

TONBRIDGE & MALLING BOROUGH COUNCIL



EXECUTIVE SERVICES

Chief Executive

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

Contact: Committee Services
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4 October 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, 12th October, 2016 commencing at 7.30 pm

Yours faithfully

JULIE BEILBY

Chief Executive

A G E N D A

PART 1 - PUBLIC

- | | | |
|----|--------------------------|-------|
| 1. | Apologies for absence | 5 - 6 |
| 2. | Declarations of interest | 7 - 8 |

- | | | |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 3. | Minutes - 29 June 2016 | 9 - 12 |
| | To confirm as a correct record the Minutes of the meeting of the Cabinet held on 29 June 2016 | |
| 4. | Minutes - 28 July 2016 | 13 - 16 |
| | To confirm as a correct record the Minutes of the extraordinary meeting of the Cabinet held on 28 July 2016 | |
| 5. | Minutes - 6 September 2016 | 17 - 18 |
| | To confirm as a correct record the Minutes of the extraordinary meeting of the Cabinet held on 6 September 2016 | |
| 6. | Matters Referred from Advisory Boards | 19 - 44 |
| | 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. | |
| 7. | Matters Referred from Advisory Panels and Other Groups | 45 - 68 |
| | The minutes of meetings of Advisory Panels and Other Groups are attached, any recommendations being identified by an arrow. | |
| | <u>Matters for Recommendation to the Council</u> | |
| 8. | Corporate Strategy | 69 - 78 |
| 9. | Special Expenses Scheme Policy ('Fairer Charging') and Updated Financial Data | 79 - 98 |
| 10. | Review of the Council's Local Council Tax Reduction Scheme | 99 - 142 |
| 11. | Treasury Management Update and Mid-Year Review 2016/17 | 143 - 164 |
| 12. | Review of Housing Assistance Policy | 165 - 174 |
| | Item CH 16/13 referred from Communities and Housing Advisory Board minutes of 25 July 2016 | |
| | <u>Executive Non-Key Decisions</u> | |
| 13. | Review of Mayoralty Function - Recommendations of Overview and Scrutiny Committee | 175 - 176 |
| 14. | Technical Consultation Paper on 2017/18 Local Government Finance Settlement | 177 - 184 |
| 15. | Medium Term Financial Strategy Update and Business Rates Pooling | 185 - 190 |

16. Urgent Items 191 - 192

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

Matters for consideration in Private

17. Exclusion of Press and Public 193 - 194

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.

PART 2 - PRIVATE

18. Urgent Items 195 - 196

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

Wednesday, 29th June, 2016

Present: Cllr N J Heslop (Chairman), Cllr Mrs M F Heslop and Cllr D Lettington

Councillors P F Bolt, D J Cure, P J Montague, M Parry-Waller and A K Sullivan were also present pursuant to Access to Information Rule No 22.

Apologies for absence were received from Councillors M A Coffin, H S Rogers and Miss S O Shrubsole

PART 1 - PUBLIC

CB 16/45 DECLARATIONS OF INTEREST

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

CB 16/46 MINUTES

RESOLVED: That the Minutes of the meeting of the Cabinet held on 22 March 2016 be approved as a correct record and signed by the Chairman.

CB 16/47 MINUTES

RESOLVED: That the Minutes of the extraordinary meeting of the Cabinet held on 20 April 2016 be approved as a correct record and signed by the Chairman.

MATTERS FOR RECOMMENDATION TO THE COUNCIL

CB 16/48 RISK MANAGEMENT STRATEGY

The joint report of the Chief Executive and Director of Finance and Transformation reviewed the current Risk Management Strategy. No substantive amendment was considered to be required at this time but Members were advised that the risk management process was due to be revisited and the Strategy updated for future consideration in the light of the forthcoming Corporate Strategy. It was noted that the Strategy had been endorsed by the Audit Committee on 20 June 2016.

RECOMMENDED: That

- (1) the Risk Management Strategy set out at Annex 1 to the report be adopted by the Council; and

- (2) it be noted that the risk management process is due to be revisited and the Strategy updated as necessary for subsequent consideration and endorsement.
***Referred to Council**

CB 16/49 TREASURY MANAGEMENT UPDATE AND ANNUAL REPORT FOR 2015/16

The report of the Director of Finance and Transformation advised that a report detailing treasury management activity undertaken in April and May of the current financial year together with the treasury management outturn position for 2015/16 had been considered by the Audit Committee on 20 June 2016. It was noted that investment income at year end for 2015/16 exceeded the revised estimate by £36,100 and income earned to the end of May 2016 was also £5,400 above 2016/17 budget expectations.

Following a commentary on the application of credit default swap data (market view of risk), approval was sought to enhance the existing flexibility afforded to officers when determining the appropriate duration for term deposits.

RECOMMENDED: That

- (1) the action taken by officers in respect of treasury management activity for April and May 2016 be endorsed;
- (2) the 2015/16 outturn position be noted; and
- (3) the flexibility afforded to officers when determining the appropriate duration for term deposits be enhanced as outlined in paragraph 1.4.5 of the report.

***Referred to Council**

CB 16/50 MULTI-YEAR SETTLEMENT AND ASSOCIATED EFFICIENCY PLAN AND FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY

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

The Cabinet received the recommendations of the Finance, Innovation and Property Advisory Board at its meeting of 1 June 2016 in relation to acceptance of the Government offer of a four year funding settlement and preparation of a Flexible Use of Capital Receipts Strategy.

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 Council**

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

CB 16/51 DRAFT CORPORATE STRATEGY

Decision Notice D160044CAB

CB 16/52 REVENUE AND CAPITAL OUTTURN 2015/16

Decision Notice D160045CAB

CB 16/53 RECOMMENDATIONS FROM OVERVIEW AND SCRUTINY COMMITTEE - REVIEW OF CONCESSIONARY PARKING PERMITS

Decision Notice D160046CAB

CB 16/54 SELF BUILD AND CUSTOM HOUSEBUILDING REGISTER

Decision Notice D160047CAB

CB 16/55 HIVE LOTTO

Decision Notice D160048CAB

MATTERS SUBMITTED FOR INFORMATION

CB 16/56 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.

Finance, Innovation and Property Advisory Board of 1 June 2016
Communities and Housing Advisory Board of 8 June 2016

With reference to item CH 16/8, the Leader indicated that he and the Cabinet Member for Housing would be writing to the local Members of Parliament on concerns about access to the private rented sector in the context of future housing provision.

RESOLVED: That the report be received and noted.

CB 16/57 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 12 May 2016
Parish Partnership Panel of 18 May 2016
Joint Transportation Board of 7 June 2016

RESOLVED: That the report be received and noted.

CB 16/58 EXCLUSION OF PRESS AND PUBLIC

There were no items considered in private.

The meeting ended at 8.20 pm

TONBRIDGE AND MALLING BOROUGH COUNCIL

CABINET

Thursday, 28th July, 2016

Present: Cllr N J Heslop (Chairman), Cllr M A Coffin, Cllr Mrs M F Heslop, Cllr D Lettington, Cllr H S Rogers and Cllr Miss S O Shrubsole

Councillors Mrs J A Anderson, M A C Balfour, P F Bolt, D J Cure, B J Luker, P J Montague, M Parry-Waller, M R Rhodes and R V Roud were also present pursuant to Access to Information Rule No 22.

PART 1 - PUBLIC

CB 16/59 DECLARATIONS OF INTEREST

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

MATTERS FOR RECOMMENDATION TO THE COUNCIL

CB 16/60 CONSULTATIONS: FAIRER CHARGING IN TONBRIDGE AND MALLING; AND CESSATION OF COUNCIL TAX REDUCTION SCHEME GRANT TO PARISH COUNCILS

The report of the Management Team gave details of the responses received in respect of the two consultations launched on 9 May 2016 for a six week period (Decision No D160037CAB). One consultation was with parish councils regarding the potential cessation of the Council Tax Reduction Scheme (CTRS) grant arrangements from 2017/18. The other involved the wider public in relation to "Fairer Charging", the potential introduction of a Special Expenses Scheme in place of the (section 136) Financial Arrangements with Parish Councils Scheme, also with effect from 2017/18. The Director of Finance and Transformation introduced the report and made a presentation on the responses to each consultation and the suggested way forward.

It was noted in respect of the CTRS consultation that responses were limited in number and were generally accepting of the Borough Council's financial position and the "discretionary" nature of the grants currently awarded. It was therefore recommended that such grants be withdrawn from April 2017, achieving a saving of £175,000.

Detailed consideration was given to the issues emerging from the Fairer Charging/ Local Charge consultation, the majority of parish councils supporting the approach, albeit with caveats, while the responses from residents were mixed with those from Tonbridge generally not in favour and those from parished areas generally supportive. Members debated

the potential service areas to be included in any Special Expenses Scheme in the light of the responses, attention being drawn to a detailed representation received in respect of Tonbridge cemetery, the position concerning open churchyards and a suggested review of Christmas lighting grants by the Overview and Scrutiny Committee. It was noted that if the Council were to adopt a Special Expenses Scheme, savings of around £226,000 per annum could be achieved, subject to a decision on future support for open churchyards.

The report highlighted the outcome of an Equality Impact Assessment of both cessation of CTRS grants to parish councils and the implementation of a Special Expenses Scheme which indicated that there were no disproportionate effects needing to be addressed.

Finally, the Cabinet recorded thanks to the Director of Finance and Transformation and the cross-service officer team involved in preparation for and analysis of responses to the consultations.

RECOMMENDED: That

- (1) the responses received in respect of the consultation with parish councils regarding the cessation of CTRS grants and any potential equality impacts be noted and the grants be withdrawn from 1 April 2017 and parish councils notified accordingly;
- (2) the responses received in respect of the consultation regarding the potential introduction of Special Expenses and any potential equality impacts be noted and the introduction of such a Scheme from 1 April 2017 be commended to the Council;
- (3) on the basis that a Special Expenses Scheme is to be introduced, the following concurrent services should be incorporated within the Scheme:-
 - Closed churchyards
 - Open spaces, parks and play areas maintained by TMBC in parished areas; excluding Leybourne Lakes Country Park (strategic site)
 - Open spaces, play areas, parks and sportsgrounds in Tonbridge; excluding Castle Grounds and Haysden Country Park (strategic sites)
 - Support given to Local Events
 - Allotments;

and, in accordance with the agreed project timetable, the Overview and Scrutiny Committee review the Scheme, once it is drawn up, at its next meeting;

- (4) information be sought from the church authorities on the capacity status of open churchyards throughout the Borough to enable further consideration of whether grants (under section 214 of the Local Government Act 1972) should continue to be offered to support their maintenance in furtherance of the previous policy in this regard;
- (5) a review be undertaken by the Overview and Scrutiny Committee into the future funding of Christmas Lighting and High Street flower displays in readiness for 2017/18; and
- (6) on the basis that a Special Expenses Scheme is to be introduced, the Scheme of Financial Arrangements cease with effect from 1 April 2017 and parish councils be notified accordingly.

***Referred to Council**

CB 16/61 EXCLUSION OF PRESS AND PUBLIC

There were no items considered in private.

The meeting ended at 8.46 pm

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TONBRIDGE AND MALLING BOROUGH COUNCIL

CABINET

Tuesday, 6th September, 2016

Present: Cllr N J Heslop (Chairman), Cllr M A Coffin, Cllr D Lettington and Cllr Miss S O Shrubsole

Councillors Mrs J A Anderson, O C Baldock, M A C Balfour, Mrs S M Barker, P F Bolt, D J Cure, Mrs T Dean, Mrs S L Luck, D Markham, P J Montague, M Parry-Waller, S C Perry, M R Rhodes, A K Sullivan and M Taylor were also present pursuant to Access to Information Rule No 22.

Apologies for absence were received from Councillors Mrs M F Heslop and H S Rogers

PART 1 - PUBLIC

CB 16/62 DECLARATIONS OF INTEREST

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

CB 16/63 MATTERS REFERRED FROM PLANNING AND TRANSPORTATION ADVISORY BOARD OF 5 JULY 2016

The notes of the meeting of the Planning and Transportation Advisory Board held on 5 July 2016 were received and taken into account during consideration of the subsequent item on the Local Plan – The Way Forward.

RESOLVED: That the report be received and noted.

MATTERS FOR RECOMMENDATION TO THE COUNCIL

CB 16/64 FLOODING UPDATE: TONBRIDGE, HILDENBOROUGH AND EAST PECKHAM

Further to Decision No D140135MEM, the report of the Management Team provided an update on the flood mitigation project relating to the areas of the Borough on the River Medway most vulnerable to flooding. Details were given of the programme and funding of the mitigation schemes and it was noted that a bid had been submitted for funding from the Local Growth Fund by the Borough Council with participation from Kent County Council and the Environment Agency.

Consideration was given to a “fast-tracked” evaluation of the Leigh Flood Storage Area, Hildenborough flood protection bund and East Peckham

flood mitigation scheme with a recommendation for a maximum capital grant of £500,000 in 2020/21 as a partnership contribution. Members were advised that public exhibitions of the proposed schemes would be held including one at the Angel Centre, Tonbridge on 20 – 22 October 2016.

RECOMMENDED: That

- (1) the “fast-tracked” evaluation of the flood mitigation schemes for Leigh, Hildenborough and East Peckham, as evidenced at Annex 2 to the report, be supported; and
- (2) the Council approve the updating of the existing Capital Plan to reflect a capital grant, as a partnership contribution, towards the project of £500,000 (maximum) in 2020/21.

***Referred to Council**

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

CB 16/65 LOCAL PLAN - THE WAY FORWARD

Decision Notice D160061CAB

CB 16/66 WEST MALLING PARISH NEIGHBOURHOOD AREA

Decision Notice D160062CAB

**CB 16/67 BUSINESS RATES RETENTION CONSULTATION AND FAIR
FUNDING REVIEW**

Decision Notice D160063CAB

CB 16/68 EXCLUSION OF PRESS AND PUBLIC

There were no items considered in private.

The meeting ended at 9.09 pm

Agenda Item 6

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

STREET SCENE AND ENVIRONMENT SERVICES ADVISORY BOARD

Monday, 18th July, 2016

Present: Cllr M O Davis (Chairman), Cllr D Keeley (Vice-Chairman), Cllr Mrs J A Anderson, Cllr M A C Balfour, Cllr V M C Branson, Cllr D J Cure, Cllr Mrs S M Hall, Cllr S M Hammond, Cllr L J O'Toole, Cllr S C Perry, Cllr M R Rhodes and Cllr T B Shaw

Councillors O C Baldock, P F Bolt, Mrs B A Brown, N J Heslop, D Lettington and M Taylor were also present pursuant to Council Procedure Rule No 15.21.

Apologies for absence were received from Councillors Ms J A Atkinson and Ms S V Spence

PART 1 - PUBLIC

SSE 16/1 DECLARATIONS OF INTEREST

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

MATTERS FOR RECOMMENDATION TO THE CABINET

SSE 16/2 ENVIRONMENTAL HEALTH PERFORMANCE 2015/16

Decision Notice D160049MEM

The report of the Director of Planning, Housing and Environmental Health summarised the operational activities in relation to the Council's statutory Environmental Health functions undertaken by the Environmental Protection Team and the Food and Safety Team during 2015/16. Details were also given of proposed service improvements for 2016/17.

RECOMMENDED: That the performance information relating to activities associated with food and safety and environmental protection functions in 2015/16 be noted and the service improvements for 2016/17 set out in paragraphs 1.4.1 and 1.4.2 of the report be endorsed.

SSE 16/3 WASTE AND STREET SCENE SERVICES - CONTRACT PERFORMANCE 2015/16

Decision Notice D160050MEM

The report of the Director of Street Scene, Leisure and Technical Services provided performance information across a range of Waste and Street Scene Service functions and contracts during 2015/16.

RECOMMENDED: That the performance of the Waste and Street Scene Service contracts in 2015/16 be noted and the approach and range of performance indicators detailed in the report be endorsed.

SSE 16/4 CONTAMINATED LAND STRATEGY 2016

Decision Notice D160051MEM

The report of the Director of Planning, Housing and Environmental Health referred to the Council's first Contaminated Land Strategy which had been produced in 2001. An updated draft Strategy was presented reflecting changes introduced following the review of the relevant technical guidance and incorporating comments received from statutory consultees. During consideration of this item concern was raised regarding the process for ensuring remediation works were undertaken prior to the re-development of contaminated land.

RECOMMENDED: That

- (1) the revised Contaminated Land Inspection Strategy set out in the Annex to the report be endorsed and formally adopted as Council policy; and
- (2) the Director of Planning, Housing and Environmental Health be asked to submit a report to a future meeting of the Street Scene and Environment Services Advisory Board outlining the current process and procedures for the remediation of contaminated land.

MATTERS SUBMITTED FOR INFORMATION

SSE 16/5 WASTE AND STREET SCENE SERVICES UPDATE

The report of the Director of Street Scene, Leisure and Technical Services provided an update on a number of projects and initiatives undertaken within the Waste and Street Scene services.

SSE 16/6 REFUSE AND RECYCLING COLLECTIONS RESCHEDULING

The report of the Director of Street Scene, Leisure and Technical Services outlined a proposal to reschedule the refuse and recycling collection services to allow the efficient operation of the service in line with recent and ongoing domestic property growth.

SSE 16/7 ESTATES EXCELLENCE PROJECT IN LARKFIELD AND AYLESFORD

The report of the Director of Planning, Housing and Environmental Health summarised the outcomes of the Estates Excellence project recently delivered by the Food and Safety Team in Larkfield and Aylesford to assist small businesses with health and safety issues.

MATTERS FOR CONSIDERATION IN PRIVATE

SSE 16/8 EXCLUSION OF PRESS AND PUBLIC

There were no items considered in private.

The meeting ended at 8.30 pm

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TONBRIDGE AND MALLING BOROUGH COUNCIL

FINANCE, INNOVATION AND PROPERTY ADVISORY BOARD

Wednesday, 20th July, 2016

Present: Cllr S M King (Chairman), Cllr T C Walker (Vice-Chairman), Cllr R P Betts, Cllr T Bishop, Cllr J L Botten, Cllr Mrs B A Brown, Cllr T I B Cannon, Cllr D J Cure, Cllr M O Davis, Cllr Miss J L Sergison, Cllr F G Tombolis and Cllr B W Walker

Councillors Mrs J A Anderson, O C Baldock, P F Bolt, M A Coffin and N J Heslop were also present pursuant to Council Procedure Rule No 15.21.

Apologies for absence were received from Councillors Mrs S Bell, S R J Jessel, R D Lancaster and A K Sullivan

PART 1 - PUBLIC

FIP 16/28 DECLARATIONS OF INTEREST

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

FIP 16/29 MINUTES

RESOLVED: That the notes of the meeting of the Finance, Innovation and Property Advisory Board held on 1 June 2016 be approved as a correct record and signed by the Chairman.

MATTERS FOR RECOMMENDATION TO THE CABINET

FIP 16/30 APPLICATIONS FOR DISCRETIONARY RATE RELIEF

Decision Notice D160052MEM

Further to Decision No D160039MEM (1), the report of the Director of Finance and Transformation gave details of a renewal application for discretionary rural rate relief in respect of Hadlow Post Office which had been deferred to enable more information to be obtained concerning the closure and relocation of the post office. It was noted that the property had been vacated on 27 May 2016 so the award of relief could be considered for the period 1 April 2015 to 26 May 2016.

RECOMMENDED: That the renewal application for discretionary relief be determined as follows:

Hadlow Post Office, Commercial House, High Street, Hadlow - 30% discretionary rural rate relief be awarded for the period 1 April 2015 to 26 May 2016.

FIP 16/31 FINANCIAL PLANNING AND CONTROL

Decision Notice D160053MEM

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. It also gave an update on the variations agreed in relation to the revenue budget and areas identified through revenue budget monitoring, summarised to provide an indicative overall budget position for the year which showed a net favourable variance of £380,150.

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

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

FIP 16/32 CAPITAL PROGRAMME: POST IMPLEMENTATION REVIEWS MONITORING REPORT AND TWO REVIEWS

Decision Notice D160054MEM

The report of the Director of Finance and Transformation identified post implementation reviews carried out since July 2015 and the capital schemes for which reviews were due. Reviews in respect of Tablet Devices for Members and Senior Officers and Corporate Document Management System Expansion were also presented.

RECOMMENDED: That the post implementation reviews for the capital schemes detailed in the report be endorsed.

FIP 16/33 CONTRACT RENEWALS 2017 - (1) INSURANCE AND (2) CASH COLLECTION

Decision Notice D160055MEM

The report of the Director of Finance and Transformation advised that the Council's existing contracts for the provision of cash collection and insurance arrangements were due to expire in January and June 2017 respectively. It was noted that the cash collection contract was a county wide procurement exercise led by Maidstone Borough Council. However, details were given of the appointment of a broker in accordance with the Financial Procedure Rules to assist with the

administration of the insurance tender process and identify where savings might be achieved.

RECOMMENDED: That the current situation regarding renewal of the cash collection contract be noted and the appointment of a broker to administer renewal of the Council's insurance arrangements be endorsed.

MATTERS SUBMITTED FOR INFORMATION

FIP 16/34 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 and applications for discretionary housing payment. Reference was made to responses to date to the ongoing consultation on changes to the Local Council Tax Reduction Scheme.

FIP 16/35 COUNCIL TAX AND BUSINESS RATES UPDATE

The report gave details of recent developments in respect of council tax and business rates including collection rates to 30 June 2016. Reference was made to a Government consultation on the retention by local government of 100 per cent of business rates which was likely to be reported to the extraordinary meeting of the Cabinet on 6 September.

FIP 16/36 IT SERVICES UPDATE

The report provided an update on the implementation of the new email platform and amendments to the network password policy. Reference was made to feedback from the survey of councillors' use of tablets and other devices. Progress was reported on Members' appointments with IT Services to arrange migration of the individual email accounts to Outlook and installation of a new password which would improve the reliability of their tablets.

MATTERS FOR CONSIDERATION IN PRIVATE

FIP 16/37 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 16/38 DEBTS FOR WRITE OFF

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

Decision Notice D160056MEM

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

RECOMMENDED: That the 25 items shown in the schedule of amounts over £1,000, totalling £125,050.78 be written-off for the reasons stated within the schedule.

FIP 16/39 HOUSING STOCK TRANSFER AGREEMENT - REQUEST FOR VARIATION OF EXISTING TERMS

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

Decision Notice D160057MEM

Consideration was given to the report of the Director of Central Services regarding a request for variation of the existing rules of Russet Homes Limited (included within the original stock transfer agreement with the former Tonbridge and Malling Housing Association) as part of an intended transfer to Circle Thirty Three Housing Trust Limited.

RECOMMENDED: That the Stock Transfer Agreement dated 15 January 1991 be varied by removing the covenant "...not to change the rules of the Association insofar as they relate to its objects and to Board Membership without the Council's consent, which is not to be unreasonably withheld" which is set out in paragraph 8 of the Schedule to the Sixth Schedule on page 118 of the Agreement.

The meeting ended at 8.29 pm

TONBRIDGE AND MALLING BOROUGH COUNCIL

COMMUNITIES AND HOUSING ADVISORY BOARD

Monday, 25th July, 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 S M Hammond, Cllr D Keeley, 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, M R Rhodes and Miss S O Shrubsole were also present pursuant to Council Procedure Rule No 15.21.

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

PART 1 - PUBLIC

CH 16/11 DECLARATIONS OF INTEREST

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

CH 16/12 MINUTES

RESOLVED: That the notes of the meeting of the Communities and Health Advisory Board held on 8 June 2016 be approved as a correct record and signed by the Chairman.

MATTERS FOR RECOMMENDATION TO THE CABINET

CH 16/13 REVIEW OF HOUSING ASSISTANCE POLICY

The report of the Director of Planning, Housing and Environmental Health outlined the results of the recent review of the Housing Assistance Policy to ensure that it met corporate priorities and reflected current budgetary pressures. The report set out details of proposed amendments to the eligibility criteria and the level of budget provided by the Borough Council and made particular reference to the implications this would have on the administration of Disabled Facilities Grants (DFGs) by allowing the introduction of additional discretionary grants from the increase in funding for the DFG element of the Better Care Fund.

RECOMMENDED: That the Council be asked to

- (1) approve the proposed amendments to the Housing Assistance Policy and associated budget adjustments;

- (2) approve the proposed amendments to the Disabled Facilities Grants Policy and associated budget adjustments; and
- (3) agree that a budgetary provision of up to £10,000 be set aside in each of the next three years, fully funded from the Housing Assistance Reserve, in order to modernise the Housing Service.

* **Referred to Cabinet**

CH 16/14 CAPITAL PLAN - POST IMPLEMENTATION REVIEWS

Decision Notice D160058MEM

The report of the Director of Street Scene, Leisure and Technical Services brought forward the Capital Plan Post Implementation Reviews in respect of Tonbridge Swimming Pool – Changing Village Floor; Leisure Centres – Energy Saving Measures Phase 3; Tonbridge Racecourse Sportsground – Floodlighting and Haysden Country Park – Improvements. It was noted that all of the schemes had been within or below budget.

RECOMMENDED: That the Post Implementation Reviews outlined in the report be endorsed.

MATTERS SUBMITTED FOR INFORMATION

CH 16/15 ACTIVE PEOPLE SURVEY 10

The report of the Director of Street Scene, Leisure and Technical Services provided details of the results of the latest Active People Survey undertaken by Sport England to measure sports participation rates across all local authority areas within the UK. The report highlighted the position within Kent and provided examples of a number of sports initiatives within the Borough.

CH 16/16 AFFORDABLE HOUSING UPDATE

The report of the Director of Planning, Housing and Environmental Health provided an update on affordable housing provision within the Borough. Members' attention was drawn to the current challenges facing the Strategic Housing Authority and the Board noted that a letter encapsulating these challenges and highlighting the Borough Council's concerns would be sent from the Leader of the Council and the Cabinet Member for Housing to the local Members of Parliament.

CH 16/17 EXCLUSION OF PRESS AND PUBLIC

There were no items considered in private.

The meeting ended at 8.30 pm

TONBRIDGE AND MALLING BOROUGH COUNCIL

PLANNING AND TRANSPORTATION ADVISORY BOARD

Tuesday, 26th July, 2016

Present: Cllr D A S Davis (Chairman), Cllr T Edmondston-Low (Vice-Chairman), Cllr M A C Balfour, Cllr Mrs S M Barker, Cllr P F Bolt, Cllr V M C Branson, Cllr M O Davis, Cllr B T M Elks, Cllr Mrs S M Hall, Cllr Mrs F A Kemp, Cllr R D Lancaster, Cllr M Parry-Waller, Cllr R V Roud and Cllr M Taylor

Councillors D J Cure, N J Heslop, P J Montague, M R Rhodes, H S Rogers and T B Shaw were also present pursuant to Council Procedure Rule No 15.21.

Apologies for absence were received from Councillors S C Perry and A K Sullivan

PE 16/14 DECLARATIONS OF INTEREST

There were no declarations of interest made in accordance with the Code of Conduct. However, in the interests of transparency Councillor M Balfour indicated that he was the Cabinet Member for Environment and Transport at Kent County Council.

PE 16/15 MINUTES

RESOLVED: That the notes of the meeting of the Planning and Transportation Advisory Board held on 5 July 2016 be approved as a correct record and signed by the Chairman.

MATTERS FOR RECOMMENDATION TO THE CABINET

PE 16/16 LOCAL VALIDATION REQUIREMENTS LIST

Decision Notice D160059MEM

The report of the Director of Planning, Housing and Environmental Health summarised the Borough Council's obligations in respect of the validation of planning applications, together with associated submissions, and made recommendations for local requirements to provide clarity on what information should be submitted to make an application valid.

It was reported that the adoption of a Local Validation Requirement List (LVRL) would enable the Council to seek the provision of information over and above the submission of application forms, certificates of ownership and plans. A LVRL, drafted in accordance with national

guidance and comprising a matrix setting out validation requirements, was attached as Annex 1 to the report for consideration.

Whilst Members supported the introduction of local requirements, concern was expressed that the average homeowner could find the validation list complicated and be unsure which document applied to which type of application. It was proposed that an Executive Summary setting out the basic steps be prepared to simplify the process for inexperienced applicants.

It was also suggested that a general disclaimer 'reserving the right to request additional information' be included to enable Planning Officers to pursue extra material outside the validation requirements.

Particular reference was made to proposals for contaminated land assessments and whether there was any merit in having a validation of remediation step independent from the validation of application. In response, Members were advised that this stage was an 'in principle' validation and should highlight whether there were any potential serious concerns to be followed up regarding contaminated land.

RECOMMENDED: That the Local Validation Requirement List, attached as Annex 1 to the report, be adopted with effect from 14 September 2016; subject to minor amendments regarding an Executive Summary and general disclaimer statement as set out above.

PE 16/17 PLANNING ENFORCEMENT PLAN

Decision Notice D160060MEM

The report gave an overview of a proposed Planning Enforcement Plan intended to provide a clear and transparent structure for dealing with planning enforcement matters. Particular reference was made to how complaints would be managed and prioritised.

The proposed approach to enforcement, including timescales for action, details of responses to suspected breaches of planning control and prioritisation of planning enforcement resources were set out in the Plan, attached as Annex 1 to the report.

After careful consideration of the Plan, concern was expressed about the consistency of the terminology used and whether there could be confusion around the meaning of expedient and 'serious harm'. Officers recognised the importance of consistency and suggested that paragraph 2.6 of the Plan be amended to reflect that the test for expediency was 'serious' harm and not just 'general' harm.

In addition, it was suggested that the Enforcement Plan be reviewed in 6 months to check and monitor progress.

Reference was made to Parish and Town Council involvement as effective community engagement was a key part of delivering a responsive and accountable planning enforcement service. Concern was expressed that, as there appeared to be no definitive action outlined with regard to parish and town councils, effective communication and involvement could be lost. In response, it was suggested that this point would be revisited and strengthened to benefit and encourage parish and town councils to engage with planning officers over planning enforcement issues. However, parishes were invited to contact the Borough Council immediately with any concerns raised by their residents.

Finally, it was suggested that the Enforcement Plan be reported to the next meeting of both the Parish Partnership Panel and the Tonbridge Forum in September.

RECOMMENDED: That the Planning Enforcement Plan, set out in Annex 1 to the report, be adopted, subject to the amendment to paragraph 2.6 as set out above.

MATTERS SUBMITTED FOR INFORMATION

PE 16/18 TRANSPORTATION UPDATE

Members were updated in respect of two recent transportation studies: one exploring the economic case for improving the connectivity between the M25 and M26; the other establishing baseline data for the capacity of the A20 corridor between the A228 and the Coldharbour roundabout.

