

TONBRIDGE & MALLING BOROUGH COUNCIL



EXECUTIVE SERVICES

Chief Executive

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NB - This agenda contains proposals, recommendations and options. These do not represent Council policy or decisions until they have received proper consideration through the full decision making process.

Contact: Committee Services
committee.services@tmbc.gov.uk

14 July 2015

To: MEMBERS OF THE FINANCE, INNOVATION AND PROPERTY ADVISORY BOARD

(Copies to all Members of the Council)

Dear Sir/Madam

Your attendance is requested at a meeting of the Finance, Innovation and Property Advisory Board to be held in the Civic Suite, Gibson Building, Kings Hill, West Malling on Wednesday, 22nd July, 2015 commencing at 7.30 pm

Yours faithfully

JULIE BEILBY

Chief Executive

A G E N D A

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Any other items which the Chairman decides are urgent due to special circumstances and of which notice has been given to the Chief Executive.

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The Chairman to move that the press and public be excluded from the remainder of the meeting during consideration of any items the publication of which would disclose exempt information.

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Any other items which the Chairman decides are urgent due to special circumstances and of which notice has been given to the Chief Executive.

MEMBERSHIP

Cllr Mrs F A Kemp (Chairman)
Cllr Mrs B A Brown (Vice-Chairman)

Cllr O C Baldock
Cllr Mrs S Bell
Cllr R P Betts
Cllr T Bishop
Cllr J L Botten
Cllr T I B Cannon
Cllr D J Cure

Cllr M O Davis
Cllr R D Lancaster
Cllr D Lettington
Cllr L J O'Toole
Cllr Miss J L Sergison
Cllr A K Sullivan
Cllr B W Walker

Apologies for absence

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Declarations of interest

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TONBRIDGE AND MALLING BOROUGH COUNCIL

FINANCE, INNOVATION AND PROPERTY ADVISORY BOARD

Wednesday, 3rd June, 2015

Present: Cllr Mrs F A Kemp (Chairman), Cllr Mrs B A Brown (Vice-Chairman), Cllr O C Baldock, Cllr R P Betts, Cllr J L Botten, Cllr T I B Cannon, Cllr D J Cure, Cllr R D Lancaster, Cllr D Lettington, Cllr L J O'Toole, Cllr Miss J L Sergison and Cllr A K Sullivan

Councillors Mrs J A Anderson, P F Bolt, V M C Branson, M A Coffin, N J Heslop, S M King, B J Luker, P J Montague, Mrs A S Oakley, S C Perry, M R Rhodes and H S Rogers were also present pursuant to Council Procedure Rule No 15.21.

Apologies for absence were received from Councillors Mrs S Bell, T Bishop, M O Davis and B W Walker

PART 1 - PUBLIC

FIP 15/20 DECLARATIONS OF INTEREST

Councillor R Betts declared an Other Significant Interest in the item on Applications for Discretionary Rate Relief in respect of renewal applications by Tonbridge and Malling Leisure Trust on the grounds of being a member of the Trust's Board. He withdrew from the meeting during their consideration.

FIP 15/21 MINUTES

RESOLVED: That the notes of the meeting of the Finance, Innovation and Property Advisory Board held on 7 January 2015 be approved as a correct record and signed by the Chairman.

FIP 15/22 INTRODUCTORY PRESENTATION

The Advisory Board received an introductory presentation by staff of Financial Services for the particular benefit of new Members on council tax, business rates, council tax reduction and housing benefit.

MATTERS FOR RECOMMENDATION TO THE CABINET

FIP 15/23 APPLICATIONS FOR DISCRETIONARY RATE RELIEF

Decision Notice D150041MEM

The joint report of the Director of Finance and Transformation and Cabinet Member for Finance, Innovation and Property gave details of renewal applications for discretionary rate relief and rural rate relief together with new applications for discretionary rate relief which were

considered in accordance with the previously agreed criteria for determining such applications.

RECOMMENDED: That

- (1) in respect of the re-applications for relief shown at Annex 3 to the report, with the exception of Cobdown Sports & Social Club and the Pre-School Learning Alliance, 20% discretionary rate relief be awarded in each case with effect from 1 April 2015 and time limited to 31 March 2017;
- (2) in respect of the re-application from the Pre-School Learning Alliance, 5% discretionary rate relief be awarded with effect from 1 April 2015 and time limited to 31 March 2017;
- (3) in respect of the re-application from the Cobdown Sports & Social Club, 10% discretionary rate relief be awarded with effect from 1 April 2015 and time limited to 31 March 2017;
- (4) the renewal applications for rural rate relief be awarded on the basis set out at Annex 4 to the report; and
- (5) the new applications for discretionary rate relief be determined as follows:

St John Ambulance Brigade, 136 Vale Road, Tonbridge – no discretionary relief be awarded

The Heart of Kent Hospice Trading Ltd, 5 Malling Road, Snodland and 109 Hall Road, Aylesford – no discretionary relief be awarded

Holborough Management Ltd, 6 Higham Avenue, Snodland and 2 Amisse Drive, Snodland – no discretionary relief be awarded

The Charity Bank Ltd, Ground and First Floor Fosse House, 182 High Street, Tonbridge – 30% discretionary relief be awarded, time limited to 31 March 2017.

FIP 15/24 FINANCIAL PLANNING AND CONTROL

Decision Notice D150042MEM

The report of the Director of Finance and Transformation provided information on the Council's key budget areas of salaries, major income streams and investment income for the year ended 31 March 2015. It also gave details of the variations agreed in relation to the revenue budget, summarised to provide an overall budget outturn position for

2014/15 which showed a net adverse variance of £85,687, largely attributable to a shortfall on the Business Rates Retention Scheme.

Details were provided of variations identified through budgetary control in respect of 2015/16. Reference was made to the loss of recycling income arising from the demise of Aylesford Newsprint, pressures of government initiatives in respect of housing benefits and the impact on the savings target set in the Medium Term Financial Strategy.

An update was also given on capital expenditure and variations agreed in relation to the capital plan.

RECOMMENDED: That the contents of the report be noted and endorsed.

**FIP 15/25 BUSINESS RATES REVIEW: DISCUSSION PAPER FROM
HM TREASURY**

Decision Notice D150043MEM

The report of the Director of Finance and Transformation gave details of a discussion paper from HM Treasury seeking views on the business rates system. It also provided information about the Council's recent deputation to the Minister for Local Government regarding the impact of the loss of a significant business within the Borough. Consideration was given to the delegation of authority to formulate a final response by the deadline of 12 June.

In addition to answering the detailed questions posed in the consultation paper, it was proposed to incorporate the impact of the Aylesford Newsprint situation as a principle in the response and the Director of Finance and Transformation offered to circulate copies to any Members interested.

RECOMMENDED: That

- (1) authority be delegated to the Director of Finance and Transformation, in liaison with the Cabinet Member for Finance, Innovation and Property and the Leader (as the portfolio holder for Economic Regeneration) to formulate a final response on behalf of the Council by the deadline of 12 June;
- (2) the views of the Chairmen and Vice-Chairmen of both the Finance, Innovation and Property and Economic Regeneration Advisory Boards be sought in drafting the response; and
- (3) copies of the final response be circulated to the local Members of Parliament and the South East England Councils Network.

MATTERS SUBMITTED FOR INFORMATION

FIP 15/26 BENEFITS UPDATE

Members were advised of current issues arising in the benefits field namely performance and workload of the Benefits Service and progress with various aspects of welfare reform including preparations for the start of Universal Credit in the Borough in October. The Advisory Board was pleased to note that the best annual performance for a number of years had been achieved within the Benefits Service.

FIP 15/27 COUNCIL TAX AND BUSINESS RATES UPDATE

The report gave details of recent developments in respect of council tax and business rates including the final collection rates for the year 2014/15 which had both exceeded the targets set. Thanks were recorded to the staff involved for the excellent rates achieved.

FIP 15/28 WEBSITE REDESIGN UPDATE

The report provided an update on the planned improvements to the Council's website design to ensure that it remained fit for purpose to reflect changes in users' preferences and technology. A demonstration was given of the introduction of the "I want to..." navigation box, constructed to be as accessible as possible and usable on smartphone and tablet technology.

FIP 15/29 PUBLICATION OF ALLOWANCES PAID TO MEMBERS DURING 2014/15

The Advisory Board received a copy of the statement of the actual allowances paid to Members during the financial year 2014/15 which had been published in accordance with Regulation 15(3) of the Local Authorities (Members Allowance) (England) Regulations 2003.

MATTERS FOR CONSIDERATION IN PRIVATE

FIP 15/30 EXCLUSION OF PRESS AND PUBLIC

The Chairman moved, it was seconded and

RESOLVED: That as public discussion would disclose exempt information, the following matters be considered in private.

PART 2 - PRIVATE

MATTERS FOR RECOMMENDATION TO THE CABINET

FIP 15/31 DEBTS FOR WRITE OFF

(LGA 1972 – Sch 12A Paragraph 2 – Information likely to reveal information about an individual)

Decision Notice D150044MEM

The report of the Director of Finance and Transformation sought approval of the writing-off of debts considered to be irrecoverable. Details were also given of debts under £1,000 which had been written-off in accordance with Financial Procedure Rule 17.2 together with cumulative totals of debts in the current and previous financial years and information on budgeted bad debt provision.

RECOMMENDED: That the eight items shown in the schedule of amounts over £1,000, totalling £27,233.46 be written-off for the reasons stated within the schedule.

FIP 15/32 PROPOSED DISPOSAL OF ST JOHN AMBULANCE SITE, TONBRIDGE

(LGA 1972 Sch 12A Paragraph 3 – Financial or business affairs of any particular person)

Decision Notice D150045MEM

Further to Decision Number D150006MEM, the report of the Director of Central Services gave details of the outcome of negotiations for the disposal of the St John Ambulance site, Tonbridge including the recommendations of an independent valuer.

RECOMMENDED: That disposal of the St John Ambulance site for development be approved on the basis outlined in the report and as recommended by the independent valuer.

The meeting ended at 9.52 pm

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TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

22 July 2015

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 APPLICATIONS FOR DISCRETIONARY RATE RELIEF

A report giving details, at Paragraph 1.1., of renewal applications for discretionary rate relief. Details of a new application for discretionary rate relief are shown at Paragraph 1.2.

The previously agreed criteria for determining applications for discretionary rate relief are attached at [ANNEX 1].

1.1 Renewal applications for discretionary rate relief

1.1.1 Members will be aware that discretionary rate relief can be granted (as shown at [ANNEX 1]) either as a top-up to mandatory rate relief (in respect of charitable organisations and community amateur sports clubs) or, on its own, to non profit-making organisations that are not charities etc. (and do not therefore qualify for mandatory rate relief).

1.1.2 Organisations that had awards of discretionary rate relief time-limited to 31 March 2015 have been invited to re-apply, and I have listed, at [ANNEX 2], the applications that have been received so far.

1.1.3 The annex details the level of discretionary rate relief awarded in 2014/15 and the amount of relief the organisation would receive in 2015/16 if the same level were awarded.

1.1.4 There is no longer a direct cost to the Council in awarding relief. However, Members should note that all awards of relief affect the Council's business rate yield; for 2015-16, based on previous criteria and level of applications, it has been estimated that £202,000 discretionary relief will be awarded.

1.1.5 In respect of those organisations shown at [ANNEX 2], I have considered each application and believe that each organisation meets the criteria, and is of particular benefit to the needs of the residents of the Borough. Therefore, there appear to be good grounds for continuing the current level of discretionary rate

relief in each case. Further details on each organisation (so far as I have them) can be provided, at the meeting, if requested by Members.

1.1.6 The Council's own financial position is, of course, still very challenging and it is important to recognise that whilst it may be possible to provide the level of assistance at the current time, it may not be sustainable into the future. Accordingly, Members might consider that, when writing to the organisations concerned, it would be prudent to advise the organisations that there could be a reduction in the level of relief awarded by the Council in the future should further applications for relief be made.

1.1.7 Members are **REQUESTED** to **RECOMMEND** to Cabinet that in respect of re-applications for relief as shown at **[ANNEX 2]**, 20% discretionary rate relief be awarded in each case with effect from 1 April 2015, and time-limited to 31 March 2017.

1.2 New application for discretionary rate relief

1.2.1 Since the last meeting of the Board, I have received one new application for rate relief that has reached a stage where it is ready for Members' consideration. I give below further details of this application.

1.2.2 **14th Tonbridge Sea Scout Group, Adj Sumaria, Barden Road, Tonbridge, Kent, TN9 1UJ. Rateable Value £580**

1.2.3 The applicant is a registered charity and I have therefore granted 80% mandatory rate relief. It is for Members to decide whether discretionary relief should be granted as well.

