,383.69
Birling	205.14
Borough Green	1,686.49
Burham	460.56
Ditton	1,791.18
East Malling & Larkfield	5,003.43
East Peckham	1,305.24
Hadlow	1,525.27
Hildenborough	2,214.98
Ightham	1,113.13
Kings Hill	4,170.16
Leybourne	1,917.45
Mereworth	440.34
Offham	389.68
Platt	892.20
Plaxtol	593.42
Ryarsh	370.12
Shipbourne	273.21
Snodland	3,845.79
Stansted	282.02
Trottscliffe	274.79
Wateringbury	893.93
West Malling	1,137.77
West Peckham	181.22
Wouldham	892.99
Wrotham	946.50

2. £ X,XXX,XXX being the Council Tax requirement for the Council's own purposes for 2020/21 (excluding Parish precepts).

***Explanatory Notes***

***1(a) This figure represents the council tax base expressed in Band D equivalents for the whole Tonbridge and Malling area.***

***1(b) These figures represent the tax base expressed in Band D equivalents for Tonbridge and each Parish.***

***The tax base for the whole borough, Tonbridge and for each area (Parish) as determined by the Council's Chief Financial Officer.***

***2 This figure represents the amount of council tax required to support the Council's revenue budget for the year.***

3. That the following amounts be calculated for the year 2020/21 in accordance with Sections 31 to 36 of the Act:

- (a) £ XX,XXX,XXX being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
- (b) £ XX,XXX,XXX being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £ XX,XXX,XXX being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
- (d) £ XXX.XX being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year including Parish precepts.
- (e) £ X,XXX,XXX being the aggregate amount of all special items (Special expenses and Parish precepts) referred to in Section 34(1) of the Act.
- (f) £ XXX.XX being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items relate (this is the Council Tax for General Expenses to which Special expenses and Parish precepts are added as applicable).

<b>(g) <u>Part of the Council's area</u></b>	<b>Band D £</b>
Tonbridge	XXX.XX
Addington	XXX.XX
Aylesford	XXX.XX
Birling	XXX.XX
Borough Green	XXX.XX
Burham	XXX.XX
Ditton	XXX.XX
East Malling & Larkfield	XXX.XX
East Peckham	XXX.XX
Hadlow	XXX.XX
Hildenborough	XXX.XX
Ightham	XXX.XX
Kings Hill	XXX.XX
Leybourne	XXX.XX
Mereworth	XXX.XX
Offham	XXX.XX
Platt	XXX.XX
Plaxtol	XXX.XX
Ryarsh	XXX.XX
Shipbourne	XXX.XX
Snodland	XXX.XX
Stansted	XXX.XX
Trottscliffe	XXX.XX
Wateringbury	XXX.XX
West Malling	XXX.XX
West Peckham	XXX.XX
Wouldham	XXX.XX
Wrotham	XXX.XX

being the amounts given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items (Special expenses and Parish precepts) relate.

**Explanatory Notes**

**3(a) The Council's gross expenditure including special expenses, parish precepts and any deficit on the Collection Funds brought forward.**

**3(b) The Council's gross income including the amount of NNDR and Revenue Support Grant the Council will receive, plus any surplus on the Collection Funds brought forward.**

**3(c) The council tax requirement including special expenses and parish precepts.**

**3(d) The council tax requirement including special expenses and parish precepts divided by the tax base from 1(a) to give the basic amount of Council Tax. (N.B. This is an average inclusive of special expenses and parish precepts for each part of the borough).**

**3(e) The total amount of all parish precepts and special expenses.**

**3(f) The amount of Council Tax excluding parish precepts and special expenses that applies to each part of the borough.**

**3(g) The amounts of Council Tax which are set for each part of the borough to meet both borough and parish requirements including special expenses.**

(h)

**Valuation Bands**

<b><u>Part of the Council's area</u></b>	<b>A</b> £	<b>B</b> £	<b>C</b> £	<b>D</b> £	<b>E</b> £	<b>F</b> £	<b>G</b> £	<b>H</b> £
Tonbridge	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Addington	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Aylesford	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Birling	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Borough Green	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Burham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Ditton	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
East Malling & Larkfield	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
East Peckham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Hadlow	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Hildenborough	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Ightham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Kings Hill	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Leybourne	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Mereworth	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Offham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Platt	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Plaxtol	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Ryarsh	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Shipbourne	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Snodland	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Stansted	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Trottscliffe	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Wateringbury	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
West Malling	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
West Peckham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Wouldham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Wrotham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX

being the amounts given by multiplying the amounts at 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

***Explanatory Notes***

***3(h) The amounts of Council Tax set for each part of the borough, to meet both borough and parish requirements including special expenses.***

4. That it be noted that for the year 2020/21 The Police & Crime Commissioner for Kent, the Kent & Medway Fire & Rescue Authority and the Kent County Council have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

**Valuation Bands**

<b><u>Precepting Authority</u></b>	<b>A</b> £	<b>B</b> £	<b>C</b> £	<b>D</b> £	<b>E</b> £	<b>F</b> £	<b>G</b> £	<b>H</b> £
The Police & Crime Commissioner for Kent	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Kent & Medway Fire & Rescue Authority	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Kent County Council	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX

5. That, having calculated the aggregate in each case of the amounts at 3(h) and 4. above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2020/21, for each of the categories of dwellings shown below:

**Valuation Bands**

<b><u>Part of the Council's area</u></b>	<b>A</b> £	<b>B</b> £	<b>C</b> £	<b>D</b> £	<b>E</b> £	<b>F</b> £	<b>G</b> £	<b>H</b> £
Tonbridge	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Addington	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Aylesford	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Birling	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Borough Green	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Burham	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Ditton	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
East Malling & Larkfield	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
East Peckham	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Hadlow	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Hildenborough	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Ightham	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Kings Hill	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Leybourne	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Mereworth	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Offham	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Platt	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Plaxtol	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Ryars	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Shipbourne	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Snodland	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Stansted	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Trottscliffe	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Wateringbury	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
West Malling	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
West Peckham	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Wouldham	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Wrotham	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX

***Explanatory Notes***

**4** *The Council Tax set by The Police & Crime Commissioner for Kent, Fire Authority and KCC for each band.*

**5** *The total Council Tax the Borough Council sets for each band in each part of the borough, inclusive of the KCC, KMFRA, The Police & Crime Commissioner for Kent, borough and parish requirement.*



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## Item CB 20/11 referred from Cabinet minutes of 13 February 2020

### CB 20/11 REVIEW OF PUBLIC HEALTH

Item OS 20/3 referred from Overview and Scrutiny Committee minutes of 15 January 2020.

The Cabinet received the recommendations of the Overview and Scrutiny Committee regarding the review of the Public Health Function and noted the concerns raised regarding the level of funding contribution for the One You Service.

#### **RECOMMENDED:** That

- (1) a formal request for an increased contribution to cover management costs to enable delivery of the One You Service on a cost neutral basis be submitted to Kent County Council; and
- (2) a further review of the Public Health Function be undertaken by the Overview and Scrutiny Committee to take account of the responses regarding funding contributions.

**\*Referred to Council**

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## OS 20/3 REVIEW OF PUBLIC HEALTH

The report of the Director of Planning, Housing and Environmental Health explored a number of options for consideration regarding the future provision of the One You Kent service within Tonbridge and Malling. Financial and value for money considerations were also set out. It was reported that currently the One You Service received a funding contribution via a Kent County Council Public Health grant, although the amount had gradually reduced over the past few years.

The Director of Public Health at Kent County Council (Andrew Scott-Clark) and the Practice Manager at Snodland surgery (Dr Becky Prince) attended the meeting to share their experiences of the One You Kent service.

Members recognised the value in supporting residents and patients in making lifestyle changes that led to improved health and wellbeing. It was noted that programmes tailored to individuals had a greater chance of achieving successful outcomes. However, Members also recognised the significant financial pressures faced by the Borough Council due to the ongoing reductions in Government funding. As a result, there was in-depth discussion as to whether it was the role of the Borough Council to deliver this programme of work, especially as public health was the responsibility of other statutory bodies.

In addition, there was discussion as to whether the district partnership approach in West Kent was the best option of delivering this service. It was noted that a different model of delivery operated in East Kent which achieved similar health outcomes, although Officers advised that the links with wider Council services, such as housing, might not be in place.

In response to concerns raised regarding the level of funding contribution, the Director of Public Health indicated that Kent County Council would be open to discuss this in more detail. Members expressed concern about making a decision on the level of service provision given the lack of clarity around any potential funding offer. Alternative funding opportunities continued to be explored by the Borough Council.

**RECOMMENDED:** That a formal request for an increased contribution to cover management costs to enable delivery of the One You Service on a cost neutral basis be submitted to Kent County Council.

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# TONBRIDGE & MALLING BOROUGH COUNCIL

## OVERVIEW AND SCRUTINY COMMITTEE

15 January 2020

### Report of the Director of Planning, Housing & Environmental Health

#### Part 1- Public

#### Matters for Recommendation to Council

## 1 REVIEW OF PUBLIC HEALTH

### Summary

This report explores the three previously identified options for the future provision of the One You Kent service within Tonbridge & Malling BC. Dependent on the option chosen by Members there may be future financial implications for the Council.

### 1.1 Background

1.1.1 At the meeting of this Committee on 29 August 2019 Members agreed to explore the following three options for ongoing provision of the One You Kent programme:

- 1) Adopt the principle that TMBC wishes to continue to deliver the programme by direct provision of funding above the KCC grant funding i.e. to continue the service in its current format and to continue to meet the current shortfall in funding up to a predetermined limit recognising in doing so this will generate budget growth (once the earmarked reserve is used up) and, in turn, add to the funding gap.
- 2) Adopt the principle that TMBC should only deliver the programme at a level fully funded by KCC i.e. to do as originally planned when the 'commissioning role' was introduced that the arrangement would be fiscal neutral.
- 3) Adopt the principle that TMBC should not be delivering this programme of work i.e. to discontinue delivering directly the One You service across Tonbridge & Malling and inform KCC that they would need to commission this service from another organisation.

1.1.2 The scoping report from the previous meeting is attached at **Annex 1**.

1.1.3 At the meeting on the 29 August 2019 Members confirmed that they wished to hear more about this service from the Director of Public Health, Kent County Council who commission the One You Kent programme as well as a local GP. Andrew Scott-Clark and Becky Prince (GP – Snodland surgery) have both accepted the invite to this meeting Members may wish to draw out from Andrew

Scott-Clark the impact of the One You service and any benefits of it being delivered through the district Council partnership approach in West Kent. It would be useful to hear Becky Prince's direct experience of the One You programme and the outcomes it has for her patients.

- 1.1.4 The scoping report laid out the budget position on current service delivery, which is the base position for option 1. KCC currently fund £125,143.06 per annum and TMBC currently have a savings reserve of £55,727 as at 31/3/20. Ahead of this report, KCC have informally indicated (ahead of their Public Health grant amount being confirmed) that they are intending to fund at the same level in 2020/21.
- 1.1.5 In 2015 a report was commissioned by the District Councils' Network (DCN). Its intention was to contribute to the understanding, assessment and development of the role of district councils in improving the health of their citizens and communities. It focussed on district councils' role in promoting public health through some of their key functions and enabling roles. It concluded that:
- a) Our health is primarily determined by factors other than health care. District councils are in a good position to influence many of these factors through their key functions and in their wider role supporting communities and influencing other bodies.
  - b) District councils face key challenges, the biggest of which is a fall in central government income. But public health reform and localism also create opportunities for them to increase their contribution to the health of their citizens. Moreover, many of their actions are likely to release savings to the public purse – primarily (but not solely) in the NHS. District councils therefore need to be more integrated in local health and social care policy than many currently are.
  - c) Among their core functions, housing, leisure and green spaces, and environmental health are key areas that affect public health.
  - d) District councils have an important role to play in supporting social capital by strengthening social networks and community-centred approaches to health, potentially through enabling greater volunteer involvement in health care support. These approaches have been shown to have strong and direct links to health, being as powerful predictors of mortality in older populations as common lifestyle risks, such as moderate smoking, obesity, and high cholesterol and blood pressure. They are also important in determining or averting health behaviours as well as resilience to, and recovery from, illness.
- 1.1.6 The One You team is integral to the delivery of the conclusions drawn out above by the DCN commissioned report.

## **1.2 Option 1 – TMBC continue to deliver One You programme in its current format**

- 1.2.1 The table below provides a SWOT analysis for this option:

<p><b>Strengths</b></p> <p>Continues the positive and holistic approach to delivery of One You service within the wider district Council services.</p> <p>Continues the positive and strong working partnership across West Kent.</p> <p>Retain committed and hardworking team who are making a difference for residents.</p> <p>Continue with the progression of the newly formed One You Kent Countywide Partnership Meeting which focuses on continuous improvement and sharing best practice across all districts and KCHFT.</p> <p>Enables the current level of activity – dealing with 370 referrals and 135 participants in weight loss programmes.</p> <p>Helps to meet our corporate strategy aims where we state we remain committed to developing our dialogue with partners including those for health improvement and one of our key outcomes is to maintain effective joint working across West Kent on key issues such as health provision.</p>	<p><b>Opportunities</b></p> <p>Further develop the strong health links across the Council and with partner organisations particularly with housing and leisure</p> <p>Further develop the health in all policies agenda across the Council.</p> <p>Relook at the partnership across West Kent and if this provides any opportunity for rationalisation.</p> <p>To continue to raise the profile of this preventative work such that other partners e.g. health, community services will seek to also invest.</p> <p>Seek income generation opportunities.</p> <p>Improved efficiency in service through IT improvements.</p> <p>Seek additional funding opportunities.</p>
<p><b>Weaknesses</b></p> <p>This is not a mandatory service however has strong links into other such duties of the Council e.g. housing.</p> <p>Impact on senior management time - service needs to be managed within a head of service and Director portfolio so has an effect on resources available</p>	<p><b>Threats</b></p> <p>Future funding is uncertain so will represent budget growth once reserve fully spent.</p>

for the rest of the service, many of which are statutory.	
Funding burden on Council if there is a funding shortfall.	

1.2.2 This option enables TMBC to continue to deliver the One You services with all the wider benefits this has for the Council – further detail is provided in 1.3.3 below.

1.2.3 However it is recognised that this option is highly likely to represent budget growth once the Public Health reserve has been used up and the length of time that will take is unknown due to the commissioning funding coming from KCC and staff costs rising through inflation. Members will recall from the last report that when the service was introduced it was on the understanding that the ‘commissioning role’ would be fiscally neutral for TMBC. This option will not achieve that objective and indeed the gap may widen each year.

### 1.3 **Option 2 – TMBC continue to deliver One You programme at a level funded by KCC**

1.3.1 The table below provides a SWOT analysis for this option:

<b>Strengths</b>	<b>Opportunities</b>
<p>There will be no budget growth for the Council – the service will be managed within the annual KCC funding utilising the reserve (£55,727 as at 31/3/20, made up of underspends in public health in previous financial years) for any difference and staffing adjusted as required.</p>	<p>Further develop the strong health links across the Council particularly with housing and leisure.</p>
<p>Retains positive and holistic approach to delivery of One You service within the wider district Council services.</p>	<p>Further develop the health in all policies agenda across the Council.</p>
<p>Continues the positive and strong working partnership across West Kent.</p>	<p>Relook at the partnership across West Kent and if this provides any opportunity for rationalisation.</p>
<p>Retain committed and hardworking team (subject to level of KCC funding) who are making a difference for residents.</p>	<p>We continue to raise the profile of this preventative work such that other partners e.g. health, community services will seek to also invest.</p>
	<p>Seek income generation opportunities.</p>
	<p>Increased efficiency in service through IT improvements.</p>

<p>Continue with the progression of the newly formed One You Kent Countywide Partnership Meeting which focuses on continuous improvement and sharing best practice across all districts and KCHFT.</p> <p>Helps to meet our corporate strategy aims where we state we remain committed to developing our dialogue with partners including those for health improvement and one of our key outcomes is to maintain effective joint working across West Kent on key issues such as health provision.</p>	<p>Seek additional funding opportunities.</p>
<p><b>Weaknesses</b></p> <p>This is not a mandatory service however has strong links into other such duties of the Council e.g. housing.</p> <p>Impact on senior management time - service needs to be managed within a head of service and Director portfolio so has an effect on resources available for the rest of the service, many of which are statutory.</p> <p>There may be a reduction in the number of residents that can be assisted should the grant from KCC reduce significantly.</p>	<p><b>Threats</b></p> <p>Future funding is uncertain so shortfall for TMBC to fund (if any) will be determined year to year and may require staffing level changes, which could have staff retention and HR implications.</p>

- 1.3.2 This option enables TMBC to continue to deliver the One You services and all the wider benefits this has for the Council within the budget provided by KCC. In 2019/20 this has already happened with a reduction in the “Healthy Living Initiatives” budget from £23,000 to £10,000.
- 1.3.3 Without a doubt the delivery of the One You service by TMBC has paid dividends for our residents. The service has been able to influence the assessment criteria and process to enable wider district services as highlighted above e.g. housing to be explored with residents and where required issues to be addressed. It offers a

holistic approach to the resident ensuring that any underlying issues e.g. financial difficulties, poor housing conditions are also addressed at the same time as any lifestyle intervention. This is more likely to create a scenario where improving lifestyles can be maintained and prioritised. The West Kent partnership maintains that the districts are well placed to bring a number of additional benefits to the One You service and can help in offering a holistic approach for users. This combined with the strengths that KCHFT offer such as the stop smoking service mean that there are a variety of services and support on offer.

- 1.3.4 The One You team has successfully developed an extremely strong relationship with housing, leisure, benefits, environmental health and others that have many interlinked approaches, policies and aims around the improvement of the health and wellbeing of our residents.
- 1.3.5 The service has recently been through a “process mapping” exercise led corporately by IT services. This will result in the reengineering of the processes to determine if more efficient ways of working can be implemented. This could lead to assisting with the reduction in cost of the service without impacting on service delivery. In addition the IT system in use at the moment is being considered by the Head of IT as to whether any improvement can be sought in light of the Council’s move to improved mobile working etc.
- 1.3.6 Once the annual grant (or hopefully in the future longer term grant funding periods) are known T&M could plan accordingly to deliver the service within budget. If required this may mean some amendment to revenue budget/staffing changes within the team and the Public Health reserve could be used to allow for any period of adjustment.
- 1.3.7 We are aware that Sevenoaks DC operate to this model and apart from management costs do not top up the grant received from KCC. They have however been successful in accessing other sources of funding to add benefit to the work of the team. This is something we have identified

#### **1.4 Option 3 - TMBC do not deliver the One You programme**

- 1.4.1 The table below provides a SWOT analysis for this option:

<b>Strengths</b>	<b>Opportunities</b>
No financial risk to the Council.	The management resources currently used to manage the service can be utilised elsewhere in the wider Housing & Environmental Health service.



<b>Weaknesses</b>	<b>Threats</b>
<p>The strong links to other Council services that often adds value both for the Council and the resident may be lost.</p>	<p>There remains a need for the Council to ensure that the health and wellbeing of residents is considered across all services. The momentum and focus for this may be lost.</p>
<p>The ability to steer the direction of the One You service e.g. ensuring housing needs are being identified may be lost.</p>	<p>A loss of focus on staff health and wellbeing.</p>
<p>The often “good news” and positive stories for the Council of residents being helped to transform their lives will be lost. Residents are not guaranteed the holistic support to maintain a healthy lifestyle.</p>	<p>Possible HR costs associated with six members of staff.</p>
<p>Loss of a committed and dedicated team who make a difference for our residents.</p>	<p>Impact on wider partnership. Becomes less sustainable for other parties to continue.</p>

- 1.4.2 This option could lead to an external organisation delivering the One You service across T&M. In East Kent KCC commission Kent Community Health Foundation Trust (KCHFT) to deliver the One You service. Historically there have been some challenges in this approach in terms of the links between district services and the KCHFT delivering the One You Service in a joined up and holistic approach centred around the person. In order to address these challenges KCC launched a Quarterly One You Kent Countywide Partnership Meeting to identify areas for improvement, share best practice and to ensure all partners are linked up with the delivery of the service across Kent. This is still in its infancy but a number of improvements have already taken place such as KCHFT opening up their training offer to the districts at a very reduced rate. The development of a Network event for all advisors in West Kent and KCHFT has also been scheduled for January 2020. Advisors will hear a number of presentations from drug and alcohol services and social prescribing in their areas. This is also an opportunity for the Districts to present to the KCHFT staff the benefits the district advisors can offer (such as housing and debt advice and how/when to refer) and likewise KCHFT can offer advice on how to signpost into their stop smoking services in West Kent. KCHFT do have some One You advisor resource in the T&M area targeting the lower quintile areas and although we have never received a housing referral for any of their clients they have confirmed that they regularly signpost to districts when housing/debt or other district related issues are raised. Currently T&M One You advisors are in touch with the housing team on a very regular basis and taking advice on how best to help residents sustain healthier living. This difference leads

officers at TMBC to conclude that there is a huge advantage for the resident to receive the One You service via the district Council and they receive a much better service.

- 1.4.3 This option also poses a serious risk to the West Kent partnership. Sevenoaks have expressed concern should this option be taken as shared resources and posts have been established e.g. One You support officer, IT and call centre. Although there are no contractual implications for TMBC there is a significant impact on the remaining two local authorities within the partnership.

## **1.5 Legal Implications**

- 1.5.1 There is no mandatory duty for Tonbridge & Malling B.C. to deliver this service although it does link in strongly with other parts of Council services where there are mandatory duties e.g. housing.
- 1.5.2 Should option 2 or 3 be preferred, there will be HR implications for current staff. These have already been discussed with the HR Manager and staff have been briefed on the Overview & Scrutiny process and offered the opportunity to discuss their individual circumstances.

## **1.6 Financial and Value for Money Considerations**

- 1.6.1 There is currently a Public Health reserve that stands at £55,727 as at 31/3/2. This is made up from savings on previous years Public Health grant. KCC currently fund TMBC £125,143.06 per year. The grant from KCC does not increase year on year in line with expected rate of living increases.
- 1.6.2 Option 1 will have the most impact with future year's delivery representing budget growth and in turn adding to the corporate funding gap and the savings and transformation target once the Public Health reserve is used up. The KCC grant does not increase with cost of living pay awards so the gap will increase.
- 1.6.3 Option 2 will maintain a status quo with the KCC Public Health grant funding so that the programme is amended each year in line with the grant received. The Public Health reserve could be utilised in this option to fund any period where staffing changes are required to bring the service in line with the available funding.
- 1.6.4 Option 3 may incur initial costs from redundancies however in the medium and long term will have no impact on Council's budget. This scenario would be dealt with following the Council's Retention, Recruitment and Redundancy policy.

## **1.7 Risk Assessment**

- 1.7.1 None arising from this report.

## 1.8 Recommendations

1.8.1 Members are recommended to consider the three options in light of the information provided in this report and input from the invited speakers and APPROVE an option for the One You (Public Health) function from the following;

a) continue to deliver the One You service in its current format, accepting that this will require funding input from TMBC at current or higher than current levels depending on KCC Public Health funding grant

b) continue to deliver the One You service within the budget envelope of the KCC Public Health funding grant, accepting that this will require dynamic service management and work with partners to consider rationalisation of the West Kent service to maintain that budget position

c) discontinue delivery by TMBC of the One You Service, accepting that this may, dependant on the outcome of discussions with the other West Kent partners, result in redundancies

Background papers:

Nil

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Hoyle

Eleanor Hoyle  
Director of Planning, Housing & Environmental Health

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**TONBRIDGE & MALLING BOROUGH COUNCIL**  
**OVERVIEW AND SCRUTINY COMMITTEE**

**29 August 2019**

**Report of the Director of Planning, Housing & Environmental Health**

**Part 1- Public**

**Delegated**

**1 SCOPING REPORT FOR REVIEW OF PUBLIC HEALTH**

**Summary**

**This report provides Members with background information on the Public Health team and work carried out by Tonbridge & Malling BC. Options for inclusion in the review of the service are presented for consideration.**

**1.1 Background**

1.1.1 Kent County Council as the public health authority commissions Tonbridge and Malling Borough Council as part of a wider West Kent partnership (including Sevenoaks DC and Tunbridge Wells BC) to deliver the One You Kent Service to help achieve the common objective of promoting healthier lifestyles among the population of Tonbridge and Malling in order to:

- Extend healthy life expectancy through prevention of chronic conditions such as obesity, cardiovascular diseases and diabetes;
- Reduce health inequalities; and
- Reduce avoidable demand on the health and care system in Kent.

1.1.2 Within the One You Kent Service the following work is carried out:

- Integrated Lifestyle Services – One You Kent - focusing on healthy weight, being more active, reducing alcohol intake and stopping smoking
- Weight Management Services
- Workplace Health
- Health in all policies
- Healthy Communities – including smoke free initiatives

1.1.3 The vision of the One You Kent Service is to motivate people to achieve and maintain a healthy lifestyle by supporting them to make positive lifestyle choices.

1.1.4 A number of principles have been developed for the model. These include:

- **Integrated** – People can get all the help they need to be healthier from one service.
- **Targeted** – Aimed at people who need help most but still available to everyone.
- **Motivating** – Encouraging people to be healthier.
- **Promoting independence** – Helping people to be healthier so they don't need to rely on a service.
- **Flexible** – Meeting the needs of local people creating better choice and tailored service.

1.1.5 The service contributes to achievement of outcomes set out in the Public Health Outcomes Framework (PHOF), and Public Health England's (PHE) vision to improve and protect the nation's health and wellbeing and improve the health of the poorest, fastest; through the following two key outcomes:

- PHE Outcome 1: Increased healthy life expectancy - taking account of the health quality as well as the length of life.
- PHE Outcome 2: Reduced differences in life expectancy and healthy life expectancy between communities through greater improvements in more disadvantaged communities such as those in the most deprived quintile.

1.1.6 The team currently consists of four established posts: DV0201 – Health Team Leader (37 hours per week, grade M9); DV0297 – Health Improvement Support Assistant (37 hours per week, scale 3); DV0202 and DV0203 – One You Advisors (37 hours per week, scale 5). Both the One You Advisor posts are currently resourced by job sharers, two of whom work 22 hours per week and two who work 15 hours per week.

1.1.7 In addition there are some resources (approximately one day a week for Tonbridge & Malling work) provided from the Council's Environmental Projects Coordinator who focusses on workplace health. This involves liaising with local businesses and workplaces to encourage and support with healthy lifestyle choices and opportunities for employees. Sevenoaks DC also commission Tonbridge & Malling BC to deliver their workplace health programme and this is carried out by the Environmental Projects Coordinator in again approximately one day a week staffing resources.

1.1.8 The One You Advisors provide one to one sessions with clients to help with lifestyle choices and behaviour and continue to support that client with their ongoing journey over typically six one to one sessions. The team also provide

weight management classes and attend many local events to promote healthy lifestyles.

- 1.1.9 We work in partnership with Sevenoaks DC and Tunbridge Wells BC to deliver One You across West Kent. The teams work closely together and provide resilience for one another when required. The teams share an administrative resource, a central contact number for One You in West Kent (managed by the call centre at Sevenoaks DC) and have commissioned a joint database to manage the caseload. All these elements are jointly funded by the three authorities. Clearly any decision Tonbridge & Malling BC takes with regard to the future of the service would have some effect on these two partners.
- 1.1.10 When the partnership for West Kent was set up to deliver the One You service there was a real focus on incorporating the services that districts provide to ensure a holistic approach to health. Services such as housing and benefits are now completely embedded into the One You service and often we find that by getting to the root cause of an issue e.g. too much drinking due to concern about rent arrears we can then help to tackle that cause as well as provide healthy lifestyle advice thus leading to a much more sustained outcome. This approach to service provision was one of the selling points of the boroughs' bid to undertake the One You service and is additional to the standard One You model utilised by KCC when commissioning other organisations.

## 1.2 Finance

- 1.2.1 Tonbridge & Malling have received funding from Kent County Council for healthy lifestyles for a number of years. More specifically a Healthy Lifestyle One You Kent (OYK) grant has been received from Kent County Council over the last three years. The details are provided in the following table:

Year	Amount of OYK grant
2015/16	£132,242
2016/17	£131,493
2017/18	£127,697
2018/19	£127,697
2019/20	£125,143

- 1.2.2 Members will note that over the period shown there has been a gradual reduction in the grant received other than in 2018/19 whilst costs have increased.
- 1.2.3 In terms of future funding Kent County Council's Director of Public Health, Andrew Scott-Clark has advised that "(KCC) are waiting for the results of the 2019

spending review, which will inform the Public Health (PH) grant allocation for 2020/21 and beyond. In addition, a national review around mandation will affect use of the grant. It has been possible on this occasion to apply only 2% cut but if there are further cuts announced for 2020 and beyond, we will need to apply any national reductions to the PH grant to your grant allocations.” However, it is also important to note that in the most recent discussions with KCC they have indicated that they are not currently minded to alter the arrangements with the West Kent boroughs and re-commission the service, should the boroughs wish to continue delivery. Although as a commissioning body they do retain the right to re-commission how they wish.

1.2.4 The Council’s revenue budget position for public health for 2019/20 is as below:

Item	£
Staff costs	141,500*
Partnership Receipts from Sevenoaks DC and Tunbridge Wells BC	(17,300)*
Managerial and other direct staff costs	34,250
Healthy Living Initiatives (budget to assist with delivery of programmes)	23,000*
Income from PH grant (does not match the actual grant of £125,143 as this is only confirmed after budget setting process)	(127,700)*
Income from other bodies (contribution from Sevenoaks DC for workplace health delivery)	(9,000)*
Central, Departmental & Technical Support Services	82,000
<b>Summary</b>	<b>126,750</b>

1.2.5 When examining direct costs and income (those items marked with an asterisk\*) attributable to the One You Healthy Living service expenditure exceeds income to the sum of £10,500. When the service was introduced it was on the understanding that the ‘commissioning role’ would be fiscal neutral. The shortfall is currently funded from an earmarked reserve (balance as at 1/4/19 £54,477), but will in due course, were it to continue, represent budget growth and in turn add to the Corporate funding gap and the savings and transformation target.



### 1.3 Performance

1.3.1 The activity of the One You service is summarised in their annual return, which is attached at **Annex 1** to this report for information.

1.3.2 Some of the key highlights include the Counter Weight programme, a 12 week evidence based weight loss programme. Aimed at a moderate weight loss of 5-10%, it has demonstrated evidence of both clinical and cost-effectiveness. It is a structured weight management intervention delivered over a 12 week period, using behavioural strategies to assist people to change their lifestyle. In TMBC this year:

- 135 participants engaged in at least one session on the programme;
- 87 participants engaged in the programme;
- 87 engagers lost weight;
- 48 (55.17%) of engagers lost <3% weight;
- 20 (22.99%) of engagers lost 3-4.9% weight; and
- 19 (21.89%) of engagers lost >5%.

1.3.3 Across the One You Service as a whole, the following key statistics show very good performance levels against expected levels of engagement:

- 370 Referrals received into the One You Service;
- 72.7% Referrals contacted within 48 hours of receiving the referral;
- 176 Referrals were seen by a One You advisors; and
- 48 of the people seen were from quintiles 1 and 2.

### 1.4 HR Policy Implications

1.4.1 Depending upon the final outcome of the review, the Council's Reorganisation, Redundancy and Redeployment Procedure may apply. It may also transpire that relevant employment law such as TUPE may be applicable.

### 1.5 Legal Implications

1.5.1 There are none arising from this report.

### 1.6 Financial and Value for Money Considerations

1.6.1 When introduced it was on the understanding that the arrangement would be fiscal neutral. The funding provided has reduced over time whilst costs have increased where the Council is now meeting a shortfall in funding from an earmarked reserve. The reserve can 'plug' the shortfall in funding in the short term. If the shortfall were to continue this would represent budget growth and, in turn, add to the funding gap.

1.6.2 Each of the options as set out in paragraph 1.9 below will have a cost implication summary attached as part of the second O&S report.

## **1.7 Risk Assessment**

1.7.1 With any externally funded service, the core risk is the funding being discontinued. This consideration will be built into the options appraisal.

## **1.8 Equality Impact Assessment**

1.8.1 An equality impact assessment will need to be undertaken as part of this review.

## **1.9 Next steps**

1.9.1 A number of options have been provisionally identified, and are set out below. Members are requested to consider which of these options they wish to see included in the review or to identify any other options they would like to explore.