The study into improving connectivity between the M25 and M26 had concluded that, whilst there was an economic case for investment in east facing slips at junction 5 of the M25 this was relatively weak.

With regard to the traffic conditions along the A20 corridor the study confirmed and clarified the capacity issues along this stretch of road and provided useful evidence for the Local Plan and to support bids for further funding to deliver further minor improvements or 'quick wins'.

Members noted the recommendations and conclusions arising from the studies and expressed disappointment that the M25 study had not given more weight to the potential significant impacts of future development and growth such as that represented by the proposed Lower Thames Crossing, future airport capacity in the south east and new Paramount theme park.

The local Member for Borough Green, in his role as a representative of the Kent Association of Local Councils (Tonbridge and Malling) thanked the Borough Council, Kent County Council and local communities for their support of and contribution to the study. Whilst disappointed by

the study's conclusion it was an important piece of evidence and provided a foundation to support infrastructure growth.

Reference was made to the A20 corridor study and whether this provided sufficient evidence against further development in that area as local Members remained concerned that further building, whether roads or houses, would exacerbate an already difficult situation. In response, the need to demonstrate 'severity' before refusing any planning application and the difficulty associated with judging the percentage of traffic movements that created this severity was explained.

Members were advised that a full copy of the study would be uploaded to the Borough Council's website, which would include details on traffic movements along the A20 corridor. However, it was recognised that a strategic long term solution was required and it was hoped that this would be an objective of the Local Plan.

Final versions of the reports would be published on the Borough Council's website as soon as they were available.

MATTERS FOR CONSIDERATION IN PRIVATE

PE 16/19 EXCLUSION OF PRESS AND PUBLIC

There were no matters considered in private.

The meeting ended at 8.45 pm

TONBRIDGE AND MALLING BOROUGH COUNCIL

ECONOMIC REGENERATION ADVISORY BOARD

Wednesday, 7th September, 2016

Present: Cllr B J Luker (Chairman), Cllr F G Tombolis (Vice-Chairman), Cllr M C Base, Cllr R P Betts, Cllr T Bishop, Cllr J L Botten, Cllr T I B Cannon, Cllr S M King, Cllr R D Lancaster, Cllr Mrs S L Luck, Cllr L J O'Toole, Cllr Miss J L Sergison and Cllr C P Smith

Councillors O C Baldock, P F Bolt, M A Coffin, N J Heslop and M R Rhodes were also present pursuant to Council Procedure Rule No 15.21.

Apologies for absence were received from Councillors B W Walker and T C Walker

ERG 16/8 DECLARATIONS OF INTEREST

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

ERG 16/9 MINUTES

RESOLVED: That the notes of the meeting of the Economic Regeneration Advisory Board held on 24 February 2016 be approved as a correct record and signed by the Chairman.

MATTERS FOR RECOMMENDATION TO THE CABINET

ERG 16/10 WORK READINESS AND CAREERS ADVICE

Decision Notice: D160064MEM

The report of the Chief Executive provided additional background to support the presentation given by Mike Rayner, Participation and Progression Manager for West Kent at Kent County Council, regarding the provision of careers advice, the key challenges faced and current initiatives to improve the work readiness of school leavers and job seekers. A draft Skills Action Plan, set out at Annex 1 to the report, provided details of a number of initiatives to support efforts to improve work readiness.

RECOMMENDED: That a Working Group of Members of the Council be established to assess the size and scope of the work readiness and skills issues, explore opportunities for working in partnership to improve communication between business and schools to create sustainable

employment streams and to report its findings to a future meeting of the Economic Regeneration Advisory Board.

ERG 16/11 SUPPORT FOR VILLAGE STORES INITIATIVE

Decision Notice: D160065MEM

The report of the Chief Executive summarised the progress to date of the District and Local Centres Initiatives which had provided a variety of environmental improvements in retail areas to create a positive and supportive environment for local traders. The report provided an overview of a proposed 12 month scheme to support Village Stores within the Borough which would include the provision of 1-to-1 guidance and support from a specialist retail advisor through Action with Communities in Rural Kent's Rural Retail Service.

RECOMMENDED: That

- (1) the progress to date on the District and Local Retail Centres be noted;
- (2) if there is no evidence of tangible progress on either of the initiatives in Snodland and West Malling by the end of September 2016 at the latest, the proposal to withdraw funding for the current projects be approved; and
- (3) the Village Shops Initiative, as detailed in paragraph 1.3.2 of the report, be approved.

ERG 16/12 BUSINESS INCUBATOR PROPOSAL

Decision Notice: D160066MEM

The report of the Chief Executive set out details of a proposal for the creation of a business facility to support the development of 'fledgling' businesses within vacant office space at Gibson Building, Kings Hill, as part of the Council's Economic Regeneration Strategy to facilitate economic growth within the Borough.

RECOMMENDED: That

- (1) the proposed Gibson Building Business Facility be supported in principle;
- (2) the engagement with key partners by the Economic Regeneration Officer be supported in order to help promote take up of the new facility by local businesses; and

- (3) a report regarding proposed financial arrangements related to the new facility be submitted to the Finance, Innovation and Property Advisory Board.

MATTERS SUBMITTED FOR INFORMATION

ERG 16/13 UPDATE ON PRIORITIES FOR 2016/17

The report of the Chief Executive provided a detailed update on progress made on the Borough's Economic Regeneration Priorities over the last six months.

ERG 16/14 WEST KENT PARTNERSHIP UPDATE

The Minutes of the West Kent Partnership meeting held on 22 July 2016 were received and noted. Reference was made to the recent visit to West Kent by Christian Brodie, Chairman of the South East Local Enterprise Partnership (SELEP) on 8 July which had provided an opportunity to showcase key economic regeneration schemes linked to bids submitted to the third round of the Local Growth Fund.

MATTERS FOR CONSIDERATION IN PRIVATE

ERG 16/15 EXCLUSION OF PRESS AND PUBLIC

There were no items considered in private.

The meeting ended at 8.45 pm

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TONBRIDGE AND MALLING BOROUGH COUNCIL

FINANCE, INNOVATION AND PROPERTY ADVISORY BOARD

Wednesday, 21st September, 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 S R J Jessel, Cllr R D Lancaster, Cllr Miss J L Sergison, Cllr A K Sullivan, Cllr F G Tombolis and Cllr B W Walker

Councillors Mrs J A Anderson, O C Baldock, P F Bolt, M A Coffin, N J Heslop, D Lettington 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 and T Bishop

PART 1 - PUBLIC

FIP 16/40 DECLARATIONS OF INTEREST

Councillor M Davis declared an Other Significant Interest in the item on Tonbridge and Malling Leisure Trust IT Infrastructure and Support Arrangements on the grounds of being one of the Council's appointees to the Board of the Trust. He withdrew from the meeting during consideration of this item.

FIP 16/41 MINUTES

RESOLVED: That the notes of the meeting of the Finance, Innovation and Property Advisory Board held on 20 July 2016 be approved as a correct record and signed by the Chairman.

MATTERS FOR RECOMMENDATION TO THE CABINET

FIP 16/42 FINANCIAL PLANNING AND CONTROL

Decision Notice D160067MEM

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. It also gave an update on the variations agreed in relation to the revenue budget and areas identified through revenue budget monitoring, summarised to provide an indicative overall budget position for the year which showed a net favourable variance of £473,050.

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

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

FIP 16/43 APPLICATION FOR DISCRETIONARY RATE RELIEF

Decision Notice D160068MEM

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

RECOMMENDED: That the new application for discretionary relief be determined as follows:

The Air-Britain Trust Ltd, Unit 1A Munday Works, Morley Road, Tonbridge - no discretionary relief be awarded.

FIP 16/44 RURAL RATE RELIEF - RURAL SETTLEMENT LIST

Decision Notice D160069MEM

The report of the Director of Finance and Transformation referred to the requirement to review the Council's rural settlement list and recommended that the current list should be retained unaltered for the financial year 2017/18.

RECOMMENDED: That the current rural settlement list remain in force for the year 2017/18.

FIP 16/45 COUNCIL TAX RECOVERY POLICY

Decision Notice D160070MEM

The report of the Director of Finance and Transformation sought approval of an update to the Council Tax Recovery Policy in the light of the introduction of the Local Council Tax Reduction Scheme and to refer to the ability to make deductions from a person's Universal Credit entitlement. It was noted that the current amount being deducted from a resident's benefit entitlement was insufficient to clear a year's council tax plus court costs. The importance of addressing numerous small debts was recognised and the proposed changes to the policy provided an option to use enforcement agents if necessary.

RECOMMENDED: That the amended Corporate Debt Recovery Policy set out at Annex 1 to the report be approved.

FIP 16/46 REFORMING BUSINESS RATES APPEALS

Decision Notice D160071MEM

The report of the Director of Finance and Transformation referred to a further Department for Communities and Local Government consultation on proposals for reforming the business rates appeals process. It was intended that the reformed system would apply when the new rating list came into effect in April 2017. A suggested response was presented for submission by the 11 October deadline and advocated proportionate fees to discourage speculative appeals.

RECOMMENDED: That the proposed response to the latest consultation on reforming the business rates appeals process, as set out at Annex 1 to the report, be endorsed.

FIP 16/47 TONBRIDGE CASTLE GATEHOUSE CHARGES

Decision Notice D160072MEM

The joint report of the Director of Central Services and Director of Finance and Transformation recommended revised charges for the Tonbridge Castle Gatehouse attraction for implementation from 1 April 2017. The proposals took into account prevailing inflation figures, competitor charges and local market conditions.

RECOMMENDED: That

- (1) the proposed charges for Tonbridge Castle Gatehouse, as set out in the report, be approved for implementation from 1 April 2017; and
- (2) the charges be reflected in the appropriate tourism marketing material.

MATTERS SUBMITTED FOR INFORMATION

FIP 16/48 REVENUES AND BENEFITS UPDATE

The report gave details of recent developments in respect of council tax, business rates, council tax reduction and housing benefits. It was noted that a full report would be presented to the Cabinet on 12 October on the responses to the consultation on the Council's working age council tax reduction scheme. In addition the Department for Work and Pensions had advised that the new levels of benefit cap for non-working households would now begin in mid-November.

FIP 16/49 RIVER WALK IMPROVEMENTS

The report of the Director of Street Scene, Leisure and Technical Services provided an update on planned improvements to River Walk, Tonbridge and confirmed action being taken to grant a licence for works to be progressed on Council owned land. It was noted that the project, being undertaken by Kent County Council in close liaison with officers of the Borough Council, was fully funded by the Local Growth Fund and would significantly enhance the riverside location to encourage visitors and stimulate local growth.

MATTERS FOR CONSIDERATION IN PRIVATE

FIP 16/50 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 16/51 DEBTS FOR WRITE OFF

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

Decision Notice D160073MEM

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

RECOMMENDED: That the 32 items shown in the schedule of amounts over £1,000, totalling £103,038.44 be written-off for the reasons stated within the schedule.

**FIP 16/52 TONBRIDGE AND MALLING LEISURE TRUST
IT INFRASTRUCTURE AND SUPPORT ARRANGEMENTS**

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

Decision Notice D160074MEM

The report of the Director of Finance and Transformation set out the case for a change in responsibility for IT infrastructure and support arrangements to Tonbridge and Malling Leisure Trust. It was concluded that on both financial and operational grounds ownership and replacement of IT equipment, together with IT support, should be the responsibility of the Trust. A capital plan evaluation was presented in support of the proposal.

RECOMMENDED: That

- (1) the proposed change to the IT infrastructure and support arrangements with Tonbridge and Malling Leisure Trust be approved;
- (2) the “lump sum” payment be met from the Invest to Save Reserve; and
- (3) the Capital Plan and Management Agreement be updated accordingly.

FIP 16/53 PROPOSED DISPOSAL OF AMENITY LAND AT ROMAN CLOSE, CHATHAM

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

Decision Notice D160075MEM

The report of the Director of Central Services gave details of an application to purchase an area of amenity land at Roman Close submitted by adjoining property owners together with proposed terms and conditions for such a disposal.

RECOMMENDED: That approval be given for the disposal of the amenity land on the basis of the conditions outlined in the report.

FIP 16/54 PROPOSAL FOR CASTLE LODGE, TONBRIDGE

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

Decision Notice D160076MEM

The report of the Director of Central Services gave details of a proposal to refurbish Castle Lodge to create a modern self-contained office unit for marketing at a commercial rent. It was noted that the cost of refurbishment could be met from the Council’s Building Repairs Expenditure Plan.

RECOMMENDED: That the refurbishment of Castle Lodge be approved and a commercial lease be negotiated with specific terms agreed by the Director of Central Services in consultation with the Cabinet Member for Finance, Innovation and Property.

FIP 16/55 NEW LEASE TO TONBRIDGE INDOOR BOWLS CLUB

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

Decision Notice D160077MEM

The report of the Director of Central Services gave details of a request from Tonbridge Angels Indoor Bowls Club for a new long lease of their site on similar terms and conditions to the current lease.

It was considered that all options should be explored concerning the future lease term and further advice obtained on valuation issues around the land, building and repairing obligations.

RECOMMENDED: That further consideration of the matter be deferred pending advice on future options and clarification of valuation issues.

FIP 16/56 REQUEST BY SIX IN ONE CLUB, TONBRIDGE FOR NEW LONG LEASE

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

Decision Notice D160078MEM

Further to Decision No D160013MEM approving a new 10 year lease to the Six in One Club, the report of the Director of Central Services gave details of a subsequent request by the Club for a new lease of a term of 25 years. An update was given at the meeting following receipt of representations from a local Member.

RECOMMENDED: That a new lease of 25 years be refused but if, as reported, the replacement windows have been contractually commissioned, then a contribution be made towards these previously agreed works applicable under the 10 year lease, up to the Council's budgeted amount and subject to their satisfactory completion.

The meeting ended at 9.09 pm

Agenda Item 7

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

PARISH PARTNERSHIP PANEL

Thursday, 8th September, 2016

Present: Cllr N J Heslop (Chairman), Cllr Mrs J A Anderson,
Cllr Mrs S M Barker, Cllr R P Betts, Cllr R W Dalton,
Cllr S M Hammond, Cllr D Lettington, Cllr B J Luker, Cllr R V Roud,
and Cllr T B Shaw.

Together with Addington, Birling, Borough Green, Burham, East Malling and Larkfield, East Peckham, Hadlow, Kings Hill, Leybourne, Platt, Plaxtol, Shipbourne, Trottiscliffe, Wateringbury, West Peckham, Wouldham Parish Councils and County Councillor M Balfour

Councillor S Perry was also present pursuant to Council Procedure Rule No 15.21.

Apologies for absence were received from Councillors M A Coffin (Vice-Chairman), Cannon, Snodland Town Council (Miss A Moloney), Wrotham Parish Council (Mr H Rayner), County Councillor Mrs S Hohler and Chief Inspector Pate (Kent Police)

PART 1 - PUBLIC

PPP 16/16 MINUTES

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

PPP 16/17 UPDATE ON ACTION IDENTIFIED IN THE LAST MINUTES

There were no actions identified requiring an update that did not appear later on the agenda.

PPP 16/18 FUNDING ARRANGEMENTS WITH PARISH COUNCILS - UPDATE FOLLOWING CONSULTATION

The Director of Finance and Transformation referred to the two recent consultations on the potential withdrawal of Council Tax Reduction grants to parish councils and the potential introduction of a Special Expenses Scheme (Fairer Charging) in place of the s136 Financial Arrangements with Parish Councils Scheme. The latter was aimed at achieving savings where possible and to provide equity for residents throughout Tonbridge and Malling.

Both consultations had ended on 20 June 2016 and Parish Councils were thanked for their participation. The responses received had been

considered by a Special Cabinet meeting held on 28 July and a preferred way forward formulated for recommendation to Council in November.

With regard to Council Tax Reduction grants it was proposed that these grants would be withdrawn with effect from April 2017, subject to Council approval. The Panel was reminded that the Borough Council had no statutory obligation to passport funding to parishes and, in fact, many local authorities had already withdrawn this financial support as a result of the reduction in local government funding from Central Government.

However, the impact on some Parish Councils was recognised and the Director of Finance and Transformation offered to discuss the implications to individual parishes out of meeting.

In respect of Fairer Charging it was proposed to introduce a Special Expenses Scheme from April 2017 and withdraw financial support (through s136 grants) to Parish Councils at the same time, subject to comment from the Overview and Scrutiny Committee in September and final approval of Council in November 2016.

Following responses received from parish councils and residents a number of changes had been made to the initial proposals. The consultation had highlighted an issue regarding Tonbridge Cemetery and after further reflection the Borough Council felt that this should not be included in the Special Expenses Scheme on the grounds that it was a facility that was available equally to all residents in Tonbridge and Malling.

Reference was also made to open churchyards across the borough and, whilst there was no obligation on the Borough Council (or parish councils) to provide financial support, Members had requested that some further work be undertaken. Information was to be sought from the church authorities on the capacity status of open churchyards throughout the Borough to enable further consideration of whether some funding (under section 214 of the Local Government Act 1972) should be offered to Parochial Church Councils to support their maintenance in furtherance of the previous policy in this regard. The Director of Finance and Transformation stressed that this work had not been undertaken and therefore no decisions had yet been made.

At the current time, Christmas lighting was not included in the Special Expenses Scheme although the Borough Council recognised that there was an inequity between Tonbridge and the parished areas of the borough as there were differing funding arrangements in place. With this in mind, the Overview and Scrutiny Committee would undertake a thorough review and explore alternative opportunities. It was hoped that a new system could be adopted for Christmas 2017.

The Director of Finance and Transformation recognised the concerns of Parish Councils regarding the introduction of 'capping' and indicated that the Borough Council continued to make informal enquiries with Government.

Details of the projected timetable for the proposals were available in full on the Borough Council website but summarised below:

13 September – Overview and Scrutiny Committee review proposals for Special Expenses and make recommendations to Cabinet

12 October – Cabinet considers proposals and any recommendations from Overview and Scrutiny and makes recommendations to Full Council

1 November – Full Council considers final proposals and approves/adopts Special Expenses Policy

December – Parish Councils contacted with information for budget setting

PPP 16/19 LOCAL PLAN - UPDATE AND CONSULTATION

Members were advised that a period of public consultation on the Local Plan was expected to start on Friday 30 September 2016 for an eight week period. The closing date was 25 November and this was longer than the minimum statutory consultation period of six weeks.

The main focus of the consultation would be a revised Way Forward document, including an executive summary and map of the potential development strategy; the Sustainability Appraisal Scoping and the Habitat Regulations Assessment reports and an electronic survey setting out 15 set questions to provide consultees with a structure for responding. All of this material could be viewed on the website once the consultation opened and hard copies would be available at the two main Council offices and libraries. In addition, further copies would be shared with all the Parish and Town Councils.

All Parish and Town Councils were encouraged to work with their local communities to raise awareness of the Local Plan consultation period and to respond by the November deadline.

There would also be a small number of manned exhibitions around the Borough during the consultation period although the number and duration would have to reflect the limited resources available to the Local Plan team during this busy stage of plan making.

It was noted that requests for meetings would have to be managed proportionately to the resources available. In order to plan for this eventuality it was suggested that there would be a small number of Local

Plan events for Parish and Town Councils and other local amenity and community groups to attend.

In response to a question from Members, it was confirmed that traditional methods of promotion and communication would be used in conjunction with the use of social media and the internet.

With regard to the 15 set questions in the electronic survey, the Director of Planning, Housing and Environmental Health confirmed that honest comment and opinion was welcomed. It was important to know what residents thought of the process and it was recognised that alternative viewpoints and/or proposals might come forward as a result.

Finally, Borough Green Parish Council referred to recent discussions regarding contaminated land at the last meeting of the Planning and Transportation Advisory Board. Members had asked for a report setting out the Borough Council's position in relation to contaminated land and it was suggested that this be shared with parish councils once finalised.

PPP 16/20 PLANNING ENFORCEMENT PLAN UPDATE

The Development Control Manager reported that since the last meeting of the Parish Partnership Panel a local Planning Enforcement Plan had been drafted and approved by the Borough Council. It set out how the planning enforcement service would seek to address breaches of planning control and prioritise its work.

In addition, the range of powers available to the Borough Council, how it was decided whether or not to pursue enforcement action, timetables for action and the process of enforcement were described. In doing this, the Plan complied with the contents of the Borough Council's wider enforcement policy, together with national legislation and Government guidance.

Particular reference was made to the commitment where Planning Services, via the Development Control Manager, would manage an update system for individual Parish Councils on a regular basis on enforcement cases where the parish was the 'complainant'. These updates were intended to provide some reassurance that investigations were progressing. It was reported that this process would continue as the enforcement plan began to be implemented and its effectiveness monitored. It was also hoped that the Plan would assist Parish Councils in dealing with residents' concerns and complaints and demonstrated the Borough Council's commitment to addressing those concerns.

However, as live enforcement investigations were confidential, because of the possibility of future legal action, the amount of information that could be shared was limited. All Parish Councils were asked that any updates provided were not discussed at public meetings or recorded in any public minutes.

The Parish Councils thanked the Borough Council for the improved communication on enforcement matters which was greatly appreciated. However, concern was expressed that the Plan focused on providing feedback to the original complainant and not to all parish councils that had a relevant interest. The Director of Planning, Housing and Environmental Health indicated that this aspect could be reviewed but advised of significant staffing and works pressures within Planning Services that potentially challenged undertaking more than was currently suggested.

The Development Control Manager advised that regular case reviews with Enforcement Officers were planned and it was hoped these would flag up potential problems to which parishes could be alerted.

The Director of Planning, Housing and Environmental Health and the Development Control Manager volunteered to explore what type of simple reporting and tracking system could be developed in house.

PPP 16/21 LOCAL SEWER SYSTEM

Borough Green Parish Council, supported by the Kent Association of Local Councils (Tonbridge and Malling), asked the Borough Council to contact Southern Water regarding issues arising from the failure to address problems associated with the ageing sewer system.

Reference was made to the regular incidents of localised flooding due to the Victorian sewer along the A25, the inadequate pumping station(s) and the lack of maintenance over many years. It was reported that any new building developments in the area exacerbated the problems.

It was noted that Snodland Town Council had similar experiences.

In response, the Chairman (and Leader of the Borough Council) would invite Southern Water to attend the next meeting of the Parish Partnership Panel to address concerns raised by Parish Councils.

PPP 16/22 COMMUNITY SAFETY PARTNERSHIP UPDATE

The report of the Director of Central Services provided an update on the work of the Community Safety Partnership (CSP), which was reviewed and noted by the Panel.

The CSP had a website: www.tmcommunitysafety.org.uk twitter account (@TM_CSP) and a Facebook page.

Crime statistics were available to download from the Kent Police website via www.kent.police.uk Unfortunately these could no longer be provided for parish council meetings due to increasing pressures on a police resource.

PPP 16/23 KENT POLICE SERVICES UPDATE

Inspector Rachel McNeil, attending on behalf of Chief Inspector Pate, provided a verbal update on the achievements made in performance and the neighbourhood policing agenda.

It was reported that the position in the Borough remained good despite a 7.7% increase in crime. Tonbridge and Malling had the 3rd lowest crime levels in Kent and remained one of the safest places in the County. Increased reporting of incidents, more accurate recording of crime and fewer resources were believed to have contributed to the percentage increase over the year.

Particular reference was made to resourcing levels and police numbers remained stable despite the reduction in Police Community Support Officers (PCSOs) due to them becoming regular police officers. However, Kent Police were currently pursuing a recruitment campaign and this was actively supported by the new Police and Crime Commissioner to increase police visibility.

The Panel was advised that Chief Inspector Pate was now the Borough Commander for Tonbridge and Malling and Tunbridge Wells and this enabled an improved and co-ordinated approach between the two areas.

Recent police initiatives included a road safety campaign in partnership with Kent Fire and Rescue Services; the implementation of dispersal orders for youths and speed checks focusing on problem areas, road traffic accident hot spots and new building developments. A new road development experience had been built in Rochester for 14 – 18 year olds to educate on road safety. Details of this were available from the Kent Fire and Rescue Services website.

With regard to Speed Watch initiatives, Inspector McNeil was pleased to advise that Alan Watson was the new police co-ordinator and was eager to work with parish councils to develop opportunities.

The Chairman asked that an invitation be extended to Mr Watson to attend the next meeting of the Parish Partnership Panel in November to talk about Speed Watch initiatives and to listen to concerns raised by Parish Councils.

Waterbury Parish Council referred to the lack of support from Kent Police on Speed Watch initiatives which was leading to their decline as volunteers no longer felt it was worthwhile without effective enforcement. It was felt that points on licences and on the spot fines were more effective deterrents than warning letters from local Speed Watch co-ordinators.

Inspector McNeil responded that Kent Police took speeding seriously and arrangements were in place for speed checks over the coming

months. Locations that presented the highest risk were treated as a priority due to police resources. The lack of communication around Speed Watch was recognised and it was anticipated that the position would be improved with a co-ordinator in place.

In response to a question, Inspector McNeil assured the Panel that Kent Police took drug issues seriously and dealt with this appropriately. There was work undertaken with local schools and youth teams on education around drug use. However, it was important to report incidents as they occurred as it was difficult to deal with issues retrospectively. Dispersal orders were also an effective tool in preventing youths loitering and taking drugs but represented a challenging situation with reducing resources.

Kings Hill Parish Council asked about the level of community police liaison with parishes and the loss of the monthly reporting statistics. Inspector McNeil advised that PCSOs now had increased areas to patrol which had impacted upon the level of community engagement undertaken. The resourcing levels of PCSOs were under constant review. With regard to the crime statistics the information was available on the Kent Police website and verbal updates could be provided if requested. However, the more detailed statistics took time to prepare and the preference was for PCSOs to be visible in the community rather than behind a desk.

All parishes were encouraged to report any concerns or raise any issues with the Community Safety Unit.

PPP 16/24 KENT COUNTY COUNCIL SERVICES UPDATE

The Kent County Council Community Liaison Officer (Anne Charman) reported on a number of County initiatives and consultations. Further detail was set out in the Kent County Council Services update report attached to the agenda.

Particular reference was made to the recent incident where the M20 footbridge had collapsed onto the motorway after having been hit by a lorry. The footpaths leading to the bridge were now officially closed. The initial notice obtained from the County Council's Public Right of Ways team would be in force for three weeks, followed by a six month closure.

A pilot programme for Volunteer Community Wardens was being run by Kent County Council and parishes were asked to promote this new initiative. Full details were not yet available but information would be placed on the website in due course. Any information forthcoming in the near future would be circulated with the Minutes.

The Combined Member Grant Scheme had opened on 1 April 2016 with £20,000 available to every County Councillor to fund both community

and highway projects their electoral division. It was reported Speed Watch initiatives had been supported in the past and it was possible that if the Community Safety Partnership came up with an innovative approach or project that assistance might be available.

Finally, any ideas to improve the format of the Kent County Council Services update were welcomed.

Burham Parish Council thanked the County Council for its help and support in saving the 151 Arriva bus services which had been threatened with withdrawal with no public consultation. Kent County Council would cover the losses of this service until February 2017.

In response to a query related to the Young Persons Travel Pass it was indicated that this was subsidised heavily by the County Council but it was hoped that this could be maintained at an affordable cost to parents. Currently, the discounted rate was approximately £270.

PPP 16/25 TONBRIDGE AND MALLING BOROUGH COUNCIL SERVICES UPDATE

The Director of Finance and Transformation provided an update on key points relevant to Tonbridge and Malling. The headline messages included:

- Hive Lotto

The Community Lottery had been launched on Friday 2 September and was a fundraising scheme to help good causes. It was reported that seven partners were on board and more were welcomed to be involved.

Details were available on: www.hivelotto.co.uk

- Heritage Open Days

Free entry to 25 historical properties was available from Thursday 8 – Sunday 11 September 2016.

Details were available on: www.tmbc.gov.uk

- Local Council Tax Reduction Scheme

This consultation, regarding potential changes to the local scheme for claimants had closed in August. Cabinet would review and assess proposals in due course. Due to the way council tax reduction was now operated, it was noted that the council tax base might change as a result which would have implications for parish councils.

PPP 16/26 CHAIRMAN'S ANNOUNCEMENT

The Chairman was pleased to announce that East Peckham Parish Council had successfully made it through to the long list of nominations for the National Association of Local Councils Star Council Awards. In addition, parish councillors Stephanie Watson (Chairman) and Penny Graham had been nominated for Councillor of the Year and Karen Bell nominated for Clerk of the Year.

Shortlisting was to take place later in September with the winners announced in October and the Chairman wished everyone involved good luck.

The meeting ended at 9.15 pm

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TONBRIDGE AND MALLING BOROUGH COUNCIL

TONBRIDGE FORUM

Monday, 12th September, 2016

Present: Cllr N J Heslop (Chairman), Cllr C P Smith (Vice-Chairman),
Cllr Mrs J A Anderson, Cllr O C Baldock, Cllr P F Bolt,
Cllr V M C Branson, Cllr Ms S V Spence and County Councillor
R Long

Together with representatives from:

St John's Ambulance, Society of Friends, Tonbridge Allotments and
Gardens, Tonbridge and Malling Seniors, Tonbridge Art Group,
Tonbridge Civic Society, Tonbridge District Scout Council, Tonbridge
Music Club, Tonbridge Rotary Club, Tonbridge Sports Association,
Tonbridge Theatre and Arts Club, Tonbridge Town Team and
Women's Institute

Councillor M A Coffin was also present pursuant to Council Procedure
Rule No 15.21.

Apologies for absence were received from Councillors Mrs P A Bates,
D J Cure, F G Tombolis, Kent Fire and Rescue Service,
Tonbridge Historical Society, Tonbridge Line Commuters,
Tonbridge Lions Club and Tonbridge Philharmonic Society

TF 16/14 MINUTES

RESOLVED: That the Minutes of the meeting held on 12 May 2016 be
approved as a correct record and signed by the Chairman.

TF 16/15 UPDATE ON ANY ACTION IDENTIFIED IN THE LAST MINUTES

There were no actions identified.

However, reference was made to the Tonbridge High Street
Improvement Scheme discussion at the previous meeting, set out at
Minute Number TF 16/12, and the requested response from Kent County
Council regarding shared spaces.

The Chairman advised that this would be circulated to all Forum
Members out of meeting and apologised for the delay in passing this on.

TF 16/16 FLOODING UPDATE: TONBRIDGE, HILDENBOROUGH AND EAST PECKHAM

The Director of Planning, Housing and Environmental Health reported on
recent progress made towards flood improvement measures within

Tonbridge. As a result of effective partnership working between the Environment Agency, Kent County Council and the Borough Council on funding support and modelling of options there was now a clear way forward with a scheme.