1.2.4 The applicant previously received 100% rate relief for this hut, time limited to 31 March 2013; however, the assessment was deleted by the Valuation Office on 15 November 2012 as they believed that it had been demolished as part of a redevelopment of the site.

1.2.5 It came to light in May this year that the property had in fact not been demolished, and therefore, the Valuation Office reinstated the assessment accordingly.

1.2.6 Members will note that the applicant's other assessment has been recommended for the maximum level of relief in **[ANNEX 2]**. Therefore, it appears to be appropriate to award a similar level of relief for this assessment for the period from 1 April 2013.

1.2.7 Should Members decide to award 100% discretionary relief, the applicant will receive £167.74 relief (£54.64 for 2013/14, £55.91 for 2014/15 and £57.19 for 2015/16).

1.2.8 Members are **REQUESTED** to consider the application and make an appropriate **RECOMMENDATION** to Cabinet regarding discretionary rate relief. If relief is

awarded, Members might wish, in view of the uncertainty surrounding Government funding for future financial years, to consider time-limiting any awards of relief, initially, to 31 March 2017.

1.3 Legal Implications

- 1.3.1 As the granting of relief is a discretionary action, the only implication would be a challenge by way of judicial review if an organisation were unhappy with a decision. Such a challenge can succeed only when the Council behaves unreasonably.

1.4 Financial and Value for Money Considerations

- 1.4.1 In respect of all applications for rate relief, the financial considerations of granting relief are as set out in the body of the report. If relief is not granted, there is a beneficial impact on the Council's finances. This should not prevent each application being considered on its own merits however, as there must be some degree of consistency to prevent a legal challenge.

1.5 Risk Assessment

- 1.5.1 The only risk that I am aware of is a legal challenge to the Council's decisions (see above). This is unlikely.

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.

The Director of Finance and Transformation confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and policy Framework.

Background papers:

contact: Glen Pritchard
01732 876146

Applications for relief from the organisations referred to in the main body of the report received since 3 June 2015, and held in Financial Services.

Sharon Shelton
Director of Finance and Transformation

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CRITERIA TO BE USED IN DETERMINING APPLICATIONS FOR DISCRETIONARY RATE RELIEF

Part 1 - Non profit-making bodies

Previous awards of discretionary rate relief

The Council wishes to promote equality between organisations when granting discretionary rate relief. Therefore, when considering an application for discretionary rate relief, it will have regard to previous awards of relief to bodies of a similar nature to the applicant body. Unless specific considerations apply, the Council is likely to award relief to the same value as previously awarded to such similar bodies. Previous grants of relief for properties occupied by charities or non profit-making organisations include as follows:

100% discretionary rate relief granted to:

- Sports clubs where community amateur sports club status has been refused

20% top-up relief granted to:

- Sports clubs if registered as community amateur sports clubs
- Recreational facilities, sports grounds and playing fields occupied by charities

Applications where special considerations may apply

Where the applicant body does not fall into one of the categories where relief has been awarded in the past (see above), relief may be granted only if the applicant body:

- caters for special needs (see below for an explanation of this term); or
- supplies facilities that would not otherwise be available in the area; or
- provides a service that supports the Council's key priorities. For the year 2012/15 these priorities are:
 - Continued delivery of priority services and a financially viable Council.
 - Sustainable regeneration of Tonbridge town centre and economic development in communities across the Borough.
 - A continuing supply of homes, including affordable housing to buy and rent, and prevention of homelessness.
 - Children and young people who are safe, involved, with access to positive activities.
 - A clean, smart, well maintained and sustainable Borough.
 - Low levels of crime, anti-social behaviour and fear of crime.

- Healthy living opportunities and community well-being

Meaning of 'special needs'

Does the organisation cater for a section of the community which the Council considers particularly deserving of support, e.g. persons with disabilities, persons with learning difficulties, the very young or the very old?

Where the applicant body provides such special needs or supplies facilities that would not otherwise be available in the area or supports the Council's key priorities, the maximum amount of relief will generally be awarded, subject to the following.

Other considerations

In determining awards of relief, the Council will bear in mind all the facts of each case. In particular, the Council may consider the following factors:

- **Membership**
Does the organisation operate a membership scheme?
- **Membership discounts**
Are discounts available for members (for example elderly/disabled etc.)?
- **Key priorities**
Do the organisation's objectives meet at least one of the Council's key priorities?
- **Sole facility**
Is the organisation's property the sole facility in its area of operation?
- **Fees, charges etc**
Is the cost of membership such that it would exclude a large section of the community?
- **Access to facilities**
Are the organisation's facilities available generally or at certain times to non-members?
- **Provision of facilities**
Have the facilities been provided by self-help or grant aid from the Borough Council, local or public authorities or others?
- **Development of skills**
Does the organisation provide training or education for its members? Are there schemes for particular groups, e.g. young people, the disabled, the retired, the unemployed etc?

Restrictions on the granting of relief

In determining whether relief should be awarded, the Council will be inclined not to grant relief or to limit the amount of relief awarded in the following cases.

- **National charities**
As a general rule, the Council is unlikely to grant relief to national charities located within the Council's area unless there is some specific benefit to the residents of Tonbridge and Malling over and above the benefit to the residents of other areas in which the charity operates.

- **Charity shops and other premises operated by trading arms of charities**
The Council is unlikely to grant relief to charity shops and other premises operated by the trading arms of charities.
- **Bodies operating in only part of the Council's area**
Where an applicant body is a national organisation but operates only in part of the Council's area, any relief that may be awarded will generally be reduced pro rata the population of the area of the Borough that receives benefit from that organisation. This restriction will not generally apply if the body is not a national body and has been established to benefit only a part of the Council's area.
- **Bodies operating a restrictive membership policy**
It is not the Council's general policy to grant relief to bodies that operate a restrictive membership policy unless such restrictions are necessary because of the size of the property occupied by the body or in order to ensure a pre-determined level of ability or required standard of achievement for a particular sport or activity.
- **Bodies occupying premises with high rateable values**
The Council, when determining an application for relief will consider the rateable value and location of the applicant's premises. Are the premises of a size, and their location, appropriate to the organisation?

Special cases

The Council recognises that there will be occasions when an applicant body does not satisfy the above criteria. Nothing in these criteria shall be taken as restricting the Council's ability to depart from its general policy as to the granting of relief if it sees fit to do so bearing in mind the facts of the case.

Affordability

Applicants for discretionary rate relief should note that the cost of discretionary relief falls partly on the Council. As such, in determining the level of relief to be granted, the Council must have regard to its budgetary position.

Part 2 – Applications not falling within Part 1

From 1 April 2012, the Council may also award relief to any local ratepayer to encourage new business and investment as well as to support local shops or community services.

Businesses located in rural settlements can currently apply for relief and these applications are considered using the criteria listed in the Council's policy in respect of Rural Rate Relief.

For all other applications (either not falling within Part 1 of these criteria or within the criteria for rural businesses), a decision on whether relief should be granted in any particular case should only be considered once the Borough Council has sought the views of the appropriate parish council, local members and the county council. Members should also consider if the other precepting authorities are willing to fund (partly or otherwise) the cost of relief awarded.

Affordability

Applicants for discretionary rate relief should note that the cost of awards of such relief is borne by the Council. For awards of discretionary relief falling within Part 2 of these criteria (and excluding rural businesses), the Council is liable to fund 100% of the amount awarded.

Part 3 - General

In determining the level of relief to be granted, the Council must have regard to its budgetary position. Although the Council will aim to achieve equality between applicants in terms of the level of relief that it grants, this might not always be possible. The Council has the right, subject to giving the requisite notice required by law, to vary or terminate the level of relief that it has previously granted either in respect of a particular organisation/business or in respect of a class of organisation/business or to all organisations/businesses in receipt of relief.

Scout/Guides Groups			
Organisation	Address	Relief awarded 2014/15	Benefit to organisation if same relief awarded 2015/16
1st Borough Green Scout Group	Harrison Road, Borough Green	20% Top Up	£483.14
Hadlow Scout and Guide Group	School Lane, Hadlow	20% Top Up	£236.64
14th Tonbridge Sea Scout Group	Weir View, Avebury Avenue, Tonbridge	20% Top Up	£423.98
			£1,143.76
CASC Organisations			
Organisation	Address	Relief awarded 2014/15	Benefit to organisation if same relief awarded 2015/16
Town Malling Cricket Club	Norman Road, West Malling	20% Top Up	£443.70
Aylesford Bulls Rugby Football Club	Ferryfield, Hall Road, Aylesford	20% Top Up	£2,045.95
Hugh Christie Sports Association	Hugh Christie School, Norwich Avenue, Tonbridge	20% Top Up	£443.70
			£2,933.35

Other applications			
Organisation	Address	Relief awarded 2014/15	Benefit to organisation if same relief awarded
MCCH Society Ltd	Unit 5 Britannia Business Park, Aylesford	20% Top Up	£1,700.85
The Bridge Trust	17A Quarry Hill Road, Tonbridge	20% Top Up	£1,109.25
Age UK Sevenoaks & Tonbridge	5 Bradford Street, Tonbridge	20% Top Up	£2,169.20
Snodland Community Association	Snodland Community Centre, Snodland	20% Top Up	£1,133.90
			£6,113.20

TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

22 July 2015

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 FINANCIAL PLANNING AND CONTROL

This report brings together information on the Council's key budget areas of Salaries, Major Income Streams and Investment Income. The performance of the key budget areas, together with the approved variations to the revenue budget and areas identified through revenue budget monitoring are then summarised to provide an indicative overall budget position for the year. The report also updates Members on capital expenditure and variations that have been agreed in relation to the capital plan.

1.1 Salaries Monitoring Statement

1.1.1 Appended for information at **[Annex 1]** is a budgetary control statement that compares actual expenditure on basic salaries, temporary staff, overtime, superannuation and national insurance to the end of June 2015, with the appropriate proportion of the original estimate for 2015/16. The statement identifies **net management savings of £52,850** have been achieved.

1.2 Income Monitoring Statement

1.2.1 Appended for information at **[Annex 2]** is a budgetary control statement that compares actual income from fees and charges to the end of June 2015, with the appropriate proportion of the original estimate for 2015/16. Members will note that overall income to the end of June is **£5,850 more** than anticipated.

1.3 Treasury Management

Internally Managed Core Funds

1.3.1 The Council achieved a return of 0.80% on its internally managed core fund investments for the period ended June 2015, compared to a 3-Month LIBID benchmark of 0.44%. Investment income achieved for the period ended June 2015 is £26,800.

1.3.2 At the end of June 2015 the value of the fund stood at £13.4m. This was invested at an average rate of 0.83% and an average maturity of 0.46 years.

Internally Managed Cash flow Funds

- 1.3.3 The Council achieved a return of 0.63% on its internal cash flow investments for the period ended June 2015, compared to a 7-day LIBID benchmark of 0.36%. Investment income achieved for the period ended June 2015 is £18,800.
- 1.3.4 In cash terms, the value of internally managed cash flow investments at the end of June 2015 was £10.6m. This was invested at an average rate of 0.70% and an average maturity of 0.27 years.

All Investments

- 1.3.5 The combined return figure for internally managed investments is compared with the original estimate for 2015/16 later in this report.

1.4 Approved Variations to the Revenue Budget

- 1.4.1 Listed below are the variations that have been agreed to the revenue budget. It has been based upon those variations approved by Portfolio Holders, Committees, Cabinet and Council up to the meeting of General Purposes Committee on 29 June 2015.

1.4.2 Council 19 May 2015

- Noted a reduction in the number of Cabinet Members, including the leader, from eight to six and approved changes to Committees / Advisory Boards. This will generate ongoing savings of at least £21,000 and £24,000 in 2015/16.

1.4.3 General Purposes Committee 29 June 2015

- Approved various establishment changes which will generate permanent savings of £25,150 per annum. In addition, there are time limited costs of £13,600 which will be met by additional income and a one-off redundancy cost of £25,800.

- 1.4.4 A summary of the approved variations to the revenue budget is given in the table below.

Description	Paragraph Reference	2015/16 £	2016/17 £
Members Allowances	1.4.2	(24,000)	(21,000) *
Establishment Changes – Permanent	1.4.3	(18,850)	(25,150) *
Establishment Changes – Time Limited Costs	1.4.3	-	-
Establishment Changes – Redundancy	1.4.3	25,800	-
Total		(17,050)	(46,150)

Those items marked with an asterisk* will need to be considered and reflected as appropriate in updating the Medium Term Financial Strategy.

1.5 Virements

- 1.5.1 At the time of writing this report there are no virements to the original revenue estimates for 2015/16 that were approved by Council on 17 February 2015.