1.9.2 Identified options for consideration

- 1) Adopt the principle that TMBC wishes to continue to deliver the programme by direct provision of funding above the KCC grant funding i.e. to continue the service in its current format and to continue to meet the current shortfall in funding up to a predetermined limit recognising in doing so this will generate budget growth (once the earmarked reserve is used up) and, in turn, add to the funding gap.
- 2) Adopt the principle that TMBC should only deliver the programme at a level fully funded by KCC i.e. to do as originally planned when the 'commissioning role' was introduced that the arrangement would be fiscal neutral.
- 3) Adopt the principle that TMBC should not be delivering this programme of work i.e. to discontinue delivering directly the One You service across Tonbridge & Malling and inform KCC that they would need to commission this service from another organisation.

1.9.3 In considering these various options, it is suggested that Members may be assisted by hearing from key partners in the delivery of public health services that could include the Director of Public Health at Kent County Council, GPs, Tonbridge & Malling Leisure Trust (exercise referral).

1.9.4 A further report with final recommendations will be reported to the December meeting of this Committee.

## 1.10 Recommendations

1.10.1 That the contents of this report **BE NOTED** and that a further report be made to the December meeting of this Committee regarding the options identified in section 1.9 of this report and any other options identified by this Committee.

Background papers:

Nil

contact: Eleanor Hoyle/Linda  
Hibbs/Claire Potter

Eleanor Hoyle  
Director of Planning, Housing & Environmental Health

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## Item CB 20/12 referred from Cabinet minutes of 13 February 2020

### CB 20/12 REVIEW OF DISABLED FACILITIES GRANTS

Item OS 20/4 referred from Overview and Scrutiny Committee minutes of 15 January 2020

The Cabinet received the recommendations of the Overview and Scrutiny Committee regarding the future provision of the Disabled Facilities Grant programme and Better Care initiatives within Tonbridge and Malling and noted the funding concerns expressed by the Overview and Scrutiny Committee regarding the hospital discharge service.

#### **RECOMMENDED:** That

- (1) a decision regarding the future provision of the Disabled Facilities Grant Programme and Better Care initiatives within Tonbridge and Malling be deferred to enable:
  - the Maidstone and Tunbridge Wells NHS Trust to respond to the formal request for a funding contribution towards the hospital discharge service; and
  - the impact of the options for the OT Service within Tonbridge and Malling Borough Council, presented at the Overview and Scrutiny Committee by Kent County Council, to be further explored.
- (2) a report addressing these issues in more detail to be presented to a future meeting of the Overview and Scrutiny Committee for consideration.

**\*Referred to Council**

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## OS 20/4 REVIEW OF DISABLED FACILITIES GRANTS

The report of the Director of Planning, Housing and Environment Health outlined a number of options for consideration regarding the future provision of the Disabled Facilities Grants (DFG) programme and the Better Care Fund (BCF) initiatives within Tonbridge and Malling. Funding for these services and mandatory DFGs was awarded annually through the Better Care fund. Unfortunately, forward planning for services and budgets was challenging as the funding announcement was not made until the end of March and actual spend was demand led.

It was also reiterated that DFGs were a mandatory grant that the Borough Council had to administer through the Housing Grants, Construction and Regeneration Act 1996.

Representatives from the Maidstone and Tunbridge Wells NHS Trust and Kent County Council Occupational Therapy shared their experiences of the West Kent Hospital Discharge Scheme and the secondment of an Occupational Therapist (OT) into the Borough Council's Private Sector Housing Team. A number of options to improve the ability to recruit into vacant OT posts and to enable the ongoing delivery of DFG assessments in a timely manner were outlined by Kent County Council.

Members recognised the value to residents of the initiatives delivered by the Better Care Fund and the Hospital Discharge Scheme which offered patients the opportunity to return to a safe home environment. This in turn created space in hospital wards. In addition, Members recognised that the OT secondment initiative had been successful in reducing waiting times for DFG assessments and were keen to retain this service if possible.

However, the Borough Council continued to face significant financial pressures due to the ongoing reductions in Government funding. As a result, there was in-depth discussion as to whether it was the role of the Borough Council to deliver this programme of work, other than the mandatory obligations, and whether the NHS Trust should provide a greater funding contribution.

The Director of Finance and Transformation explained that the funding provided through the BCF was now insufficient to meet both the mandatory grants and the 'discretionary' programme of initiatives which the Borough Council had been successfully operating. It was expected, all other things being equal, that it would be necessary to provide £125,000 of Borough Council funding to 'top up' the BCF allocation for mandatory grants. Therefore, continuing to run the initiatives would be a further cost which was not factored into budgets across the Medium Term and would increase the funding gap, unless Members identified an alternative option that could be reduced immediately to compensate. It was noted that six months funding from the Housing Assistance Reserve had been factored into the draft Budget for the initiatives in 2020/21. This meant that there was a short period for a further review to be undertaken into funding opportunities and service provision.

Members acknowledged that the Private Sector Housing team and Health team (on behalf of the Borough Council) delivered excellent services for the benefit of residents for both the One You and Better Care Fund initiatives.

**RECOMMENDED:** That

- (1) a decision regarding the future provision of the Disabled Facilities Grant programme and Better Care Fund initiatives within Tonbridge and Malling be deferred so that:
  - a formal request for funding be made to Maidstone and Tunbridge Wells NHS Trust for a contribution towards the hospital discharge service; and
  - the impact of the options for the OT service within Tonbridge and Malling Borough Council, presented at the meeting by Kent County Council, could be further explored.
  
- (2) A report setting out these issues in more detail to be reported to a future meeting of the Overview and Scrutiny Committee.



# TONBRIDGE & MALLING BOROUGH COUNCIL

## OVERVIEW AND SCRUTINY COMMITTEE

15 January 2020

### Report of the Director of Planning, Housing & Environmental Health

#### Part 1- Public

#### Matters for Recommendation to Council

## 1 REVIEW OF DISABLED FACILITIES GRANTS

### Summary

This report explores the three previously identified options for the future provision of the Disabled Facilities Grant programme and the wider Better Care Fund initiatives within Tonbridge & Malling B.C. Dependent on the option chosen by Members there may be future financial implications for the Council and an analysis of this is provided for each option.

### 1.1 Background

1.1.1 At the meeting of this Committee on 10 October 2019 Members agreed to explore the following three options for ongoing provision of the Council's Disabled Facilities Grants (DFG) programme and the wider Better Care Fund (BCF) initiatives:

- 1) Adopt the principle that TMBC wishes to continue to deliver all the current services funded through the BCF in addition to mandatory DFGs, with an annual review of the approach by Members, acknowledging that this may mean a growth pressure on the council's budgets dependant on the approach to BCF allocations in future financial years.
- 2) Adopt the principle that TMBC should consider a reduction in the current services funded through the BCF, on the basis that where funding has allowed sufficient embedding of practice or service delivery modelling, the funding is no longer required in addition to the continuation of mandatory DFGs.
- 3) Adopt the principle that TMBC should deliver mandatory DFGs only.

1.1.2 The scoping report from the previous meeting is attached at **Annex 1**.

1.1.3 At the meeting on the 10 October 2019 Members confirmed that they wished to hear from a number of speakers. In order to manage the meeting we have invited Dawn Hallam, Hospital Discharge Manager, Maidstone & Tunbridge Wells Trust and Jane Miller-Everest, Occupational Health lead, Kent County Council to the meeting. Members may wish to draw out from Dawn Hallam the impact of the

West Kent Hospital Discharge Scheme and the working relationship with the Council as well as the possibility of health contributing funding towards the scheme. It may also be useful for Members to hear Jane Miller-Everest's experience of the secondment of the Occupational Therapist into the Private Sector Housing team and how this arrangement could be continued without Better Care Funding. There was also a request from Members to hear from Clarion Housing. We have invited Clarion to submit a statement in writing regarding their position on adaptations and Disabled Facilities Grants for Members awareness. We have also invited Peabody Care & Support to provide a written statement regarding the initiatives that they are involved with.

1.1.4 The three options are discussed in more detail below however please note mandatory DFGs clearly must continue and this is assumed across all options.

1.1.5 Members should also be aware that discussions have recently taken place between all Kent district authorities and KCC about BCF use and allocations. Although at an early stage some suggestions being considered are:

- Redistribution of some unspent district BCF allocations (TMBC is one of the few authorities to have fully spent/committed its funds and could benefit if this was to happen);
- Better involvement of district authorities in BCF planning (if DFG and district BCF schemes prove their worth could lead to improved funding); and

**1.2 Better coordination of funding and schemes across health, social care and housing. Option 1 – TMBC continue to deliver all the current services funded through the BCF in addition to mandatory DFGs.**

1.2.1 The table below provides a SWOT analysis for this option:

<b>Strengths</b>	<b>Opportunities</b>
<ul style="list-style-type: none"> <li>• Continues the positive and holistic approach to delivery of integrated housing/health/social care which the Council plays a key role.</li> <li>• Continues the positive and strong working partnership across West Kent.</li> </ul>	<ul style="list-style-type: none"> <li>• Investigate funding opportunities for example with health partners.</li> </ul>

<ul style="list-style-type: none"> <li>• Builds on our existing lead as a good practice authority on DFG/BCF spend.</li> <li>• Provides vulnerable residents with timely, cost effective, valued services that enable them to remain independent at home for longer.</li> <li>• Wider BCF schemes are preventative often helping to manage demand for more extensive works from the mandatory DFG budget.</li> </ul>	
<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• This option presents the biggest risk of budget growth pressure as there is a need for £224,000 (estimated) in addition to meeting mandatory DFG need (this includes discretionary DFGs). This may or may not be able to be partly or fully funded from the BCF dependent on allocation and mandatory DFG spend.</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Future funding is uncertain so shortfall for TMBC to fund (if any) will be determined year to year and dependent on BCF allocation is very likely to represent budget growth and in turn add to the corporate funding gap and the savings and transformation target.</li> </ul>

	<ul style="list-style-type: none"> <li>Increasing demand on mandatory DFG budget.</li> </ul>
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- 1.2.2 The schemes that are delivered through the wider BCF have been developed working with a number of partners including Maidstone & Tunbridge Wells Trust, Age UK, Peabody Care & Support, Kent County Council and a local GP surgery.
- 1.2.3 They are responsive to the needs of more vulnerable residents and tend to provide low cost interventions/assistance that enables that person to stay at home safer and more independent for longer. They also can in many cases prevent demand for more extensive works, for example, through the mandatory DFG budget because they provide early intervention and are focused on making that person safe in their home.
- 1.2.4 The Better Care Fund allocation for 2020/21 onwards is unknown. From the information we have we anticipate that there will be a slight increase in 2020/21 on the £1,184,711 we received in 2019/20. We do however anticipate that Kent County Council will request an increase in the top-slice amount based on the % increase in BCF funding we received. The demand on the DFG budget has been growing year on year and the current level of spend expected in 2019/20 is £1,140,000. This includes an element of “managing” the throughput of approval of DFGs on which we will be seeking a legal opinion, however does leave us open to reputational risk and adverse Ombudsman ruling for delaying DFG approvals. From 2020/21 the mandatory DFG budget within the Capital Plan includes a £125,000 contribution from TMBC.

### 1.3 **Option 2 – TMBC reduce the current services funded through the BCF in addition to the continuation of mandatory DFGs.**

- 1.3.1 The table below provides a SWOT analysis for this option:

<b>Strengths</b>	<b>Opportunities</b>
<ul style="list-style-type: none"> <li>Continues the positive and holistic approach to delivery of integrated housing/health/social care which the Council plays a key role albeit with reduced schemes.</li> </ul>	<ul style="list-style-type: none"> <li>Investigate funding opportunities for example with health partners.</li> <li>Further improve the links with social prescribing link</li> </ul>

<ul style="list-style-type: none"> <li>• Continues the positive and strong working partnership across West Kent.</li> <li>• Builds on our existing lead as a good practice authority on DFG/BCF spend.</li> <li>• Provides vulnerable residents with timely, cost effective, valued services that enable them to remain independent at home for longer.</li> <li>• Wider BCF schemes are preventative often helping to manage demand for more extensive works from the mandatory DFG budget.</li> <li>• Recognises that a number of schemes that we have developed have now proved themselves and to some extent have been taken over and funded by other partners.</li> </ul>	<p>workers across GP surgeries.</p> <ul style="list-style-type: none"> <li>• Enables £133,000 (estimated) of BCF funding to be redirected back towards the mandatory DFG budget.</li> </ul>
<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Occupational Therapy (OT) assessment times may increase if the OT is not based within the Private Sector Housing team, Support for wider housing issues</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Future funding is uncertain so shortfall for TMBC to fund (if any) will be</li> </ul>

<p>by the OT e.g. housing register applications may reduce.</p> <ul style="list-style-type: none"> <li>This option presents a risk of budget growth pressure as there is a need for £91,000 (estimated) in addition to meeting mandatory DFG need. This may or may not be able to be partly or fully funded from the BCF dependent on allocation and mandatory DFG spend.</li> </ul>	<p>determined year to year and dependent on BCF allocation is likely to represent budget growth and in turn add to the corporate funding gap and the savings and transformation target.</p> <ul style="list-style-type: none"> <li>Increasing demand on mandatory DFG budget.</li> </ul>
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1.3.2 This year the Primary Care Networks (PCNs) have been established across GP surgeries. PCNs have been allocated new funding streams including for social prescribing. GP surgeries now have link workers based within the surgeries to help patients with non-medical issues e.g. signposting to housing, One You etc. This is in many ways very similar to the One You, Your Home scheme that TMBC currently operate using BCF funding. Members are reminded that the Council works in partnership with Age UK Sevenoaks & Tonbridge who appoint the One You, Your Home advisor. It may therefore be timely to consider ceasing this scheme which will enable £40,000 of BCF funding to be redirected back towards the mandatory DFG budget. Work to ensure that the social prescribing link workers are aware of all Council services and are making appropriate referrals into housing, benefits etc. would be prioritised to ensure a smooth removal of our scheme.

1.3.3 When the BCF funding was first introduced and TMBC received a significant increase funding a KCC Occupational Therapist (OT) to be seconded into the housing team was one of the first new initiatives we instigated. It has been extremely successful challenging the ways that residents can contact the OT and receive an assessment, significantly improving OT assessment times and DFG processes and providing much valued OT expertise across the wider housing service. However it may be that now this model of working has been proven to be successful KCC may agree to this arrangement without a financial payment. The statutory duty for an OT assessment lies with KCC and when funding is clearly under pressure this is a scheme that must be carefully considered as to whether it

is an appropriate use of BCF funding. If this initiative was to cease this would enable £52,000 of BCF funding to be redirected back towards the mandatory DFG budget.

- 1.3.4 The West Kent Hospital Discharge scheme and associated handyperson services continue to go from strength to strength. Without a doubt they provide timely and safe discharge from hospitals, improve the safety and comfort of residents' homes, improve patient's health and wellbeing and prevent future demand for more extensive works from the mandatory DFG budget. It also prevents patients from having to be provided with temporary accommodation through the Council's Housing Options & Support team, which as Members are aware is a growing pressure on the Council's budget. Recent examples of casework have included identifying and carrying out £200 worth of plumbing work in a property to enable a Tonbridge resident to go home on a Friday instead of waiting till at least the following Monday. This saved the NHS at least £1,200 and meant the resident was happier in his own home making his recovery easier. In another case the Housing & Health Co-ordinator worked with a patient early on after admission to identify a potential homelessness situation and helped to prevent this working alongside the Housing Options & Support team at the Council. If this had not happened temporary accommodation may have to have been provided by the Council. The cost of continuing the West Kent Hospital Discharge scheme and associated handyperson services is estimated at £91,000 per year. This may or may not be able to be partly or fully funded from the BCF dependent on allocation and mandatory DFG spend.
- 1.3.5 For 2019/20 there was a budget of £41,000 for discretionary DFG work. In 2018/19 this policy was much needed to bring to a satisfactory conclusion a number of larger Clarion property schemes that cost above the £30k mandatory limit and where Clarion were no longer funding. In 2019/20 we have not approved any discretionary DFGs and indeed the funding (£41,000) has been transferred into the mandatory DFG budget. We do not propose any discretionary DFG funding moving forwards enabling £41,000 (based on 2018/19 budget) of BCF funding to be redirected back towards the mandatory DFG budget. For any DFG cases that do go above the £30k mandatory limit the Home Support Fund operated by KCC can be applied for.
- 1.3.6 Within this option it is felt that ceasing the funding for the One You Your Home post and the OT secondment plus the discretionary DFG funding but maintaining the hospital discharge and handyperson services is a way forward that protects the service that would not be picked up by any other agency/partnership arrangement currently. This would enable a total of £133,000 (estimated) to be redirected back towards the mandatory DFG budget.

#### **1.4 Option 3 - TMBC deliver mandatory DFGs only.**

- 1.4.1 The table below provides a SWOT analysis for this option:

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Helps the Council to manage the risk in budget growth albeit increasing DFG demand and unknown BCF allocation may still require that growth.</li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Enables £224,000 (estimated) of BCF funding to be redirected back towards the mandatory DFG budget.</li> </ul>
<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Residents may have longer hospital stays and return home to an unsafe property.</li> <li>• Occupational Therapy (OT) assessment times may increase if the OT is not based within the Private Sector Housing team, Support for wider housing issues by the OT e.g. housing register applications may reduce.</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Future funding is uncertain so shortfall for TMBC to fund (if any) will be determined year to year and dependent on BCF allocation may represent budget growth and in turn add to the corporate funding gap and the savings and transformation target.</li> <li>• Increasing demand on mandatory DFG budget.</li> <li>• The loss of the integrated health/social care/housing schemes may lead to a further increased demand on the mandatory DFG budget.</li> <li>• A potential increase on the Council's temporary accommodation budget as early intervention work around homelessness or making a property suitable for safe discharge does not happen due to loss of hospital discharge scheme.</li> </ul>

1.4.2 This option presents the least risk financially to the Council as all BCF funding is directed to the mandatory DFG budget however there is still a risk that budget



growth could be required given the increasing demand for DFGs and the unknown BCF allocation.

As detailed in 1.3.4 above ceasing the Hospital Discharge scheme may impact on future demand from the mandatory DFG budget and the Temporary Accommodation budget.

## **1.5 Legal Implications**

1.5.1 Disabled Facilities Grants are a mandatory grant that the Council must administer through the Housing Grants, Construction and Regeneration Act 1996.

## **1.6 Financial and Value for Money Considerations**

1.6.1 The funding for these services and mandatory DFGs is awarded through the Better Care Fund. The funding is awarded year to year and usually towards the end of March/into April making forward planning of services and budget challenging.

1.6.2 The financial risks associated with each of the options are included within the SWOT analysis tables provided at 1.2.1, 1.3.1 and 1.4.1.

## **1.7 Risk Assessment**

1.7.1 None arising from this report.

## **1.8 Recommendations**

1.8.1 Members are recommended to consider the three options in light of the information provided in this report and input from the invited speakers and APPROVE an option for the Disabled Facilities Grant programme and wider Better Care Fund initiatives from the following:

- a) TMBC continue to deliver all the current services funded through the BCF in addition to mandatory DFGs
- b) TMBC reduce the current services funded through the BCF in addition to the continuation of mandatory DFGs.
- c) TMBC deliver mandatory DFGs only

Background papers:

Nil

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**TONBRIDGE & MALLING BOROUGH COUNCIL**  
**OVERVIEW AND SCRUTINY COMMITTEE**

**10 October 2019**

**Report of the Director of Planning, Housing & Environmental Health**

**Part 1- Public**

**Delegated**

**1 SCOPING REPORT FOR REVIEW OF DISABLED FACILITIES GRANTS**

**Summary**

**This report provides Members with background information on the Council's Disabled Facilities Grants programme and the wider Better Care Fund. Options for inclusion in the review of the service are presented for consideration.**

**1.1 Background**

1.1.1 Disabled Facilities Grants (DFGs) are a mandatory grant awarded by the local housing authority to provide adaptations in the home e.g. stair lift, level access shower, ramping to enable people to remain independent in their own home. They are available for both children and adults and across all tenures – owner occupied, housing association or private rented. The mandatory element is a means tested grant with a maximum award of £30,000.

1.1.2 There are a number of purposes for which a grant must be approved for a disabled person:

- To enable access into and out of the property;
- To make the property safe(r) for everyone living there;
- To provide access to the living room;
- To provide access to a bedroom;
- To provide access to a toilet;
- To provide access to a bath or shower;
- To provide access to a wash basin;
- To provide access to the garden;
- To enable the preparation and cooking of food;

- To improve or provide heating if needed by the disabled person;
  - To enable control of power, lights and heating; and
  - To provide access around the property to care for someone else.
- 1.1.3 In Kent all DFG referrals will have had an assessment of need carried out by an Occupational Therapist (OT) to determine the work required to meet the needs of the resident. The housing authority is under a duty to consult the Social Services authority as part of the DFG process and this assessment is how this duty is fulfilled however the housing authority has the final decision on works.
- 1.1.4 Where a DFG is completed on an owner occupier property, a charge may be registered against the property to seek partial cost recovery should the property be sold within ten years of the completion of the grant. Any funding recovered from this process is recycled into the DFG programme.
- 1.1.5 The DFG programme within Tonbridge & Malling BC is delivered by the Private Sector Housing team working with Occupational Therapists (OTs), Peabody Care and Support (the local Home Improvement Agency) , other agents and contractors.
- 1.1.6 The demand for DFGs is increasing. As a nation remaining independent at home is now seen as a much healthier and less costly option to provision such as residential/care homes. There are more people living into older age who with the right adaptations at home can lead longer, safer lives. TMBC has always actively supported a large, wide ranging DFG programme. Some Members will recall challenging Kent County Council over their ability to carry out timely OT assessments in order that provision of adaptations in the home could be progressed through the DFG process. TMBC has also successfully promoted the grant in recent years to ensure that we are meeting the needs of our most vulnerable residents.
- 1.1.7 Members will recall that we have in the past had to instigate management of grant approvals in order to manage the budget situation. This in effect leads to a delay in any applicant being able to carry out the adaptation works that they require and creates a waiting list of cases awaiting approval. This “slow-down” was instigated last year in September 2018 and has again been implemented within the last week of the writing of this report in order to manage an over profile spend in the current year. Last year the late additional funding announced in December 2018 clearly helped us manage the situation however there is no guarantee of the same late allocation this year. It is important to note that any case that was highlighted as particularly urgent by the OT, housing team or any other health professional would be approved without delay.
- 1.1.8 The funding for DFGs has, over the last three years, been awarded through the Better Care Fund. The Better Care Fund was established to bring health and social care funding together to encourage better integration and ways of working.

The Better Care Fund grant goes to Kent County Council (KCC) who in turn are required to pass onto districts the DFG funding element and the amounts are specified.

- 1.1.9 Any money paid through the Better Care Fund allocation that the district receives must only be used for the specific purpose of providing adaptations for disabled people who qualify under the scheme (or any other social care capital projects where otherwise agreed as above).
- 1.1.10 When the Better Care Fund was introduced and included DFG funding there was a strong message from Central Government that health, social care and housing services should work together to ensure services are integrated and that funding is used to develop local solutions to meet health needs. Although the focus had to remain on delivering DFGs, as these are a mandatory duty for a local housing authority, the additional funding was expected to help other wider social care projects that would meet the needs of residents.
- 1.1.11 Members may recall that in November 2016 TMBC in partnership with Sevenoaks DC and Tunbridge Wells BC introduced a West Kent Hospital Discharge Scheme, funded through the Better Care Fund, whereby a Housing & Health Coordinator is based at the heart of the local hospital discharge teams, linked to a handyman service and helps with housing issues that are preventing timely and safe discharge e.g. adaptations, clutter, homelessness. As part of the West Kent partnership, TMBC is currently funding posts in both Tunbridge Wells and Maidstone hospitals. The cost of this scheme is split three ways between the districts dependent on usage by residents in the previous year.
- 1.1.12 In addition to this Tonbridge & Malling BC have through the Better Care Fund supported the provision of subsidised handyman services across our borough to help vulnerable households remain independent and safe in their homes.
- 1.1.13 DFG funding has also been utilised for the secondment of an OT from KCC to be based within the Housing team to provide a much more responsive service for both residents and staff alike. This has proved very successful in building an understanding and relationship between housing and the OT service across all aspects of housing including DFGs, housing register applications and housing needs assessments. It has also enabled a more streamlined approach into the DFG process for residents saving time and confusion. Now that better working practices are well established and the value of placing an OT in a local authority setting is better understood, changing the way this post is funded could reduce a burden on TMBC's DFG budget without reducing the service level (see option 2 below in 1.10.2).
- 1.1.14 A report to Communities and Housing Advisory Board last year updated on the funding of the new One You Your Home Advisor who works within Warders Medical Practice in Tonbridge to assist patients who may have housing and other social issues that could be improved or resolved in order that they reduce the demand on

much stretched GP services. Typically this role may be assisting patients with minor adaptations, referring them to befriending schemes, promoting activities and clubs and working with the Private Sector Housing team on improving housing conditions. The Council work in partnership with Age UK Sevenoaks & Tonbridge who appoint the advisor. In 2019/20 this is funded through our Better Care Fund allocation. With the increase in social prescribing activity across health services and the increased understanding across the sector of the links between housing and health, there may be a case to be made for this service having embedded practices to enough of an extent that the funding is no longer required (see option 2 below in 1.10.2).

- 1.1.15 In addition to the above in 2018/19 we also introduced a discretionary DFG policy. This has typically enabled completion of large adaptations that cost above the £30,000 mandatory DFG limit and ensuring quick, responsive non-means tested small adaptations e.g. stair lift in urgent cases such as end of life care and where there is a high risk of falls. In 2018/19 this funding was utilised heavily to bring a large number of schemes that were costing above £30,000 to a satisfactory conclusion – a number of these were Clarion Homes properties who had previously contributed towards this work but no longer have funding available (see paragraph 1.2.5 below).
- 1.1.16 All of the schemes above have been approved by Members through the Communities & Housing Advisory Board. The general approach to this area of work at TMBC have been presented to the Ministry of Housing, Communities & Local Government and showcased at a number of national housing and health events being held up as best practice and innovation. Members may also be aware that our West Kent Hospital Discharge Scheme has won awards for partnership and collaboration. However, notwithstanding the above the schemes do in themselves put increased pressure on the mandatory DFG budget.
- 1.1.17 It is important to note that the West Kent Hospital Discharge Scheme, the Handyperson Service, the One You Your Home officer and the secondment of the OT are based on annual agreements so our commitment is until the end of March 2020. All partners and service providers have been made aware of the ongoing O&S process.

## **1.2 Finance**

- 1.2.1 The Better Care Fund allocation for the past 3 financial years has been as detailed in the table below. In recent years we have also received an additional allocation late on in the year, although this is of course never a certainty and the levels fluctuate. From the allocation KCC top-slice an agreed amount for funding of equipment and minor adaptations, which is done county wide to benefit from economies of scale. This is an area that is reviewed on an annual basis. The top-slicing in effect replaces a capital grant that KCC used to receive directly that was ceased whilst at the same time the allocations to districts through the Better Care Fund were increased.

Year	Original allocation	Additional allocation	KCC top slice amount	Final amount
2017/18	£1,007,235	£107,283	(£147,235)	£967,283
2018/19	£1,097,910	£192,648	(£147,410)	£1,143,148
2019/20	£1,184,711	Not yet announced	(£159,020)	£1,025,691

1.2.2 The table below provides details of the revised budgets for this area of work over the last three years.

Year	Total budget	DFG (mandatory) budget	DFG (discretionary) budget	Other BCF schemes/ initiatives budget	Grant repayments (income)
2017/18	£781,000	£670,000	£25,000	£86,000	£0
2018/19	£1,511,000	£1,240,000	£159,000	£112,000	£0
2019/20	£1,170,000	£959,000	£41,000	£183,000	(£13,000)

\*the budgets do not match to the allocations due to carry forward of unspent funding between years

1.2.3 The table below provides details of the actual spend for this area of work over the last three years.

Year	Total spend	DFG (mandatory) spend	DFG (discretionary) spend	Other BCF schemes /initiatives spend	Grant repayments (income)
2017/18	£742,668	£661,876	£13,077	£76,556	(£8,841)
2018/19	£1,234,608	£933,852	£209,063	£124,177	(£32,484)
2019/20 (to date)	£570,287	£537,679	£2,636	£44,174	(£14,202)

- 1.2.4 In the Council's future Capital Plan from 2020/21 to 2025/26 an estimate of £665,000 per year has been set against mandatory DFGs and no allowance for other activities. Government grant funding of £530,000 has been estimated along with £10,000 grant repayments resulting in an estimated contribution of £125,000 from TMBC. These figures are based on pre Better Care Fund allocation figures and spend.
- 1.2.5 It is important to note that Clarion Homes used to fund a significant amount of adaptations in their stock without recourse to the DFG budget. This ranged from £150,000 to £250,000 per year. This funding was withdrawn starting in 2016/17 and by 2018/19 no funding was spent on major adaptations and Clarion Homes now only fund minor adaptations to their properties. This withdrawal of funding was not done in consultation with TMBC and we had no influence over the timing of the withdrawal or commitment made. This has had a significant effect on the demand for DFGs for their tenants from the Council's budget particularly the discretionary budget in 2018/19. The Council is unable to place a charge on the property in these cases and therefore there is no recycling of the budget.

### 1.3 Key issues

- 1.3.1 Below is a SWOT analysis for this area of work to enable Members to focus on the key issues:

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• Highly valued service by residents and Members</li> <li>• Very high performing and well respected team delivering the service</li> <li>• Makes a difference for residents – “changed all our lives for the better” is often the feedback received by families</li> <li>• Meets all the national and more local aims and aspirations to keep people living longer and more independent at home</li> <li>• Has strong links into other key services such</li> </ul>	<ul style="list-style-type: none"> <li>• Funding through the Better Care Fund is managed year to year making any long term planning difficult.</li> <li>• Funding announcements are usually just before the new year starts making budget planning even for the next year difficult.</li> </ul>



<p>as housing conditions, benefits, health.</p> <ul style="list-style-type: none"> <li>• Hospital discharge scheme is an award winning initiative and has been showcased nationally several times. T&amp;M have been at the forefront of the development and support of this high impact service.</li> <li>• Strong partnership working with KCC, health, Age UK, Peabody Home Improvement Agency, local contractors are in place.</li> <li>• They are a clear demonstration of health, housing and social care working in an integrated way – the ultimate aim of the Better Care Fund.</li> </ul>	
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Increasing the number of people being kept independent at home longer and having safe discharges from hospital reduces the burden on the health and social care sector.</li> <li>• Services are being offered now through other agencies/funding streams that replicate some of what we have proved has worked. This</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• KCC have requested an increase in the top-sliced amount that they receive.</li> <li>• Health services remain under intense pressure and reduction or withdrawal of some of this work may result in more pressure on the system.</li> <li>• Reduction or removal of the preventative services that we currently fund</li> </ul>

<p>may mean we can redirect funding elsewhere or reduce our contribution.</p> <ul style="list-style-type: none"> <li>• KCC/Health could be approached for funding opportunities for some of this work.</li> <li>• The model of having the OT within the housing team has proven so successful KCC could look to organise their existing resources in this way without the need for the district to fund additional posts.</li> </ul>	<p>e.g. hospital discharge scheme may lead to an increased demand for major adaptations i.e. DFGs</p> <ul style="list-style-type: none"> <li>• Future funding levels are unknown.</li> <li>• Funding is usually announced just before the start of the new year making budget planning difficult.</li> <li>• DFGs are a mandatory grant and lack of funding has been found by the Local Government Ombudsman to not be a reason to hold up cases.</li> <li>• Based on the trend in grant levels and the applications for mandatory grants, there is a significant threat that the future allocation will only be sufficient to meet the mandatory requirements.</li> </ul>
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## 1.4 Performance

1.4.1 The table below highlights the number of completed DFGs and shows the increasing trend:

Year	Number of DFGs completed
2014/15	62
2015/16	64
2016/17	56
2017/18	98
2018/19	137 (118 mandatory, 19 discretionary)

1.4.2 For the period April 2018 to March 2019 the 137 DFGs were completed for the following works (will not add up to 137 as some will include two or more works) :

- Access to bedroom – 1 case
- Provision of ground floor bedroom/bathroom facilities – 10 cases
- Provision of a stair lift or through floor lift – 31 cases
- Stair lift repairs – 2 cases
- Provision of level access shower facilities or bathroom adaptations – 85 cases
- Over bath shower – 4 cases
- Improving access – 22 cases
- Safety related works – 10 cases
- Other, including additional WC facilities, kitchen works and specialist baths – 10 cases.