Mr Simon Curd of the EA's Flood Risk Management Team provided a summary of these recent developments and reported that, following an initial assessment stage, it appeared feasible to increase the capacity of the Leigh Flood Storage Area (LFSA) and bring forward a flood und at Hildenborough. This would improve the level of protection to Tonbridge and other communities downstream. Improvements to benefit Hildenborough would need to occur at the same time as those at Leigh. It was explained that extensive modelling had demonstrated that both the LFSA and Hildenborough elements of the scheme needed to be completed together to avoid the increased risk of flooding River Medway into that community.

In addition, the LFSA and Hildenborough schemes had been 'decoupled' from the options for the Rivers Beult and Teise as it was felt that more localised flood defences would be more beneficial for the communities at Yalding, Collier Street and Laddingford.

Funding to improve the LFSA and defences for Hildenborough would be forthcoming from DEFRA with partnership contributions from Kent County Council, Tonbridge and Malling Borough Council and the private sector. In addition, there was a bid to the South East Local Enterprise Partnership which, if successful, would contribute to this scheme and a separate flood alleviation scheme for East Peckham. The EA and Borough Council were optimistic that funding would be secured. It would be known on 23 November 2016 whether the bid for funding had been successful.

The local community would be briefed at a poster exhibition to be held on 20-22 October 2016 at the Angel Centre, Tonbridge between 1400 and 2000 hours on weekdays; 1000 and 1600 hours on Saturday.

Finally, Members were advised that the outline business case was being prepared and would lead to the full business case being submitted to DEFRA in 2018. Once approved the detailed design phase was anticipated to start in 2018/19. Currently, the EA's indicative programme showed construction between 2019 and 2022.

The Forum was also advised of other recent EA investment in Tonbridge at Town Lock and Avebury Avenue.

Members welcomed the positive news regarding improved flood defences and asked that the timetable for the works to be implemented was moved forward as quickly as possible. Mr Curd recognised that the process seemed lengthy and reminded the Forum that the proposed schedule was earlier than that originally promised. The earlier

development of the scheme was as a result of securing funding contributions and the Borough Council's initiative regarding the funding bid to SELEP was recognised. It was also hoped that the timetable could be accelerated as progress was made.

Concerns were raised regarding the lack of flood protection measures in place for Hildenborough whilst the scheme was developed and whether temporary flood barriers could be used. The EA recognised the concerns raised and offered to revisit the potential use of flood barriers although it was not guaranteed that this would be a viable alternative. Further work would also be done to improve communication and early warnings to residents.

The issue of surface water was raised and it was confirmed that Southern Water and Kent County Council had responsibility for this area. Work had recently been completed on clearing the culverts but the EA recognised that the surface water represented a significant challenge and were consulting with Southern Water, via the County Council.

The Chairman thanked Mr Curd for his contribution and asked all Members of the Forum to promote the upcoming workshops in Tonbridge. A copy of the recent EA newsletter would be attached again to the Minutes for information.

TF 16/17 FAIRER CHARGING IN TONBRIDGE AND MALLING - UPDATE FOLLOWING PUBLIC CONSULTATION

The Chief Executive referred to the recent public consultation on the proposals for fairer charging in Tonbridge and Malling by the introduction of a Special Expenses scheme. The proposal aimed to achieve savings where possible and to provide equity for residents throughout Tonbridge and Malling.

The consultation had ended on 20 June 2016 with a good response from residents. These responses had been carefully considered by a Special Cabinet meeting held on 28 July and a preferred way forward formulated for recommendation to Council in November. As a result of those considerations a number of changes had been suggested and it was now recommended that Tonbridge Cemetery be removed from any Special Expenses Scheme on the grounds that it was a facility that was available equally to all residents in Tonbridge and Malling.

At the current time, Christmas lighting was not included in the Special Expenses Scheme although the Borough Council recognised that there was an inequity between Tonbridge and the parished areas of the borough as there were differing funding arrangements in place. With this in mind, the Overview and Scrutiny Committee would undertake a thorough review and explore alternative opportunities. It was hoped that a new system could be adopted for Christmas 2017.

As a consequence of the suggested changes to the Scheme indicative figures for Special Expenses would be lower than originally estimated but the final sums were still being calculated.

Details of the projected timetable for the proposals were available in full on the Borough Council website but summarised below:

- 13 September: Overview and Scrutiny Committee review proposals for Special Expenses and make recommendations to Cabinet
- 12 October: Cabinet considers proposals and any recommendations from Overview and Scrutiny and makes recommendations to Full Council
- 1 November: Full Council considers final proposals and approves/adopts Special Expenses Policy

A question was asked about financial arrangements for Tonbridge and whether local councillors, or a local Member panel, would be granted delegated authority to make decisions regarding local precepts and funding opportunities. The Chief Executive responded that, under current Borough Council arrangements, those councillors elected to represent Tonbridge residents' interests had the opportunity to do so via the Advisory Board system and the standard budget setting process.

Members were encouraged to read the report on Special Expenses considered by Cabinet on 28 July 2016 via the following link:

<https://democracy.tmbc.gov.uk/ieListDocuments.aspx?CId=146&MIId=3006&Ver=4>

TF 16/18 LOCAL PLAN UPDATE

The Director of Planning, Housing and Environmental Health indicated that the forthcoming Local Plan was a significant document for the Borough Council in identifying and outlining future development for Tonbridge and Malling for the coming years.

Members were advised that a period of public consultation on the Local Plan was expected to start on Friday 30 September 2016 for an eight week period. The closing date was 25 November and this was longer than the minimum statutory consultation period of six weeks.

The main focus of the consultation would be a revised Way Forward document, including an executive summary and map of the potential development strategy; the Sustainability Appraisal Scoping and the Habitat Regulations Assessment reports and an electronic survey setting out 15 set questions to provide consultees with a structure for responding. All of this material could be viewed on the website once

the consultation opened and hard copies would be available at the two main Council offices and libraries. In addition, hard copies would be made available for local organisations.

All Members of the Forum were encouraged to work with their local communities to raise awareness of the Local Plan consultation period and to respond by the November deadline.

There would also be a small number of manned exhibitions around the Borough during the consultation period although the number and duration would have to reflect the limited resources available to the Local Plan team during this busy stage of plan making.

It was also confirmed that traditional methods of promotion and communication would be used in conjunction with the use of social media and the internet.

Following the consultation a revised plan would be prepared to reflect the comments received before submission to Government sometime in 2017. There would be further opportunity for local involvement and contribution as the process continued.

In response to a question from the Forum regarding the scope of the Plan, the Director of Planning, Housing and Environmental Health indicated that currently it dealt with headline development strategy and policies around use of land; protection of the countryside and infrastructure.

Finally, in response to a further question regarding planning policy until the Plan was implemented in 2018, the Policy Manager advised that the Local Development Framework remained extant until the Local Plan was ratified. The Director of Planning, Housing and Environmental Health was also pleased to report that the Borough Council had an estimated five year supply of housing development available. However, it was important to take some challenging decisions for the longer term.

Members were pleased to see consideration being given to mixed types of housing and asked whether consideration would also be given to community spaces and local shopping. It was confirmed that both of these areas would be referred to in the Plan and that the Borough Council tried to promote the scale of development should be right for the size of the community.

The Chairman closed the discussion by asking all Members to promote the consultation with their local community groups.

TF 16/19 KENT POLICE UPDATE

This item was WITHDRAWN from the agenda.

However, the following local concerns were raised and these would be forwarded to Kent Police, via the Community Safety Partnership, for addressing:

- Nuisance vehicles along Yardley Park Road (Councillor V Branson)
- An outstanding enquiry regarding enforcement around speeding in Barden Road and speeding along the Ridgeway (County Councillor R Long and Councillor N Heslop)
- Anti-social behaviour around fishing

In addition, the following concern had been raised at the Parish Partnership Panel on Thursday 8 September regarding youths loitering and smoking cannabis in Tonbridge. At that meeting Kent Police (Inspector R McNeil) confirmed that drug issues were always taken seriously and dealt with appropriately. There was work undertaken with local schools and youth teams on education around drug use. However, it was important to report incidents as they occurred as it was difficult to deal with issues retrospectively. Dispersal orders were also an effective tool in preventing youths loitering and taking drugs but represented a challenging situation with reducing resources.

TF 16/20 KENT FIRE AND RESCUE SERVICES UPDATE

Apologies had been received from the Kent Fire and Rescue Services Group Manager (C King) due to another work commitment and this item was WITHDRAWN from the agenda.

TF 16/21 KENT COUNTY COUNCIL SERVICES UPDATE

The Kent County Council Community Liaison Officer (Anne Charman) reported on a number of County initiatives and consultations. A Kent County Council Services Update report setting out more details was attached to the agenda for information.

Members were advised that by subscribing to Kent County Council's free emailing service residents could receive important information and news as it became available. A valid email address was required and would be used only to provide information on topic preferences subscribed to. For more information visit: www.kent.gov.uk

All KCC consultations could be found online and Members were encouraged to sign up to the consultation directory:

<http://consultations.kent.gov.uk/consult.ti>

Finally, feedback on the format and future content of the Services Update report was invited.

The Women's Institute thanked the County Council for the installation of the pedestrian crossing at Hunt Road. The Chairman indicated that this had been funded from the Combined Member Grant Scheme and thanked the local County Councillors (R Long and C Smith) for their contribution.

Gratitude was also expressed for the new bench seats along the Tonbridge High Street.

In response to a query from the Society of Friends regarding the Cycling Strategy Consultation result, the Community Liaison Officer indicated that the outcomes would be available on the website in due course and offered to follow this up out of meeting.

Finally reference was made to a pilot programme for Volunteer Community Wardens being run by Kent County Council and everyone was asked to promote this new initiative. Full details were not yet available but information would be placed on the website in due course. Any information forthcoming in the near future would be circulated with the Minutes.

TF 16/22 TONBRIDGE AND MALLING SERVICES UPDATE

The Chief Executive and the Director of Planning, Housing and Environmental Health provided an update on key points relevant to Tonbridge and these included:

- Hive Lotto

The Community Lottery had been launched on Friday 2 September and was a fundraising scheme to help local good causes. It was reported that six partners were on board, including the Bridge Trust, West Kent Mind, Spadeworks and Tonbridge Angels, and all were encouraged to support, promote and participate.

Details were available on: www.hivelotto.co.uk and more information around the launch of the community lottery could be found on the Borough Council's website:

<http://www.tmbc.gov.uk/news/archive-2016/launch-of-hive-lotto-marks-start-of-funding-boost-for-good-causes>

- River Walk Improvement Scheme

This was a project to improve and enhance the River Walk area up to New Wharf Road and a partnership approach between the County and Borough Councils would be adopted. It was intended to be a high quality scheme and had been 'fast tracked' to take advantage of a funding opportunity. Works were anticipated to start on site in

November. More detailed information would be presented to the Borough Council's Finance, Innovation and Property Advisory Board on 21 September and the report could be viewed on the website via the following link:

<https://democracy.tmbc.gov.uk/documents/s18537/Report%20of%20Director%20of%20Street%20Scene%20Leisure%20and%20Technical%20Services.pdf>

TF 16/23 ANNOUNCEMENTS BY LOCAL ORGANISATIONS

(1) Tonbridge and Malling Seniors advised of a TAMs Open Day on 29 September in the Medway Hall, Angel Centre between 1000 – 1400 hours. This would promote initiatives and provide advice and guidance for the over 50s.

(2) Tonbridge Rotary announced the following two events:

- Tonbridge Half Marathon on Sunday 2 October, which was a joint venture between the Rotary and Tonbridge Lions.
- Tonbridge Christmas Festival on 27 November which would provide entertainment and stalls around the formal turning on of the Christmas Lights. Activities were due to start at 1400 hours and would end with a firework display on the Castle Lawn.

Finally, the Chairman thanked the Tonbridge Town Team for a successful Dragon Boat Race at the weekend (Saturday 10 September) and the organisers of the Medieval Fayre (Sunday 11 September), both of which had been well received by visitors.

The meeting ended at 8.45 pm

TONBRIDGE AND MALLING BOROUGH COUNCIL

JOINT TRANSPORTATION BOARD

Monday, 26th September, 2016

Present: Cllr H S Rogers (Vice-Chairman - in the Chair), Cllr D A S Davis, Cllr Mrs F A Kemp, Cllr M Parry-Waller, Cllr M Taylor, Mr M Balfour, Mrs V Dagger, Mrs T Dean and Mrs S Hohler

Councillors Mrs J A Anderson, O C Baldock, Mrs S M Barker, P F Bolt, M A Coffin, D J Cure, Mrs S L Luck, B J Luker, M R Rhodes, R V Roud and Miss S O Shrubsole were also present pursuant to Council Procedure Rule No 15.21.

Apologies for absence were received from County Councillor C Smith (Chairman), Borough Councillor R D Lancaster and County Councillor R Long together with Miss A Moloney (KALC)

Mr H Rayner was also present on behalf of the Kent Association of Local Councils together with representatives of Ditton and Wouldham Parish Councils.

PART 1 - PUBLIC

JTB 15/14 DECLARATIONS OF INTEREST

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

JTB 15/15 MINUTES

RESOLVED: That the Minutes of the meeting of the Joint Transportation Board held on 7 June 2016 be approved as a correct record and signed by the Chairman.

MATTERS FOR DECISION

JTB 15/16 TONBRIDGE STATION TRANSPORT INTERCHANGE IMPROVEMENTS

The report of the Head of Transportation, Kent County Council, outlined a project to improve the Transport Interchange at Tonbridge Station. The Board noted that funding of £500,000 had been allocated from the West Kent Local Growth Fund (LGF) and that the project aimed to improve interaction between users of the station, provide more space for pedestrian movements and create an interchange suitable for one of the busiest stations outside London. The initial design proposals, prepared by DHA Planning, were presented at the meeting together with details of

the consultation with key stakeholder groups to be undertaken in November and December 2016.

RESOLVED: That the consultation with key stakeholder groups, as identified in section 3 of the report, be undertaken by KCC's Transport Innovation Team.

MATTERS SUBMITTED FOR INFORMATION

JTB 15/17 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 systems. In addition the report provided details of current County Member funded schemes within the Borough.

JTB 15/18 KCC LOCAL TRANSPORT PLAN 4 UPDATE

The report of the KCC Transport Strategy Team provided a summary of proposals contained in Local Transport Plan 4: Delivering Growth without Gridlock (2016 – 2031) (Consultation Draft) and outlined progress with the 12 week consultation process due to close on 30 October 2016. Particular reference was made to the proposals affecting Tonbridge and Malling.

JTB 15/19 A228/M20 JUNCTION 4 - EASTERN OVERBRIDGE WIDENING

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

JTB 15/20 M20 JUNCTION 4 - CASTLE WAY JUNCTION

The report of Kent Highways Services set out details of recent consultation undertaken with local County and Borough Members, local parish councils and residents following the temporary closure of the right turn out of the junction of Castle Way with the A228 Leybourne and West Malling Bypass to facilitate the eastern overbridge widening. The Head of Transportation Service anticipated that a more informed report would be submitted to the meeting of the Joint Transportation Board to be held on 28 November 2016.

MATTERS FOR CONSIDERATION IN PRIVATE

JTB 15/21 EXCLUSION OF PRESS AND PUBLIC

There were no items considered in private.

The meeting ended at 9.12 pm

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TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

12 October 2016

Report of the Chief Executive

Part 1- Public

Matters for Recommendation to Council

1 CORPORATE STRATEGY

To endorse the draft strategy and to recommend its adoption at Full Council.

1.1 The draft Corporate Strategy

1.1.1 A draft of the Corporate Strategy (attached as Annex 1 to this report) was considered by the Overview and Scrutiny Committee at its meeting held on 13th September 2016. The Committee resolved to endorse the draft with no further amendment.

1.2 Legal Implications

1.2.1 None

1.3 Financial and Value for Money Considerations

1.3.1 As set out in the draft Strategy.

1.4 Equality Impact Assessment

1.4.1 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.

1.5 Recommendation

1.5.1 That the draft Corporate Strategy, as set out in Annex 1 to this report, **BE COMMENDED** to the Council for formal adoption.

Background papers:

contact: Mark Raymond

Nil

Julie Beilby
Chief Executive

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ANNEX1

Tonbridge and Malling Borough Council

Corporate Strategy - DRAFT

2017 – 2019



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, in some cases, significantly reduce, discontinue, or do them differently**. 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 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

13 October 2016

Report of the Management Team

Part 1- Public

Matters for Recommendation to Council

1 SPECIAL EXPENSES SCHEME POLICY ('FAIRER CHARGING') AND UPDATED FINANCIAL DATA

A report updating Cabinet on progress with the 'Fairer Charging' project, and seeking Cabinet's recommendation in respect of the Special Expenses Policy which was reviewed and commended by the Overview and Scrutiny Committee at its meeting on 13 September 2016.

1.1 Introduction

1.1.1 At the special meeting on 28 July, Cabinet considered a very detailed report setting out the results of two consultations, namely:

- the potential of cessation of council tax reduction (CTR) scheme grants to parish councils from 1 April 2017; and
- the potential introduction of a Special Expenses Scheme and simultaneous withdrawal of the s136 Financial Arrangements with Parish Councils (FAPC) Scheme with effect from 1 April 2017.

1.1.2 Following detailed consideration and debate, Cabinet recommended at **CB 16/60** that:

- 1) *responses received in respect of the consultation with parish councils regarding the cessation of CTRS grants and any potential equality impacts be noted and the grants be withdrawn from 1 April 2017 and parish councils notified accordingly;*
- 2) *the responses received in respect of the consultation regarding the potential introduction of Special Expenses and any potential equality impacts be noted and the introduction of such a Scheme from 1 April 2017 be commended to the Council;*
- 3) *on the basis that a Special Expenses Scheme is to be introduced, the following concurrent services should be incorporated within the Scheme:-*

- *Closed churchyards*
- *Open spaces, parks and play areas maintained by TMBC in parished areas; excluding Leybourne Lakes Country Park (strategic site)*
- *Open spaces, play areas, parks and sportsgrounds in Tonbridge; excluding Castle Grounds and Haysden Country Park (strategic sites)*
- *Support given to Local Events*
- *Allotments;*

and, in accordance with the agreed project timetable, the Overview and Scrutiny Committee review the Scheme, once it is drawn up, at its next meeting;

- 4) *information be sought from the church authorities on the capacity status of open churchyards throughout the Borough to enable further consideration of whether grants (under section 214 of the Local Government Act 1972) should continue to be offered to support their maintenance in furtherance of the previous policy in this regard;*
- 5) *a review be undertaken by the Overview and Scrutiny Committee into the future funding of Christmas Lighting and High Street flower displays in readiness for 2017/18; and*
- 6) *on the basis that a Special Expenses Scheme is to be introduced, the Scheme of Financial Arrangements cease with effect from 1 April 2017 and parish councils be notified accordingly.*

1.2 Progress

- 1.2.1 In accordance with the recommendation (3) of the minute above, the Overview and Scrutiny Committee considered a draft Special Expenses Policy at its meeting on 13 September and recommended that it be approved for adoption by the Council. The Policy is attached at **[Annex 1]** for Cabinet to, likewise, review and recommend.
- 1.2.2 Action has not yet been taken in respect of recommendation (4), but it is anticipated that discussions will be commenced by way of the Management Team's meeting with the Rural Deans due to take place before Christmas.
- 1.2.3 In respect of recommendation (5) above, a Panel of the Overview and Scrutiny Committee is due to commence a review of Christmas Lighting and High Street flower displays on 6 October.

- 1.2.4 Updates on progress were given to the Parish Partnership Panel (PPP) and the Tonbridge Forum at their meetings on 8 and 12 September respectively. Extracts from the minutes are attached at **[Annex 2]**.
- 1.2.5 In addition, the Director of Finance and Transformation wrote to all parish council clerks and chairmen on 21 September updating them on the recommendations made and progress so far.
- 1.2.6 As an aside, during the consultation with parish councils, concerns were raised about the potential for parish councils to be included within council tax referendum principles (“capping”). As Members will note from elsewhere on this agenda, a new consultation has been launched by the Department for Communities and Local Government (DCLG) which contains proposals regarding principles in relation to parish councils. It is not expected at this stage that any of the parish councils within Tonbridge and Malling will be affected by the principles at the present time, unless, following the consultation, the DCLG decides to take a different course.

1.3 Financial ‘Impact’ Data Update

- 1.3.1 Members are aware that the financial ‘impact’ data included within the Research Paper presented to Cabinet at its extraordinary meeting on 20 April was badged as ‘indicative’ and subject to change depending upon the results of the consultation exercise. Members are also aware that the financial data related to the 2016/17 financial year.
- 1.3.2 Following the recommendations of the Cabinet at its meeting on 28 July, together with the correction of some minor anomalies that have emerged, the figures relating to 2016/17 have been reworked.
- 1.3.3 It is important to note that the figures relate to how the position might have looked with these recommendations in place during the financial year 2016/17. They do not relate to the forthcoming financial year as budgets have not yet been worked up by either the Borough Council or the parish councils.
- 1.3.4 Had this Scheme been in place as at 1 April 2016, the Borough Council’s general Band D tax would have been £174.98 annually compared to the Band D council tax of £192.51 that was approved by Full Council in February 2016; a reduction of £17.53 per annum. As the Scheme was not in place this ‘revised’ figure is, of course, hypothetical.
- 1.3.5 When publishing the Borough Council’s overall level of council tax at Band D for “official” purposes (i.e. the referendum principles), the council tax will still ‘appear’ as £192.51 due to the prescribed methodology from DCLG. This will inevitably cause some confusion with the public. Members are already aware that Tunbridge Wells Borough Council levies special expenses in parts of its borough and has to address this particular anomaly.

- 1.3.6 The Special Expenses (Local Charge) for Tonbridge hypothetically would have been £55.03, giving a total TMBC charge (Band D) to Tonbridge residents of £230.01, an increase of £37.50 per annum (or 72 pence per week). **[Annex 3]** sets out the makeup of these special expenses charges for Tonbridge residents and the impact on the council tax levy.
- 1.3.7 The picture varies for each of the parished areas. For modelling purposes it has been assumed that the parish councils would have needed to increase their precepts on a pound for pound basis in order to recover the withdrawn grants (FAPC and CTR). This may, or may not, be the case as that is a decision for individual parish councils to make.
- 1.3.8 **[Annex 4]** sets out parish by parish the value of both FAPC grants and CTR grants, and the total amount that would need to be added onto the parish Band D council tax levy on this 'worst case' basis.
- 1.3.9 Some parished areas, as previously explained, will have Special Expenses from Tonbridge & Malling Borough Council applied to the total bill.
- 1.3.10 **[Annex 5]** sets out by parish:
- 1) the 'revised' (hypothetical) parish council tax Band D levy
 - 2) the 'revised' Borough Council Band D levy, and
 - 3) where applicable, the Special Expenses (Local Charge) levy.
- 1.3.11 The final column compares the total of the above with the approved 2016/17 council tax position in each parish. Had the scheme been in place in 2016/17, residents in 20 of the parished areas might have seen a slight annual decrease in council tax ranging from 55 pence to £12.72. Residents in the remaining 7 parished areas might have seen a slight increase in their annual charge ranging from 52 pence to £12.86. In the **worst case scenario**, and bearing in mind that these are hypothetical figures, this would amount to an extra 25 pence per week.

1.4 Legal Implications

- 1.4.1 Provisions relating to special expenses are contained in the Local Government Finance Act 1992 at sections 34 and 35. These sections allow different amounts of council tax to be calculated for different parts of the district, depending on what, if any, special items relate to those parts.
- 1.4.2 The Council currently resolves to pay grants under s136 of the Local Government Act 1972, although the amount it pays is entirely at its discretion. Were the Council to resolve to adopt a Special Expenses Scheme under sections 34 and 35 of the Local Government Finance Act 1992, it would no longer pay grants for those items of special expense under s136 of the 1972 Act.

- 1.4.3 There is no statutory requirement for the Council to pass on funding to parish councils in respect of CTR. It, therefore, has unfettered discretion to make the decision one way or the other.

1.5 Financial and Value for Money Considerations

- 1.5.1 If the Full Council were to resolve to adopt a Special Expenses Scheme as recommended by Cabinet and cease the FAPC grants Scheme as a result, the saving would be circa £226,000 per annum.
- 1.5.2 Cessation of the grants in respect of Council Tax Reduction would save circa £175,000 per annum.
- 1.5.3 Cessation of the grants above will contribute towards achievement of targets set within the Council's Savings and Transformation Strategy.

1.6 Risk Assessment

- 1.6.1 A full consultation with the public and parish councils has been undertaken, and the results considered and debated in detail by Cabinet at an extraordinary meeting on 28 July.
- 1.6.2 A Special Expenses scheme would establish 'equity' across the borough in terms of council tax paid towards the cost of local services. Whilst there is a risk of challenge to the introduction of such a scheme, the principles have been robustly tested.
- 1.6.3 If decisions are not made within the timescales previously agreed by Cabinet, the Council may not be able to implement savings (if any) in readiness for 2017/18.

1.7 Policy Considerations

- 1.7.1 Community; Equalities/Diversity

1.8 Recommendations

- 1.8.1 The recommendations (CB 16/60) of the Cabinet from its meeting on 28 July, set out in detail at paragraph 1.1.2, will be presented to Full Council for approval on 1 November 2016.
- 1.8.2 The Overview and Scrutiny Committee has now reviewed a draft Special Expenses Policy and had recommended it to Cabinet. Cabinet is now requested to **RECOMMEND** the draft Special Expenses Scheme Policy set out at Annex 1 to Full Council.

Background papers:

contact: Sharon Shelton

Nil

Julie Beilby
Chief Executive

Sharon Shelton
Director of Finance and Transformation

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

1. Introduction

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

2. Objectives of the Scheme

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

3. Function to be included in Scheme

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

4. Calculation of Special Expenses

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

5. Implementation

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

November 2016

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

LEGAL BACKGROUND

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

Section 35(1) defines these items as:

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

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

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

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

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

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

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

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EXTRACTS FROM MINUTES**PARISH PARTNERSHIP PANEL -Thursday, 8th September, 2016
PPP 16/18 FUNDING ARRANGEMENTS WITH PARISH COUNCILS – UPDATE
FOLLOWING CONSULTATION**

The Director of Finance and Transformation referred to the two recent consultations on the potential withdrawal of Council Tax Reduction grants to parish councils and the potential introduction of a Special Expenses Scheme (Fairer Charging) in place of the s136 Financial Arrangements with Parish Councils Scheme. The latter was aimed at achieving savings where possible and to provide equity for residents throughout Tonbridge and Malling.

Both consultations had ended on 20 June 2016 and Parish Councils were thanked for their participation. The responses received had been considered by a Special Cabinet meeting held on 28 July and a preferred way forward formulated for recommendation to Council in November.

With regard to Council Tax Reduction grants it was proposed that these grants would be withdrawn with effect from April 2017, subject to Council approval. The Panel was reminded that the Borough Council had no statutory obligation to passport funding to parishes and, in fact, many local authorities had already withdrawn this financial support as a result of the reduction in local government funding from Central Government.

However, the impact on some Parish Councils was recognised and the Director of Finance and Transformation offered to discuss the implications to individual parishes out of meeting.

In respect of Fairer Charging it was proposed to introduce a Special Expenses Scheme from April 2017 and withdraw financial support (through s136 grants) to Parish Councils at the same time, subject to comment from the Overview and Scrutiny Committee in September and final approval of Council in November 2016.

Following responses received from parish councils and residents a number of changes had been made to the initial proposals. The consultation had highlighted an issue regarding Tonbridge Cemetery and after further reflection the Borough Council felt that this should not be included in the Special Expenses Scheme on the grounds that it was a facility that was available equally to all residents in Tonbridge and Malling.

EXTRACTS FROM MINUTES

Reference was also made to open churchyards across the borough and, whilst there was no obligation on the Borough Council (or parish councils) to provide financial support, Members had requested that some further work be undertaken. Information was to be sought from the church authorities on the capacity status of open churchyards throughout the Borough to enable further consideration of whether some funding (under section 214 of the Local Government Act 1972) should be offered to Parochial Church Councils to support their maintenance in furtherance of the previous policy in this regard. The Director of Finance and Transformation stressed that this work had not been undertaken and therefore no decisions had yet been made.

At the current time, Christmas lighting was not included in the Special Expenses Scheme although the Borough Council recognised that there was an inequity between Tonbridge and the parished areas of the borough as there were differing funding arrangements in place. With this in mind, the Overview and Scrutiny Committee would undertake a thorough review and explore alternative opportunities. It was hoped that a new system could be adopted for Christmas 2017.

The Director of Finance and Transformation recognised the concerns of Parish Councils regarding the introduction of 'capping' and indicated that the Borough Council continued to make informal enquiries with Government.

Details of the projected timetable for the proposals were available in full on the Borough Council website but summarised below:

- 13 September – Overview and Scrutiny Committee review proposals for Special Expenses and make recommendations to Cabinet
- 12 October – Cabinet considers proposals and any recommendations from Overview and Scrutiny and makes recommendations to Full Council
- 1 November – Full Council considers final proposals and approves/adopts Special Expenses Policy
- December – Parish Councils contacted with information for budget setting

EXTRACTS FROM MINUTES**TONBRIDGE FORUM – Monday, 12 September, 2016****TF 16/17 FAIRER CHARGING IN TONBRIDGE AND MALLING – UPDATE FOLLOWING PUBLIC CONSULTATION**

The Chief Executive referred to the recent public consultation on the proposals for fairer charging in Tonbridge and Malling by the introduction of a Special Expenses scheme. The proposal aimed to achieve savings where possible and to provide equity for residents throughout Tonbridge and Malling.

The consultation had ended on 20 June 2016 with a good response from residents. These responses had been carefully considered by a Special Cabinet meeting held on 28 July and a preferred way forward formulated for recommendation to Council in November. As a result of those considerations a number of changes had been suggested and it was now recommended that Tonbridge Cemetery be removed from any Special Expenses Scheme on the grounds that it was a facility that was available equally to all residents in Tonbridge and Malling.

At the current time, Christmas lighting was not included in the Special Expenses Scheme although the Borough Council recognised that there was an inequity between Tonbridge and the parished areas of the borough as there were differing funding arrangements in place. With this in mind, the Overview and Scrutiny Committee would undertake a thorough review and explore alternative opportunities. It was hoped that a new system could be adopted for Christmas 2017.

As a consequence of the suggested changes to the Scheme indicative figures for Special Expenses would be lower than originally estimated but the final sums were still being calculated.