1.6 Revenue Budget Monitoring

- 1.6.1 As part of our budget monitoring and control arrangements Chief Officers confirm that budgetary control has been undertaken within the Service areas under their control each month and at the same time highlight those areas, if any, that they wish to bring to the attention of the Director of Finance and Transformation. In addition, the Accountancy Section also monitors budgetary performance across the whole range of services during the year. At the time of writing this report the following areas have been brought to my attention.
- 1.6.2 The RPI increase from 1 March 2015 in respect of the Refuse Collection and Recycling, Amenity and Street Cleansing and Public Conveniences Cleansing contracts was 1.5% less than estimated. As a consequence the contract payments will be in the order of £55,000 less than the current estimate.
- 1.6.3 The revised procedures put into place following Aylesford Newsprint going into administration are expected to result in paper recycling income being £190,000 less than that estimated (£43,000 of which is reflected in the Income Monitoring Statement above).
- 1.6.4 Glass recycling income, net of contribution from Tunbridge Wells Borough Council, is now expected to be £42,000 less than that estimated (£11,200 of which is reflected in the Income Monitoring Statement above) following reductions in the prices.
- 1.6.5 Recycling credits are now expected to be £18,000 less than that estimated (£3,000 of which is reflected in the Income Monitoring Statement above) due to a reduction in tonnages recycled.
- 1.6.6 The Council has been awarded the following grants from central government which will be used to fund as yet unbudgeted expenditure:
- Fraud and Error Reduction Incentive Scheme Maintenance Fund £12,455
 - Localising Council Tax Support New Burdens Grant £21,419
 - New Homes Bonus Returned In-Year £6,707
 - Real Time Information New Burdens Grant £3,549

- Right to Move Grant £3,044
 - Welfare Reform Grant £15,149
- 1.6.7 Additional annual pension contributions are forecast to be £12,000 less than the current budget.
- 1.6.8 Changes to the way the Council sends and receives post are expected to generate savings of £12,000 per annum.
- 1.6.9 Government initiatives are currently putting pressure on the housing benefits budget. The financial impact is estimated to be in the order of £150,000 to £200,000. It is uncertain as to how long and to what extent this pressure will last and further complicated by the fact that in due course working age claimants will transfer to Universal Credit.
- 1.6.10 A summary of the items identified through budgetary control is given in the table below.

Description	Paragraph Reference	2015/16 £	2016/17 £	
Environmental Health Contracts RPI Increase	1.6.2	(55,000)	(55,000)	*
Paper Recycling	1.6.3	147,000	190,000	*
Glass Recycling	1.6.4	30,800	42,000	*
Recycling Credits	1.6.5	15,000	18,000	*
Central Government Grants	1.6.6	-	-	
Additional Annual Pension Contributions	1.6.7	(12,000)	(12,000)	*
Postages	1.6.8	(12,000)	(12,000)	*
Housing Benefits	1.6.9	175,000	175,000	*
Total		288,800	346,000	

Those items marked with an asterisk* will need to be considered and reflected as appropriate in updating the Medium Term Financial Strategy.

1.7 Revenue Budget Summary

- 1.7.1 The table below brings together information on the Council's key budget areas, the variations agreed to the revenue budget and items identified through budgetary control to provide a broad overview of the expected financial performance for the year.

Description	Budget to June £	Actual to June £	Variance £
Salaries Monitoring Statement	2,405,850	2,353,000	(52,850)
Income Monitoring Statement	(1,071,500)	(1,077,350)	(5,850)
Treasury Management	(41,800)	(45,600)	(3,800)
Approved Variations to the Revenue Budget			(17,050)
Revenue Budgetary Control			288,800
Net Adverse Variance			209,250

- 1.7.2 This would mean that rather than contributing £73,550 (original estimate for 2015/16) to the General Revenue Reserve in 2015/16 as anticipated when the budget was set in February 2015, if nothing else changed, we would draw down in the order of £135,700.
- 1.7.3 It should be noted that some of our other major income streams performed above budget in 2014/15 and if this continues in 2015/16, which will become clearer as we move through the year, this will negate to some extent the loss in recycling income as set out above.

1.8 Capital Monitoring Statement

- 1.8.1 Appended for information at **[Annex 3]** is a capital monitoring statement which compares actual capital expenditure for the period 1 April 2015 to 30 June 2015 with the 2015/16 Capital Plan.
- 1.8.2 The Capital Plan for 2015/16 is based on the 2015/16 budgets that were approved by Council on 17 February 2015, amended for slippage from 2014/15.
- 1.8.3 Prior year's expenditure is only shown for finite schemes for which there is a budget in 2015/16. Where schemes are of a rolling programme nature, prior year's expenditure has not been shown in order to avoid large, generally meaningless, totals building up.
- 1.8.4 Capital Plan schemes which are scheduled to start after 2015/16 have not been shown. The budget profile for these schemes can be found in the 2015/16 Budget Book. Members will note that at the end of June net expenditure of £0.3m has been incurred against an amended 2015/16 net expenditure budget of £2.2m.

1.9 Approved Variations to the Capital Plan

- 1.9.1 At the March meeting of Cabinet Members agreed to an increase in the gross budget provision for Tonbridge Town Lock. The increase cost is expected to be met from additional grant and developer contributions.

1.10 Capital Plan Issues

1.10.1 The capital plan monitoring statement, as presented to this Board, is essentially aimed at monitoring the financial performance of the capital plan overall and on a Service and scheme basis. Notes have been provided to supply further information where this is felt to be particularly relevant. Other monitoring reports, which provide greater information about individual schemes, are presented by the Services to the relevant Advisory Board.

1.11 Emergency Budget July 2015

1.11.1 We are assessing the wider impact for TMBC of the measures outlined in the Chancellor's Emergency Budget on 8 July 2015 and will update Members as part of the programme to review and update the Medium Term Financial Strategy. It will, of course, be the Spending Review in the Autumn that will give us far more detailed information regarding spending and funding issues.

1.11.2 The impact of the welfare changes are commented upon briefly within the Benefits Update report elsewhere on this agenda.

1.12 Legal Implications

1.12.1 This report fulfils the requirement of the Local Government Act 2003 which places a statutory duty on the authority to monitor income and expenditure against budget and to take action if overspends or shortfalls in income emerge. If monitoring establishes that the budget situation has deteriorated, authorities are required to take such action as they consider necessary. This might include action to reduce spending in the rest of the year, to increase income or to finance all or part of the shortfall from reserves.

1.13 Financial and Value for Money Considerations

1.13.1 As set out above.

1.14 Risk Assessment

1.14.1 Budgetary control is a prerequisite of good financial management, financial planning and control and needs to be reviewed to ensure it remains effective and relevant.

1.15 Equality Impact Assessment

1.15.1 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.

1.16 Recommendations

1.16.1 Members are asked to **note** and **endorse** the contents of the report.

The Director of Finance and Transformation confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and policy Framework.

Background papers:

contact: Neil Lawley

Nil

Sharon Shelton
Director of Finance and Transformation

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Salaries Budgetary Control Monitoring Statement**Period Ended Last Day of June 2015****2015/16 Financial Year**

	Annual Budget 2015/16	Budget to end of June (a)	Actual to end of June (b)	Above (Below) Budget (b - a)
Service	£	£	£	£
Central				
Administrative & Property	800,400	199,850	194,400	(5,450)
Legal	405,800	101,400	99,500	(1,900)
Personnel	549,550	153,300	150,700	(2,600)
Executive	463,050	113,950	114,850	900
Finance & Transformation				
Finance	1,967,550	490,450	452,350	(38,100)
Information Technology	790,450	197,600	201,750	4,150
Planning, Housing & Environmental Health				
Environmental Health & Housing	1,197,900	299,500	296,600	(2,900)
Planning	1,796,950	448,700	416,650	(32,050)
Street Scene, Leisure & Technical				
Street Scene & Leisure	1,182,650	287,350	282,400	(4,950)
Technical	649,650	162,250	144,950	(17,300)
Management Savings	9,803,950	2,454,350	2,354,150	(100,200)
Shared Working Arrangements	(53,750)	(13,500)	(13,150)	350
Sub-total	9,750,200	2,440,850	2,341,000	(99,850)
Non-budgeted spend on recruitment & other expenses to the end of June				2,850
Payments outstanding for the period to the end of June				9,150
Budgeted management savings to the end of June				35,000
Net Management Savings				(52,850)

Financial Services
3 July 2015

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Income Budgetary Control Monitoring Statement**Period Ended Last Day of June 2015****2015/16 Financial Year**

	Annual Budget 2015/16	Budget to end of June (a)	Actual to end of June (b)	(Above) Below Budget (b - a)
Service	£	£	£	£
Central				
Land Charges	(293,600)	(81,550)	(90,750)	(9,200)
Licensing	(231,550)	(41,750)	(62,850)	(21,100)
Sub-Total	(525,150)	(123,300)	(153,600)	(30,300)
Planning, Housing & Environmental Health				
Planning Fees	(640,000)	(160,000)	(95,850)	64,150
Building Regulations	(340,000)	(62,000)	(68,800)	(6,800)
Sub-Total	(980,000)	(222,000)	(164,650)	57,350
Street Scene, Leisure & Technical				
Recycling	(816,850)	(133,200)	(77,300)	55,900
Short Stay Car Parking	(1,540,000)	(374,000)	(392,200)	(18,200)
Long Stay Car Parking	(530,000)	(127,000)	(147,200)	(20,200)
Penalty Charge Notices	(180,000)	(45,000)	(57,600)	(12,600)
Car Parks Season Tickets	(155,000)	(21,000)	(63,450)	(42,450)
Residents Parking Permits	(95,000)	(26,000)	(21,350)	4,650
Sub-Total	(3,316,850)	(726,200)	(759,100)	(32,900)
Grand Total	(4,822,000)	(1,071,500)	(1,077,350)	(5,850)

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CAPITAL PLAN MONITORING STATEMENT 2015/16 TO 30 JUNE 2015
SUMMARY OF SERVICES

	Expenditure To 31/03/15	2015/16 Estimate Inc Prior Year Slippage	2015/16 Actual to 30 June 2015
	£'000	£'000	£'000
Capital Plan Schemes			
Planning, Housing & Environmental Health	792	788	12
Street Scene & Leisure	128	587	29
Corporate	37	61	161
Sub-total	957	1,436	202
Capital Renewals			
Planning, Housing & Environmental Health	n/a	10	15
Street Scene & Leisure	n/a	471	14
Corporate	n/a	287	44
Sub-total	n/a	768	73
Total	957	2,204	275

CAPITAL PLAN MONITORING STATEMENT 2015/16 TO 30 JUNE 2015
PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	Expenditure To 31/03/15	2015/16 Estimate Inc Prior Year Slippage	2015/16 Actual to 30 June 2015
	£'000	£'000	£'000
Capital Plan Schemes			
Car Parking	119	139	4
Transportation	376	24	0
Environmental Improvements	178	222	7
Land Drainage / Flood Defence	45	27	0
Housing Investment Programme	74	376	1
Environmental Health	0	0	0
Sub-total	792	788	12
Capital Renewals	n/a	10	15
Total Planning, Housing and Environmental Health	792	798	27

CAPITAL PLAN MONITORING STATEMENT 2015/16 TO 30 JUNE 2015
PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	Code	Expenditure To 31/03/15	2015/16 Estimate Inc Prior Year Slippage	2015/16 Actual to 30 June 2015	
		£'000	£'000	£'000	
Environmental Improvements					
(a) Tonbridge Town Lock	P01LD	178	1,701	7	} Budgets increased following report to Cabinet March 2015. Expenditure to } date includes design fees previously charged to Tonbridge Town Centre } Enhancement (P01FH). }
Less Developer Contributions			(747)		
Environment Agency Grant			(730)		
Other Grants and Contributions			(2)		
Sub-total		178	222	7	}
Total Environmental Improvements to Summary		178	222	7	
Land Drainage / Flood Defence					
Drainage					
(i) Drainage Improvement Programme	P01HR	75	27		
Less Grants & Contributions					
Sub-total		45	27	0	
(b) Tonbridge Castle River Bank	P01HT	3	147		
Less Environment Agency Grant			(3)	(147)	
Sub-total		0	0	0	
Total Land Drainage / Flood Defence to Summary		45	27	0	

CAPITAL PLAN MONITORING STATEMENT 2015/16 TO 30 JUNE 2015
PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	Code	Expenditure To 31/03/15	2015/16 Estimate Inc Prior Year Slippage	2015/16 Actual to 30 June 2015	
		£'000	£'000	£'000	
Housing Investment Programme					
(a) House Renovation Grants					
(i) Disabled Facilities Grants - Mandatory Less Grant Repayments Government Grant	P03AC	n/a n/a n/a	770 (490)	8 (6)	} 2015/16 budget includes net underspend brought forward from 2014/15 of } £105,000.
Sub-total		n/a	280	2	
(ii) Housing Assistance Less Grant Repayments	P03AD	n/a n/a	90 (30)	11 (12)	
Sub-total		n/a	60	(1)	
Renewable Energy Schemes	P03AM	74	36		
Winter Warmth Less KCC Grant	P03AP		9 (9)		
Sub-total		0	0	0	
Total Housing Investment Programme to Summary		74	376	1	
Environmental Health					
(a) Air Quality Impact Study Less Government Grants and Other Contributions	P02BE		150 (150)		
Sub-total		0	0	0	
Total Environmental Health to Summary		0	0	0	

