

# TONBRIDGE & MALLING BOROUGH COUNCIL



## EXECUTIVE SERVICES

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### Chief Executive

Julie Beilby BSc (Hons) MBA

Gibson Building  
Gibson Drive  
Kings Hill, West Malling  
Kent ME19 4LZ  
West Malling (01732) 844522

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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](mailto:committee.services@tmbc.gov.uk)

21 June 2016

To: MEMBERS OF THE CABINET  
(Copies to all Members of the Council)

Dear Sir/Madam

Your attendance is requested at a meeting of the Cabinet to be held in the Civic Suite, Gibson Building, Kings Hill, West Malling on Wednesday, 29th June, 2016 commencing at 7.30 pm

Yours faithfully

JULIE BEILBY

Chief Executive

## A G E N D A

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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

Councillor N J Heslop, (Leader) and (Economic Regeneration)  
Councillor M A Coffin, (Finance, Innovation and Property)  
Councillor Mrs M F Heslop, (Community Services)  
Councillor D Lettington, (Street Scene and Environment Services)  
Councillor H S Rogers, (Strategic Planning and Infrastructure)  
Councillor Miss S O Shrubsole, (Housing)

Members of the Council who are not members of the executive may attend meetings of the Cabinet. With the agreement of the Leader, any such Member may address the Cabinet on any item on the agenda but may not vote.

Apologies for absence

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Declarations of interest

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## TONBRIDGE AND MALLING BOROUGH COUNCIL

### CABINET

Tuesday, 22nd March, 2016

**Present:** Cllr N J Heslop (Chairman), Cllr Mrs J A Anderson, Cllr M A Coffin, Cllr Mrs M F Heslop and Cllr H S Rogers

Councillors O C Baldock, M A C Balfour, Mrs S M Barker, T Bishop, P F Bolt, D J Cure, D Lettington, Mrs S L Luck, P J Montague, L J O'Toole, Mrs A S Oakley, M Parry-Waller, S C Perry, M R Rhodes, R V Roud, Miss S O Shrubsole and A K Sullivan were also present pursuant to Access to Information Rule No 22.

An apology for absence was received from Councillor B J Luker

### PART 1 - PUBLIC

#### **CB 16/25 DECLARATIONS OF INTEREST**

There were no declarations of interest made in accordance with the Code of Conduct.

#### **CB 16/26 MINUTES**

**RESOLVED:** That the Minutes of the meeting of the Cabinet held on 11 February 2016 be approved as a correct record and signed by the Chairman.

### MATTERS FOR RECOMMENDATION TO THE COUNCIL

#### **CB 16/27 HAYSDEN COUNTRY PARK - SITE IMPROVEMENTS**

Item COM 16/19 referred from Communities Advisory Board minutes of 1 March 2016

The Cabinet received the recommendations of the Communities Advisory Board at its meeting of 1 March 2016 in relation to the Capital Plan project for site improvements at Haysden Country Park.

**RECOMMENDED:** That the transfer of the capital plan scheme for the site improvements at Haysden Country Park to the Capital Plan (List A) be approved and the Capital Plan updated accordingly.

**\*Referred to Council**

**DECISIONS TAKEN IN ACCORDANCE WITH PARAGRAPH 4,  
PART 3 OF THE CONSTITUTION**

**CB 16/28 BULKY HOUSEHOLD WASTE AND FRIDGE/FREEZER  
COLLECTION CHARGES**

Decision Notice D160030CAB

**CB 16/29 TONBRIDGE AND MALLING LEISURE TRUST - REVIEW OF  
CHARGES 2016/17**

Decision Notice D160031CAB

**CB 16/30 CAR PARKING CHARGES IN WEST MALLING**

Decision Notice D160032CAB

**CB 16/31 ONLINE COMMUNITY LOTTERY**

Decision Notice D160033CAB

**CB 16/32 LOWER THAMES CROSSING**

Decision Notice D160034CAB

**MATTERS SUBMITTED FOR INFORMATION**

**CB 16/33 MATTERS REFERRED FROM ADVISORY BOARDS**

The notes of the meetings of the following Advisory Boards were received, any recommendations contained therein being incorporated within the decisions of the Cabinet reproduced at the annex to these Minutes.

Housing and Environment Services Advisory Board of 22 February 2016  
Economic Regeneration Advisory Board of 24 February 2016  
Communities Advisory Board of 1 March 2016

**RESOLVED:** That the report be received and noted.

**CB 16/34 MATTERS REFERRED FROM ADVISORY PANELS AND OTHER  
GROUPS**

The Minutes of the meetings of the following Advisory Panels and other Groups were received, any recommendations contained therein being incorporated within the decisions of the Cabinet reproduced at the annex to these Minutes.

Tonbridge Forum of 8 February 2016

Parish Partnership Panel of 18 February 2016  
Joint Transportation Board of 14 March 2016

**RESOLVED:** That the report be received and noted.

**CB 16/35 REVIEW OF FUNDING ARRANGEMENTS WITH PARISH COUNCILS**

Further to Minute CB 16/6 (2), the report of the Management Team gave an update on progress with the detailed research into funding for parish councils commissioned by the Cabinet. Due to the complexity of the matter it had not yet been possible to complete the research and significant project work involved so an extraordinary meeting of the Cabinet would be held on 20 April 2016. An updated timetable would be presented to that meeting but it was anticipated that the programme could still be delivered by the meeting of the Council on 1 November 2016. The chairmen and clerks to all parish councils had been advised of the arrangements.

**RESOLVED:** That the report be received and noted.

**CB 16/36 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.

**DECISIONS TAKEN IN ACCORDANCE WITH PARAGRAPH 4, PART 3 OF THE CONSTITUTION**

**CB 16/37 DELEGATIONS - PROPERTY MATTERS**

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

Decision Notice D160035CAB

**CB 16/38 ONLINE COMMUNITY LOTTERY - ANNEX 1**

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

Decision Notice D160033CAB (Minute CB 16/31 refers)

**CB 16/39 DEBTS FOR WRITE OFF**

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

Decision Notice D160036CAB

The meeting ended at 9.34 pm

## TONBRIDGE AND MALLING BOROUGH COUNCIL

### CABINET

Wednesday, 20th April, 2016

**Present:** Cllr N J Heslop (Chairman), Cllr Mrs J A Anderson, Cllr M A Coffin, Cllr Mrs M F Heslop, Cllr B J Luker and Cllr H S Rogers

Councillors Mrs S M Barker, T Bishop, P F Bolt, V M C Branson, D J Cure, D Lettington, P J Montague, L J O'Toole, M Parry-Waller, S C Perry, M R Rhodes, R V Roud and A K Sullivan were also present pursuant to Access to Information Rule No 22.

### PART 1 - PUBLIC

#### **CB 16/40 DECLARATIONS OF INTEREST**

There were no declarations of interest made in accordance with the Code of Conduct.

### DECISIONS TAKEN IN ACCORDANCE WITH PARAGRAPH 4, PART 3 OF THE CONSTITUTION

#### **CB 16/41 REVIEW OF FUNDING ARRANGEMENTS WITH PARISH COUNCILS**

Decision Notice D160037CAB

#### **CB 16/42 COUNCIL TAX REDUCTION SCHEME**

Decision Notice D160038CAB

### MATTERS SUBMITTED FOR INFORMATION

#### **CB 16/43 CHANCELLOR OF THE EXCHEQUER BUDGET 2016**

The report of the Director of Finance and Transformation highlighted the main issues affecting local authorities contained within the Chancellor of the Exchequer's Budget 2016 announcement. Particular reference was made to a number of changes to business rates and information regarding the impact on small businesses in the Borough was set out in the annex to the report.

**RESOLVED:** That the report be received and noted.

**CB 16/44 EXCLUSION OF PRESS AND PUBLIC**

There were no items considered in private.

The meeting ended at 9.40 pm

# Agenda Item 5

The notes of meetings of Advisory Boards are attached, any recommendations identified by an arrow being for determination by the Cabinet. Notices relating to any decisions already taken by Cabinet Members under the arrangements for delegated decision making have previously been circulated.

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## TONBRIDGE AND MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION AND PROPERTY ADVISORY BOARD

Wednesday, 1st June, 2016

**Present:** Cllr S M King (Chairman), Cllr T C Walker (Vice-Chairman), Cllr J L Botten, Cllr Mrs B A Brown, Cllr T I B Cannon, Cllr D J Cure, Cllr M O Davis, Cllr R D Lancaster, Cllr Miss J L Sergison and Cllr A K Sullivan

Councillors Mrs J A Anderson, O C Baldock, P F Bolt, M A Coffin, D Lettington, 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, R P Betts, T Bishop, F G Tombolis and B W Walker

#### PART 1 - PUBLIC

##### **FIP 16/18 DECLARATIONS OF INTEREST**

There were no declarations of interest made in accordance with the Code of Conduct.

##### **FIP 16/19 MINUTES**

**RESOLVED:** That the notes of the meeting of the Finance, Innovation and Property Advisory Board held on 13 January 2016 be approved as a correct record and signed by the Chairman.

#### MATTERS FOR RECOMMENDATION TO THE CABINET

##### **FIP 16/20 MULTI-YEAR SETTLEMENT AND ASSOCIATED EFFICIENCY PLAN AND FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY**

The report of the Director of Finance and Transformation gave details of the Government's offer of a four year funding settlement to 2019/20, originally made in the context of the current year's local government finance settlement and subsequently clarified by the Secretary of State for Communities and Local Government. It was noted that the deadline for requesting the offer was 14 October 2016 and an efficiency plan was required to be submitted.

A draft submission accepting the offer, should the Council choose to do so, was set out at the Annex to the report and included the Savings and Transformation Strategy which was considered to meet the requirements for an efficiency plan. However, it was understood that the LGA and CIPFA were in discussion regarding the format and content of any

submissions so the Council's application for the offer might need to be adapted accordingly.

Reference was made to Government guidance recommending preparation of an annual Flexible Use of Capital Receipts Strategy and the draft submission also contained a statement regarding the Council's strategy for the flexible use of capital receipts in 2016/17.

**RECOMMENDED:** That

- (1) the submission accepting the Government offer of a four year funding settlement to 2019/20, as set out at Annex 1 to the report and the accompanying Appendix 1, be endorsed and commended to the Council subject to inclusion of a statement regarding the Council's position in respect of the two key questions on business rates baseline and New Homes Bonus outlined in paragraph 1.1.6 of the report;
- (2) the Flexible Use of Capital Receipts Strategy for 2016/17, referred to in paragraph 1.3.3 of the report, be endorsed; and
- (3) the Director of Finance and Transformation, in consultation with the Cabinet Member for Finance, Innovation and Property, be authorised to adjust the format of the submission in the light of the discussions by the LGA and CIPFA.

**\*Referred to Cabinet**

## **FIP 16/21 APPLICATIONS FOR DISCRETIONARY RATE RELIEF**

The report of the Director of Finance and Transformation gave details of new and renewal applications for discretionary rate relief which were considered in accordance with the previously agreed criteria for determining such applications.

**RECOMMENDED:** That

- (1) the re-applications for discretionary relief shown at Annex 3 to the report be determined as follows:

20% discretionary rate relief be awarded to Kings Hill Youth Centre with effect from 1 April 2015 and time limited to 31 March 2017;

consideration of the application regarding Hadlow Post Office be deferred to enable more information to be obtained concerning the relocation of the Post Office;

- (2) the new applications for discretionary rate relief be determined as follows:

Housing & Care 21, Flat 4 Watercress Court, 98 Mill Street, East Malling – 100% discretionary rate relief be awarded, back dated to 1 April 2015 and time limited to 31 March 2017; and

Hammersmith Martial Arts Club, Rear 130 Vale Road, Tonbridge – 20% discretionary rate relief be awarded, back dated to 22 April 2015 and time limited to 31 March 2017.

## **FIP 16/22 FINANCIAL PLANNING AND CONTROL**

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 2016. It also gave details of the variations agreed in relation to the revenue budget, summarised to provide an overall budget outturn position for 2015/16 which showed a net favourable variance of £294,629.

Details were provided of variations identified through budgetary control in respect of 2016/17 which showed a net favourable variance of £182,800 which would contribute towards the year's savings target. 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.

## **MATTERS SUBMITTED FOR INFORMATION**

### **FIP 16/23 BENEFITS UPDATE**

Members were advised of current issues arising in the benefits field including performance and workload of the Benefits Service, progress with the rollout of Universal Credit, various aspects of welfare reform and implications for housing benefit subsidy. Reference was made to the consultation following the review of the Local Council Tax Reduction Scheme and a presentation given of the video to be placed on the website. Members made suggestions on this and the proposed cards to be distributed to consultees.

### **FIP 16/24 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 2015/16, the former of which had exceeded the target set and constituted the highest collection rate in Kent. An update was given at the meeting for the collection rates for 2016/17 as at 31 May 2016 which were 17.39% for council tax and 21.32% for business rates. Members commended the staff involved for the rates achieved. It was also

suggested that rates exclusive of direct debit payments be presented for comparison in future.

**FIP 16/25 PUBLICATION OF ALLOWANCES PAID TO MEMBERS DURING THE FINANCIAL YEAR 2015/16**

The Advisory Board received a copy of the statement of the actual allowances paid to Members during the financial year 2015/16 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 16/26 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 16/27 DEBTS FOR WRITE OFF**

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

The report of the Director of Finance and Transformation recommended 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 20 items shown in the schedule of amounts over £1,000, totalling £60,214.35 be written-off for the reasons stated within the schedule.

The meeting ended at 8.37 pm

**TONBRIDGE AND MALLING BOROUGH COUNCIL**

**COMMUNITIES AND HOUSING ADVISORY BOARD**

**Wednesday, 8th June, 2016**

**Present:** Cllr P J Montague (Chairman), Cllr Mrs B A Brown (Vice-Chairman), Cllr Mrs J A Anderson, Cllr Mrs S M Barker, Cllr Mrs P A Bates, Cllr V M C Branson, Cllr Mrs S L Luck, Cllr Mrs A S Oakley, Cllr L J O'Toole, Cllr M Parry-Waller and Cllr T B Shaw

Councillors P F Bolt, D J Cure, Mrs M F Heslop, N J Heslop, H S Rogers and Miss S O Shrubsole were also present pursuant to Council Procedure Rule No 15.21.

Representative: Mr A Nicholl (Tonbridge Sports Association)

Apologies for absence were received from Councillors O C Baldock, Mrs S Bell and Ms S V Spence

**PART 1 - PUBLIC**

**CH 16/1 DECLARATIONS OF INTEREST**

There were no declarations of interest made in accordance with the Code of Conduct. However, Councillor P Montague advised in connection with the report of the Tonbridge Sports Association that he was the Secretary of the Tonbridge Invicta Football Club. Councillor Mrs M Heslop also indicated that she was a member of Tonbridge Athletics Club in respect of the item on Capital Projects.

**CH 16/2 PRESENTATION FROM KENT POLICE**

The Advisory Board received a presentation from Sergeant Mark Ginsberg of Kent Police on the latest crime statistics and trends for the Borough. It was noted that crime levels in Tonbridge and Malling remained low in comparison with other areas although there had been increases in a number of categories. Members were advised that the number of police officers was stable and regular constables were being recruited together with 50 additional PCSOs.

Sergeant Ginsberg outlined the range of operations undertaken in the Borough and answered questions from Members in connection with community speedwatch, parking around schools and traveller incursions. He also reported on a change in police management structure, indicating that Chief Inspector Dave Pate would become District Commander, covering both Tonbridge and Malling and Tunbridge Wells, following the retirement of Mark Hutcheon.

The Chairman then thanked Sergeant Ginsberg for his contribution to the meeting.

### **MATTERS FOR RECOMMENDATION TO THE CABINET**

#### **CH 16/3 COMMUNITY SAFETY PARTNERSHIP PLAN 2016/17**

Decision Notice D160042MEM

Consideration was given to the Tonbridge and Malling Community Safety Partnership's (CSP) annual action plan for 2016/17, setting out its priorities for the forthcoming year. The Plan included an update on progress on items in the previous year's action plan, information about initiatives carried out during the year and proposed actions for 2016/17.