Details of the projected timetable for the proposals were available in full on the Borough Council website but summarised below:

EXTRACTS FROM MINUTES

- 13 September – Overview and Scrutiny Committee review proposals for Special Expenses and make recommendations to Cabinet
- 12 October – Cabinet considers proposals and any recommendations from Overview and Scrutiny and makes recommendations to Full Council
- 1 November – Full Council considers final proposals and approves/adopts Special Expenses Policy

A question was asked about financial arrangements for Tonbridge and whether local councillors, or a local Member panel, would be granted delegated authority to make decisions regarding local precepts and funding opportunities. The Chief Executive responded that, under current Borough Council arrangements, those councillors elected to represent Tonbridge residents' interests had the opportunity to do so via the Advisory Board system and the standard budget setting process.

Members were encouraged to read the report on Special Expenses considered by Cabinet on 28 July 2016 via the following link:

<https://democracy.tmbc.gov.uk//ieListDocuments.aspx?CId=146&MId=3006&Ver=4>

Area of the Borough : Tonbridge
Hypothetical Special Expenses and Council Tax 2016/17

Special Expenses - Total costs	
Sportsgrounds	£447,600
Open Spaces & Play Areas	£196,796
Closed Churchyards	£11,500
Events	£50,775
Allotments	£12,000
	<u>£718,671</u>
Taxbase 2016/17 (Tonbridge)	13058.49
Special Expenses (Local Charge)	£55.03

Total Council Tax levy by TMBC - Tonbridge	
General Band D	£174.98
Add: Special Expenses (Local Charge)	£55.03
Total TMBC levy	<u>£230.01</u>

Total Council Tax including All Preceptors - Tonbridge	
Kent County Council	£1,133.55
Police & Crime Commissioner for Kent	£152.15
Kent & Medway Fire & Rescue Authority	£72.00
Tonbridge & Malling Borough Council - General Expenses	£174.98
Tonbridge & Malling Borough Council - Special Expenses	£55.03
Total levy	<u>£1,587.71</u>

Actual 2016/17 level of Council Tax set in February 2016	£1,550.21
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Hypothetical Increase in Total Bill (2016/17)	£37.50
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Taxbase Band D equivalents	Parished Area of the Borough	FAPC Grant	CTRS Grant	Total Grants	Impact on Parish Band D (increase)	Revised # Parish Band D	Revised # Parish Precept
		£	£	£	£	£	£
382.75	Addington	3,290	645	3,935	10.28	59.73	22,861.99
3,934.33	Aylesford	26,832	14,445	41,277	10.49	55.58	218,651.00
195.89	Birling	4,232	409	4,641	23.69	68.47	13,413.00
1,531.89	Borough Green	6,694	14,635	21,329	13.92	114.10	174,795.00
440.86	Burham	4,001	1,860	5,861	13.29	57.39	25,302.82
1,738.72	Ditton	8,134	17,681	25,815	14.85	134.70	234,201.00
4,849.82	EM & Larkfield	22,852	27,599	50,451	10.40	58.30	282,737.00
1,263.22	East Peckham	9,513	8,669	18,182	14.39	103.81	131,133.00
1,483.85	Hadlow	15,624	8,072	23,696	15.97	70.04	103,925.00
2,164.42	Hildenborough	9,585	1,288	10,873	5.02	30.02	64,984.00
1,094.58	Ightham	5,737	1,755	7,492	6.84	103.98	113,809.00
3,855.49	Kings Hill	10,344	8,211	18,555	4.81	67.18	259,022.00
1,510.94	Leybourne	6,547	7,386	13,933	9.22	85.21	128,749.00
417.70	Mereworth	4,529	1,585	6,114	14.64	43.24	18,061.22
373.70	Offham	3,139	767	3,906	10.45	54.68	20,434.75
855.89	Platt	4,940	1,160	6,100	7.13	79.57	68,100.00
573.16	Plaxtol	4,686	993	5,679	9.91	52.94	30,343.00
283.08	Ryarsh	3,627	1,010	4,637	16.38	66.86	18,926.88
250.74	Shipbourne	3,708	549	4,257	16.98	51.45	12,900.00
3,413.09	Snodland	29,570	34,807	64,377	18.86	93.93	320,601.00
243.45	Stansted	3,405	727	4,132	16.97	82.69	20,132.00
263.04	Trottscliffe	2,817	332	3,149	11.97	61.39	16,149.00
885.48	Wateringbury	8,371	3,962	12,333	13.93	137.61	121,849.32
1,096.26	West Malling	9,261	7,669	16,930	15.44	82.94	90,923.00
173.32	West Peckham	3,466	67	3,533	20.38	37.68	6,531.00
468.55	Wouldham	3,173	2,235	5,408	11.54	70.62	33,088.00
826.42	Wrotham	7,850	6,139	13,989	16.93	95.56	78,976.00

Impact on Band D is hypothetical. Parish Council to decide if full loss of grants to be recovered through increase in parish precept and Band D council tax.

Some Rounding issues may occur, so figures are broadly indicative

revised figures are hypothetical only

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Parished Area of the Borough	2016/17 Hypothetical Parish Band D	2016/17 Hypothetical TMBC Band D general expenses	2016/17 Hypothetical Special Expenses TMBC	2016/17 Hypothetical Parish + TMBC Band D	2016/17 Approved (Parish + TMBC Band D	2016/17 'Variance' Parish + TMBC increase / decrease
	£	£	£	£	£	£
Addington	59.73	174.98	5.23	239.94	241.96	-2.02
Aylesford	55.58	174.98	2.64	233.20	237.59	-4.39
Birling	68.47	174.98	5.86	249.31	237.29	12.02
Borough Green	114.10	174.98	0.93	290.01	292.69	-2.68
Burham	57.39	174.98	0.00	232.37	236.61	-4.24
Ditton	134.70	174.98	1.02	310.70	312.36	-1.66
East Malling & Larkfield	58.30	174.98	6.17	239.45	240.41	-0.96
East Peckham	103.81	174.98	0.55	279.34	281.93	-2.59
Hadlow	70.04	174.98	0.00	245.02	246.58	-1.56
Hildenborough	30.02	174.98	0.00	205.00	217.51	-12.51
Ightham	103.98	174.98	0.00	278.96	289.64	-10.68
Kings Hill	67.18	174.98	0.00	242.16	254.88	-12.72
Leybourne	85.21	174.98	21.17	281.36	268.50	12.86
Mereworth	43.24	174.98	0.08	218.30	221.11	-2.81
Offham	54.68	174.98	0.00	229.66	236.74	-7.08
Platt	79.57	174.98	1.65	256.20	264.95	-8.75
Plaxtol	52.94	174.98	0.00	227.92	235.54	-7.62
Ryarsh	66.86	174.98	0.00	241.84	242.99	-1.15
Shipbourne	51.45	174.98	0.00	226.43	226.98	-0.55
Snodland	93.93	174.98	6.50	275.41	267.58	7.83
Stansted	82.69	174.98	0.00	257.67	258.23	-0.56
Trottiscliffe	61.39	174.98	0.00	236.37	241.93	-5.56
Wateringbury	137.61	174.98	2.50	315.09	316.19	-1.10
West Malling	82.94	174.98	2.61	260.53	260.01	0.52
West Peckham	37.68	174.98	0.00	212.66	209.81	2.85
Wouldham	70.62	174.98	8.67	254.27	251.59	2.68
Wrotham	95.56	174.98	4.77	275.31	271.15	4.16

Some Roundings may occur, so figures are indicative only

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TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

12 October 2016

Report of the Director of Finance & Transformation

Part 1- Public

Matters for Recommendation to Council

1 REVIEW OF THE COUNCIL'S LOCAL COUNCIL TAX REDUCTION SCHEME

A report requesting Members to consider findings from the consultation into options for review of the current local council tax reduction (CTR) scheme and to recommend any changes to Council, to take effect from 1 April 2017. The report provides Cabinet with detailed results from the recent council tax reduction scheme consultation process and the findings of the second stage equality impact assessment (EQIA).

Members are asked to consider the results of the consultation and the findings of the second stage equality impact assessment (EQIA) to recommend any changes to Council, to take effect from 1 April 2017.

1.1 Background

1.1.1 At the meeting of Cabinet on 20 April this year, I reported on the preparations underway to review the local Council Tax Reduction (CTR) Scheme and sought Cabinet's agreement to going out to public consultation.

1.1.2 As Cabinet may recall, the review of local schemes has been undertaken in liaison with all Kent Districts in order that there remains a 'common approach' across Kent. The objectives all districts signed up to for the review were:

- 1) Having regard to the reductions in government grant and the financial pressures we face, to make the scheme less costly (if possible) and more efficient in terms of its operation; and
- 2) To have regard to the impact such changes may have on vulnerable residents and target support to those in most need.

Members are reminded that the review of the local schemes only affects **working-age** households.

- 1.1.3 As I reported to the last meeting, the services of a specialist consultant were jointly procured by all Kent districts and major precepting authorities and the costs have been shared. A sub-group of officers from the Kent Finance Officers (KFO) has been regularly meeting to lead and coordinate the project.
- 1.1.4 Alongside the review of the schemes, in parallel with the review of the local schemes, representatives from the Kent district councils are working with the major precepting authorities (i.e. Kent County Council, Kent Police & Crime Commissioner and Kent Fire & Rescue) to formulate a new funding 'model' for assistance towards the administrative costs. This is in recognition of the fact that the operation of a scheme, as it stands or with changes, has a cost borne by each billing authority but benefited by the major preceptors through Council Tax receipts.
- 1.1.5 From the report to Cabinet on 20 April, Members endorsed the work on the review up to that point and the proposal to carry out a public consultation over options for change. Members supported the options to go to consultation, having regard to the 'first stage' Equality Impact Assessment.

1.2 The Consultation Process

- 1.2.1 To effect changes to the CTRS, the Council has a legal duty to carry out public consultation and assess the impacts of proposed changes with regards to equalities.
- 1.2.2 There is also an obligation for the Council to consult with major precepting bodies. A meeting was held in late March, in the 'option developmental' phase, between the KFO sub-group, consultant and major preceptors. At this meeting, the representatives of the major preceptors were supportive of the way forward and options being considered for public consultation.
- 1.2.3 At its meeting on 20 April, Cabinet gave delegated authority to me to finalise the consultation material in liaison with the Leader and Cabinet Member for Finance, Innovation & Property. A draft of the video and some of material was shared with Members of the Finance, Innovation & Property Advisory Board on 1 June in order to obtain feedback and make improvements prior to 'launch'.
- 1.2.4 It was agreed that the public should be consulted upon 14 potential options to adjust the existing scheme and 3 'alternative' options. As discussed at the meeting on 20 April, realistic 'alternative' options to changing the CTR Scheme are somewhat limited but the question about alternative funding arrangements still needed to be asked of the public.
- 1.2.5 An on-line questionnaire with the options agreed on 20 April was available on the Council's website from 6 June 2016 until 31 August 2016, a period of over 12 weeks. A short video explaining the need for change, background information and an initial equality impact assessment accompanied the survey on the website.

1.2.6 The documents and the video can be found at:

<http://www.tmbc.gov.uk/services/council-and-democracy/consultations/council-tax-reduction-scheme-201718-consultation>

1.2.7 In the first week a message was tweeted on the Council's Twitter account stating the consultation was taking place and how to take part. The Council has over 2,800 followers on Twitter, including all of our key stakeholders. The message was re-tweeted each week.

1.2.8 An initial press statement was issued by our Media & Communications team to local media. This was followed up by a further statement in August reminding residents of the consultation and the closing date.

1.2.9 In the second week, postcards were sent to all working age households in receipt of council tax reduction as well as a further 2,000 named council tax payers in the Borough, selected at random. The postcards informed residents that the consultation was taking place and how to take part by using a web-link. The cards also offered further information on the subject and the option to request a paper questionnaire by making contact by telephone or email.

1.2.10 Our Customer Services officers at Kings Hill and the Tonbridge Gateway were briefed to promote the consultation and encourage responses from visiting customers throughout the consultation period.

1.2.11 Key stakeholders, such as Circle Housing Russet, other housing associations and North and West Kent Citizens Advice were directly emailed to inform them the consultation was underway.

1.2.12 During the first week of August a further 10,000 postcards were sent to named council tax payers of randomly selected households in the Borough, excluding those who had already been sent one.

1.2.13 From the beginning of August until the close of the consultation postcards promoting the consultation were included with most council tax bills issued by the Council. In addition, one or two Members personally undertook to share consultation postcards with residents in their wards.

1.3 Results of Consultation

1.3.1 The complexity of council tax reduction schemes, as well as the number and technical nature of options did not lend itself well to public consultation. Rules around consulting mean there must be sufficient information supplied to the consultee to enable an informed decision. A questionnaire would take 20 minutes at best to complete and easily twice that for someone wishing to gain a full understanding of the options, complete the 'yes/no' boxes and provide comments. Indeed we received a handful of responses from people only to say they found the consultation too complicated, with too much information to digest.

- 1.3.2 My officers dealt with several calls from residents asking questions relating to the consultation. About 30 paper questionnaires were requested, of which, 22 were returned fully or partially completed. These were recorded on the on-line survey.
- 1.3.3 In total, we received 415 responses to the on-line survey, on top of the 22 paper questionnaires.
- 1.3.4 There was also a written response from John Simmonds MBE, Deputy Leader and Cabinet Member for Finance and Procurement at Kent County Council, on their behalf. The letter is attached as **[Annex 1]**. It should be noted that the response from KCC was a 'generic' one to all district councils and not all of the points made are relevant, or indeed correct, in respect of TMBC's consultation. The Leader of the Council responded to John Simmonds making some of these points and his reply is also attached at **[Annex 1a]** for completeness.
- 1.3.5 Of the on-line responses 33% had a Council Tax Reduction recipient in the household, compared to 67% who did not. A near even number of males to females responded, 20% were pensioners and 20% had a lasting disability or health problem.
- 1.3.6 Although the level of response is somewhat disappointing when taking into account the effort put into the consultation, the number of results allows for a high degree of confidence that we have a representative view from residents of the Borough.
- 1.3.7 The results for each option, together with stand-alone financial effect, equality impact assessment and a balanced view of comments is attached at **[Annex 2]**.
- 1.3.8 The financial effect for each option is designated as 'stand-alone' because it is an estimate of the income generated or cost of the option in full if only that option were selected and applied to the working age caseload. It must only be viewed as a rough indication if multiple options were applied.
- 1.3.9 Some options such as 1, 1a and 1b are exclusive, whereas others can be combined. When options are combined, the financial effect will not be the aggregate of the individual selections due to overlapping impacts. The benefit or loss generated by the options is shared amongst the billing authority and major preceptors in the same way as council tax. Effectively, any option causing a financial change to the scheme reduces or increases the Borough's taxbase.
- 1.3.10 The full responses with all comments from the website survey can be found at: <https://www.surveymonkey.net/results/SM-6ZBKZ8GT/>

1.4 Summary of Results

<i>Option 1: Should the Council protect the current Council Tax Reduction Scheme? (Should it continue to reduce Council Tax for eligible claimant in the way it does at the moment?)</i>					
Yes	51%	No	38%	Don't know	11%
<i>Option 1a: Do you agree with reducing the maximum level of support to 80%?</i>					
No	47%	Yes	47%	Don't know	6%
<i>Option 1b: Do you agree with reducing the maximum level of support to 75%?</i>					
No	50%	Yes	43%	Don't know	7%
<i>Option 2: Do you agree with removing the Family Premium for all new working age claims?</i> This option would align the CTRS to recently introduced housing benefit rules.					
Yes	48%	No	40%	Don't know	12%
<i>Option 3: Do you agree with reducing the period a claim can be backdated to 1 month?</i> This option would align the CTRS to recently introduced housing benefit rules.					
Yes	74%	No	20%	Don't know	6%
<i>Option 4: Do you agree with taking a minimum level of income for self-employed earners after 1 year of self-employment?</i>					
Yes	55%	NO	31%	Don't know	14%
<i>Option 5: Do you agree to reduce the period a person can be absent from Great Britain to 4 weeks?</i>					
Yes	87%	No	9%	Don't know	4%
<i>Option 6: Do you agree with the principle that the capital limit should be reduced from £16,000 to £6,000?</i>					
Yes	56%	No	37%	Don't know	7%
<i>Option 7: Do you agree with a standard non-dependant deduction?</i>					
Yes	70%	No	17%	Don't know	13%
<i>Option 8: Do you agree that child maintenance should be counted in full rather than ignored when assessing Council Tax Reduction?</i>					
Yes	59%	No	32%	Don't know	9%
<i>Option 9: Do you agree with the principle that any child benefit paid to the claimant or partner should be counted in full rather than ignored when assessing Council Tax Reduction?</i>					
Yes	61%	No	33%	Don't know	6%
<i>Option 10: Do you agree with limiting the maximum level of Council Tax Reduction payable to a Band D charge?</i>					
Yes	54%	No	33%	Don't know	13%
<i>Option 11: Do you agree with the removal of Second Adult Reduction?</i>					
Yes	57%	No	31%	Don't know	12%

<i>Option 12: Do you agree with the removal of the Work Related Activity Component in the calculation for new Employment and Support Allowance applicants? This option would align the CTRS to recently introduced housing benefit rules.</i>					
Yes	76%	No	10%	Don't know	14%
<i>Option 13: Do you agree with limiting the number of children taken into account on a claim to 2? This option would align the CTRS to the proposed change to housing benefit from 1 April. If Members were to recommend this option then the introduction should only take place if and when it occurs in the housing benefit scheme.</i>					
Yes	79%	No	17%	Don't know	4%
<i>Option 14: Do you agree with the introduction of a targeted protection scheme based on Exceptional Hardship?</i>					
Yes	74%	No	16%	Don't know	10%
<i>As an <u>alternative</u>, should the level of Council Tax be increased to support the CTRS?</i>					
No	72%	Yes	22%	Don't know	6%
<i>As an <u>alternative</u>, should savings be found by cutting other Council Services?</i>					
No	51%	Yes	38%	Don't know	11%
<i>As an <u>alternative</u>, should the Council use its reserves?</i>					
No	47%	Yes	40%	Don't know	13%
<i>If the Council were to choose these other options to make savings, what would be your order of preference?</i>					
		1st	2nd	3rd	
Increase Council Tax		23%	18%	59%	
Use reserves		42%	41%	17%	
Cut services		36%	40%	24%	

1.4.1 Members will note that:

- 51% of respondents were in favour of not changing the current scheme
- An even number of respondents agreed and disagreed to reducing maximum entitlement to 80%.
- Slightly more respondents agreed to reducing maximum entitlement to 75% than disagreed.
- Options 3,5,12 & 13 received the highest support. These are options that would effectively mirror the changes or proposed changes to housing benefit by central Government.
- Option 2, which would also align CTRS to housing benefit showed 48% support and 40% against.

- The majority of respondents did not agree to the alternative ways of funding the scheme, such as increasing council tax, cutting services or using up reserves.
- 74% of respondents agreed there should be a targeted protection scheme for exceptional hardship.

1.4.2 At paragraph 1.2.2, I reported that during the consultation meeting with major preceptors including Kent County Council, there was support for the consultation options. Members will also note that, at paragraph 1.3.3, I draw attention to a letter from John Simmonds MBE on behalf of Kent County Council. The letter raises the following views:

- KCC is disappointed that the consultation has not been set in the wider context of the challenge for local authorities, they ‘...would expect more acknowledgement of the impact on other council services and council tax payers as part of the consultation...’.
- Support for the financial need to change
- Consider reducing the maximum discount to below 80%
- A preferred move towards commonality of schemes across Kent
- Support for a minimum income floor introduced to self-employed assessments
- Synchronization to housing benefit rule changes
- Support for reducing the savings threshold, reducing the period a claim can be backdated, and removing second adult rebate.
- Consider capping awards at Band C rather than D.
- Alternatives to reviewing the CTRS were poor.

1.4.3 These views should of course be considered in the whole, however, as with any response, regard should be taken of the standpoint of the respondent. Members are also referred to paragraph 1.3.4 where I advised Members that the response from KCC was a ‘generic’ one to all districts, and not individually tailored to each council.

1.5 Objectives

1.5.1 At the outset of the consultation, two main objectives were agreed (see paragraph 1.1.2). The first of the objectives related to the cost of the scheme in the context of the ever-reducing government grants, and the second in relation to targeting support to those most in need.

- 1.5.2 The support for an Exceptional Hardship policy (option 14) was evident through the consultation which, although effectively a cost to the scheme rather than delivering a saving, would help to satisfy the second objective. The Kent Finance Officers' group had previously agreed that, were such a policy be deemed appropriate following the consultation, it would be facilitated through s13A 1a of the Local Government Finance Act 1992 – i.e. the funding is via the collection fund, and not the district council's general fund.
- 1.5.3 The potential savings that could be delivered through each of the other options (1a –13) are summarised in **[Annex 3]**. Members are advised that the savings shown against each option are based on that option being 'standalone' and relate to savings to the entire Scheme, not to TMBC. TMBC 'share' is approximately 12.7%. As an example, reducing the maximum level of support to 80% from its current level of 81.5% (option 1a) would produce a saving of circa £53k. 12.7% of this would accrue to TMBC – i.e. £6.7k. The bulk of the saving (70.8% - £37.5k) would accrue to Kent County Council.
- 1.5.4 If a combination of options is chosen to be taken forward, the modelling becomes more complex. It is not possible in this report to give Members figures from the vast range of permutations that would be possible. However, in advance of the meeting if Members wish any indicative modelling to be undertaken, they are invited to contact Andrew Rosevear who will be able to undertake the modelling in readiness for the meeting.

1.6 Kent-wide Agreement and Incentivisation

- 1.6.1 Members may recall, at the inception of the local schemes in 2013, that we had agreed (in principle) with all districts in Kent to seek to have a common 'platform' for our schemes. The major precepting authorities (Kent County Council, Kent Police and Fire & Rescue) had agreed that, if districts signed up to this common platform, and the fundamental principles/caveats underlying it, each district council would be paid a sum from an overall grant fund of £1.5m (working out at £125k per district) in order to assist with the costs of processing claims and collecting debts.
- 1.6.2 It has been recognised by the Kent Finance Officers' group that the contributions that the major precepting authorities make towards the administration of the scheme are essential. Changes to the local scheme could potentially lead to a need to collect even more council tax from individuals who may find it difficult to pay; as well as those individuals finding the resultant changes difficult to comprehend and therefore needing more assistance.
- 1.6.3 Therefore, in parallel with the review of the local schemes, representatives from the Kent district councils have been working with the major precepting authorities to formulate a new funding 'model' for assistance towards the administrative costs.

- 1.6.4 The major preceptors have made it clear that they wish to move away from a straightforward 'fixed contribution' model to one where there is recognition for the changes that have actually been brought in at individual district level. In addition, it is clear that there needs to be a greater recognition of the absolute caseload each district is managing, rather than just splitting any grant fund on an equal basis.
- 1.6.5 The exact details of the model are still being progressed. However, it is likely that there will continue to be a grant fund of £1.5m as previously; but in addition there will be a 'new' sum of circa £0.5m available to incentivise those authorities who are introducing more challenging options.
- 1.6.6 The grant fund of £1.5m will be apportioned out in a slightly different way – i.e. a fixed element plus a variable element based on caseload. The payment of this assumes the district will introduce a minimum number of changes to the scheme. Assuming TMBC was to adopt those changes, the payment would likely be circa £110k as our caseload is lower than in some other districts.
- 1.6.7 The new fund of £0.5m would come into play if changes over the minimum were adopted to recognise the additional burden in managing and processing claims.

1.7 Legal Implications

- 1.7.1 The legislative framework for council tax reduction schemes is contained within the Local Government Finance Act 2012.
- 1.7.2 The Council has a statutory duty to consult on a proposed scheme. Case-law has determined the guiding principles for fair consultation, which we have followed.
- 1.7.3 Regard was made to the rules around consultation laid out through the Supreme Court Ruling in the case of R (on the application of Moseley) v London Borough of Haringey (2014) and in particular, the need to set out alternative choices within the consultation.

1.8 Financial and Value for Money Considerations

- 1.8.1 The cost of awards made under CTRS impact on the declared taxbase and thereby the council tax yield. If the cost of awards were to be reduced, this would mean that the Council's taxbase could increase and overall council tax income could increase. Any increase to council tax income is shared through the Collection Fund with major preceptors.
- 1.8.2 The costs of undertaking the consultation, including cost of support from the consultant, amounted to £6,000. This was within budget.
- 1.8.3 As outlined in paragraph 1.6, a new model is being formulated with major preceptors to assist with the costs of administrating the scheme.

1.9 Risk Assessment

- 1.9.1 The reduction scheme could be open to challenge if it were considered that we had not consulted properly those who have an interest in the operation of the scheme. However, I believe that our 12 week consultation process has been robust.
- 1.9.2 As Members are aware, some of the options consulted upon were intended to align Council Tax Reduction with the administration of Housing Benefit. During the meeting, taking into account the consultation responses and the Equality Impact Assessment, Cabinet will determine whether to recommend that these 'alignments' are made.
- 1.9.3 Within this context, it is worth noting that, at the present time, the following changes have yet to be made within the Housing Benefit scheme but regulations are expected before the 1st April 2017:
- The limitation of dependents additions to two dependants where a third or subsequent child is born on or after 1st April 2017 (HB and Tax Credits are due to be changed from April 2017); and
 - The removal of the Work Related Activity Component for all new Employment and Support Allowance applicants on or after 1st April 2017

In the unlikely event that these changes are not effected by Central Government by 1st April 2017, Members could resolve to amend the Council Tax Reduction Scheme from April 2018 (should this be an option Members wish to pursue).

1.10 Equality Impact Assessment

- 1.10.1 Decision-makers are reminded of the requirement under the Public Sector Equality Duty (s149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups.
- 1.10.2 The decisions recommended through this paper directly impact on end users. The impact has been analysed and varies between groups of people. Claimant data is based on the lead applicant so the actual impacts will also depend on household composition. Households may consist of single claimants or those with partners. Where there is a partner present, any protected characteristic of the partner has not been included in the impact assessment.
- 1.10.3 Options 1a and 1b were amongst the least popular options with consultation respondents overall, and with respondents with disabilities and males. However, option 1a was more preferable to female respondents than some of the other options. Option 1a was less popular with those aged 35-54. Option 1b was less popular with those aged 25-34 and those aged over 45. Whilst these options

would apply a standard percentage reduction to all existing claimants, who would lose 21 pence per week, on average, people with disabilities would lose 24 pence per week and carers would lose 26 pence per week, on average. As these options would apply a blanket reduction to existing claimants, regardless of their circumstances, the exceptional hardship scheme would be required to mitigate against any potential impacts.

- 1.10.4 The options which relate to aligning the scheme with housing benefit and pension age regulations (options 2, 3, 5, 12, 13) were amongst the most popular options with consultation respondents overall, and with respondents with disabilities, males, females, with the exception of option 2. As these options would apply to new claimants from 2017, it is not possible to predict who may apply and what the impacts will be. There is likely to be differential impact on female claimants and some working age groups should family premium be removed, which was amongst the least supported options in the consultation results and claimant data shows that 82% of current claimants who receive family premium are female.
- 1.10.5 In addition to family premium, a number of other options could affect female claimants and some working age groups, particularly those with children, disproportionately. The majority of consultation respondents overall supported including child maintenance (option 8) and child benefit (option 9) as income. Over 50% of male and female respondents and respondents with a disability, also supported these options. 94% of current claimants who receive child maintenance and 82% of current claimants who receive child benefit are female.
- 1.10.6 The majority of consultation respondents supported the remaining options (4, 6, 7, 10, 11). Of these options, option 4 would affect females (75% of claimants) more than males and those aged 35-44 (36%) more than other age groups, and would lose their full entitlement under this criteria. Option 6 would affect males (60% of claimants) more than females and those aged 45-64 (84%) more than other age groups, and would lose their full entitlement under this criteria. Option 10 would affect those aged 35-64 who would lose more per week, on average than other age groups. Option 11 would affect those aged 45-64 only as there are no claimants aged 44 or under in this category.
- 1.10.7 Option 7 would affect claimants with disabilities (41%) who would lose more per week (£19.01, on average) than people without disabilities (£12.96, on average). Option 7 would also affect carers (23%) who would lose more per week (£18.96, on average) than non-carers (£14.39, on average). Claimants aged 45-54 (48%) would lose more per week (£15.85, on average) than other age groups. Whilst this option was more popular with consultation respondents than other options, it may be necessary to consider possible exemptions for non-dependants with disabilities or who are carers.
- 1.10.8 The potential impacts need to be considered against the potential savings to the Council and the criteria for the exceptional hardship scheme will need to be considered in order to alleviate any disproportionate impacts of any options

introduced. Further detail about the potential impacts will be available to Members prior to the meeting.

1.11 Policy Considerations

1.11.1 Equalities/Diversity;

1.11.2 Communications

1.12 Summary

1.12.1 At the outset of this process, in liaison with the other Kent district councils and major precepting authorities, two key objectives were set in reviewing the local CTR Scheme.

1.12.2 The consultation on potential changes to the Scheme was undertaken for 12 weeks, giving opportunity for all residents to participate.

1.12.3 We received 415 responses to the on-line survey, plus 22 'hard copy' paper questionnaires. We also received a detailed response from Kent County Council as a statutory consultee. We did not receive specific responses from the other statutory consultees (Kent Police & Crime Commissioner and Kent Fire & Rescue), although as reported in paragraph 1.2.2, support had been expressed with regard to the process and options prior to the launch of the consultation.

1.12.4 Approximately one third of the respondents received council tax support, with the other two thirds not receiving any support.

1.12.5 Whilst all Kent districts went out to consultation with similar options around the same time, each district council is a sovereign body, and therefore decisions made by each council could vary. Whilst we hope to retain some 'commonality of approach' across Kent, there is no guarantee of this and it is likely that there will be some variations across the county.

1.12.6 Cabinet is asked to consider all of the information contained within this report (and any supplementary information issued as advised in paragraph 1.10) and make appropriate recommendations to Full Council about how the Scheme should be amended from 1 April 2017.

1.12.7 Once Cabinet has made its recommendation, the Scheme will be prepared and presented to Full Council at its meeting on 1 November 2016. If an Exceptional Hardship Policy is recommended as part of the Scheme, this will also be presented to Full Council.

1.13 Recommendations

1.13.1 Cabinet is asked to **NOTE** the potential impacts on people with disabilities, carers, women and working age groups and the following measures to mitigate these:

- 1) Continuing to treat people with disabilities and carers more favourably by disregarding some incomes, thereby giving them a higher entitlement to council tax support:
- 2) Continuing to make allowances for childcare costs, in line with the national scheme;
- 3) A further review of the scheme within three years from 1 April 2017 to identify any longer-term measures needed to mitigate any ongoing impacts.

1.13.2 Having considered the above, the full consultation results (including the response from the statutory consultee, Kent County Council) and Equality Impact Assessment, Cabinet is asked to **RECOMMEND** to Council what options, if any, should be included in the Council's Council Tax Reduction Scheme from 1 April 2017 or other appropriate time.