1.4.3 The table below highlights the performance of the West Kent Hospital Discharge Scheme. These figures are for Tonbridge & Malling BC area only and cover both Maidstone and Tunbridge Wells hospitals:

Year	Number of referrals	Number of patients assisted	Number of prior discharge home visits	Number of post discharge home visits
2018/19	210	196	61	95

1.4.4 The average time taken to see a patient when referred into this service is within one day. Clearly speed of response is of vital importance here and the integrated hospital discharge teams value the ability for this service to respond quickly and focus on those housing related issues that may prevent timely and safe discharge e.g. minor adaptations, moving of furniture to create a micro-living environment, cleaning of property, declutter of property, homelessness.

1.4.5 The One You Your Home Advisor in 2019 has received 64 referrals of patients to work with and try and help. Some of the referrals will be complex cases who have repeatedly been presenting at the GP surgery where the GP is unlikely to be able to help. All of these cases will have received a home visit from the Advisor and an assessment of need. In total for the 64 cases, 98 goals have been set by the patients. These are agreed and owned by the patient and could be goals such “I want to declutter my home”, “I want to join a local club” etc. The Advisor may help the patient to meet their goal by making a referral or accompanying them to a club

for the first time for example. Referrals by the Advisor include into housing, community activities, Occupational Therapy, financial advice and the One You team.

## **1.5 HR Policy Implications**

- 1.5.1 There are none arising from this report. Mandatory DFGs will need to continue to be administered through the Council's Private Sector Housing Team. All other services are delivered through external providers and there are no implications for staffing through these arrangements.

## **1.6 Legal Implications**

- 1.6.1 Disabled Facilities Grants are a mandatory grant that the Council must administer through the Housing Grants, Construction and Regeneration Act 1996.

## **1.7 Financial and Value for Money Considerations**

- 1.7.1 The funding for these services and mandatory DFGs is awarded through the Better Care Fund. The funding is awarded year to year and usually towards the end of March/into April making forward planning of services and budget challenging.
- 1.7.2 Each of the options as set out in paragraph 1.10.2 below will have a cost implication summary included in the final report on 21 January 2020.

## **1.8 Risk Assessment**

- 1.8.1 With the funding for these activities coming through the Better Care Fund, the core risk is the funding levels not being guaranteed year to year, being reduced or discontinued. This consideration will be built into the options appraisal.

## **1.9 Equality Impact Assessment**

- 1.9.1 An equality impact assessment will need to be undertaken as part of this review.

## **1.10 Next steps**

- 1.10.1 A number of options have been provisionally identified, and are set out below. Members are requested to consider which of these options they wish to see included in the review or to identify any other options they would like to explore. It is important to note that dependent on funding allocations all options (some to a greater degree than others) may represent budget growth that will need to be met from TMBC and in turn add to the corporate funding gap and the savings and transformation target.
- 1.10.2 Identified options for consideration

- 1) Adopt the principle that TMBC wishes to continue to deliver all the current services funded through the Better Care Fund in addition to mandatory DFGs, with an annual review of the approach by Members, acknowledging that this may mean a growth pressure on the council's budgets dependant on the approach to BCF allocations in future financial years.
- 2) Adopt the principle that TMBC should consider a reduction in the current services funded through the Better Care Fund, on the basis that where funding has allowed sufficient embedding of practice or service delivery modelling, the funding is no longer required (see 1.1.13 and 1.1.14 above for examples) in addition to the continuation of mandatory DFGs.
- 3) Adopt the principle that TMBC should deliver mandatory DFGs only.

1.10.3 In considering these various options, it is suggested that Members may be assisted by hearing from key partners in the delivery of Disabled Facilities Grants and our wider health and housing schemes such as Peabody Home Improvement Agency, Tunbridge Wells NHS Trust, local GPs, Age UK and KCC. A further report with final recommendations will be reported to the January meeting of this Committee.

## 1.11 Recommendations

1.11.1 That the contents of this report **BE NOTED** and that a further report be made to the January meeting of this Committee regarding the options identified in section 1.10 of this report and any other options identified by this Committee.

Background papers:

Nil

Eleanor Hoyle

Director of Planning, Housing & Environmental Health

contact: Eleanor Hoyle/Linda  
Hibbs

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**CLARION  
HOUSING**

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13 January 2020

Dear Linda,

Further to our recent conversations and email exchange, I can confirm our position in relation to Disabled Facility Grants (DFG's).

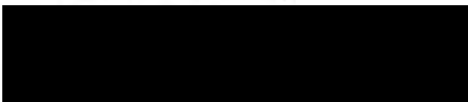
Clarion do and will continue to fund all minor adaptations for our residents – and we have no plans to change this. We will continue to complete works to ramps, internal grab, stair and hand rails, external handrails over bath showers, door entry and similar works

Clarion take on all of the maintenance, servicing and compliance costs for equipment installed as part of the DFG process; these can be significant. We also currently absorb future replacement costs, and will only refer residents for further DFG's if their condition or needs have changed and or existing equipment is no longer meeting their needs

Clarion manage all installation works through a central team and are happy to share details of the work we do if required

I hope this helps, and if you want any additional reporting or detail on the work we do please let me know.

Yours sincerely



**Vicky McLeod – Head of Strategic Repairs  
Clarion Housing Group**

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8<sup>th</sup> January 2020

Peabody Home Improvement Agency has worked in partnership with Tonbridge & Malling council for several years. Working collaboratively we help to facilitate the delivery of the Disabled Facility Grant budget, deliver Handyperson services and more recently taking a joined up approach with neighbouring LA's to deliver the Hospital Discharge service across Tunbridge Wells and Maidstone Hospitals.

Utilising the enhanced Better Care Fund budgets in 2016, Tonbridge & Malling along with Sevenoaks and Tunbridge Wells local authorities pioneered the Health & Housing Coordinator role at Tunbridge Wells hospital, offering a service to aid a robust approach to discharge where patients presented with a housing related issue that was preventing them from returning home. This is supported with a reactive and responsive Handyperson service undertaking minor works to the home to facilitate the discharge, this includes but not limited to, creating micro living environments by bringing a bed downstairs where a patient will not initially be able to manage stairs when going home, fitting grab rails and banister rails. Installing keysafes to help facilitate easy access where a patient is discharging with an accompanying domiciliary care package. The optimum that this service aims to achieve is to get the residents of the districts and boroughs home in a safe and timely manner, with a focus on maintaining their wellbeing within the home setting and an emphasis on reducing repeat admissions.

Follow up home visits by the Coordinator often uncover issues both with the home and within the home that potentially impact on the residents health and wellbeing, this will often result in the coordinator working with both the customer and the local authority to find resolution to those issues, this could for example lead to a recommendation for minor equipment to be prescribed to enable the residents mobility, or the recommendation for telecare/lifeline, or support to seek assistance for funding for heating or hot water or essential repairs to the fabric of the accommodation.

We are aware that some of the minor preventative work carried out in the home through this scheme can prevent the need for the requirement for major adaptations through the Disabled Facilities Grant later down the line. In addition working alongside the Council's housing teams the early intervention by the Coordinator in the hospital with patients who are homeless or threatened with homelessness ensures that we can maximise the time to resolve the housing situation leading to better, healthier outcomes for the patients and reducing demand on Council's housing teams and in some cases the need for emergency accommodation arrangements.

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**Item CB 20/13 referred from Cabinet minutes of 13 February 2020**

**CB 20/13 CORPORATE STRATEGY 2020-2023**

Item OS 20/5 referred from Overview and Scrutiny Committee minutes of 15 January 2020

The Cabinet received the recommendations of the Overview and Scrutiny Committee regarding a revised Corporate Strategy for the period 2020-2023.

**RECOMMENDED:** That the updated Corporate Strategy 2020-2023 be approved, subject to the following amendment:

- The second theme under 'Our Values and Priorities' be amended to read 'Embracing Effective Partnership Working and Funding'.

**\*Referred to Council**

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## OS 20/5 CORPORATE STRATEGY 2020-2023

Members reviewed a new draft Corporate Strategy for the period 2020-2023. The updated Strategy retained the same format as the 2017-19 version and focused on the key strategic issues for the Borough Council over the next three years.

Particular reference was made to the achievements made to date which included a new Digital Strategy to help drive service improvements. The Borough Council was fully committed to tackling climate change and Members welcomed the preparation of a Climate Change Strategy by May 2020.

A minor amendment to the Strategy was proposed and agreed, as set out below.

**RECOMMENDED:** That the updated Corporate Strategy 2020-23 be approved, subject to the following amendment:

- the second theme under 'Our Values and Priorities' be amended to read 'Embracing Effective Partnership Working and Funding'.

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# TONBRIDGE & MALLING BOROUGH COUNCIL

## OVERVIEW AND SCRUTINY COMMITTEE

15 January 2020

### Report of the Management Team

#### Part 1- Public

#### Matters for Recommendation to Cabinet

#### **1 CORPORATE STRATEGY 2020- 2023**

##### **Summary**

**This report sets out a new draft Corporate Strategy for the period 2020-2023.**

#### **1.1 Background**

1.1.1 The Council's first Corporate Strategy covered the period from 2017-2019. A new draft strategy to cover the period 2020-2023 has now been prepared, a copy of which is attached to this report at Appendix 1. The draft updated strategy retains the same format as the 2017/19 version and seeks to focus on the key strategic issues for the Borough Council for the next three years:

- A review of our recent achievements over the period 2017-19
- Our vision and values for the 2020-2023 period
- Measuring future success.

1.1.2 Members of the Overview and Scrutiny Committee are invited to consider the content of the updated draft Strategy for recommendation to the Cabinet.

#### **1.2 Legal Implications**

1.2.1 n/a

#### **1.3 Financial and Value for Money Considerations**

1.3.1 As considered in the draft revised strategy

#### **1.4 Risk Assessment**

1.4.1 n/a

#### **1.5 Equality Impact Assessment**

1.5.1 n/a

**1.6 Policy Considerations**

1.6.1 n/a

**1.7 Recommendations**

1.7.1 That, subject to any views from the Overview and Scrutiny Committee, the updated Corporate Strategy **BE RECOMMENDED** to the Cabinet.

Background papers:

contact: Mark Raymond

Nil



**APPENDIX 1**

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***Tonbridge and Malling  
Borough Council***

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***Corporate Strategy***

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**2020 – 2023**

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# ***About our Corporate Strategy***

Our Corporate Strategy covered the period 2017-2019. This updated Corporate Strategy now covers the period 2020-2023.

As previously, our updated strategy sets out an overview of how we intend to continue to plan and deliver our services to ensure they are cost effective and remain relevant to the needs of our residents, businesses, visitors to the Borough and to our partner organisations.

The 2020-2023 strategy will cover the following:

- ***A review of our performance and achievements over the period 2017-2019***
- ***Our vision, values and priorities for 2020-2023***
- ***Measuring Future Success***

## **What have we achieved to date?**

Our Corporate Strategy for 2017-2019 sought to address a number of key challenges:

- *Reducing financial support from Government*
- *Making on-going savings via the delivery of our Savings and Transformation Strategy*
- *Targeting our limited resources on delivering and improving our key services*
- *Supporting and aiming to meet the needs of our residents and businesses*
- *The need to be more efficient and economical when delivering our services*

Our Achievements to date:

- *A new Digital Strategy which will help drive service improvements.*
- *Significant progress towards the adoption of the Council's new Local Plan to guide development to 2031*
- *Utilised our own assets to raise additional income and secure future investment*
- *Adding to the supply of temporary accommodation across the Borough, supported vulnerable residents with a new refuge for victims of domestic abuse and piloted community based projects for recipients of disabled facilities grants utilising Better Care Funding*
- *A risk management strategy including Brexit preparedness issues and tackling cybercrime.*
- *A range of new economic development initiatives to support local businesses in the Borough.*
- *Achieved increased affordable housing provision with 272 additional homes made available between 2017/18 and 2018/19.*
- *Enabled provision of a new Medical Centre in Tonbridge*
- *Tonbridge: Town Lock Enhancement and Station and High Street improvements*
- *Supported the flood protection project at Leigh Flood Storage Area*

- *Improved our recycling rates*
- *Secured a £250K grant from Central Government to help reduce rough sleeping.*

## - ***Our vision for the next three years***

***To continue to be a financially sustainable Council with strong leadership that delivers valued services, a commitment to delivering innovation and change to meet the needs of our Borough.***

## - ***Our values and priorities***

***Achieving Efficiency*** - focusing on ensuring good value for money, continuously reviewing how our services are provided and funded, focusing our available resources where they will have most beneficial impact for our communities, and maximising commercial opportunities. The Council continues to face a period of considerable change and challenge over the coming three years and beyond. Continued reductions in financial support from Government will mean we need to continue to target our resources to ensure we can deliver our services and invest in new technologies. At the same time we have to be agile in the way we manage these services to meet the rapidly changing demands and needs of our residents and businesses, along with the ever changing statutory requirements. Our Savings and Transformation Strategy and the Medium-Term Financial Strategy will continue to provide structure, focus and direction in addressing the ongoing and financial challenge faced by the Council over the medium term.

***Embracing Effective Partnership Working*** - achieving more by working and engaging effectively with a wide range of local partners from the private, public, voluntary and community sectors. We are committed to retaining and developing our close working relationships with our Borough partners. We will continue to support our Local Strategic Partnership, our main partnership which brings together key local partners from the public, private and voluntary sectors. We will continue to engage with our Parish and Town Councils via our Parish Partnership Panel led by the jointly agreed Parish Charter. In addition, we remain committed to developing our dialogue with local businesses and traders' groups, with local housing providers, and other partners including those for health improvement, leisure, community development and community safety. We will foster relationships with those agencies providing infrastructure to support our communities and facilitate growth where appropriate, working with the private development, investment and commercial sectors.

***Valuing our environment and encouraging sustainable growth*** - keeping our towns, villages and countryside clean and well maintained, planning for our future homes and jobs, led by our Local Plan, driving investment in economic regeneration and infrastructure and meeting the challenges of climate change. Tackling **Climate Change** will be a major issue over future years. The Borough Council fully is committed to work with others to address this challenge. We have recently declared our recognition of global climate change and biodiversity emergencies. We will prepare a Climate Change Strategy for Tonbridge and Malling by May 2020. We will seek to develop new policies that support climate change mitigation with a view to us reaching carbon neutral status by 2030. We will work with a variety of partners and encourage best practice by other sectors in our Borough including the West Kent Partnership in relation to the sustainable growth agenda.

***Innovation*** – developing more cultural change, innovative and efficient ways to deliver our services through the use of improved systems and technologies guided by our recently adopted Digital Strategy. Our new **Digital Strategy** will guide further investment in new IT technologies to ensure we have systems which are both resilient, secure and facilitates increased productivity. We will invest in new software to enable mobile working across the

Borough, undertake a thorough review and update of the Council's website and back office efficiencies. With the objective of becoming a 'smart' borough, we will aim to ensure that our businesses and communities can seamlessly engage and transact with the Council irrespective of the services they wish to access.

## ***Measuring Future Success***

We will review this corporate strategy at a mid-point to evaluate what we have achieved so far and what new and redirected efforts we then need to focus on.

***The key outcomes we aim to achieve are as follows:***

- *Meeting the targets we have set for future cost savings and additional income generation*
- *A Climate Change Strategy that sets out how our ambition to be carbon neutral by 2030*
- *Introduce new technologies and transformation to become a 'Smart Borough'*
- *A continuing programme of regeneration in Tonbridge building on the achievements secured under the previous plan.*
- *Supporting those who are in need of housing support*
- *Delivering our new Local Plan to meet our growth targets for new development to 2031*
- *Ensuring our key services meet all statutory obligations and reflect the needs of our residents and businesses*
- *Maintain effective joint working across West Kent on key issues such as health provision and our local economy.*

These outcomes reflect the strategic priorities for the Council. Individual service performance is monitored through regular reports to various Advisory Boards and Council meetings. All strategies and reports for Tonbridge & Malling Borough Council are published on our website [www.tmbc.gov.uk](http://www.tmbc.gov.uk)

**Item CB 20/14 referred from Cabinet minutes of 13 February 2020**

**CB 20/14 CLASS C EMPTY PROPERTY COUNCIL TAX DISCOUNT AND  
LONG TERM EMPTY HOMES PREMIUM**

Item FIP 20/6 referred from Finance, Innovation and Property Advisory Board minutes of 8 January 2020

The Cabinet received the recommendations of the Finance, Innovation and Property Advisory Board regarding the removal of the Class C empty property discount and increases to the Council Tax long term empty homes premium from 1 April 2020 and April 2021 as allowed by regulations.

**RECOMMENDED:** That

- (1) the change to the Class C discount be continued from 1 April 2020; and
- (2) the long term empty homes premium of 200% be applied from 1 April 2020 and 300% be applied from 1 April 2021.

**\*Referred to Council**

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**Item FIP 20/6 referred from Finance, Innovation and Property Advisory Board minutes of 8 January 2020**

**FIP 20/6 CLASS C EMPTY PROPERTY COUNCIL TAX DISCOUNT AND LONG TERM EMPTY HOMES PREMIUM**

Further to Decision No D180061CAB, the report of the Director of Finance and Transformation gave details of the outcome of the trial period of removal of the Class C empty property discount. It also considered whether to increase the Council Tax long term empty homes premium from 1 April 2020 and 1 April 2021 as allowed by regulations.

**RECOMMENDED:** That

- (1) the change to the Class C discount be continued from 1 April 2020; and
- (2) the long term empty homes premium of 200% be applied from 1 April 2020 and 300% be applied from 1 April 2021.  
**\*Referred to Cabinet**

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**TONBRIDGE & MALLING BOROUGH COUNCIL**  
**FINANCE, INNOVATION and PROPERTY ADVISORY BOARD**

**08 January 2020**

**Report of the Director of Finance and Transformation**

**Part 1- Public**

**Matters for Recommendation to Cabinet - Council Decision**

**1 CLASS C EMPTY PROPERTY COUNCIL TAX DISCOUNT AND LONG TERM EMPTY HOMES PREMIUM**

**A report to consider whether to increase the Council Tax long term empty premium from 1 April 2020 and 1 April 2021 and to continue with the removal of the Class C empty property discount.**

**1.1 Class C Empty Property Discount**

1.1.1 At the 17 September 2018 meeting of this Board it was recommended (and subsequently agreed by Cabinet on 10 October 2018) that:

- the Class C empty property discount be removed with effect from 1 April 2019 for a trial period of one year with a report back on any implications; and,
- delegated authority be granted to the Director of Finance and Transformation in liaison with the Cabinet Member for Finance, Innovation and Property to apply a long term empty homes premium of 100% from April 2019 if Regulations allow.

1.1.2 Further to regulations receiving Royal Assent, Full Council approved the recommendations from 1 April 2019.

1.1.3 As Members are aware, the number of long term empty homes in the Borough impacts on the Council's key corporate priorities and has a detrimental effect on residents who live next to them. Therefore, it was felt that increasing the premium could provide an incentive to owners of these properties to bring them back into use more quickly; meeting the 'empty homes' strategy objectives.

1.1.4 Since introducing the change from April, there has been limited comment from property owners who have had to pay the additional premium; and there have been no instances of disputes being referred to the Valuation Tribunal.

1.1.5 It is my opinion, therefore, that the removal of the Class C empty property discount and increasing the premium to 100% has been a success, and that there is no need to continue the trial.

## **1.2 Long Term Empty Homes Premium**

1.2.1 In respect of the long term empty homes premium, Members are advised that regulations allow the percentage to be increased for the 2020/21 and 2021/22 financial years as follows:

- For the financial year beginning on 1 April 2020, if a property has been empty for at least 5 years, 200% be charged and
- For the financial year beginning on 1 April 2021, if a property has been empty for at least 10 years, 300% be charged

1.2.2 For example, if a property has been empty for at least 5 years as at 1 April 2020, the owner will be liable to pay 300% of that year's council tax charge (being the standard 100% council tax charge plus a premium of 200%).

1.2.3 As at 1 November 2019, there were 137 properties being charged the 100% premium. If Members recommended the increased premium charges outlined above, 43 of these 137 properties would be charged the 200% premium from 1 April 2020 and 10 of these 137 properties would be charged the 300% premium from 1 April 2021.

1.2.4 Increasing the premium charge from 1 April 2020 will have a positive effect, increasing the taxbase by an additional 43 properties, equating to 40.56 Band D equivalent properties.

1.2.5 The Revenues Manager has also been advised by the other Kent authorities that they will be implementing these increased premium charges and so this recommendation will allow consistency across Kent.

## **1.3 Legal Implications**

1.3.1 Section 11A(4) of the Local Government Finance Act 1992 states that an English billing authority may determine that the council tax discounts applicable where there is no resident of a dwelling shall be replaced by a lower discount or no discount at all.

1.3.2 The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 makes provision for a billing authority to increase the percentage for the council tax payable in respect of a long term empty dwelling.

## **1.4 Financial and Value for Money Considerations**

1.4.1 The continuation of the removal of the 1 month Class C empty property discount and increasing the premium on long term empty homes would increase the

council tax base and, in turn, increase council tax yield. Major precepting authorities (primarily KCC) would of course benefit from this as well, and in accordance with previous agreements, KCC have been advised of this recommendation in order to recalculate any improved taxbase sharing arrangements.

- 1.4.2 An initial review of the council tax base suggests an increase of 40.56 (Band D equivalents) by increasing the premium on long term empty homes to 200% from 1 April 2020, increasing the council tax yield for this Council of circa £8,500.

## 1.5 Risk Assessment

- 1.5.1 A decision to increase the long term empty premium percentage will have a negative financial impact on those liable to pay council tax. There could also be an increase in the number of queries or complaints from affected owners/landlords.

## 1.6 Equality Impact Assessment

- 1.6.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

## 1.7 Policy Considerations

- 1.7.1 Community

## 1.8 Recommendations

- 1.8.1 Members are asked to **RECOMMEND** to Cabinet that:

- 1) the change to the Class C discount is continued from 1 April 2020; and
- 2) The long term empty homes premium of 200% is applied from 1 April 2020 and 300% is applied from 1 April 2021.

Background papers:

None.

contact: Glen Pritchard  
01732 876146  
glen.pritchard@tmhc.gov.uk

Sharon Shelton  
Director of Finance and Transformation

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## Item CB 20/15 referred from Cabinet minutes of 13 February 2020

### CB 20/15 LOCAL COUNCIL TAX REDUCTION SCHEME 2020/21

Item FIP 20/7 referred from Finance, Innovation and Property Advisory Board minutes of 8 January 2020

The Cabinet received the recommendations of the Finance, Innovation and Property Advisory Board regarding the consultation on the Council's Local Council Tax Reduction Scheme and reviewed the changes proposed to the Scheme from 1 April 2020.

However, as a result of increases to the Minimum Wage, state benefits and Tax Credits recently announced by Government, the Cabinet was advised that it was necessary to amend the income bands within the banded discount table previously reported to the Advisory Board. This would avoid losses for households and redress the original objectives of the review of fairness, simplification and to remain cost neutral. The revised table was attached as Annex 1 to the supplementary report of the Director of Finance and Transformation. Members were informed that a Scheme had been prepared and could be viewed at: <https://www.tmbc.gov.uk/services/advice-and-benefits/council-tax/council-tax-reduction-scheme>

**RECOMMENDED:** That the proposed changes set out below be written into the Tonbridge and Malling Borough Council Local Council Tax Reduction Scheme 2020/21:

- (1) Proposed change 1 – Paragraph 1.5.1 of the report
  - To stop posting decision letters to working age LCTRS claimants
  - To stop posting decision letters to pension age LCTRS claimants
  - To introduce online applications as the primary method to make a claim for LCTRS for pension and working age claimants  
(Subject to paper forms being available on an exception basis);
- (2) Proposed change 2 – Paragraph 1.5.7
  - To introduce a minimum income floor for self-employed income after one year of making a new claim or starting a business, at a rate of 35 hours per week x national minimum wage;
- (3) Proposed change 3 – Paragraph 1.5.14
  - To introduce a banded discount scheme utilising thresholds as set out in Annex 1 to the supplementary report of the Director of Finance and Transformation.

**\*Referred to Council**

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**Item FIP 20/7 referred from Finance, Innovation and Property Advisory Board minutes of 8 January 2020**

**FIP 20/7 LOCAL COUNCIL TAX REDUCTION SCHEME 2020/21**

Further to Minute FIP 19/40, the report of the Director of Finance and Transformation gave details of the outcome of the consultation on the Council's Local Council Tax Reduction Scheme (LCTRS) and set out recommendations and reasoning for changes to the Scheme from 1 April 2020.

Members were advised that in relation to the thresholds for the banded discount scheme set out at Annex 2 to the report, the amounts would be uprated based on the April 2020 national minimum wage (age 25+).

**RECOMMENDED:** That the proposed changes set out below be written into the Tonbridge and Malling Borough Council Local Council Tax Reduction Scheme 2020/21:

- (1) Proposed change 1 – Paragraph 1.5.1 of the report
    - To stop posting decision letters to working age LCTRS claimants
    - To stop posting decision letters to pension age LCTRS claimants
    - To introduce online applications as the primary method to make a claim for LCTRS for pension and working age claimants  
(Subject to paper forms being available on an exception basis);
  - (2) Proposed change 2 – Paragraph 1.5.7
    - To introduce a minimum income floor for self-employed income after one year of making a new claim or starting a business, at a rate of 35 hours per week x national minimum wage;
  - (3) Proposed change 3 – Paragraph 1.5.14
    - To introduce a banded discount scheme utilising thresholds as set out in Annex 2 to the report.
- \*Referred to Cabinet**

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**TONBRIDGE & MALLING BOROUGH COUNCIL**  
**FINANCE, INNOVATION and PROPERTY ADVISORY BOARD**

**08 January 2020**

**Report of the Director of Finance & Transformation**

**Part 1- Public**

**Matters for Recommendation to Cabinet - Council Decision**

**1 LOCAL COUNCIL TAX REDUCTION SCHEME 2020/21**

**A report setting out recommendations and reasoning for changes to the Council's Scheme from 1 April 2020.**

**1.1 Background**

1.1.1 Since April 2013 the Council has had a mandatory duty to set an annual Local Council Tax Reduction Scheme (LCTRS). From that date, the national Council Tax Benefit scheme was abolished and each local council had to introduce a local scheme as replacement. Local Council Tax Reductions Schemes provide means tested financial assistance to households in the form of a discount on their Council Tax accounts. Initially Schemes were paid for by grant funding from Central Government. Each Council received payments based on 90% of funding from the last but one year of Council Tax Benefit, however, with changes in funding arrangements it is now unclear as to just what level of grant we are allocated.

1.1.2 In designing a Scheme, Councils are bound by some simple rules:

- Pension age households must get at least the same level of support as they would have under the previous national Council Tax Benefit scheme.
- Incentives to work must be included for working age households.
- Recognition must be given to the needs of vulnerable people.
- Councils must consult stakeholders and show due regard to responses when deciding their Schemes.

1.1.3 We are limited in design by the computer software available to calculate and administer awards of reductions. Bespoke tailoring of software carries high cost and increased risk of failure meaning the sensible way forward is to create a Scheme within the parameters available 'off the shelf' from our software provider.

1.1.4 A further consideration is that Council Tax Benefit and Housing Benefit were calculated along a similar set of rules. Both benefits were claimed together on a

single form, with assessments being made as one, i.e. a single input of data into computer software effected two outputs, awards of Council Tax Benefit and Housing Benefit. Changes in circumstances once claims were up and running could also be treated as a transaction, with two outcomes. To disrupt that synergy between Schemes would be to lose the efficiency in administration and simplicity for customers.

- 1.1.5 All things considered, Tonbridge & Malling Borough Council has so far taken the decision for its Local Council Tax Reduction Scheme to mirror that of the former Council Tax Benefit scheme, albeit reducing the maximum level of help for working age households. Some amendments to our Scheme have been made along the way, generally to keep it in alignment with the principles of Housing Benefit.
- 1.1.6 Government prescribes changes to pension age schemes each year, usually minor amendments uprating benefits and bringing schemes into compliance with legislative changes. There is no need to consult on these changes.
- 1.1.7 For 2013, the proportion of pension age households to working age was near equal. In passing on the 10% Government funding cut, the maximum award for working age households is now restricted to 80% of that which a the household would have received under Council Tax Benefit. This year, any working age household on benefits has, at minimum, £6.13 per week to pay towards council tax (example for a band C property in West Peckham).
- 1.1.8 The proportion of working age to pension age households receiving assistance has shifted. Government policies such as 'triple lock pension increases' and 'benefit freezes' have caused a reduction in pension age claims and increase in working age claims. Pension age households now constitute 40% of the caseload. The number of households getting help at the 1 December 2019 was 2700 pension age and 3395 working age. The total number has been stable for the last two years.
- 1.1.9 The collectable Council Tax sum has similarly reduced for pension age households to £613,000 from £695,000 and increased for working age households to £2,000,000 from £1,500,000. Collection rates have remained high for pension age households, while showing early signs of a drop for working age households. This would suggest that the 20% minimum payment for working age households is around the tipping point of affordability and supports the reasoning not to recommend further cuts to the Scheme. Many Councils across the country take the approach to place a greater financial burden on working age households, for example, Medway Council look for a minimum payment of 35% of council tax and the highest currently known is North Lincolnshire, charging a minimum of 50% council tax to low income households.

## **1.2 Why does our Scheme need to change?**

### **Factors developing that mean it is the right time to make change**

#### **1.2.1 Universal Credit (UC)**

The Government's flagship benefit within the welfare reform strategy. Although introduction has been delayed, it now affects how my Revenues & Benefits Service works. Full UC service started in the Borough in November 2018 for new claims and triggered transitions for some existing housing benefit claims. To date, the number of households moving on to UC is over 1,000 representing a fall of approximately 25% in our working age housing benefit caseload. These households still require help through Council Tax Reduction. The natural rate of transfer is likely to slow, however, the national strategy is for a transfer of residual working age housing benefit claims to UC over the next three years.

#### **1.2.2 More people in work**

Unemployment rates have fallen, now at the lowest level for many years. UC was designed to provide greater financial incentives to move into work than the legacy benefits it replaces, while freezing benefit rates of those legacy benefits has all but removed the lifestyle choice of being jobless. However, we have witnessed a corresponding growth in 'zero hours contract' employment, often associated with the types of jobs with lower levels of pay and an increase in the number of households with self-employed incomes.

#### **1.2.3 Technology**

Opportunities to take advantage of affordable new technology has been key to maintaining a cost effective Service. With much of the Revenues & Benefits function involving high numbers of customer transactions requiring relatively low level decisions, many of the core operations are suited to integrating technology and automation. Our Digital Strategy sets out our commitment to taking services online where and when appropriate. Communication from Government Departments and HMRC has already radically changed, with thousands of notifications each year being transferred electronically and fed directly into the Council's computer systems. The development of our website, provision and focus of online services is fundamental to a financially sustainable future.

#### **1.2.4 Social norms and environmental responsibility**

Online services, information and social media is now accepted as integral to our daily home and work lives. Many Government services, such as taxing a car or claiming UC can only be accessed online. Similar demand from our customers has grown rapidly, bringing new challenges and opportunities to improve how we engage with our service users. At the same time, growth in online, paperless services has a synergy to the emergence of greater environmental responsibility in the wise use of resources.