CAPITAL PLAN MONITORING STATEMENT 2015/16 TO 30 JUNE 2015
PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	Code	Expenditure To 31/03/15	2015/16 Estimate Inc Prior Year Slippage	2015/16 Actual to 30 June 2015	
		£'000	£'000		
Capital Renewals					
(a) CCTV Capital Renewals	P01BA	n/a	10		Underspends from 2014/15 to be reviewed and added to 2015/16 budget provisions where appropriate (July Monitoring Statement).
(b) Car Parking	P01JF	n/a		15	
Total Capital Renewals to Summary		n/a	10	15	

CAPITAL PLAN MONITORING STATEMENT 2015/16 TO 30 JUNE 2015
STREET SCENE & LEISURE

	Expenditure To 31/03/15	2015/16 Estimate Inc Prior Year Slippage	2015/16 Actual to 30 June 2015
	£'000	£'000	£'000
Capital Plan Schemes			
Street Scene	n/a	108	11
Larkfield Leisure Centre	3	447	9
Sports Grounds	0	0	0
Open Spaces	10	15	0
Other Schemes	115	17	9
Sub-total	128	587	29
Capital Renewals	n/a	471	14
Total Street Scene and Leisure	128	1,058	43

CAPITAL PLAN MONITORING STATEMENT 2015/16 TO 30 JUNE 2015
STREET SCENE & LEISURE

	Code	Expenditure To 31/03/15	2015/16 Estimate Inc Prior Year Slippage	2015/16 Actual to 30 June 2015
		£'000	£'000	£'000
Street Scene				
(a) Green Waste Bins Growth / Replacement	P02BC	n/a	54	
(b) Refuse Bins Growth / Replacement	P02DA	n/a	54	11
Total Street Scene to Summary		n/a	108	11
Larkfield Leisure Centre				
(a) Refurbishment of Lifestyles Health Suite	P05LL	3	297	8
Pool Disinfectant and Backwashing System	P05LN		150	1
Total Larkfield Leisure Centre to Summary		3	447	9
Sports Grounds				
(a) Tonbridge Racecourse Sportsground				
(i) Flood Lighting Less Grants and Contributions	P05DA	8 (8)	12 (12)	
Sub-total		0	0	0
Total Sports Grounds to Summary		0	0	0

CAPITAL PLAN MONITORING STATEMENT 2015/16 TO 30 JUNE 2015
STREET SCENE & LEISURE

	Code	Expenditure To 31/03/15	2015/16 Estimate Inc Prior Year Slippage	2015/16 Actual to 30 June 2015
		£'000	£'000	£'000
Open Spaces				
(a) East Malling & Larkfield PC - Recreation Ground Improved Play Facilities	P05FR	10	15	
(b) Open Spaces Site Improvements - Phase 1 Less Developer Contributions	P05FT	73 (73)	26 (26)	7 (7)
Sub-total		0	0	0
(c) Open Spaces Site Improvements - Phase 2 Less Developer Contributions	P05FV	56 (56)	13 (13)	
Sub-total		0	0	0
Total Open Spaces to Summary		10	15	0
Other Schemes				
(a) Tonbridge Cemetery (i) Memorial Safety	P05KV	86	7	
(b) Memorial Garden Improvement Less Fund Raising & Developer Contributions	P05KA	315 (286)	10 (14)	
Sub-total		29	(4)	0
(c) Community Group Funding	P05KS	n/a	14	9
Total Other Schemes to Summary		115	17	9

CAPITAL PLAN MONITORING STATEMENT 2015/16 TO 30 JUNE 2015
STREET SCENE & LEISURE

	Code	Expenditure To 31/03/15	2015/16 Estimate Inc Prior Year Slippage	2015/16 Actual to 30 June 2015	
		£'000	£'000	£'000	
Capital Renewals					
(a) Recycling Initiatives	P02EBCR02	n/a	5		} Underspends from 2014/15 to be reviewed and added to 2015/16 budget provisions where appropriate (July Monitoring Statement).
(b) Sports Grounds & Open Spaces	P05KGBC05	n/a	155		
Sub-total			160	0	
Provision for Inflation / Savings Target (assumes 25%)	P05KZ	n/a	(37)		
Sub-total		0	123	0	
(c) Angel Centre	P05KGBC01	n/a	119	6	
(d) Larkfield Leisure Centre	P05KGBC02	n/a	96	7	
Poult Wood Swimming Pool	P05KGBC04	n/a	48	1	
Poult Wood Golf Course: Grounds Maintenance	P05KGBC06	n/a	116		
Clubhouse	P05KGBC03	n/a	73		
Course	P05KGBC07	n/a	3		
Sub-total			192	0	
Provision for Inflation / Savings Target (assumes 25%)	P05KZ	n/a	(107)		
Sub-total		0	348	14	
Total Capital Renewals to Summary		n/a	471	14	

CAPITAL PLAN MONITORING STATEMENT 2015/16 TO 30 JUNE 2015
CORPORATE

	Expenditure To 31/03/15	2015/16 Estimate Inc Prior Year Slippage	2015/16 Actual to 30 June 2015
	£'000	£'000	£'000
Capital Plan Schemes			
Information Technology Initiatives	51	47	4
Other Schemes	(14)	14	157
Sub-total	37	61	161
Capital Renewals	n/a	287	44
Total Corporate	37	348	205

CAPITAL PLAN MONITORING STATEMENT 2015/16 TO 30 JUNE 2015
CORPORATE

	Code	Expenditure To 31/03/15	2015/16 Estimate Inc Prior Year Slippage	2015/16 Actual to 30 June 2015
		£'000	£'000	£'000
Information Technology Initiatives				
(a) General IT Developments	P06DA	n/a	38	4
(b) Document Management System Expansion	P06DE	51	9	
(c) Revenues & Benefits Document Management Less Government Grant	P06DG		60 (60)	19 (19)
Sub-total		0	0	0
Total Information Technology Initiatives to Summary		51	47	4
Other Schemes				
(a) Local Strategic Partnership Less Performance Reward Grant	P06FJ	135 (149)	14	
Sub-total		(14)	14	0
(b) Flood Repair and Renewal Less Government Grant	P06FM	384 (384)	166 (166)	157
Sub-total		0	0	157
Total Other Schemes to Summary		(14)	14	157

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TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

22 July 2015

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 **BENEFITS UPDATE**

A report advising Members of current issues arising in the benefits field, including an initial 'headline' assessment of the welfare changes set out in the Chancellor's Emergency Budget on 8 July.

1.1 **Performance and Workload of the Benefits Service**

- 1.1.1 The average number of days taken to process new claims for housing benefit over the first quarter of this financial year was 14.6. Changes in circumstances took an average of 6.8 days.
- 1.1.2 Workload remains heavy, largely due to the continuation of the monthly Real Time Information (RTI) data-matching initiative. This national exercise compares data used in housing benefit calculations to that held by the tax office. Mis-matches are electronically referred from the Department for Work and Pensions (DWP) to the Council. The data relates to differences in pay or pensions and some cases stretch back over many years generating large overpayments of benefit.
- 1.1.3 The DWP has introduced a new scheme to encourage Councils to identify fraud and error in payments of housing benefit. The scheme, known as FERIS (Fraud and Error Reduction Incentive Scheme) funds activities targeting fraud and error, through a bidding process. All Councils have been set a baseline target and thresholds for the level of overpayments to be identified.
- 1.1.4 My Service has been awarded £12,455 from the fund and intends to implement new software to identify claims that have a higher risk of being overpaid benefit, and employ a member of staff to review those claims. A review will also take place of forms and stationery used in service. The work will take place in conjunction with Gravesham Borough Council.

1.2 **Welfare Reform Budget Changes**

- 1.2.1 The Chancellor outlined the following measures in his budget of 8 July:
- Lowering the benefit cap from £26,000 to £20,000 (£23,000 in London)

- Freezing working age benefits (including Local Housing Allowance) for the next four years
- A package of reforms to Tax Credits, creating an expectation that parents with a youngest child aged 3 must look for work if they want to claim Universal Credit
- Limiting Child Tax Credits to a maximum of two children from April 2017
- Restricting eligibility to housing support in Universal Credit for non-vulnerable or disabled single 18 to 21 year olds and introducing an 'Earn or Learn' conditionality
- An increase to Discretionary Housing Payments (DHP)
- Reducing social housing rents by one percent per year for four years
- Requiring social housing tenants with incomes over £30,000 (£40,000 in London) to pay near market rate rents
- Introducing a compulsory national 'living wage' from April 2016

1.2.2 At the time of writing this report, the Bill setting out these measures has not been published.

1.2.3 Without knowing the full detail relating to the announcements, as they stand, I estimate they will have the following :

- An increase to the number of households subject to the benefit cap from 17 to 50, effectively restricting housing benefit below Local Housing Allowance levels for non-working working age couples with two or more children and single parents with three or more children. Few, if any, private rentals and 'affordable' housing association rents would be affordable for families of this composition
- Freezing working age benefits and changes to Tax Credits will reduce incomes to approximately 12,000 households in the Borough. There may be difficulties for households paying bills, including council tax. For those claiming council tax reduction, awards will increase
- The incentive to be in work rather than out of work will increase. Parents with a youngest child aged 3, including lone parents, will be required to look for work if they want to claim Universal Credit. Free childcare will be doubled from 15 hours to 30 hours per week for working parents
- Fewer than 10 18 to 21 year olds make new claims to housing benefit each year. The restriction to this age group will take place to the housing cost

element of Universal Credit. There should be no impact on housing benefit but it may be that some individuals will face risk of homelessness

- DHP will continue to be carefully budgeted
- Reducing social sector rents will dramatically curb housing benefit expenditure. The measure may cause constraints to social housing providers in the development and provision of new homes
- I do not anticipate that social sector landlords having to charge near market rents to their tenants earning over £30,000 should burden my Service. It will create a further pinch to some households
- Introduction of the 'Living Wage' will increase earnings for employees receiving the minimum wage. This will cause a reduction to in-work benefits for some households, however, they will be overall better off
- There remains protection from reforms for benefits relating to disabilities and pensioners

1.2.4 I will provide Members with a more detailed analysis of the impact of the welfare reform changes on our Borough at our next Board meeting.

1.3 Legal Implications

1.3.1 The Service will need to comply with legislative changes once they have been set

1.4 Financial and Value for Money Considerations

1.4.1 Resources and performance will continue to be monitored to ensure the Service operates in an efficient and cost effective manner

1.5 Risk Assessment

1.5.1 Service adjustments required for statutory changes

Background papers:

contact: Andrew Rosevear

Nil

Sharon Shelton
Director of Finance & Transformation

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TONBRIDGE & MALLING BOROUGH COUNCIL
FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

22 July 2015

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 COUNCIL TAX AND BUSINESS RATES UPDATE REPORT

A report detailing recent developments in respect of council tax and business rates

1.1 Collection of council tax and business rates

1.1.1 As at 30 June 2015, the collection rate for council tax stood at 26.94%. For the same period in the year 2014/15, the collection rate was 26.8%.

1.1.2 As at 30 June 2015, the collection rate for business rates stood at 30.87%. For the same period in the year 2014/15, the collection rate was 31.96%.

1.1.3 I am encouraged that the council tax collection rate is higher than in 2014/15 after the first quarter of the year, and that the collection rate for working age claimants continues to improve (23.91% as at 30 June compared to 22.28% in 2014/15).

1.1.4 I am also pleased to advise that the number of recovery notices issued in the first quarter is approximately 10% lower than in 2014/15 (see **ANNEX 1**).

1.2 Legal Implications

1.2.1 Nil.

1.3 Financial and Value for Money Considerations

1.3.1 The percentage of council tax and business rates collected during the year impacts on the Council's finances and, consequently, on the level of council tax for future years.