It was noted that the CSP had agreed to focus on Safeguarding (incorporating domestic abuse, vulnerable people, child sexual exploitation and counter terrorism), Public Safety (including anti-social behaviour, environmental crime and road safety) and Health and Wellbeing (incorporating substance misuse and mental health).

**RECOMMENDED:** That

The Community Safety Partnership Plan 2016/17, as set out at Annex 1 to the report, be supported and endorsed.

#### **CH 16/4 LOCAL HEALTH IMPROVEMENT PROGRAMMES**

Decision Notice D160043MEM

The report of the Director of Planning, Housing and Environmental Health described the range of health improvement projects for which Kent County Council Public Health funding had been allocated for the current year and reviewed performance of these initiatives in 2015/16. Reference was made to the four key areas of adult weight management, including the evidence based Counterweight programme delivered by the Health Improvement team; family weight management; mental health, wellbeing and community-led programmes; and Kent Healthy Business Awards.

The report set out the health improvement initiatives to be delivered in 2016/17 and outlined ongoing discussions with KCC and other west Kent district councils in scoping opportunities for more joint and devolved working to maximise and focus funding and staff resources.

**RECOMMENDED:** That

The performance information contained in Annex 2 to the report be endorsed and the range of projects and initiatives set out in the report and delivered by the Borough Council and its partners be approved.

**MATTERS SUBMITTED FOR INFORMATION****CH 16/5 LEISURE FACILITIES - LEISURE TRUST UPDATE**

The report of the Director of Street Scene, Leisure and Technical Services provided details of recent performance by the Tonbridge and Malling Leisure Trust as set out in the Annual Service Delivery Plan – Cumulative Quarterly Monitoring Report including the Quarter 4 period covering 1 January to 31 March 2016. Members were pleased to note the Trust's two recent Quest Awards in the national quality scheme for sports and leisure.

Reference was made to the forthcoming review of the service fee payable by the Council under the Management Agreement with the Trust after the first five year period. Members were informed that the Advisory Board would be updated as the negotiations progressed.

**CH 16/6 CAPITAL PLAN PROJECTS**

The report of the Director of Street Scene, Leisure and Technical Services provided an update on the progress of key projects contained in the Council's Capital Plan. Particular reference was made to the formal openings of the refurbished health suite at Larkfield Leisure Centre and Tonbridge Town Lock. Members were advised that the works had been completed on the extension of the play area at Haysden Country Park and a formal opening for this scheme and the site improvements brought forward by the volunteers would be arranged in due course.

**CH 16/7 TONBRIDGE SPORTS ASSOCIATION ANNUAL REPORT**

The Advisory Board received the annual report of the Tonbridge Sports Association for 2015/16 by Mr Alan Nicholl, the Association's Chairman. Members expressed their appreciation of the work of Mr Nicholl, the positive working partnership between the Sports Association and the Council and the dedication of the volunteers who ran the clubs and promoted sporting activity within the community.

**CH 16/8 HOUSING SERVICES UPDATE**

The report of the Director of Planning, Housing and Environmental Health provided an update on key issues across the Housing Service and performance over the 2015/16 period. Particular reference was made to progress being made in respect of the affordable housing development programme, the new funding programme announced by the Homes and Communities Agency and implications of the Housing and Planning Act 2016 and Welfare Reform and Work Act 2016 which had now gained Royal Assent. Details were given of two mergers taking place in relation to the Council's Registered Provider Partners and an

update on progress on the West Kent Housing and Homelessness Strategy. The report also referred to Kent County Council's post consultation report on changes to provision of supported accommodation and floating support for young people.

Attention was drawn to the position regarding housing needs, the number of homeless households in temporary accommodation and the challenges of accessing the private rented sector. The report outlined Private Sector Housing activity in 2015/16 including Disabled Facilities Grants and Housing Assistance.

#### **CH 16/9 COMMUNITY SAFETY PARTNERSHIP UPDATE**

The report of the Director of Central Services gave an update on recent activity undertaken by the Tonbridge and Malling Community Safety Partnership (CSP) including the response to anti-social behaviour in West Malling. Members were advised that the Safer Towns Partnership had decided to become independent of the Borough Council with a Board of Managers responsible for the scheme. Interviews for a replacement Safer Towns Co-ordinator in Tonbridge would shortly be held following the movement of the current Co-ordinator to Maidstone. The report also referred to the involvement of the CSP with the police and other partners in the national issues of Serious and Organised Crime and Modern Day Slavery.

#### **CH 16/10 EXCLUSION OF PRESS AND PUBLIC**

There were no items considered in private.

The meeting ended at 9.02 pm



# Agenda Item 6

The minutes of meetings of Advisory Panels and Other Groups are attached, any recommendations being identified by an arrow.

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## TONBRIDGE AND MALLING BOROUGH COUNCIL

### TONBRIDGE FORUM

Thursday, 12th May, 2016

**Present:** Cllr N J Heslop (Chairman), Cllr C P Smith (Vice-Chairman), Cllr P F Bolt, Cllr D J Cure, Cllr V M C Branson, Cllr F G Tombolis and County Councillor Mr R Long.

Together with representatives from:

Kent Fire and Rescue Service, Kent Police (Tonbridge), St John's Ambulance, Tonbridge Area Churches Together, Tonbridge Civic Society, Tonbridge District Scout Council, Tonbridge Music Club, Tonbridge Rotary Club, Tonbridge Sports Association, Tonbridge Theatre and Arts Club, University of the Third Age and Women's Institute

Councillors H S Rogers, S C Perry and Mrs A S Oakley were also present pursuant to Council Procedure Rule No 15.21.

Apologies for absence were received from Councillors Mrs J A Anderson, Ms J A Atkinson, Mrs P A Bates, The Bridge Trust and Society of Friends

#### **TF 16/11 MINUTES**

**RESOLVED:** That the Minutes of the meeting held on 8 February 2016 be approved as a correct record and signed by the Chairman.

#### **TF 16/12 UPDATE ON ANY ACTION IDENTIFIED IN THE LAST MINUTES**

Reference was made to Minute Number TF 16/4 – Tonbridge High Street Improvement Scheme and the quoted completion date for the works of April 2016. Serious disappointment and concern was expressed regarding the delay to the completion of works and the ongoing traffic congestion along the High Street and the Bordyke.

The Chairman and the Director of Street Scene, Leisure and Technical Services appreciated the concerns raised, particularly around communication, and assured Members that the Borough Council was in regular contact with the County Council and seeking an early resolution of works.

It was also recognised that, whilst the continued delay was a frustration for residents and visitors to the town, the Scheme was a great improvement to the area and represented a commitment to investment and regeneration of the High Street. Local retailers appeared supportive

of the measures being implemented and had reported an increase in footfall to their businesses.

Tonbridge Music Club made reference to the Holmes report on 'shared space' in the United Kingdom (Accidents by Design), which aimed to establish a greater understanding of these type of schemes on the public. The Borough Council was asked to comment on the report's conclusion that many respondents did not enjoy using shared spaces and did not feel safe. The report highlighted many 'shared space' schemes that the public did not like using and where local authorities had repeatedly changed their minds and installed/reinstalled pedestrian crossings at costs not yet known. It was queried whether these schemes were fit for purpose and what were the financial implications to the Borough Council of having to revert back to a more traditional layout.

The Leader indicated that as the County Council was the responsible authority for the improvement works this question would be passed to the relevant contact within that authority for a response.

Finally, the Leader advised that it was expected that the junction with Medway Wharf road would open tomorrow (Friday 13 May) and the 'two way' on the High Street the following week. This position would be closely monitored by the Borough Council.

#### **TF 16/13 PUBLIC CONSULTATION ON 'FAIRER CHARGING' IN TONBRIDGE AND MALLING (PRESENTATION)**

The Director of Finance and Transformation advised that the Borough Council was considering changing the way it charged for the Tonbridge and Malling Borough element of the council tax bill from 2017/18 onwards. The introduction of a local charge (technically called 'special expenses') to pay for the local facilities and services provided by the Borough Council, such as local parks, playgrounds, allotments, flower displays, events, cemeteries and churchyards, was being considered. This would promote fairness for all residents in different parts of the borough when paying towards the cost of these services, generate savings to offset ongoing reduction in Government funding and protect services.

Members were shown a short video, followed by a presentation focusing on issues relevant to Tonbridge, to explain the proposal regarding fairer charging. It was explained that residents living anywhere within the Borough, other than the town of Tonbridge, paid an extra parish precept for local services such as playgrounds and open spaces provided by the parish/town council. As Tonbridge was not parished services to these residents were provided and funded by the Borough Council. However, to provide some equity, the Borough Council paid grants, totalling just over £225,000 to parish councils to help them with the costs of the local services they provided.

Tonbridge and Malling continued to face significant financial challenges due to cuts in Government funding and needed to make savings of £1.8 million over the next four years, whilst protecting the services that the authority provided. The Council had adopted a Savings and Transformation Strategy to assist with the focusing and delivering of savings from a range of areas. It was noted that the areas being reviewed as part of this process were the grants made to the parish councils. The Director of Finance and Transformation explained that it would be unfair to simply remove the grants to the parish councils without considering the cost of the local services that the Borough Council provided in Tonbridge. Members were advised that the local services provided by the Borough Council in Tonbridge totalled some £800,000 and this could be converted into a local charge which, just like a parish precept, could be charged directly to Tonbridge households.

As part of this proposal, the Borough Council was inviting borough residents, parish councils and other key stakeholders to take part in a Public Consultation. Information could be found on the Borough Council's website, including the questionnaire, the short video shown at the meeting and other supporting information. All Members and organisations were asked to spread the word and encourage residents to participate as all opinions were welcome.

The deadline for responses was **noon on Monday 20 June 2016**. Further information and a questionnaire to complete was available via: [www.tmbc.gov.uk/localcharge](http://www.tmbc.gov.uk/localcharge)

Reference was made to business rates being retained by local authorities and whether this would improve the Borough Council's financial pressures. The Chief Executive explained that the move to full business rate retention was not expected until 2020 and that the final detail was not yet known or understood. The proposals around business rates continued to change which made it difficult to predict and model financial implications. It was noted that grant (Revenue Support Grant) from central government was being reduced further; and, in addition to that, the Council had been expecting earlier in the year to have to pay back to Government some of the rates it currently retained over a four year period. The Chairman advised that the Borough Council had successfully argued for a 'clawback' holiday ensuring that Tonbridge and Malling did not have to pay back rates in years 2-3 of the scheme. However, this was a temporary reprieve as £1M 'clawback' was still required in year 4.

The Chairman also advised that from next year the Borough Council would no longer receive any direct Government grant funding in the form of Revenue Support Grant. This meant that the authority was reliant on business rates retention, New Homes Bonus and fees and charges. All of these issues represented a significant and complex financial challenge for Tonbridge and Malling.

Whilst Members supported the principle being proposed and welcomed the opportunity to comment, it was suggested that communication could be improved as it was difficult to understand the detail. It was commented that the video viewed earlier was a good way to get the message across. The Chief Executive welcomed this feedback and consideration would be given on how to improve the promotion of the video already on the Borough Council's website.

To promote the public consultation there would be significant media coverage in the local press, a BBC Radio Kent interview on Monday morning and leaflets/posters distributed to local libraries and other public places for displaying. Parish councils would be invited to comment at a special meeting of the Parish Partnership Panel on Wednesday 18 May 2016. The use of social media (Twitter and Facebook) was also confirmed, although it was recognised that regular posts and updates would be beneficial to keep the consultation at the top of 'news feeds'.

[Subsequent to the meeting the Borough Council was advised that the BBC Radio Kent interview would be aired on the morning of Tuesday 17 May 2016]

The meeting ended at 8.40 pm

## TONBRIDGE AND MALLING BOROUGH COUNCIL

### PARISH PARTNERSHIP PANEL

Wednesday, 18th May, 2016

**Present:** Cllr N J Heslop (Chairman), Cllr M A Coffin (Vice-Chairman), Cllr Mrs J A Anderson, Cllr R P Betts, Cllr T I B Cannon, Cllr R V Roud, Cllr R W Dalton, Cllr S M Hammond, Cllr D Lettington, Cllr B J Luker, Cllr T B Shaw,

Together with Aylesford, Birling, Borough Green, Burham, East Malling and Larkfield, East Peckham, Hadlow, Ightham, Kings Hill, Leybourne, Mereworth, Offham, Platt, Plaxtol, Ryarsh, Snodland, Stansted, Trottiscliffe, Wateringbury, West Malling, Wouldham, Wrotham Parish and Town Councils and County Councillors Mrs T Dean, Mr M Balfour and Mrs S Hohler

Councillors O C Baldock, P F Bolt, P J Montague, H S Rogers, Miss S O Shrubsole and S C Perry were also present pursuant to Council Procedure Rule No 15.21.

Apologies for absence were received from Borough Councillor Mrs S M Barker and Hildenborough Parish Council.

Whilst not members of the Parish Partnership Panel apologies were also received from Councillors Mrs Hall and O'Toole.

### PART 1 - PUBLIC

#### **PPP 16/13 MINUTES**

**RESOLVED:** That the Minutes of the meeting held 18 February 2016 be approved as a correct record and signed by the Chairman.

#### **PPP 16/14 FUNDING ARRANGEMENTS WITH PARISH COUNCILS - OPTIONS AND CONSULTATION**

The Director of Finance and Transformation advised that a six week public consultation on 'fairer charging in Tonbridge and Malling' had started and residents, parish councils and other key stakeholders were invited to participate.

Members were shown a short video to explain the concept of fairer charging. This was followed by a presentation focusing on issues relevant to parish councils.

The Borough Council was considering changing the way it charged for the Tonbridge and Malling element of the council tax bill from 2017/18 onwards. The introduction of a local charge (technically called 'special

expenses') to pay for local facilities and services provided by the Borough Council, such as local parks, playgrounds, allotments, flower displays, events, cemeteries and churchyards, was being considered. This would promote fairness for all residents in different parts of the Borough when paying towards the cost of these services, generate savings to offset ongoing reduction in Government funding and protect services.

It was explained that residents living anywhere within the Borough, other than the town of Tonbridge, paid an extra parish precept for local services such as playgrounds and open spaces provided by the parish/town council. As Tonbridge was not parished services to these residents were provided and funded by the Borough Council. However, to provide some equity, the Borough Council paid grants, totalling just over £225,000 to parish councils to help them with the costs of the local services they provided.

Tonbridge and Malling continued to face significant financial challenges due to cuts in Government funding and needed to make savings of £1.8 million over the next four years, whilst protecting the services that the authority provided. The Council had adopted a Savings and Transformation Strategy to assist with the focusing and delivering of savings from a range of areas. It was noted that one of the areas being reviewed as part of this process were the grants made to the parish councils. The Director of Finance and Transformation explained that it would be unfair to simply remove the grants to the parish councils without considering the cost of the local services that the Borough Council provided in Tonbridge. Members were advised that the local services provided by the Borough Council in Tonbridge totalled some £800,000 and this could be converted into a local charge which, just like a parish precept, could be charged directly to Tonbridge households.

As part of this proposal, the Borough Council was seeking comments via a Public Consultation. Information could be found on the Borough Council's website, including the questionnaire, the short video shown at the meeting and other supporting information. All Members and parish councils were asked to spread the word and encourage residents to participate as all opinions were welcome. Copies of documents could be provided in a pdf format for placing on parish notice boards or websites.

It was emphasised that all figures used in the presentation were indicative and these would be clarified if the proposal went forward. The deadline for responses was **noon on Monday 20 June 2016**. Further information and a questionnaire to complete was available via: [www.tmbc.gov.uk/localcharge](http://www.tmbc.gov.uk/localcharge)

In addition, the Borough Council was undertaking a further consultation with parish councils only seeking views on the potential removal of the Council Tax Reduction Scheme (CTRS). Revenue Support Grant (RSG)



for Tonbridge and Malling continued to reduce and from next year (2017) the authority would no longer receive any of this grant funding. Members were advised that there was no obligation for borough/district councils to pass CTRS grant on to parish councils and many neighbouring authorities had already stopped doing so. The Borough Council recognised that parish councils were likely to increase precepts to compensate for the loss of CTRS grant.