Background papers:

Consultation Survey full results

<https://www.surveymonkey.net/results/SM-6ZBKZ8GT/>

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Sharon Shelton

Sharon Shelton

Director of Finance & Transformation

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John Simmonds MBE
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Date: 10 August 2016

Local Council Tax Reduction Scheme Consultation

This response is to the consultation about changes to your local council tax reduction (CTR) scheme. The response is on behalf of Kent County Council which is a statutory consultee on local schemes.

I would like to emphasise at the outset that KCC fully appreciates the close working relationship between district councils and major preceptors, and the efforts that districts make to maximise the council tax base and council tax collection. This excellent relationship and appreciation of district council efforts was noted at a recent meeting of KCC's Policy and Resources committee and once again I would like to formally endorse this.

We are disappointed that this consultation has not been set in the wider context of the financial challenge for local authorities. Responsibility for council tax support transferred from the Department for Work and Pensions (DWP) to local authorities. The initial transfer came in 2013 with a 10% reduction in funding which went into revenue support grant (RSG) and the baseline for the local share of business rates. The majority of the funding was transferred into RSG and has not been protected from the cuts since 2013 or further reductions planned for future years. Whilst the original schemes were financially neutral to compensate for the initial 10% reduction they have not kept pace with the further reductions in RSG. We would not necessarily expect continued financial neutrality to be feasible in light of the scale of RSG reductions, but we would expect more acknowledgement of the impact on other council services and council tax payers as part of the consultation on local reduction schemes. We have consistently made this point to Kent Finance Officers and are disappointed that consultation does not refer to this vitally important context.

We intend to make the same general response to each district covering the following issues:

- Possible protection for existing schemes
- Extent to which working age households should be asked to pay a greater share of council tax
- Changes in the calculation of qualifying income to determine council tax reductions
- Other adjustments to council tax reductions to reflect individual household circumstances
- Other possible changes to council tax outside reduction schemes
- Alternatives to reviewing CTR schemes

Protection for Existing Schemes

In light of the financial challenge to local authorities through RSG reductions we cannot support protecting existing schemes and some changes are needed to reduce the cost of council tax support discounts and/or increase the council tax base. Whilst KCC recognises that not protecting existing schemes could have an impact on some vulnerable households this should be compensated by making other adjustments to schemes rather than applying blanket protection. Schemes need to evolve to take account of changing circumstances and in particular the reality of on-going reductions in central government funding to local authorities.

Reducing Council Tax Reduction Discounts

KCC supports the principle of reducing CTR discounts although it is difficult to conclude precisely what % should apply. The changes in the funding arrangements mean there is no straightforward mathematical equation which can be applied along the same lines as the original 18.5%. However, in light of the scale of RSG reductions KCC would have liked to have seen some consideration of even lower CTR discounts as part of the consultation (particularly those authorities that have only consulted on a very small change of 1.5% in contribution). We feel that only proposing one slightly lower rate of discount limits the room for manoeuvre and could end up with even more districts in Kent offering different discount rates rather than the harmonisation of rates we were hoping for.

KCC recognises that reducing CTR discounts is the simplest response to on-going reductions in central government funding. Whilst the council recognises this will be an additional burden for households it is important that schemes are regularly reviewed to ensure they take into account the impact of the financial challenge arising from additional spending demands and reductions in central funding, and that all council tax payers are asked to make a reasonable contribution towards the cost of local services. KCC would like to see a more consistent approach adopted in all districts in Kent and that schemes bear a close resemblance to schemes elsewhere across the country. However, the council also recognises the need to keep schemes flexible to reflect local circumstances. KCC would like to see all Kent districts make progress towards arrangements which collectively increase the council tax base closer towards the implied central funding but recognises that a financially neutral equation is unlikely to be possible or desirable.

Changes to the Calculation of Qualifying Income

The income of the main council tax payer (and their partner) is a key factor in determining which households qualify for CTR discount. KCC fully supports the proposals on a minimum income level for self-employed and the changes to Work-Related Activity in ESA. KCC would also support the principle of changing CTR schemes to be consistent with changes in housing benefit, Universal Credit and other welfare benefits in future. In particular the county council would not want to see a situation where CTR schemes offered additional council tax support as a result of government decisions to reduce or limit welfare benefits. The county council would like to see an automatic adjustment to schemes to ensure they are in line with welfare changes, through a trigger mechanism. If this is not a national condition (currently not) we would like to see this as a condition built into all Kent district schemes. KCC rejects any inclusion of child benefit in household income for CTR schemes. Including child benefit as household income would be contrary to the council's strategic objectives to help children and young people to get the best start in life and to help vulnerable residents. KCC would support more research being undertaken into the impact of including child maintenance in household income. In particular the council can see some merit in exploring including higher levels of child maintenance above a reasonable threshold, provided this does not act as a perverse incentive to reduce or restrict child maintenance awards/agreements. KCC does not agree that child maintenance be included until this research has been fully evaluated.

Other Adjustments to the Calculation of CTR Discounts

This is undoubtedly the most complex area of CTR schemes. We believe these adjustments can best be summarised under 4 main categories:

- Allowances for dependent children and other non-dependent adults
- Allowances for exceptional hardship and household savings
- Capping CTR discounts
- Other adjustments

Dependent Children and Non-Dependent Adults

Currently there are two adjustments made to CTR discounts based on increasing the discount through an addition for dependent children. The first is the addition of a Family Premium for all households with one or more children other than those whose sole income comes from welfare benefits (Universal Credit, Income Support, JSA, ESA). Most districts are considering whether this premium should be removed to bring CTR into line with housing benefit calculations. The second adjustment relates to families whose sole income is from welfare benefits. Currently household income for these families is effectively increased by £66.90 per dependent child. Most districts are considering capping this addition to a maximum of two children. This would bring CTR schemes in line with housing benefit, Universal Credit and tax credits as announced in the Chancellor's summer 2015 Budget.

KCC's supports the proposals on changes to Family Premium and Dependent Children adjustments. We fully support the principle of changing CTR schemes to be consistent with changes in housing benefit, Universal Credit and other welfare benefits. Although these changes would on the face of it be contrary to the county council's strategic priorities the council believes that the overriding factor is consistency with other welfare benefit changes. This alignment with other welfare benefits should be consistent in all Kent district schemes.

Currently an adjustment is made for other non-dependent adults in the household based on individual circumstances (those earning income but not liable to pay the council tax or their partner). These adjustments can reduce CTR discounts by up to £11.45 a week. Most districts are considering introducing a standard adjustment for all non-dependent adults irrespective of individual circumstances. These deductions range for £10 a week to £15 a week in individual districts.

KCC fully supports standardising deductions for non-dependent adults. This would make schemes simpler and cheaper to administer as well as reducing the impact of CTR discounts on the tax base. We would like to see more authorities consider a higher standard rate than the current £11.45 a week although we recognise some differences may be necessary to reflect local circumstances in individual districts.

Allowances for Exceptional Hardship and Household Savings

133 authorities (out of a total of 285 authorities which have introduced local CTR schemes) operate a hardship fund. Currently none of the Kent districts offer such a scheme. We do not have any information how these schemes operate, how much they cost, nor how many households receive additional assistance. Most Kent districts are considering whether they should adopt hardship scheme. Once again we have no detail of what sort of schemes they are considering. In particular districts have not identified a value for a fund (and whether it would be capped), or how it would be funded e.g. would it be offset against tax base/collection fund or would it be part of the district's general fund.

KCC supports the principle of a hardship fund to help families that face exceptional financial difficulties. However, we would need to see further proposals from districts over how such a scheme would operate e.g. which circumstances would trigger support, how the scheme would be funded, and financial modelling of the number of households which may receive financial assistance, before we could agree to the inclusion of any scheme. In particular we would like to see how beneficiaries would be supported to address their financial difficulties so that they do not need further support or default on future council tax demands. Until we have sight of these details it is difficult to make a definitive response to the consultation.

Currently households with savings and investments in excess of £16,000 cannot qualify for any CTR discount. This is consistent with other welfare benefits. 86 authorities (out of 285) have reduced this threshold to £10,000 or £6,000. Most Kent districts are considering making a similar reduction to the savings threshold. KCC supports reducing the savings threshold and accepts that reducing the savings/investment threshold would not present a significant risk of causing financial hardship.

Capping CTR Discounts

85 authorities (out of 285) currently apply a cap on CTR discounts. These limit the discount on higher banded properties to the amount that a band C or band D property would receive. Most Kent districts are considering introducing capping discounts to the band D amount.

KCC supports capping CTR discounts but proposes that the cap should generally be applied to all properties above band C. Band C is the most common band in Kent and in most districts the majority of properties are band C or lower. We accept that a higher band D cap should only apply in those districts where less than half the properties are band C or lower i.e. Maidstone, Sevenoaks, Tonbridge & Malling and Tunbridge Wells. Similarly in any district where the majority of properties are band B or lower we think the cap should apply at band B.

Other Adjustments

This includes the length of time claims can be backdated for a change in household circumstances (proposals would reduce this from 6 months to 1 month), time limits on temporary absence from homes without affecting CTR discounts (housing benefit has now been changed so that if a person is absent from Great Britain for more than 4 weeks their benefit ceases), and limits on claimants from the European Economic Area who are not habitually Great Britain residents but in receipt of jobseekers allowance.

KCC supports proposals to make changes to these other adjustments particularly where they bring arrangements in line with other welfare benefits. As already indicated KCC supports the principle of bringing CTR schemes into line with housing benefit and other welfare reforms. We would like to schemes include an automatic trigger to allow for future changes. We would like assurances that district councils would be able to cope with the increased workload should reducing the backdating period result in claims being submitted more promptly.

Other Changes to Council Tax Arrangements Outside CTR Schemes

The second most common change made to council tax in other authorities (after reducing the discount for working age households) is to remove the second adult rebate. This is a discretionary reduction to council tax where a second adult (not the main council tax payer or their partner) lives in the house and is in receipt of welfare benefits or on a low income. All districts are considering abolishing the rebate. KCC's supports abolishing this rebate in all districts.

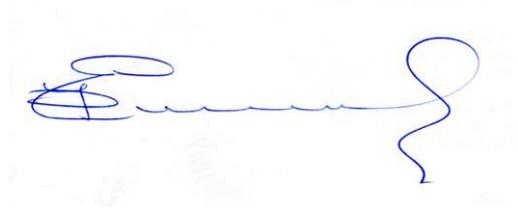
As part of the original CTR schemes all Kent districts agreed to make some reduction in empty property discounts (including second homes). Some abolished the discounts altogether. Further reductions in empty property discounts would continue to be outside CTR schemes (and thus not included in district consultation on their CTR schemes). Nonetheless, KCC would like to take this opportunity to reaffirm its position that we support removing empty property discounts entirely (on the basis that owners of empty properties can generally more easily afford council tax and to act as incentive to bring properties back into use) as a higher priority to responding to RSG reductions than any changes to CTR schemes (albeit we believe empty property discounts and CTR schemes both need to be reviewed).

Alternatives to Reviewing CTR Schemes

Generally we feel that these sections in the consultation are poor. In particular the alternatives of increasing council tax or reducing council spending do not include any mention of referendum requirements (in the case of the former) or savings already needed to be considered in councils' budget plans. Whilst it is inevitable that CTR discounts for working age households will need to be subsidised by other council tax payers as RSG is removed this has not been mentioned in the alternatives. We feel this is an oversight in the consultation although accept it can be deduced relatively easily.

I hope you find this response helpful. In conclusion we would be looking for CTR schemes to be consistent with the county council's priorities to support the most vulnerable and give children the best possible start in life but also act help to incentivise individuals into work to help grow the Kent economy. We recognise that at the same time schemes must reflect the financial necessities being placed on local government and inevitably this complex mix can result in some conflicting consequences.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'John Simmonds', with a large, stylized flourish at the end.

John Simmonds MBE

Deputy Leader and Cabinet Member for Finance and Procurement



**TONBRIDGE & MALLING
BOROUGH COUNCIL**

Nicolas Heslop

Leader of The Council

**Cabinet Member for
Economic Regeneration**

**Borough Councillor
for Cage Green Ward**

Mr John Simmonds MBE
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Kent County Council
Members' Suite
Sessions House
County Road
Maidstone
Kent ME14 1XQ

7 September 2016

Dear John

Local Council Tax Reduction Scheme Consultation

Thank you for your letter of 10 August 2016 setting out Kent County Council's response to our Local Council Tax Reduction Scheme Consultation.

The consultation closed at the end of August, and our officers are now beginning the task of reviewing all the responses received and preparing an Equality Impact Assessment. It is the intention that our Cabinet will consider this at a meeting on 12 October, at which point we will make recommendations to Full Council about how the Scheme should be updated.

At this stage, and until the work has been completed, I am unable to comment specifically on some of the points you have made. However, there are a few points of clarification I would like to make in response.

I note your 'disappointment' that the consultation has '*not been set in the wider context of the financial challenge for local authorities*'. The financial challenge is, of course, a factor and is one of the reasons we are considering more, potentially, radical changes to the scheme. However, this is not the only issue, as you will be well aware. Collecting debts from those who are already financially disadvantaged is becoming increasingly difficult, and we must, therefore, consider the administrative costs and burdens this brings quite apart from the 'moral' issues of continuing to charge more and more to those who are already financially struggling. It is always a balancing act, as I am sure you will acknowledge. The short explanatory video we produced for the consultation (which was on our website) set out the dilemmas we face.

I am perplexed by your statement that 'you would have liked to have seen some consideration of even lower CTR discounts as part of the consultation (particularly those authorities that have only consulted on a very small change of 1.5% in contribution)'. I appreciate your letter is a generic one to all district councils, but I would say that whilst we have consulted on a 1.5% increase (as well as a 6.5% increase), we are already asking our residents to pay the highest amount in Kent (i.e. the 18.5% contribution). Thus, as we are a district applying the highest 'Kent' deduction rate, our options have been formed through the analysis of data displaying a 'tipping point' of collectable debt from low income households. The options, of 1.5% and 6.5% cuts go to the very boundary of the 'tipping point' in our view.

Other proposed options do not take the 'blanket cuts' approach but target areas identified as being potentially more affordable. We firmly believe there is a limit as to how far we can realistically go, having to balance the financial pressures we are collectively facing with the pressures some of our financially disadvantaged residents are personally facing. I believe this is a point that has been repeatedly made by the district finance officers.

In terms of the potential hardship policy which we have consulted on, I understand that this, along with all the other options set out in our consultation documentation, was discussed some time ago with finance officers from the major precepting authorities via the Kent Finance Officers group. My Director advises me that it was clearly stated at the group that, were such a policy be deemed appropriate following the consultation, it would be facilitated through s13A 1a of the Local Government Finance Act 1992 – i.e. the funding is via the collection fund. We did not think it was appropriate to put this level of detail into the consultation documentation itself because the majority of respondents would have no knowledge whatsoever as to what this meant, or how it was funded.

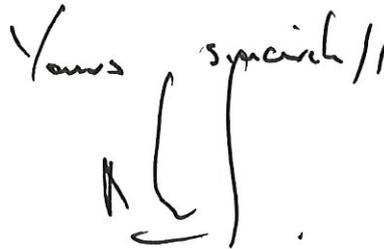
Whilst I do not wish to pre-empt the Cabinet's recommendations regarding the outcomes of the consultation, my Director advises me that it seems very likely, based on the responses, that a new hardship policy will form part of the revisions to our Local CTR scheme (I cannot, of course, speak for others). She is presently working with the Consultant that the Kent District Councils jointly procured in order to draw up a 'draft' which will be shared via the Kent Finance Officers group (at which KCC is represented and can offer any thoughts). Whilst I can appreciate that you have an interest in the potential cost of hardship claims, it is important that we do not put an arbitrary 'cap' on the amount that can be awarded as this could fetter discretion.

Towards the end of your letter, you comment that you feel that the section regarding alternatives to reviewing the CTR scheme is *poor*. Contrary to what you have stated in your letter, our video and/or consultation documentation did allude to the savings that are already needed in order to achieve a balanced Medium Term Financial Strategy, and did mention that increases in council tax would be subject to referendum limits.

Finally, I would say that when I first read your letter, I had the distinct impression that you felt there had been little or no liaison with Kent County Council prior to the launch of our consultation which I have to say was somewhat unexpected, and disappointing. This somewhat 'jarred' with your positive statement about the close working relationship between district councils and major preceptors. Having discussed this point with my Director, she categorically assures me that finance representatives from Kent County Council (Dave Shipton), Kent Police and Kent Fire have all been party to discussions about the potential revisions to the schemes in the lead up to the public consultation.

Indeed, I understand that a very detailed presentation was given to the major precepting authorities at Sessions House on 24th March this year by a small group of district finance officers and the Consultant who has been assisting them. As I understand it, following detailed discussion ensuing from the presentation, the major precepting authority representatives expressed satisfaction with the proposals that were being put forward for consultation. I hope that this gives you some comfort, and confirms the close working relationships you have spoken about.

I am grateful for the responses you have made to our consultation and as I have outlined above, these will be fed into the overall report to Cabinet on 12 October.

Yours sincerely,


Nicolas Heslop

Option 1

Should the Council continue to reduce Council Tax for eligible claimants in the way it does now?

We currently require all working age claimants to make a minimum payment of 18.5% towards their Council Tax.

Results of Survey

	Yes	No	Don't know
Overall	51%	38%	11%
Working Age CTR	76%	14%	10%
Other	39%	51%	10%

Estimated overall annual saving on the current scheme £Neutral

KCC Response

KCC do not support Council's protecting existing schemes

Summary

The results suggest that this is a preferred option for working age residents already in receipt of CTR. There would be no savings generated by this option and no impact on equalities, however it would mean the scheme is moving away from the welfare reforms introduced into the housing benefit scheme if no other options were chosen.

Sample of Customer Comments (verbatim)

- I should prefer the increased costs of services to be borne by people who earn more rather than less.
- The poorest should not be shouldering the cost of the cuts through no fault of their own.
- It must not charge poor people on low incomes
- YES.....Unless you intend putting half of TONBRIDGE IN COURT/Jail for non payment some people just can't afford it!.....
- It is important that we don't perpetuate poverty for those people who cannot earn enough to take them out of poverty. Especially if we are going to give the children of those families living in poverty a chance to be lifted out of poverty. Council tax is a major recurring household expenditure and non payment of the tax has significant financial impacts on the households immediately future budgets. It is a payment that cannot be avoided unless support is given for those that are most in need of support. As long as the tests to assess the person's ability to pay are robust and fair I am a strong support of the Council Reduction Scheme.
- AS a part-time worker and carer there is little enough margin for change in support. Anymore could result in not having enough money to meet the rent and council tax and result in homelessness. Or at best moving away to a much cheaper area with no friends or family for additional support.
- Most claimants receive other out of work benefits which often works out more than those working who receive nothing.
- I think only paying 18.5% is too low.
- As a person who works and am already struggling to pay council tax as it has gone up again I will be one off the people who will probably have to give up my flat. How about stop helping the dole dossers and help the people who do work!!

Option 1a

Do you agree to reducing the maximum level of support to 80%?

We currently require all working age claimants to make a minimum payment of 18.5% towards their Council Tax. This would increase to 20%. Reducing the maximum level of support available is a simple change to the scheme which is easily understood.

Results of Survey

	Yes	No	Don't know
Overall	47%	47%	6%
Working Age CTR	44%	45%	11%
Other	49%	48%	3%

Estimated overall annual saving on the current scheme £53,000

KCC Response

KCC supports the principle of reducing CTR discounts although and they have stated that the percentage increase should be higher than 1.5%.

Sample of comments for this option are combined with Option 1b

Summary

The results suggest that residents have a split opinion on this option. Reducing the maximum level of support available is a simple change to the scheme which is easily understood and it generates a saving of £53k

Option 1b

Do you agree to reducing the maximum level of support to 75%?

We currently require all working age claimants to make a minimum payment of 18.5% towards their Council Tax. This would increase to 25%. Reducing the maximum level of support available is a simple change to the scheme which is easily understood.

Results of Survey

	Yes	No	Don't know
Overall	43%	50%	7%
Working Age CTR	11%	79%	10%
Other	57%	37%	6%

Estimated overall annual saving on the current scheme £233,000

KCC Response

KCC supports the principle of reducing CTR discounts although they have not concluded what percentage should apply.

Summary

The results suggest that residents are not in favour of this option especially those working age customers directly affected by this. A simple change that is easy to understand and applies equally across the board **but** it increases the amount all working age Council Tax Recipients must pay in Council Tax.

Sample of Comments (verbatim)

- 1.5% might be feasible, 6.5% is impossible.
- Absolutely not. As a society we must help those who are vulnerable, not target them because it is a simple way to save money! Let those who can afford it pay more.
- hitting those that need it most, helps no-one
- Option 1a represents an 8.5% increase. Option 1b represents a 35% increase which is too much of a jump
- I believe that it should be reduced to 75%, but phase in over 2 to 3 years
- Further cost cutting is vital, a small cut would give a great saving overall
- A 75% reduction still seems generous, people will only have to pay 25% of the full rates
- dont want to penalise workers further
- and what will many of these people do for their ""free"" money. Buy iPhones, smoke cigarettes. You should make them work for their benifit so they understand the value of money.
- As long as there is an effective hardship exemption which is consistently applied and not open to abuse, the maximum level of support for those outside the hardship exemption should apply (otherwise you may struggle to fund the hardship exemption).

Option 2

Do you agree to removing the family premium for all new working age claimants?

The removal of family premium from 1 April 2017 for new claims will bring the Council Tax Reduction scheme in line with Housing Benefit. The family premium is part of how we assess the 'needs' of any claimant, which is compared with their income. Family Premium is normally given when a claimant has at least one dependent child living with them. Removing the family premium will mean that when we assess a claimant's needs, it would not include an allowance for the family premium (currently £17.45 per week). This change would **not** affect those on Universal Credit, Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance.

Results of Survey

	Yes	No	Don't know
Overall	48%	40%	12%
Working Age CTR	27%	56%	17%
Other	57%	34%	9%

Estimated overall annual saving on the current scheme: £30,000

KCC Response

KCC supports the principle of changing CTRS to be consistent with changes in Housing Benefit, Universal Credit and other Welfare Benefits.

Summary

The results suggest that the majority of respondents agree to implementing this option (48%) however not the working age respondents in receipt of CTR. It does generate a saving and it brings the CTRS in line with Housing Benefit scheme

Sample of Comments (verbatim)

- All families should be treated the same, not just those who claim from the 1st April 2017
- Children cost money, changing the rules isn't going to change that fact
- I don,t think it should be reduced
- I think it would cause hardship to some familys
- If this ties-in with central government changes then it should be taken forward.
- Multiple benefits and exemptions complicate the system and make it more costly to administer.
- Obviously a person with dependent children will have less disposable income than someone who does not.
- This is an awful attack on children.
- This is disgraceful!
- This is great. Good option.

Option 3

Do you agree to reducing backdating of new claims to 1 month?

Currently claims for Council Tax Reduction from working age claimants can be backdated for up to 6 months where an applicant shows they could not claim at an earlier time. Central Government has reduced the period for Housing Benefit claims to 1 month. This option would see the Council's CTRS be aligned with the changes for Housing Benefit.

Results of Survey

	Yes	No	Don't know
Overall	74%	20%	6%
Working Age CTR	67%	22%	11%
Other	78%	19%	3%

Estimated overall annual saving on the current scheme £20,000

KCC Response

KCC supports the principle of changing CTRS to be consistent with changes in Housing Benefit, Universal Credit and other Welfare Benefits.

Summary

The results suggest that the majority of respondents (74%) agree to this option. It generates a small saving and it is a simple alteration to the scheme which is easy to understand when claiming Housing Benefit and Council Tax Reduction. It also brings the CTRS in line with Housing Benefit scheme.

Sample of Comments (verbatim)

- 3 months might be fairer in some cases, and/or with a proviso to make an exception to extend in extremely compelling circumstances.
- as a general rule yes, in exceptional circumstances, no
- Husband or wife dies, it would be difficult within a month to cover all paperwork
- 1 month maximum or no back dating at all
- 1 month should be plenty of time & make the administration simpler & more efficient
- This could lead to difficulties for the most vulnerable people
- This seems a sensible measure to take as long as residents are made aware of the change.
- There should be some flexibility if the reason is unavoidable
- If finances were pressing then discounts would be taken up promptly. not taking them up for 6 months suggests less financial urgency.
- Backdating is a ridiculous option altogether

Option 4

Do you agree to the use of a minimum level of income for self-employed earners after 1 year?

A weekly income figure (for example equivalent to 35 times the hourly rate of the National Living Wage) would be used as full time weekly wages for self-employed claimants declaring incomes below this level. Any income above this amount would be taken into account based on the actual amount earned. Incomes would still be verified and checked. The income would not apply for a designated start-up period of one year from the start of the business. Variations would apply to part-time workers.

Results of Survey

	Yes	No	Don't know
Overall	55%	31%	14%
Working Age CTR	38%	40%	22%
Other	62%	28%	10%

Estimated overall annual saving on the current scheme £150,000

KCC Response

KCC fully supports the proposals of a minimum income level for self-employed earners

Summary

The results suggest that the majority of respondents agree to this option (55%) however not working age customers in receipt of CTR. It would generate a significant saving and the treatment of income for self-employed claimants for Council Tax Reduction will be brought broadly into line with Universal Credit and it should encourage self-employed working age applicants to grow their business. KCC also support this change.

Sample of Comments (verbatim)

- If they are earning under the living wage after 1 year, business sense would say they need to look at their business case
- Agree you must assume if people go self employed they are doing it earn a decent living not to live on benefits, they pay less NI and less tax in most cases
- Do you know how hard it is to expand a business, I have been self employed for over 28 years and have had no help from local government
- sounds unfair to me ,hard enough being self employed
- There is no evidence that withholding benefits encourages people to increase their working hours. In many cases, claimants would likely like to increase their hours or expand their business but are unable to do so due to the availability of work and / or the economic climate. It is not fair to punish these claimants for reasons that are outside of their control.
- Need to base reductions on fact not on assumption.
- People need to be encouraged not discouraged to self employment. I can't see this helping.
- This is fundamentally wrong. Assessments should only ever be made on actual real income!
- This may encourage people who are struggling to make a go of self-employment to give up and claim benefits instead. We should be supporting those who are our communities best hope of financial growth.
- This would seem to penalise people whose business is struggling.
- Why minimum would it not be fairer to use average income?

Option 5

Do you agree to reducing the period which a person can be absent from Great Britain and still receive Council Tax Reduction to 4 weeks?

Within the current scheme, applicants can be temporarily absent from their homes without it affecting the Council Tax Reduction. This replicated the rule within Housing Benefit. Housing Benefit has been changed so that if a person is absent from Great Britain for a period of more than 4 weeks, the benefit will cease. This option reflects the changes in Housing Benefit. There will be exceptions for certain occupations.

Results of Survey

	Yes	No	Don't know
Overall	87%	9%	4%
Working Age CTR	83%	12%	5%
Other	90%	7%	3%

Estimated overall annual saving on the current scheme £5,000

KCC Response

KCC supports the principle of changing CTRS to be consistent with changes in Housing Benefit, Universal Credit and other Welfare Benefits.

Summary

The results suggest that the majority of respondents agree to implement this option (87%), the savings generated are minimal however the treatment of temporary absence will be brought into line with the Housing Benefit scheme. KCC also support this change.

Sample of Comments (verbatim)

- Completely fair, perhaps there are rare circumstances it might need to be waived, but on the whole extremely fair & sensible
- Four weeks is ample time, however the armed forces should be exempt from this.
- i do agree with this issue as going aboard they don,t need the help in my eyes.
- If a person is low income, what are they doing travelling abroad?
- If they can afford to be away, they can afford to pay! Two weeks would seem far better still!
- if you can afford to be out of the country for more than 4 weeks, you probably don't need help paying council tax.
- Absolutely! Why not 2 weeks? I don't know anyone that is away more than 4 weeks unless they have a second home.
- But I think that if there are exceptional circumstances then they should be able to have it backdated.
- If can afford to be away that long can afford council tax
- May need to take in to consideration why they have left eg for family emergency reasons

Option 6

Do you agree to reducing the capital limit from £16,000 to £6,000?

At present, residents with savings, capital and investments of more than £16,000 are not entitled to any Council Tax Reduction. This option would lower that threshold to £6,000.

Results of Survey

	Yes	No	Don't know
Overall	56%	37%	7%
Working Age CTR	44%	47%	9%
Other	59%	35%	6%

Estimated overall annual saving on the current scheme £34,000

KCC Response

KCC supports reducing the savings threshold and accepts that reducing the savings/investment threshold would not present a significant risk of causing financial hardship

Summary

The results suggest that the majority of respondents agree to this option (56%) however not working age in receipt of CTR whom it affects most. It does generate a saving however it does not align to the Housing Benefit scheme. KCC support this change.

Sample of Comments (verbatim)

- £6,000 is adequate savings to have, if you were to have £16,000 you could use some of that before claiming benefits
- £6,000 at today's value is a very small amount of savings would just about buy a new hip, £16,000 is much more realistic
- £16,000 seems an excessive level of permitted savings under such a scheme
- Again too much of a job too quick. Circa 10,000 more of an acceptable figure
- but maybe drop to £10,000
- If they have the money, they should pay!
- Savings are for a rainy day; if you need to claim benefits, it's raining
- this would appear to discriminate against those who have managed their finances to build some capital
- £6,000 is still a significant level of savings.
- Does not seem fair. Does not follow ESA.

Option 7

Do you agree to using a standard level of non-dependant deduction?

Within the current scheme a deduction is made from Council Tax Reduction entitlement for people other than the applicant's partner who are 18 years old or over. That person would be expected to contribute towards payment of Council Tax. At present the weekly deductions range from £0.00 to £11.45 according to weekly income. The deductions would be replaced by a single figure, possibly £10 per week.

Results of Survey

	Yes	No	Don't know
Overall	70%	17%	13%
Working Age CTR	58%	25%	17%
Other	77%	13%	10%

Estimated overall annual saving on the current scheme £116,000

KCC Response

KCC fully supports standardising deductions for non-dependant adults as it would make the scheme simpler as well as reducing the impact of CTR discounts on the tax base.

Summary

The results suggest that the majority of respondents agree to implementing this option (70%) and it does generate a reasonable saving. It is simple to understand and to administer. KCC fully supports this change.