1.4 Risk Assessment

1.4.1 Nil.

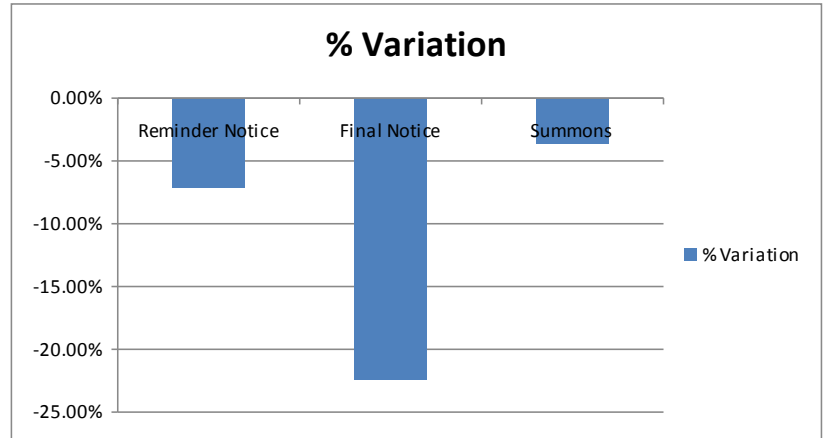
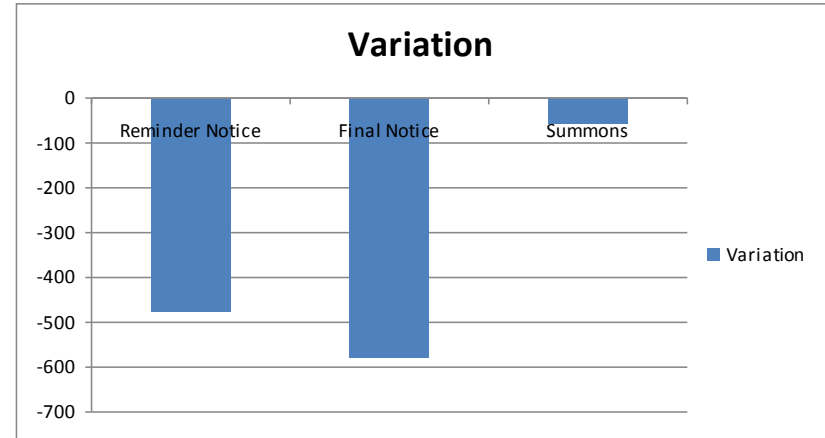
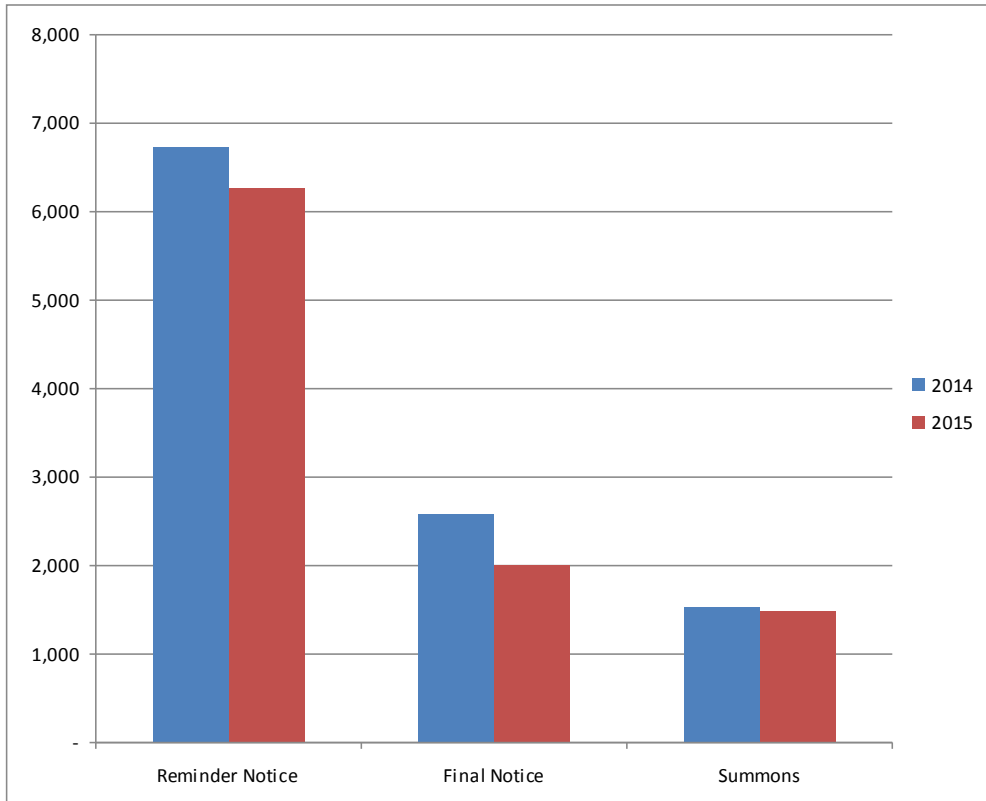
Background papers:

contact: Glen Pritchard
01732 876146

1. In respect of the collection of council tax and business rates, data held within Financial Services.

Sharon Shelton
Director of Finance and Transformation

	Reminder Notice	Final Notice	Summons	Total
2014	6,736	2,578	1,536	10,850
2015	6,263	2,004	1,482	9,749
Variation	-473	-574	-54	-1101
% Variation	-7.02%	-22.27%	-3.52%	-10.15%



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TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

22 July 2015

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 CAPITAL PROGRAMME: POST IMPLEMENTATION REVIEWS MONITORING REPORT

This report identifies the post implementation reviews carried out since the meeting of this Board in July 2014 and the capital plan schemes for which reviews will be due.

1.1 Background

- 1.1.1 The Council's Capital Strategy provides for the reporting of post implementation reviews to demonstrate the effectiveness of capital expenditure. A system for monitoring post implementation reviews for capital projects was endorsed by this Board on 5 October 2005 and since then monitoring reports have been presented to meetings of the Board.

1.2 Progress

- 1.2.1 Capital projects for which a post implementation review has been carried out since the meeting of this Board on 23 July 2014 are detailed in **[Annex 1]**. The Annex covers the following schemes:

Improvements to Reception Areas Gibson East and Tonbridge Castle (FIPAB September 2014)

Gibson Building West Renewal of Heating System (FIPAB September 2014)

Health & Safety Building Improvements (FIPAB September 2014)

Cash Receipting System Replacement (FIPAB September 2014)

Tonbridge Cemetery Path Improvements (LAAB December 2014)

Tonbridge Memorial Garden Vaults (LAAB December 2014)

Hill Top / Priory Wood Children's Play Equipment (LAAB February 2015).

1.2.2 The schedule of forthcoming and outstanding post implementation reviews, most of which are current capital plan schemes, is provided at **[Annex 2]**. The schedule comprises 35 schemes.

1.3 Legal Implications

1.3.1 None.

1.4 Financial and Value for Money Considerations

1.4.1 The reporting of post implementation reviews is important for testing the effectiveness of the Council's capital expenditure and is in accordance with the Council's Capital Strategy.

1.5 Risk Assessment

1.5.1 There is a risk that not carrying out post implementation reviews may lead to the repetition of capital expenditure which is not effective or does not provide value for money.

1.6 Policy Considerations

1.6.1 Capital Strategy.

Background papers:

contact: Mike Withey

Nil

Sharon Shelton
Director of Finance and Transformation

Capital PIRs - Completed Reviews July 2015

Post Implementation Review Monitoring: Completed Reviews		Notes
Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision Completion Date: Final Cost: Post-implementation review (PIR): Criteria for judging success:	Corporate Services: Land & Property Improvements to Reception Areas Gibson East & Tonbridge Castle Customer Contact Advisory Board / 27 March 06 Recommended List B 2006/07 / £756,000 December 2010 (final payment) £755,000 12 Months after completion The scheme will be judged against: - Customer feedback, - Successful closure of cash offices at both sites with associated replacement provision via cash receipting machines, - 'Gateway' facility at Tonbridge Castle including changing place for disabled visitors.	Upgrade to reception areas at both sites to provide high standard of face to face customer contact and improved access for the disabled. Redesign was a prerequisite to the closure of the cash offices and implementation of the Customer Contact Strategy. Castle scheme subsequently extended with funding from KCC to provide a Gateway. Success criteria met. Upgraded facilities praised by users and Members. Project completed within budget. Gross scheme costs offset by contribution from KCC and government grant.
PIR reported: Body / Date	Finance & Property Advisory Board / 24 September 2014	
Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision Completion Date: Final Cost: Post-implementation review (PIR): Criteria for judging success:	Corporate Services: Land & Property Gibson West Renewal of Heating System Cabinet / 7 February 2012 / Selected for List A 2012/13 / £160,000 May 2014 (final payment) £161,000 12 Months after completion The scheme will be judged against: - Reliability of boilers and circulatory pipework, - Reduction in energy consumption, - Maintaining adequate working conditions for staff.	Replacement of existing ageing and obsolete boilers with new high efficiency condensing boilers linked to new distribution pipework creating four separately controlled heating zones (east & west wing, meeting rooms and other central areas). No reliability issues with new boilers or circulatory pipework. Separate heating zones better suited to use of Civic Suite for evening meetings and use of the east wing by the Police 24/7. Energy consumption has reduce by 20%. Conditions for staff during cold weather has improved due to better boiler control programmes. Project completed within £1,000 of budget.
PIR reported: Body / Date	Finance & Property Advisory Board / 24 September 2014	
Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision Completion Date: Final Cost: Post-implementation review (PIR): Criteria for judging success:	Corporate Services: Land & Property Health & Safety Building Improvements Cabinet / 15 May 2012 / Selected for List A 2012/13 / £25,000 March 2013 (final payment) £25,000 12 Months after completion The scheme will be judged against: - Ability of the Council to meet fire safety obligations across all buildings	Scheme to address a range of health and safety issues across the Council's building portfolio associated primarily with Statutory Fire Risk Assessments undertaken during 2011. Works required included improvements to fire detection and alarm systems, fire door improvements, emergency lighting and revisions to fire alarm auto-dialers. Project satisfactorily addressed issues raised in the 2011 Fire Risk Assessments. Project completed within budget.
PIR reported: Body / Date	Finance & Property Advisory Board / 24 September 2014	

Capital PIRs - Completed Reviews July 2015

Post Implementation Review Monitoring: Completed Reviews		Notes
Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision Completion Date: Final Cost: Post-implementation review (PIR): Criteria for judging success: PIR reported: Body / Date	Corporate Services: Information Technology Initiatives Replacement Cash Receipting System FIPAB / 18 July 2012 / Recommended for List A 2012/13 / £50,000 increased to £65,000 CPR 2013/14 May 2013 (final payment) £60,900 12 Months after completion The scheme will be judged against: - Achieve compliance with the Payment Card Industry Data Security Standards (PCIDSS). Finance & Property Advisory Board / 24 September 2014	Implementation of a replacement Cash Receipting System to ensure compliance with changes in the Payment Card Industry Data Security Standards. Implemented system is PCIDSS compliant. Project completed within revised budget. Budget increased from £50,000 to £60,000 by virement to upgrade interfaces with other IT systems.
Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision Completion Date: Final Cost: Post-implementation review (PIR): Criteria for judging success: PIR reported: Body / Date	Street Scene and Leisure: Other Schemes Tonbridge Cemetery Path Improvements F&PAB / 4 January 2012 / Selected for List B 2012/13 / £12,000 increased to £15,000 CPR 2013/14 September 2013 (final payment) £15,500 12 Months after completion The scheme will be judged against: - Provision of safe access to and around Tonbridge Cemetery, - Prevention of accidents.. Leisure and Arts Advisory Board / 8 December 2014	To improve the condition of paths at Tonbridge Cemetery and prevent future health and safety issues. The works have improved access around Tonbridge Cemetery and no accidents have been reported since the works were undertaken. The works have also met objectives within the most recent site access survey. Small overspend against the revised budget.
Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision Completion Date: Final Cost: Post-implementation review (PIR): Criteria for judging success: PIR reported: Body / Date	Street Scene and Leisure: Other Schemes Tonbridge Cemetery Memorial Garden Vaults F&PAB / 9 January 2013 / Selected for List B 2013/14 / £35,000 February 2014 £35,300 12 Months after completion The scheme will be judged against: - Maintaining the current level of service provision at Tonbridge Cemetery, - Maintaining the current level of revenue at Tonbridge Cemetery. Leisure and Arts Advisory Board / 8 December 2014	Due to an increase in sales of vaults within the Memorial Garden additional vaults were required in order to continue to offer this service to the public. The service and associated revenue have been maintained. Scheme completed marginally above budget.

Capital PIRs - Completed Reviews July 2015

Post Implementation Review Monitoring: Completed Reviews		Notes
Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision Completion Date: Final Cost: Post-implementation review (PIR): Criteria for judging success: PIR reported: Body / Date	Street Scene and Leisure: Open Spaces Hill Top / Priory Wood Children's Play Equipment F&PAB / 5 January 2010 / Selected for List B 2010/12 / £20,000 January 2013 £14,500 12 Months after completion The scheme will be judged against: Access to play facilities in the area of the Borough - Meeting objectives highlighted in the Council's adopted Open Spaces Strategy, - Positive local feedback. Leisure and Arts Advisory Board / 24 February 2015	To provide new children's play facilities to serve this area of the borough. Technical difficulties with the Priory Wood site resulted in the area not being feasible for the installation of play equipment. Other site improvements agreed in liaison with local Members where progressed. These included clearance of the pond, renewal of the entrance paths, tree planting, refurbishment of bins, repair and renewal of fences and gates and wild flower planting. It was not possible to meet the specific targets highlighted opposite as play equipment could not be progressed. Works were progressed in liaison with local Members and following local resident requests. Scheme budget underspent by £5,500.