**The deadline for responses was also noon on 20 June 2016** and all were encouraged to respond to the letter dated 6 May 2016 with regard to this matter from the Director of Finance and Transformation.

Following the six week consultation period for both of the consultations a Special Cabinet meeting would be held on 28 July 2016 to consider outcomes and options, with a draft policy drawn up in July/August (if appropriate). This revised policy could potentially be effective from next year.

The Director of Finance and Transformation recognised that this was a complex issue, and explained that she and her staff would happily talk through figures with individual parish councils. It was emphasised that the video that had been produced in-house, and could be accessed via the Borough Council's website, should assist in explaining the concept of fairer charging.

Reference was made to comments raised by parish councils in advance of the meeting around funding for Christmas lights and the likelihood of council tax capping for parish councils. The Chief Executive responded that the options for Christmas lights would be reviewed and carefully considered following the consultation and all comments would be taken into account. It was therefore important for all parish councils, and residents, to take part in the consultation.

With regard to Government applying capping to parish councils, the Chief Executive advised that extensive investigation did not suggest that this issue was likely to be revisited by central government at the present time. However, it could not be guaranteed that this proposal was ruled out. If the situation changed the Borough Council would have serious and proper discussions with parishes and attempt to identify a way forward. The Borough Council recognised the concerns around council tax capping and the potential implications.

To promote the public consultation in respect of 'fairer charging' there would be significant media coverage in the local press, a BBC Radio Kent interview to be transmitted in the near future and leaflets/posters distributed to local libraries and other public places for displaying. The use of social media was also confirmed, although it was recognised that regular posts and updates would be beneficial to keep the consultation at the top of 'news feeds'.

Members were broadly supportive of the proposals put forward given the Borough Council's difficult financial position and welcomed the concept of fairness for all residents and areas of the Borough. Parishes recognised the potential changes to funding for Christmas lighting and many were happy to explore options with their local retail centres. However, concern remained around the potential for Government to make a late decision regarding the introduction of council tax capping for parish councils.

The Kent Association of Local Councils (Tonbridge and Malling) asked that consideration be given to expressing these concerns around capping to the Department for Communities and Local Government at the earliest opportunity. The Chairman was happy to pursue this on behalf of the parishes, subject to further discussion with local Members of Parliament and in the context of the 4-year settlement.

Detailed discussion followed around the potential transfer of land and/or property assets, how the individual parish figures were estimated, maintaining a flexible approach in achieving savings targets set out in the Savings and Transformation Strategy and the overall difficult and challenging financial position faced by local government.

The Kent Association of Local Councils (Tonbridge and Malling) thanked the Borough Council for the honest approach taken with the consultation and the thoughtful timetabling. It was noted that Tonbridge and Malling had continued to support parish councils for as long as possible and that was greatly appreciated.

The County representative for Malling North also thanked the Borough Council for an intelligent and well-presented explanation of the proposals and appreciated the opportunity for residents to be involved.

The Chairman welcomed these comments and asked that these be submitted formally as part of a consultation response.

## **PPP 16/15 PLANNING ENFORCEMENT**

The report of the Director of Planning, Housing and Environmental Health (tabled at the end of the meeting) responded to an issue raised by the Kent Association of Local Councils (Tonbridge and Malling) regarding communications with parish councils over planning enforcement cases.

Members were advised that investigations into some enforcement cases involved complex evidential work, confidential matters in the context of potential legal actions and required thorough and lengthy investigation. However, the value of effective communication was recognised and a new update system for parish councils would be implemented by the Development Control Manager. The intention was to provide regular

(fortnightly) updates on enforcement cases where the parish was the 'complainant'.

For the moment these updates would focus on those investigations where the parish council had raised the issue. Members were advised that further questions about the detail of those investigations could be directed to Development Control. The new system would be monitored for effectiveness.

The meeting ended at 8.55 pm

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**TONBRIDGE AND MALLING BOROUGH COUNCIL**

**JOINT TRANSPORTATION BOARD**

**Tuesday, 7th June, 2016**

**Present:** Mr C Smith (Chairman), Cllr H S Rogers (Vice-Chairman), Cllr D A S Davis, Cllr Mrs F A Kemp, Cllr D Lettington, Cllr M Parry-Waller, Cllr M Taylor, Mrs V Dagger, Mrs S Hohler and Mr P Homewood

Councillors Mrs S M Barker, V M C Branson, M A Coffin, D J Cure, N J Heslop, P J Montague, Miss S O Shrubsole and A K Sullivan were also present pursuant to Council Procedure Rule No 15.21.

Apologies for absence were received from Councillor R D Lancaster and Mr M Balfour

Miss A Moloney and Mr H Rayner were also present on behalf of the Kent Association of Local Councils (KALC)

**PART 1 - PUBLIC**

**JTB 16/8 DECLARATIONS OF INTEREST**

There were no declarations of interest made in accordance with the Code of Conduct.

**JTB 16/9 MINUTES**

**RESOLVED:** That the Minutes of the meeting of the Joint Transportation Board held on 14 March 2016 be approved as a correct record and signed by the Chairman.

**MATTERS SUBMITTED FOR INFORMATION**

**JTB 16/10 KCC HIGHWAYS WORKS PROGRAMME 2016/17**

The report of KCC Highways and Transportation provided an update on footway and carriageway improvement, drainage repairs and improvements, street lighting, transportation and safety schemes, Developer Funded Work (Sections 278 and 106 works), bridge works and approved traffic schemes. In addition the report provided details of current County Member funded schemes within the Borough.

**JTB 16/11 PROGRESS REPORT ON M20 JUNCTION 4 OVERBRIDGE  
WIDENING SCHEME**

Kent Highways Services provided an update on progress with the proposed eastern overbridge widening scheme at the A228/M20 Junction 4.

**JTB 16/12 UPDATE ON TONBRIDGE HIGH STREET WORKS AND  
PROGRESS WITH PHASE 2**

The Transportation and Safety Schemes Manager, KCC Highways and Transportation provided a verbal update on Phase 1 of the Tonbridge High Street Works and on progress with Phase 2.

**MATTERS FOR CONSIDERATION IN PRIVATE****JTB 16/13 EXCLUSION OF PRESS AND PUBLIC**

There were no items considered in private.

The meeting ended at 8.13 pm

## TONBRIDGE & MALLING BOROUGH COUNCIL

### CABINET

29 June 2016

#### Report of the Chief Executive and Director of Finance and Transformation

#### Part 1- Public

#### Matters for Recommendation to Council

### 1 RISK MANAGEMENT STRATEGY

**This report asks Members to review the Risk Management Strategy and to recommend it for endorsement by the Council.**

#### 1.1 Introduction

1.1.1 The Council has had a Risk Management Strategy in place for a number of years. The Council's Risk Management arrangements are designed to ensure a prudent approach is taken, with risks reduced to an acceptable level, thereby safeguarding the Council's assets, employees and customers.

1.1.2 The Risk Management Strategy sets out the Council's risk management objectives and details the roles and responsibilities of officers, Members and the Council's partners in ensuring risks are effectively identified, evaluated and controlled in a cost effective manner.

#### 1.2 Review of the Risk Management Strategy

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

1.2.2 The Risk Management Strategy has been reviewed by the Audit Committee and subject to the Committee's consideration of the Strategy no substantive amendment is considered to be required at this time. However, Members are advised that the risk management process is due to be revisited and the Strategy updated as necessary for subsequent Member consideration and endorsement.

1.2.3 A copy of the current Strategy is attached at **[Annex 1]**.

#### 1.3 Legal Implications

1.3.1 There is a Health and Safety requirement for effective risk management to be in place and the strategy supports this requirement. There is also a requirement in

the Accounts and Audit Regulations that accounting control systems must include measures to ensure that risk is appropriately managed.

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

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

#### **1.5 Risk Assessment**

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

#### **1.6 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 Recommendations**

- 1.7.1 Members are requested to review the Risk Management Strategy and subject to any amendment required **recommend** to Council it be adopted.
- 1.7.2 Members are also asked to note that the risk management process is due to be revisited and the Strategy updated as necessary for subsequent Member consideration and endorsement.

Background papers:

contact: Samantha Buckland

Nil

Julie Beilby  
Chief Executive

Sharon Shelton  
Director of Finance and Transformation



# TONBRIDGE AND MALLING BOROUGH COUNCIL

## RISK MANAGEMENT STRATEGY

### 1. Introduction

The risk management strategy of Tonbridge and Malling Borough Council is to adopt best practices in the identification, evaluation, and cost-effective control of risks. This is intended to ensure that risks are reduced to an acceptable level or, where reasonable eliminated, thereby safeguarding the Council's assets, employees and customers and the delivery of services to the local community.

One of the Council's aims is to:

*“Maintain the Council's high standards of financial management and probity”.*

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

Risks relating specifically to Health & Safety matters will be covered within the Council's Health & Safety Policy and supporting guidance notes issued by the Director of Planning, Housing and Environmental Health.

### 2. Objectives

The risk management objectives of the Council are to:

- embed risk management into the culture of the Council;
- monitor, manage and report on risk in accordance with best practice;
- be responsive to changing social, environmental and legislative requirements whilst effectively managing the related risks and opportunities;
- prevent injury, damage and loss and reduce the cost of risk;
- raise awareness of the need for risk management;
- actively promote 'sensible and responsible risk management' using practical steps to protect workers and the public from real risks that cause injury and death.

These objectives will be achieved by:

- defining the roles and responsibilities, in relation to risk management, of Officers and Members within the organisation;
- maintaining a risk management framework that will ensure the review on a rolling basis of strategic, operational and project risks faced by the Council – this approach will:

- identify corporate, operational and project risks;
  - assess the identified risks for likelihood and impact;
  - record the corporate risk register, linking these risks to strategic business objectives and assigning ownership for each risk;
  - detail the management action/controls required to mitigate identified risks;
  - require the corporate risk register to be discussed with the Audit Committee prior to approval by Council;
  - require confirmation to the Audit Committee of the reviews undertaken and to draw out any issues where deemed appropriate as a result;
  - require the reporting of risks to full Council where appropriate;
  - require all Cabinet/Committee/Board reports to include a section covering the key risk issues to be considered, together with any action required to mitigate identified risks;
  - require a risk assessment to be completed for all significant new projects and initiatives;
  - require the Treasury Management Strategy to outline the arrangements for properly managing treasury management risks;
  - require risks in relation to significant partnerships to be identified and assurances to be obtained regarding the management of those risks;
  - require appropriate incident recording to facilitate the analysis of risk data and steps taken to prevent or mitigate similar incidents occurring;
  - require an annual review of the risk management framework by the review of this strategy.
- providing relevant training on risk management to employees and Members of the authority;
  - actively participating in inter-authority internal audit and insurance groups thereby developing and sharing best practice in risk management;
  - encouraging officers participating in other professional discipline groups to secure the inclusion of risk management as an agenda topic;
  - disseminating to officers as appropriate published risk management information received from insurers and other related sources.

### **3. Roles and Responsibilities**

#### **a) Members**

The Risk Management Strategy will be reviewed at least annually. Council approval of the updated strategy will be witnessed by the signature of the Leader of the Council and countersigned by the Chief Executive. The Chairman of the Audit Committee will take a lead role in promoting the application of sound risk management practices across the Council.

All Members of the Council will receive a Risk Management Training session during a four-year term in office.

The Audit Committee will consider the Risk Management process as part of the assurance evidence in support of any Corporate Governance Statement.

The Audit Committee will provide independent assurance of the adequacy of the risk management framework and will monitor the effective development and operation of risk management in the Council.

#### **b) Management Team**

Management are responsible for the identification and management of risks.

Management Team will consider strategic risk and if necessary will formulate an action plan to address the risk. Strategic risk reviews will be undertaken where new situations arise or as considered necessary by the Management Team.

The business continuity plan will include strategic risks that will cascade down to operational risk registers.

Chief Officers will ensure that their managers carry out an annual review of operational risk for all their areas of responsibility. This review process will include the views of relevant staff within the activity. This will be supported by a half yearly review carried out by the manager with any risks entering the red zone being reported to the Chief Officer. The Chief Officer shall alert Management Team of any significant emerging risks as he deems necessary.

Chief Officers will take steps to ensure that their staff are fully aware of the Council's Risk Management Strategy and how to raise concerns relating to risk.

#### **c) Section Managers**

Section Managers in conjunction with members of their teams (as appropriate) and other parties / partners (where applicable) will lead reviews of the operational risks relating to their sections, and will reflect the outcomes of these reviews in their own Operational Risk Registers. These operational risk reviews will be undertaken annually. In addition a half-yearly review will take place to identify any significant change in scored risk and any new risks that have arisen.

Any risks entering the red zone shall be reported to the Chief Officer in the first instance. The Chief Officer shall alert Management Team of any significant emerging risks as he deems necessary.

Where a manager identifies that a risk is moving significantly towards the red zone he should monitor the situation and alert his Chief Officer to the fact.

#### **d) Partners**

Where the Council enters into a partnership arrangement, the officer responsible for monitoring the partnership must ensure that the partner has an adequate risk management strategy and sufficient insurance cover to protect the interests of the Council.

## **e) Employees Generally**

The concept of risk management will be conveyed to all employees. “Netconsent” will be used to raise staff awareness of the Strategy annually.

A copy of this document will be held on the Council’s website. Employees will be expected in the first instance, to refer risk management concerns to their line managers. Should such concerns remain un-addressed, employees can refer their concerns elsewhere as prescribed in the Council’s Whistleblowing Policy.

Staff identified as being appropriate by their Manager will be asked to review the content and scoring of the Operational Risk registers for their section. This review should assist the Manager in completing the Risk Register.

All staff also have a duty to consider safe working practices and owe a duty of care to the safety of others. Any concerns relating to Health & Safety matters should be raised with line management, who, as part of their response, should seek guidance as necessary from the Director of Planning, Housing and Environmental Health.

## **f) Director of Planning, Housing and Environmental Health**

The Director of Planning, Housing and Environmental Health shall be responsible for:

- monitoring and reviewing arrangements for the proper management of work place health & safety;
- preparing and updating the Council’s Health & Safety Policy;
- overseeing the issue of Health & Safety Guidance to assist service managers and staff comply with the Council’s Health & Safety Policy;
- assessing compliance with Health & Safety legislation.

In the execution of these responsibilities the Director of Planning, Housing and Environmental Health will:

- consult with service managers in preparing an annual health and safety work programme which will include undertaking audits of work place activities and related risk assessments;
- assist service managers identify emerging health and safety risks and measures to address them including appropriate training;
- assist services managers prepare and review health and safety risk assessments;
- submit an annual report on health and safety management in the work place.

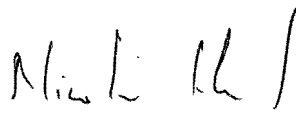
## **g) Financial Services**

The Director of Finance & Transformation in consultation with the Exchequer Services Manager will:

- regularly review and advise upon the Council's insurance requirements and arrangements;
- advise Officers and Members on insurance covers available and / or in place;
- regularly advise Members of the Audit Committee on claims history and preventative action arising;
- arrange insurance cover as necessary;
- advise Officers on claims procedures, and process claims arising;
- assist in the development and provision of claims data to aid future risk control;
- disseminate published risk management information received.

The Director of Finance & Transformation will report to Management Team on any areas of significant financial risk identified by the budget monitoring process.

The Internal Audit Section will take account of Risk Management provision when formulating the annual audit plan. Although the provision of adequate and effective risk management is Management responsibility each Internal Audit review will include a provision to ascertain if an up to date and adequate risk register is in place and that key risks are appropriately managed.