Sample of Customer Comments (verbatim)

- My child has severe learning disability. At 18 years plus, he will still be just as dependent, if not more so
- If they are making waste that needs collecting, using roads, pavements etc they should pay like we have to
- Should be based on non dependants income as someone could earn £25,000 whilst another may earn £8000 so this should be reflected
- Yes, but £10 is not enough
- Must include an exemption for cared-for people, such as disabled
- It is an unfair assumption that individuals aged 18+ would be able to make a set contribution, rather than actual affordability
- Again, a massive jump from 0-10. £5 is a more realistic, achievable figure.
- Another form of pole tax
- Creates a simpler and fairer system
- Why not? if you are a non dependant then you should fairly contribute

Option 8

Do you agree to including Child Maintenance as income?

Currently any payments of Child Maintenance paid to either an applicant or their partner does not count when working out the household income when assessing entitlement to Council Tax Reduction. This proposal would allow the Council to include any Child Maintenance in the calculation.

Results of Survey

	Yes	No	Don't know
Overall	59%	32%	9%
Working Age CTR	50%	40%	10%
Other	63%	30%	7%

Estimated overall annual saving on the current scheme £200,000

KCC Response

KCC would support more research being undertaken into the impact of including child maintenance in household income therefore they do not agree that it should be changed at present.

Summary

The results suggest that the majority of respondents agree to this option being implemented (59%) and it would generate a significant annual saving however it would not be supported by KCC in this scheme.

Sample of Customer Comments (verbatim)

- Absolutely not!! It is not income, it is to sustain the child. I was a child whose father had to pay my mum maintenance and I can tell you it is not always paid on time or in full and is used for food, clothing and towards the mortgage - where a larger house is necessary due to there being children! It is the bare minimum for these needs and must not be considered as frivolous income!"
- At the end of the day child maintenance increases the income received, all income should be included for calculation purposes
- CSA has been abolished. Mothers must rely on integrity of the child's father in order to receive child support??? - or pay a collection fee, for payment to be managed. To include child maintenance, in CTR calculations, would result in mothers having to fight for child maintenance payments.
- Discourage payments of child maintenance is not for the Borough Council to worry about but the courts. I would imagine, but don't know, that the maintenance for the child includes their living accommodation and all the services that are needed for a safe environment. Therefore paying Council Tax is part of these services.
- Child maintenance is for the child, to buy clothes, shoes essentials, not to pay the parents bills
- "depends on how much, needs to me set limits and boundaries
- Its an Income, why should it be ignored!
- This is not income for extras, it is to pay for expenses for the child
- All income should be considered
- Child maintenance can be paid erratically.

Option 9

Do you agree to including Child Benefit as income?

Currently any payments of Child Benefit paid to either a claimant or their partner does not count when working out the household income when assessing entitlement to Council Tax Reduction. This proposal would allow the Council to include any Child Benefit in the calculation.

Results of Survey

	Yes	No	Don't know
Overall	61%	33%	6%
Working Age CTR	42%	49%	9%
Other	68%	27%	5%

Estimated overall annual saving on the current scheme £180,000

KCC Response

Including child benefit as household income would be contrary to KCC's strategic objectives to help children and young people to get the best start in life and to help vulnerable residents.

Summary

The results suggest that the majority of respondents agree with this option being implemented (61%) however not working age CTR recipients whom it would affect most. It will generate a significant annual saving however it does go against KCC's policy aims and objectives.

Sample of Comments (verbatim)

- Again , only the child suffers
- Again, people are using their children to increase their benefit income. It will prevent people from having large families.
- Child benefit are not controlled as to how it is spent , in many instances it is used in other ways to fund activities how related to pure child expenditure
- Child benefit is for the child, not bills
- It's an Income, Why is it not included.
- everyone needs to play their part they should not benefit twice from state help. it feels like double dipping to me. it does not look fair.
- Part only eg 50%
- The money should be used to clothe and feed the children.
- It's for child maintenance - not local Govt
- Include all income

Option 10

Do you agree to restricting the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge?

The current scheme uses the full amount of Council Tax charge irrespective of the band of the property. There are eight Council Tax Bands A to H with Band D being the national average. It is proposed that where an applicant lives in a property which is Band E, F, G or H then the Council Tax Reduction will be calculated on the basis of a Band D charge.

Results of Survey

	Yes	No	Don't know
Overall	54%	33%	13%
Working Age CTR	43%	37%	20%
Other	58%	33%	9%

Estimated overall annual saving on the current scheme £80,000

KCC Response

KCC supports capping CTR discounts but proposes that the cap should generally be applied to all properties above band C but accepts this could vary according to the make-up of the district.

Summary

The results suggest that the majority of respondents agree to this option being implemented (54%) and it does generate a saving. It would be easy to understand and administer. KCC also agrees to this change.

Sample of Comments (verbatim)

- A larger family may need to live in a larger home, and hence should not be penalised for this. Also, council tax bands have become less and less related to the value of properties over time and do not always accurately reflect the size of the property
- As we are limited in houses we can live in as recipients of HB and CTR (due to landlord prejudices), it is going to make finding properties even harder having to ensure that they are Band D or lower or suffering with the financial consequences!
- If people can afford large houses and have big families, then their need for council tax benefits aren't great. Giving people hand outs makes people greedier.
- Larger families usually have more tax credits, child benefit etc so can surely afford to pay a bit more council tax, unless the reason for a larger house is because of a disability which means children needs individual rooms.
- The subsidy should be a benefit, not a means of social-climbing!
- All bands should be considered for fairness.
- All claimants should be treated equally
- I live in a band E house. I can understand why this could work but some people including myself are in a property which is suitable for my needs and not a choice to be a band E could be deemed a rich reduction?
- Seems a bit too close to social cleansing!
- There would need to be flexibility for special hardship.

Option 11

Do you agree to removing Second Adult Rebate?

The current Council Tax Reduction scheme can grant a reduction of up to 25% in certain cases where the income of a 'second adult' (not the applicant's partner) who resides with the applicant and is unemployed or has a low income.

Results of Survey

	Yes	No	Don't know
Overall	57%	31%	12%
Working Age CTR	39%	48%	13%
Other	63%	27%	10%

For - It would remove an element of the current scheme where the reduction bears no relationship to the income of the claimant **but** a small number of people who currently receive Second Adult Rebate will receive less support.

Estimated overall annual saving on the current scheme £10,000

KCC Response

KCC supports abolishing this rebate in all districts.

Summary

The results suggest that the majority of respondents agree with implementing this option (57%) however not working age in receipt of CTR. It will generate a small saving and remove an administrative burden. KCC supports the removal of this rebate.

Sample of Comments (verbatim)

- again it should be based on total income
- I believe it would depend on whether the person is unemployed on health grounds or too lazy to work
- If there are only a 'small Number of people affected then this is a proposal too far
- Perhaps it could be limited to 3 months to allow for temporary unemployment
- This may affect those with carers who rely on help and seems unfair
- I think that this could really affect 1st time buyers who are just starting out and I know how hard this is
- If it's not the partner/spouse then I think you can remove this reduction.
- All service users should contribute
- If the non-earning non-dependant were not in the household a single person discount would apply. The idea of second adult rebate is surely to mirror this concept.
- No 25% reduction is beneficial particularly to single parents whose children may only work part time and still study.

Option 12

Do you agree to removing the Work Related Activity Component in the calculation for new claimants in receipt of Employment & Support Allowance?

From April 2017, all new applicants of Employment and Support Allowance (ESA) who fall within the Work Related Activity Group will no longer receive the component in either their ESA or within the calculation of Housing Benefit.

Results of Survey

	Yes	No	Don't know
Overall	76%	10%	14%
Working Age CTR	57%	21%	22%
Other	84%	6%	10%

For - Treatment of Employment & Support Allowance would be brought into line with Housing Benefit, it avoids additional costs to the CTRS, **but** some households would not gain entitlement.

Estimated overall annual saving on the current scheme £2,000

KCC Response

KCC fully supports the proposals to removing the Work Related Activity Component in the calculation for new claimants in receipt of Employment & Support Allowance

Summary

The results suggest that the majority of respondents agree to this option being implemented (76%) and the treatment of Employment & Support Allowance would be brought into line with Housing Benefit. It does generate a very small saving. KCC supports this change.

Sample of Comments (verbatim)

- people on esa need support
- made simple
- Seems appropriate to bring it into line with HB.
- if there is no drawback then why not do it.
- I see no disadvantages with this .
- I do not know enough about ESA
- How can someone on ESA pay more council tax when they barely get enough to live on
- Many physically/mentally disabled people are being moved into the work related group and receiving a cut in income, this could be an extra pressure on them.
- It would benefit to Council to bring everything into line with other Government benefits, which will make it easier for people to understand, rather than having lots of different systems.
- Council Tax reduction should be based on income, not if someone is on ESA

Option 13

Do you agree to restricting the maximum number of dependent children within the assessment of Council Tax Reduction to two?

Within the current scheme, claimants who have children are awarded a dependant's addition of £66.90 per child within their applicable amounts. There is no limit to the number of dependants' additions that can be awarded. From April 2017 Central Government say they will limit dependant's additions in Universal Credit, Housing Benefit and Tax Credits to a maximum of two. This will only affect households who have a third or subsequent child on or after 1 April 2017. It is proposed that the Council's Council Tax Reduction scheme is amended to reflect the changes in Housing Benefit and Central Government Benefits. There would be exceptions where: there are multiple births after 1 April 2017 (and the household is not already at their maximum of two dependants within the calculation), adopted children or where households merge.

Results of Survey

	Yes	No	Don't know
Overall	79%	17%	4%
Working Age CTR	79%	17%	4%
Other	79%	18%	3%

Estimated overall annual saving on the current scheme £25,000

KCC Response

KCC supports the changes to dependent children adjustments even though it is contrary to their strategic policies because it aligns the CTRS with changes to housing benefit, Universal Credit and other welfare benefits.

Summary

The results suggest that the majority of respondents agree to this option being implemented (79%) and it would be easier to understand and bring it into line with Housing Benefit, Universal Credit and Tax Credits. It does generate a saving and KCC agree with this change.

Sample of Comments (verbatim)

- Again, it's hiotting children not the work shy
- If a family has more children then you cannot just disregard them, that's insulting at the least.
- If they can afford a third child.....!
- I think there are good safeguards in place and that people choosing to have a 3rd child should be thinking if they can afford another child, without everyone else paying
- It should be 0, if people can't afford children they shouldn't have them
- Should a marriage break up the parent caring for the 3+? Children will be struggling to survive
- The family all have to be fed, however many children there are
- As a single person I have a big problem with those who have a lot of children without the ability to afford to keep them
- S as benefits beign cut throughout where do you expect families to get the extra money from?
- This is deeply ridiculous. It suggests people on low incomes should not be allowed to have children and that children themselves should be punished for existing.

Option 14

Do you agree to introducing a scheme, in addition to the CTRS, to help applicants suffering exceptional hardship?

The option would introduce a scheme whereby individual cases would be looked at on their own merit and decisions made as to additional help made at the discretion of officers, based on a Council policy. This would:

- Provide greater flexibility to the Council to help those that need it most.
- Enable a safety net for those households suffering exceptional hardship

Results of Survey

	Yes	No	Don't know
Overall	74%	16%	10%
Working Age CTR	69%	13%	18%
Other	75%	19%	6%

Estimated overall annual saving on the current scheme: Cost variable

KCC Response

KCC supports the principle of a hardship fund to help families that face exceptional financial difficulties however they would like to see further proposals on how such a scheme would operate and how the scheme would be funded.

Summary

The results suggest that the majority of respondents agree to this option being implemented (74%) and it would allow us to look at individual households that are affected by any changes to our scheme. It would cost all preceptors to adopt this scheme which would be variable depending on how many successful claims we had. KCC supports the principle but would like more detail.

Sample of Comments (verbatim)

- Depends how you define hardship and how the money is awarded
- I support the principle of a safety net but this shouldn't give carte blanche for all reductions to the benefit
- No one know's what misfortune may come upon them ie ill health
- No! the administration of such a scheme would be an expensive nightmare. It would also be putting too much power in the hands of council officials
- Rhe REALLY deserving should be protected, especially children
- There will Always,s be issue,s with what ever is agreed
- This can often be a grey area
- Additional costs would fa outweigh any benefit
- Any safety would be a good thing
- I am astonished that this does not already exist.

Alternatives to Changing the Scheme

- **Should the level of Council Tax be increased?**

Increasing the level of Council Tax to keep the current Council Tax Reduction Scheme would mean all residents in the Borough paying more. The Council would need to hold a local referendum to ask residents to vote whether or not they would support such an increase as it would be likely that this increase would be more than 2%.

Results of Survey

	Yes	No	Don't know
Overall	22%	72%	6%
Working Age CTR	20%	65%	14%
Other	22%	75%	3%

Estimated overall annual saving on the current scheme: A 1% increase in Council Tax would generate a cost to the scheme in the region of £30,000 through increased Council Tax Reduction entitlements.

Summary

The majority of respondents do not agree with implementing this option (72%) and the Council would have to invoke a referendum.

- **Should funding be cut to other Council Services?**

If we decide not to change the current Council Tax Reduction Scheme this will mean there is less money to deliver all the other services provided by the Council. Those Services, without exception are already being scrutinised and facing budget cuts wherever possible.

Results of Survey

	Yes	No	Don't know
Overall	38%	51%	11%
Working Age CTR	52%	30%	18%
Other	33%	59%	8%

Estimated overall annual saving on the current scheme: £Neutral

Summary

The majority of respondents do not agree with implementing this option (38%) and all residents of the Borough would be affected through reduced or stopped services.

- **As an alternative should the Council use its savings to support the current scheme?**

Using savings to protect the CTRS would be a short-term option.

Results of Survey

	Yes	No	Don't know
Overall	40%	47%	13%
Working Age CTR	57%	27%	16%
Other	34%	56%	10%

For – Little impact on recipients of Council Tax Reduction **but** this is not a sustainable options. Reserves would rapidly diminish putting the Council at risk.

Estimated overall annual saving on the current scheme: £Neutral

Summary

The results suggest that the majority of respondents do not agree with this option except for working age CTR recipients.

Sample of Comments for Alternatives (verbatim)

- Depends on which services you cut, how much you have squirrelled away and how much you want to increase it
- I don't agree with any of these proposals to be frank with you but was asked to chose
- I don't see any penny pinching going on in the council offices, what about stopping the twin town junkets that go on
- I would have no objection to the Council making these changes
- Increasing council tax would mean you would be paying more benefit so a bit pointless
- It would depend on the reserves available
- Many of these options to reduce council tax reduction target the poorest and most vulnerable in our community.
- Need to recognise the very real hardship of benefit level income
- Services are too thin, it would be unfair (to increase the level of council tax)
- Council services have already been reduced to a minimum yet council tax has gone up this year

SUMMARY OF POTENTIAL SAVINGS/COST TO THE COUNCIL TAX REDUCTION SCHEME, BY OPTION

Option	Suggested Amendment to the Scheme as per Consultation	Saving to the Scheme £'000
1	Keep scheme as is	0
1a	reduce the maximum level of support to 80%	53
1b	reduce the maximum level of support to 75%	233
2*	remove the Family Premium for all new working age claims	30
3*	reduce the period a claim can be backdated to 1 month	20
4	minimum level of income for self-employed earners after 1 year of self-employment	150
5*	reduce the period a person can be absent from Great Britain to 4 weeks	5
6	reduce capital limit from £16,000 to £6,000	34
7	standard non-dependant deduction	116
8	count child maintenance in full in assessment of household income	200
9	count child benefit paid to the claimant or partner in full in assessment of household income	180
10	limit the maximum level of Council Tax Reduction payable to a Band D charge	80
11	remove Second Adult Reduction	10
12*	remove the Work Related Activity Component in the calculation for new ESA applicants	2
13*	limit the number of children taken into account on a claim to 2	25
14	introduce a targeted protection scheme based on Exceptional Hardship (cost to scheme)	-50

NOTES

- a. Options marked * denote introduction would align with recently introduced HB rules
- b. Options 1a and 1b cannot be introduced at the same time. Could introduce one or the other, or neither.
- c. Savings identified are best estimates of what might be achieved if the option was introduced on a standalone basis
- d. Options may be interdependent and savings cannot simply be added together - more complex modelling required
- e. 'Savings' are savings to the whole Scheme. Approximately 12.7% is attributable to TMBC.

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TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

12 October 2016

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Recommendation to Council

1 TREASURY MANAGEMENT UPDATE AND MID-YEAR REVIEW 2016/17

A report detailing treasury management activity undertaken during the period April to July of the current financial year was considered by Audit Committee on 5 September. The report also reminded Members of the parameters that define the Council's risk appetite. Cabinet are invited to recommend that Council endorse the action taken by officers in respect of treasury management activity to date, retain the current risk parameters and note the review of the Council's long term cash balances.

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 approves an annual strategy prior to the start of the financial year, a mid-year review of that strategy (this report) and an outturn report.
- 1.1.2 Additional reports updating Members on current activity are presented to the 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.
- 1.1.3 The treasury management report presented to the Audit Committee on 5 September 2016 is replicated in full at **[Appendix 1]**.

1.2 2016/17 Treasury Management Performance

- 1.2.1 A gross annualised return of 0.75% was generated on investments for the period April to July 2016. In cash terms, investment income of £74,750 is £13,700 better than our profiled budget for the same period. The additional income is attributed to higher than expected cash flow and core fund balances and the opportunity that this created to invest more in higher yielding term deposits.

- 1.2.2 Following the August 2016 cut in Bank Rate (from 0.5% to 0.25%) the pace of income generation will slow as the year progresses such that income for the year as a whole is now expected to return to budget at £206,000.
- 1.2.3 Depending on how the economy performs over the next few months the Bank of England have indicated a further rate cut may be needed to provide added stimulus. If the Bank Rate were to fall to 0.1%, income for the year as a whole is likely to fall below budget by some £20,000.
- 1.2.4 All investments undertaken in 2016/17 complied in full with the requirements of the 2016/17 Annual Investment Strategy including prudential and treasury limits.

1.3 Review of Risk Parameters

- 1.3.1 The 2016/17 Investment Strategy was approved by full Council in February 2016. The Strategy limits the Council's exposure to investment risks via the specification of minimum sovereign and counterparty credit ratings and associated exposure limits. The Strategy also imposes restrictions on the duration of an investment and the type of investment instrument that can be used.
- 1.3.2 A change in Capita's use of Credit Default Swap (CDS) data in November 2015, coupled with volatility in UK Bank CDS prices in the run-up to the referendum, resulted in a number of term deposits due to be placed in March and April of this year being delayed. Audit Committee in June supported an amendment to the Annual Investment Strategy to allow officers, under certain circumstances, to set Capita's post CDS duration assessment to one side and base term deposit duration on credit ratings alone. In undertaking this review no further changes that impact on the Council's risk appetite are proposed.
- 1.3.3 Rather than a cut in Bank Rate, the interest rate forecast presented to Audit Committee in January 2016 (and used in the Council's budget projections) assumed Bank Rate would begin to rise from mid-2016. Whilst the August rate cut and the potential for a second has limited impact on investment income this financial year, the impact over the course of the next few years will be significant. To mitigate some of that impact Officers are reviewing the Council's cash balances with a view to placing surplus funds in a property fund or similar long-term investment. Property funds might also be appropriate for 'new money' the Council was able to generate from the sale of existing land and buildings. The risks and rewards associated with such funds will be considered by Audit Committee in January 2017 when the Annual Investment Strategy for 2017/18 is presented.

1.4 Legal Implications

- 1.4.1 Under Section 151 of the Local Government Act 1972, the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management.

1.4.2 This mid-year review fulfils a requirement in The Chartered Institute of Public Finance & Accountancy's Code of Practice on Treasury Management 2009.

1.5 Financial and Value for Money Considerations

1.5.1 As outlined above.

1.6 Risk Assessment

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

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 Audit Committee endorsed the recommendations contained in the report to them on 5 September 2016 [**Appendix 1**] and as detailed below. Cabinet is invited to **RECOMMEND** that Council:

- 1) Endorse the action taken by officers in respect of treasury management activity for the period April to July 2016.
- 2) Retain the existing parameters intended to limit the Council's exposure to investment risks.
- 3) Note the review of the Council's long term cash balances and the use of property funds for subsequent consideration by Audit Committee in January 2017.

Background papers:

contact: Michael Withey

Nil

Sharon Shelton
Director of Finance and Transformation

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TONBRIDGE & MALLING BOROUGH COUNCIL**AUDIT COMMITTEE****05 September 2016****Report of the Director of Finance & Transformation****Part 1- Public****Matters for Recommendation to Cabinet – Council Decision****1 TREASURY MANAGEMENT UPDATE AND MID-YEAR REVIEW 2016/17**

This report provides an update on treasury management activity undertaken during the period April to July of the current financial year. The report also includes a mid-year review of the current financial year's Annual Investment Strategy and reminds Members of the parameters that define the Council's risk appetite. Members are invited to endorse the action taken by officers in respect of treasury management activity to date, retain the current risk parameters and note the review of the Council's long term cash balances.

1.1 Introduction

1.1.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised November 2009) was adopted by this Council on 18 February 2010.

1.1.2 The primary requirements of the 2009 Code and its subsequent revisions are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- Receipt by the full Council of an Annual Treasury Management Strategy Statement, including the Annual Investment Strategy, for the year ahead; a mid-year Review Report (this report) and an Annual Report (stewardship report) covering activities during the previous year.
- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Audit Committee.

1.1.3 This mid-year report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:

- An economic update and revised interest rate forecast.
- Investment performance for April to July of the 2016/17 financial year.
- Use of borrowing.
- Compliance with Treasury and Prudential Limits for 2016/17.
- A review of the risk parameters contained in the 2016/17 Annual Investment Strategy.

1.2 Economic Background

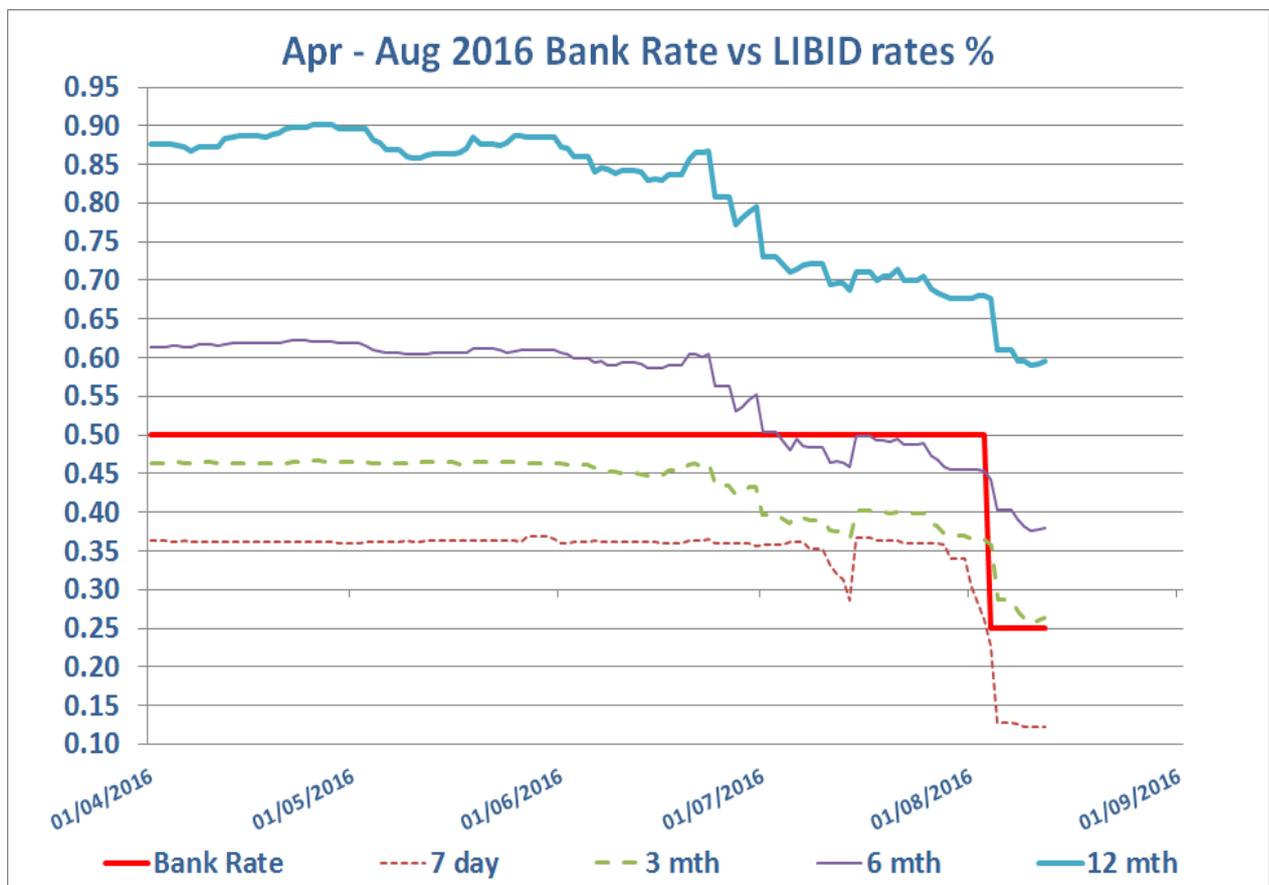
1.2.1 The referendum on the UK's membership of the European Union delivered an unexpected result giving rise to both political and economic uncertainty. That uncertainty resulted in significant volatility in stock and currency markets in the immediate aftermath of the vote. Whilst the political uncertainty has been resolved, economic uncertainty will remain until the UK's trading relationships with the EU and the rest of the world are addressed. This process is expected to take a number of years.

1.2.2 Less than a week after the vote, each of the main rating agencies reviewed their credit assessment of the UK. All three agencies applied a negative outlook whilst Fitch and Standard & Poor's went further with an actual downgrade to AA. The rationale for change included concern over: a slowdown in short term growth as businesses defer investment decisions; an already high budget deficit and the potential for weaker growth in the medium term if trade negotiations become protracted.

1.2.3 Both Moody's and Standard & Poor's also reviewed UK bank and building society credit ratings. Whilst short and long term ratings were affirmed, outlooks have been amended from positive to stable or stable to negative. The rationale points to the likelihood of lower profitability and adverse impacts on asset quality.

1.2.4 The UK economy grew by 2.2% in 2013, 2.9% in 2014 and 1.8% in 2015. The latest Bank of England forecasts (August 2016) anticipate GDP of 2.0% in 2016 but falling significantly relative to pre referendum estimates to 0.8% in 2017 and 1.8% in 2018.

- 1.2.5 Inflation (CPI) in 2015 was around 0% throughout 2015, rose to 0.3% in the year to April and was expected to rise to target (2%) over the course of the next two to three years. Following the post referendum fall in the value of sterling, CPI is now forecast to rise much more rapidly, reaching target mid-2017 and remaining around 2.3% in 2018 and 2019.
- 1.2.6 The Monetary Policy Committee (MPC) at its meeting in August, continued to set aside its remit to manage inflation and introduced a series of substantive measures aimed to support economic growth. The Bank Rate was cut from 0.5% to 0.25% and the Bank's Quantitative Easing (QE) programme was raised from £375bn by £60bn to fund new gilt purchases. Two new programmes were also introduced. £10bn to fund the purchase of corporate bonds and up to £100bn to provide low cost funding to banks (Term Funding Scheme).
- 1.2.7 The Chancellor of the Exchequer has also pledged to do 'whatever is needed' to promote growth. A package of fiscal and or expenditure plans, in support of the BoE's monetary action, is expected in the Autumn Budget Statement. Eliminating the UK's budget deficit is likely to slip further into the future.
- 1.2.8 The impact of the referendum and the subsequent Bank Rate cut on investment returns is demonstrated in the following table.



1.2.9 Elsewhere in the world the Federal Reserve in America raised the Fed Rate (equivalent of our Bank Rate) by 0.25% to 0.50% in December 2015. The rise was the first since 2006. Current market expectation is for the Fed Rate to rise again in the autumn.

1.2.10 The March meeting of the European Central Bank saw an expansion of its programme of quantitative easing and a further cut below zero of the deposit rate. Eurozone activity and business confidence surveys showed improvement in both April and May and deflationary pressures also appeared to be easing. A further tranche of financial support for Greece was also announced in May.

1.3 Interest Rate Forecast

1.3.1 The Bank Rate, having remained at an emergency level of 0.5% for the last 7 years, was reduced to 0.25% in August. Capita's July forecast, produced just after the June referendum anticipated the cut in Bank Rate.

July 2016	Now	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18
	%	%	%	%	%	%	%	%	%	%
Bank Rate	0.50	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50
3 mth LIBID	0.43	0.30	0.30	0.30	0.30	0.30	0.40	0.50	0.50	0.60
6 mth LIBID	0.55	0.50	0.50	0.50	0.50	0.60	0.60	0.70	0.70	0.70
12 mth LIBID	0.80	0.60	0.60	0.60	0.50	0.70	0.80	0.90	0.90	0.90
25yr PWLB	2.48	2.40	2.40	2.40	2.50	2.50	2.50	2.50	2.60	2.60

1.3.2 Following the BoE meeting in August and the expectation that the Bank would take further action in the autumn if data was in-line with forecast, Capita issued the following revision.

August 2016	Now	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18
	%	%	%	%	%	%	%	%	%	%
Bank Rate	0.25	0.25	0.10	0.10	0.10	0.10	0.10	0.10	0.25	0.25
3 mth LIBID	0.39	0.30	0.20	0.20	0.20	0.20	0.20	0.30	0.30	0.30
6 mth LIBID	0.48	0.40	0.30	0.30	0.30	0.40	0.40	0.50	0.50	0.50
12 mth LIBID	0.70	0.60	0.50	0.50	0.60	0.60	0.70	0.70	0.70	0.80
25yr PWLB	2.31	2.30	2.30	2.30	2.40	2.40	2.40	2.40	2.50	2.50

1.4 Investment Portfolio

1.4.1 The Annual Investment Strategy for the 2016/17 financial year was approved by Council on 16 February 2016. The Strategy outlines the Council's investment priorities as follows:

- Security of Capital.

- Liquidity.

1.4.2 In addition the Council aims to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In particular, for 2016/17 the Council will 'avoid locking into longer term deals while investment rates continue their current low levels unless attractive rates are available with counterparties of particularly high creditworthiness which make longer term deals worthwhile'. The Council has adopted Capita's recommended creditworthiness approach which incorporates the credit ratings from each of the three main rating agencies and includes sovereign credit ratings and a market view of risk using credit default swap (CDS) data.

1.4.3 A full list of investments held on 31 July 2016 and our lending list in operation on that date are provided in **[Annexes 1 and 2]**.