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Capital PIRs - Forthcoming and Outstanding Reviews July 2015

Annex 2

Post Implementation Review Monitoring: Forthcoming and Outstanding Reviews		Notes	Current if listed in the 2015/16 Capital Plan or year last payment made
Service: Planning & Transportation Scheme Category: Transportation Initiatives Scheme Title: Community Partnership Initiatives Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision: Commencing Cabinet / 08 Feb 2005 / Selected for List A 2005/06 / £100,000, 2006/07 £100,000, 2007/08 £100,000		Budget total reduced to £228,000 in the 2008/09 Capital Plan Review, £215,000 2010/11 Capital Plan Review and £174,000 2014/15 Capital	Current
Service: Planning & Transportation Scheme Category: Land Drainage / Flood Defence Scheme Title: Drainage Improvement Programme Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision: F&PAB / 02 Jan 2008 / Selected for List B 2007/08 / £15,000 and £20,000 per annum from 2008/09		Post implementation review to be undertaken after 4 years. Budget provision limited to a total of £72,000 in the 2008/09 Capital Plan Review. Gross budget increased to £100,000 offset by £28,000 funding from DEFRA in the 2010/11 Capital Plan Review	Current
Service: Planning & Transportation Scheme Category: Land Drainage / Flood Defence Scheme Title: East Peckham Flood Alleviation Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision: Cabinet / 08 Jan 2003 / Selected for List A 2003/04 / £250,000		Net cost to Council increased to £271,000 2013/14 Capital Plan Review.	Last payment 2013/14 Total spend £269,000 Green
Service: Planning & Transportation Scheme Category: Land Drainage / Flood Defence Scheme Title: Wouldham River Wall Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision: FIPAB / 08 Jan 2014 / Selected for List B 2015/16 / £700,000			Current
Service: Planning & Transportation Scheme Category: Other Schemes Scheme Title: Tonbridge Castle East Curtain Wall Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision: F&PAB / 05 Jan 2010 / Selected for List B 2010/11 / £50,000			Last payment 2012/13 Total spend £72,000 (Orange)
Service: Planning & Transportation Scheme Category: Environmental Improvements Scheme Title: Tonbridge Town Lock Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision: F&PAB / 07 Jan 2009 / Selected for List B 2012/13 / Net budget £300,000 (Gross £792,000 less £492,000)		Gross budget increased to £1,879,000 part funded by Developer and other contributions of £1,479,000 reducing the net cost to the Council to £400,000 - Cabinet March 2015 .	Current
Service: Environmental Health Scheme Category: Environmental Protection Scheme Title: Air Quality Impact Study Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision: LEMAB / 04 March 2013 / Recommended for List A 2013/14 / £150,000		Funded in full by Government grant.	Current
Service: Housing Scheme Category: Sustainable Communities Programme Scheme Title: Renewable Energy Schemes Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision: Cabinet / 10 Feb 2004 / Selected for List A 2004/05 / £100,000		Budget increased to £110,000 in the 2007/08 Capital Plan Review.	Current

GREEN = Complete 1 year ago (2013/14)

ORANGE = Completed 2 years ago (2012/13)

RED = Completed 3 or more years ago (2011/12 or before)

Capital PIRs - Forthcoming and Outstanding Reviews July 2015

Annex 2

Post Implementation Review Monitoring: Forthcoming and Outstanding Reviews		Notes	Current if listed in the 2015/16 Capital Plan or year last payment made
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision	Leisure Larkfield Leisure Centre Refurbishment of Lifestyles Health Suit FIPAB / 08 Jan 2014 / Selected for List B 2014/15 / £240,000	Budget increased to £300,000 2014/15 Capital Plan Review.	Current
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision	Leisure Larkfield Leisure Centre Energy Saving Measure Phase 3 FIPAB / 08 Jan 2014 / Selected for List B 2014/15 / £40,000	Budget reduced to £30,000 2014/15 Capital Plan Review.	Current
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision	Leisure Larkfield Leisure Centre Pool Disinfectant and Backwashing System FIPAB / 07 Jan 2015 / Selected for List B 2015/16 / £150,000		Current
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision	Leisure Tonbridge Swimming Pool Outdoor Pool Remedial Treatment L&AAB / 15 March 2010 / Recommended for List A 2010/11 / £146,000	Budget increased to £172,000 F&PAB September 2010.	Last payment 2011/12 Total spend £176,000 (Red)
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision	Leisure Tonbridge Swimming Pool Changing Village Floor F&PAB / 04 January 2012 / Selected for List B 2012/13 / £20,000	Budget increased to £22,000 in the 2012/13 Capital Plan Review.	Last payment 2012/13 Total spend £22,000 (Orange)
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision:	Leisure Sports Grounds Tonbridge Racecourse Sportsground Bridge Renewal / Repair F&PAB / 05 January 2010 / Selected for List B 2010/11 / £75,000	Budget increased to £145,000 in the 2013/14 Capital Plan Review and £150,000 2014/15 Capital Plan Review.	Current
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision	Leisure Sports Grounds Tonbridge Racecourse Sportsground Flood Lighting F&PAB / 15 May 2012 / Selected for List B 2012/13 / £20,000	Funded in full by grants and other contributions.	Current
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision:	Leisure Sports Grounds Tonbridge School Athletics Track Improvements FIPAB / 07 Jan 2015 / Selected for List B 2018/19 / £150,000	Funded in full by grants and other contributions.	Current
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision:	Leisure Open Spaces Larkfield Recreation Ground Play Improvements Cabinet / 13 October 2010 / Recommended for List A 2010/11 / £25,000		Current

GREEN = Complete 1 year ago (2013/14)

ORANGE = Completed 2 years ago (2012/13)

RED = Completed 3 or more years ago (2011/12 or before)

Capital PIRs - Forthcoming and Outstanding Reviews July 2015

Annex 2

Post Implementation Review Monitoring: Forthcoming and Outstanding Reviews		Notes	Current if listed in the 2015/16 Capital Plan or year last payment made
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision:	Leisure Open Spaces Site Improvements Phase 1 F&PAB / 05 January 2010 / Selected for List B 2010/11 / £99,000	Funded in full by developer contributions	Current
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision:	Leisure Open Spaces Site Improvements Phase 2 F&PAB / 04 January 2012 / Selected for List B 2012/13 / £69,000	Funded in full by developer contributions	Current
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision	Leisure Other Schemes Tonbridge - Penshurst Cycle Way Phase 2 F&PAB / 13 July 2005 / Selected for List B 2006/07 £42,000 (expanded to £74,000 following Interreg grant of £26,000 & EDF contribution £6,000).	Decision Notice : D080090MEM. As no suitable option for an additional off road section existed at the present time the scheme be removed from Capital Plan and a proportion of the funding be used to progress works associated with the existing cycle route (L&AAB 20 May 2008) . Scheme re-titled to Haysden Country Park - Improvements in the 2008/09 Capital Plan Review. Budget reduced to £22,000 2010/11 Capital Plan Review.	Last payment 2011/12 Total spend £21,000 (Red)
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision	Leisure Other Schemes Tonbridge Memorial Garden Improvements CAB / 26 March 2013 / Recommended for List A 2013/14 / £100,000	Gross scheme budget increased to £250,000 part funded by developer and other contributions of £155,000 2013/14 Capital Plan Review. Gross budget increased to £300,000 offset in full be by developer and other contributions 2014/15 Capital Plan Review.	Current
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision:	Leisure Other Schemes Leisure Facilities - General: Disability Discrimination Act Improvements Phase 3 F&PAB / 03 Jan 2007 / Selected for List B 2007/08 / £47,000	£19,000 vired to Larkfield Leisure Centre Health & Fitness Improvement scheme (F&PAB 8/7/09). Further £5,000 vired to Angel Centre Changing / Toilets / Meeting Room scheme 2011/12 Capital Plan Review. Scheme total now £23,000.	Last payment 2011/12 Total spend £19,000 (Red)
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision:	Corporate Information Technology Initiatives Implementing Electronic Government: Phase 1 2002/03 / £200,000 Phase 2 2003/04 / £140,000 Phase 3 2004/05 / £350,000 Phase 4 2005/06 / £150,000	Fully funded from grant aid from ODP. Returns for phases 1 & 2 have been audited by the Audit Commission.	Last payment 2012/13 Total spend £158,000 (Orange)
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision:	Corporate Information Technology Initiatives Document Management System Expansion F&PAB / 05 January 2010 / Selected for List B 2011/12 / £60,000		Current

GREEN = Complete 1 year ago (2013/14)

ORANGE = Completed 2 years ago (2012/13)

RED = Completed 3 or more years ago (2011/12 or before)

Capital PIRs - Forthcoming and Outstanding Reviews July 2015

Annex 2

Post Implementation Review Monitoring: Forthcoming and Outstanding Reviews		Notes	Current if listed in the 2015/16 Capital Plan or year last payment made
Service: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision:	Corporate Tablet Computers for Members and Officers Cabinet / 9 October 2013 / Recommended for List A 2013/14 / £23,000	Budget increased to £35,000 2014/15 Capital Plan Review.	Current
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision:	Corporate Information Technology Initiatives Revenues and Benefits Document Management FIPAB / 7 January 2015 / Recommended for List B 2015/16 / £60,000	Scheme funded in full by Government Grant.	Current
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision:	Corporate Other Schemes Individual Voter Registration Overview & Scrutiny / 11 June 2014 / Recommended for List A 2014/15 / £30,000	Scheme funded in full by Government Grant.	Current
Service: Scheme Category: Scheme Title: Evaluation Meeting: Body / Date / Action Capital Plan Year / Provision:	Corporate Other Schemes Christmas Displays Capital Grant F&PAB / 23 May 2007 / Selected for List B 2007/08 / £6,000 pa to 2010/11	Total budget provision confirmed at £24,000 2009/10 Capital Plan Review.	Last payment 2013/14 Total spend £25,000 (Green)

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TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

22 July 2015

Report of the Director of Finance & Transformation

Part 1- Public

Matters for Information

1 IT STRATEGY UPDATE

An update for Members on the various strands of IT work in progress within the IT Strategy. A short powerpoint presentation will be made at the meeting.

1.1 Introduction

1.1.1 Members will appreciate that technological support is the foundation for the majority of our services. The IT Strategy was agreed by the Finance, Innovation and Property Advisory Board in September 2014 and consisted of four themes;

- Service Modernisation
- Communications
- Self-Service
- Website.

1.1.2 Progress is being made in all areas and the updates are detailed below.

1.2 Service Modernisation

1.2.1 eForms have been developed to replace the Lagan CRM system which was used by Waste Services. This has enabled one set of forms to be used by staff and the public via the website. Further improvement of the forms will be incorporated based on feedback.

1.2.2 A new complaint handling system has been developed and is currently in the final stages of testing. New procedure notes and training for staff will be provided when testing has been concluded.

1.2.3 A new storage system has been purchased, installed and integrated with our virtual servers. The majority of systems and servers have been moved onto the new system, with the remainder being planned for the next few months.

- 1.2.4 It had been hoped that the Council would be able to progress with a Corporate Document Management (CMS) solution but, regrettably, it has not been possible using the solution we already have in place in pockets within the organisation. Revenue & Benefits document management will now be based upon the Northgate Information@Work product (minute CB 15/24 of Cabinet on 12 February 2015 refers) and a project plan for installation has now been agreed with the supplier. It is intended to roll this out to the Housing team in the near future, with the potential for other services to be brought on board in due course.
- 1.2.5 Laptops are being considered as the default computing device when we replace the current desktop computers at the end of their life to enable more flexible and resilient working for staff, and full costings are being drawn up for submission to Management Team. Testing has also been conducted of hybrid tablet / laptop devices, although their remains a problem of our business system suppliers supporting the latest devices and Windows 8 that must be overcome.
- 1.2.6 Several IT Staff have been trained on “Agile” project methods to better enable the rapid delivery and changes required in IT projects.
- 1.2.7 Digital competency and skills gap assessments are being planned to enable targeted training to be provided to staff in order to assist with the transition to digital online services.
- 1.2.8 Microsoft's new cloud licensing options are being explored for software procurement.
- 1.2.9 An upgrade of WiFi within the Gibson Building is scheduled for August which will introduce newer equipment capable of operating at the higher frequencies required for increased capacity and speed. Some enabling work is required beforehand with other network equipment and this is currently being planned with the supplier.