### 1.3 Case study highlighting the issues above

- 1.3.1 Mrs and Mrs A live in the borough and rent their home from Clarion. Mr A lost his job working for a large employer after the business collapsed. They claimed Jobseekers Allowance from the Jobcentre and Housing Benefit together with Council Tax Reduction from the Council. They paid their Council Tax monthly by direct debit after receiving a bill to let them know how much it would be.
- 1.3.2 Eight months later, Mr A started a new job. It was full time with the opportunity to work some overtime, but the hourly rate was the minimum wage. Mr and Mrs A claimed Universal Credit which included a component to cover their rent. The Council stopped paying Housing Benefit but continued to award Council Tax Reduction, now based on how much Mr A had said he would earn. They received a new Council Tax bill to let them know how much the direct debit payment would be later that month.
- 1.3.3 Mr A worked additional hours when he could. Overtime was not always available, some months he worked as much as 10 hours and in others he did none.
- 1.3.4 Each month, Mr A's employer submitted payroll information to HMRC. The information was passed on to the Department for Work and Pensions (DWP) through the 'Real Time Information' system which then transferred monthly electronic files to the Council. The files contained precise details of how much Mr A had earned. Where there was any difference in pay from one month to the next, which there was due to the fluctuating hours he worked, the Council Tax Reduction was automatically re-assessed, generating new award letters to Mr and Mrs A and a new Council Tax bill showing the amount of the next direct debit instalment.
- 1.3.5 A further eight months later Mrs A contacted the Council. She was angry and confused at the quantity of letters that we had sent to her. Over that time she had received 10 different bills for her Council Tax, what she described as reams of incomprehensible letters and had realised that no payments had come out of their bank account even though she had a direct debit set up. She was suddenly faced with a large bill and little time to pay.
- 1.3.6 This situation occurred because the technology introduced to integrate DWP and the Council's systems automatically recalculated the Council Tax Reduction each month due to Mr A's income having changed. Owing to the statutory pre-notification period for a direct debit payment, the payment was never collected because the payment amount had changed again by the time it was due and a further bill was sent.
- 1.3.7 An arrangement was made with Mrs A to pay the outstanding balance and the Council Tax account is now manually monitored.
- 1.3.8 **There are now many accounts like this requiring manual monitoring and intervention. The numbers continue to grow.**

## 1.4 Proposals for change

1.4.1 The following proposals for changes to the Council's LCTRS have been formulated by officers with the assistance of a specialist consultant. As has happened in previous years, the task to review and update Schemes has been tackled with colleagues across other Kent Councils, sharing knowledge, experience and costs to gain best value from the review and arrive at some shared outcomes.

1.4.2 The objectives of our review were to form proposals that:

- Maintain the current overall level of financial assistance in the Borough i.e. not to make savings or increase spend.
- Address the challenges and opportunities outlined at paragraph 1.2
- Make our Scheme simpler to administer by our officers, simpler to understand by our customers and form a stepping stone to a future discount Scheme.

1.4.3 The proposals we considered best met the objectives were:

- To stop printing and posting award letters (decision notices) to working age households and new claims for working and pension age claims should be made online.
- To introduce a Minimum Income Floor for claimants with self-employed income after six months of starting a business or making a new claim.
- To introduce a banded discount scheme based on household income.

1.4.4 The final proposals for consultation were financially tested and modelled using our live data. Results from the modelling were used to inform an Equality Impact Assessment presented at our last Board meeting, when I advised Members that the public consultation opened on 9 September, 2019 and was to run for eight weeks, closing at midnight on 4 November.

1.4.5 Results from the consultation have been collated and analysed. A total of 379 individual responses were received via the online survey. Although the number of responses seems low, in comparison to all other councils we have spoken to, it is the highest we have come across and a solid result. The number of responses statistically achieves a 95% confidence rate +/- 5%, a significant aim for most surveys. The response rate was undoubtedly helped by the design of the online questionnaire. Whereas colleagues in Kent included in-depth technical detail and as many as 35 questions, our consultation took a simplistic approach, aiming to solicit feedback and opinion rather than technical critique. Although we achieved a greater response, the approach itself was criticised in some of the comments from the survey. A summary of the consultation results is attached at **Annex 1**.

## **1.5 A closer look at our consultation results**

### **1.5.1 Proposed change 1**

1.5.2 To stop sending printed entitlement letters for working age claims - details of reductions will still be shown on the council tax bill. New applications for Council Tax Reduction will be made on-line for working and pension age households.

1.5.3 The advantages put forward for this proposal are:

- There are substantial environmental and cost benefits to not printing and posting decision letters, many thousands are issued each year. The cost saving from implementing this proposal would be approximately £10,000 per year in materials and postage alone.
- Letters will be available on request. Anyone wishing to have a paper copy posted to them will not be refused but an online version would be our preferred service.
- There is a growing demand and expectation for on-line services and documents. Council Tax accounts and transactions are already available online. Our 'Benefits' solution will be available for April 2020. Customers regularly request online statements and letters. Landlords especially have an expectation to receive notifications and run accounts with us online.
- Council Tax bills will show the level of Council Tax Reduction. Customers will be sent paper bills unless they have opted for online billing.
- Online applications for Council Tax Reduction can be used to speed up and simplify the claim process. Our claim form is 40 pages long and covers all circumstances. It will improve security, provide an audit trail and reduce the risk of lost applications with the postal service.
- Council offices provide IT access and support for customers.
- Telephone, face to face and online help and support will be available for online applications and setting up Citizens Access accounts.
- Paper applications may still be used in some circumstances.

1.5.4 The drawbacks put forward with this proposal are:

- Customers will need to spend a short time signing up to Citizens Access to get online access to letters. However, once signed up, having an account provides much more information relating to the customer's account.
- There is a risk that some customers will not have IT skills or access.



### 1.5.5 Results relating to proposed change 1

1.5.6 282 of 379 responses (74.4%) agreed with the proposal. The salient theme to bring to the attention of Members, drawn from responses, is the risk in disadvantaging residents who do not hold the skills or ability to access online information. However, in addition, several comments from respondents keen to point out they were of pension age, made it clear they would welcome the proposal to stop sending decision notices for working age claims to be applied to pension age claims as well. This thought was echoed in at least two of the working groups with external stakeholders. It is likely that the safeguards put in place so as not to disadvantage any working age claimant through this proposal could equally be applied to pension age claimants, protecting vulnerable households regardless of age. Equally, concerns were raised over restricting accessibility to make new claims for Council Tax Reduction. This proposal looks to introduce the online claims but not to remove existing ways. Customers will be encouraged to claim online but not restricted to only this channel.

### 1.5.7 Proposed change 2

1.5.8 To apply Minimum Income Levels for self-employed earners six months after making a new claim or starting a new business. The net income for a self-employed earner will be replaced with a minimum level income either after six months of making a new claim if the business is already in operation or six months of starting a new business where the net income declared from the self-employed work is below 16 x hourly rate of National Living Wage for single parents and disabled workers, or 30 x hourly rate of National Living Wage for single, or those who are members of a couple, workers. The National Living Wage will be uprated at the 1 April in line with the current rate at that time.

1.5.9 The advantages put forward for this proposal are:

- Encouraging business growth.
- Reducing the risk of fraud.
- Bringing Council Tax Reduction in line with Tax Credits and Universal Credit.

1.5.10 The drawbacks put forward for this proposal are:

- Where a working age applicant is self-employed and continues to run a business generating an income below the minimum living wage, the council will assume they earn the minimum level, risking of creating hardship.
- There is a risk of discouraging claimants to report their correct income.
- This proposal may be onerous and present some difficulty in applying consistent decisions.

### 1.5.11 Results relating to proposed change 2

1.5.12 309 of 379 responses (81.5%) agreed with the proposal. Most comments were positive however some expressed concerns that this could have the potential to cause hardship and there needs to be a mechanism to address this rather than a hard and fast rule. Welfare and support groups, along with other stakeholders agreed this is a sensible approach to align with UC income assessments. When consulting Northgate Public Services, provider of the Council's software used to administer Housing Benefit and Council Tax Reduction, we were informed that a notional income of this nature could only be applied for one fixed number of hours and it would only be possible to use the income after a period of 12 months, not six.

1.5.13 The proposal is designed to address the growing trend of claims with low levels of self-employed income by assuming a notional minimum income level and to align the notional levels with those used in UC assessments. The DWP now operates a flexible system, agreeing individually with each claimant how many hours could be worked per week based on household circumstances, for example, if the claimant has a seven year old child they may agree the expectation is to work 25 hours per week due to child care. A similar rule could be operated within the Council's Scheme, making use of our discretionary Exceptional Hardship Scheme.

### 1.5.14 Proposed change 3

1.5.15 To introduce the banded discount scheme shown at **Annex 2**

1.5.16 The advantages put forward for this proposal are:

- It provides a simpler scheme, easier to understand for our customers.
- It will prevent significant increases in administration costs as more claims move to Universal Credit.
- It will prevent households receiving multiple Council Tax bills and changes to instalments due to minor income fluctuations.
- Households in receipt of 'passported' benefits (Income Support, Employment & Support Allowance and Jobseekers Allowance) will continue to get an 80% reduction (less any non-dependant deductions).
- The bands are based on a calculation of hours multiplied by the National Living Wage (age 25 and over) rate, currently £8.21 per hour. The rate can be uprated on the 1 April each year to the rate at that time.
- Additional support will be provided for households with disabilities, caring duties and those in work.
- It forms a stepping stone to a much simplified future scheme.

1.5.17 The drawbacks put forward for this proposal are:

1.5.18 Although the aim of the scheme is to continue with a similar overall level of support across the Borough, the redistribution will cause some winners and losers. The Exceptional Hardship Payment Scheme will remain in place and be available for those suffering exceptional hardship. Payments may be used as a transition from old to new rates.

**1.5.19 Results relating to proposed change 3**

1.5.20 325 of 379 responses (85.8%) agreed with the proposal. There were few comments directly relating to this proposal. Of those that were, they were generally positive.

**1.5.21 Proposed change A**

Increase council tax to meet the rising costs of the service.

1.5.22 84 of 379 responses (22.4%) agreed with the proposal. This would prove an unpopular decision as reflected in the comments. It would fail to provide a long term sustainable solution and the financial burden would fall entirely on the Council rather than shared with other preceptors.

**1.5.23 Proposed change B**

Reduce funding to other services we provide.

1.5.24 115 of 379 responses (30.3%) agreed with the proposal. This would require annual budget slicing from Services to a point where there is nothing left to take. It does not provide for a sustainable solution. Comments are generally confused over the services supplied by the Council and Kent County Council however there are specific suggestions as to which services or salaries to cut.

**1.5.25 Proposed change C**

Use the limited reserves we have.

1.5.26 244 of 379 responses (64.4%) agreed with the proposal. Although this obviously does not provide a sustainable solution to the ongoing issues it is worth highlighting a comment 'use council reserves to generate more income'.

**1.6 Consultation with Major Preceptors**

1.6.1 The Council has a statutory duty to consult on proposed changes with our major preceptors. Emails and reminders were sent to contacts at KCC, KFRS and KPCC. A limited response initially came back from KCC to say 'I will get back to you but we are likely to be supportive of this simplification as it must significantly reduce the amount of times claims have to be recalculated which in turn aids stability of tax receipts.' No further update was received.

## 1.7 Legal Implications

- 1.7.1 The Council's Local Council Tax Reduction Scheme must be agreed by Full Council prior to introduction. The proposals are within the legal parameters set for scheme designs. A public consultation has taken place in line with public consultation guidance.

## 1.8 Financial and Value for Money Considerations

- 1.8.1 Proposals will generate efficiency and cost savings through reducing and preventing costs and administration.

## 1.9 Risk Assessment

- 1.9.1 There is a risk that some households may face hardship due to financial changes. The changes have been financially modelled in detail and analysed before being put forward as proposals. The Council's Exceptional Hardship Payment Scheme will safeguard households at risk.

## 1.10 Equality Impact Assessment

- 1.10.1 Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The decisions recommended through this paper directly impact on end users. The impact has been analysed and does not vary between groups of people. The results of this analysis are set out at **Annex 3**.

## 1.11 Recommendations

- 1.11.1 Members are asked to **RECOMMEND** to Cabinet that the proposed changes set out below should be written into the Tonbridge and Malling Borough Council Local Council Tax Reduction Scheme 2020/21 :

- 1) Proposed change 1 - Paragraph 1.5.1
  - To stop posting decision letters to working age LCTRS claimants
  - To stop posting decision letters to pension age LCTRS claimants
  - To introduce online applications as the primary method to make a claim for LCTRS for pension and working age claimants
- 2) Proposed change 2 - Paragraph 1.5.7

- To introduce a minimum income floor for self-employed income after 1 year of making a new claim or starting a business, at a rate of 35 hours per week x national minimum wage
- 3) Proposed change 3 - Paragraph 1.5.14
- To introduce a banded discount scheme utilising thresholds as set out in Annex 2 to the report.

Background papers:

contact: Andrew Rosevear

Nil

Sharon Shelton  
Director of Finance & Transformation

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## Council Tax Reduction Scheme Consultation Results

### Questions: Agree / Disagree

1. Stop sending printed entitlement letters for working age claims - details of reductions will still be shown on the council tax bill.  
New applications for Council Tax Reduction will be made on-line for working and pension age house
2. Apply Minimum Income Levels for self-employed earners 6 months after making a new claim or starting a new business.
3. Introduce a banded income grid of reductions.
  - A. Increase Council Tax across the Borough
  - B. Reduce funding to other services we provide
  - C. Use what limited reserves we have

### Responses 10 September – 4 November 2019

Mailshot to 9130 households comprising all (4130) working age claimants and 5000 randomly selected other households. Responses received 379. The volume of responses is sufficient to give a 95% confidence level (+/-5%) of the data.

Question	Description	Agree number	Agree %
1	Electronic notifications and claims	282	74.4
2	Self-employed minimum income	309	81.5
3	Banded reduction scheme	325	85.8
A	Increase Council Tax	84	22.2
B	Reduce funding to services	115	30.3
C	Use reserves	244	64.4

### The online consultation has been promoted to the following group meetings and stakeholders:

Welfare Reform Group, Health Action Team, Health & Wellbeing Group, DWP Complex Needs Forum, Clarion Housing, Citizens Advice North West Kent, Crosslight Debt Advice

### Direct consultation with Northgate Public Services (NPS)

NPS provide the software to administer our CTRS. Changes made to the scheme may require software alterations. NPS reviewed the consultation proposals Q1-Q3 and made the following comments:

**Q1** – achievable within current system and commonly used across sites, including Birmingham CC, the largest NPS customer

**Q2** – not achievable within current system. Would require bespoke enhancement which could not be in place for 1 April 2020. It is possible to administer a minimum income floor for self-employed for a single set of hours eg 35, which many customers now operate, aligned to Universal Credit regulations.

**Q3** – achievable with licensed software upgrade and used by several customers

### Consultation with major preceptors

The Council has a legal duty to consult its major preceptors over any changes to the CTRS. Emails and reminder emails were sent to the appropriate contacts at KCC, Kent Police & Crime Commissioner and Kent Fire & Rescue Service inviting them to participate in the consult. The only response was the following, from KCC:

'I have prepared a response which is currently being considered by Cabinet Member. I will get back to you but we are likely to be supportive of this simplification as it must significantly reduce the amount of times claims have to be recalculated which in turn aids stability of tax receipts.'

### Further analysis

Contained within the population who agree with each question, how many agree with the other questions

#### Q1 Electronic notifications and claims – population of 282

Question	Description	Agree number	Agree %
2	Self-employed minimum income	246	87.2
3	Banded reduction scheme	260	92.2
A	Increase Council Tax	65	23.0
B	Reduce funding to services	93	33.0
C	Use reserves	173	61.3

#### Q2 Self-employed minimum income floor – population 309

Question	Description	Agree number	Agree %
1	Electronic notifications and claims	245	79.3
3	Banded reduction scheme	284	91.9
A	Increase Council Tax	0	0
B	Reduce funding to services	93	30.1
C	Use reserves	199	64.4

#### Q3 Banded reduction scheme – population 325

Question	Description	Agree number	Agree %
1	Electronic notifications and claims	258	79.4
2	Self-employed minimum income	284	87.4
A	Increase Council Tax	71	21.8
B	Reduce funding to services	158	48.6
C	Use reserves	266	81.8

#### QA Raise council tax – population 84

Question	Description	Agree number	Agree %
1	Electronic notifications and claims	67	79.8
2	Self-employed minimum income	67	79.8
3	Banded reduction scheme	71	84.5
B	Reduce funding to services	25	29.8
C	Use reserves	48	57.1

#### QB Reduce funding to services – population 115

Question	Description	Agree number	Agree %
1	Electronic notifications and claims	90	78.3
2	Self-employed minimum income	93	80.9
3	Banded reduction scheme	95	82.6
A	Increase Council Tax	25	21.7
C	Use reserves	92	80

#### QC Use reserves – population 244

Question	Description	Agree number	Agree %
1	Electronic notifications and claims	173	70.9
2	Self-employed minimum income	199	81.6
3	Banded reduction scheme	203	83.2



A	Increase Council Tax	48	19.7
B	Reduce funding to services	92	37.7

### Response comments

Dear Sir
I feel that the council tax is high enough benefits should be paid were needed but any one found defrauding the council the money must be recovered. I also feel that the council waste a lot of money on projects that never bring any benefits for the council tax payers .when problems with roads rights of way environment etc etc are reported it takes ages to even get a acknowledgement to the problem let alone any thing done about it .
I am concerned that the Hardship Funds mentioned would be hard to access and people would be making the choice between, for example food and heating whilst they waited for the payments to come through.
1. cut down on useless mailshots - must of cost quite a lot of money to send out details including a link that is not working.  2. cut down inflated salaries of all executives  3. as with private enterprises, look for cost efficiencies - note this does not mean cut services and blame central government - there is more than enough revenue being received by council tax, parking charges, etc...
Am happy for all forms to be on line, but it must be noted that not all can cope with the internet. I have been trying to teach those who need help at the Ditton Internet Cafe, but can only teach those that pop in
Any increase in council tax should be used for essential services and not wasted on pointless schemes such as bus lanes that are removed several years later. There is a need to look at infrastructure before allowing new developments. The Aldi Macdonalds at Hermitage Lane is a prime example of a plan that has caused total disruption to traffic at that junction. More and more building has been approved in that area to add to the chaos.
Any reduction in help with  Council tax will cause more  Hardship to people who  Have no way to pay more
As a disabled person who currently receives a discount in council tax, I feel very let down that I have to pay the discounted fee, when before we used to get more help towards the costs of council tax. I'm not in a position to earn money, so things are very difficult financially. Those who are on the basic rates of universal credit are usually in a worse position than I am and they cannot afford basic things like food most of the time, especially when making a claim. We need to do more to help those who are financially poor and struggling.
As a single person who earns over £250 a week, I am still in financial hardship. I have a one bedroom flat, but my council tax is extortionately high compared to other places I've lived and also other areas of Kent. This is another terrible idea that makes single people who already don't get to split their bills/ rent/ mortgage have to pay an disproportionately higher amount than other people. I already have to pay out for other people's kids, even though I don't have any, other

people's benefits (not all of whom I believe should be entitled to them) and other sub-standard services this council provide.

As a working single person and a lone parent of two young children I already find it extremely difficult to meet my council tax bill each month.

I believe remaining single and focusing on my children is the most sensible option for me in my current situation. But by making this informed decision, I put myself at a constant financial disadvantage.

Single people should automatically pay no more than half of what a house hold expects from two working adults living in the same property. And further more, low income house holds with dependants and the elderly should be given a further reduction.

As long as i don't get inundated with emails I don't have a problem. At the moment I receive in excess of 6 letters from you per month, the last one telling me I had a 13pence reduction! How ridiculous!

As mentioned regarding online services, although I am a pensioner, I am lucky enough to be able to do things on line. However there are a lot of elderly people who do not have access to the internet, nor have any idea how to go about it. This does need to be taken in to consideration regarding using the internet.

as someone on a low income i need the reduction. i still struggle as it is paying the 20%

be much clearer on the process and assessment criteria

Change 1:agree it is good to attempt to ween people off hard copy but, as low income families are probably less likely to be able to communicate online, the option for hard copy as the alternative should exist.

Option 2: seems unreasonable to comment as I am not familiar with the considerations that apply to self employed. "No comment" does not appear to be an option.

Option 3: Not in agreement with council tax increases, either direct or back door ones (as with additional payment for brown bins for garden waste). Suggest that the council should demand more money from government to fund the impositions that are dumped on Kent, seeing that they (government) appear to have plenty to slosh around on brexit.

Change 3, a banded grid of incomes: there is no explanation of what this means so I've disagreed with it.

Also, online applications for ctr will be impossible for many pensioners, some of whom are VERY old and are unlikely to have a computer/iphone and may be unable to visit our counters.

Changes all make sense and a small increase in tax makes sense.

Changes should be made to take more of the tax payers circumstances into consideration. The council should also consider and acknowledge those on zero hour contracts where their income is likely to fluxuate month to month. It is unfair to base a tax calculation for 12 months on the basis of a payment of 400 for example when the next month they may only receive 200. I dont believe the current system is fair to people on zero hour contracts and so these changes should be made.

Consider people in rural areas who don't get street lighting, road cleaning and many of the other facilities people in urban areas get. We should pay less, by all means increase towns to pay.

Council tax bills can be difficult to understand for some people with disabilities. Making a change or changes obvious would help. A lot of people communicate by text now (including Royal Mail, Universal Credit, banks and schools). I would find it easier to receive text alerts about changes or things I might be entitled to.

Council tax is based on the market value of my home and how much income is coming in - How do you know the market value of my home? as no-one has been round to look at the condition of the property which does have an impact on value.

Council Tax is high enough already and all means to reduce or stabilise this tax charge should be investigated. I agree with some of the changes to save costs but do not agree that the answer is simply to raise tax charges as an easy option.

Council tax reduction is very complicated and should only be given to those on full benefits and pensioners.

Cut leisure provision.

Reduce the number of councillors.

Take a few more bribes.

Cut your salaries and trim the waste rather than reducing services and raising taxes. Just a thought.

Disgraceful. My bins are never emptied when they are supposed to be. No recycling bins ect we have no street lighting. Please advise why mor emonwy needs to be sourced because we certainly no not see it in the gypsy and traveller community.

Ensure that people receiving the discount are regularly reviewed, so that if their circumstances change and they are able to pay the Council Tax in full they do so.

Even in this day and age there are people with little or no I.T. Skills so they should not be made to feel disadvantaged in any way when applying for any new system

Far better to increase council tax than reduce services and give in to developers

For working families the cost of living is increasing - whether it is council tax, train fare, homes, childcare. Most people's earnings (if you are employed by public or third sector) are increasing in line with inflation. Therefore I do not think it is fair to reduce benefits at this time. I think asking people to pay more when there isn't a noticeable improvement in services is unfair.

From a personal point of view any change that results in a price increase would be absolutely devastating. As a severely disabled for life any cost increase has a huge impact on every other part of day to day living which is already at breaking point. Sadly we are constantly seeing price increases in most areas of life but reductions in the support FOR THOSE WHO GENUINELY NEED IT along with with less and less being given by the services we pay for.

Give people a choice whether it's online or in post as not everyone has Internet. Also take into account people with coeliac disease as the food is expensive

I find the amount of paperwork around the council tax benefit very confusing and usually have to phone to get clarification. I would prefer to just be told yes or no to benefit and how much I will have to pay or not pay for council tax. Thank you.

I agree that TMBC should try and make people more accountable for their responsibilities, hi lighting entitlements is not pro active.

Chasing non payments with media coverage may well assist the council in retrieving payment losses.

Indeed, why should others loose services to cover the losses of reduced payments and non payment of council tax.

Not always but presumably some do not pay and just wait to see what will happen if they don't in terms of prosecution.

The regularly , full paying paying Council Tax residents should not be penalised further.

Maybe a campaign showing loss of earnings by all non payment to TMBC and what it physically means to the whole community ie: less refuse collection, reduced services might be helpful.

We need all residents to be more accountable for their responsibilities and the more offered the more will be taken.

I agree you should stop sending letters to working age claims but why stop there? Pensioners surely don't need them either - what's the difference??

I am on a low wage and find it hard to pay what u charge me now so I hope it doesn't go up
I believe you should charge the wealthy more to help support the people who cannot simply afford!
I don't have sufficient knowledge to say anything very helpful. Many people's incomes are likely to vary somewhat from month to month, so it's right to take a broad view rather than go through the administratively costly approach of repeatedly changing the benefits (which is also very confusing). Beware of avoiding paper copies of benefits statements: many people struggle with the internet, and most fraud is online these days.
I don't think working people who don't get any help should have to pay for people who are on reductions etc by increasing the council tax rates
I have a reduction as a single occupancy but I have a larger house because I use a wheelchair.
I imagine that income for low earners varies often and by quite a lot. Therefore an almost continual review of the amount of the benefit should take place. However the costs of advising the claimant could be used as a reason for reviewing less frequently. There is a risk that too much or too little benefit is paid that way, so the facts need to be continuously ascertained.
I myself have no problem with paperless council bills. BUT!!!!!! My husband does not go on the Internet and does not want to go on the Internet. What are you doing to provide help for these people?  As for example, if I was to "Pop my clogs", he has no one else to help him with a bill he will know nothing about, unless it comes through the post. You can cut the amount paid out, by reducing the Executives pay!!!!
I suspect that if we come back to this later in the year when you've made your decision, the decision will be to implement these changes.  You assume that everyone has access to IT, has the capability to use IT or wants to use IT, can travel to get to use your IT.  You suggest that it is safer more secure but that may not be true there are people who revel in hacking IT systems.  "Winners and losers" I'm sure who ever they are they will not be happy about filling out yet another form to claim yet another benefit just to remind them how hard up they are (the losers I mean) and the "winners" could be 1penny off getting more help
I think a tighter review needs to happen for households where there are minors who are now adults still living at home who are earning a wage. This income needs to be taken into account as income for the whole family. This could see in increase in revenue from council tax as everyone will be contributing at the correct level. We pay too much tax as it is for very little in return. the bin tax has already been levied how much more do you expect us to give.
I think council tax should be increased to cover more money for policing, social care, education, fire service etc. I think people would be happy to pay the increase if they know this is where the money is going rather than it disappear on increased salaries for council staff, pensions etc. I mean no offence by this.
I think there should be provision for those incapable or unable to operate computers to apply. I also think that minimum income levels should be set by reference to external independent sources. Lastly, I would support use of some of the reserves, if that helps.
I think there should have been a "Don't Know" option to all the above questions - the additional info was not totally helpful, particularly on minimum income levels
I think you need to take into account people on a low income. Especially working people or people over 50 years. We can't physically work lots of hours as our bodies are not young anymore. Whereas the young can. We pay a lot a month and for what.
I think you should send an initial entitlement letter, after that just Council Tax bills is fine.
I would like to see a lot less paper being used and agree you should stop sending out entitlement letters but I don't agree with applications having to be made online. So many people still do not

<p>have IT skills or even a laptop etc to fill in these forms. Those people should not be penalised because of that.</p>
<p>I would rather you wouldn't cut services that they having been there for many years like for older people in need or disable people like myself, for many years we had the grass cutting service and you don't have any more since the beginning of the year 2019 the same thing house decorating ,my illness it has become very bad ,being disable have to do chemotherapy for a cancer on my liver and suffering for osteoporosis too, i think to be quite honest i find very wrong your decision and my money instead to use for buying food i need to spend for someone to have my garden to look nice,well this a piece of mind for you people and my opinion so don't talk about limitation of work that it was available to people in need and you cut it down</p>
<p>If instead of bands, whatever reductions you give, you just minused the extra amount someone has earnt from that it would be fairer. e.g. if they get £82.10 benefit a week, and they take home an extra £40 that week, then deduct £40 from that week.</p>
<p>If the council were more professional in negotiating external services and contracts money wasted could be saved and better spent providing needed services.</p> <p>Councillors expenses should be carefully vetted they should not get paid for attendance at meetings they do not attend.</p> <p>For the input they have the number of councillors should dramatically be reduced. We have three councillors in our ward one would be sufficient.</p>
<p>If times are tough for T M B C then reduce the support to low income houses, most will get universal credit and should prioritise paying bills over trainers, sky, PCP finance for Nissan quashqais and cigarettes.</p>
<p>I'm not sure that my opinions will be of use as I am not as fully informed of the Council's financial situation or any unforeseen consequences arising out of any changes made, as I would be if I had such a thorough understanding as those who work with these figures.</p>
<p>Increase CT on the higher value houses or HMO's. That is only fair</p>
<p>Instead of addressing the bill solely to the tenant, billing each liable adult living in a property seperately would help people like me who lives with an adult child, he pays a small amount of bed and board and is not enough to cover the council tax I am charged because he works and I am on benefits. Because he refuses to pay me extra to cover it and I cannot afford to pay it from benefits I get taken to court where more debt is added on it, I get the can, I risk having my possessions taken and I am at risk of going to prison.</p> <p>It is an unfair system for people in my situation and i' m sure i' m not the only one.</p>
<p>It gives no information on what other services could be potentially be given reduced funding. No suggestions of how sensible cutbacks could be made.</p>
<p>It needs to be simple to understand for customers and council staff and FAIR.</p>
<p>Look into mitigations for those that would need help using online tools.</p>
<p>make town councils stop illegal practices they put up signs that are totally disregarded and we have to pay for all the enviromental damage</p>
<p>Many of our clients in Crosslight Advice struggle with use of IT systems (hence continuing need for paper communications), are forced into self-employment working e.g. 16 hours a week so would be hit by a minimum income level.</p> <p>Shifts between, e.g. 80% and 65% , banding levels from small changes in income would really hit many of our clients. There would be too many losers from this change.</p> <p>Do you have examples you can share with us?</p>

<p>Maybe pensioners could not have to apply online, maybe they don't have computers, laptops or smartphones, they might have to rely on someone else to assist, I personally think they should be given the option of a paper form in the post</p>
<p>Move to emailing letters, this will save money and resources. Most people have an email address.</p> <p>Put more money into fraudulent claims, so that the only people who need it receive it.</p>
<p>Use council reserves to generate more income,</p>
<p>N/a</p>
<p>No as won't effect people like ne</p>
<p>None</p>
<p>Not every household is able to connect on line due to lack of income, illiteracy, lack of computer skills to name but a few. To this end making it computer only based is excluding a number of possibly needy homes. Does this thought never enter into the heads of whoever thinks up these schemes?</p>
<p>Not everyone can use computers or go on line.</p>
<p>Online forms , pdf uploads available .</p> <p>It shouldn't matter how low income is (self employed or other ) long as willing to provide up to date accounts 6 monthly ..</p> <p>A lot if family's are struggling through no fault of there own so taking away help will only put pressure on them elsewhere including the nhs for mental health help .</p>
<p>Only that i am a single working parent who just about scrapes by, i know i get 25 per cent reduction already but seriously i feel the people who work and are on breadline deserve more , perhaps some more reduction . I know people on benefits do seem to be laughing with everything paid, y would they get a job ! more help for the working poor not the lazy lot that dont,</p>
<p>our council tax goes up each year and the service goes down.</p> <p>for example, grass and shrub cutting has been delayed between cuts.</p> <p>we now have to pay for an extra brown bin, this was your decision so you should cover the costs.</p>
<p>Please make decision forms easier to understand.</p> <p>I can understand paperless for those of working age who are more likely to have access to the internet, however I have concerns over those of pension age who often do not have access to the internet or have very limited ability to access relevant parts of the internet. Therefore maybe the option of paper could be beneficial for those who do not have access.</p>
<p>Reduce council tax costs. Make the new recycling system much more straight forward. Allow food and cardboard to go in together, let cans/plastic etc also go in together like Medway council.</p>
<p>reduce funding on crazy ideas as you approach the end of the financial year and have to 'spend' or lose it..ie. cycle lanes on busy A roads that 6 months later disappear !</p>
<p>Reductions should remain in line with household income. As those relying on reductions and benefits can not afford to have an increase as it massively impacts daily living expenses.</p> <p>I do feel these new bin charges should also be included in council tax and part or the reductions. As I for one can not afford the new service</p>

Six month start up period for Self employed claimants seems harsh. UC allows 12 months. Start ups do need time to get established. 18 months may be more reasonable.

Sorry but I don't want to pay extra on my tax to fund this, it's expensive enough as it is, without being forced to pay more to subsidise other people, I can't afford it !!!!

Stop paying benefits to druggy wasters

Stop penalizing single people. Single people on low incomes/benefits such as jSA/ESA/UC of £73.00 lw can't afford to pay anymore they struggle as it is. The suggestion that pensioners should apply on line is quite laughable considering that most want have the Internet

Thankyou for my council tax reduction.

People on low incomes cannot afford internet service.

I have to take a painkiller to walk to the library and back.

I do not trust internet banking.

Thankyou for your attention.

The banded income grid of reductions shown should state the period of income specified - ?weekly? The grid does not say.

Not sure why it is necessary to reduce council tax. Would be preferable to increase it from time to time to take account of local needs and wishes.

The current system is very confusing and I do not understand all the paperwork that arrives in the post. I do often think it is such a waste of money and paper!

I don't really understand how the proposed changes work, but if it reduces the paper wastage then fair enough!