1.4.4 The average level of cash flow funds available for investment to the end of July 2016 was £14.1m. These funds were available on a temporary basis and the amount mainly dependent on the timing of council tax and business rate collection, precept and business rate payments, receipt of grants and progress on the capital programme. Cash flow funds are received and spent during the course of a financial year. The Authority also holds £15.6m of core cash balances. These funds are for the most part available to invest for more than one year, albeit some may need to be recalled towards the end of the financial year to top-up daily cash balances. Core funds comprise the Council's capital and revenue reserves and are being consumed over time to meet capital expenditure and 'buy time' to enable the authority to deliver its revenue savings targets.

1.4.5 At the end of July 2016 funds invested and interest earned is set out in the table below.

	Funds invested at 31 July 2016 £m	Average duration to maturity Days	Weighted average rate of return %	Interest earned to 31 July 2016 £	Gross annualised return %	LIBID benchmark %
Cash flow	14.9	84	0.74	32,750	0.69	0.35 (7 Day)
Core funds	15.6	90	0.81	42,000	0.81	0.39 (3 Month)
Total	30.5	87	0.78	74,750	0.75	0.37 (Average)

1.4.6 Interest earned of £74,750 is £13,700 more than budget for the same period and 38 basis points above benchmark. The additional income is attributed to

higher than expected cash flow and core fund balances and the opportunity that this created to invest more in higher yielding term deposits. But for the outcome of the referendum and the Bank Rate cut it triggered, the pattern of income generation was expected to be maintained such that income for the year as a whole was likely to be some £30,000 above budget.

- 1.4.7 The cut in Bank Rate from 0.50% to 0.25% in August means this will no longer be possible. However, because the opportunity was taken before the referendum to invest as much as possible for as long as possible in term deposits, a significant proportion of this year's income is essentially locked in. The main impact of the Bank Rate cut will be felt later in the year when the core fund investments begin to mature and are reinvested at lower rates of return. **If the BoE retain the current 0.25% Bank Rate, income for the year as a whole is expected to be in-line with budget at £206,000.**
- 1.4.8 However, the August Bank Rate cut was accompanied by an expectation that a further cut may be needed in the autumn. Capita's August forecast (paragraph 1.3.2 above) anticipates such a scenario and incorporates a further reduction in Bank Rate to 0.1%. A number of term deposits were placed in August to limit the impact should this arise. **If the Bank Rate falls to 0.1%, income for year as a whole is likely to fall below budget by some £20,000.**
- 1.4.9 In autumn 2015, there was an expectation that the economy would grow at a reasonable pace throughout 2016 and beyond. Whilst those expectations were dented in January and February 2016 by stock market falls around the world, the next move in Bank Rate, pre the referendum, was a clear expectation that it would increase. The forecast presented to Audit Committee in January anticipated Bank Rate moving from 0.5% to 0.75% mid-2016 and that rise and others feature in the Council's current financial projections. Whilst the August rate cut and the potential for a second has limited impact on investment income this financial year, the impact over the course of the next few years will be significant. Measures to mitigate some of that impact are explored in paragraphs 1.8.3 and 1.8.4.

1.5 Benchmarking

- 1.5.1 The Council takes advantage of Capita's benchmarking facility which enables performance to be gauged against Capita's other local authority clients. An extract from the latest benchmarking data is provided in the form of a scatter graph in **[Annex 3]**. The graph shows the return (vertical scale) vs. the credit / duration risk (horizontal scale) associated with an authority's investments. As at 30 June 2016 our return at 0.8% (purple diamond) was above the average of 0.72% for all other local authorities and relative to the Council's exposure to credit / duration risk that return exceeded Capita's predicted return (just above the upper boundary indicated by the green diagonal line). The Council's risk exposure was just above average.

1.6 Use of Borrowing

1.6.1 It is a statutory duty for the Council to determine and keep under review the 'Affordable Borrowing Limits' by way of the Prudential Indicators (affordability limits) set out in the approved 2016/17 Investment Strategy. The Authority is debt free and uses a combination of reserves and revenue contributions to finance the Capital Plan. Borrowing on a temporary basis using overdraft facilities may be required from time to time to meet liquidity needs. However, no borrowing was undertaken in the period April to July 2016.

1.7 Compliance with the Annual Investment Strategy

1.7.1 Throughout April to July 2016 all of the requirements contained in the 2016/17 Annual Investment Strategy intended to limit the Council's exposure to investment risks (minimum sovereign and counterparty credit rating; durational limits; exposure limits in respect of counterparties, groups of related counterparty and sovereigns; and specified and non-specified investment limits) have been complied with.

1.7.2 In addition the Council has operated within the treasury limits and prudential indicators set out in the 2016/17 Annual Investment Strategy and in compliance with the Council's Treasury Management Practices. The Prudential and Treasury Indicators can be found in **[Annex 4]** to this report.

1.8 Review of Risk Parameters

1.8.1 Members will recall the detailed consideration that was given to the 2016/17 Annual Investment Strategy at the January 2016 meeting of the Audit Committee. The strategy includes the parameters that aim to limit the Council's exposure to investment risks by requiring investments to be placed with highly credit rated institutions and that those investments are diversified across a range of counterparties. More specifically the 2016/17 Annual Investment Strategy requires:

- Counterparties must be regulated by a Sovereign rated AA- or better as recognised by each of the three main rating agencies (Fitch, Moody's or Standard & Poor's).
- Whilst 100% of funds can be invested in the UK, exposure to non-UK banks is restricted to no more than 20% of funds per Sovereign.
- Exposure to individual counterparties / groups of related counterparty must not exceed 20% of funds (25% of funds for part state owned UK Banks).
- In selecting suitable counterparties the Council has adopted Capita's credit worthiness methodology. The methodology combines the output from all three credit rating agencies including credit watches / outlooks

and credit default swap data to assign a durational band to a financial institution (100 days, 6 months, 12 months, 5 years, etc.). At the time of placing an investment the financial institution must be assigned a durational band of at least 100 days. This broadly equates to a minimum long term credit rating of Fitch A- (high) and a short term credit rating of Fitch F1 (strong).

- The duration of an investment in a foreign bank must not exceed Capita's recommendation. For UK financial institutions Capita's duration recommendation can be enhanced by up to three months subject to the combined duration (Capita recommendation plus the enhancement) not exceeding 12 months.
- Money Market funds should be rated Fitch AAmmf or equivalent and exposure limited to no more than 20% per fund.
- Enhanced Money Funds should be rated AAA and exposure limited to no more than 10% per fund and 20% to all such funds.

1.8.2 A change in Capita's use of Credit Default Swap (CDS) data in November 2015, coupled with volatility in UK Bank CDS prices in the run-up to the referendum, resulted in a number of term deposits due to be placed in March and April of this year being delayed. Audit Committee in June supported an amendment to the Annual Investment Strategy to allow officers, under certain circumstances, to set Capita's post CDS duration assessment to one side and base term deposit duration on credit ratings alone. **In undertaking this review no further changes that impact on the Council's risk appetite are proposed.**

1.8.3 The cut in Bank Rate in August and the potential for a further cut in the autumn, will result in a significant reduction in investment income over the next few years. The majority of the Council's investment is with UK institutions. Whilst their credit quality is good, investment duration, even including the additional flexibility referred to above, is typically limited to nine months. Higher quality foreign banks are used when the opportunity arises but Capita's duration assessment invariably limits investment with them to no more than twelve months. Longer duration investments carry higher risk and are rewarded by higher returns. **A review of Capita's duration assessments will be undertaken as part of the preparatory work for the 2017/18 Annual Investment Strategy.**

1.8.4 The Council's long term cash balances will also be reviewed to identify if scope exists to use alternative types of investment e.g. property funds. Property fund Investment typically implies a minimum 5 year period to recoup initial management fees but they do offer the potential for much higher returns. The Council's cash balances are required to meet payment obligations in the short term and the Council's reserves are being consumed

over the medium term whilst the Council grapples with savings targets. As a consequence, surplus monies are likely to be limited. However, even a modest investment in a property fund will help mitigate some of the impact of an extraordinarily low Bank Rate. Property funds might also be appropriate for 'new money' the Council was able to generate from the sale of existing land and buildings. **A detailed explanation of the risks and rewards associated with property funds will be reported to the January 2017 meeting of Audit Committee.**

1.9 Legal Implications

- 1.9.1 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. In addition, Capita are employed to provide independent advice on legislative and professional changes that impact on the treasury management function.
- 1.9.2 This mid-year review report fulfils a requirement of the Chartered Institute of Public Finance & Accountancy's Code of Practice on Treasury Management 2009.

1.10 Financial and Value for Money Considerations

- 1.10.1 The Bank Rate having remained at a historic low of 0.5% for over 7 years was cut to 0.25% in August 2016. Capita, our treasury advisors, anticipate the bank rate will remain at this level until June 2018. However, dependent on actual economic activity over the next few months the BoE may introduce a further cut in Bank Rate in the autumn. Under this scenario Capita forecast Bank Rate dropping to 0.1% and only rising to 0.25% in June 2018.
- 1.10.2 At the end of July 2016, Investment income is £13,700 more than expected. If the Bank Rate remains at 0.25% throughout this financial year, income for the year as a whole is expected to be in-line with budget at £206,000. Should a further cut in bank rate take place, income is projected to fall below budget by £20,000.
- 1.10.3 The impact of the August Bank Rate cut and the potential for it to be cut again will have a significant impact on the Council's ability to generate investment income over the next few years. The potential to mitigate some of that impact through alternative types of investment e.g. property funds will be explored and reported to the January 2017 meeting of Audit Committee.
- 1.10.4 Investment performance is monitored against relevant benchmarks and compared to other local authorities in Kent and the broader local authority pool via Capita's benchmarking service. At the end of June 2016 the Council's return was above the average for all other local authorities.

1.11 Risk Assessment

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

1.12 Equality Impact Assessment

1.12.1 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.

1.13 Recommendations

1.13.1 Members are invited to **RECOMMEND** that Cabinet:

- 1) Endorse the action taken by officers in respect of treasury management activity for the period April to July 2016.
- 2) Retain the existing parameters intended to limit the Council's exposure to investment risks.
- 3) Note the review of the Council's long term cash balances and the use of property funds for subsequent consideration by the Audit Committee in January 2017.

Background papers:

contact: Mike Withey

Capita Interest Rate Forecast (July 2016 and August 2016)

Sharon Shelton
Director of Finance and Transformation

Investment Summary as at 29 July 2016

Counterparty	Sovereign	Fitch Credit rating		Capita Suggested Post CDS Duration Limit	Investment						Instrument type	Core Fund £	Cash Flow £
		Long Term	Short Term		Start Date	End Date	Duration	Amount Invested £	Return %	Proportion of total %			
Bank of Scotland	UK	A+	F1	6 months	14/01/2016	14/10/2016	9 months	1,000,000	0.85%		Fixed deposit	1,000,000	
Bank of Scotland	UK	A+	F1	6 months	21/01/2016	21/10/2016	9 months	1,000,000	0.85%		Fixed deposit		1,000,000
Bank of Scotland	UK	A+	F1	6 months	25/04/2016	25/01/2017	9 months	1,000,000	0.90%		Fixed deposit	1,000,000	
Bank of Scotland Total								3,000,000		9.85%			
Blackrock MMF	n/a	AAA	mmf (Eq)	5 years	29/07/2016	01/08/2016	n/a	143,000	0.47%		Call - MMF		143,000
Blackrock MMF Total								143,000		0.47%			
BNP Paribas MMF	n/a	AAA	mmf (Eq)	5 years	29/07/2016	01/08/2016	n/a	4,600,000	0.52%		Call - MMF	1,600,000	3,000,000
BNP Paribas MMF Total								4,600,000		15.10%			
Goldman Sachs Int'l Bank	UK	A	F1	6 months	10/12/2015	09/09/2016	9 months	2,000,000	0.87%		Fixed deposit	2,000,000	
Goldman Sachs Int'l Bank	UK	A	F1	6 months	01/06/2016	01/03/2017	9 months	2,000,000	0.87%		Fixed deposit		2,000,000
Goldman Sachs Int'l Bank Total								4,000,000		13.13%			
Standard Life (Ignis) MMF	n/a	AAA	mmf	5 years	29/07/2016	01/08/2016	n/a	367,000	0.48%		Call - MMF		367,000
Ignis MMF Total								367,000		1.20%			
Lloyds Bank	UK	A+	F1	6 months	21/01/2016	21/10/2016	9 months	1,000,000	0.85%		Fixed deposit		1,000,000
Lloyds Bank	UK	A+	F1	6 months	25/04/2016	25/01/2017	9 months	1,000,000	0.90%		Fixed deposit	1,000,000	
Lloyds Bank	UK	A+	F1	6 months	13/07/2016	13/01/2017	6 months	250,000	0.80%		Fixed deposit		250,000
Lloyds Bank	UK	A+	F1	6 months	25/07/2016	25/01/2017	6 months	500,000	0.80%		Fixed deposit		500,000
Lloyds Bank Total								2,750,000		9.03%			
Morgan Stanley MMF	n/a	AAA	mmf	5 years	29/07/2016	01/08/2016	n/a	592,000	0.47%		Call - MMF		592,000
Morgan Stanley MMF Total								592,000		1.94%			
NatWest Bank Call Account	UK	BBB+	F2	1 year	29/07/2016	01/08/2016	n/a	10,000	0.25%		Call		10,000
National Westminster Bank Total								10,000		0.03%			
Nationwide Building Society	UK	A	F1	6 months	16/12/2015	16/09/2016	9 months	1,250,000	0.84%		Fixed deposit	1,250,000	
Nationwide Building Society	UK	A	F1	6 months	29/02/2016	30/11/2016	9 months	1,750,000	0.84%		Fixed deposit	1,750,000	
Nationwide Building Society	UK	A	F1	6 months	11/04/2016	11/01/2017	9 months	2,000,000	0.84%		Fixed deposit		2,000,000
Nationwide Building Society Total								5,000,000		16.41%			
Rabobank	Netherlands	AA-	F1+	1 year	10/03/2016	12/12/2016	9 months	1,000,000	0.74%		CD	1,000,000	
Rabobank Total								1,000,000		3.28%			
Santander UK Plc	UK	A	F1	6 months	29/07/2016	01/08/2016	n/a	6,000,000	0.80%		Call	3,000,000	3,000,000
Santander UK Plc Total								6,000,000		19.70%			
Toronto Dominion Bank	Canada	AA-	F1+	1 year	18/03/2016	17/03/2017	1 year	1,000,000	0.84%		CD	1,000,000	
Toronto Dominion Bank	Canada	AA-	F1+	1 year	14/04/2016	13/04/2017	1 year	1,000,000	0.88%		CD	1,000,000	
Toronto Dominion Bank	Canada	AA-	F1+	1 year	12/05/2016	10/02/2017	9 months	1,000,000	0.80%		CD		1,000,000
Toronto Dominion Bank Total								3,000,000		9.85%			
					Total invested			30,462,000		100.00%		15,600,000	14,862,000

Number of investments	24	Average investment value £		1,269,000	
Number of counter parties	12	Average counter party investment £		2,539,000	
Group exposures:		Core £	Cash £	Combined £	%
RBS + National Westminster (UK Nationalised 25% per fund)		-	10,000	10,000	0.03
Bank of Scotland + Lloyds (20% per fund)		3,000,000	2,750,000	5,750,000	18.88

Total non-specified investments should be less than 60% of Core Funds	0.00%
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CD = Certificate of Deposit

n/c = no colour / no new investment

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Tonbridge and Malling Borough Council Lending List

Checked against Capita Duration Matrix dated 29/07/16									
Minimum investment criteria is Capita Green (100 days) Duration Band (entry point broadly equates to Fitch A-, F1 unless UK nationalised / semi-nationalised).									
Counterparty	Sovereign	Sovereign Rating [1]	Fitch Long Term	Fitch Short Term	Exposure Limits			Capita Duration [2]	
					Cash Flow	Core Fund	Combined	Credit Rating	Post CDS
Bank of Montreal	Canada	AAA	AA-	F1+	£3.0m	£3.0m	£6m	12 months	12 months
Toronto Dominion Bank	Canada	AAA	AA-	F1+	£3.0m	£3.0m	£6m	12 months	12 months
Deutsche Bank	Germany	AAA	A-	F1	£3.0m	£3.0m	£6m	100 days	n/c
Rabobank (Cooperatieve Rabobank U.A.)	Netherlands	AAA	AA-	F1+	£3.0m	£3.0m	£6m	12 months	12 months
ING Bank	Netherlands	AAA	A+	F1	£3.0m	£3.0m	£6m	6 months	6 months
Nordea Bank AB	Sweden	AAA	AA-	F1+	£3.0m	£3.0m	£6m	12 months	12 months
Svenska Handelsbanken AB	Sweden	AAA	AA	F1+	£3.0m	£3.0m	£6m	12 months	12 months
Bank of Scotland (Group limit with BOS and Lloyds of £3m - £6m)	UK	AA	A+	F1	£3.0m	£3.0m	£6m	6 months	6 months
Barclays Bank	UK	AA	A	F1	£3.0m	£3.0m	£6m	6 months	100 days
Goldman Sachs Int'l Bank	UK	AA	A	F1	£3.0m	£3.0m	£6m	6 months	6 months
HSBC Bank	UK	AA	AA-	F1+	£3.0m	£3.0m	£6m	12 months	12 months
Lloyds Bank (Group limit with BOS and Lloyds of £3m - £6m)	UK	AA	A+	F1	£3.0m	£3.0m	£6m	6 months	6 months
Santander UK	UK	AA	A	F1	£3.0m	£3.0m	£6m	6 months	6 months
Standard Chartered Bank	UK	AA	A+	F1	£3.0m	£3.0m	£6m	6 months	100 days
Coventry Building Society	UK	AA	A	F1	£3.0m	£3.0m	£6m	6 months	6 months
Nationwide Building Society	UK	AA	A	F1	£3.0m	£3.0m	£6m	6 months	6 months
National Westminster Bank [3] (Group limit with Nat West and RBS of £3.8m - £7.6m)	UK	AA	BBB+	F2	£3.8m	£3.8m	£7.6m	12 Months	12 Months
The Royal Bank of Scotland [3] (Group limit with Nat West and RBS of £3.8m - £7.6m)	UK	AA	BBB+	F2	£3.8m	£3.8m	£7.6m	12 Months	12 Months
UK Debt Management Office including Treasury Bills	UK	AA	N/A	N/A	No limit	No limit	No limit	N/A	N/A
UK Treasury (Sovereign Bonds-Gilts)	UK	AA	N/A	N/A	No limit	£7.5 / 15m	£7.5 / 15m	N/A	N/A
UK Local Authorities	UK	AA	N/A	N/A	£3.0m	£3.0m	£6m	N/A	N/A

[1] Reflects the lowest of the three rating agencies views (Fitch, Moody's and Standard and Poor's). Strategy requires sovereigns to be rated at least AA-. Non-UK 20% sovereign limit equals combined limit quoted above (£6m).

[2] All deposits overnight unless otherwise approved in advance by the Director of Finance and Transformation AND Chief Financial Services Officer. If other than overnight, duration for non-UK entities must not exceed Capita's post CDS duration assessment. For UK entities, duration may be extended by up to three months based on credit ratings alone subject to a maximum combined duration of 12 months.

[3] UK nationalised / semi-nationalised.

Money Market Funds						
Minimum investment criteria one of AAA-mf, AAmmf or AAAm						
Fund Name	Moody	Fitch	S&P	Exposure Limit		
				Cash Flow	Core Fund	Combined
Blackrock	AAA-mf	-	AAAm	£3.0m	£3.0m	£6m
BNP Paribas	-	-	AAAm	£3.0m	£3.0m	£6m
Goldman Sachs	AAA-mf	AAmmf	AAAm	£3.0m	£3.0m	£6m
Deutsche Fund	AAA-mf	AAmmf	AAAm	£3.0m	£3.0m	£6m
Standard Life (Igris)	-	AAmmf	AAAm	£3.0m	£3.0m	£6m
Morgan Stanley	AAA-mf	AAmmf	AAAm	£3.0m	£3.0m	£6m
Prime Rate	-	AAmmf	AAAm	£3.0m	£3.0m	£6m
Insight Liquidity Group limit for IL and ILP of £3m - £6m	-	AAmmf	AAAm	£3.0m	£3.0m	£6m

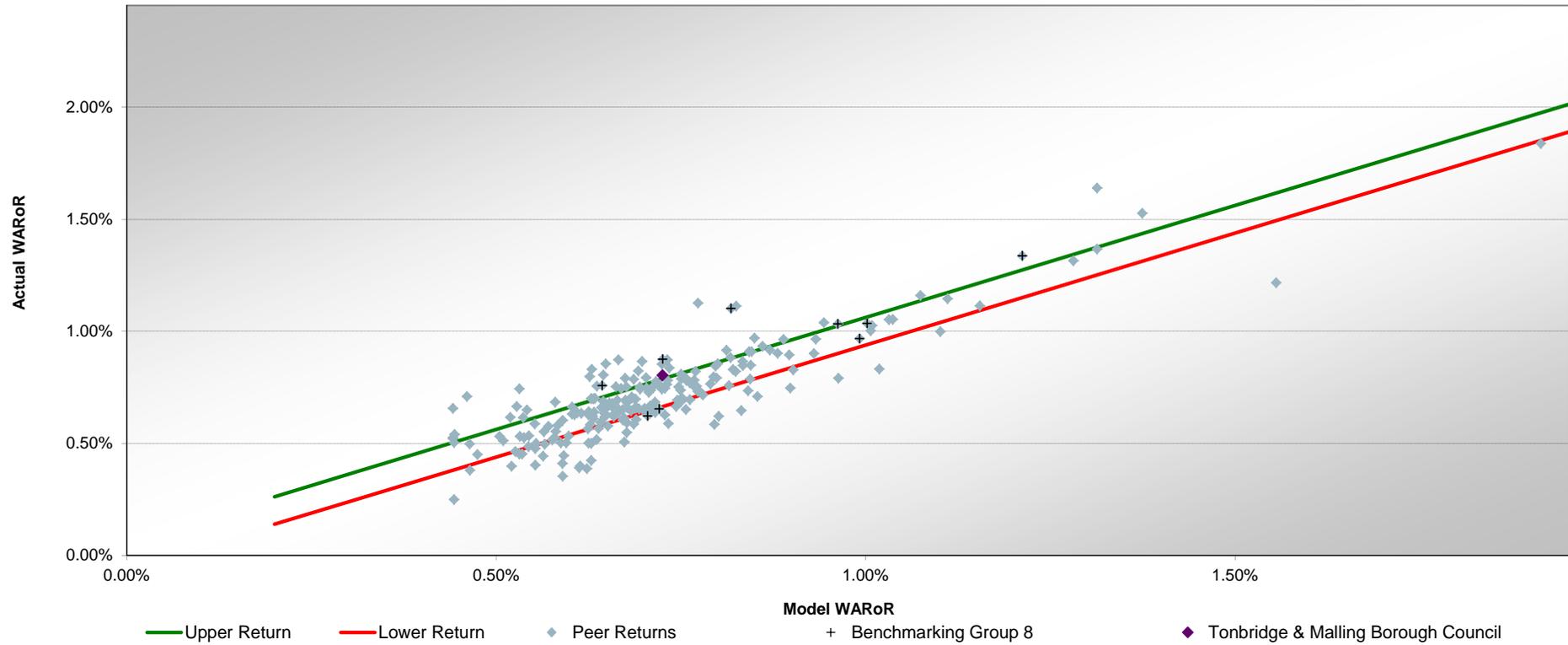
Enhanced Cash Funds						
Minimum investment criteria AAA						
Fund Name	Moody	Fitch	S&P	Exposure Limit		
				Cash Flow	Core Fund	Combined
Insight Liquidity Plus Group limit for IL and ILP of £3m - £6m	-	-	AAAf / S1	£1.5m	£1.5m	£3m

Approved by Director of Finance and Transformation 1st August 2016	No Change Page 159
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Tonbridge & Malling Borough Council

Population Returns against Model Returns



Page 161

	Actual WARoR	Model WARoR	Difference	Lower Bound	Upper Bound	Performance
Tonbridge & Malling Borough Council	0.80%	0.73%	0.08%	0.66%	0.79%	Above

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Prudential and Treasury Indicators

1 Prudential Indicators	2015/16 Actual £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
Capital expenditure	3,287	3,314	1,872
Ratio of financing costs to net revenue stream	-1.90%	-2.07%	-2.53%
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	£0.24	£0.10	£0.00

2 Treasury Management Indicators	2015/16 Actual £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
Authorised limit for external debt:			
Borrowing	nil	5,000	5,000
Other long term liabilities	nil	nil	nil
Total	nil	5,000	5,000
Operational boundary for external debt:			
Borrowing	nil	2,000	2,000
Other long term liabilities	nil	nil	nil
Total	nil	2,000	2,000
Actual external debt	nil	nil	nil
Upper limit for fixed rate exposure over one year at year end	nil	0 – 60%	0 – 60%
Upper limit for variable rate exposure under one year at the year end	13,468 (55.6%)	40 – 100%	40 – 100%
Upper limit for total principal sums invested for over 364 days	nil (0%)	60%	60%

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

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Item CH 16/13 referred from Communities and Housing Advisory Board minutes of 25 July 2016

CH 16/13 REVIEW OF HOUSING ASSISTANCE POLICY

The report of the Director of Planning, Housing and Environmental Health outlined the results of the recent review of the Housing Assistance Policy to ensure that it met corporate priorities and reflected current budgetary pressures. The report set out details of proposed amendments to the eligibility criteria and the level of budget provided by the Borough Council and made particular reference to the implications this would have on the administration of Disabled Facilities Grants (DFGs) by allowing the introduction of additional discretionary grants from the increase in funding for the DFG element of the Better Care Fund.

RECOMMENDED: That the Council be asked to

- (1) approve the proposed amendments to the Housing Assistance Policy and associated budget adjustments;
- (2) approve the proposed amendments to the Disabled Facilities Grants Policy and associated budget adjustments; and
- (3) agree that a budgetary provision of up to £10,000 be set aside in each of the next three years, fully funded from the Housing Assistance Reserve, in order to modernise the Housing Service.

* **Referred to Cabinet**

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TONBRIDGE & MALLING BOROUGH COUNCIL
COMMUNITIES and HOUSING ADVISORY BOARD

25 July 2016

Report of the Director of Planning, Housing and Environmental Health

Part 1- Public

Matters for Recommendation to Cabinet - Council Decision

1 REVIEW OF HOUSING ASSISTANCE POLICY

Summary

This report informs Members on the outcomes of the Housing Assistance Policy and Disabled Facilities Grants and seeks approval on amendments to both policies.

1.1 Background

- 1.1.1 Members may recall that the Overview and Scrutiny Committee reviewed the Council's Housing Assistance Policy in January 2014, as a result of changing demand and financial constraint. Following the review, a new Policy and budget was agreed for the two year period 2014/16.
- 1.1.2 Following the review, a carefully designed and targeted assistance programme was established with the aim of ensuring homes are warm, safe and healthy for some of our most vulnerable residents. The programme has focused on small scale works of repair to mitigate a serious hazard that will adversely affect the health and or safety of the applicant.
- 1.1.3 The budget provision was set at £90,000, of which £60,000 was to be met from the Council' own resources and £30,000 by way of grant repayments.
- 1.1.4 A reserve fund was created of £150,000 to accommodate any shortfall from repaid grants. Any annual underspend would be transferred to the Housing Assistance Reserve and the reserve balance capped at £200,000. The reserve balance as at 1 April 2016 stands at £200,000.
- 1.1.5 Over the duration of the Policy average expenditure has been £60,000 and a total of 26 vulnerable households have been assisted with the following outcomes achieved:

Outcomes	Number of Interventions
More warm/energy efficient homes	11
The home is more secure	5
Victims of Domestic Abuse were safely able to remain in their own home	13

*Please note, one case may cover more than one outcome.

1.2 Revisions to the Housing Assistance Policy 2016/2020

- 1.2.1 The Housing Assistance Policy has worked well over the last two years, helping vulnerable households most in need to remain living safely, warmly and independently in their own homes. Without this intervention some vulnerable households would be left at risk. This is against a backdrop of very little promotion of the Policy.
- 1.2.2 A robust review of the Policy has again been undertaken to ensure corporate priorities continue to be met and budgetary pressures reflected.
- 1.2.3 There are two areas of the Policy that are proposed for amendment. One is on eligibility criteria and the other is the level of budget which is covered in section 1.6. The first amendment is the criteria for accessing help with improving heating and insulation through our Warm Homes Assistance. Currently, the eligibility criteria is that an applicant must be in receipt of a means tested benefit or in an area we are targeting for energy improvements or be a private sector landlord who is working with the Council in accepting nominated tenants. We propose to extend the eligibility criteria to include the following:
- Owner occupier over 65 years of age, living in a cold home who has one of the following medical conditions: cardiovascular, respiratory, pulmonary, mental health, disability, multiple long term conditions (including cancer) as confirmed by their health or social care professional, OR
 - Owner occupier (or partner) living in a cold home and they have a serious long term health condition or they have vulnerable children with respiratory conditions living with them as confirmed by their health or social care professional.
- 1.2.4 This new criteria recognises that residents meeting the above criteria are specifically vulnerable to the cold and form a high percentage of the recorded number of people who die in the colder months. A process is already in place for confirming the health conditions with health and social care professionals and we will continue to use this.

1.3 Disabled Facilities Grants

- 1.3.1 In addition to the above the Council has a mandatory duty to administer Disabled Facilities Grants (DFGs) to enable residents to maintain their independence in their own home. Since April 2015 central Government funding for DFGs has come through the Better Care Fund (BCF). The BCF is allocated to upper-tier authorities by government and part of the allocation is ring fenced for DFG provision and passed onto District & Borough Councils. In the 2015 spending review the Government committed to an increase in Disabled Facilities Grant funding nationally from £220m to £394m in 2016/17, rising to £500m by 2019/20.
- 1.3.2 The BCF is a programme spanning both the NHS and local government. It has been created to improve the lives of some of the most vulnerable people, placing them at the centre of their care and support, and providing them with 'wraparound' fully integrated housing, health and social care, resulting in an improved experience and better quality of life.
- 1.3.3 The Department of Health has recently confirmed that *"Following the approach taken in 2015/16, the DFG will again be included within the Better Care Fund (BCF). This is to encourage areas to think strategically about the use of home aids/adaptations, use of technologies to support people in their own homes and to take a joined-up approach to improving outcomes across health, social care and housing"*.
- 1.3.4 For 2016/17 Tonbridge & Malling Borough Council (TMBC) has been awarded £917,000 through the BCF. This is an increase of £427,000 on previous years Government funding. The table below illustrates DFG activity and expenditure in recent years.