1.3 Communications

- 1.3.1 The replacement telephone system project (Microsoft Lync) is progressing well and has now moved from “pilot” to a live service. Additional users are now being added onto the system and a second round of training is taking place for staff. The contact centre module will be implemented shortly.
- 1.3.2 An email archiving system is in place and all GroupWise messages up to a certain date have been archived. New and ongoing message archiving will be set up as we move off GroupWise and onto Microsoft Outlook \ Exchange.
- 1.3.3 IT staff have attended the Microsoft Exchange technical training for the new email system.
- 1.3.4 The new Microsoft Exchange email servers have been designed and are in the process of being built on the new storage.

1.3.5 Training for staff on Microsoft Outlook and the deployment of the new software is currently scheduled for October 2015.

1.4 Self-Service

1.4.1 Development of My Account on the website continues, with new features such as automatic population of address fields on forms and online council tax balance lookup being added.

1.4.2 Integration with some back office systems represents a challenge due to suppliers not providing programming interfaces that we can use. However, this is being pursued where the connectors are available, and we will soon be embarking on a project to integrate the forms used by Licensing directly into the back office system.

1.4.3 Online council tax and e-billing options are being reviewed in light of the evaluation of a software package being offered by the revenue and benefits system supplier. Minute CB 15/24 of Cabinet on 12 February 2015 refers.

1.5 Website

1.5.1 The upgrade to the Squiz content management system (used to publish information onto the website) was completed bringing improvements to the software.

1.5.2 The Social Sign-In service has been deployed and staff trained for social media

1.5.3 We are working with a design agency on our website redesign which was demonstrated at the last meeting of this Advisory Board and have conducted accessibility workshops with the Kent Association of the Blind. The new website is due to launch on 28th July.

1.5.4 Live chat has been installed on the website to assist customers with finding information. Feedback from customers and our customer service team is positive.

1.5.5 We are looking to improve the search facility of the website so we can include search results for other systems (such as Planning Public Access and modern.gov, for committee reports etc.) within the main search facility.

1.5.6 Changes are being made to the Website navigation to make information easier to find.

1.5.7 In a review of all council websites called "Better Connected" we have improved from a 2 star website to a 3 star website (with 4 being the best). We also are one of seventeen sites in the country recommended for working well on mobile devices.

1.5.8 The Tonbridge Castle website has been redesigned and can be viewed easily on mobile devices.

1.6 Legal Implications

1.6.1 There are currently no implications.

1.7 Financial and Value for Money Considerations

1.7.1 Items set out within this report are being progressed within existing budgets. The evaluation of software set out within paragraph 1.4.3 will be reported to Members in due course, and if appropriate, proposals regarding funding will be put forward for consideration.

1.8 Risk Assessment

1.8.1 Downtime as a result of failure of IT systems is a risk when so many services rely on technological support. New installations are tested in advance of implementation into a live environment to minimise disruption.

1.8.2 Disaster Recovery plans are reviewed and updated regularly.

1.9 Policy Considerations

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. As stated at paragraph 1.5.3, the website re-design has been shared with the Kent Association for the Blind.

Background papers:

contact: Darren Everden

Nil

Sharon Shelton
Director of Finance and Transformation

TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

22 July 2015

Report of the Director of Finance & Transformation

Part 1- Public

Matters for Information

1 **BUSINESS RATES REVIEW: DISCUSSION PAPER FROM HM TREASURY - UPDATE**

Following discussion at the last meeting of the Advisory Board, this report provides details of the final response provided to HM Treasury in respect of their discussion paper on the business rates system.

1.1 Introduction

1.1.1 At the last meeting of the Advisory Board, I presented the Discussion Paper on Business Rates which had been prepared by HM Treasury. The primary aim of the review, based on the terms of reference, was to establish whether the “business rates system remains fit for purpose in the 21st century”.

1.1.2 The Treasury sought responses by 12 June, and delegated authority was given to me in liaison with the Cabinet Member for Finance, Innovation and Property and the Leader (as the portfolio holder for Economic Regeneration) to formulate a final response on behalf of the Council.

1.2 Response Made

1.2.1 A response was sent to HM Treasury prior to the deadline, and a copy is attached at Annex 1 for Members’ information. Members will note that, as discussed at the last meeting, the impact of the Aylesford Newsprint situation was incorporated within the response as a key principle.

1.2.2 As requested by Members at the meeting, copies of the final response were circulated to the local Members of Parliament, Tracey Crouch and Tom Tugendhat.

1.2.3 The Leader of the Council also took the opportunity to email our response directly to Marcus Jones, Minister for Local Government, following a conversation with him after a Councillors’ Forum hosted by the LGA.

- 1.2.4 In addition, the Leader discussed our response with the South East England Councils Network (SEEC), and as a result the circumstances of Aylesford Newsprint's demise was also included within SEEC's own detailed response - viz:

"The following case study from SEEC member Tonbridge and Malling BC illustrates the point. Recent closure of local business Aylesford Newsprint came with no warning. It was caused in most part by international competition and the strength of the pound, and certainly not due to local issues where the local authority could have had an impact. However, because of the business size and rateable value, closure will have a hugely detrimental impact on a small local authority which is supportive of local business and invests what it can in helping grow the local economy.

Situations like that faced by Tonbridge and Malling are a double-blow to the community - not only is there the loss of 230 jobs from a business that has been part of the local area for around 100 years, but the local authority is hit financially, thus reducing its ability to help reinvigorate the economy. We would welcome an exceptions policy that takes into account special circumstances such as this to ensure that any incentives or disincentives linked to business rates are fair and proportionate"

- 1.2.5 We await feedback from HM Treasury once they had had the opportunity to consider all responses made.

1.3 Legal Implications

- 1.3.1 This is a discussion paper and therefore there are currently no legal implications.

1.4 Financial and Value for Money Considerations

- 1.4.1 This is a discussion paper and therefore there are currently no financial implications.

1.5 Risk Assessment

- 1.5.1 The Council is already affected by the volatility of business rate yield within the borough as outlined in the report.

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

Background papers:

contact: Sharon Shelton

Nil

Sharon Shelton
Director of Finance & Transformation

Tonbridge & Malling Borough Council

Response to Business Rates Review – June 2015

1. What evidence and data can you provide to inform the government's assessment of the trends in use and occupation of non-domestic property?

The Tonbridge and Malling Employment Land Review (December 2014) helps to give an overview of use and occupation of non-domestic property. In short, it highlights the following trends:

- Vacancy rates for office accommodation are at 12% in the borough, however at Kings Hill the vacancy rate is around 18%.
- Vacancy rates for industrial accommodation are very low at around 6% in total suggesting a high level of latent demand. Of those premises that are vacant, a large number (82%) are clustered in and around Aylesford.

Kings Hill is a high quality strategic employment location traditionally catering for larger office based businesses and experiencing a high level of inward investment since it started in the late 1990s. However, recent trends have seen many of these businesses reduce their floorspace take up as a result of flexible working arrangements and efforts to reduce costs – and as a consequence businesses are now taking up single floors of premises rather than the whole building.

In addition, there has been a growth in the number of small business centres on the site – such as that provided by Churchill Square Business Centre and Regus.

The low vacancy rates for industrial accommodation can be partly seen as a sign of success, and vibrancy in this part of the economy. However, it should be noted that it also reflects the very low rate of new build accommodation. As with other parts of Kent, there is very little in the way of speculative industrial development due to the lower levels of return in comparison to residential development, and concerns about being left with empty premises and the associated costs falling on the developer. Indeed, there is considerable pressure from developers to build houses on allocated employment land due to the higher returns and lower risks.

2. Is there evidence to suggest that changing patterns in property usage are affecting some sectors more than others?

The local evidence suggests that the largest changes are taking place in the service industries with the following trends clearly happening, such as:

- Back office functions are moving to more flexible ways of working including an increase in homeworking which is reducing the need for larger call centre/office locations.
- To some extent, retail businesses are moving away from the high street towards an online presence, although a number of retail businesses are capitalising on the benefits of both sales outlets.

In addition, more efficient production line processes have enabled manufacturing firms to reduce their floorspace take up.

Tonbridge & Malling Borough Council

3. What, in your view, does this evidence suggest about the fairness and sustainability of business rates as a tax based on property values?

The evidence suggests that the current system, which was first brought into use in the early 1990s, is in many ways out of date. However, a tax based on property values would still be one of the fairer options, **IF** it also took into consideration additional features which recognise the fact that not all businesses are reliant on commercial premises to function, or some larger firms are able to significantly reduce floorspace take up using flexible working methods.

4. What evidence is there in favour of the government considering a move away from a property based business tax towards alternative tax bases? What are the potential drawbacks of such a move?

The information, as stated above, suggests that a move away from **SOLELY** a property based business tax could have its merits in reflecting more accurately the ability of a business to pay rates. However, the balance does need to be struck between setting up a system which is more reflective of the economy but at the same time does not become too convoluted or difficult to assess. Although the current system does have its grey areas/nuances, it is relatively well established and understood. If considered appropriate, the introduction of additional features such as turnover or employee numbers needs to be done in a way that is clear and transparent, as well as easily gathered, especially as there are likely to be winners and losers with any change to the system as the stated intent is for any changes to be fiscally neutral.

Also we have reservations about linking business rates directly to the number of employees, as this may provide an incentive (admittedly in probably a relatively small number of cases) to some businesses to look at rationalising staff numbers in order to reduce their rates.

5. What examples from other jurisdictions and tax systems should the government consider as part of this review? What do you think are the main lessons for the business rates system in England?

Unable to comment.

6. How can government use business rates to improve the incentive for local authorities to drive local growth?

It would appear that whilst directly linking local authorities to the performance of its economy overall has its merits; it is not without its flaws.

As things stand at the moment, a local authority can in some instances be rewarded or punished for economic events that are largely out of their control, therefore creating somewhat of a lottery. Although a local authority has a level of control and influence on its economy, through the planning process or the work of its economic development departments, the fate of a local economy, especially a smaller economy, can be disproportionately impacted by events it has very little or no control of whatsoever.

At Tonbridge and Malling, the closure of Aylesford Newsprint came with no warning, and was caused in most part by international competition and the strength of the pound, and certainly not due to local issues that the local authority could have had an impact on. However, because of its size and hence rateable value, the closure of this business will have a hugely detrimental impact on a small local authority which

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is supportive of local business and invests what it can in helping grow the local economy. The complex nature of the site will be a factor in its redevelopment, and therefore it is likely that the Borough Council will be financially penalised for a lengthy period of time. This is a matter that was taken up with the (then) Minister for Local Government, Kris Hopkins, via the local MP, Tracey Crouch. **Please see the attached correspondence in which the Minister advises that this unusual case has already been brought to your attention on the basis that it is pertinent to this review.**

Situations like these are a double-blow to the community – not only is there the loss of 230 jobs from a business that has been part of the local area for around 100 years, but the local authority is hit financially, potentially for a number of years until the baselines are reset, thus reducing its ability to help reinvigorate the economy. There is a perversity about the fallout from such a significant case as this. Since the financial impact on the local authority is SO significant and it is highly unlikely that whatever it does the local authority will not get back to baseline within the business rate retention model, hypothetically there is little incentive for the authority to put resources into growing the business rate base until the ‘reset’ occurs. Whatever new business rates are generated will be more than swallowed up by the significant loss and therefore the authority sees no reward whatsoever, through the business rate retention model, for its efforts.

As such, we do not believe the system is flexible enough in responding to exceptional ‘events’ and we believe there should be an exceptions policy that takes into account special circumstances such as this to ensure that any incentives or disincentives are fair and proportionate.

7. What impact would increased local retention of business rate revenue have on business growth? What would the impacts be on local authorities?

In theory, increased local retention would ensure that there was an even closer working relationship with businesses in the local economy and encourage a stronger focus on local business growth. If the local retention of business rates translated into an increase in revenue, then it could enable the borough council to consider further investments into the local economy – such as business rate relief through the Localism Act 2011, investing in commercial property or providing additional local support to stimulate apprenticeships.

However, with the mechanics of the system as they are presently set, we must also be mindful of the impact of appeals. The current appeals system does not aid certainty and predictability. For the local authority, the period over which a successful appeal can be backdated is entirely outside of its control and makes financial planning extremely difficult especially when the backlogs at the VO are significant. One suggestion is that there should be no backdating of appeals with the outcome being implemented from date of judgement. We do acknowledge that this would, no doubt, put additional pressure on the VO to turn cases around quickly.

In terms of impact on the local authorities, the vast majority already have a strong focus on supporting the local economy and so we wouldn’t see it creating a change of focus, albeit it may reinforce it further. The perception amongst a large number of the business community is that local authorities retain all of the business rates as they are the organisation that collects this payment, as such by having a greater share of the rate revenue would actually provide greater local accountability and in many ways, should help to demonstrate transparently the relationship between what business pay and what the revenue has contributed towards locally.