The income grid of reductions seems back to front, unless I have misread it, surely the single person or lone parent with children should receive the largest reduction in Council Tax not the couple with two children+. Before I was divorced and we had two incomes and two children, we were comfortably off and could easily afford the Council tax, when I became a single mum I struggled to afford the Council tax and we often cut back on food and heating to pay for it. One of my children is now working on a low private sector income and one is due to go to Uni and we basically have to survive on my income alone, now classified as a single person, supporting three people basically. We are back to cutting down on food and heating, reduced contributions towards my pension, I won't have enough to live on when I retire as result, pension poor, and so I guess I will become reliant when I retire on the Council to house and support me because the Council tax is so incredibly high for me now as a single person with two children over the age of 18. The Council Tax is like having a second mortgage. I now have two jobs, working six days a week, to cover household expenses and of course Council Tax being the most expensive of them all. When I was married we had a joint household income in excess of £70,000 now I have less than half the amount. Surely it would be fairer to charge the registered proprietors of a household with two incomes the most, and reduced Council tax for single people or single parents, or a tier system where say if the registered proprietors' household income exceeds £40,000.00 they pay more in Council Tax, regardless of the number of children they have because they have double the income, rising upwards based on the registered proprietors income not the number of people who live in the home but the actual registered owners e.g a property owned by a husband and wife with two incomes with children earning a combined income of say £100,000.00 pay more than a single person on say £30,000. I currently pay more in Council Tax than someone in the highest band in Kensington & Chelsea, almost double the amount than those that live in Westminster with a property worth multi millions of pounds, they only pay £1507.70.

Council Tax needs to be reduced dramatically. I personally can see areas where cut backs could easily be made.
The initial claim process is confusing and could be better laid out or segmented as the 40 page form is daunting.
The last three questions are impossible to answer without further detail. I can see the point you are trying to make i.e. this system is costing more, and either everyone else has to pay more, or services have to be cut. I understand that. The money has to come from somewhere. But just to ask those three questions without any supporting information to help me understand the context and impact (as for the previous questions) is pointless.
The only thing I would say was that you continue to use the Tax payers money wisely.  I'm a pensioner so I have to use my money carefully and budget.  Of course if it means putting up the council tax then so be it.
The poorest in the borough are being hit the worst, we should not even be thinking about changes to their entitlement.
The questionnaire is very vague on how or who will pay more, as for surplus, i am always confused as to how these are built up as council tax should be for a service that has been calculated and broken down, if there is a surplus then the amount has been calculated wrong
The survey is rather vague and hard to understand the impact of either agreeing or disagreeing with each proposal.
The various options offered by you could have had more explanation
The way council tax reductions along with calculations for housing benefit are stated in letters are confusing with no way to check if calculations are correct. A clearer letter would help many
There may be a considerable number of residents within the borough that may fall into the category of working age but through physical or mental impairment or simply no access to online use are not included in this survey - how are you dealing with this issue??
There needs to be a change to how council tax is calculated - to a land value tax which would be more proportionate. These types of changes do not deal with the fundamental problem of income for councils.
These changes make sense
These changes proposed affect the poorest people in our borough negatively. These are the people you should be supporting and helping. Stop wasting money on pointless schemes, improving the look of high streets etc and spend it on the poorest in our communities
This comment is of a personal issue. It has nothing to do with proposed changes.  I was unemployed earlier this year and was having trouble paying my council tax.  I was informed that my account was going to be forwarded to a debt collection agency.  Two days before this was due to happen, I tried to contact you several times by phone but to no avail.  I sent an email the day before it was due to go to debt collection agency.  I did not receive a reply to this until about 2 weeks after it was passed over which resulted in me getting further penalties.
This consultation is too broadbrush for the man on the street. Those in receipt of benefits should not have their entitlements changed. The paperwork is essentially meaningless - clarity should be introduced to correspondence. Explain what has happened and why. For now, paperwork is an impenetrable spreadsheet style affair. It is not the documents outlining change that are the problem per se, it is that the way they are written does not make sense.



<p>This survey needs to be sent out to all council tax paying residents not just those claiming the reduction.</p>
<p>TMBC has one of the highest rates of council tax in the south east, there should be no further increases. The council needs to save money elsewhere not increase council tax to make up a shortfall</p>
<p>To many cuts being made on people who really need the service. Cuts being made to the wrong people - genuine disable people being affected by those whom claim they are disable and are not!!</p>
<p>Try and get more money from government Council Tax is expensive as it is in our borough if you are gonna give cuts to people then it should be because you have the budget to do so not just charge other households.</p>
<p>Unemployed ppl should not have to pay any council tax, royals should not be funded by taxpayers, the tmbc mayor should be paid half the amount, increase</p> <p>car psrking fines, fine motorists who park on pavements, n rural people should pay less for highways as they don't get much benefits compared to urban residenrs , increase litter fines incl car litter and flytipping</p>
<p>While I sympathise with those on a low income or with financial issues. Everyone has to take responsibility for their own circumstances. Whatever the solution there will always be winners, losers and others that will take advantage. Personally I would like to see more resources put into reviewing individual circumstances and where appropriate enforcement.</p> <p>I would like to comment on this survey method. By default all of the answer were agree. I feel there should have three options: No opinion, agree and disagree, with no opinion being the default.</p>
<p>While it appears to be generally assumed that everybody conducts all their business on-line there should be prominent advice ( eg with council tax bills and perhaps TV adverts/ bus stop advertising/ council staff) that application can be made in person and by hand as it were.)</p>
<p>yes Instead of making proposed changes, you can save money by</p> <p>Not paying such high salaries to some staff, annual wage increases</p> <p>Bonuses and perks every year.</p>
<p>you did not ask if we prefer to have more money or less money to spend on things other than the massive cost of having a home if you wish to generate more income for the council to spend then change the laws that allow corporations to avoid tax that the rest of us are forced to pay , change the laws that allow landlords to get the council to buy them a house and kick out the poor tenant in order to cash their investment in, change the planning laws that allow large house development corporations to set the selling price of land and homes. its no coincidence that the vast majority of law makers are landlords making judgments on those who have been left to rot in society from a position of vast un earned income...</p>
<p>You should not assume that new applications for council tax reductions for pension age, or working age, households can all be made online. Not everyone is comfortable with computers, or has access to them.</p>
<p>Your survey has some design flaws and while the information boxes are helpful, the information is not well explained. There should be a 'don't know/neither agree or disagree' option, and there should be a clearer explanation of the Bands grid. What do the amounts in the grid relate to? What does it mean that Bands are a calculation of number of hours x living wage? I have 'disagreed' with this proposal because it isn't clearly presented.</p> <p>I'm afraid the survey reads like something by the council for the council, to tick the 'consultation' box rather than to actually inform or involve residents.</p>

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## Annex 2 - Proposed change 3

The level of discount shown in the grid below will be based on the total net income (determined by the council) of the applicant and partner (if there is one)

Bands	Band 1	Band 2	Band 3	Band 4	Band 5
Discount	80%	65%	50%	35%	20%
Single Person	£0 - £82.10	£82.11 - £123.15	£123.16 - £164.20	£164.21 - £205.25	£205.26 - £246.30
Couple	£0 - £122.10	£122.11 - £163.15	£163.16 - £204.20	£204.21 - £245.25	£245.26 - £286.30
Lone Parent with 1 child	£0 - £132.10	£132.11 - £173.15	£173.16 - £214.20	£214.21 - £255.25	£255.26 - £296.31
Couple with 1 child	£0 - £172.10	£172.11 - £213.15	£213.16 - £254.20	£254.21 - £295.25	£295.26 - £336.30
Lone Parent with 2+ children	£0 - £182.10	£182.11 - £223.15	£223.16 - £264.20	£264.21 - £305.25	£305.26 - £346.30
Couple with 2+ children	£0 - £222.10	£222.11 - £263.15	£263.16 - £304.20	£304.21 - £345.25	£345.26 - £386.30

Assessment of household income will be similar to the current scheme, with the following changes:

The variety of current earnings disregards, ranging between £5 - £25 per week, will be replaced with a standard disregard of £25 per week

Households attracting disability or carer benefits (Disability Living Allowance, Personal Independence Payments or Carers Allowance) will receive an additional £40 per week disregard

Unlike the current scheme, Carers Allowance will be disregarded in full

Any change in circumstances which changes Council Tax Reduction entitlement will be made from the date on which the change occurs, rather than on a weekly basis as it is currently

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## Annex 3 Equality Impact Assessment

### Quick Guidance Notes

#### Stage 1. Screening Stage

Stage 1 of the template is classed as the Screening Stage. This should always be completed. **Remember it should be an integral part of policy development not a last-minute thought.**

At this stage you should be assessing obvious negative/positive impact or gaps in knowledge about likely impact. It should be a relatively short process which makes use of any previous consultation results, any differences in user satisfaction among groups, personal knowledge and experience, research, reports, existing equality data about service usage, internet searches, internal and external specialist advice, employees with previous experience of similar work, known inequalities etc. **If the likely impact on a particular group is unknown, then action should be taken to acquire this information.**

If the impact is positive (i.e. the outcome will benefit an Equality Group) then no further action is required. If no positive or negative impacts are identified then no further action is required. If the activity has the potential to cause adverse/negative impact or discriminate against different groups in the community it will require a full impact assessment (Stage 2).

In some cases it might be easy to put in place simple adjustments to eliminate any negative impact while you are working through the screening process, especially if you already have clear evidence/consultation and the process is an integral part of your policy development. It should only be done if you are absolutely confident that no other impact will be identified. If you choose to do this you should clearly document the reasons/evidence and put in place monitoring to ensure action is taken if unanticipated impact occurs.

#### Stage 2. Full Equality Impact Assessment Report

Stage 2 of the EIA process guides officers through the full impact assessment process, ensuring that research/consultation with relevant equality groups has been carried out and leads to an action plan aiming to minimise the negative impact/s.

Consultation involves engaging with representatives from equality groups who are likely to be affected by the activity. It could involve engaging with employees and Members, trade unions, other public bodies, voluntary and community groups. It is important to ensure sufficient time and resources are dedicated to the consultation process to encourage full participation. You should refer to the Consultation Toolkit to ensure your consultation follows good practice. The Focus system should also be used and is able to give you information relating to other consultation activities across the council as well as existing groups/volunteers you may be able to access.

## **Take a Proportionate Approach**

Your approach to assessing the equalities impact of a policy, strategy or service should be proportionate to the likely impact it will have. Issues you should consider include:

- the number of people likely to be affected
- the size of the budget/amount of money involved
- the extent of the proposed change
- wider public policy implications

This means you will assess more rigorously policies which are likely to have a significant impact on the local community.

**Additional guidance notes to help you through the process are available in the Equality Impact Assessment Guidance Document.**

## Stage 1 and 2 Equality Impact Assessment Templates

Directorate: Finance & Transformation

Service: Revenues & Benefits

Accountable Officer: Sharon Shelton

Telephone & e-mail: Sharon.shelton@tmbc.gov.uk

Date of assessment: 12 November 2019

Names & job titles of people carrying out the assessment:

Andrew Rosevear, Welfare & Benefits Manager

Name of service/function/policy etc: <b>Council Tax Reduction Scheme</b>
Is this new or existing? <b>Replacement of existing scheme</b>

### Stage 1: Screening Stage

#### 1. Briefly describe its aims & objectives

The Council Tax Reduction scheme provides support for certain taxpayers who have a low income.

Where entitled, the scheme provides a reduction in liability for Council Tax.

The replacement scheme is designed to overcome the significant administrative complications with the introduction of Universal Credit within the area. The main issues are;

- The current scheme is too reactive to the constant changes in Universal Credit. With the frequent changes in liability, taxpayers receive multiple Council Tax demands which in turn has a negative effect on the taxpayer's ability to manage their finances and on collection levels;
- There is a need to make the scheme simpler and for taxpayers to be encouraged to claim a reduction;
- The scheme needs to be future proofed to avoid constant amendments.

#### 2. Are there external considerations? (legislation/government directive etc.)

Yes – the legislation (Local Government Finance Act 1992 as amended) allows the Council to amend the scheme for working age applicants only.

The scheme for pension age applicants is prescribed by Central Government and cannot be amended if the amendment is financially detrimental.

Schemes must be amended by 11<sup>th</sup> March of the financial year preceding the year of implementation.

All changes to schemes are subject to consultation with both precepting authorities and the public.

### 3. Who are the stakeholders and what are their interests?

The stakeholders are:

- Working age Council Taxpayers who have a low income (who may make an applicant for reduction);
- The District Council ,who is responsible for administration of the scheme, and also receives a proportion (12%) of Council Tax receipts to provide services for local residents;
- The Major Precepting Authorities (Kent CC; Police & Crime Commissioner and Fire & Rescue) who receive the majority of Council Tax receipts to provide services for local residents;

### 4. What outcomes do we want to achieve and for whom?

Any new scheme must:

- Minimise any potential loss to existing applicants;
- Reduce administration costs which will occur through the roll out of Universal Credit;
- Ensure that collection rates are maintained in respect of Council Tax; and
- Prevent future changes in schemes

### 5. Has any consultation/research been carried out or relied upon?

Yes

Consultation was carried out in accordance with relevant legislation.

Major preceptors were consulted as well as the public and interested groups.

Consultation took place from 9 September to 4 November 2019. Results have been analysed and taken into account when the scheme is decided by full Council.

### 6. Are there any concerns at this stage which indicate the possibility of inequalities/negative impacts? (Consider and identify any evidence you have - equality data relating to usage and satisfaction levels, complaints, comments, research, outcomes of review, feedback and issues raised at previous consultations, known inequalities) If so please provide details.

Major changes to the scheme as proposed affects some claimants. Modelling of scheme options has been undertaken throughout 2019 to establish the optimum proposals.



Initial modelling indicates that the number of working age applicants will remain broadly the same.

Most applicants will experience a minimal change to their entitlement between +/- £0.56 per week.

The Council maintains an Exceptional Hardship Payment Scheme which can be applied for by any applicant. Where any applicant experiences exceptional hardship, further support can be given.

**7. Could a particular protected characteristic be affected differently in either a negative or positive way? (Positive – it could benefit, Negative – it could disadvantage, Neutral – neither positive nor negative impact or Not sure?)**

	<b>Type of impact, reason &amp; any evidence</b>
Disability	Positive – disability benefits will be disregarded as income and a further income disregard granted where a person would have met the previous criteria for awarding disability premium, enhanced disability premium, disabled child premium or severe disability premium
Race (including Gypsy & Traveller)	Neutral
Age	Only working age applicants will be affected
Gender	Neutral – based on current modelling both male and female applicants can either receive increased or decreased support
Transgender	Neutral
Sexual Orientation	Neutral – sexual orientation has no bearing on the scheme
Religion/Belief	Neutral – religion or belief orientation has no bearing on the scheme
Pregnancy & Maternity	Neutral – although it should be noted that a third or subsequent child will not affect entitlement
Marriage/ Civil Partnership Status	Positive- couples or persons in Civil Partnerships / relationships are able to have a higher level of income than singles to receive the same level of support.

**8. Could other socio-economic groups be affected e.g. carers, ex-offenders, low incomes?**

Carers	Positive effect as Carers Allowance will be disregarded as an income under the scheme
Persons in receipt of Support Component of ESA	Positive effect as the Support Component of Employment and Support Allowance will be disregarded as an income under the scheme

Low income taxpayers – will be able to apply as in the current scheme	Neutral effect - as low income applicants can still apply for support under the scheme
Applicants who have more than two dependants	The scheme will provide additional support to families up to and including two dependants.  No additional support will be provided to a third or subsequent dependant. This is in line with Central Government benefits such as Housing Benefit, Tax Credits and Universal Credit
Applicants who have non dependants	Neutral – no change to current scheme
Disabilities	Positive effect as all applicants who receive a disability benefit such as DLA, PIP etc will have the income disregarded <b>and</b> a further disregard of £40 per week will be taken from their net income potentially allowing further support to be granted

**9. Are there any human rights implications?**

No

**10. Is there an opportunity to promote equality and/or good community relations?**

Yes – the new scheme will make applying for support easier and will treat all working age applicants equally.

**11. If you have indicated a negative impact for any group is that impact legal? (not discriminatory under anti-discrimination legislation)**

Yes

**12. Is any part of this policy/service to be carried out wholly or partly by contractors?**

No

**Please note that normally you should proceed to a Stage 2: Full Equality Impact Assessment Report if you have identified actual, or the potential to cause, adverse impact or discrimination against different groups in the community. (Refer to Quick Guidance Notes at front of template document)**

**13. Is a Stage 2: Full Equality Impact Assessment Report required?**

Yes
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**14. Date by which Stage 2 is to be completed and actions**

2 December 2019
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**Stage 2: Full Equality Impact Assessment Report**

**15. Summarise the likely negative impacts for relevant groups identified in the screening process** (Refer to Stage 1, Questions 7-8, start to think about possible alternatives)

	Type of impact, reason & any evidence
Disability	Positive
Race (including Gypsy & Traveller)	Neutral
Age	Only working age applicants will be affected
Gender	Neutral – based on current modelling both male and female applicants can either receive increased or decreased support
Transgender	Neutral
Sexual Orientation	Neutral – sexual orientation has no bearing on the scheme
Religion/Belief	Neutral – religion or belief orientation has no bearing on the scheme
Pregnancy & Maternity	Neutral – although it should be noted that a third or subsequent child will not affect entitlement
Marriage/ Civil Partnership Status	Positive- couples or persons in Civil Partnerships / relationships are able to have a higher level of income than singles to receive the same level of support.
Carers	Positive effect as Carers Allowance will be disregarded as an income under the scheme

Persons in receipt of Support Component of ESA	Positive effect as the Support Component of Employment and Support Allowance will be disregarded as an income under the scheme
Low income taxpayers – will be able to apply as in the current scheme	Neutral effect as low income applicants can still apply for a support under the scheme
Applicants who have more than two dependants	The scheme will provide additional support to families up to and including two dependants. No additional support will be provided to a third or subsequent dependant. This is in line with Central Government benefits such as Housing Benefit, Tax Credits and Universal Credit
Applicants who have non dependants	Positive effect as the new scheme will not make any deductions where there are non-dependants
Disabilities	Positive effect as all applicants who receive a disability benefit such as DLA, PIP etc will have the income disregarded <b>and</b> a further disregard of £40 per week will be taken from their net income potentially allowing further support to be granted

**16. What consultation/involvement activities have taken place or will need to take place with groups/individuals from each relevant protected characteristic or equality group? (refer back to Stage 1, Question 5)**

The scheme has been subject to consultation as follows:

- Major precepting authorities – the County Council, Fire & Rescue Service and the Police and Crime commission has been consulted on the new scheme. No objections have been received;
- A full public consultation has been undertaken between 9 September 2019 – 4 November 2019.

**17. What other research has been or will need to be carried out to help you with the assessment?**

Financial modelling and impact analysis to establish optimum proposals that meet review objectives.

**18. Results of research/consultation (what does it tell you about the negative impacts?)**

Summary below

## Council Tax Reduction Scheme Consultation Results

### Questions: Agree / Disagree

1. Stop sending printed entitlement letters for working age claims - details of reductions will still be shown on the council tax bill.  
New applications for Council Tax Reduction will be made on-line for working and pension age house
2. Apply Minimum Income Levels for self-employed earners 6 months after making a new claim or starting a new business.
3. Introduce a banded income grid of reductions.
  - A. Increase Council Tax across the Borough
  - B. Reduce funding to other services we provide
  - C. Use what limited reserves we have

### Responses 10 September – 4 November 2019

Mailshot to 9130 households comprising all (4130) working age claimants and 5000 randomly selected other households. Responses received 379. The volume of responses is sufficient to give a 95% confidence level (+/-5%) of the data.

Question	Description	Agree number	Agree %
1	Electronic notifications and claims	282	74.4
2	Self-employed minimum income	309	81.5
3	Banded reduction scheme	325	85.8
A	Increase Council Tax	84	22.2
B	Reduce funding to services	115	30.3
C	Use reserves	244	64.4

### The online consultation has been promoted to the following group meetings and stakeholders:

Welfare Reform Group, Health Action Team, Health & Wellbeing Group, DWP Complex Needs Forum, Clarion Housing, Citizens Advice North West Kent, Crosslight Debt Advice

### Direct consultation with Northgate Public Services (NPS)

NPS provide the software to administer our CTRS. Changes made to the scheme may require software alterations. NPS reviewed the consultation proposals Q1-Q3 and made the following comments:

**Q1** – achievable within current system and commonly used across sites, including Birmingham CC, the largest NPS customer

**Q2** – not achievable within current system. Would require bespoke enhancement which could not be in place for 1 April 2020. It is possible to administer a minimum income floor for self-employed for a single set of hours eg 35, which many customers now operate, aligned to Universal Credit regulations.

**Q3** – achievable with licensed software upgrade and used by several customers

### Consultation with major preceptors

The Council has a legal duty to consult its major preceptors over any changes to the CTRS. Emails and reminder emails were sent to the appropriate contacts at KCC, Kent Police & Crime Commissioner and Kent Fire & Rescue Service inviting them to participate in the consult. The only response was the following, from KCC:

‘I have prepared a response which is currently being considered by Cabinet Member. I will get back to you but we are likely to be supportive of this simplification as it must significantly reduce the amount of times claims have to be recalculated which in turn aids stability of tax receipts.’

### Further analysis

Contained within the population who agree with each question, how many agree with the other questions

**Q1 Electronic notifications and claims – population of 282**

Question	Description	Agree number	Agree %
2	Self-employed minimum income	246	87.2
3	Banded reduction scheme	260	92.2
A	Increase Council Tax	65	23.0
B	Reduce funding to services	93	33.0
C	Use reserves	173	61.3

**Q2 Self-employed minimum income floor – population 309**

Question	Description	Agree number	Agree %
1	Electronic notifications and claims	245	79.3
3	Banded reduction scheme	284	91.9
A	Increase Council Tax	0	0
B	Reduce funding to services	93	30.1
C	Use reserves	199	64.4

**Q3 Banded reduction scheme – population 325**

Question	Description	Agree number	Agree %
1	Electronic notifications and claims	258	79.4
2	Self-employed minimum income	284	87.4
A	Increase Council Tax	71	21.8
B	Reduce funding to services	158	48.6
C	Use reserves	266	81.8

**QA Raise council tax – population 84**

Question	Description	Agree number	Agree %
1	Electronic notifications and claims	67	79.8
2	Self-employed minimum income	67	79.8
3	Banded reduction scheme	71	84.5
B	Reduce funding to services	25	29.8
C	Use reserves	48	57.1

**QB Reduce funding to services – population 115**

Question	Description	Agree number	Agree %
1	Electronic notifications and claims	90	78.3
2	Self-employed minimum income	93	80.9
3	Banded reduction scheme	95	82.6
A	Increase Council Tax	25	21.7
C	Use reserves	92	80

**QC Use reserves – population 244**

Question	Description	Agree number	Agree %
1	Electronic notifications and claims	173	70.9
2	Self-employed minimum income	199	81.6
3	Banded reduction scheme	203	83.2
A	Increase Council Tax	48	19.7
B	Reduce funding to services	92	37.7

## Response comments

<p>Dear Sir</p> <p>I feel that the council tax is high enough benefits should be paid were needed but any one found defrauding the council the money must be recovered. I also feel that the council waste a lot of money on projects that never bring any benefits for the council tax payers .when problems with roads rights of way environment etc etc are reported it takes ages to even get a acknowledgement to the problem let alone any thing done about it .</p>
<p>I am concerned that the Hardship Funds mentioned would be hard to access and people would be making the choice between, for example food and heating whilst they waited for the payments to come through.</p>
<p>1. cut down on useless mailshots - must of cost quite a lot of money to send out details including a link that is not working.</p> <p>2. cut down inflated salaries of all executives</p> <p>3. as with private enterprises, look for cost efficiencies - note this does not mean cut services and blame central government - there is more that enough revenue being received by council tax, parking charges, etc...</p>
<p>Am happy for all forms to be on line, but it must be noted that not all can cope with the internet. I have been trying to teach those who need help at the Ditton Internet Cafe, but can only teach those that pop in</p>
<p>Any increase in council tax should be used for essential services and not wasted on pointless schemes such as bus lanes that are removed several years later. There is a need to look at infrastructure before allowing new developments. The Aldi Macdonalds at Hermitage Lane is a prime example of a plan that has caused total disruption to traffic at that junction. More and more building has been approved in that area to add to the chaos.</p>
<p>Any reduction in help with</p> <p>Council tax will cause more</p> <p>Hardship to people who</p> <p>Have no way to pay more</p>
<p>As a disabled person who currently receives a discount in council tax, I feel very let down that I have to pay the discounted fee, when before we used to get more help towards the costs of council tax. I'm not in a position to earn money, so things are very difficult financially. Those who are on the basic rates of universal credit are usually in a worse position than I am and they cannot afford basic things like food most of the time, especially when making a claim. We need to do more to help those who are financially poor and struggling.</p>
<p>As a single person who earns over £250 a week, I am still in financial hardship. I have a one bedroom flat, but my council tax is extortionately high compared to other places I've lived and also other areas of Kent. This is another terrible idea that makes single people who already don't get to split their bills/ rent/ mortgage have to pay an disproportionately higher amount than other people. I already have to pay out for other people's kids, even though I don't have any, other people's benefits (not all of whom I believe should be entitled to them) and other sub-standard services this council provide.</p>

<p>As a working single person and a lone parent of two young children I already find it extremely difficult to meet my council tax bill each month.</p> <p>I believe remaining single and focusing on my children is the most sensible option for me in my current situation. But by making this informed decision, I put myself at a constant financial disadvantage.</p> <p>Single people should automatically pay no more than half of what a house hold expects from two working adults living in the same property. And further more, low income house holds with dependants and the elderly should be given a further reduction.</p>
<p>As long as i don't get inundated with emails I don't have a problem. At the moment I receive in excess of 6 letters from you per month, the last one telling me I had a 13pence reduction! How ridiculous!</p>
<p>As mentioned regarding online services, although I am a pensioner, I am lucky enough to be able to do things on line. However there are a lot of elderly people who do not have access to the internet, nor have any idea how to go about it. This does need to be taken in to consideration regarding using the internet.</p>
<p>as someone on a low income i need the reduction. i still struggle as it is paying the 20%</p>
<p>be much clearer on the process and assessment criteria</p>
<p>Change 1:agree it is good to attempt to ween people off hard copy but, as low income families are probably less likely to be able to communicate online, the option for hard copy as the alternative should exist.</p> <p>Option 2: seems unreasonable to comment as I am not familiar with the considerations that apply to self employed. "No comment" does not appear to be an option.</p> <p>Option 3: Not in agreement with council tax increases, either direct or back door ones (as with additional payment for brown bins for garden waste). Suggest that the council should demand more money from government to fund the impositions that are dumped on Kent, seeing that they (government) appear to have plenty to slosh around on brexit.</p>
<p>Change 3, a banded grid of incomes: there is no explanation of what this means so I've disagreed with it.</p> <p>Also, online applications for ctr will be impossible for many pensioners, some of whom are VERY old and are unlikely to have a computer/iphone and may be unable to visit our counters.</p>
<p>Changes all make sense and a small increase in tax makes sense.</p>
<p>Changes should be made to take more of the tax payers circumstances into consideration. The council should also consider and acknowledge those on zero hour contracts where their income is likely to fluxuate month to month. It is unfair to base a tax calculation for 12 months on the basis of a payment of 400 for example when the next month they may only receive 200. I dont believe the current system is fair to people on zero hour contracts and so these changes should be made.</p>
<p>Consider people in rural areas who don't get street lighting, road cleaning and many of the other facilities people in urban areas get. We should pay less, by all means increase towns to pay.</p>



<p>Council tax bills can be difficult to understand for some people with disabilities. Making a change or changes obvious would help. A lot of people communicate by text now (including Royal Mail, Universal Credit, banks and schools). I would find it easier to receive text alerts about changes or things I might be entitled to.</p>
<p>Council tax is based on the market value of my home and how much income is coming in - How do you know the market value of my home? as no-one has been round to look at the condition of the property which does have an impact on value.</p>
<p>Council Tax is high enough already and all means to reduce or stabilise this tax charge should be investigated. I agree with some of the changes to save costs but do not agree that the answer is simply to raise tax charges as an easy option.</p>
<p>Council tax reduction is very complicated and should only be given to those on full benefits and pensioners.</p>
<p>Cut leisure provision.</p> <p>Reduce the number of councillors.</p> <p>Take a few more bribes.</p>
<p>Cut your salaries and trim the waste rather than reducing services and raising taxes. Just a thought.</p>
<p>Disgraceful. My bins are never emptied when they are supposed to be. No recycling bins ect we have no street lighting. Please advise why mor emonwy needs to be sourced because we certainly no not see it in the gypsy and traveller community.</p>
<p>Ensure that people receiving the discount are regularly reviewed, so that if their circumstances change and they are able to pay the Council Tax in full they do so.</p>
<p>Even in this day and age there are people with little or no I.T. Skills so they should not be made to feel disadvantaged in any way when applying for any new system</p>
<p>Far better to increase council tax than reduce services and give in to developers</p>
<p>For working families the cost of living is increasing - whether it is council tax, train fare, homes, childcare. Most people's earnings (if you are employed by public or third sector) are increasing in line with inflation. Therefore I do not think it is fair to reduce benefits at this time. I think asking people to pay more when there isn't a noticeable improvement in services is unfair.</p>
<p>From a personal point of view any change that results in a price increase would be absolutely devastating. As a severely disabled for life any cost increase has a huge impact on every other part of day to day living which is already at breaking point. Sadly we are constantly seeing price increases in most areas of life but reductions in the support FOR THOSE WHO GENUINELY NEED IT along with with less and less being given by the services we pay for.</p>
<p>Give people a choice whether it's online or in post as not everyone has Internet. Also take into account people with coeliac disease as the food is expensive</p>
<p>I find the amount of paperwork around the council tax benefit very confusing and usually have to phone to get clarification. I would prefer to just be told yes or no to benefit and how much I will have to pay or not pay for council tax. Thank you.</p>
<p>I agree that TMBC should try and make people more accountable for their responsibilities, hi lighting entitlements is not pro active.</p> <p>Chasing non payments with media coverage may well assist the council in retrieving payment losses.</p> <p>Indeed, why should others loose services to cover the losses of reduced payments and non payment of council tax.</p>

<p>Not always but presumably some do not pay and just wait to see what will happen if they don't in terms of prosecution.</p> <p>The regularly , full paying paying Council Tax residents should not be penalised further.</p> <p>Maybe a campaign showing loss of earnings by all non payment to TMBC and what it physically means to the whole community ie: less refuse collection, reduced services might be helpful.</p> <p>We need all residents to be more accountable for their responsibilities and the more offered the more will be taken.</p>
<p>I agree you should stop sending letters to working age claims but why stop there? Pensioners surely don't need them either - what's the difference??</p>
<p>I am on a low wage and find it hard to pay what u charge me now so I hope it doesn't go up</p>
<p>I believe you should charge the wealthy more to help support the people who cannot simply afford!</p>
<p>I don't have sufficient knowledge to say anything very helpful. Many people's incomes are likely to vary somewhat from month to month, so it's right to take a broad view rather than go through the administratively costly approach of repeatedly changing the benefits (which is also very confusing). Beware of avoiding paper copies of benefits statements: many people struggle with the internet, and most fraud is online these days.</p>
<p>I don't think working people who don't get any help should have to pay for people who are on reductions etc by increasing the council tax rates</p>
<p>I have a reduction as a single occupancy but I have a larger house because I use a wheelchair.</p>
<p>I imagine that income for low earners varies often and by quite a lot. Therefore an almost continual review of the amount of the benefit should take place. However the costs of advising the claimant could be used as a reason for reviewing less frequently. There is a risk that too much or too little benefit is paid that way, so the facts need to be continuously ascertained.</p>
<p>I myself have no problem with paperless council bills. BUT!!!!!! My husband does not go on the Internet and does not want to go on the Internet. What are you doing to provide help for these people?</p> <p>As for example, if I was to "Pop my clogs", he has no one else to help him with a bill he will know nothing about, unless it comes through the post. You can cut the amount paid out, by reducing the Executives pay!!!!</p>
<p>I suspect that if we come back to this later in the year when you've made your decision, the decision will be to implement these changes.</p> <p>You assume that everyone has access to IT, has the capability to use IT or wants to use IT, can travel to get to use your IT.</p> <p>You suggest that it is safer more secure but that may not be true there are people who revel in hacking IT systems.</p> <p>"Winners and losers" I'm sure who ever they are they will not be happy about filling out yet another form to claim yet another benefit just to remind them how hard up</p>