Signed:   

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Leader of the Council

Signed: 

Chief Executive

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### CABINET

29 June 2016

#### Report of the Director of Finance and Transformation

#### Part 1- Public

#### Matters for Recommendation to Council

#### 1 TREASURY MANAGEMENT UPDATE AND ANNUAL REPORT FOR 2015/16

A report detailing treasury management activity undertaken in April and May of the current financial year is to be considered by Audit Committee on 20 June. That report also includes details of the treasury management outturn for the 2015/16 financial year. Following a commentary on the application of credit default swap data (market view of risk) Member approval is sought to enhance the existing flexibility afforded to officers when determining the appropriate duration for term deposits.

#### 1.1 Introduction

1.1.1 Council adopted the 2009 CIPFA Code of Practice for Treasury Management on 18 February 2010. That Code, and subsequent updates, requires as a minimum that full Council receives an annual strategy published prior to the start of the financial year, a mid-year review of that strategy and an outturn report (this report).

1.1.2 Additional reports updating Members on current activity are presented to Audit Committee and performance is also reported on a regular basis to the Finance, Innovation and Property Advisory Board. The combination of Member reporting and detailed scrutiny of activity ensures this Council complies with best practice.

#### 1.2 2016/17 Treasury Management Performance

1.2.1 As at the end of May 2016 funds invested and interest earned is set out in the table below.

	Funds invested at 31 May 2016 £m	Average duration to maturity Days	Weighted average rate of return %	Interest earned to 31 May 2016 £	Gross annualised return to 31 May 2016	LIBID benchmark %
Cash flow	9.7	103	0.74	14,100	0.67	0.36 (7 Day)
Core fund	15.6	133	0.81	20,900	0.80	0.46 (3 Mth)
Total	25.3	121	0.78	35,000	0.75	0.41 (Ave)

- 1.2.2 Interest earned of £35,000 is £5,400 better than the original estimate for the same period and 34 basis points better than benchmark.

### **1.3 2015/16 Treasury Management Outturn**

- 1.3.1 The outturn report to Audit Committee is included in **[Annex 3]** of the Revenue and Capital Outturn report elsewhere on this agenda. Prudential and treasury indicators for 2015/16 are included at **[Annex 3 - Appendix 1]**.

- 1.3.2 Investment income of £226,100 earned during the year bettered the revised estimate by £36,100. The gross return for the year of 0.73% exceeds the LIBID benchmark by 33 basis points.

### **1.4 Term Deposit Duration**

- 1.4.1 A key part of the treasury advisory service provided to the Council by Capita is a weekly update on the creditworthiness of a financial institution. The assessment uses the credit ratings provided by each of the three main rating agencies to score an institution. The score determines which durational band a bank / building society is assigned to. Banks deemed suitable for local authority investment will be assigned a durational band of 100 days, 6, 9, 12 or 24 months. The assessment also incorporates a market view of risk using credit default swap data. A credit default swap (CDS) can be likened to insurance taken out by investors to guard against the risk of default. Depending on a bank's CDS price relative to the average CDS for all banks, Capita will confirm the duration band based on credit ratings alone; reduce duration by one band (e.g. 6 months based on credit ratings is reduced to 3 months after taking CDS into account); or advise that no new investment is placed with the institution (the durational band becomes nil months).
- 1.4.2 CDS prices rose significantly following the collapse of Lehman Brothers in 2008 and reached a peak at the height of the Eurozone sovereign debt crisis in December 2011 prompting the Bank of England Financial Policy Committee to warn UK banks to prepare to withstand an 'extraordinarily serious and threatening' economic environment. Since then, the European Central Bank has introduced measures to ease bank liquidity, established a mechanism to contain sovereign bond yields and progressed a European Banking Union. The aggregate value of CDS trades has been on a downward trajectory since December 2011 and is now broadly in-line with levels pre the financial crisis.
- 1.4.3 In November 2015, Capita recognised the more benign state of the CDS market and modified their use of the data. Whilst the rationale for change appeared well founded, in practice the new approach has proven to be less precise in signalling market concern for a particular institution and has the potential to trigger false warnings when average CDS prices rise dramatically.



- 1.4.4 Following the announcement of a referendum on the UK's membership of the European Union, a premium was applied to all UK bank CDS prices. During late March and most of April that premium resulted in Capita's duration assessment for UK banks being scaled back (typically, a six month assessment based on credit ratings was reduced to three months after applying CDS data). The time frame coincided with and delayed the reinvestment of a significant proportion of the Council's core funds and the investment of cash flow surpluses as they began to build in April. Volatility in the CDS market has since subsided and whilst those investments have now all been placed the delay was both unsatisfactory and unnecessary. However, should a similar situation arise in the future its impact can be negated.
- 1.4.5 When undertaking term deposits the Annual Investment Strategy affords officers the discretion to add up to three months to Capita's post CDS duration assessment. Where officers consider it appropriate, the recommendation at paragraph 1.9.1, allows that same discretion to be applied to Capita's duration assessment based on credit ratings alone. Members are reminded that term deposits are only made with the agreement of the Chief Financial Services Officer and Director of Finance and Transformation and that agreement is sought via a written proposal from the Treasury Manager. Each investment proposal, taking into account the likely timing of interest rate changes, addresses the security and liquidity implications of a particular investment. In future, any use of the discretion to set aside CDS data and the justification for doing so will be drawn out in the investment proposal. Members are also reminded that the discretion to extend duration by up to three months only applies to UK entities and that the combined duration (Capita duration plus three month discretion) must not exceed twelve months.

## **1.5 Legal Implications**

- 1.5.1 Under Section 151 of the Local Government Act 1972, the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management.
- 1.5.2 This report fulfils the requirements of The Chartered Institute of Public Finance & Accountancy's Code of Practice on Treasury Management 2009.

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

- 1.6.1 At year end investment income for 2015/16 of £226,100 exceeded the 2015/16 revised estimate by £36,100. Investment income earned to the end of May 2016 of £35,000 is £5,400 above budget expectations for 2016/17.
- 1.6.2 All investments undertaken in 2015/16 and thus far in 2016/17 have complied with the requirements of the relevant Treasury Management Strategy Statement and Annual Investment Strategy.

## 1.7 Risk Assessment

- 1.7.1 The application of best practice as identified by the CIPFA Code, including the regular reporting and scrutiny of treasury management activity, is considered to be the most effective way of mitigating the risks associated with treasury management.

## 1.8 Equality Impact Assessment

- 1.8.1 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.

## 1.9 Recommendations

- 1.9.1 Subject to any comments from the Audit Committee, Cabinet is invited to **RECOMMEND** that Council:
- 1) Endorse the action taken by officers in respect of treasury management activity for April and May 2016,
  - 2) Note the 2015/16 outturn position, and
  - 3) Enhance the flexibility afforded to officers when determining the appropriate duration for term deposits as outlined in paragraph 1.4.5.

Background papers:

contact: Mike Withey

Nil

Sharon Shelton  
Director of Finance and Transformation

**Item FIP 16/20 referred from Finance, Innovation and Property Advisory Board minutes of 1 June 2016**

**FIP 16/20 MULTI-YEAR SETTLEMENT AND ASSOCIATED EFFICIENCY PLAN AND FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY**

The report of the Director of Finance and Transformation gave details of the Government's offer of a four year funding settlement to 2019/20, originally made in the context of the current year's local government finance settlement and subsequently clarified by the Secretary of State for Communities and Local Government. It was noted that the deadline for requesting the offer was 14 October 2016 and an efficiency plan was required to be submitted.

A draft submission accepting the offer, should the Council choose to do so, was set out at the Annex to the report and included the Savings and Transformation Strategy which was considered to meet the requirements for an efficiency plan. However, it was understood that the LGA and CIPFA were in discussion regarding the format and content of any submissions so the Council's application for the offer might need to be adapted accordingly.

Reference was made to Government guidance recommending preparation of an annual Flexible Use of Capital Receipts Strategy and the draft submission also contained a statement regarding the Council's strategy for the flexible use of capital receipts in 2016/17.

**RECOMMENDED:** That

1. the submission accepting the Government offer of a four year funding settlement to 2019/20, as set out at Annex 1 to the report and the accompanying Appendix 1, be endorsed and commended to the Council subject to inclusion of a statement regarding the Council's position in respect of the two key questions on business rates baseline and New Homes Bonus outlined in paragraph 1.1.6 of the report;
2. the Flexible Use of Capital Receipts Strategy for 2016/17, referred to in paragraph 1.3.3 of the report, be endorsed; and
3. the Director of Finance and Transformation, in consultation with the Cabinet Member for Finance, Innovation and Property, be authorised to adjust the format of the submission in the light of the discussions by the LGA and CIPFA.

**\*Referred to Cabinet**

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

**01 June 2016**

**Report of the Director of Finance and Transformation**

**Part 1- Public**

**Matters for Recommendation to Cabinet - Council Decision**

**1 MULTI-YEAR SETTLEMENT AND ASSOCIATED EFFICIENCY PLAN AND FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY**

**This report considers the government offer of a four-year funding settlement to 2019/20 to any council that wishes to take it up and provides a draft submission accepting the offer, if the Council chooses to do so, for endorsement. The submission also includes the Flexible Use of Capital Receipts Strategy for the year 2016/17 for endorsement.**

**1.1 Multi-Year Settlements**

- 1.1.1 In the provisional local government finance settlement 2016/17, the government stated that it would offer any council that wishes to take it up, a four-year funding settlement to 2019/20. At that time, information was limited on what the offer included and how to apply, but that an efficiency plan would need to be submitted when such an offer was requested.
- 1.1.2 The final local government finance settlement 2016/17 confirmed that the deadline for requesting this offer was 14 October 2016. However, the government did not indicate what the approval process for requesting such an offer was and in the absence of the same I have assumed it is a decision for Council.
- 1.1.3 The Secretary of State for Communities and Local Government subsequently issued a letter on 10 March 2016 which, along with an annex to the letter clarified a number of matters.
- 1.1.4 The letter and annex have confirmed the following:
- The deadline for applying for the offer is 5pm on Friday 14 October 2016.
  - To apply, an email or letter, together with a link to an efficiency plan, should be sent to [MultiYearSettlements@communities.gov.uk](mailto:MultiYearSettlements@communities.gov.uk)
  - The offer covers the figures provided in the final local government finance settlement for Revenue Support Grant, Transitional Grant and Rural Services Delivery Grant.

- In addition, tariffs and top-ups in 2017/18 to 2019/20 will not be altered for reasons related to changes in the relative needs of local authorities, and in the final year may be subject to the implementation of 100% business rates retention.
- Efficiency plans do not need to be a separate document. They can be combined with the Medium Term Financial Strategy and will be expected to show how a four-year settlement will bring about opportunities for further savings.

1.1.5 The Chancellor of the Exchequer made his Budget 2016 announcement to the House of Commons on 16 March 2016 which included a number of changes to business rates and reference to additional savings of £3.5bn from public spending in 2019/20. The Government are to compensate local government for the loss of income as a result of the changes to business rates and, as confirmed by the Secretary of State, should not, therefore, affect the four-year funding offer to councils. What is unknown is how much of the additional savings required will fall on the Department for Communities and Local Government and, in turn, local authorities, and how that might play out in 2019/20 in terms of the multi-year settlement.

1.1.6 Two key questions remain irrespective of the four-year funding offer:

- 1) What will our business rates baseline be on the implementation of 100% business rates retention?
- 2) Where, and to what extent, does New Homes Bonus feature in future government funding?

1.1.7 That said, on balance, I would suggest that taking up the offer is better than not doing so in that it brings a degree of certainty and avoids the potential 'if only you had signed up to the four-year deal' scenario.

## **1.2 Efficiency Plan**

1.2.1 Members will be aware that alongside the Medium Term Financial Strategy now sits a Savings and Transformation Strategy which was initially considered and recommended by Cabinet in November 2015 and subsequently updated and approved by full Council in February 2016 following the local government finance settlement 2016/17. The purpose of the Strategy is to provide structure, focus and direction in addressing the significant financial challenge faced by the Council and, in so doing, recognise there is no one simple solution and as a result we will need to adopt a number of ways to deliver the savings within an agreed timetable.

1.2.2 It is considered that the Savings and Transformation Strategy meets the requirements of an Efficiency Plan and is to form the basis of the submission accepting the offer of a four-year funding settlement to 2019/20. The draft submission is attached at **[Annex1]**.

### **1.3 Flexible Use of Capital Receipts Strategy**

- 1.3.1 In the local government finance settlement for 2016/17, the government confirmed that it would allow councils the flexibility in 2016/17, 2017/18 and 2018/19 to use capital receipts to fund the revenue costs of service reform and transformation that generates ongoing revenue savings in the delivery of public services.
- 1.3.2 Guidance issued by the government recommends that a Flexible Use of Capital Receipts Strategy is prepared each year, but this does not have to be a separate document and could be part of the annual budget papers or it could be part of the Efficiency Plan linked with applying for a four-year settlement.
- 1.3.3 As a result included in the submission accepting the offer of a four-year funding settlement is the following statement: The Council is not currently planning to make use of the flexibility to use capital receipts to fund the revenue costs of service reform and transformation that generates ongoing revenue savings in the delivery of public services in 2016/17, but will continue to bear this flexibility in mind as opportunities to generate savings are explored and progressed, and the Strategy updated accordingly.

### **1.4 Legal Implications**

- 1.4.1 Local authorities are required to have regard to the Guidance on Flexible Use of Capital Receipts issued by the Secretary of State for Communities and Local Government.

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

- 1.5.1 As set out above.

### **1.6 Risk Assessment**

- 1.6.1 The Medium Term Financial Strategy sets out the high level financial objectives the Council wishes to fulfil and underpins the budget setting process for the forthcoming year and over the Strategy period. As the Council's high level financial planning tool the Strategy needs to be reviewed and updated at least annually and in the current climate regularly reviewed by Management Team. In addition, not identifying and implementing the requisite savings will put at risk the integrity of the Medium Term Financial Strategy.
- 1.6.2 There is so much uncertainty and volatility particularly in some of our major sources of income that financial planning is becoming increasingly difficult with the increased risk of significant variances compared to projections.
- 1.6.3 The Savings and Transformation Strategy gives a structure and framework to address the significant financial challenge faced by the Council. This framework

has been discussed in outline with our external auditors who are content with the approach adopted.

## **1.7 Equality Impact Assessment**

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

## **1.8 Recommendations**

1.8.1 Members are asked to consider the government offer of a four-year funding settlement to 2019/20 and, if minded to accept the offer, to endorse the draft submission attached at **[Annex 1]** and the accompanying Appendix 1.

1.8.2 Members are asked to endorse the Flexible Use of Capital Receipts Strategy for the year 2016/17 (paragraph 1.3 refers).

Background papers:

Nil

contact: Sharon Shelton  
Neil Lawley

Sharon Shelton  
Director of Finance and Transformation



## **SUBMISSION TO ACCEPT THE OFFER OF A 4-YEAR FUNDING SETTLEMENT**

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

Members are fully aware of the significant financial challenge faced by the Council as a result of the Government's ongoing budget deficit reduction programme which has resulted in continuing reductions in the financial support it can offer to local government. We believe, however that our Medium Term Financial Strategy is resilient and the financial pressures likely to confront us can be addressed in a measured and controlled way, but with ever increasing pressure this is becoming progressively more difficult.

Alongside the Medium Term Financial Strategy sits a Savings and Transformation Strategy (**Efficiency Plan**) detailed below which was updated and approved by full Council following the local government finance settlement 2016/17. The purpose of the Strategy is to provide structure, focus and direction in addressing the significant financial challenge faced by the Council and, in so doing, recognise there is no one simple solution and as a result we will need to adopt a number of ways to deliver the savings within an agreed timetable.

The offer of a four-year settlement will bring a degree of certainty which will aid financial planning and, in turn, afford the opportunity to take a measured and structured approach to budget pressures and identifying requisite savings rather than a "knee jerk" reaction.