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8. What other local incentives should the government consider to further incentivise business growth?

Whilst there are incentives for local authorities to encourage house building within their area through the New Homes Bonus – recognising the need to increase housing stock to meet an ever growing demand – and developers are incentivised to build housing due to increased values, there is a much lower incentive to build new commercial and industrial premises that would ultimately increase a business rate base and meet a large latent demand.

Information from Locate in Kent and the council's Employment Land Review indicates that whilst there is demand from businesses to expand into larger premises, the availability of suitable accommodation is lacking and the levels of speculative development of commercial and industrial premises is extremely low as values are considerably lower than residential values.

A financial incentive that makes speculative development of commercial and industrial more attractive would not only help to stimulate business growth, it would also help to create more balanced communities.

9. Should business rates be reformed to make them more closely reflective of wider economic conditions and if so, how?

In general terms, the 5 year cycle does provide additional certainty, helping business to forecast expenditure over the medium term as well as give local authorities a clearer indication of future funding. Indeed, if there were more regular reviews, whilst businesses might find that their rates decreasing, they could increase sharply depending on where the economy is in its economic cycle. However, there are problems with a 5 year cycle such as:

- As per the response to Q6, in circumstances such as Aylesford Newsprint the local authority is 'punished' over a longer time frame.
- Businesses are more vulnerable to economic changes, especially in a down turn.

A change to a 3 year cycle might help to make the system more responsive to economic fluctuations and yet still provide a degree of certainty over the short/medium term.

10. If business rates remain a property tax, how do you suggest business rates could take into account the individual circumstances of businesses such as their size or ability to pay rates?

As stated previously, whilst we are of the view that business rates should remain chiefly a property tax, we think there could be additional features attached to it that recognise turnover, and possibly even give some recognition to certain sectors that are particularly 'floorspace hungry'.

With the backdrop of the challenging future climate change goals for central government, the rating system could be a potential 'conduit' to incentivise renewable energy as an alternative to the Feed-In Tariff system. This could have the potential

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to encourage landlords to take a closer look at their roof space for solar PV if it led to a reduction in rates. Having said that, in line with the comments made in response to question 6 and the uncertainty regarding issues outside of the local authority's control, the financial impact of any reductions in rates collectable in pursuance of the achievement of wider government targets should not be borne by the local authority.

11. How does the proportion of total operating costs accounted for by business rates vary by the sector and size of a business?

Unable to comment

12. What is the impact of the business rates system on the competitiveness of UK businesses? Are there any particular impacts on SMEs?

It is difficult to state the extent of a direct correlation between business rates and competitiveness of UK businesses as there are so many variables involved – such as staff costs, energy costs, and property prices.

However, with regards SMEs, the vast majority of business in the Tonbridge and Malling area fit into this category and many of these benefit from Small Business Rate Relief. The fact that this relief is in place and has been widely promoted to businesses by local authorities shows the extent that small businesses (or at least those businesses with a small floorspace requirement) are supported. Despite this, the 3 year survival rate for businesses that set up in the Tonbridge and Malling area is still quite low – at only 59% - suggesting that there are issues impacting upon the competitiveness of small businesses locally.

13. How could the government better target support for SMEs given that the size of a company may not be reflected in the rateable value of a property it uses?

Introduce turnover into the overall calculation of rates? This would probably require a more regular review however.

14. Should investment in plant and machinery, energy efficiency improvements or other similar property improvements, be treated differently by the business rates system? If so what changes could be made?

In Tonbridge and Malling borough, like many other parts of the county, the stock of commercial premises is rather dated and in need of investment. Whilst the impact on rateable value, and therefore business rates, is clearly a consideration, there are a number of other reasons for this:

- The key reason is the low rates of return for any investor given the comparatively low values attached to commercial premises.
- Many small businesses that own their premises still struggle to access finance from conventional sources to carry out improvements.
- In a very small number of cases, property owners purposefully look to run down a site in the expectation that it will make it easier to obtain permissions for residential use.

Without these broader issues being addressed in some way, it is likely that investment in commercial premises will continue to be inhibited in many instances.

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However, where a business is considering investing in plant or energy efficiency improvements there could potentially be a short term discount to provide an additional 'carrot'.

As with other business grant and loan schemes, such a financial incentive is unlikely to be the sole or main stimulus for action, but as part of an overall package of support, it could prove quite an incentive to improve business survival and efficiency.

15. What evidence and analysis should the government take into account when evaluating the impact of and any changes to the range of reliefs and exemptions present in the business rates system?

Small Business Rate Relief:

- VAT registrations
- 1-5 year Business Survival Rates
- Vacancy rates of premises with a rateable value of under £6,000 and under £12,000.

Sharon Shelton

Director of Finance & Transformation

June 2015



HOUSE OF COMMONS

LONDON SW1A 0AA

Kris Hopkins MP
Parliamentary Under Secretary
Department of Local Government & Communities
2 Marsham Street
London SW1P 4DF

24 March 2015

Dear Kris

Aylesford Newsprint

Thank you for taking the time to see me and representatives from Tonbridge & Malling Borough Council yesterday regarding the financial implications for the Council following the liquidation of Aylesford Newsprint (ANP), a 'unique' facility within the South East.

As I said at our meeting, in my experience Tonbridge & Malling Borough Council is exceptionally proactive and keen to engineer solutions to new challenges. Traditionally the Council does not 'sit back' looking to others to find answers. In particular the Council has a strong track record in facilitating the redevelopment of major brownfield sites which have led to numerous high quality schemes. I have been talking actively with the Council about potential future uses of the site (which covers an area of 100 acres) and we are collectively of the view that the options for the site present an exciting opportunity for investment and development. The Council is well progressed in the preparation of its next local plan and we would expect the ANP site to be brought forward for positive mixed use redevelopment within that context. The Council continues to work closely with its partners through the LEP including the County Council and although there are significant challenges with the site I have every confidence that, in time, we will see the beneficial regeneration of the area through innovative measures as we have seen elsewhere in Tonbridge and Malling.

However, despite all the efforts that I am confident the Council will devote to resolving this issue for the benefit of local taxpayers, it is very unlikely that a new development solution (whatever that may be) will be in place within the next five years. Experience shows that there will inevitably be significant lead-in time and preparatory work that will need to take place.

In the meantime the Council are very concerned about the financial impact the closure of ANP will have on them, and more importantly their council taxpayers, through the business rate retention model. I understand that the 'baselines' for business rate retention will not be reset until 2020, and therefore until that time the Council will be treated as though the potential business rate income from the ANP site is still collectable, when clearly it is not.

I understand that the Rateable Value of the main site is £3m (there are some smaller sites belonging to ANP which are rated separately) which, ordinarily, would generate business rate income of £1.479m. I understand the Council's share of this income (or loss, as it now is) would be 40% - £

591,600 per annum – which is a significant sum. The main ANP site has the joint largest rateable value in the borough.

As a matter of interest, the other largest rateable value belongs to the incinerator (waste plant) which suffered an unexpected and major reduction in RV of some £760,000 during the financial year 2013/14. It is to the credit of the Council that, as the local MP, I did not even appreciate this fact – they simply took the ‘hit’ and tried to address the financial impact through other means. This new blow to their financial position is, however, a further and most serious one at a time when as a relatively small local authority the maintenance of good local services is under severe financial pressure.

I can vouch for the fact that the Council has been working hard to ‘grow’ business within the borough boundaries, but from what I understand it has been a case of one step forward and two steps back due to the fact that Valuation Appeals (including the Incinerator mentioned earlier), completely outside of the Council’s control, have completely wiped out any growth in the business rate base. I was interested to see a graphical representation of this (included in the briefing note which I handed to you yesterday) which clearly shows that even though the number of businesses have grown over the last five years, perversely the actual business rate income that can be collected has significantly fallen. As was mentioned by one of your officials yesterday, although the ‘gearing’ principles of the business rate retention model have worked very well for some councils, clearly the opposite has been the case for Tonbridge & Malling Borough Council which I feel is very unfortunate given the progressive stance the Council has always adopted.

I am assured that the Council will be responding to the latest consultation regarding the business rate retention model and I hope that the Council’s unfortunate experience can help to adapt and improve the model for the future. Nevertheless, I am concerned about the immediate financial impact on the Council and the council taxpayers in my constituency and across the Borough. We discussed two key issues yesterday:

The first was an immediate ‘cash flow’ issue, which was acknowledged by one of your officials. As I understand it, the Council will have to pay over to DCLG its share of the ANP business rate income on a monthly basis – money which clearly will not be collected and will need to come out of the council’s own balances, putting other council services at risk. I understand that roughly this equate to £62,000 per month. **As an immediate step, can the payment schedule to DCLG be amended to reflect the fact that the business rate income from ANP will not be collectable?**

The second point relates to the Council’s business rate baseline which I am told is part of the overall Settlement Funding Assessments for councils. The concern that the Council has is that their baseline will continue to carry the assumption that the ANP site is economically viable until either the site is regenerated, or the business rate retention ‘reset’ occurs in 2020. As I have expressed above, despite every effort that I know the Council will make to resolve this problem, I cannot envisage the site being economically viable and successfully redeveloped for some years due to the ‘issues’ on the site. Therefore, unless the baseline is amended, the Council will be in a safety net position until the reset occurs. In a nutshell, the Council and its taxpayers will be faced with funding the safety net threshold of currently £156,000 per annum (cumulatively over £800,000 until ‘reset’) and the Kent Business Rates Pool will need to cover the remaining loss. As mentioned at our meeting, the other partners in the Pool have acted very professionally in respect of this news regarding the loss of this significant ratepayer, but it cannot be taken as read that Tonbridge & Malling will continue to be part of the Pool until ‘reset’ occurs in 2020. As you may be aware, the issues with Manston Airport in the Thanet area could also prove to be a significant pressure for the Kent Pool in due course and, although I am not an expert in these matters, I might speculate that all these issues combined could

well instigate a review of the pooling arrangements. If this were to happen and TMBC were no longer part of a pooling arrangement, I am advised that the remaining 'loss' beyond the safety net would revert to government.

Taking all these matters into account, our second request is, therefore, that TMBC's baseline and tariff level be adjusted on an exceptional basis to reflect the loss of this significant and unique ratepayer.

I have taken the liberty of attaching a copy of the briefing paper which I handed to you yesterday and which sets out the key figures. I am certain that the Council will be pleased to talk to your officials about any of the issues contained in the paper and to clarify any points.

Once again, may I thank you for your time yesterday and I look forward to hearing from you.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Tracey', with a large, sweeping flourish above the first few letters.

TRACEY CROUCH MP

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Department for
Communities and
Local Government

Kris Hopkins MP
Minister for Local Government

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Dear Tracey,

26 MAR 2015

Thank you for your letter of 24 March following our meeting with Tonbridge and Malling District Council the day before.

Of course, we recognise that councils can experience significant volatility in their business rates income for a number of reasons including where businesses fail. In this instance the failure of Aylesford Newsprint means that the Council's income from business rates is some way below what was expected. This means that on the current position, Tonbridge and Malling will not benefit from the rates retention scheme.

As we discussed, the risks present in the system can equally bring reward and many authorities have seen benefits from the scheme. As such, the Government has always recognised that the rates retention scheme involves the transfer of greater risk to local authorities, alongside the potential for greater reward. For 2015/16, 362 authorities (94%) will retain £544m more in 2015-16 than their baseline funding level. So whilst I appreciate this will be of little comfort to the Council, overall the rates retention scheme is proving to be very successful.

However, the Treasury have launched a long term review of business rates and as part of this we are asking how we can use business rates to improve the incentive for local authorities to drive local growth. Clearly the Council's current circumstances will be relevant to that part of the review and I note they will be responding to the discussion document. Views are invited by 12 June but my officials have already brought this case to the attention of the Treasury.

You asked if the Department could waive the Council's 50% central share business rates payment in respect of Aylesford Newsprint. Unfortunately, the arrangements for payment of the central share are prescribed in legislation and there is currently no flexibility in those rules for the Secretary of State to make different arrangements for some authorities. This, of course, means we cannot change the central share payment in the short term. However, this case has highlighted the potential for small authorities such as Tonbridge and Malling to see a cash flow penalty where their income drops below the safety net within a year. I can assure you that it is something we will look at over the coming months.

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KRIS HOPKINS MP

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Agenda Item 11

Any other items which the Chairman decides are urgent due to special circumstances and of which notice has been given to the Chief Executive.

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Agenda Item 12

The Chairman to move that the press and public be excluded from the remainder of the meeting during consideration of any items the publication of which would disclose exempt information.

**ANY REPORTS APPEARING AFTER THIS PAGE CONTAIN EXEMPT
INFORMATION**

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Agenda Item 15

Any other items which the Chairman decides are urgent due to special circumstances and of which notice has been given to the Chief Executive.

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