<p>they are (the losers I mean) and the “winners” could be 1penny off getting more help</p>
<p>I think a tighter review needs to happen for households where there are minors who are now adults still living at home who are earning a wage. This income needs to be taken into account as income for the whole family. This could see in increase in revenue from council tax as everyone will be contributing at the correct level. We pay too much tax as it is for very little in return. the bin tax has already been levied how much more do you expect us to give.</p>
<p>I think council tax should be increased to cover more money for policing, social care, education, fire service etc. I think people would be happy to pay the increase if they know this is where the money is going rather than it disappear on increased salaries for council staff, pensions etc. I mean no offence by this.</p>
<p>I think there should be provision for those incapable or unable to operate computers to apply. I also think that minimum income levels should be set by reference to external independent sources. Lastly, I would support use of some of the reserves, if that helps.</p>
<p>I think there should have been a "Don't Know" option to all the above questions - the additional info was not totally helpful, particularly on minimum income levels</p>
<p>I think you need to take into account people on a low income. Especially working people or people over 50 years. We can't physically works lots of hours as are bodies are not young anymore. Whereas the young can. We pay a lot a month and for what.</p>
<p>I think you should send an initial entitlement letter, after that just Council Tax bills is fine.</p>
<p>I would like to see a lot less paper being used and agree you should stop sending out entitlement letters but I don't agree with applications having to be made on line. So many people still do not have IT skills or even a laptop etc to fill in these forms. Those people should not be penalised because of that.</p>
<p>I would rather you wouldn't cut services that they having been there for many years like for older people in need or disable people like myself,for many years we had the grass cutting service and you don't have any more since the beginning of the year 2019 the same thing house decorating ,my illness it has become very bad ,being disable have to do chemotherapy for a cancer on my liver and suffering for osteoporosis too, i think to be quite honest i find very wrong your decision and my money instead to use for buying food i need to spend for someone to have my garden to look nice,well this a piece of mind for you people and my opinion so don't talk about limitation of work that it was available to people in need and you cut it down</p>
<p>If instead of bands, whatever reductions you give, you just minused the extra amount someone has earnt from that it would be fairer. e.g. if they get £82.10 benefit a week, and they take home an extra £40 that week, then deduct £40 from that week.</p>
<p>If the council were more professional in negotiating external services and contracts money wasted could be saved and better spent providing needed services.</p> <p>Councillors expenses should be carefully vetted they should not get paid for attendance at meetings they do not attend.</p>

<p>For the input they have the number of councillors should dramatically be reduced. We have three councillors in our ward one would be sufficient.</p>
<p>If times are tough for T MB C then reduce the support to low income houses, most will get universal credit and should prioritise paying bills over trainers, sky, PCP finance for Nissan quashqais and cigarettes.</p>
<p>I'm not sure that my opinions will be of use as I am not as fully informed of the Council's financial situation or any unforeseen consequences arising out of any changes made, as I would be if I had such a thorough understanding as those who work with these figures.</p>
<p>Increase CT on the higher value houses or HMO's. That is only fair</p>
<p>Instead of addressing the bill solely to the tenant, billing each liable adult living in a property seperately would help people like me who lives with an adult child, he pays a small amount of bed and board and is not enough to cover the council tax I am charged because he works and I am on benefits. Because he refuses to pay me extra to cover it and I cannot afford to pay it from benefits I get taken to court where more debt is added on it, I get the can, I risk having my possessions taken and I am at risk of going to prison.</p>
<p>It is an unfair system for people in my situation and i' m sure i' m not the only one.</p>
<p>It gives no information on what other services could be potentially be given reduced funding. No suggestions of how sensible cutbacks could be made.</p>
<p>It needs to be simple to understand for customers and council staff and FAIR.</p>
<p>Look into mitigations for those that would need help using online tools.</p>
<p>make town councils stop illegal practices they put up signs that are totally disregarded and we have to pay for all the enviromental damage</p>
<p>Many of our clients in Crosslight Advice struggle with use of IT systems (hence continuing need for paper communications), are forced into self-employment working e.g. 16 hours a week so would be hit by a minimum income level.</p>
<p>Shifts between, e.g. 80% and 65% , banding levels from small changes in income would really hit many of our clients. There would be too many losers from this change.</p>
<p>Do you have examples you can share with us?</p>
<p>Maybe pensioners could not have to apply online, maybe they don't have computers, laptops or smartphones, they might have to rely on someone else to assist, I personally think they should be given the option of a paper form in the post</p>
<p>Move to emailing letters, this will save money and resources. Most people have an email address.</p>
<p>Put more money into fraudulent claims, so that the only people who need it receive it.</p>

Use council reserves to generate more income,
N/a
No as won't effect people like ne
None
Not every household is able to connect on line due to lack of income, illiteracy, lack of computer skills to name but a few. To this end making it computer only based is excluding a number of possibly needy homes. Does this thought never enter into the heads of whoever thinks up these schemes?
Not everyone can use computers or go on line.
Online forms , pdf uploads available .  It shouldn't matter how low income is (self employed or other ) long as willing to provide up to date accounts 6 monthly ..  A lot if family's are struggling through no fault of there own so taking away help will only put pressure on them elsewhere including the nhs for mental health help .
Only that i am a single working parent who just about scrapes by, i know i get 25 per cent reduction already but seriously i feel the people who work and are on breadline deserve more , perhaps some more reduction . I know people on benefits do seem to be laughing with everything paid, y would they get a job ! more help for the working poor not the lazy lot that dont,
our council tax goes up each year and the service goes down.  for example, grass and shrub cutting has been delayed between cuts.  we now have to pay for an extra brown bin, this was your decision so you should cover the costs.
Please make decision forms easier to understand.  I can understand paperless for those of working age who are more likely to have access to the internet, however I have concerns over those of pension age who often do not have access to the internet or have very limited ability to access relevant parts of the internet. Therefore maybe the option of paper could be beneficial for those who do not have access.
Reduce council tax costs. Make the new recycling system much more straight forward. Allow food and cardboard to go in together, let cans/plastic etc also go in together like Medway council.
reduce funding on crazy ideas as you approach the end of the financial year and have to 'spend' or lose it..ie. cycle lanes on busy A roads that 6 months later disappear !
Reductions should remain in line with household income. As those relying on reductions and benefits can not afford to have an increase as it massively impacts daily living expenses.

I do feel these new bin charges should also be included in council tax and part of the reductions. As I for one can not afford the new service
Six month start up period for Self employed claimants seems harsh. UC allows 12 months. Start ups do need time to get established. 18 months may be more reasonable.
Sorry but I don't want to pay extra on my tax to fund this, it's expensive enough as it is, without being forced to pay more to subsidise other people, I can't afford it !!!!
Stop paying benefits to druggy wasters
Stop penalizing single people. Single people on low incomes/benefits such as jSA/ESA/UC of £73.00 lw can't afford to pay anymore they struggle as it is. The suggestion that pensioners should apply on line is quite laughable considering that most want have the Internet
Thankyou for my council tax reduction.  People on low incomes cannot afford internet service.  I have to take a painkiller to walk to the library and back.  I do not trust internet banking.  Thankyou for your attention.
The banded income grid of reductions shown should state the period of income specified - ?weekly? The grid does not say.  Not sure why it is necessary to reduce council tax. Would be preferable to increase it from time to time to take account of local needs and wishes.
The current system is very confusing and I do not understand all the paperwork that arrives in the post. I do often think it is such a waste of money and paper!  I don't really understand how the proposed changes work, but if it reduces the paper wastage then fair enough!
The income grid of reductions seems back to front, unless I have misread it, surely the single person or lone parent with children should receive the largest reduction in Council Tax not the couple with two children+. Before I was divorced and we had two incomes and two children, we were comfortably off and could easily afford the Council tax, when I became a single mum I struggled to afford the Council tax and we often cut back on food and heating to pay for it. One of my children is now working on a low private sector income and one is due to go to Uni and we basically have to survive on my income alone, now classified as a single person, supporting three people basically. We are back to cutting down on food and heating, reduced contributions towards my pension, I won't have enough to live on when I retire as result, pension poor, and so I guess I will become reliant when I retire on the Council to house and support me because the Council tax is so incredibly high for me now as a single person with two children over the age of 18. The Council Tax is like having a second mortgage. I now have two jobs, working six days a week, to cover household expenses and of course Council Tax being the most expensive of them all. When I was married we had a joint household

<p>income in excess of £70,000 now I have less than half the amount. Surely it would be fairer to charge the registered proprietors of a household with two incomes the most, and reduced Council tax for single people or single parents, or a tier system where say if the registered proprietors' household income exceeds £40,000.00 they pay more in Council Tax, regardless of the number of children they have because they have double the income, rising upwards based on the registered proprietors income not the number of people who live in the home but the actual registered owners e.g a property owned by a husband and wife with two incomes with children earning a combined income of say £100,000.00 pay more than a single person on say £30,000. I currently pay more in Council Tax than someone in the highest band in Kensington &amp; Chelsea, almost double the amount than those that live in Westminster with a property worth multi millions of pounds, they only pay £1507.70. Council Tax needs to be reduced dramatically. I personally can see areas where cut backs could easily be made.</p>
<p>The initial claim process is confusing and could be better laid out or segmented as the 40 page form is daunting.</p>
<p>The last three questions are impossible to answer without further detail. I can see the point you are trying to make i.e. this system is costing more, and either everyone else has to pay more, or services have to be cut. I understand that. The money has to come from somewhere. But just to ask those three questions without any supporting information to help me understand the context and impact (as for the previous questions) is pointless.</p>
<p>The only thing I would say was that you continue to use the Tax payers money wisely.</p> <p>I'm a pensioner so I have to use my money carefully and budget.</p> <p>Of course if it means putting up the council tax then so be it.</p>
<p>The poorest in the borough are being hit the worst, we should not even be thinking about changes to their entitlement.</p>
<p>The questionnaire is very vague on how or who will pay more, as for surplus, i am always confused as to how these are built up as council tax should be for a service that has been calculated and broken down, if there is a surplus then the amount has been calculated wrong</p>
<p>The survey is rather vague and hard to understand the impact of either agreeing or disagreeing with each proposal.</p>
<p>The various options offered by you could have had more explanation</p>
<p>The way council tax reductions along with calculations for housing benefit are stated in letters are confusing with no way to check if calculations are correct. A clearer letter would help many</p>
<p>There may be a considerable number of residents within the borough that may fall into the category of working age but through physical or mental impairment or simply no access to online use are not included in this survey - how are you dealing with this issue??</p>
<p>There needs to be a change to how council tax is calculated - to a land value tax which would be more proportionate. These types of changes do not deal with the fundamental problem of income for councils.</p>
<p>These changes make sense</p>
<p>These changes proposed affect the poorest people in our borough negatively. These are the people you should be supporting and helping. Stop wasting money</p>

<p>on pointless schemes, improving the look of high streets etc and spend it on the poorest in our communities</p>
<p>This comment is of a personal issue. It has nothing to do with proposed changes.</p> <p>I was unemployed earlier this year and was having trouble paying my council tax.</p> <p>I was informed that my account was going to be forwarded to a debt collection agency.</p> <p>Two days before this was due to happen, I tried to contact you several times by phone but to no avail.</p> <p>I sent an email the day before it was due to go to debt collection agency.</p> <p>I did not receive a reply to this until about 2 weeks after it was passed over which resulted in me getting further penalties.</p>
<p>This consultation is too broadbrush for the man on the street. Those in receipt of benefits should not have their entitlements changed. The paperwork is essentially meaningless - clarity should be introduced to correspondence. Explain what has happened and why. For now, paperwork is an impenetrable spreadsheet style affair. It is not the documents outlining change that are the problem per se, it is that they way they are written does not make sense.</p>
<p>This survey needs to be sent out to all council tax paying residents not just those claiming the reduction.</p>
<p>TMBC has one of the highest rates of council tax in the south east, there should be no further increases. The council needs to save money elsewhere not increase council tax to make up a shortfall</p>
<p>To many cuts being made on people who really need the service. Cuts being made to the wrong people - genuine disable people being affected by those whom claim they are disable and are not!!</p>
<p>Try and get more money from government Council Tax is expensive as it is in our borough if you are gonna give cuts to people then it should be because you have the budget to do so not just charge other households.</p>
<p>Unemployed ppl should not have to pay any council tax, royals should not be funded by taxpayers, the tmbc mayor should be paid half the amount, increase car psrking fines, fine motorists who park on pavements, n rural people should pay less for highways as they don't get much benefits compared to urban residents , increase litter fines incl car litter and flytipping</p>
<p>While I sympathise with those on a low income or with financial issues. Everyone has to take responsibility for their own circumstances. Whatever the solution there will always be winners, losers and others that will take advantage. Personally I would like to see more resources put into reviewing individual circumstances and where appropriate enforcement.</p> <p>I would like to comment on this survey method. By default all of the answer were agree. I feel there should have three options: No opinion, agree and disagree, with no opinion being the default.</p>
<p>While it appears to be generally assumed that everybody conducts all their business on-line there should be prominent advice ( eg with council tax bills and</p>



perhaps TV adverts/ bus stop advertising/ council staff) that application can be made in person and by hand as it were.)
yes Instead of making proposed changes, you can save money by  Not paying such high salaries to some staff, annual wage increases  Bonuses and perks every year.
you did not ask if we prefer to have more money or less money to spend on things other than the massive cost of having a home if you wish to generate more income for the council to spend then change the laws that allow corporations to avoid tax that the rest of us are forced to pay , change the laws that allow landlords to get the council to buy them a house and kick out the poor tenant in order to cash their investment in, change the planning laws that allow large house development corporations to set the selling price of land and homes. its no coincidence that the vast majority of law makers are landlords making judgments on those who have been left to rot in society from a position of vast un earned income...
You should not assume that new applications for council tax reductions for pension age, or working age, households can all be made online. Not everyone is comfortable with computers, or has access to them.
Your survey has some design flaws and while the information boxes are helpful, the information is not well explained. There should be a 'don't know/neither agree or disagree' option, and there should be a clearer explanation of the Bands grid. What do the amounts in the grid relate to? What does it mean that Bands are a calculation of number of hours x living wage? I have 'disagreed' with this proposal because it isn't clearly presented.  I'm afraid the survey reads like something by the council for the council, to tick the 'consultation' box rather than to actually inform or involve residents.

## 19. Conclusions & Action Planning

You should explain what and how negative impacts have been reduced or removed and how positive impacts are to be improved or included.

Your final decisions or recommendations may include making immediate changes, stopping or proceeding with a new policy, justifying a decision or adding objectives/targets to the service development plan/equality scheme (long term changes).

You could use the template below to record your conclusions/actions. You should also make reference to any additional monitoring or research that is still required, or was not retrievable at the point of assessment, but will be required in subsequent reviews or in order to complete actions.

Impact/Issue	Action/Objective/Target or Justification	Will this remove negative impact?	Resources	Lead Officer & Timescale
Reductions in support	The Council will operate an Exceptional Hardship Fund. Any applicant who receives less support, may apply for additional discretionary support. A careful examination will be made of their circumstances (income and essential expenditure). Where it is determined that they are experiencing exceptional hardship, further support may be granted	Yes	Staff have been fully trained to administer the Exceptional Hardship Fund	

**20. How will you monitor, evaluate and check the policy in the future?**

The scheme will be monitored on an ongoing basis after implementation in April 2020

**21. When will a review take place?**

Ongoing

**Please complete**

We are satisfied that a full impact assessment has been carried out.

Completed by: Andrew Rosevear

Role: Benefits and Welfare Manager

Date: 7 December 2019

Countersigned by Head of Service:  
Sharon Shelton, Director of Finance & Transformation

# TONBRIDGE & MALLING BOROUGH COUNCIL

## CABINET

13 February 2020

### Supplementary Report of the Director of Finance and Transformation

#### Part 1- Public

#### Matters for Recommendation to Council

#### **1 LOCAL COUNCIL TAX REDUCTION SCHEME 2020/21**

**A supplementary report giving a link from which Members may view the Scheme recommended by the Finance, Innovation and Property Advisory Board and recommending that the banded discount table at Annex is substituted into the Scheme.**

#### **1.1 Background**

- 1.1.1 Further to Minute FIP 19/40, the report to the meeting of the Finance, Innovation and Property Advisory Board on 8 January 2020 gave details of the outcome of the consultation on the Council's Local Council Tax Reduction Scheme (LCTRS) and set out recommendations and reasoning for changes to the Scheme from 1 April 2020.
- 1.1.2 Item FIP 20/7 on this agenda sets out the full recommendations from the Advisory Board.
- 1.1.3 Following the Advisory Board and the recommendations made, a proposed Scheme has been prepared and can be viewed at <https://www.tmbc.gov.uk/services/advice-and-benefits/council-tax/council-tax-reduction-scheme>.
- 1.1.4 A key element of the proposed Scheme in meeting the LCTRS review objectives of fairness, simplification and to remain cost neutral, is the banded discount table at Schedule 1 (page 103) of the document.
- 1.1.5 Since the development and testing of the table, Government announced welcome increases to Minimum Wage, state benefits and Tax Credits from 1 April 2020. The table at Schedule 1 was formed without the knowledge of the details of the upcoming changes. Testing the table rules against April 2020 benefit rates, in several cases, the increased benefit levels are sufficient to tip claimants into a lower discount band, causing reduced help for households (particularly those with a child or children) from our Scheme and reducing the overall cost of the Scheme, contrary to our review objectives. Therefore, amendments are necessary to the income bands within the table to avoid losses for households and redress the original balance.

1.1.6 The Banded Discount Scheme Table at **Annex 1** should be substituted for the table currently in Schedule 1 of the proposed LCTRS to reflect the recent uplifts in state benefits.

1.1.7 The Scheme is accordingly recommended to Full Council with the proposed amendment.

## **1.2 Legal Implications**

1.2.1 As set out in report to Finance, Innovation & Property Advisory Board on 8 January 2020.

## **1.3 Financial and Value for Money Considerations**

1.3.1 As set out in report to Finance, Innovation & Property Advisory Board on 8 January 2020.

## **1.4 Risk Assessment**

1.4.1 As set out in report to Finance, Innovation & Property Advisory Board on 8 January 2020.

## **1.5 Policy Considerations**

1.5.1 As set out in report to Finance, Innovation & Property Advisory Board on 8 January 2020.

## **1.6 Equality Impact Assessment**

1.6.1 As set out in report to Finance, Innovation & Property Advisory Board on 8 January 2020.

## **1.7 Recommendation**

1.7.1 Cabinet is requested to **RECOMMEND** the Scheme with the substituted table at **Annex 1** to Full Council.

Background papers:

Nil

contact: Sharon Shelton  
Andrew Rosevear

Sharon Shelton  
Director of Finance & Transformation

## Bands (updated for April 2020)

Bands	Band 1	Band 2	Band 3	Band 4	Band 5
	80% Discount	65% Discount	50% Discount	35% Discount	20% Discount
Single	£0.00 – £87.20	£87.21 – £130.80	£130.81 – £174.40	£174.41 – £218.00	£218.01 – £261.60
Couple	£0.00 – £127.20	£127.21 – £170.80	£170.81 – £214.40	£214.41 – £258.00	£258.01 – £301.60
Lone Parent with 1 child	£0.00 – £142.20	£142.21 – £185.80	£185.81 – £229.40	£229.41 – £273.00	£273.01 – £316.60
Couple with 1 child	£0.00 – £182.20	£182.21 – £225.80	£225.81 – £269.40	£269.41 – £313.00	£313.01 – £356.60
Lone parent with 2+ children	£0.00 – £197.20	£197.21 – £240.80	£240.81 – £284.40	£284.41 – £328.00	£328.01 – £371.60
Couple with 2+ children	£0.00 – £237.20	£237.21 – £280.80	£280.81 – £324.40	£324.41 – £368.00	£368.01 – £411.60

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**Item CB 20/16 referred from Cabinet minutes of 13 February 2020**

**CB 20/16 ASSET MANAGEMENT PLAN**

Item FIP 20/8 referred from Finance, Innovation and Property Advisory Board minutes of 8 January 2020

The Cabinet received the recommendations of the Finance, Innovation and Property Advisory Board regarding a proposed Asset Management Plan 2020-2024 which set out the Borough Council's approach to managing land and property assets to ensure effective and efficient use and contributed to the delivery of services to residents.

**RECOMMENDED:** That the Asset Management Plan 2020-2024, set out in Annex 1 to the report, be approved.

**\*Referred to Council**

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**Item FIP 20/8 referred from Finance, Innovation and Property Advisory Board minutes of 8 January 2020**

**FIP 20/8 ASSET MANAGEMENT PLAN**

The report of the Director of Central Services presented the proposed Asset Management Plan for 2020 – 2024 which set out the Council's approach to managing land and property assets to ensure that they were being used effectively and efficiently and contributed to the delivery of services to residents. The Plan also demonstrated how the use of assets aligned with the corporate priorities in the Council's Corporate Strategy.

Members welcomed the document and asked a number of questions which were answered by officers.

**RECOMMENDED:** That the Asset Management Plan 2020 – 2024 set out at Annex 1 to the report be approved.

**\*Referred to Cabinet**

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**TONBRIDGE & MALLING BOROUGH COUNCIL**  
**FINANCE, INNOVATION and PROPERTY ADVISORY BOARD**

**08 January 2020**

**Report of the Director of Central Services and Deputy Chief Executive**

**Part 1- Public**

**Matters for Recommendation to Cabinet - Council Decision**

**1 CONSIDERATION OF THE COUNCILS ASSET MANAGEMENT PLAN 2020 - 2024**

**This report asks Members of the Finance and Property Board to consider the proposed Asset Management Plan (AMP), 2020-2024**

**1.1 Background**

1.1.1 At Annex 1 is the proposed AMP for the period 2020 -2024.

1.1.2 The Asset Management Plan sets out how the Council will implement its Asset Management Strategy to ensure that our land and property assets are used effectively and efficiently and contribute fully to delivering services to our residents.

1.1.3 This Plan sets out how our approach to managing land and property assets fits within the Council's corporate framework to ensure that the use of our assets align with the corporate priorities set out in the Corporate Strategy . It also demonstrates the progress made since our last published AMP, and identifies the next steps in the quest to continuously improve our Asset Management and the objectives set out in the Council's Asset Management Strategy.

**1.2 Recommendations**

1.2.1 Members are requested to approve the Asset Management Plan 2020 – 2024, at Annex 1.

Background papers:

Nil

contact: Katie Iggulden  
EXT 6364

Adrian Stanfield  
Director of Central Services and Deputy Chief Executive

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## **TONBRIDGE & MALLING BOROUGH COUNCIL**

### Asset Management Plan 2020-24

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## Document Control

<b>Reference</b>	Asset Management Plan
<b>Date</b>	25 November 2019
<b>Author</b>	Katie Exon, Estates Manager
<b>Approved by</b>	Management Team (2 December 2019)

## Version History

<b>Date</b>	<b>Version Number</b>	<b>Revision Notes</b>
25 November 2019	V1	

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PART 3 – KEY OBJECTIVES RELATING TO SPECIFIC PARTS OF ESTATE

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ANNEX 1 – LIST OF CURRENT ASSETS

ANNEX 2 – RISK MANAGEMENT POLICY

ANNEX 3 – DISPOSAL POLICY

## **PART ONE – INTRODUCTION & BACKGROUND**

The aim of this Asset management Plan (AMP) is to set out how the Council will manage its property portfolio in the period 2020 to 2024.

It is imperative that the Council's current property portfolio is fit for purpose of supporting the continued delivery of services to our residents and supporting the growth and inward investment aspirations of the Borough, whilst offering good value for money.

This plan sets out how the Council will:

- Establish a strong asset management culture – through robust challenge of whether assets need to be retained.
- Improve the understanding of how retained assets perform
- Dispose of assets that are no longer required
- Explore alternative uses to maximise both value in monetary terms and use
- Develop a clear disposal policy, covering small garden land sites to high value commercial sites
- Improve the decision making process in respect of our assets
- Maintain and invest (as required) in our retained assets
- Maximise the efficiency of and better utilise retained assets
- Where considered appropriate, acquire new assets

This plan should be read in conjunction with the Council's adopted Corporate Strategy and Savings and Transformation Strategy. It seeks to support the vision and values set out in the Corporate Strategy, and in particular to assist in the delivery of the following key themes:-

- generating new income and cost recovery
- looking at ways of delivering retained services more efficiently
- investing the proceeds gained from the release of assets.

### **Property portfolio**

TMBC has a relatively small but varied property portfolio. With an asset base of circa 450 properties and parcels of land, which include Tonbridge Castle, the Council offices at Kings Hill, car parks, Country Parks, parks and open spaces a list of our current assets can be found in **ANNEX 1**. The Council own a mixture of operational properties (these are properties that are held for the delivery of service, i.e. Gibson Building) and non-operational properties (investment and surplus property i.e. shop units at Martin Square). The portfolio includes leisure facilities, car parks, civic buildings, retail premises, public conveniences, parks and other land. A number of the Council's properties are listed structures and scheduled ancient monuments. These listed and scheduled structures are expensive to operate, maintain, repair and improve. Flexibility for use and type of use is restricted with these type of buildings. However these buildings are important district landmarks and do attract a lot of

interest and attention from the general public and various other organisations. The total value of the estate as determined for accounting purposes is £82.1 million. It should be noted that this valuation is an accounting valuation and does not necessarily represent the actual open market value of the estate.

The Council disposed of its housing stock in 1991 and no housing stock is currently held, save four maisonette units located at Martin Square, Larkfield which are connected to the retail premises and are let on business tenancies, and six units in Tonbridge which are held and used for temporary accommodation.

The Council seeks to ensure that its portfolio is fit for purpose to be used to deliver the Council's wide ranging objectives that are contained within our Corporate Strategy. The Council implemented a capital investment programme and a five year rolling programme of planned repairs and maintenance, which has left the Council with no repairs and maintenance backlog since 1991.

Whilst small and varied, our property portfolio faces challenges;

- A property portfolio that contains listed buildings (Gibson Building and Tonbridge Castle offices) an ancient monument (Tonbridge Castle) – restrictions and cost implications.
- A property portfolio that is ageing, with this comes an increase in liabilities for repairs and maintenance
- Tertiary locations of retail. Low rental opportunities, difficulty in maintaining existing tenants and attracting new when units become vacant
- Historic leases to community tenants that often do not have the financial means to repair and maintain leased property.
- High number of leases and agreements to sporting and community groups that pay less than an open market rent
- No ownership of High street premises, thus limiting influence on regeneration

### **Progress in Recent Years**

- Maintained 100% occupation on our retail properties
- Maintained 100% occupation of our office premises
- Rent reviews completed for all our investment ground rent properties
- New leases completed on our Retail Properties
- Shared space of Council Offices with Kent Police
- Reorganisation of use of; Castle Lodge, River Walk offices and Tonbridge Castle offices, resulting in surplus buildings (leasehold and freehold disposal) better service to the community having the Citizen's Advice Bureau, Council services and Gateway under one roof.
- Disposal of the former Teen and Twenty building to Tonbridge Medical Group for the development of a new, state of the art medical centre.
- Sub lease of space to private business at Gibson Building
- Continued review of surplus assets, resulting in disposals to extend gardens and identifying areas for disposal for alternative use
- Purchase of 6 flats for use as temporary accommodation



- Review of the Councils Public Conveniences and transfer to Parish Councils – ongoing
- External decoration of Gibson West, Larkfield Leisure Centre, Leybourne Lakes Country Park, Tonbridge Pool, Tonbridge Cemetery and Tonbridge Farm Pavilion in 2018
- Removal of asbestos pre-fab building at Gibson West 2016
- Two new dance studios and refurbished gym at Larkfield Leisure Centre 2017/18
- Refurbishment of the health suite at Larkfield Leisure Centre 2015
- Installation of UV disinfection at Larkfield Leisure Centre 2015
- Renewal of flat roof areas at Poulton Wood Golf Centre 2018

#### One Public Estate

The One Public Estate Programme is being delivered in partnership by the Local Government Association and the Cabinet Office. Setting out strategic objectives for Local Authorities and associated Public Sector Organisations. All partners have as part of the programme, submitted their property ownership details which have been collated onto a single database, therefore enabling any partner to view other partners property and land interests within a given area.

### **PART 2 –OBJECTIVES**

Due to the challenges set out earlier, the Council, through its AMP needs to adopt some key objectives to assist the achievement of greater value from its portfolio, both in terms of best use and financial value. These will include;

- Using property in different ways to support regeneration and growth within the Borough
- Maintaining revenue streams from our investment properties in an increasingly competitive market where tenant default and insolvency remain key concerns.
- Maintaining occupation of our investment properties
- Robustly assessing the option for the development of land holdings to achieve capital receipts
- Better public service provision by co-location of services and partners. Co locating similar uses into the same property.
- Ensuring that property is in good condition and compliant with legislation
- Considering the transfer of assets to community bodies
- Adoption of principles when leasing assets to community and sporting bodies.
- Moving from the historic legacy to a more modern, balanced and sustainable portfolio to meet future financial and corporative objectives

In the delivery of the objectives set out above, the Council will be guided by the following principles -

#### (i) Suitability

Using the information that we have captured on our assets, the Council will ensure that the delivery of services is supported by properties that are fit for purpose to deliver the Corporate Plan objectives. Where appropriate accommodation will be reviewed and rationalised to facilitate more efficient ways of working.

#### (ii) Repair and maintenance

TMBC has a strong track record of maintaining the condition of its portfolio, complying with legislation and maintaining strong occupation levels. Our track record of having low rates of empty properties and voids is strong.

The Council will continue to maintain its property assets in a condition that is fit for purpose. Maintenance budgets will continue to be reviewed annually as part of the budget setting process. Expenditure will be focused particularly where public health and safety may be compromised.

(iii) Consultation

Planned property matters will involve consultation of stakeholders at an early stage, to ensure where possible that their reasonable expectations and requirements are met. Local ward Members, the Portfolio Holder and interested services will also be informed and consulted at the earliest stage.

(iv) Risk Management

The assessment of any risks related to the delivery of property related matters will be made in accordance with the Council's Risk Management Policy **ANNEX 2**

## **DISPOSAL OF LAND AND PROPERTY**

Disposal of land and property by the Council can be a complex process, as it is subject to a broad range of statutory controls in addition to the Council's own internal procedures. In accordance with Section 123 of the Local Government Act 1972 the Council must not, except with the consent of the Secretary of State, dispose of land (other than by way of a short tenancy) for consideration less than the best that can reasonably be obtained. The overriding consideration in determining what constitutes the best consideration is the commercial value of the disposition to the Council. However, the Council does not need to seek the specific consent of the Secretary of State for a disposal of any interest on land which it considers is likely to contribute to the economic, social or environmental well-being of the Borough provided the amount of undervalue of the related transaction does not exceed two million pounds.

A Disposal policy is attached at **ANNEX 3**

The Council's policy for Community Asset Transfer is forthcoming and will set out simply guidelines to identify and transfer suitable assets

### Acquisition of Assets

Historically this Council has not acquired property, there have been occasions where property has been acquired for the purpose of achieving objectives, i.e. completion of land parcels / tidying boundaries, but we have not tended to acquire property.

There are many costs and risks in holding property assets, in concluding if to acquire assets, the Council would need to satisfy whether it is absolutely essential to own the property concerned, or whether an alternative arrangement would be satisfactory and more appropriate. When considering alternatives to actual purchase, the Council could consider other methods, such as "option" agreements that would then give the Council the ability and right to complete a purchase on an agreed fixed basis, later down the line if so required. Acquisition of less than freehold, such as lease could be considered, or a share of occupation. However these also come with risks and costs and therefore a strict policy on acquisition is not best practice, as each case needs to be considered on its own merits

**In October 2018, the Council considered and agreed to adhere to the Revised Statutory Investment Guidance Code.** *The revised Guidance and Codes impose additional requirements on local authorities aimed to address concerns arising from the commercialism agenda, in particular the use of loans and the purchase of property to generate a profit.*

Where the need to acquire a property has been identified as required in order to fulfil the Council's duties or objectives, the Council will formulate a strategy for the acquisition dependent upon the particular case in hand. The preferred method of acquisition would be through direct negotiation, thus avoid a completion or auction situation which could potentially inflate the price paid. Compulsory Purchase powers can be deployed, but should be avoided and used as a last resort if all other avenues have been explored and exhausted. Compulsory Purchase is recognised as costly in both actual monies spent and in officer and professionals' time. Specific objectives in relation to discrete parts of our property portfolio are set out in Part 3 below.