### **SAVINGS AND TRANSFORMATION STRATEGY 2016/17 – 2020/21 (EFFICIENCY PLAN)**

#### **Introduction**

Tonbridge & Malling BC has to deliver some significant savings in our financial planning. Following the publication of the provisional Local Government Settlement for the four-year period 2016/17 to 2019/20, over the 10 year life of our Medium Term Financial Strategy (MTFS), we are very likely to have to deliver savings of at least £1.9 million in our base budget.

It could be more severe than that depending on what happens nationally. This is a major task when our net revenue expenditure is approximately £13 million and we have already delivered over £3 million in savings over the last 4 to 5 years, including recently delivered savings which are built into the draft Budget for 2016/17.

We are fortunate that we do not have to make all the savings required in our first year and can spread the challenge in 'tranches' over a few years, as set out within

the MTFS. Nevertheless, we need to plan to make these savings and achieve as much as possible in the earlier years to provide the best long-term financial sustainability.

## **Objectives**

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

1. To deliver sufficient savings in order to bridge the funding gap identified in the Council's MTFS, and to deliver those savings as quickly as possible in order to minimise risk to the Council's finances;
2. To direct resources to priority areas in line with the principles of the Council's Corporate Plan;
3. To maintain the Council's reputation of good front line service provision;
4. To adopt a 'mixed' approach to addressing the funding gap through a series of 'themes';
5. To be open to accept 'cultural' change in the ways we work and offer services to the public in order to release efficiencies and savings; and
6. To engage, as appropriate, with stakeholders when determining how savings will be achieved.

## **The Strategy**

It is recognised that there is no one simple solution to addressing the financial challenges faced. The Council will need to adopt a number of ways to deliver the savings within an agreed timetable.

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

Whilst the framework includes some major areas where savings can be made without direct effect on services, by adopting this Strategy the Council has recognised that it may need to decide that some service areas should change to accommodate saving requirements. That might mean doing things differently, more efficiently and with increased income opportunities where there is the opportunity to do so. It might also mean that services will simply need to be run with fewer resources. The Council is committed to engagement with relevant stakeholders as proposals are brought forward.

The Themes, Targets, and Timeframes for the Strategy are set out in the table at Appendix 1, and will be the subject of review at least annually. Achievement against the theme targets is also documented to aid transparency.

Progress on identifying and implementing savings across the various themes will be regularly reported to and reviewed by Management Team and in-year update reports presented to Members as appropriate.

### **FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY**

The Council is not currently planning to make use of the flexibility to use capital receipts to fund the revenue costs of service reform and transformation that generates ongoing revenue savings in the delivery of public services in 2016/17, but will continue to bear this flexibility in mind as opportunities to generate savings are explored and progressed, and the Strategy updated accordingly.

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## Savings & Transformation Strategy 2016/17 - 2020/21

Theme	Indicative Years	Adjusted Target £000	Savings Achieved and reflected in Estimates to FIPAB (Jan 16) £000	Balance of Target to be achieved £000	Considerations in Hand / Progress
Income Generation & Cost Recovery	2016/17/18	300		300	Reviews of existing charges being progressed by Advisory Boards. Potential creation of trading company. Introduction of charges for pre-planning application advice. Introduction of charges for collection of fridge freezers.
In-Service Efficiencies	2016/17/18	275	200	75	£200k delivered within budget 2016/17. Further In-Service Efficiencies currently under review by Management Team.
Service Change & Reduction	2016/17/18/19	500		500	Review of Holiday Activities programme by O&S Committee
Contracts	2018/19/20/21	500		500	Re-modelling of Waste Services contract currently under review by West Kent Districts to identify possible efficiencies. 5 year re-negotiation of Indoor Leisure Management Agreement with Leisure Trust to commence July 2016.
Organisation Structure Change	2017/18	300		300	General Purposes Committee report on establishment changes February 2016. Review of Corporate Plan in order to give focus to future management structure and the alignment of services
Partnership Funding	2017/18	300		300	Review of Compact grants. Parish Council Funding timetable for review to be agreed by Cabinet Feb 2016.
Asset Management	2017/18	75		75	External advice has been commissioned on opportunities to realise capital and/ or increased income streams from (selected) existing assets. Report to Cabinet March 2016
TOTAL	2016-2021	2,250	200	2,050	

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

FIPAB is the Finance, Innovation & Property Advisory Board which met on 13 January 2016.

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### CABINET

29 June 2016

#### Report of the Management Team

#### Part 1- Public

#### Executive Non Key Decisions

#### 1 DRAFT CORPORATE STRATEGY

To review an initial draft of a new Corporate Strategy and to refer this to the Overview and Scrutiny Committee for further comment.

#### 1.1 Background

1.1.1 As part of the Council's wider transformation agenda, there is a need to review our current approach to corporate planning and performance management.

1.1.2 Our previous approach, which involved the production of a highly detailed 'Corporate Performance Plan' covering all Council services and containing detailed assessments of performance against a large number of indicators and targets, is no longer considered appropriate. Such an approach was resource hungry. A team of two officers were dedicated to this work (both of whom have now retired) and considerable input from front-line staff from all council services was also needed. A new approach is now proposed.

#### 1.2 The New Corporate Strategy

1.2.1 We have undertaken a review of other Council's corporate plans to assess how best to address this and to identify best practice. The vast majority of those now favour a slimmer, succinct and more focused strategy statement.

1.2.2 Following engagement and discussion with senior (2<sup>nd</sup> tier) staff, the Management Team has prepared a draft corporate strategy for the Cabinet's initial consideration. This is attached as Annex 1 to this report.

1.2.3 The draft corporate strategy is a very different 'animal' to that of its predecessor. In a climate of reduced government grant support and resulting financial challenges, we believe such a document should focus on:

- A wider '**Vision**' of how the Council will focus over a three year period, supported by some adopted '**Key Values**';

- Clear information on the **challenges** we now face and a succinct statement on how we **intend to address** these;
- Our commitment to future **partnership working**;
- Some key **measures of success**, embracing a small number of performance indicators.

### 1.3 Next Steps

- 1.3.1 It is suggested that, following the Cabinet's initial consideration of this draft, the Corporate Plan be referred to the next meeting of the Overview and Scrutiny Committee on 13<sup>th</sup> September 2016 for its consideration and comment in accordance with the Council's constitution. The Cabinet would then review those comments and adopt a final Strategy at its following meeting on 12<sup>th</sup> October 2016.
- 1.3.2 It is intended that the corporate strategy, when adopted, will cover the three calendar years from 2017/2019 and be reviewed by the Cabinet on an annual basis.

### 1.4 Legal Implications

- 1.4.1 None

### 1.5 Financial and Value for Money Considerations

- 1.5.1 As set out in the report

### 1.6 Risk Assessment

- 1.6.1 n/a

### 1.7 Equality Impact Assessment

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

### 1.8 Recommendations

- 1.8.1 That the draft corporate strategy **BE REFERRED** to the Overview and Scrutiny Committee for its consideration.

Background papers:

contact: Mark Raymond

Nil

Julie Beilby  
Chief Executive  
On behalf of the Management Team



# ANNEX1

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## ***Tonbridge and Malling Borough Council***

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***Corporate Strategy - DRAFT***

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***2017 – 2019***

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[www.tmbc.gov.uk](http://www.tmbc.gov.uk)

# ***About our Corporate Strategy***

The development of a new Corporate Strategy marks a significant change in approach for Tonbridge and Malling Borough Council when compared to previous years. Our previous Corporate Performance Plan sought to address a wide range of service issues and assessed performance using a myriad of indicators and targets. We now need to be more strategic in our approach. We are facing considerable financial challenges alongside changing and, in some cases, increasing demands on the services we provide. We have made good progress in addressing these challenges to date but we now need to continue to adopt and embed different and smarter ways of working to sustain our progress.

The strategy sets out how we intend to plan and deliver our services in the future and ensure they are relevant to our residents, businesses, visitors to the Borough, and our partners.

This Strategy sets out for the next three years :

- ***Our vision and values***
  
- ***Meeting the challenges ahead***
  
- ***The way forward***
  
- ***A commitment to working in partnership***
  
- ***Measuring Success.***

# Our Vision and our Values

Our vision for the next three years is:

***To be a financially sustainable Council that delivers good value services, provides strong and clear leadership and, with our partners, addresses the needs of our Borough.***

We will be guided in the delivery of the above vision by the following core values:

- ***Taking a business-like approach*** - focusing on ensuring good value for money, continuously reviewing how our services are provided and funded, focusing our available resources where they will have most beneficial impact, and maximising commercial opportunities.
- ***Promoting Fairness*** - acting transparently at all times and being accountable for what we do, and promoting equality of opportunities.
- ***Embracing Effective Partnership Working*** - achieving more by working and engaging effectively with a wide range of local partners from the private, public, voluntary and community sectors.
- ***Valuing our environment and encouraging sustainable growth*** - keeping our towns, villages and countryside clean and well maintained, planning for our future homes and jobs and seeking investment in economic regeneration and infrastructure.

## ***Meeting the Challenges Ahead***

The Council is facing a period of considerable change and challenge over the next three years and beyond. Reducing financial support from Government will mean we need to target resources on delivering core services. At the same time we have to be agile in the way we manage these services to meet the rapidly changing demands and needs of our residents and businesses.

We have recently adopted a Savings and Transformation Strategy that sets out what we need to do over the next three years in terms of change and financial savings that total £1.8M. There are seven key themes:

- generating new income and cost recovery
- looking at ways of delivering retained services more efficiently
- reviewing discretionary services and delivering mandatory services at a lower cost
- reducing costs when service contracts are renewed and re-tendered
- realignment of services and reviewing our management structures
- reviewing our partnership arrangements and the funding we offer to those bodies
- Investing the proceeds gained from the release of assets.

To deliver this strategy successfully, we need to increase our pace of change and inject further fresh approaches to our business and the way we undertake it.

## ***The Way Forward***

With significant reductions in Government funding support over the next three years and changing demands on our services, we need to decide what is most important in ensuring our adopted vision is achieved and that we fully embrace our agreed values.

Building on our Savings and Transformation Strategy, we will seek to deliver the following **key actions**:

We need to continue to identify additional opportunities to **generate more income** to compensate for reductions in Government grant. This means being more commercial and imaginative about the way we operate than we have been previously, being bolder in our approach and less risk-averse. It could include selling services to others and developing new sources of income, such as our community lottery, and investing our money differently. We will also review how our existing property assets can be used to generate new revenue income streams that can then be invested in service delivery.

New income generation will help us sustain key services, but the scale and pace of change in Government funding will mean that the Council will need to **review some discretionary services and, some cases, significantly reduce or discontinue these**. We will identify annual savings and efficiencies, to supplement the themes set out in the Savings and Transformation Strategy, and set out the proposed changes to our services, the reasons for these changes, and how they will be implemented.

We will also seek to identify **new efficiencies** that could save money and allow key services to be developed. We will look at ways we can transform the organisation, for example, by reorganising our staff structures, adopting a 'one team approach' to meet the best needs of our residents and communities and reviewing how we work to deliver efficient and effective services.

## ***A Commitment to Working in Partnership***

Most of the work we undertake now involves joint working with a wide range of partners. The Borough Council remains fully committed to maintaining the close working relationships we already have in place and to develop stronger and wide-ranging jointly delivered initiatives and actions.

### ***Working with our Borough Partners***

We are committed to retaining and developing our close working relationships with our Borough partners. We will continue to support our Local Strategic Partnership, our main partnership which brings together key local partners from the public, private and voluntary sectors. We will continue to engage with our Parish Councils via a refreshed Parish Partnership Panel led by a new, jointly agreed Parish Charter. In addition, we remain committed to developing our dialogue with local businesses and traders' groups, with local housing providers, and other partners including those for health improvement, sports and recreation, community development and community safety. We will foster relationships with those agencies providing infrastructure to support our communities and facilitate growth where it appropriate, working with the private development, investment and commercial sectors.

### ***Working Across West Kent***

The Borough Council works closely with Sevenoaks District Council, Tunbridge Wells Borough Council and Kent County Council. The West Kent Partnership, for example, has enabled us to work jointly on wider economic regeneration and transport issues and has enabled us to have a stronger collective voice helping to secure funding for key infrastructure projects. We now wish to develop those relationships even further. The new approach might include stronger Governance arrangements to underpin a wider range of shared services and closer working relationships between the two tiers of Local Government. Under this new arrangement, there might also be the potential to seek freedoms and flexibilities from Central Government and enable the West Kent authorities to deliver certain national services on a more local basis.

## **Measuring Success**

We will review this corporate strategy each year to evaluate what we have achieved so far and what new and redirected efforts we need to focus on. The key measures we intend to use for this review include the following:

- *Our progress towards meeting our financial targets as set out in the Savings and Transformation Strategy both in terms of the cost savings we have achieved and new income we have generated*
- *Adopting a culture of continuous improvement in change and efficiency through a small set of key indicators covering the core services we provide*
- *Assessing the pace of change we have achieved in rewiring our services to meet customer needs and to identify where positive changes could be accelerated further*
- *Engage with our key partners to challenge us on our progress and achievements*
- *Explore opportunities to receive feedback and comments via consultation with our residents, businesses, visitors, partners and staff.*

To ensure transparency and accountability, we will commit to publishing the results of our annual savings and will be open about the need for continuing change.

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### CABINET

29 June 2016

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

#### Part 1- Public

#### Executive Non Key Decisions

### 1 REVENUE AND CAPITAL OUTTURN 2015/16

**In accordance with the Council's Financial Procedure Rules we present a report and accompanying information detailing actual Revenue and Capital Outturn for the year ended 31 March 2016. We also present for consideration our recommendations, formulated in conjunction with Management Team, regarding potential adjustments to the Accounts in light of the Outturn position.**

#### 1.1 Introduction

- 1.1.1 A detailed statement of the revenue and capital outturn position for the year 2015/16 is provided in the attached booklet which has been compiled in liaison with Chief Officers, including, where appropriate, explanatory notes of variations between revised estimates and outturn. Variations between the original and revised estimates for 2015/16 were highlighted in the notes to the Annual Estimate papers presented to Members during the 2016/17 budget cycle.
- 1.1.2 In accordance with the Council's constitutional arrangements the Statement of Accounts which shows the outturn in the format specified by the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 will be presented to the **Audit Committee** for **approval**. The Director of Finance and Transformation will be presenting the Statement of Accounts to the Audit Committee on 20 June.

#### 1.2 Overall Revenue Position

- 1.2.1 Members are to be advised that overall, the revenue outturn is within budget to the sum of £294,629 with a contribution to the General Revenue Reserve of £369,029 compared with the Revised Estimate figure of £74,400.
- 1.2.2 The favourable variance can in large part be attributed to a wide range of individual service budgets, together with management savings on the salary bill offset by the shortfall to be met by the Council under the Business Rates

Retention scheme. A more detailed analysis of the principal reasons for the favourable variance can be found in the table below.

- 1.2.3 We have as part of the closedown process undertaken a review of the specific earmarked reserves held by the Council. As a result of this review and in liaison with Management Team Cabinet is asked to endorse that no adjustments be made to specific earmarked reserves at this time.
- 1.2.4 As mentioned above, measured against the Revised Estimate the outturn position is within budget to the sum of £294,629. The principal reasons for the favourable variance are given in the table below.

Description	Revised Estimate 2015/16 £	Provisional Outturn 2015/16 £	Variation £
Business Rates Retention Scheme	(1,974,625)	(1,840,141)	134,484
Departmental Admin – Legal Expenses	22,000	77,783	55,783
Termination Payments	345,550	380,738	35,188
Summons Costs Recovered	(250,000)	(275,028)	(25,028)
Housing Benefits (exc. M & A Recharges)	(188,250)	(213,537)	(25,287)
Development Control (exc. M & A Recharges)	(635,000)	(661,108)	(26,108)
Summary – Govt. Grants & Revenue Adjs.	(3,110,900)	(3,139,904)	(29,004)
Refuse, Recycling & Green Waste Collection Contract	2,425,250	2,391,999	(33,251)
Departmental Admin (exc. Legal Expenses & Partnership Receipts)	317,250	281,404	(35,846)
Interest on Investments and Cash Flow	(190,000)	(226,087)	(36,087)
Salary Monitoring Statement	9,503,550	9,387,974	(115,576)
Other Net Changes	2,455,076	2,261,179	(193,897)
<b>Total</b>	<b>8,719,901</b>	<b>8,425,272</b>	<b>(294,629)</b>

- 1.2.5 **[Annex 1]** provides details of Service specific issues in respect of the revenue outturn for 2015/16.