	Government Grant	Council Contribution	Total Budget	Number of DFGs completed	Total Expenditure
2012/13	£485,000	£208,000	£693,000	86 (4 Children)	£689,000
2013/14	£415,000	£265,000	£680,000	85 (4 Children)	£666,000
2014/15	£424,000	£228,000	£652,000	62 (3 Children)	£559,000
2015/16	£490,000	£280,000	£770,000	64 (5 Children)	£585,000

- 1.3.5 Members should note that in addition to the above Council expenditure, Circle Housing Russet (CHR) currently allocate a budget of £200,000 to undertake aids and adaptations for their tenants who would otherwise access Disabled Facilities Grants. Whilst this funding has been in place for a number of years, given the changing environment within which Housing Associations are now operating, this may be at risk.

- 1.3.6 Part of the reason for the increase in this year's allocation is due to the inclusion of the Social Care Capital Grant which was £2.1m for Kent County Council in 2015/16. Previously the social care capital grant that was paid to KCC has been used to fund minor equipment, ceiling track hoists and the Home Support Fund. The inclusion of this in the DFG allocation was unexpected and its announcement created a shortfall in funding for KCC of £2.1m to finance commitments for works already in place and a clear demand to justify its continuation. When the announcement regarding the cessation of the social care capital grant was made the following was also advised: *"In order to maximise value for money of central funding the Department of Health has concentrated its social care capital grant funding into the Disabled Facilities Grant, as research suggests it can support people to remain independent in their own homes – reducing or delaying the need for care and support, and improving the quality of life of residents."*
- 1.3.7 In order not to disadvantage the residents of Kent it was agreed across Kent that for 2016/17 the DFG allocation would be top sliced for each District & Borough by 16 per cent to enable KCC to fulfil existing commitments and meet demand for 2016/17 whilst other models of more integrated delivery are explored for future years as outlined in section 1.3.9 below. For us this equates to £147,000, leaving a grant of £770,000 for 2016/17.
- 1.3.8 This year's allocation includes mandatory DFGs but also allows spend on broader capital projects subject to Local Housing Authorities being able to meet their statutory duties in respect of DFGs. It is considered that the £770,000, which is a significant uplift from previous years, is sufficient to meet the statutory demand for DFGs and to provide an enhanced service without the need for the Council to contribute from its own resources.
- 1.3.9 In addition a Kent-wide project has been agreed to consider DFG work across Kent and the wider integration with social care and health around independent living. The key objectives of the project are to:
- Critically review existing interventions and identify options and make recommendations for the most efficient, effective and holistic way to deliver Disabled Facilities Grant in order to improve the customer journey, reduced timescales (waiting and delivery) and to maximise value for money and economies of scale in procurement of equipment and works.
 - Make recommendations for integrated delivery of DFGs and services funded through the SCCG, alongside opportunities to fully exploit technologies.
 - Support health and social care integration and deliver savings by making the most of the part that housing can play in keeping people independent in their homes; helping to prevent, delay or reduce care home placements and/or demand for other social care services, avoiding unnecessary

hospital admissions/readmissions or GP visits and facilitating timely hospital discharge

- Make best practice recommendations based on local and national guidance and successful models.
- Recognise the diverse nature of Kent and the need for services to be responsive to local needs.

1.4 Proposed Amendments DFG Policy

1.4.1 It is proposed that the Council introduces amendments to the Policy that encompasses discretionary and mandatory provision to enable a broader range of locally identified needs to be met, delivering quicker outcomes for residents through more flexible procedures that are easier to access and introduce local discretion.

1.4.2 It is important that we have both the flexibility and discretion within the grants process to facilitate budget spend and ensure that vulnerable tenants in private sector housing are able to access support.

1.4.3 The introduction of additional discretionary DFG grants alongside the mandatory DFG will increase the range of grant options available and allow TMBC to better tailor grant support to meet individual needs. Additional discretionary DFGs will include:

- Discretionary “top up” to mandatory DFG up to the equivalent of a mandatory DFG
- Relocation Assistance up to £5,000
- Urgent Hospital Discharge Grant up to £5,000
- Extension of the Handyperson Service
- Remove the need for a test of resources on grants less than £5,000

1.4.4 These proposals allow for a comprehensive range of works to deliver the Government’s aim of reducing reliance on primary and secondary care by taking preventative measures that enable people to remain living independently in their homes.

1.4.5 Should demand for these discretionary works exceed the increased allocation the discretionary elements will be scaled back or withdrawn. In other words, the budget for such discretionary works in any one year will be limited to the amount by which the grant allocation exceeds the budgeted mandatory DFG spend. For example, grant allocation £770,000 and budgeted mandatory DFG spend £665,000, budget for discretionary DFG grants £105,000.

1.5 Legal Implications

- 1.5.1 The Council has a mandatory duty to deliver adaptations through the Disabled Facility Grant scheme under the provisions of the Housing, Grants Construction and Regeneration Act 1996. Whilst it is able to offer additional discretionary assistance as provided for in the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002, such discretionary schemes must not disadvantage a person eligible to receive assistance under the mandatory scheme and the Council is required to publish a Policy on how it intends to use the powers under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 to provide housing assistance.

1.6 Financial and Value for Money Considerations

- 1.6.1 In line with average expenditure over the last two years, it is proposed that an annual budget of £60,000 be set for the Housing Assistance Policy for this and future years, of which £30,000 is to be met from the Council's own resources and £30,000 by way of grant repayments. This represents an annual saving of £30,000. It is proposed, for the time being, that the reserve fund is maintained to cover any shortfall in future grant repayments.
- 1.6.2 It is also proposed that a budget of up to £10,000 be made available each year for the next three years to fund modernisation of the Housing Service in accordance with the recent reorganisation in order to achieve efficiencies and improve customer outcomes, for example, developing existing systems so that they are fit for purpose, developing on line forms, mobile working and digital inclusion initiatives. This expenditure will be met in full from the Housing Assistance reserve. How this will work in practice will be brought forward as part of the forthcoming budget process.
- 1.6.3 With regard to DFGs the current approved 2016/17 budget is £665,000 funded by way of government grant of £490,000 via the Better Care Fund and £175,000 from the Council's own resources.
- 1.6.4 The budgeted mandatory DFG spend of £665,000 for 2016/17 can be met in full from the increased DFG grant allocation of £770,000 (currently the Capital Plan reflects a contribution from the Council's own resources of £175,000). It is proposed that a discretionary DFG budget be established representing the amount by which the grant allocation exceeds the budgeted mandatory DFG spend. As noted at paragraph 1.4.5 the discretionary DFG budget in any one year will be limited to the amount by which the grant allocation exceeds the budgeted mandatory DFG spend. The position is to be reviewed on an annual basis as grant announcements are made.

1.7 Risk Assessment

- 1.7.1 As a statutory Housing Authority the Council has a duty to review and report on the housing conditions in the area. It is important that where funding is offered to improve housing conditions it is spent wisely and to best effect to achieve the desired outcomes.
- 1.7.2 Failure to provide housing assistance to private sector homeowners may contribute to rising levels of poor quality private sector housing and result in households with limited incomes exposed to risks to their health and safety.
- 1.7.3 As noted at paragraph 1.3.5, given the changing environment Housing Associations are now operating, funding allocated by Circle Housing Russet may be at risk.

1.8 Policy Considerations

- 1.8.1 The Housing Assistance Policy changes will make a positive contribution to targeting financial assistance to those most in need to improve their living conditions, thereby impacting the Policy agenda in relation to decent homes, healthy lifestyles, fuel poverty, safeguarding children and vulnerable adults and sustainability.
- 1.8.1 The changes will also contribute to achieving the desired outcomes in the Council's health inequalities action plan and the Council's key corporate priorities. The quality of the home has a significant impact on health and wellbeing. A warm, dry and secure home is associated with better health. The Building Research Establishment (BRE) has calculated that nationally poor housing costs the NHS at least £600 million per year.
- 1.8.2 Whilst it is recognised that the primary responsibility for repairing and maintaining a property rests with the owner, the Council has certain statutory responsibilities to fulfil and should take steps to protect and assist vulnerable members of the community while also providing advice to all residents to help them maintain their own homes.
- 1.8.3 The Care Act 2014 places responsibility on Local Authorities for providing information and advice so that people can make informed choices and for providing services or steps that prevent, delay or reduce the need for care and support. The Act also requires local authorities to co-operate with other local organisations and work to integrate services to promote well-being and improve quality and outcomes.

1.9 Recommendations

Cabinet is asked to **RECOMMEND** to Council that:

- 1) The proposed amendments to the Housing Assistance Policy and associated budget adjustments be approved;
- 2) The proposed amendments to the DFG policy and associated budget adjustments be approved; and
- 3) Members note a budgetary provision of up to £10,000 is set aside in each of the next three years, fully funded from the Housing Assistance reserve in order to modernise the Housing Service.

Background papers:

Nil

contact: Satnam Kaur
Linda Hibbs

Steve Humphrey
Director of Planning, Housing and Environmental Health

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

12 October 2016

Report of the Chief Executive

Part 1- Public

Executive Non Key Decisions

1 REVIEW OF THE MAYORALTY FUNCTION – RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY COMMITTEE

To endorse the recommendations of the Overview and Scrutiny Committee.

1.1 Review of the Mayoralty Function

1.1.1 The Overview and Scrutiny Committee undertook a review of the role of functions of Mayoralty at its meeting held on 13th September 2016. The following recommendations were agreed and are commended to the Cabinet for approval:

- (1) no changes be made to the role of the Mayor as set out in the Constitution;
- (2) no change be made to the current approach to Mayoral engagements;
- (3) the Mayor should continue to undertake a fund raising role for one or two chosen charities as at present;
- (4) the role of the existing Macebearer be retained as at present;
- (5) the current arrangements for Mayoral transport be retained but competitive quotations be sought from three providers to ensure value for money and the budget be limited to £10,000;
- (6) the Joint Independent Remuneration Panel be invited to review the allowances payable to the Mayor and Deputy Mayor;
- (7) the incoming Mayor be given the freedom to decide if he/she wishes to appoint as Chaplain a person from any religion for the purpose of providing spiritual counsel or, alternatively, to make no appointment; and
- (8) no changes be made to the current arrangements for the saying of prayers immediately before Council meetings provided that any Member may choose to join the meeting thereafter if they so wish.

1.2 Legal Implications

1.2.1 None

1.3 Financial and Value for Money Considerations

1.3.1 As considered by the Overview and Scrutiny Committee/

1.4 Risk Assessment

1.4.1 n/a

1.5 Equality Impact Assessment

1.5.1 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.

1.6 Recommendation

1.6.1 That the recommendations of the Overview and Scrutiny Committee in respect of the Mayoralty function, as set out at 1.1.1 of this report, **BE ENDORSED.**

Background papers:

contact: Mark Raymond

Nil

Julie Beilby
Chief Executive

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

12 October 2016

Report of the Director of Finance and Transformation

Part 1- Public

Executive Non Key Decisions

1 TECHNICAL CONSULTATION PAPER ON THE 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT

In September 2016 the Department for Communities and Local Government published a Technical Consultation Paper on the 2017/18 Local Government Finance Settlement. This report provides an overview of the Consultation, together with our proposed response.

1.1 Introduction

1.1.1 In September 2016 the Department for Communities and Local Government published a consultation paper seeking views on a range of technical issues concerning the 2017/18 local government finance settlement.

1.1.2 The return date for responses to the consultation is 28 October 2016 and a copy of our proposed response is attached at **[Annex 1]**. The consultation paper can be found at the following link:

[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/553334/Post_HA - Draft Settlement Summer Consultation v2.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/553334/Post_HA_-_Draft_Settlement_Summer_Consultation_v2.pdf)

1.1.3 The main thrust of the consultation is to reconfirm the multi-year settlement. It also covers additional issues, such as proposed council tax referendum principles and the proposed approach for adjusting business rates tariffs and top-ups to cancel out, as far as is practicable, the impact of the 2017 business rates revaluation on local authorities' income.

1.1.4 Given below is a summary of the key points covered by the consultation along with officers' comments where appropriate.

1.2 Multi-Year Settlement

1.2.1 For those councils which accept the multi-year settlement offer, the Government intends to confirm the constituent elements of the offer for qualifying councils, soon after the 14 October deadline for accepting the offer. *(Members are aware*

that Full Council agreed to accept the offer of the multi-year settlement in July this year).

- 1.2.2 Councils that choose not to accept the offer will be subject to the existing annual process for determining the level of central funding that they will receive.
- 1.2.3 The Government is also considering expanding the existing multi-year offer to include more grants, to provide councils with more security over a greater proportion of their funding for the rest of this Parliament. Views are invited on what other grants could be included, in addition to those in the existing offer.

Comments

- 1.2.4 Formal notification that the Borough Council wished to take up the offer of a multi-year settlement, together with requisite documentation including a link to an Efficiency Plan was sent to the DCLG on 13 July 2016 and acknowledgement of the same received the same day. It is understood that councils will be notified of the outcome soon after the 14 October deadline.
- 1.2.5 The funding to be made available in respect of the New Homes Bonus scheme and how it is to operate should be made clear as part of the multi-year offer to further aid financial planning. The inclusion of administration grants, e.g. housing benefits and council tax reduction support in the multi-year offer would again aid financial planning.

1.3 Improved Better Care Fund (iBCF)

- 1.3.1 The Government intends to adopt the proposed approach to distributing the iBCF outlined in the consultation on the 2016-17 local government finance settlement. This methodology takes into account the varying ability of councils to raise income through the adult social care precept.
- 1.3.2 The funding available for the iBCF will be allocated to each authority according to their share of the national total determined by the 2013 adult social care relative needs formula, adjusting for the income which could be raised from the additional social care council tax flexibility.

Comments

- 1.3.3 This is a matter for authorities with responsibility for adult social care to respond.
- 1.3.4 For information and awareness allocations in respect of disabled facilities grants are met from the iBCF. It is assumed that these allocations will continue to be separately identified with a requirement that they be passed on in full.

1.4 Council Tax Referendum Principles

- 1.4.1 The referendum threshold for council tax increases is proposed at 2% for all local authorities, as in 2016/17. However, shire districts will be allowed increases of up to and including £5, or up to 2%, whichever is higher.
- 1.4.2 There will also continue to be an additional adult social care precept of 2% for authorities with responsibility for social care services.
- 1.4.3 For the first time, referendum principles will apply to town and parish councils for which the Band D charge is higher than £75.46 and the total precept is over £500,000. However, those town and parish councils where a service had been transferred from a local authority would not be subject to the referendum principle, providing certain conditions are satisfied.
- 1.4.4 The Government is also prepared to consider extending the referendum principles to all town and parish councils.

Comments

- 1.4.5 The Medium Term Financial Strategy as it stands assumes a council tax increase of £5 in 2017/18. To give greater control and flexibility over their finances council tax levels should be a decision for councils and the council tax referendum principles withdrawn, a point made on a number of occasions in the past.
- 1.4.6 If the referendum principles are not to be withdrawn, there is some logic as to why the Government is minded to apply the referendum principles to larger, higher spending town and parish councils where precepts and council tax levels are similar to small district councils. However, the logic does not seem to extend to all town and parish councils for the reasons referred to in the consultation paper – i.e. proportionality, practicality and cost; and in the scheme of things is unnecessary and unwieldy. The precept at which the referendum principles apply should be at least £500,000 and for this to be subject to annual indexation.

1.5 Business Rates Revaluation Adjustment

- 1.5.1 A new valuation list for non-domestic properties takes effect from April 2017, this will have the effect of altering the business rates income all authorities receive, but is a change outside the control of local government.
- 1.5.2 The Government has previously indicated that tariffs and top-up would be adjusted following a revaluation, to ensure, as far as is practicable, that authorities' retained income is the same after revaluation as immediately before.
- 1.5.3 The proposed methodology would identify and isolate the amount by which business rates income in the authority will change purely due to the revaluation and uses these figures to adjust tariffs/top-ups in order to cancel out the impact of revaluation.

1.5.4 *Comments*

1.5.5 Support adjustment of each authority's tariff or top-up following a revaluation to ensure, as far as is practicable, that their retained income is the same after revaluation as immediately before; and the proposed approach would appear to be a logical way to adjust for revaluation.

1.5.6 *Adjustments to business rates in areas piloting 100% business rates retention*

1.5.7 Areas piloting approaches to 100% business rates retention will test mechanisms for the full roll-out, including ending entitlement to certain grants, devolving additional responsibilities and adjusting existing business rates tariff and top-ups.

1.5.8 The methodology for calculating the agreed changes in the local share of retained business rates and the level of tariff and top-ups in pilot areas is designed to ensure that no authorities anywhere in the country are adversely affected by these pilots.

Comments

1.5.9 Clearly, it is only right that the proposed methodology for calculating changes to the local share of business rates and tariff and top-ups does not adversely affect non-pilot areas.

1.6 Voluntary transfers of funding to Mayoral Combined Authorities

1.6.1 Areas with mayoral combined authorities could request an adjustment to the calculation of grant and business rates payments, to reflect any changes in the way existing duties are carried out by authorities, subject to the agreement of all authorities affected by the changes.

1.6.2 Decisions on an authority-by-authority basis would need to be made on the level of grant or share of business rates to be transferred to the combined authority, and may require adjustments to regulations / Alternative Notional Adjustments if there are transfers of council tax.

Comments

1.6.3 Not applicable.

1.7 Legal Implications

1.7.1 There are a number of legislative requirements to consider in setting the Budget which will be addressed as we move through the budget cycle.

1.7.2 The Localism Act gives local communities the power to veto excessive council tax increases. The Secretary of State will determine a limit for council tax increases which has to be approved by the House of Commons. If an authority proposes to

raise council tax above this limit they will have to hold a referendum to get approval for this from local voters who will be asked to approve or veto the rise.

1.8 Financial and Value for Money Considerations

- 1.8.1 Two key questions remain, what will our business rates baseline be on the implementation of 100% business rates retention; and where, and to what extent, does New Homes Bonus feature in future government funding?

1.9 Risk Assessment

- 1.9.1 The increased uncertainty and volatility particularly in some of our major sources of income (business rates and New Homes Bonus) make financial planning that more difficult with the increased risk of significant variances compared to projections.
- 1.9.2 Any increase in council tax above the relevant threshold, even by a fraction of a percentage point, would require a referendum to be held.

1.10 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.

1.11 Recommendations

- 1.11.1 Cabinet is **RECOMMENDED** to **endorse** and **approve** the proposed response to the Technical Consultation Paper on the 2017/18 Local Government Finance Settlement attached at **[Annex 1]**.

Background papers:

Nil

contact: Sharon Shelton
Neil Lawley
Paul Worden

Sharon Shelton
Director of Finance and Transformation

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Summary of Questions and Responses (Local Government Finance Settlement 2017/18)

Question 1: What other, additional grants, beyond those set out in para 2.2.2, could the Government consider including in the multi-year offer?

The funding to be made available in respect of the New Homes Bonus scheme and how it is to operate should be made clear as part of the multi-year offer to further aid financial planning. The inclusion of administration grants, e.g. housing benefits and council tax reduction support in the multi-year offer would again aid financial planning.

Question 2: Do you agree with the proposed methodology for allocating funding for the improved Better Care Fund as outlined in paragraph 2.3.4?

This is a matter for authorities with responsibility for adult social care to respond, but noting that allocations in respect of disabled facilities grants are met from the iBCF and it is assumed that these allocations will continue to be separately identified with a requirement that they be passed on in full.

Question 3: Do you agree with the council tax referendum principles for 2017-18 proposed in paragraphs 3.2.1 to 3.2.2 for principal local authorities?

To give greater control and flexibility over their finances council tax levels should be a decision for councils and the council tax referendum principles withdrawn, a point made on a number of occasions in the past.

Question 4: Do you agree that referendum principles should be extended to larger, higher-spending town and parish councils in 2017/18 as set out in paragraphs 3.3.3 to 3.3.4?

If the referendum principles are not to be withdrawn, to apply the referendum principles to larger, higher spending town and parish councils might be appropriate. However, we would not support them being applied to all town and parish councils for the reasons referred to in the consultation paper – i.e. proportionality, practicality and cost; and in the scheme of things is unwieldy and unnecessary. The precept at which the referendum principles apply should be at least £500,000 and for this to be subject to annual indexation.

Question 5: Do you agree with the proposed approach to take account of the transfer of responsibilities to town and parish councils as outlined in paragraph 3.3.5?

If the referendum principles are not to be withdrawn, but extended, they should apply to larger, higher spending town and parish councils only. On that basis, agree.

Question 6: Do you have any comments on the suggestion that referendum principles may be extended to all local precepting authorities as set out in paragraph 3.3.6? If so what level of principle should be set?

If the referendum principles are not to be withdrawn, to apply the referendum principles to larger, higher spending town and parish councils might be appropriate. However, we would not support them being applied to all town and parish councils for the reasons referred to in the consultation paper – i.e. proportionality, practicality and cost; and in the scheme of things is unwieldly and unnecessary.

Question 7: Do you have views on the practical implications of a possible extension of referendum principles to all local precepting authorities as set out in paragraph 3.3.7?

See response to question 6.

Question 8: Do you agree with the methodology for calculating the revaluation adjustment to business rates tariff and top-up payments as outlined in paragraphs 3.4.1 to 3.4.8?

The proposed approach would appear to be a logical way to adjust for revaluation.

Question 9: Do you agree that the methodology as outlined in paragraphs 3.5.5 to 3.5.13, for calculating changes to the local share of business rates and tariff and top up payments is correct and does not adversely affect non-pilot areas?

The proposed approach would appear not to adversely affect non-pilot areas.

Question 10: Are you contemplating a voluntary transfer of funding between the Combined Authority and constituent authorities?

Not applicable.

Question 11: Do you have any comments on the impact of the proposals for the 2017-18 settlement outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments

No comments.

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

12 October 2016

Report of the Director of Finance and Transformation

Part 1- Public

Executive Non Key Decisions

1 MEDIUM TERM FINANCIAL STRATEGY UPDATE AND BUSINESS RATES POOLING

The report provides an update on the Medium Term Financial Strategy and projected funding gap and, in turn, associated savings targets.

It also updates Members on the Kent Business Rates Pool and seeks Cabinet's approval to confirm that TMBC remains a member of the Pool for 2017/18.

1.1 Medium Term Financial Strategy - Introduction

1.1.1 To recap, the Council's current Medium Term Financial Strategy (MTFS) covers both revenue and capital budgets over a rolling ten-year period, and it is this Strategy that underpins the budget setting process each year and over the strategy period. The aim of the Strategy is to give us a realistic and sustainable plan that reflects the Council's priorities. The MTFS sets out the high level objectives the Council wishes to fulfil over the agreed time span. These are:

- To achieve a **balanced revenue budget** that delivers the Council's priorities by the end of the strategy period.
- To retain a **minimum of £2.0m** in the General Revenue Reserve by the end of the strategy period.
- Seek to set future increases in council tax having regard to the **guidelines** issued by the Secretary of State.
- Continue to **identify efficiency savings** and **opportunities for new or additional income sources** and to **seek appropriate reductions in service costs** in delivery of the Savings and Transformation Strategy approved by Members.

- Subject to there being sufficient resources within the capital reserve, set a **maximum 'annual capital allowance'** each year as part of the budget setting process for all new capital schemes (currently set at £200,000 from the Council's own resources) and give priority to those schemes that generate income or reduce costs.

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

1.2 Managing the Financial Challenges

1.2.1 Members are fully aware of the significant financial challenge facing 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 MTFs 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.

1.2.2 Members will recall that when setting the budget for 2016/17 in February 2016 projections at that time suggested a 'funding gap' between expenditure and income of circa £1.825 million. Based on the above projection it was further suggested that we break the savings target into three tranches (tranche one £625,000, tranche two £500,000 and tranche three £700,000 to be achieved by ideally the start of the year 2017/18, 2018/19 and 2021/22).

1.3 Medium Term Financial Strategy - Update

1.3.1 When updating the MTFs we need to take into account the following (not exclusive) factors:

- The outcome of the forthcoming Spending Review due to be published on 23 November which will, if only at a high level, set out the future direction of the public finances.
- Those factors that have contributed towards addressing the 'funding gap' including the pending introduction of special expenses, establishment changes and service change, e.g. holiday activity programmes.
- Those factors that have taken matters in the 'wrong' direction including the termination of the Gateway Agreement by KCC, apprenticeship levy and recent cut in the bank rate.
- The level of council tax increase for 2017/18 above which the local authority would be required to seek the approval of their electorate via a

local referendum. For the year 2017/18 a referendum will be triggered where council tax is increased by the higher of 2% or £5. For the purposes of updating the MTFs up to 2019/20 an increase of £5 each year has been assumed; and beyond 2019/20 the MTFs assumes a 3% increase in council tax year on year. To put this into context, 1% currently equates to about £90,000.

- The ongoing impact of the Business Rates Retention scheme and the Government's commitment to the introduction of a 100% Business Rates Retention scheme. The Council's actual business rates income is currently below the baseline set under the scheme and the Council has to meet a share of that shortfall up to a maximum of circa £158,000 in 2016/17. More pressing is what will our baseline funding level be on the introduction of 100% business rates retention and how this compares to that reflected in the MTFs and taking into account transfer of any new responsibilities?
- The award of New Homes Bonus (NHB) and continuing uncertainty over its future. NHB is a critical component of our overall government grant funding and what happens to this funding stream is, therefore, of particular interest and concern. The outcome of a consultation in March 2016 is still awaited. What we do need to recognise is that when changes are made to NHB, whenever that might be, the financial challenge could at best be difficult and at worst 'stark'.

1.3.2 The latest working version of the MTFs would suggest that good progress has been made in meeting this year's savings target of £625,000 and barring any unwelcome 'surprises' expect the target to be achieved as we move through the forthcoming budget setting process.

1.3.3 Although it is expected the savings target for this year will be achieved the second of the remaining two tranches of £500,000 and £700,000 has had to be **brought forward from 2021/22 to 2019/20** largely as a result of the recent cut in the bank rate and its consequent impact on investment income over the period of the MTFs.

1.3.4 In summary, the latest projected 'outstanding' funding gap post 2016/17 remains at £1.2 million with **potential for further reductions in NHB in the future**, but is to be addressed within a shorter timescale than previously envisaged:

- 1) Tranche 1 - £500,000 to be achieved by April 2018.
- 2) Tranche 2 - £700,000 to be achieved by April 2019 (previously April 2021).

1.3.5 Clearly, the MTFs will continue to be updated as we move through the 2017/18 budget cycle and as more information becomes available. One thing is clear a significant financial challenge remains to be addressed over the medium term.

1.4 Savings and Transformation Strategy

- 1.4.1 As Members are no doubt aware alongside the MTFs now sits a Savings and Transformation Strategy. 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.
- 1.4.2 A number of key themes have been identified, together with outline targets and timescales which will need to be revisited and aligned with the latest projected 'funding gap' as part of the budget setting process.

1.5 Kent Business Rates Pool

- 1.5.1 The Council is a member of the Kent Business Rates Pool which comprises Kent County Council, Kent and Medway Fire and Rescue Authority and ten district councils. Sevenoaks and Dover District Councils are the only districts not in the Pool.
- 1.5.2 There are financial benefits to be gained from being in a pool in that the levy paid on business rates income above the baseline is lower or zero. Clearly, this is not something we have gained from to date whilst our business rates income is below the baseline, but that is not to say we will not benefit in the future.
- 1.5.3 As Members are aware, the Pool is responsible for meeting safety net payments which might be due to any one, or more, authorities in the Pool. There is a risk, albeit with a remote likelihood, that the Pool is not in a position to meet the safety net payments in full. On the other hand, the Government is responsible for meeting safety net payments to authorities not in a Pool and there is 100% guarantee of such payments being made.
- 1.5.4 This is the third iteration of a Kent Business Rates Pool, with the last variation being submitted in October last year. The correspondence from the Secretary of State giving his agreement to the current Pool appeared to suggest that approval of new applications should not be assumed for the future. Therefore, if TMBC decides to withdraw and the current Kent Pool disbanded, it is possible that a new iteration (without TMBC) may not be approved by the Secretary of State.
- 1.5.5 Through the Pool, additional funds have been retained within the county of Kent which would otherwise have been returned to central government. Whilst this does not directly benefit TMBC due to the fact we are in a safety net position, there are 'indirect' benefits due to the fact that Kent County Council receives additional funding. If the Pool is disbanded, this potential to retain additional funds within Kent would be forfeited for the future. Therefore, should we take the risk of 'rocking the boat' for Kent as a whole?

- 1.5.6 All other members of the Kent Pool are above or on baseline and there is currently no indication that they would drop into safety net. Provided that the majority remain above baseline, the risk of TMBC's safety net payment not being met in full is very slim.
- 1.5.7 On balance, bearing in mind the 'risks and rewards' set out above, Members may feel that the Council should continue to be a member of the Kent Business Rates Pool in 2017/18.

1.6 Legal Implications

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

1.7 Financial and Value for Money Considerations

- 1.7.1 Two key questions remain, what will our business rates baseline be on the implementation of 100% business rates retention; and where, and to what extent, does New Homes Bonus feature in future government funding?
- 1.7.2 The impact of 'Brexit' on Council finances / financial assumptions in respect of inflation, interest rates, income levels, etc. and the scale of the impact over the medium term is uncertain and difficult to determine.

1.8 Risk Assessment

- 1.8.1 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.
- 1.8.2 The increased uncertainty and volatility particularly in some of our major sources of income (business rates and New Homes Bonus) make financial planning that more difficult with the increased risk of significant variances compared to projections.
- 1.8.3 Any increase in council tax above the relevant threshold, even by a fraction of a percentage point, would require a referendum to be held.
- 1.8.4 Members are reminded that there are factors not reflected in or throughout the duration of the MTFs, e.g. potential shortfall to be met by the Council in respect of the Business Rates Retention scheme and the impact of Welfare Reform changes

(Universal Credit). In addition, beyond 2019/20, the MTF5 assumes a 3% increase in council tax year on year whereas the threshold above which a referendum is to be held is currently the higher of 2% and £5.

- 1.8.5 The projected figures for New Homes Bonus are at risk of further revision downwards which would further add to the savings targets.
- 1.8.6 There is a risk, albeit likelihood remote, that the Kent Business Rates Pool is not in a position to meet safety net payment obligations in full.

1.9 Equality Impact Assessment

- 1.9.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users at this stage, although as savings options emerge, equality impact assessments will need to be carried out.

1.10 Recommendations

- 1.10.1 Cabinet is **RECOMMENDED** to:

- 1) **note** the good progress made in meeting the savings target for 2016/17, but **recognising** that there is a significant financial challenge remaining to be addressed over the medium term; and
- 2) **confirm** that the Council continue to be a member of the Kent Business Rates Pool in 2017/18.

Background papers:

Nil

contact: Sharon Shelton
Neil Lawley
Paul Worden

Sharon Shelton
Director of Finance and Transformation

Agenda Item 16

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 17

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 18

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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