### PART 3 - KEY OBJECTIVES RELATING TO SPECIFIC PARTS OF ESTATE

For the purpose of the Asset management plan our portfolio can be grouped into three categories, to ensure that they are considered in terms of asset key features and performance requirements. The properties leased to the Tonbridge & Malling Leisure Trust fall into a separate category.

#### **Operational Properties**

These are the properties which are used to deliver services and supporting administration. The Council will adopt a rigorous approach in looking at our operational property. Do we have the right property? In the right location? Is it cost effective? Examples of operational property would be the Gibson Building at Kings Hill and Tonbridge Castle Offices.

To test this we will apply the following criteria

- The service needed to be delivered
- The location for the service to be delivered
- Alternative provision in the locality
- Usage of current provision
- Costs to the Council (property maintenance and management)
- Benefits of alternative provision.

The key objectives for these properties are;

- Optimise occupancy and look at maximising our income via subletting and the grant of new leases.
- Providing appropriate space for our own staff and services
- Ensure statutory compliance.
- Minimise expenditure and increase efficiency

#### **Investment Properties**

These are assets that the Borough Council owns, but are holding purely for their investment value or future potential (income generation, rental or capital), which may provide a return. Where a capital receipt is raised, this may be used to reinvest in other investment / development or used to support

the Capital Investment Programme. Examples of investment properties are commercially tenanted property, our car parks and operational assets where part is let on open market terms.

In terms of our investment property and land, the Council will apply the following tests in order to review and make an informed decision on their future.

- Is the holding of the property the most appropriate way of using capital and revenue to maximise benefits to the Council?
- How is the property's performance in comparison against other similar properties?
- Is good estate management being followed, maximising income and minimising expenditure?
- 

Key objectives for these properties;

- Increase and optimise income
- Enforce terms of the tenancy agreement in accordance with the lease
- Optimise capital value and development return within agreed risk parameters
- Disposal and / or redevelopment in accordance with disposal policy

### **Leased Properties**

These properties are made up of those that are leased out or occupied by tenants who are a charity or perform a community function. There may be instances, that when reviewed these properties are considered investment properties. Examples of our leased properties would be the retail units at Martin Square Larkfield. Key objectives for these properties are:

- Reduce costs to Borough Council
- Ensure that the tenancy agreement terms are fulfilled
- Meet best value (commercial and / or community)

### **The Leisure Trust**

Retained within the Council's property portfolio are leisure premises that are under lease to Tonbridge Leisure Trust. Leases of; Tonbridge Pool, Tonbridge Angel Centre, Poult Wood Golf Course and Larkfield Leisure centre were granted to the Leisure Trust in 2013, on 20 year terms. Under the term of the lease, we remain responsible for all external building maintenance and building services.

## **PART 4 – DECISION MAKING**

The Council's Cabinet is corporately responsible for the management of all Council land and buildings, with specific responsibility falling to the Cabinet Member for Finance, Innovation and Property. The Finance, Innovation & Property Advisory Board will advise the Cabinet on the discharge of their property functions.

A number of property related decisions and responsibilities are delegated to Officers, with the Director of Central Services having delegated authority to exercise specific functions in relation to property and land assets and facilities. These are set out in Part 3 of the Council's constitution. In particular, the Director of Central Services is responsible for the management of the Council's

property portfolio in accordance with the adopted Asset Management Plan. He is assisted in this regard by the Council's Estates Manager.

#### **PART 5 - MONITORING AND REVIEWING THE ASSET MANAGEMENT PLAN**

The AMP provides a framework and guidance for the vision of managing the Council's estate. It is imperative to maintain flexibility, as property transactions are very much individual and there is no "one size fits all" policy that should be enforced. Regular review and consultation is paramount. The Council will manage and monitor the use of its property resources to ensure that the Portfolio continues to meet the objectives set for holding that property and delivers performance improvements linked to corporate and service objectives. Any changes to the AMP will be reported to the Finance, Property & Innovation Advisory Board.

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**TONBRIDGE & MALLING BOROUGH COUNCIL ASSET MANAGEMENT PLAN**  
**ANNEX 1 - ASSET LIST**

PROPERTY TYPE	ADDRESS	SITE AREA (H)	TITLE
AMENITY	Angel Lane Tonbridge Kent	0.042038	
AMENITY	Land Adjoining Pumping Station Off Sovereign Way Tonbridge Kent	0.003481	FH
AMENITY	Cannon Lane Tonbridge Kent	0.001813	FH
AMENITY	Land Parcel 1 High Street Tonbridge Kent	0.026102	FH
AMENITY	Land Parcel 2 Royal West Kent Avenue Tonbridge Kent	0.097135	FH
AMENITY	Land Parcel 1 Jenner Way Eccles Aylesford Kent	0.157486	FH
AMENITY	Lamberts Yard Tonbridge Kent TN9 1ER	0.097338	FH
AMENITY	Land Parcel 1 Dickens Drive East Malling West Malling Kent	0.220426	FH
AMENITY	Hayesden Country Park Lower Hayesden Lane Tonbridge Kent	56.262656	FH
AMENITY	Tonbridge Castle Gatehouse Castle Street Tonbridge Kent TN9 1BG	0.034039	FH
AMENITY	Land Parcel 1 Roman Close Chatham Kent	0.017275	FH
AMENITY	Land Parcel 1 Medway Wharf Road Tonbridge Kent	0.052	FH
AMENITY	Land Parcel 2 Medway Wharf Road Tonbridge Kent	0.048123	FH
AMENITY	Mill Lane Tonbridge Kent	0.121082	FH
AMENITY	Tonbridge Castle Castle Street Tonbridge Kent TN9 1BH	0.040862	FH
AMENITY	Play Area Off Browning Close Larkfield Aylesford Kent	0.035827	FH
AMENITY	Land Parcel 8 Chaucer Way Larkfield Aylesford Kent	0.075319	FH
AMENITY	Land Parcel 2 Hilltop Tonbridge Kent	0.2862	FH
AMENITY	Tonbridge Castle Site Castle Street Tonbridge Kent	3.350157	FH
AMENITY	Land Parcel 3 Masefield Road Larkfield Aylesford Kent	0.047336	FH
AMENITY	Land At Roman Close Chatham Kent	0.05811	FH
AMENITY	Land Parcel 2 Dickens Drive East Malling West Malling Kent	0.344795	FH
AMENITY	Tilebarn Corner Tonbridge Kent	0.002406	FH
AMENITY	River Walk Tonbridge Kent	0.367927	FH
AMENITY	Land Parcel 3 Rochester Road Tonbridge Kent	0.007715	
AMENITY	Land Parcel 2 Rochester Road Tonbridge Kent	0.007056	
AMENITY	Land Parcel 1 Lodge Oak Lane Tonbridge Kent TN9 2EP	0.146052	FH
AMENITY	Land Parcel 1 Hectorage Road Tonbridge Kent	0.425702	FH
AMENITY	Land Parcel 1 Tudeley Lane Tonbridge Kent	0.520095	FH
AMENITY	Land Parcel 3 Higham Lane Tonbridge Kent	0.036658	FH
AMENITY	Land Parcel 1 Royal West Kent Avenue Tonbridge Kent	1.689015	FH
AMENITY	Land Fronting 1 Shipbourne Road Tonbridge Kent	0.006541	FH
AMENITY	Land South Of Pen Stream At Willow Lea Tonbridge Kent	0.142301	FH
AMENITY	Hildenbrook House The Slade Tonbridge Kent TN9 1HR	0.000388	FH
AMENITY	Land North Of Barden Park Road Tonbridge Kent	0.409025	FH
AMENITY	Land Parcel 2 Castle Way Leybourne West Malling Kent	0.139736	FH
AMENITY	Land Parcel 1 Castle Way Leybourne West Malling Kent	0.049964	FH
AMENITY	Land Parcel 1 London Road Leybourne West Malling Kent	0.556729	FH
AMENITY	Land Parcel 7 Oxley Shaw Lane Leybourne West Malling Kent	0.055767	FH
AMENITY	Land Parcel 6 Oxley Shaw Lane Leybourne West Malling Kent	0.021229	FH
AMENITY	Land Parcel 3 Oxley Shaw Lane Leybourne West Malling Kent	0.048317	FH
AMENITY	Land Parcel 8 Oxley Shaw Lane Leybourne West Malling Kent	0.193094	FH
AMENITY	Land Parcel 1 Barleycorn Leybourne West Malling Kent	0.027085	FH
AMENITY	Land Parcel 1 Rectory Lane South Leybourne West Malling Kent	0.011645	FH
AMENITY	Land Parcel 2 Oxley Shaw Lane Leybourne West Malling Kent	0.860011	FH
AMENITY	Land Parcel 1 Copsehill Leybourne West Malling Kent	0.023996	FH
AMENITY	Land Parcel 2 Copsehill Leybourne West Malling Kent	0.062495	FH
AMENITY	Land Parcel 3 Copsehill Leybourne West Malling Kent	0.052579	FH
AMENITY	Land Parcel 4 Copsehill Leybourne West Malling Kent	0.715347	FH
AMENITY	Footpath Rear Of Willow Road Larkfield Aylesford Kent	0.133326	FH
AMENITY	Land Parcel 1 Old Orchard Lane Leybourne West Malling Kent	0.026615	FH
AMENITY	Land Parcel 1 Grassmere Larkfield West Malling Kent	0.2321	FH
AMENITY	Land Parcel 1 Harvest Ridge Leybourne West Malling Kent	0.065377	FH
AMENITY	Land Parcel 1 Lillieburn Leybourne West Malling Kent	0.619398	FH
AMENITY	Land Parcel 4 Lillieburn Leybourne West Malling Kent	1.180867	FH
AMENITY	Land Parcel 1 Bridgewater Place Leybourne West Malling Kent	0.054324	FH
AMENITY	Land Parcel 1 Oxley Shaw Lane Leybourne West Malling Kent	0.505894	FH
AMENITY	Land Parcel 2 London Road Leybourne West Malling Kent	0.459286	FH
AMENITY	Land Parcel 12 Keats Road Larkfield Aylesford Kent	0.002963	FH
AMENITY	Land Parcel 1 Keats Road Larkfield Aylesford Kent	0.089098	FH
AMENITY	Land Parcel 9 Keats Road Larkfield Aylesford Kent	0.025889	FH
AMENITY	Land Parcel 2 Keats Road Larkfield Aylesford Kent	0.028251	FH
AMENITY	Land Parcel 1 Chaucer Way Larkfield Aylesford Kent	0.007669	FH
AMENITY	Land Parcel 10 Keats Road Larkfield Aylesford Kent	0.011324	FH
AMENITY	Land Parcel 11 Keats Road Larkfield Aylesford Kent	0.002028	FH

AMENITY	Land Parcel 6 Keats Road Larkfield Aylesford Kent	0.313512	FH
AMENITY	Land Parcel 2 Chaucer Way Larkfield Aylesford Kent	0.022608	FH
AMENITY	Land Parcel 3 Keats Road Larkfield Aylesford Kent	0.009574	FH
AMENITY	Land Parcel 4 Keats Road Larkfield Aylesford Kent	0.043128	FH
AMENITY	Land Parcel 5 Keats Road Larkfield Aylesford Kent	0.025816	FH
AMENITY	Land Parcel 8 Keats Road Larkfield Aylesford Kent	0.018071	FH
AMENITY	Land Parcel 4 Thackeray Road Larkfield Aylesford Kent	0.003512	FH
AMENITY	Land Parcel 5 Thackeray Road Larkfield Aylesford Kent	0.004377	FH
AMENITY	Land Parcel 3 Thackeray Road Larkfield Aylesford Kent	0.015111	FH
AMENITY	Land Parcel 1 Thackeray Road Larkfield Aylesford Kent	0.010075	FH
AMENITY	Land Parcel 1 Priestley Drive Larkfield Aylesford Kent	0.0444	FH
AMENITY	Land Parcel 1 Fielding Drive Larkfield Aylesford Kent	0.0091	FH
AMENITY	Land Parcel 2 Fielding Drive Larkfield Aylesford Kent	0.020337	FH
AMENITY	Land Parcel 1 Leybourne Way Larkfield Aylesford Kent	0.031544	FH
AMENITY	Land Parcel 2 Leybourne Way Larkfield Aylesford Kent	0.015338	FH
AMENITY	Land Between 2 And 4 Kipling Drive Larkfield Aylesford Kent ME20 6UJ	0.043937	FH
AMENITY	Land Parcel 1 Christie Drive Larkfield Aylesford Kent	0.055138	FH
AMENITY	Land Parcel 5 Chaucer Way Larkfield Aylesford Kent	0.020303	FH
AMENITY	Land Parcel 1 Wordsworth Way Larkfield Aylesford Kent	0.018275	FH
AMENITY	Land Parcel 2 Masefield Road Larkfield Aylesford Kent	0.041068	FH
AMENITY	Land Parcel 6 Chaucer Way Larkfield Aylesford Kent	0.025553	FH
AMENITY	Land Parcel 7 Chaucer Way Larkfield Aylesford Kent	0.010653	FH
AMENITY	Land Parcel 1 Sassoon Close Larkfield Aylesford Kent	0.057829	FH
AMENITY	Land West Side Of River Lawn Road Tonbridge Kent	0.20617	FH
AMENITY	Land Parcel 1 Stour Close Tonbridge Kent	0.683884	FH
AMENITY	Land Parcel 1 Longmead Way Tonbridge Kent	1.571752	FH
AMENITY	Land Parcel 3 Beaufighter Road Kings Hill West Malling Kent	0.087411	FH
AMENITY	Land Parcel 2 Beaufighter Road Kings Hill West Malling Kent	0.0823	FH
AMENITY	Land Parcel 1 Larkspur Road East Malling West Malling Kent	0.039113	FH
AMENITY	Scout Headquarters The Ridgeway Tonbridge Kent	0.057326	FH
AMENITY	Land North Of 95 Saltings Road Snodland Kent	0.001388	FH
AMENITY	Land Parcel 1 Welland Road Tonbridge Kent	0.014161	FH
AMENITY	Land Parcel 2 Welland Road Tonbridge Kent	0.009694	FH
AMENITY	Land Parcel 4 Welland Road Tonbridge Kent	0.019009	FH
AMENITY	Land Parcel 4 Longmead Way Tonbridge Kent	0.015727	FH
AMENITY	Land Parcel 7 Longmead Way Tonbridge Kent	0.011145	FH
AMENITY	Land Parcel 5 Longmead Way Tonbridge Kent	0.01281	FH
AMENITY	Land Parcel 6 Longmead Way Tonbridge Kent	0.023766	FH
AMENITY	Land Parcel 8 Longmead Way Tonbridge Kent	0.017063	FH
AMENITY	Land Parcel 10 Longmead Way Tonbridge Kent	0.015176	FH
AMENITY	Land Adjoining 49 Cherwell Close Tonbridge Kent TN10 3TH	0.026101	FH
AMENITY	Land Adjoining Crown Building Bradford Street Tonbridge Kent	0.02781	FH
AMENITY	Land Parcel 7 Welland Road Tonbridge Kent	0.008004	FH
AMENITY	Land Parcel 6 Welland Road Tonbridge Kent	0.017905	FH
AMENITY	Land Parcel 9 Beaulieu Road Tonbridge Kent	0.007736	FH
AMENITY	Land Parcel 10 Beaulieu Road Tonbridge Kent	0.006497	FH
AMENITY	Land Parcel 8 Beaulieu Road Tonbridge Kent	0.007063	FH
AMENITY	Land Parcel 1 Darenth Avenue Tonbridge Kent	1.288599	FH
AMENITY	Land Parcel 1 Waveney Road Tonbridge Kent	0.548909	FH
AMENITY	Land Parcel 3 Chaucer Way Larkfield Aylesford Kent	0.007077	FH
AMENITY	Land Parcel 13 Keats Road Larkfield Aylesford Kent	0.041828	FH
AMENITY	Land Parcel 9 Darenth Avenue Tonbridge Kent	0.046425	FH
AMENITY	Land Parcel 3 Waveney Road Tonbridge Kent	0.110415	FH
AMENITY	Village Green Off Stirling Road Kings Hill West Malling Kent	0.191045	FH
AMENITY	Trees East Of Meteor Road West Malling Kent	0.8926	FH
AMENITY	Land East Of Mitchell Road Kings Hill West Malling Kent	0.2297	FH
AMENITY	Land East Of Royal Rise Tonbridge Kent	0.11693	FH
AMENITY	Housing Area 5 Land At Garden Way Kings Hill West Malling Kent	0.059641	FH
AMENITY	Land East Of 72 Lapins Lane Kings Hill West Malling Kent	0.028613	FH
AMENITY	Land Parcel 2 New Road East Malling West Malling Kent	0.037944	FH
AMENITY	Land Parcel 5 New Road East Malling West Malling Kent	0.024125	FH
AMENITY	Land Parcel 1 New Road East Malling West Malling Kent	0.236257	FH
AMENITY	Land Parcel 1 Cherry Orchard Ditton Aylesford Kent	0.160413	FH
AMENITY	Land Parcel 2 Pear Tree Avenue Ditton Aylesford Kent	0.053122	FH
AMENITY	Land Parcel 1 Pear Tree Avenue Ditton Aylesford Kent	0.034595	FH
AMENITY	Land Parcel 2 Coombe Close Snodland Kent	0.016481	FH
AMENITY	Land Parcel 1 Coombe Close Snodland Kent	0.024015	FH
AMENITY	Land Parcel 1 Ashbee Close Snodland Kent	0.19485	FH
AMENITY	Land Parcel 1 Kent Road Snodland Kent	0.106774	FH
AMENITY	Land Parcel 1 Snodland Road Birling West Malling Kent	0.067928	FH
AMENITY	Land Parcel 1 Tavistock Close Chatham Kent	0.02031	FH



AMENITY	Land Parcel 1 Woodbury Road Chatham Kent	0.018728	FH
AMENITY	Land Parcel 2 Woodbury Road Chatham Kent	0.016915	FH
AMENITY	Woodland Open Space Rear Of 23 To 33 Woodbury Road Chatham Kent	0.164155	FH
AMENITY	Taddington Valley Walderslade Woods Chatham Kent	13.512399	FH
AMENITY	Land Parcel 7 Hurst Hill Chatham Kent	0.010867	FH
AMENITY	Land Parcel 8 Hurst Hill Chatham Kent	0.011679	FH
AMENITY	Land Parcel 9 Hurst Hill Chatham Kent	0.002099	FH
AMENITY	Land Parcel 10 Hurst Hill Chatham Kent	0.01051	FH
AMENITY	Land Parcel 1 Hurst Hill Chatham Kent	0.044631	FH
AMENITY	Land Between 59 And 61 Hurst Hill Chatham Kent ME5 9BU	0.02409	FH
AMENITY	Land Parcel 2 Hurst Hill Chatham Kent	0.068167	FH
AMENITY	Land Parcel 3 Hurst Hill Chatham Kent	0.020529	FH
AMENITY	Land Parcel 4 Hurst Hill Chatham Kent	0.0359	FH
AMENITY	Land Parcel 7 Hurst Hill Chatham Kent	0.008674	FH
AMENITY	Land Parcel 8 Hurst Hill Chatham Kent	0.02153	FH
AMENITY	Land Parcel 6 Hurst Hill Chatham Kent	0.021389	FH
AMENITY	Land Parcel 2 Tunbury Avenue Chatham Kent	0.045933	FH
AMENITY	Land Parcel 1 Tunbury Avenue Chatham Kent	0.009406	FH
AMENITY	Taddington Valley Walderslade Woods Chatham Kent	1.288663	FH
AMENITY	Land Adjoining 11 Oaks Dene Chatham Kent	0.033896	FH
AMENITY	Land Adjoining 12 Oaks Dene Chatham Kent	0.006053	FH
AMENITY	Land Adjoining 29 Oaks Dene Chatham Kent	0.031526	FH
AMENITY	Land To Rear Of Leney Road And Phoenix Drive Off Bow Road Wateringbury Maidstone Kent	0.064284	FH
AMENITY	Land Parcel 1 The Brucks Wateringbury Maidstone Kent	0.034441	FH
AMENITY	Land Parcel 2 The Brucks Wateringbury Maidstone Kent	0.046544	FH
AMENITY	Land Parcel 3 The Brucks Wateringbury Maidstone Kent	0.030692	FH
AMENITY	Land Parcel 3 Beech Road East Malling West Malling Kent	0.945082	FH
AMENITY	Land Parcel 2 Shipbourne Road Tonbridge Kent	0.416547	FH
AMENITY	Land Parcel 1 Beech Road East Malling West Malling Kent	0.129516	FH
AMENITY	Land Parcel 2 Beech Road East Malling West Malling Kent	0.138422	FH
AMENITY	Land Parcel 2 Golding Gardens East Peckham Tonbridge Kent	0.054379	FH
AMENITY	Land Parcel 1 Golding Gardens East Peckham Tonbridge Kent	0.12045	FH
AMENITY	Land Parcel 1 Offham Road West Malling Kent	0.044267	FH
AMENITY	Land Parcel 2 Offham Road West Malling Kent	0.034143	FH
AMENITY	Land At Whitegate Field Wrotham Road Borough Green Sevenoaks Kent	2.240727	FH
AMENITY	Land Parcel 2 Trafalgar Close Wouldham Rochester Kent	0.089953	FH
AMENITY	Land Parcel 1 Trafalgar Close Wouldham Rochester Kent	1.225991	FH
AMENITY	Land At Platt Woods Off Platt Common Platt Sevenoaks Kent	17.711975	FH
AMENITY	Land Parcel 4 Beaufighter Road Kings Hill West Malling Kent	1.747	FH
AMENITY	Land Known As Priory Wood Vauxhall Lane Tonbridge Kent	4.254023	FH
AMENITY	Footpath Adjacent 142 Carpenters Lane Hadlow Tonbridge Kent	0.008338	FH
AMENITY	Land Fronting 2 To 16 Chaucer Gardens Tonbridge Kent TN9 2QA	0.605772	FH
AMENITY	Land Between Brook Street And Shakespeare Road Tonbridge Kent	0.93446	FH
AMENITY	Land Parcel 1 Burns Crescent Tonbridge Kent	0.023244	FH
AMENITY	Land Parcel 4 Burns Crescent Tonbridge Kent	0.016075	FH
AMENITY	Land Fronting The Sports Ground Avebury Avenue Tonbridge Kent	0.016334	FH
AMENITY	Land Parcel 3 Fielding Drive Larkfield Aylesford Kent	0.015644	FH
AMENITY	Land Parcel 1 Cherwell Close Tonbridge Kent	0.014991	FH
AMENITY	Land Parcel 2 Willowmead Leybourne West Malling Kent	0.0119	FH
AMENITY	Land Parcel 1 St Benedict Road Snodland Kent	0.423905	FH
AMENITY	Land Parcel 2 Snodland Road Birling West Malling Kent	1.318959	FH
AMENITY	Land Adjoining Electricity Sub Station Pout Road Snodland Kent	0.022626	FH
AMENITY	Land Fronting 31 Pout Road Snodland Kent	0.013475	FH
AMENITY	Land Adjoining 24 Pout Road Snodland Kent	0.01588	FH
AMENITY	Land Between 131 And 133 Birling Road Snodland Kent	0.041307	FH
AMENITY	Land Parcel 1 Frelands Road Snodland Kent	0.133543	FH
AMENITY	Land Parcel 2 Frelands Road Snodland Kent	0.011385	FH
AMENITY	Land Parcel 4 St Benedict Road Snodland Kent	0.010834	FH
AMENITY	Land Parcel 3 St Benedict Road Snodland Kent	0.003837	FH
AMENITY	Land Parcel 14 St Benedict Road Snodland Kent	0.068718	FH
AMENITY	Land Parcel 13 St Benedict Road Snodland Kent	0.016936	FH
AMENITY	Land Parcel 12 St Benedict Road Snodland Kent	0.113081	FH
AMENITY	Land Parcel 11 St Benedict Road Snodland Kent	0.215293	FH
AMENITY	Land Parcel 10 St Benedict Road Snodland Kent	0.042278	FH
AMENITY	Land Parcel 7 St Benedict Road Snodland Kent	0.784832	FH
AMENITY	Land Parcel 5 St Benedict Road Snodland Kent	0.010347	FH
AMENITY	Land Parcel 6 St Benedict Road Snodland Kent	0.017769	FH
AMENITY	Land Parcel 8 St Benedict Road Snodland Kent	0.011338	FH
AMENITY	Land Parcel 9 St Benedict Road Snodland Kent	0.116829	FH
AMENITY	Land Parcel 4 Townsend Road Snodland Kent	0.062238	FH
AMENITY	Land Parcel 5 Townsend Road Snodland Kent	0.021903	FH

AMENITY	Land Parcel 1 Townsend Road Snodland Kent	1.181372	FH
AMENITY	Land Parcel 16 St Benedict Road Snodland Kent	0.004463	FH
AMENITY	Land Parcel 15 St Benedict Road Snodland Kent	0.007063	FH
AMENITY	Land North Of 95 Saltings Road Snodland Kent	0.097434	FH
AMENITY	Land Parcel 10 Simpson Road Snodland Kent	0.010933	FH
AMENITY	Land Parcel 9 Simpson Road Snodland Kent	0.019662	FH
AMENITY	Land Parcel 1 Simpson Road Snodland Kent	0.006252	FH
AMENITY	Holly Hill Wood Holly Hill Snodland Kent	12.88141	FH
AMENITY	Land Adjoining Harvel Lodge 190 White Horse Road Meopham Gravesend Kent	0.016287	FH
AMENITY	Public Open Space North And East Of Basted Mill Basted Lane Crouch Sevenoaks Kent	7.221703	FH
AMENITY	Land West Of Crow Hill Borough Green Sevenoaks Kent	1.204932	FH
AMENITY	Public Open Space Mill Hall Aylesford Kent	1.457206	FH
AMENITY	Land Off Russett Close Aylesford Kent	0.843789	FH
AMENITY	Land At Russett Close Aylesford Kent ME20 7PL	0.184089	FH
AMENITY	Car Park Bailey Bridge Road Aylesford Kent	0.003187	FH
AMENITY	Land At Streamside Tonbridge Kent	0.041298	FH
AMENITY	Land Parcel 5 Shipbourne Road Tonbridge Kent	0.089176	FH
AMENITY	Land Parcel 6 Shipbourne Road Tonbridge Kent	0.084885	
AMENITY	Land Parcel 7 Shipbourne Road Tonbridge Kent	0.104432	FH
AMENITY	Land Between Bickmore Way And Ely Gardens Tonbridge Kent	0.190806	FH
AMENITY	Land Parcel 1 Lyons Crescent Tonbridge Kent	0.095463	FH
AMENITY	Land Parcel 1 Waveney Road Tonbridge Kent	0.255869	FH
AMENITY	Welland Road Tonbridge Kent	1.42624	FH
AMENITY	Land Adjoining 8 Arundel Close Tonbridge Kent	0.034077	FH
AMENITY	Land Adjoining Childrens Play Area Arundel Close Tonbridge Kent	0.20563	FH
AMENITY	Land West Of Amberley Close Tonbridge Kent	0.112722	FH
AMENITY	Public Convenience The Ridgeway Tonbridge Kent TN10 4NL	0.008276	FH
AMENITY	Staleys Acre Borough Green Sevenoaks Kent TN15 8GT	0.025628	FH
AMENITY	Land Parcel 1 Willowmead Leybourne West Malling Kent	0.586918	FH
AMENITY	Land Parcel 2 Sassoon Close Larkfield Aylesford Kent	0.003858	FH
AMENITY	Land Parcel 9 Longmead Way Tonbridge Kent	0.013218	FH
AMENITY	Land Parcel 4 New Road East Malling West Malling Kent	0.010981	FH
AMENITY	Land Parcel 3 Freelands Road Snodland Kent	0.02765	FH
AMENITY	Land Parcel 5 Hurst Hill Chatham Kent	0.064086	FH
AMENITY	Land Parcel 1 Vale Road Tonbridge Kent	0.148111	FH
AMENITY	Land Parcel 4 Oxley Shaw Lane Leybourne West Malling Kent	0.068423	FH
AMENITY	Land Parcel 1 Hilltop Tonbridge Kent	0.010822	FH
AMENITY	Land Parcel 1 Columbine Road East Malling West Malling Kent	0.416083	FH
AMENITY	Land Parcel 1 Junction Of London Road And New Road East Malling West Malling Kent	1.026796	FH
AMENITY	Land Fronting Hazel Shaw Tonbridge Kent	0.272687	FH
AMENITY	Land Parcel 1 Silver Close Tonbridge Kent	1.0007	FH
AMENITY	Land At Former Greenways Hotel London Road Addington West Malling Kent	0.139719	FH
AMENITY	Land Known As Woodland Walk Shipbourne Road Tonbridge Kent	5.016315	FH
AMENITY	Land Parcel 1 Knight Road Tonbridge Kent	0.320924	FH
AMENITY	Land Parcel 3 Turner Road Tonbridge Kent	0.482344	FH
AMENITY	Land Parcel 4 Salisbury Road Tonbridge Kent	0.196242	FH
AMENITY	Land Parcel 1 Higham Lane Tonbridge Kent	1.277311	FH
AMENITY	Land Parcel 1 Hunt Road Tonbridge Kent	0.082684	FH
AMENITY	Land Parcel 2 Bishops Oak Ride Tonbridge Kent	0.286544	FH
AMENITY	Land Parcel 1 Quincewood Gardens Tonbridge Kent	1.053278	FH
AMENITY	Land Parcel 2 Waveney Road Tonbridge Kent	0.727782	FH
AMENITY	Land Parcel 1 Bishops Oak Ride Tonbridge Kent	0.255611	FH
AMENITY	Land Parcel 4 Shipbourne Road Tonbridge Kent	0.092853	FH
AMENITY	Land At Northwood Road Tonbridge Kent	0.122089	FH
AMENITY	Land West Of Quincewood Gardens Tonbridge Kent	3.039851	FH
AMENITY	Land Parcel 2 The Ridgeway Tonbridge Kent	0.21464	FH
AMENITY	Town Acres Tonbridge Kent	0.219382	FH
AMENITY	Land Fronting The Sports Ground Avebury Avenue Tonbridge Kent	0.0781	FH
AMENITY	Welland Road Tonbridge Kent	0.023155	FH
AMENITY	Fairfield Road Borough Green Sevenoaks Kent	0.001086	FH
AMENITY	Waterloo Road Tonbridge Kent	0.017763	FH
AMENITY	Land Parcel 1 Long Mill Lane Crouch Borough Green Sevenoaks Kent	2.696442	
AMENITY	Chiltern Way Tonbridge Kent	0.658912	FH
AMENITY	Dernier Road Tonbridge Kent	0.003676	FH
AMENITY	Land Parcel 2 Medway Wharf Road Tonbridge Kent	0.157161	LH
AMENITY	Roundabout At Junction Of Vale Road And Vale Rise Tonbridge Kent	0.040177	
AMENITY	Land Fronting The Sports Ground Avebury Avenue Tonbridge Kent	0.123329	
AMENITY	Land Parcel 1 Fosse Bank Close Tonbridge Kent	0.222671	FH
AMENITY	Land East Of Canon Bridge Vale Road Tonbridge Kent	0.418578	ROW
COMMERCIAL	Twisden Road East Malling West Malling Kent	0.269589	FH
COMMERCIAL	Tonbridge Bowling Club Longmead Stadium Darenth Avenue Tonbridge Kent TN10 3JF	0.2688	FH