### 1.3 Capital Plan

- 1.3.1 A detailed draft outturn position was presented to the Finance, Innovation and Property Advisory Board on 1 June 2016 which showed actual net expenditure of £1,341,000 (including the purchase of a vehicle at a cost of £31,000 and subject to an insurance claim) against a budget provision of £2,025,000.
- 1.3.2 Factors that contributed to the net underspend are given below.
- Capital renewals budgets totalling £686,000 with actual capital renewals expenditure totalling £429,000. Capital renewals provisions reflect predictions as to when assets will need to be replaced. The net underspend can largely be attributed to a lower than anticipated spend on

capital renewals at our leisure facilities and in respect of information technology.

- The very nature of capital expenditure can see the rescheduling, reprofiling and review of future budgetary provision. Budget provisions that are to be rescheduled, reprofiled or subject to review include Disabled Facilities Grants – net underspend £214,000; Discretionary Housing Assistance – net underspend £103,000; and Improvement programme for existing car parks – underspend £38,000.

1.3.3 **[Annex 2]** provides details of Service specific issues in respect of the capital outturn for 2015/16.

#### 1.4 Treasury Management and Investment Strategy Review

1.4.1 The Council adopted the December 2009 edition of the Chartered Institute of Public Finance and Accountancy Treasury Management Code of Practice and Cross-Sectoral Guidance Notes on 18 February 2010 and due regard has also been given to subsequent revisions to the Code. The Code requires an annual review report of the previous year to be presented and endorsed by Members. To comply with the Code an annual review report for the year 2015/16, attached at **[Annex 3]**, was considered by the Audit Committee at its meeting on 20 June. **As this is a technical document, if Members have any questions, could we please ask that you contact Michael Withey on extension 6103 in advance of the meeting.**

#### 1.5 Balances and Reserves

1.5.1 **[Annex 4]** Table 1 shows the movement on the Special Projects Reserve.

1.5.2 **[Annex 4]** Table 2 details the movement on Other Earmarked Reserves.

1.5.3 **[Annex 4]** Table 3 gives details of some revenue adjustments agreed by the Director of Finance and Transformation during the closedown process.

1.5.4 The Council is required to have regard to the level of its balances and reserves before making decisions concerning its finances. The Council's General Fund working balance is set at £1,250,000 and this sum is considered appropriate for an authority of our size and scale. The position in respect of the Council's General Revenue Reserve is given below.

<b>General Revenue Reserve</b>		
	<b>£</b>	<b>£</b>
Balance at 1 April 2015		4,670,925
Contribution to / (from) Reserve		369,029
<b>Balance at 31 March 2016</b>		<b>5,039,954</b>

1.5.5 The Medium Term Financial Strategy anticipated a General Revenue Reserve balance at 31 March 2016 of £4,745,000.

## **1.6 Audit Committee**

1.6.1 As mentioned earlier, a copy of the Statement of Accounts for 2015/16 (unaudited) is to be presented to the Audit Committee for approval on 20 June. The Accounts reflect the revenue and capital outturn position as detailed in this report and accompanying information, together with the subsequent recommendations as appropriate.

## **1.7 Legal Implications**

1.7.1 There are a number of legislative requirements to consider as we move through the closedown process, and prepare and publish the Statement of Accounts.

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

1.8.1 As set out above.

## **1.9 Risk Assessment**

1.9.1 The compilation and presentation of the revenue and capital outturn forms part of the closedown process, leading to the preparation and publication of the Statement of Accounts which is a statutory document. Failure to prepare and publish the Accounts within the statutory timescale and in accordance with the Regulations could adversely affect the Council.

## **1.10 Equality Impact Assessment**

1.10.1 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.

## **1.11 Recommendations**

1.11.1 Cabinet is requested to:

- 1) Note and endorse the Revenue and Capital Outturn for the year 2015/16.
- 2) Endorse the recommendations following a review of specific earmarked reserves set out at paragraph 1.2.3.
- 3) Note and endorse the Treasury Management and Investment Strategy Review 2015/16 [**Annex 3**].

Background papers:

contact: Sharon Shelton  
Neil Lawley

Investment information provided by King & Shaxson  
Pension information provided by Barnett Waddingham  
Valuation/Impairment information provided by BPS  
Chartered Surveyors

Julie Beilby  
Chief Executive

Sharon Shelton  
Director of Finance and Transformation

Nicolas Heslop  
Leader of the Council

Martin Coffin  
Cabinet Member for Finance, Innovation and Property

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## **Revenue Outturn 2015/16 - Service Specific Issues**

### **Corporate Services**

The Outturn is £23,023 (£2,585,800 - £2,608,823) more than the 2015/16 Revised Estimate. The principal reasons for this are as follows:-

- a) Salaries, Recruitment Costs and Partnership Receipts (CS 2 / CS 7) – Net management savings on the salary bill £115,576.
- b) Termination Payments (CS 2) – Termination payments £35,188 more than estimated. Additional termination costs payable following changes to the permanent establishment.
- c) Departmental Administration (CS 7) – Legal Expenses £55,783 more than estimated due to a specific environmental related case, standards investigations and employment related advice.
- d) Departmental Administration (CS 7) – Departmental Administration excluding legal expenses and partnership receipts is £35,846 less than estimated largely due to reduced postage costs and delay in implementation of new customer call centre system.
- e) Management and administration recharges are £28,075 less than estimated primarily due to management savings on the salary bill.
- f) Recharges to Service Budgets are £207,255 less than estimated.
- g) Building repairs expenditure is £22,864 less than estimated due to in part a lower than anticipated cost for removal of asbestos.
- h) The balance of £72,842 is spread throughout the remaining Corporate Services budgets.

### **Chief Executive**

The Outturn is £66,330 (£931,000 - £864,670) less than the 2015/16 Revised Estimate. The principal reasons for this are as follows:-

- a) Community Development (CE 2) – Additional contribution of £10,000 required to meet the shortfall in partner funding met from an earmarked reserve.
- b) Conduct of Elections (CE 4) – Income of £39,700 associated with the Parliamentary election transferred to an earmarked reserve.
- c) Economic Development & Regeneration (CE 6) – Grant funding to support measures to help boost trade in local retail centres is £24,409 lower than anticipated. Balance of funding held in an earmarked reserve.

- d) The balance of £12,221 is spread throughout the remaining Chief Executive budgets.

#### **Director of Central Services**

The Outturn is £-36,146 (£-46,550 - £-82,696) more than the 2015/16 Revised Estimate. The principal reasons for this are as follows:-

- a) Local Land Charges (CEN 4) – Fee income (net) from search fees of £12,490 more than estimated due to an increase in market demand.
- b) Licences: Fee Paying (CEN 10) – Income from licence fees is £21,945 more than estimated largely due to an increase in the number of taxi and private hire vehicle licences.
- c) Movement in sums to be funded from or transferred to earmarked reserves (Asset Review and Crime and Disorder Initiatives) totaling £29,115.
- d) The balance of £30,826 is spread throughout the remaining Director of Central Services budgets.

#### **Director of Finance and Transformation**

The outturn is £134,197 (£2,092,050 - £1,957,853) less than the 2015/16 Revised Estimate. The principal reasons for this are as follows:-

- a) Housing Benefits (FT 3) – Housing Benefits outturn excluding management and administration recharges is £25,287 less than estimated.
- b) Local Revenue & NNDR Collection (FT 5) – Summons costs recovered in the year are £25,028 more than estimated.
- c) Interest & Transfers (FT 7) – The interest received on investments and cash flow is £36,087 more than estimated as a result of higher than expected balances available for investment and beneficial change in the pattern of business rates paid to Government and precept authorities.
- d) Management and administration recharges are £26,751 less than estimated primarily due to management savings on the salary bill.
- e) The balance of £21,044 is spread throughout the remaining Director of Finance and Transformation budgets.

#### **Director of Planning, Housing and Environmental Health**

The outturn is £555,488 (£4,180,100 - £3,624,612) less than the 2015/16 Revised Estimate. The principal reasons for this are as follows:-



- a) Development Control (PHEH 2) – Development Control outturn excluding management and administration recharges is £26,108 less than estimated.
- b) Management and administration recharges are £101,355 less than estimated primarily due to management savings on the salary bill.
- c) Revenue Expenditure funded from Capital under Statute is £332,470 less than estimated due to underspend on 2015/16 Disabled Facilities Grants, Housing Assistance Grants and Renewable Energy Capital Plan provisions.
- d) Movement in sums to be funded from or transferred to earmarked reserves (Local Development Framework, Repossessions Prevention Fund, Social Housing Fraud Initiative and Public Health) totaling £60,202.
- e) The balance of £35,353 is spread throughout the remaining Director of Planning, Housing and Environmental Health budgets.

**Director of Street Scene, Leisure and Technical Services**

The outturn is £403,328 (£8,116,300 - £7,712,972) less than the 2015/16 Revised Estimate. The principal reasons for this are as follows:-

- a) Refuse Collection and Recycling (SSLT 2 / 3) – Refuse, Recycling and Green Waste Collection contract payments are £33,251 less than estimated.
- b) Parking (SSLT 33 / 34) – Income from car park season tickets, short/long stay parking, residents parking permits and penalty charge notices is £26,518 less than estimated.
- c) Management and administration recharges are £48,314 less than estimated primarily due to management savings on the salary bill.
- d) Reversal of prior year impairment of £245,433 in respect of Poult Wood Golf Centre following revaluation.
- e) Revenue Expenditure funded from Capital under Statute is £39,788 less than estimated largely due to underspend on 2015/16 Car Park Action Plan, Local Transport Plan Partnership Programme and Drainage Improvement Programme Capital Plan provisions.
- f) Building repairs expenditure is £22,479 less than estimated largely due to the slippage in planned maintenance.
- g) The balance of £40,581 is spread throughout the remaining Director of Street Scene, Leisure and Technical Services budgets.

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**Capital Outturn 2015/16 - Service Specific Issues**

**Planning, Housing and Environmental Health Services**

- a) Disabled Facilities Grants (CP3). Net underspend £214,000. Budget provision required in the future to be the subject of review.
- b) Housing Assistance Grants (CP 3). Net underspend £103,000. Budget provision required in the future to be the subject of review.

**Street Scene, Leisure and Technical Services**

- a) Larkfield Leisure Centre – Refurbishment of Lifestyles Health Suite (CP6). Scheme to strip the area back to its shell and redesign the space to provide a wider range of facilities; and to complement upgraded fitness facilities. Scheme completed.
- b) Larkfield Leisure Centre – Pool Disinfectant and Backwashing System (CP6). Investment in a new system that uses ultraviolet technology to treat the water in all three pools at the centre reducing the amount of chlorine needed to disinfect the pools. Scheme completed.
- c) Open Spaces Site Improvements Phase 1 (CP7). Improvements to Scotchers Field, Tonbridge and Leybourne Lakes Country Park to address anti-social behaviour, health and safety, access and issues raised by local residents. Scheme completed.
- d) Existing Car Park Improvement Rolling Programme (CP8). A phased programme of improvements to existing car parks. Majority of the works programme slipped to 2016/17.
- e) Tonbridge Town Lock (CP9). A joint project with the Environment agency to tackle the derelict lock side area by providing a new flood wall, high quality public open space and new boater facilities. Scheme completed.
- f) Tonbridge Castle River Bank (CP9). Environment Agency funding was awarded towards the end of the 2014/15 financial year. The scheme to replace a section of the river bank timber revetment at Tonbridge Castle is now expected to take place in 2016/17.

**Corporate Services**

- a) Revenues and Benefits Document Management (CP12). Scheme funded by Government grant to replace existing, outdated, document management system. DIP element of scheme now operational.
- b) Telephones (CP13). Scheme to replace existing exchange to a VoIP based telephone system and replacement of the call handling software. Scheme completed.

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## Treasury Management Annual Report 2015/16

### 1.1 Introduction

1.1.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2015/16 [**Appendix 1**]. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

1.1.2 During 2015/16 the minimum reporting requirements were that full Council should receive the following reports:

- an annual treasury strategy in advance of the year;
- a mid-year treasury update; and
- an annual review following the end of the year describing the activity compared to the strategy (this report).

In addition, treasury management updates have been presented to each meeting of the Audit Committee throughout the 2015/16 financial year. Treasury performance was also considered at the Finance, Innovation and Property Advisory Board through the regular Financial Planning and Control reports.

1.1.3 Changes in the regulatory environment place a much greater onus on Members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.

1.1.4 This Council also confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit Committee before they were reported to full Council.

### 1.2 The Economy and Interest Rates

1.2.1 Market expectations for the first increase in Bank Rate moved considerably during 2015/16, starting at quarter 3 2015 but soon moving back to quarter 1 2016. However, by the end of the year, market expectations had moved back radically to quarter 2 2018 due to many fears including concerns that China's economic growth could be heading towards a hard landing; the potential destabilisation of some emerging market countries particularly exposed to the Chinese economic slowdown; and the continuation of the collapse in oil prices during 2015 together with continuing Eurozone growth uncertainties.

1.2.2 These concerns have caused sharp market volatility in equity prices during the year with corresponding impacts on bond prices and bond yields due to safe haven flows. Bank Rate, therefore, remained unchanged at 0.5% for the seventh successive year. Economic growth (GDP) in the UK surged strongly during both 2013/14 and 2014/15 to make the UK the top performing advanced

economy in 2014. However, 2015 has been disappointing with growth falling steadily from an annual rate of 2.9% in quarter 1 2015 to 2.1% in quarter 4.

- 1.2.3 The Funding for Lending Scheme, announced in July 2012, resulted in a flood of cheap credit being made available to banks which then resulted in money market investment rates falling materially. These rates continued at very low levels during 2015/16.
- 1.2.4 The sharp volatility in equity markets during the year was reflected in sharp volatility in bond yields. However, the overall dominant trend in bond yields since July 2015 has been for yields to fall to historically low levels as forecasts for inflation have repeatedly been revised downwards and expectations of increases in central rates have been pushed back. In addition, a notable trend in the year was that several central banks introduced negative interest rates as a measure to stimulate the creation of credit and hence economic growth.
- 1.2.5 The ECB had announced in January 2015 that it would undertake a full blown quantitative easing programme of purchases of Eurozone government and other bonds starting in March 2015 at €60bn per month. This put downward pressure on Eurozone bond yields. There was a further increase in this programme of QE in December 2015. The anti-austerity government in Greece, elected in January 2015 eventually agreed to implement an acceptable programme of cuts to meet EU demands after causing fears of a Eurozone breakup. Nevertheless, there are continuing concerns that a Greek exit may only have been delayed.
- 1.2.6 As for America, the economy has continued to grow healthily on the back of resilient consumer demand. The first increase in the US central rate occurred in December 2015 since when there has been a return to caution as to the speed of further increases due to concerns around the risks to global growth.
- 1.2.7 Elsewhere on the international scene, concerns have increased about the slowing of the Chinese economy and also its potential vulnerability to both the bursting of a property bubble and exposure of its banking system to bad debts. The Japanese economy has also suffered disappointing growth in this financial year despite a huge programme of quantitative easing, while two of the major emerging market economies, Russia and Brazil, are in recession. The situations in Ukraine, and in the Middle East with ISIS, have also contributed to volatility.
- 1.2.8 The UK elected a majority Conservative Government in May 2015, removing one potential concern but introducing another due to the promise of a referendum on the UK remaining part of the EU. The government maintained its tight fiscal policy stance but the more recent downturn in expectations for economic growth will make it more difficult to return the public sector net borrowing to a balanced annual position within the period of this parliament.

### **1.3 Treasury Position at 31 March 2016**

- 1.3.1 At the beginning and the end of 2015/16 the Council's debt and investment position was as follows:

	31 March 2015 £m	Rate / Return %	Average duration Days	31 March 2016 £m	Rate / Return %	Average duration Days
<b>Variable rate debt:</b>						
Overdraft	0.00	-	-	0.00	-	-
<b>Total debt</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>-</b>
<b>Fixed rate investments:</b>						
Cash flow	2.00	0.95	13	2.00	0.85	204
Core funds	6.00	0.78	109	8.75	0.87	139
<b>Variable rate investments:</b>						
Cash flow	4.02	0.64	1	6.62	0.59	1
Core funds	7.45	0.73	66	6.85	0.73	89
<b>Total investments</b>	<b>19.47</b>	<b>0.75</b>	<b>61</b>	<b>24.22</b>	<b>0.75</b>	<b>92</b>

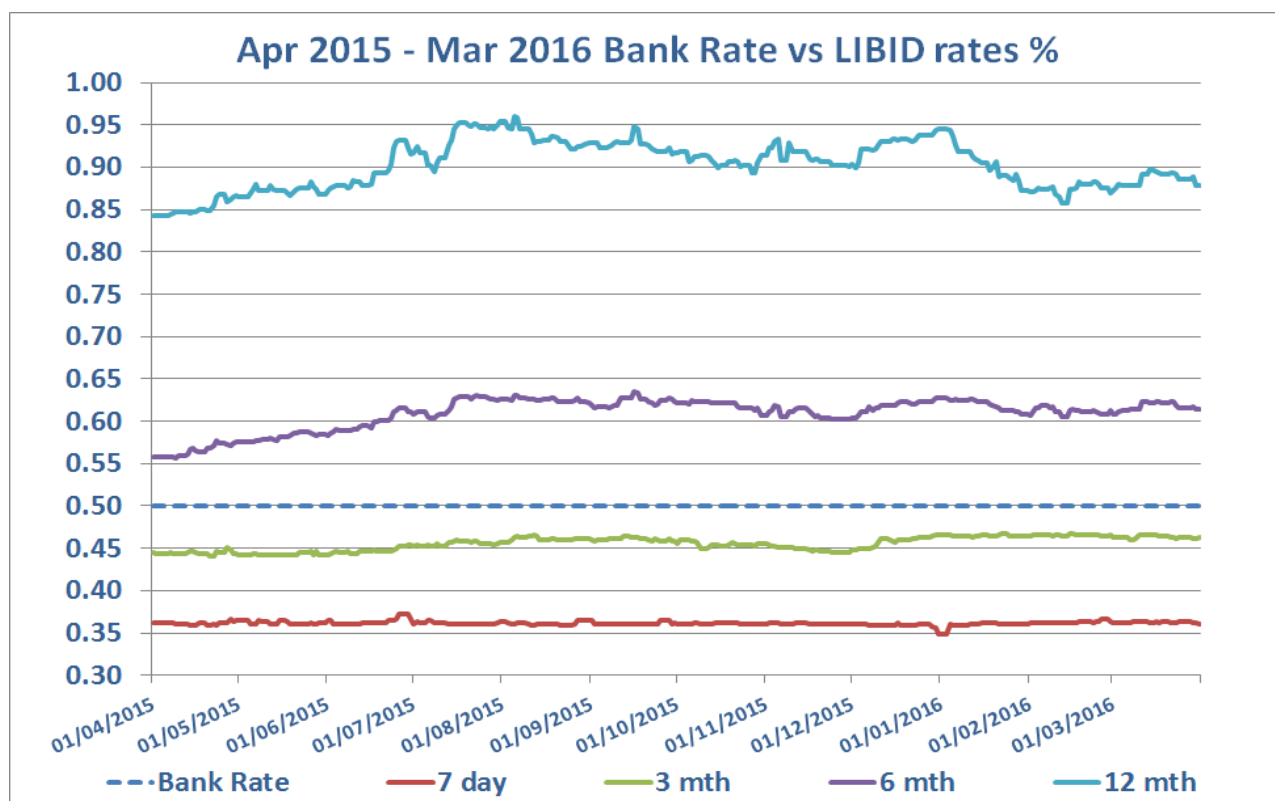
1.3.2 The rise in investment balances between the start and end of the financial year runs counter to the expectation that core cash will be consumed over time as a proportion is used each year to finance capital expenditure and to finance the revenue account deficit until such time as the authority achieves a balanced budget. The rise in investment balances is wholly attributed to provisions under the Business Rates Retention Scheme to meet the cost of appeals which have yet to be determined by the Valuation Office. As at 31<sup>st</sup> March 2016, the provision to meet business rate appeals was some £8m.

#### 1.4 The Strategy for 2015/16

1.4.1 The expectation for interest rates within the treasury management strategy for 2015/16 anticipated a low but rising Bank Rate starting in quarter 1 of 2016. In addition, continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns.

#### 1.5 Investment Rates in 2015/16

1.5.1 The Bank Rate remained at its historic low of 0.5% throughout the year and has now remained at that level for seven years. Market expectations as to the timing of the start of monetary tightening started the year at quarter 1 2016 but then moved back to around quarter 2 2018 by the end of the year. Deposit rates remained depressed throughout 2015/16 due to the effects of the Funding for Lending Scheme and continuing weak expectations as to when Bank Rate would start rising.



## 1.6 Investment Outturn for 2015/16

1.6.1 The Council's investment policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies. This is supplemented by additional market information including credit rating outlooks and credit default swap data. The 2015/16 Annual Investment Strategy was approved by the Council in February 2015 and subjected to a mid-year review in September 2015. In undertaking the review, no changes were made to the Council's minimum counterparty credit requirement (Fitch A-, F1 unless UK state owned) or counterparty exposure limits (20% for non-UK state owned financial institutions). However, as a consequence of performance achieved in the early part of the year, the review indicated that investment income for 2015/16 would be better than originally anticipated. Subsequent to this and as part of the budget setting process, income from investments for 2015/16 was increased by £22,500 to £190,000.

1.6.2 **Cash Flow Investments.** The Council maintained an average balance of £17.0m in cash flow funds. These funds earned an average rate of return of 0.65%. The comparable performance indicator is the average 7-day LIBID rate which was 0.36%. The return achieved also compares with a revised budget assumption of £14.1m investment balances earning an average rate of 0.60%. The majority of cash flow funds are required to meet our regular payment obligations and as a consequence are invested overnight in bank deposit accounts and money market funds which allow next day access. However, the opportunity to invest for longer durations and generate additional yield is taken when cash flow surpluses permit. Throughout 2015/16 cash balances were



higher than previously experienced reflecting a beneficial change by Government in the pattern of business rates paid to them, KCC and Kent Fire and Rescue.

1.6.3 **Core Fund Investments.** Responsibility for the management of core funds transferred from the Council's external fund manager, Investec Asset Management, to in-house management in August 2014. Throughout 2015/16 core funds were managed in-house. The average core fund balance of £14.1m earned an average rate of return of 0.82%. The 3-month LIBID rate used as a comparator was 0.46%. The return achieved also compares with a revised budget assumption of £13m in balances earning an average rate of 0.80%. Unlike cash flow, core fund balances are not required to meet our regular payment obligations and are available to invest for longer durations including durations exceeding one year. This added flexibility allows core funds to generate a better return relative to cash flow investments.

1.6.4 Performance for the financial year as a whole is summarised in the table below:

	2015/16 Average Balance £m	Return %	2015/16 Interest Earned £	2015/16 Revised Estimate £	Variance Better (worse) £
Cash flow	17.0	0.65	109,850	85,000	24,850
Core funds	14.1	0.82	116,250	105,000	11,250
Total	31.1	0.73	226,100	190,000	36,100

1.6.5 The combined performance of the Authority's cash flow and core funds bettered the revised estimate by £36,100 (£58,600 better when compared to the 2015/16 original estimate).

## 1.7 Compliance with the Annual Investment Strategy

1.7.1 Throughout the period April 2015 to March 2016 the requirements set out in the 2015/16 Annual Investment Strategy which aim to limit the Council's exposure to investment risks (minimum counterparty credit criteria; sovereign, counter-party and group exposure limits; type of investment instrument; and investment duration limits) have been complied with. No liquidity issues were experienced resulting in nil borrowing throughout 2015/16.

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**Prudential and Treasury Indicators**

<b>1 Prudential Indicators</b>	2014/15 Actual £'000	2015/16 Original £'000	2015/16 Actual £'000
Capital expenditure	2,341	2,942	3,287
Ratio of financing costs to net revenue stream	-1.36%	-1.48%	-1.90%
Net borrowing requirement:			
Brought forward 1 April	nil	nil	nil
Carried forward 31 March	nil	nil	nil
In year borrowing requirement	nil	nil	nil
Capital financing requirement as at 31 March	nil	nil	nil
Annual change in capital financing requirement	nil	nil	nil
Incremental impact of capital investment decisions:			
Increase in Council Tax (Band D) per annum	£0.30	£0.24	£0.24

<b>2 Treasury Management Indicators</b>	2014/15 Actual £'000	2015/16 Original £'000	2015/16 Actual £'000
Authorised limit for external debt:			
Borrowing	nil	5,000	nil
Other long term liabilities	nil	nil	nil
Total	nil	5,000	nil
Operational boundary for external debt:			
Borrowing	nil	2,000	nil
Other long term liabilities	nil	nil	nil
Total	nil	2,000	nil
Actual external debt	nil	nil	nil
Upper limit for fixed rate exposure over one year at year end	nil	0 – 60%	nil
Upper limit for variable rate exposure under one year at the year end	11,466 (58.9%)	40 – 100%	13,468 (55.6%)
Upper limit for total principal sums invested for over 364 days	nil (0%)	60%	nil (0%)

<b>3 Maturity structure of new fixed rate borrowing during 2015/16</b>	Upper limit %	Lower limit %
Under 12 months	100	nil
Over 12 months	nil	nil

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TABLE 1

Special Projects Reserve	2015/16		
	Revised £	Outturn £	Variance £
<b>Contribution to/(from) in Year</b>			
Crime & Disorder Initiatives	-	(6,155)	(6,155)
Repossessions Prevention Fund	(4,000)	(329)	3,671
Social Housing Fraud Initiative	(1,900)	(1,875)	25
<b>Movement in Year</b>	<b>(5,900)</b>	<b>(8,359)</b>	<b>(2,459)</b>

TABLE 2

Other Earmarked Reserves	2015/16		
	Revised £	Outturn £	Variance £
<b>Contribution to/(from) in Year</b>			
Housing Assistance	-	23,646	23,646
Invest to Save	50,000	50,000	0
Local Development Framework	10,000	37,272	27,272
Public Health	-	29,234	29,234
Transformation	36,000	50,000	14,000
Asset Review	(5,200)	(28,160)	(22,960)
Business Rates Retention Scheme	(575,900)	(521,426)	54,474
Community Development	(60,250)	(72,516)	(12,266)
Democratic Representation	-	(1,856)	(1,856)
Economic Development	(58,000)	(33,091)	24,909
Election Expenses	(100,100)	(51,629)	48,471
Flood Recovery and Defence	(75,000)	(75,000)	0
Planning Inquiries	(22,500)	(18,365)	4,135
<b>Approved by Management Team</b>			
<b>For Approval</b>			
<b>Movement in Year</b>	<b>(800,950)</b>	<b>(611,891)</b>	<b>189,059</b>

TABLE 3

Revenue Adjustments	2015/16		
	Revised £	Outturn £	Variance £
<b>Expenditure / (Receipts) in Year</b>			
Rechargeable Works Overheads	-	509	509
Mortgage Accounts	-	(4,260)	(4,260)
Miscellaneous Cash	-	(7,295)	(7,295)
<b>Movement in Year</b>	<b>-</b>	<b>(11,046)</b>	<b>(11,046)</b>

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### CABINET

29 June 2016

#### Report of the Chief Executive

#### Part 1- Public

#### Executive Non Key Decisions

#### **1 RECCOMENDATIONS FROM THE OVERVIEW AND SCRUTINY COMMITTEE – REVIEW OF CONCESSIONARY PARKING PERMITS**

**To endorse the recommendations arising from this review**

#### **1.1 Background**

1.1.1 The Overview and Scrutiny Committee has undertaken a review of current concessionary car parking permits to assess whether any possible changes or improvements can be identified to make the system either more efficient and/or cost effective.

#### **1.2 Review Recommendations**

1.2.1 The review group has recommended the following, as set out in Annex 1 of the report and summarised below:

- (a) An internal review should be undertaken to consider whether the current list of Borough Council staff receiving permits was correct
- (b) An internal review should be undertaken to consider whether the current list of Leisure Trust staff receiving permits was correct
- (c) That permits no longer continue for Tonbridge Junior Football Club but an adjustment to hire fees be made to reflect the parking arrangements
- (d) That the parking concession permit for St Stephens Church, Tonbridge be removed when the current permit expired
- (e) An audit of current users and Country Park volunteers be undertaken to ensure the current list was accurate
- (f) That permits for Riverside Bowls Club, Tonbridge no longer continue but an adjustment to the hire fee be made to reflect the parking arrangements; and

- (g) That permits for Alderman and Freeman be discontinued in the future.  
However, one off permits for Civic events could be offered to attendees as appropriate

### **1.3 Legal Implications**

- 1.3.1 As dealt with by the review.

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

- 1.4.1 As dealt with by the review.

### **1.5 Risk Assessment**

- 1.5.1 n/a

### **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 Recommendations**

- 1.7.1 That the recommendations of Overview and Scrutiny Committee regarding the Review of Concessionary Parking Permits **BE ENDORSED.**

Background papers:

contact: Gill Fox

Nil

Julie Beilby  
Chief Executive



**CONCESSIONARY CAR PARKING PERMITS – PANEL RECOMENDATIONS**

CATEGORY	NUMBER OF PERMITS ISSUED	DESIGNATED CAR PARKS	REASON FOR PERMIT	PANEL RECOMMENDATIONS
<b>1. <u>STAFF</u></b>				
i. Council Staff	213	All Car Parks	Appropriate Council staff are allocated a permit to undertake their day to day duties. The permits can only be used for work reasons. Staff are encouraged to park in long stay car parks.	Whilst it was felt that the issuing of staff permits remains fully justified, it is recommended that an internal review should be undertaken to consider whether the current list of staff receiving permits is correct.
ii. Leisure Trust Staff	164	Head Office and Senior staff receive an "All Car Parks" permit. Angel Centre duty staff receive a permit for the Sovereign Way Mid Car Park. Tonbridge Swimming Pool duty staff receive a permit for the Lower Castle Field Car Park and are encouraged to park in the overflow area.	Appropriate Trust staff are allocated a permit to undertake their day to day duties. The current arrangements are a contractual requirement in the Council's Management Agreement with the Leisure Trust.	No change recommended as this is a contractual requirement. However, a similar audit as that for Council staff should be carried out to ensure the current list is accurate.
<b>2. <u>COUNCIL MEMBERS</u></b>	54	All Car Parks.	Council Members are allocated a permit to undertake their day to day duties. The permits can only be used for Council duties.	No change recommended. Existing system works satisfactorily.

**CONCESSIONARY CAR PARKING PERMITS – PANEL RECOMENDATIONS**

<b>3. <u>VOLUNTARY GROUPS/CLUBS</u></b>					
i.	Tonbridge Junior Football Club	38	Lower Castle Field – Saturdays only during football season.	The permits are currently provided to volunteer coaches running the junior football teams. Tonbridge Racecourse Sportsground is the only sportsground in Tonbridge where car parking is not provided free of charge.	Following liaison with the Chairman of Tonbridge Sports Association it is proposed that the permits no longer continue but an adjustment to hire fees be made to reflect the parking arrangements. The hire of the sports pitches is managed on the Council's behalf by the Leisure Trust.  The Panel agreed this recommendation.
ii.	Slade School, Tonbridge	205	Lower Castle Field – 15 mins am & pm. Term time only.	Arrangement in place for parents to safely drop off and collect their children to and from the school.	No change recommended. Existing system works satisfactorily and addresses health & safety concerns.
iii.	Tonbridge – Library Volunteers	7	Avebury Avenue Loading Bays & Resident Bays.	Enables volunteers to park on double yellow lines outside library to load & unload, and in resident bays when delivering in communities.	No change recommended.
iv.	West Malling School	-	West Malling Short Stay Car Park. 30 mins am & pm. Term time only.	Arrangement in place for parents to meet so children can join walking bus to and from school.	No change recommended. Existing system recently introduced to address health & safety concerns.
v.	St Stephens Church, Tonbridge	4	Church Vicar – All areas. Volunteers - Residents Bays adjacent to Church.	To support the community work of the Church.	It was no longer felt appropriate to provide these permits. Recommended that the concession be removed when current permits expire.