COMMERCIAL	29 Martin Square Larkfield Aylesford Kent ME20 6QL	0.009398	FH
COMMERCIAL	Rawsons Eurocars Ltd 302 Vale Road Tonbridge Kent TN9 1SZ	0.512576	FH
COMMERCIAL	Vale Rise Depot Vale Rise Tonbridge Kent	2.457607	FLH
COMMERCIAL	Land Parcel 1 Hectorage Road Tonbridge Kent	0.059089	FH
COMMERCIAL	Tops Club Bradford Street Tonbridge Kent TN9 1DU	0.042334	FH
COMMERCIAL	Club House Poulthwood Golf Course Higham Lane Tonbridge Kent	0.085685	FH
COMMERCIAL	1B Derwent Road Tonbridge Kent	0.007522	FH
COMMERCIAL	E F Griffen Ltd Vale Rise Tonbridge Kent TN9 1TB	0.099464	FH
COMMERCIAL	Rear Of The Brook Club 40-42 High Street Tonbridge Kent	0.020428	FH
COMMERCIAL	1A And 1B Derwent Road Tonbridge Kent TN10 3HZ	0.078144	FH
COMMERCIAL	16A Chapman Way East Malling West Malling Kent ME19 6RU	0.003158	FH
COMMERCIAL	1A Derwent Road Tonbridge Kent TN10 3HZ	0.011634	FH
COMMERCIAL	Rawsons Eurocars Ltd 302 Vale Road Tonbridge Kent TN9 1SZ	0.391875	FH
COMMERCIAL	11 Lodge Oak Lane Tonbridge Kent TN9 2EA	0.026881	FH
COMMERCIAL	Vale Rise Refuse Depot Vale Rise Tonbridge Kent TN9 1TB	0.467754	FLH
COMMERCIAL	20 Twisden Road East Malling West Malling Kent ME19 6SA	0.004476	FH
COMMUNITY	Tonbridge Cemetery Shipbourne Road Hadlow Tonbridge Kent TN11 6NS	5.941191	FH
COMMUNITY	Farmground Allotments Gorham Drive Tonbridge Kent	0.5641	FH
COMMUNITY	Barden Allotments Land South Of Audley Rise And Clare Avenue Tonbridge Kent	8.079704	FH
COMMUNITY	Allotment Gardens Barden Park Road Tonbridge Kent	0.385035	FH
COMMUNITY	Allotment Gardens Rear Of Ridgeway Crescent Tonbridge Kent	1.457848	FH
COMMUNITY	Allotments Rear Of Longmead Way Tonbridge Kent	0.608645	FH
COMMUNITY	Allotment Gardens Waveney Road Tonbridge Kent	0.981472	FH
COMMUNITY	Allotment Gardens Swanland Drive Tonbridge Kent	0.811957	FH
COMMUNITY	Tonbridge Cemetery Shipbourne Road Hadlow Tonbridge Kent TN11 6NS	0.020669	FH
COMMUNITY	Six In One Community Centre Northwood Road Tonbridge Kent TN10 3HH	0.278527	FH
COMMUNITY	Brent Hall The Brent Tonbridge Kent TN10 3TL	0.102273	FH
COMMUNITY	Bullen Lane East Peckham Tonbridge Kent	0.000497	LH
CAR PARK	Car Park Pound Road East Peckham Tonbridge Kent	0.087858	FH
CAR PARK	Car Park Bow Road Wateringbury Maidstone Kent	0.140322	FH
CAR PARK	Public Car Park Land Rear Of 75-111 High Street West Malling Kent	0.219653	FH
CAR PARK	Land Parcel 1 Bailey Bridge Road Aylesford Kent	1.463721	FH
CAR PARK	Car Park Bradford Street Tonbridge Kent	0.214201	FH
CAR PARK	Car Park Teston Road Offham West Malling Kent	0.03987	FH
CAR PARK	Council Owned Land And Premises Martin Square Larkfield Aylesford Kent	0.248864	FH
CAR PARK	Land Rear Of 65 Lavender Hill Tonbridge Kent	0.001627	FH
CAR PARK	Car Park Hilltop Tonbridge Kent	0.037785	FH
CAR PARK	Car Park Waterloo Road Tonbridge Kent	0.085849	FH
CAR PARK	Car Park Kinnings Row Tonbridge Kent	0.068044	FH
CAR PARK	Land Fronting Avenue Du Puy Tonbridge Kent	0.235496	FLH
CAR PARK	Mid Car Park Sovereign Way Tonbridge Kent	0.354167	FLH
CAR PARK	Car Park To River Centre And Public Car Park Sovereign Way Tonbridge Kent	0.61539	FH
CAR PARK	Car Park Adjacent Angel Indoor Bowls Centre Avenue Du Puy Tonbridge Kent	1.073655	FLH
CAR PARK	Car Park River Lawn Road Tonbridge Kent	0.059174	FH
CAR PARK	Car Park 1 The Slade Tonbridge Kent	0.22956	FH
CAR PARK	Angel West Car Park Angel Lane Tonbridge Kent	0.619792	FH
CAR PARK	Car Park Castle Street Tonbridge Kent	0.031566	FH
CAR PARK	Botany Car Park Sovereign Way Tonbridge Kent	0.13293	FH
CAR PARK	Car Park Commercial Road Tonbridge Kent	0.026745	FH
CAR PARK	Car Park Riding Lane Hildenborough Tonbridge Kent	0.05089	FH
CAR PARK	Land To Rear Of Ightham Village Hall Sevenoaks Road Ightham Sevenoaks Kent	0.272483	LH
CAR PARK	Douglas Road Tonbridge Kent	0.026748	FH
CAR PARK	Car Park Rocfort Road Snodland Kent ME6 5NQ	0.376488	FH
CAR PARK	Land Rear Of 65 Lavender Hill Tonbridge Kent	0.020742	FH
CAR PARK	Public Car Park Bailey Bridge Road Aylesford Kent	0.328601	FH
CAR PARK	Public Car Park Bailey Bridge Road Aylesford Kent	0.19002	FH
CAR PARK	Land Rear Of 65 Lavender Hill Tonbridge Kent	0.00152	FH
CAR PARK	Mobile Trader Bailey Bridge Road Aylesford Kent	0.014601	FH
CAR PARK	Car Park Bailey Bridge Road Aylesford Kent	0.160221	FH
CAR PARK	Hayesden Country Park Lower Hayesden Lane Tonbridge Kent	0.315094	FH
CAR PARK	Land Rear Of 65 Lavender Hill Tonbridge Kent	0.00155	FH
CAR PARK	Car Park Waterloo Road Tonbridge Kent	0.010939	FH
CAR PARK	Car Park Off Avenue Du Puy Tonbridge Kent	0.132089	FH
CAR PARK	Car Park Ryarsh Lane West Malling Kent	0.351036	FH
CAR PARK	Car Park Twisden Road East Malling West Malling Kent	0.096357	FH
CAR PARK	Land East Of Mary Magdelene House Commercial Road Tonbridge Kent	0.075853	FH
CAR PARK	Car Park Western Road Borough Green Sevenoaks Kent	0.203996	FH
CAR PARK	Car Park Western Road Borough Green Sevenoaks Kent	0.047646	FH
CAR PARK	Car Park Western Road Borough Green Sevenoaks Kent	0.000626	FH
CAR PARK	Car Park Premier Parade Aylesford Kent	0.02137	FH
CAR PARK	Car Park Lamberts Yard Tonbridge Kent	0.03578	FH

CAR PARK	Car Park 2 The Slade Tonbridge Kent	0.378179	FH
CAR PARK	Commuter Car Park Maidstone Road Chatham Kent	1.342094	FH
CAR PARK	Leybourne Lakes Country Park Malling Road Larkfield Aylesford Kent ME20 6AA	0.452858	FH
INDUSTRIAL	Bartholemew Vale Rise Tonbridge Kent TN9 1TB	0.4984	FH
INDUSTRIAL	The Mezzanine Flooring Centre Vale Rise Tonbridge Kent TN9 1TB	0.2024	FH
INDUSTRIAL	Strawberry Vale Tonbridge Kent TN9 1SJ	0.246649	FH
INDUSTRIAL	Strawberry Vale Vale Road Tonbridge Kent TN9 1SJ	0.171298	FH
LEISURE	Poultwood Golf Course Higham Lane Tonbridge Kent	51.7256	FH
LEISURE	The Angel Centre Angel Lane Tonbridge Kent TN9 1SF	0.295141	FH
LEISURE	Tonbridge Farm Pavilion Darenth Avenue Tonbridge Kent	0.046494	FH
LEISURE	Maintenance Building Ashes Lane Hadlow Tonbridge Kent	0.016661	FH
LEISURE	Secure Storage Container Ashes Lane Hadlow Tonbridge Kent	0.006128	FH
LEISURE	Tonbridge Cricket Club Welland Road Tonbridge Kent TN10 3JF	3.035135	FH
LEISURE	Angel Indoor Bowls Centre Avenue Du Puy Tonbridge Kent TN9 1QH	0.419893	FH
LEISURE	Longmead Stadium Darenth Avenue Tonbridge Kent TN10 3JF	4.35802	FH
LEISURE	Angel Indoor Bowls Centre Avenue Du Puy Tonbridge Kent TN9 1QH	0.419908	FH
LEISURE	Tonbridge Farm Sportsground Darenth Avenue Tonbridge Kent	18.914103	FH
LEISURE	Land West Of Alders Meadow Tonbridge Kent	0.069703	FH
LEISURE	Land At Entrance To Country Park Malling Road Larkfield Aylesford Kent	0.03324	FH
LEISURE	Land South Of Quarry Bank Quarry Bank Tonbridge Kent	3.985492	FH
LEISURE	Land Surrounding Garden Of Remembrance Bradford Street Tonbridge Kent	0.435806	FH
LEISURE	Recreation Ground Teston Road Offham West Malling Kent	0.434816	FH
LEISURE	Land Adjoining Old Coach Road Off London Road Wrotham Sevenoaks Kent	0.254032	FH
LEISURE	Practice Ground Poultwood Golf Course Higham Lane Tonbridge Kent	3.088114	FH
LEISURE	Poultwood Golf Course Higham Lane Tonbridge Kent TN11 9QR	37.3351	FH
LEISURE	Leybourne Lakes Country Park Malling Road Larkfield Aylesford Kent ME20 6AA	87.717242	FH
LEISURE	Poultwood Par 3 Golf Course Higham Lane Tonbridge Kent	11.384749	FH
LEISURE	Recreation Ground Long Mill Lane Plaxtol Sevenoaks Kent	0.025951	FH
LEISURE	Land Known As Woods Meadow London Road West Malling Kent	3.475928	FH
LEISURE	Land Surrounding Playground At Brindles Field Tonbridge Kent	0.833838	FH
LEISURE	Tonbridge Sportsground The Slade Tonbridge Kent TN9 1HR	30.81115	FLH
LEISURE	Tonbridge Sportsground The Slade Tonbridge Kent TN9 1HR	0.180733	FH
LEISURE	Larkfield Leisure Centre New Hythe Lane Larkfield Aylesford Kent ME20 6RH	1.935959	LH
LEISURE	Tonbridge Pool Lower Castle Field The Slade Tonbridge Kent TN9 1HR	0.232021	FH
LEISURE	Tonbridge Pool Lower Castle Field The Slade Tonbridge Kent TN9 1HR	2.089351	FH
LEISURE	Tonbridge Model Engineering Society The Slade Tonbridge Kent TN9 1HR	0.61732	FH
LEISURE	Tonbridge Sportsground The Slade Tonbridge Kent TN9 1HR	1.366427	FH
LEISURE	Land Known As Frogbridge Sports Ground Off Shipbourne Road Tonbridge Kent	2.438776	FH
MAISONETTE	10 Martin Square Larkfield Aylesford Kent ME20 6QJ	0.007082	FH
MAISONETTE	18 Martin Square Larkfield Aylesford Kent ME20 6QJ	0.008621	FH
MAISONETTE	22 Martin Square Larkfield Aylesford Kent ME20 6QJ	0.008509	FH
MAISONETTE	50 Martin Square Larkfield Aylesford Kent ME20 6QN	0.00692	FH
MAISONETTE	54 Martin Square Larkfield Aylesford Kent ME20 6QJ	0.006646	FH
MAISONETTE	26 Martin Square Larkfield Aylesford Kent ME20 6QJ	0.006709	FH
MAISONETTE	14 Martin Square Larkfield Aylesford Kent ME20 6QJ	0.008264	FH
MAISONETTE	38 Martin Square Larkfield Aylesford Kent ME20 6QJ	0.006759	FH
MAISONETTE	7 Martin Square Larkfield Aylesford Kent ME20 6QL	0.006782	FH
OFFICE	1 To 4 River Walk Tonbridge Kent	0.132846	FH
OFFICE	Castle Lodge Castle Street Tonbridge Kent TN9 1BH	0.015357	FH
OFFICE	5 Martin Square Larkfield Aylesford Kent ME20 6QL	0.009592	FH
OFFICE	2 River Walk Tonbridge Kent TN9 1DT	0.010217	FH
OFFICE	3 River Walk Tonbridge Kent TN9 1DT	0.011698	FH
OFFICE	The Gibson Building Gibson Drive Kings Hill West Malling Kent ME19 4LZ	0.118309	FH
OFFICE	The Gibson Building Gibson Drive Kings Hill West Malling Kent ME19 4LZ	2.331439	FH
OFFICE	1 River Walk Tonbridge Kent TN9 1DT	0.010217	FH
OFFICE	4 River Walk Tonbridge Kent TN9 1DT	0.011698	FH
OFFICE	1 Martin Square Larkfield Aylesford Kent	0.018818	FH
OFFICE	3 Martin Square Larkfield Aylesford Kent	0.008453	FH
OFFICE	The Gibson Building Gibson Drive Kings Hill West Malling Kent ME19 4LZ	0.251468	FH
OFFICE	Larkfield Library Martin Square Larkfield Aylesford Kent ME20 6QW	0.040096	LC
OFFICE	11 - 17 High Street Snodland Kent ME6 5DF	0.015955	LC
RECREATION	Swanmead Sports Ground Swanmead Way Tonbridge Kent	3.460645	FH
RECREATION	11 Martin Square Larkfield Aylesford Kent ME20 6QL	0.006617	FH
RESIDENTIAL	Windmill Lane Gypsy Site Teston Road West Malling Kent ME19 6PQ	0.458984	FH
RETAIL	Former Tonbridge Cricket Ground Vale Road Tonbridge Kent	4.733015	FH
RETAIL	22 Twisden Road East Malling West Malling Kent ME19 6SA	0.008517	FH
RETAIL	Council Owned Land And Premises Martin Square Larkfield Aylesford Kent	1.357339	FH
RETAIL	13 Martin Square Larkfield Aylesford Kent ME20 6QL	0.009756	FH
RETAIL	17 Martin Square Larkfield Aylesford Kent ME20 6QJ	0.008896	FH
RETAIL	21 Martin Square Larkfield Aylesford Kent ME20 6QL	0.010177	FH
RETAIL	36 Martin Square Larkfield Aylesford Kent ME20 6QJ	0.009456	FH

RETAIL	18 Twisden Road East Malling West Malling Kent ME19 6SA	0.008314	FH
RETAIL	16 Martin Square Larkfield Aylesford Kent	0.011108	FH
RETAIL	8 Martin Square Larkfield Aylesford Kent ME20 6QJ	0.013203	FH
RETAIL	48 Martin Square Larkfield Aylesford Kent ME20 6QJ	0.009637	FH
RETAIL	52 Martin Square Larkfield Aylesford Kent ME20 6QJ	0.009276	FH
RETAIL	25 Martin Square Larkfield Aylesford Kent ME20 6QL	0.008949	FH
RETAIL	40 Martin Square Larkfield Aylesford Kent ME20 6QJ	0.009625	FH
RETAIL	44 Martin Square Larkfield Aylesford Kent ME20 6QJ	0.009447	FH
RETAIL	24 Martin Square Larkfield Aylesford Kent	0.0099	FH
RETAIL	12 Martin Square Larkfield Aylesford Kent ME19 6QJ	0.012496	FH
RETAIL	6 Twisden Road East Malling West Malling Kent ME19 6SA	0.008456	FH
RETAIL	28 Martin Square Larkfield Aylesford Kent	0.0099	FH
RETAIL	9 Martin Square Larkfield Aylesford Kent ME20 6QJ	0.009371	FH
RETAIL	32 Martin Square Larkfield Aylesford Kent ME20 6QL	0.009538	FH
RETAIL	2 And 4 Twisden Road East Malling West Malling Kent ME19 6SA	0.024562	FH
RETAIL	20 Martin Square Larkfield Aylesford Kent ME20 6QJ	0.00957	FH
RETAIL	14 Twisden Road East Malling West Malling Kent ME19 6SA	0.008532	FH
RETAIL	10 Twisden Road East Malling West Malling Kent ME19 6SA	0.008753	FH
PUBLIC CONVENIENCE	Public Conveniences Village Hall Car Park High Street Borough Green Sevenoaks Kent	0.011224	FH
PUBLIC CONVENIENCE	The Angel Centre Public Conveniences Angel Lane Tonbridge Kent	0.009415	FH
PUBLIC CONVENIENCE	Public Conveniences Court Lane Hadlow Tonbridge Kent TN11 0DU	0.011723	FH
PUBLIC CONVENIENCE	Public Conveniences Priory Road Tonbridge Kent	0.010989	FH
PUBLIC CONVENIENCE	Public Conveniences King Street West Malling Kent	0.00663	FH
PUBLIC CONVENIENCE	Public Conveniences Castle Street Tonbridge Kent	0.009057	FH
PUBLIC CONVENIENCE	Public Conveniences Shipbourne Road Tonbridge Kent	0.001673	FH
PUBLIC CONVENIENCE	Public Conveniences Snoll Hatch Road East Peckham Tonbridge Kent	0.029218	FH
PUBLIC CONVENIENCE	Hayesden Country Park Public Conveniences Lower Hayesden Lane Tonbridge Kent	0.01662	FH
PUBLIC CONVENIENCE	Public Conveniences Martin Square Larkfield Aylesford Kent ME20 6QL	0.0109	FH
PUBLIC CONVENIENCE	Public Conveniences In Car Park Rocfort Road Snodland Kent	0.003142	FH
PUBLIC CONVENIENCE	Public Conveniences Mount Pleasant Aylesford Kent	0.004922	LH
PUBLIC CONVENIENCE	Public Conveniences High Street Wrotham Sevenoaks Kent TN15 7AA	0.008872	LH
PUBLIC CONVENIENCE	Public Conveniences Tonbridge Sports Ground Off New Wharf Road Tonbridge Kent	0.025037	FH
PUBLIC CONVENIENCE	Toilet Block Leybourne Lakes Country Park Malling Road Larkfield Aylesford Kent	0.003849	FH

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# RISK MANAGEMENT STRATEGY



January 2019

## **1. Introduction**

- 1.1. The risk management strategy of Tonbridge and Malling Borough Council (the Council) is to adopt best practices in the identification, evaluation, and cost-effective control of risks. This is intended to ensure that risks are reduced to an acceptable level or, where reasonable eliminated, thereby safeguarding the Council's assets, employees and customers and the delivery of services to the local community.
- 1.2. The Council endeavours to pursue a forward-looking and dynamic approach to delivering services to the local community and will not be averse to taking a degree of commercial risk. However, it will always exercise a prudent approach to risk taking and decisions will be made within the parameters of the Council's internal control arrangements, i.e. Constitution, Procedural Rules, etc. These arrangements will serve to ensure that the Council does not expose itself to risks above an acceptable level.

## **2. Mandate and commitment**

- 2.1. This strategy is supported and endorsed by the Management Team and Members of the Audit Committee who will ensure that:
  - The risk management objectives are aligned with the objectives and strategies of the Council
  - The Council's culture and risk management strategy are aligned
  - The necessary resources are allocated to risk management
  - There is a commitment to embedding risk management throughout the organisation, making it a part of everyday service delivery and decision making
  - The framework for managing risk continues to remain appropriate

## **3. Applicability**

- 3.1. This strategy applies to the whole of the Council's core functions. Where the Council enters into partnerships the principles of risk management established by this strategy and supporting guidance should be considered as best practice and applied where possible. We would also expect that our significant contractors have risk management arrangements at a similar level, and this should be established and monitored through procurement processes and contract management arrangements.

## **4. Objectives**

- 4.1. The risk management objectives of the Council are to:
  - Embed risk management into the culture of the Council
  - Apply best practice to manage risk using a balanced, practical and effective approach
  - Manage risks in line with its risk appetite, and thereby enable it to achieve its objectives more effectively



- Integrate the identification and management of risk into policy and operational decisions, anticipating and responding proactively to social, environmental and legislative changes and directives that may impact on delivery of our objectives
  - Eliminate or reduce the impact, disruption and loss from current and emerging events
  - Harness risk management to identify opportunities that current and emerging events may present and maximise benefits and outcomes
  - Ensure effective intelligence sharing and collaboration between risk management disciplines across all Council activities
  - Ensure fraud risks are proactively considered and embedded into the organisation’s risk management arrangements
  - Benefit from consolidating ongoing learning and experience through the collation and sharing of risk knowledge; demonstrate a consistent approach to the management of risks when embarking on significant change activity
  - Ensure sound and transparent risk management arrangements are operated in partnership and commissioner / provider situations, underpinned by a culture that supports collaboration and the development of trust, ensuring clear effective lines of communication and the management of relationships.
- 4.2. The Council shall delegate responsibility to an appropriate officer who shall maintain a programme that sets out the delivery of this strategy, with delivery being assured by the Management Team.

## 5. Roles and responsibilities

- 5.1. Responsibility for risk management runs throughout the Council; everyone has a role to play. Managers and staff that are accountable for achieving an objective are accountable for managing the risks to achieving it. To ensure that risk management is successful, the roles and responsibilities of key groups and individuals must be clearly identified, see table at 5.3 below.
- 5.2. Other officer groups’ deal with related risk specialisms such as Health and Safety; Treasury Management; Emergency Resilience and Business Continuity; Insurance; Information Security; Anti-fraud and corruption etc. These groups are linked into the governance arrangements of the Council so that their work is co-ordinated within the Council’s overall risk management framework.
- 5.3. In order to support Members and Officers with their responsibilities, risk management guidance is available.

<b>Group or Individual</b>	<b>Responsibilities</b>
Full Council / Cabinet	Approval of the Risk Management Strategy will be witnessed by the signature of the Leader of the Council.
Audit Committee	The Chairman of the Audit Committee will take a lead role in promoting the application of sound risk management practices across the Council.  Training will be provided periodically for all Audit Committee members.

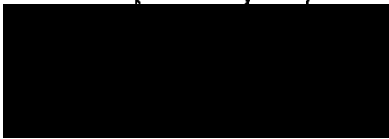
	<p>The Audit Committee will consider the Risk Management process as part of the assurance evidence in support of any Corporate Governance Statement.</p> <p>The Audit Committee will provide independent assurance of the adequacy of the risk management framework and will monitor the effective development and operation of risk management in the Council.</p>
Committees	<p>Responsibility for considering risk when making decisions on behalf of the Council.</p> <p>Promote and demonstrate the behaviours and values that support well-informed and considered risk taking, while maintaining accountability.</p> <p>Encourage open and frank conversations about risks, ensuring appropriate reporting and escalation as required.</p>
Advisory Boards	<p>Promote and demonstrate the behaviours and values that support well-informed and considered risk taking, while maintaining accountability.</p> <p>Encourage open and frank conversations about risks, ensuring appropriate reporting and escalation as required.</p>
Chief Executive	<p>Responsibility for the overall monitoring of strategic risks across the Council, including the endorsement of priorities and management action. Responsible for ensuring that risk management resources are appropriate.</p> <p>Also responsible for counter-signing the Risk Strategy.</p>
Section 151 Officer	<p>Active involvement in all material business decisions to ensure immediate and longer term financial implications, opportunities and risks are fully considered.</p>
Management Team (MT)	<p>To ensure the Council manages risks effectively and actively consider, own and manage key strategic risks affecting the Council through the Corporate Risk Register.</p> <p>Keep the Council's risk management framework under regular review and approve and monitor delivery of the annual risk work programme.</p> <p>Promote and demonstrate the behaviours and values that support well-informed and considered risk taking, while maintaining accountability.</p> <p>Encourage open and frank conversations about risks, ensuring appropriate reporting and escalation as required.</p> <p>Delegate the development and delivery of appropriate training to support the implementation of this policy for Members and Officers.</p>
Service Management Teams (SMT)	<p>Responsibility for the effective management of risk within the directorate, including risk escalation and reporting to the Management Team as appropriate.</p> <p>Briefing sessions will be provided on an as and when basis to senior management.</p>
Internal Audit	<p>Assesses the effectiveness of the risk management framework and the control environment in mitigating risk.</p> <p>Review and challenge risk management arrangements through its audit and fraud prevention activities.</p>
All elected	<p>Identify risks and contribute to their management as appropriate.</p>

Members and staff members	Report inefficient, unnecessary or unworkable controls. Report loss events or near-miss incidents to management.
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## 6. Review of this strategy

- 6.1. It is the responsibility of the Audit Committee to: 'On behalf of the Council ensure that Risk Management and Internal Control systems are in place that are adequate for purpose, and are effectively and efficiently operated.' Internal Audit will support their role in assuring its effectiveness and adequacy.
- 6.2. Information from Internal Audit and from other sources will be used to inform recommended changes to the strategy and framework at least annually. Any changes will be presented to the Audit Committee for approval before publication. The Strategy was last reviewed in January 2019 and will be reviewed next in January 2020.

## 7. Approval

Signed:  Print Name: Nicolas Heslop

Date: 19 February 2019 Position: Leader of the Council

Signed:  Print Name: Julie Beilby

Date: 19 February 2019 Position: Chief Executive

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**ANNEX 3**

## **Land and Property Disposal Policy**

**2020 – 2024**

- 1. Introduction**
- 2. Definition of Surplus**
- 3. Underused Property**
- 4. Identifying sites**
- 5. Site Investigations**
- 6. Consultation**
- 7. Land Use**
- 8. Scheme Design**
- 9. Valuation**
- 10. Disposal Method**
- 11. Costs**
- 12. Timing**
- 13. Reporting Process**
- 14. Sale Instructions and Completion**

## **1 Introduction**

- 1.1 This policy supports and contributes to achieving the Council's corporate strategic objectives.

Disposal of assets and future acquisition of property has a direct link to:

- Improving the appearance of the Borough
- Improving service to customers
- Well managed property portfolio
- Strengthens the Council's financial position

- 1.2 This policy sets out the core principles to be applied when considering land or property for disposal. It also details, in sequence, the procedure to be adopted in connection with the disposal of identified non-operational land and surplus Council owned property.

Non-operational land and property is defined as an asset from which the Council does not provide a service. Examples would be vacant land and industrial ground rents – land and buildings not occupied by ourselves.

Operational land is defined by assets that are directly used to provide a service. An example would be the Council offices at Kings Hill.

## **2 Definition of Surplus**

- 2.1 A property is deemed to be surplus to the Council's requirements if:

- a) it makes no contribution to the delivery of the Council's services or strategic objectives, nor generates any income and it has no potential for future service delivery or strategic or regeneration/redevelopment purposes; or
- b) an alternative site has been identified which would achieve a more cost effective service delivery and the existing site has no potential for future alternative service delivery or strategic or regeneration/redevelopment purposes.

## **3 Underused Property**

- 3.1 A property can be deemed to be underused if either:

- a) the income being generated from the site is below that which could be achieved from –
  - an alternative use
  - disposing of the site and investing the income
  - intensifying the existing use

- b) if 50% of a receipt could be invested in a more appropriate asset

#### **4 Identifying Sites**

4.1 Sites for possible disposal may be identified in the following ways:

- a) a travel process of the Council's Asset Register to identify possible sites that could have a high probability of obtaining planning permission
- b) in conjunction with the Local Plan
- c) through work being undertaken by the Council's Estates Services Manager and, in addition, the appointment of external asset review consultants appraising Tonbridge Town Centre
- d) through services declaring specific sites as being surplus to requirements

#### **5 Core Principles**

5.1 Any decision in relation to a proposed land disposal or development upon existing Council owned land should consider the following principles

##### **1- Identification of land for disposal/ redevelopment –**

The Council will consider

- (a) whether the existing use of land makes a strategic contribution to the Council's objectives as set out in the Corporate Strategy;
- (b) whether the land has any potential for future strategic or regeneration/ redevelopment purposes;
- (c) whether an alternative site can be identified which would achieve a more cost effective service delivery for the existing use;
- (d) whether the disposal or redevelopment of the land would help facilitate the achievement of the objectives set out in the Corporate Strategy.

**2- Site viability/ value for money –** the Council will be guided by its statutory obligation to achieve the best consideration. Disposals are expected to be at market value predicated on the nature of the asset and any agreed mix of uses. Disposals at an undervalue should only be considered in circumstances where the Council considers that the purpose for which the land is to be disposed is likely to meet the tests set out in the Local Government Act 1972 General Disposal Consent (England) 2003;



- 3 - Supporting economic regeneration** – any decision in relation to the Council’s asset base shall complement the objectives set out in the Council’s Economic Regeneration Strategy, and in particular shall maintain or enhance the vitality and viability of the Borough;
- 4- Local Plan** – any land disposal or development upon existing Council owned land should help deliver the Council’s local plan objectives.
- 5- Climate Change** – any decision must seek to uphold the aims and objectives set out in the Council’s Climate Change Strategy.

## **6. Site Investigations**

- 6.1 Once a potential site has been identified, the Estates Services Manager will consult with Legal Services and Planning Services to establish whether there are any constraints in respect of development or Change of Use on the site.
- 6.2 Desk studies into previous land use history will be carried out where appropriate.
- 6.3 Where appropriate, topographical contamination studies will also be undertaken. Again where appropriate flood risk assessments and initial consultation with the Environment Agency will be undertaken.
- 6.4 Where appropriate, details of adjacent land owners will be sought and contact made where it is thought that there may be ‘marriage’ value or value to the adjacent owner by acquiring the site.

## **7 Consultation**

- 7.1 The following stakeholders will be consulted as a minimum when a potential site is identified:
  - Local Ward Members
  - Management Team
  - Cabinet Member for Finance, Innovation & Property
  - Where appropriate – the Environmental Agency and Statutory Authorities

## **8 Land Use**

- 8.1 Some sites may already be designated for a specific use by the Local Plan. When this is not specific, the consultation as detailed in ‘6’ will indicate the preferred type of development:
  - Housing (Private)
  - Housing (Social)

- Industrial/Commercial
- Leisure, including community use
- Mixed development

## **9 Scheme Design**

- 9.1 Where appropriate, Management Team may authorise that an external design consultant be appointed to produce a detailed design scheme to inform the valuation and the potential disposal of the site.
- 9.2 In some cases it may be appropriate to seek outline planning permission prior to offer of disposal.

## **10 Valuation**

- 10.1 The Estates Manager, a member of the Royal Institute of Chartered Surveyors, will provide valuation advice.

## **11 Disposal Methods**

- 11.1 The Estates Manager will recommend a method of disposal based on the individual site, proposed scheme and interest. This may be: Public Auction, Agency, Private Treaty, Sealed bids, Tender. Management Team will consider and approve the recommended disposal method.
- 11.2 Unless a 'special purchaser' has been identified, i.e. one who is prepared to pay a premium for the site (over and above market value), or has access rights to adjoining land, all potential purchasers are to be given an opportunity to tender/bid/submit an offer.
- 11.3 Where the disposal is by freehold or via a lease (in excess of a five year term) in line with the Council's constitution, Member approval will be sought for the disposal to proceed.

## **12 Costs**

- 12.1 All staff costs, legal costs, consultants costs, marketing costs associated with any potential disposal of an asset (even where such costs do not lead to an actual disposal) are to be recharged to the cost centre/budget, where the Capital Receipt is, or would be placed, unless the Management Team decide to allocate a different budget.

## **13 Timing**

- 13.1 The timing of any marketing and disposals is important and will need to be considered against the background of the Council's budgetary requirements, together with the current state of the property market.

13.2 Prior to a recommendation to Members to proceed with a disposal, the following factors will be considered.

- Is there an immediate need to raise a Capital Receipt?
- Current market conditions
- Potential for the site value to increase in the future
- Effect of Regional and Local Plan guidance– this will influence decisions on disposal of land as well as potential future use
- Future of adjacent sites being or becoming available that may increase the development potential of influence future use

#### **14 Reporting**

14.1 The Estates Manager will report to the Council’s Management Team on any potential surplus sites and disposal.

14.2 Following consideration and approval from Management Team, the matter will be reported to the Finance, Innovation and Property Advisory Board for consideration and approval.

#### **15 Sale Instructions and Completion**

15.1 Prior to disposal, the Estates Manager will instruct Legal Services on the pending disposal, instructing on any special conditions or rights to be retained etc. Legal Services will prepare a draft contract for sale.

15.2 Following completion, Management Team, the Cabinet Member for Finance, Innovation & Property and local ward Members will be informed of the sale date and the sale price achieved.

15.3 Following completion, the Asset Register will be amended and Financial Services informed so that records can be updated (non-domestic rates ledger, insurance and asset books).

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