**CONCESSIONARY CAR PARKING PERMITS – PANEL RECOMENDATIONS**

vi.	Clark & Coleman (Chemist)	1	Layby outside high street chemist.	To provide adequate time for sorting and collection of prescriptions.	It is still felt appropriate to allow the parking arrangements to continue. Recommended no change.
vii.	Community – Police Safeguarding	1	All resident bays.	To enable Safeguarding Officer to deal with emergencies. Officer user unmarked vehicle.	Recommended no change.
viii.	KCC Highways	3	On street only.	To assist in undertaking duties in unmarked vehicles.	Recommended that this be retained as part of partnership arrangements.
ix.	Country Park Volunteers	61	Haysden Country Park & Leybourne Lakes Car Parks.	To provide free parking to volunteers, bailiffs and Parkrun Co-ordinators working in the Council's County Parks. The Council currently benefits from approximately 1,600 hours of volunteer time per annum.	Recommended no change. The existing arrangement remains a valuable way of acknowledging the work of the volunteers. However it was recommended that an audit of current users should be undertaken to ensure the current list of volunteers is accurate.
99	Riverside Bowls Club, Tonbridge	15	Bradford Street Car Park – Wednesdays. Summer only.	Existing arrangement supports the club on match days so away teams are not required to pay for parking. Tonbridge Racecourse Sportsground is the only sportsground in Tonbridge where car parking is not provided free of charge.	Following liaison with the Chairman of Tonbridge Sports Association it is proposed that the permits no longer continue but an adjustment to hire fees be made to reflect the parking arrangements. The hire of the sports pitches is managed on the Council's behalf by the Leisure Trust.  The Panel agreed this recommendation.

**CONCESSIONARY CAR PARKING PERMITS – PANEL RECOMENDATIONS**

<b>4. OTHER</b>				
i. Chamber of Commerce	4	Castle Grounds or Upper Castle Field Car Park.	Agreement included within existing lease for Castle Lodge.	Arrangements to be reviewed separately when property becomes vacant.
ii. Veolia	3	On Street only.	To enable contractor staff to undertake duties on behalf of Council.	No change recommended.
iii. Tonbridge Model Engineering Society	8	Lower Castle Fields Car Park – Specific Days on permit.	Agreement included within existing lease.	No change recommended
iv. Alderman/Freemen of Borough	1	All areas.	Alderman & Freeman have previously on occasion been granted a parking permit to reflect their contribution to the Council.	Recommended that these should be discontinued in the future. However, it was suggested that one-off parking permits for Civic events could be offered to attendees as appropriate.

## TONBRIDGE & MALLING BOROUGH COUNCIL

### CABINET

28 June 2016

#### Report of the Director of Planning, Housing and Environmental Services and Director of Central Services

#### Part 1- Public

#### Executive Non Key Decisions

#### **1 SELF BUILD AND CUSTOM HOUSEBUILDING REGISTER**

**This report seeks delegated authority to exercise the new powers in respect of the Self Build and Custom Housebuilding Register.**

#### **1.1 Introduction**

- 1.1.1 The provisions of the Self Build and Custom Housebuilding Act 2015 require Local Authorities to maintain a Register for those expressing an interest in acquiring a serviced plot of land for the purpose of building their own home. There are certain criteria to meet including, being over 18 and a British citizen, a national of the European Economic Area States or a national of Switzerland.
- 1.1.2 Applications can be made by individuals or with others as an Association.
- 1.1.3 Since the 1<sup>st</sup> April 2016, advice on how to apply to be included on the register has been available on the Council's website. As of the time of writing this report 10 separate requests had been made for a total of 13 self build plots (one of the requests was made on behalf of an Association). Regulations require Local Authorities to inform applicants whether they have been successful or not within 28 days of receiving their application.
- 1.1.4 To be eligible applicants are required to specify their name and address, date of birth, nationality and include a declaration that the purpose of their application is to acquire (either alone or with others) a serviced plot of land to build a house in the Borough of Tonbridge and Malling to occupy as their sole or main residence.
- 1.1.5 In order to process these and future applications delegated powers are sought for the Director of Planning, Housing and Environmental Services.
- 1.1.6 For the time being, Local Authorities are only required to prepare and maintain a register and publicise it. There is also a duty on Local Authorities to have regard to it when carrying out their planning, housing, land disposal and regeneration functions. Further requirements on Local Authorities will be introduced on commencement of the provisions of the Housing and Planning Act 2016.

## **1.2 Legal Implications**

- 1.2.1 The Self Build and Custom Housebuilding (register) Regulations 2016 require Local Authorities to determine an application to be included on the register within 28 days.

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

- 1.3.1 There are no financial and value for money considerations arising from this report.

## **1.4 Risk Assessment**

- 1.4.1 Delegation will enable decisions on applications to be included on the register to be made within the time period specified by Regulations.

## **1.5 Recommendations**

- 1.5.1 That Cabinet agree to delegate to the Director of Planning, Housing and Environmental Health authority to exercise all of the Council's powers in relation to the Self Build and Custom Housebuilding Register, including any set out in the Self-Build and Custom Housebuilding Act 2015 and regulations made thereunder.

Background papers:

Self-Build and Custom Housebuilding Act (2015)  
Self-Build and Custom Housebuilding (Register)  
Regulations (2016)  
Self-Build and Custom Housebuilding Draft Planning  
Practice Guidance (Feb 2016)

contact: Ian Bailey (Planning  
Policy Manager)

## TONBRIDGE & MALLING BOROUGH COUNCIL

### CABINET

29 June 2016

#### Report of the Director of Central Services and Monitoring Officer

#### Part 1- Public

#### Executive Non Key Decisions

#### 1 HIVE LOTTO

##### 1.1 Introduction

1.1.1 On 22 March 2016 Members approved the launch of an online lottery for Tonbridge and Malling to provide discretionary support to local voluntary and community groups.

1.1.2 This report updates Members on progress made with the lottery and proposes some minor amendments to the criteria for acceptance of good causes.

##### 1.2 Structure of lottery

1.2.1 For the assistance of Members, a reminder as to the structure of the lottery is set out below.

- Ticket price - £1 per week, Participants are able to sign up online or via mobile
- Draw frequency – once per week (Saturday)
- Players can choose to buy a ticket to support a specific good cause (50% to the ticket price to the chosen good cause and 18% to central fund administered by Council) or purchase directly without specifying a good cause (68% of ticket price to central fund)
- Good causes can apply to join the lottery via the website. The process has been designed to be as simple as possible. All such applicants will need to be approved by the Council before they are provided with their own branded page within the site. The cause keeps 50% of all ticket sales generated through their page, and paid their income automatically on a monthly basis. Good causes will be provided with marketing material to help promote/ grow the lottery. Any monies due under the central fund will be paid automatically to the Borough Council.

**Allocation of proceeds:** see table below

<b>Proceeds Apportionment</b>				
	<b>Specific Good Cause</b>		<b>Central Fund</b>	
	<i>% Allocation</i>	<i>£ Allocation per ticket</i>	<i>% Allocation</i>	<i>£ Allocation per ticket</i>
Specific Good Cause	50	£0.50	-	-
Prizes	20	£0.20	20	£0.20
Central Fund	18	£0.18	68	£0.68
External Lottery Provider	12	£0.12 (inc VAT)	12	£0.12 (inc VAT)
<b>Totals</b>	<b>100</b>	<b>£1.00</b>	<b>100</b>	<b>£1.00</b>

### **Number selection and prize structure**

1.2.2 Players will be provided with a unique 6 number entry into the lottery. To win the jackpot the ticket must match these 6 numbers. Multiple tickets are able to be purchased, with each ticket having a unique set of 6 numbers. Each player is also entered into a free bonus draw for a guaranteed £1000 prize, and 'Bolt on' prizes are also possible. The jackpot and the second prize of £1000 are insured prizes, with the External Lottery Manager responsible for meeting other prizes. It is a guaranteed pay out of £25,000 per jackpot, plus £25,000 to the good cause supplying the winner.

<b>Number Selection and Prize Structure</b>		
	<i>Winning Odds</i>	<i>£ Prize</i>
6 numbers	1:1,000,000	£25,000 (plus £25,000 to good cause supplying the winner)
5 numbers	1:18,220	£1,000
4 numbers	1:823	£100
3 numbers	1:69	3 free plays

1.2.3 The central fund will be administered by the Borough Council. The fund will be used in the first instance to support existing commitments to voluntary sector bodies and community organisations, thus ensuring that all of the proceeds go to good causes within the Borough.



### 1.3 Update on progress

#### **Gambling Commission licence**

- 1.3.1 An application has been made to the Gambling Commission for a licence to permit the Council to operate a remote lottery. At the time of preparing the report we are waiting to receive confirmation from the Commission that the licence has been granted although a decision is expected imminently. Members will be updated on progress with this application at the meeting.
- 1.3.2 As part of the application process, we have been required to also make what is known as an 'Annex A' personal declaration. This is required when an individual within the organisation applying for the operator's licence holds one or more 'qualifying positions' e.g. overall strategy and delivery of gambling, regulatory compliance. In this case that individual is the Director of Central Services so a further application has been made to the Gambling Commission. We are again waiting to receive confirmation from the Gambling Commission that the application has been granted.

#### **Branding**

- 1.3.3 The lottery will be launched under the brand 'Hive Lotto' and we will operate from the website [www.hivelotto.com](http://www.hivelotto.com).
- 1.3.4 Social media accounts for the lottery have been set up as follows –
- Twitter - <https://twitter.com/HiveLotto>
- Facebook – <https://www.facebook.com/Hive-Lotto-1145916415466208/>
- Instagram - <https://www.instagram.com/hivelotto/>
- 1.3.5 These accounts are active and we shall be using them as part of our marketing strategy in the build-up to launch. Visitors to the website may already register their interest so that we are able to keep them up to date with progress.

#### **Criteria for acceptance of good causes**

- 1.3.6 We have reviewed our criteria previously approved by Cabinet on 22 March to ensure that as many good causes as possible are able to join the lottery. With this aim in mind we propose to make some minor changes to the criteria so as to be clear that educational establishments and uniform organisations e.g. scouts are able to join.
- 1.3.7 The amended criteria are set out at **Annex 1**.
- 1.3.8 Members have previously agreed that the Director of Central Services be authorised to approve or reject applications. No changes are proposed in respect of this authority.

## 1.4 **Responsible Gambling**

- 1.4.1 It is recognised that gambling can lead to a range of problems for a small minority of individuals and their families. Lotteries are a form of gambling and as such we are required to ensure that children and other vulnerable people are not exploited by the proposed lottery.
- 1.4.2 The minimum age for participation in a local authority lottery is 16 years of age. A person commits an offence if they invite or allow a child to enter such a lottery.
- 1.4.3 The Council must take all reasonable steps to ensure that information about how to gamble responsibly and how to access information and help in respect of problem gambling is readily available.
- 1.4.4 The Gambling Commission have set out specific social responsibility requirements in their licence conditions and codes of practice. These apply to the licence held by the Borough Council for the purposes of operating this lottery. The Director of Central Services has already undertaken Social Responsibility and Problem Gambling Awareness training with GamCare in order to ensure that we are able to meet our obligations under the conditions and codes of practice.
- 1.4.5 The Council has applied to join the Lotteries Council. Membership of the Council will include a payment to the Responsible Gambling Trust.

## 1.5 **Legal Implications**

- 1.5.1 None arising out of this report.

## 1.6 **Project launch**

- 1.6.1 It is proposed to launch the lottery during the first week of September 2016.

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

- 1.7.1 The costs of operating the lottery are set out below
- £10,000 initial payment to the External Lottery Manager for setting up the lottery, website design, branding support, digital strategy support and campaign management.
  - £3,000 marketing costs (estimated) for launch of lottery
  - £488 – cost of applying for operating licence from Gambling Commission
  - £244 – annual licensing fees payable to Gambling Commission
  - £350 – membership of the Lotteries Council

- Ongoing staff time in marketing the lottery and approving applications from community groups.

1.7.2 Income from the lottery will be distributed as set out in paragraph 1.2 above.

1.7.3 The lottery website is being designed so as to allow for secondary revenue income opportunities from advertising.

1.7.4 The Gambling Commission imposes a number of financial requirements for local authority lotteries. These include a requirement that accounting records must be kept for a minimum of 3 years and must be made available to the Commission on request.

## 1.8 Risk Assessment

1.8.1 The lottery will allow voluntary and community groups to raise funds for their causes. It will enable such groups to reduce/ eliminate the overheads associated with running a traditional lottery whilst at the same time receiving a guaranteed share of receipts from supporters who play the online lottery.

1.8.2 The financial risk to the Borough Council will be limited to the initial start-up costs, licence fees payable to the Gambling Commission plus the ongoing staffing costs of marketing and approving applications from voluntary and community groups.

1.8.3 The prize fund will be insured, with the premiums payable by the External Lottery Manager. There will therefore be no financial risk to the Borough Council in the event that a player is successful in winning the jackpot or any other of the prizes on offer.

## 1.9 Equality Impact Assessment

1.9.1 The lottery will deliver benefits to voluntary and community groups. As such, the scheme will provide a positive contribution to promoting equality.

## 1.10 Recommendation

1.10.1 It is **RECOMMENDED** that

(1) Members note the contents of the report;

(2) The amended criteria at **Annex 1** be approved for acceptance of good causes into the lottery.

Background papers:

Nil

contact: Adrian Stanfield/  
Anthony Garnett

Adrian Stanfield  
Director of Central Services and Monitoring Officer

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We want to enable as many good causes as possible to participate in our lottery. Set out below are a set of criteria that will be used in deciding whether or not to allow organisations/ groups to join Hive Lotto.

There is no application fee for organisations/ groups to join Hive Lotto.

### **Criteria for joining Hive Lotto:**

Your organisation/ group must be one of the following specified organisations, or alternatively must meet all of the general criteria set out below:

#### Specified Organisations

- a) A Parish or Town Council
- b) Educational Establishment/ Parent- Teacher Association (or equivalent)
- c) A “uniform” organisation (e.g Scouts, Brownies)

#### General Criteria

- Provide local community activities or services which are of benefit to residents of your area
- Have a formal constitution or set of rules
- Have a bank account requiring at least 2 unrelated signatories
- Operate with no undue restrictions on membership

And be one of the following:

- A constituted group with a volunteer management committee with a minimum of three unrelated members that meets on a regular basis (at least 3-4 times per year)
- A registered charity, with a board of trustees; or
- a registered Community Interest Company (CIC), (such organisations must provide copies of their Community Interest Statement, details of the Asset Lock included in their Memorandum and Articles of Association, and a copy of their latest annual community interest report with its application to join the lottery).

### **We will not permit applications that:**

- promote activities/groups promoting a particular religious or political point-of-view or belief
- are from individuals
- are from organisations which aim to distribute a profit
- are from organisations with no established management committee/board of trustees (unless a CIC)
- are incomplete



Applications not meeting the above criteria may be accepted at the discretion of the Director of Central Services.

The council reserves the right to

- (a) reject any application;
- (b) terminate the participation of any organisation with a minimum of 7 days' notice for any reason, unless fraudulent or illegal activity is suspected where termination will be immediate.

# 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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# Agenda Item 16

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 17

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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