

# TONBRIDGE & MALLING BOROUGH COUNCIL



## EXECUTIVE SERVICES

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### Chief Executive

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

Contact: Committee Services  
[committee.services@tmbc.gov.uk](mailto:committee.services@tmbc.gov.uk)

16 September 2014

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

(Copies to all Members of the Council)

Dear Sir/Madam

Your attendance is requested at a meeting of the Finance, Innovation and Property Advisory Board to be held in the Civic Suite, Gibson Building, Kings Hill, West Malling on Wednesday, 24th September, 2014 commencing at 7.30 pm

Yours faithfully

JULIE BEILBY

Chief Executive

## A G E N D A

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

## **MEMBERSHIP**

Cllr H S Rogers (Chairman)  
Cllr R Taylor (Vice-Chairman)

Cllr J Atkins  
Cllr O C Baldock  
Cllr T Bishop  
Cllr P F Bolt  
Cllr D A S Davis  
Cllr M O Davis

Cllr S R J Jessel  
Cllr Mrs F A Kemp  
Cllr Miss A Moloney  
Cllr C P Smith  
Cllr A K Sullivan

Apologies for absence

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Declarations of interest

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## TONBRIDGE AND MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION AND PROPERTY ADVISORY BOARD

Wednesday, 23rd July, 2014

**Present:** Cllr H S Rogers (Chairman), Cllr R Taylor (Vice-Chairman), Cllr J Atkins, Cllr O C Baldock, Cllr T Bishop, Cllr P F Bolt, Cllr D A S Davis, Cllr Mrs F A Kemp, Cllr Miss A Moloney and Cllr A K Sullivan

Councillors Mrs J A Anderson, J A L Balcombe, M A Coffin, N J Heslop, B J Luker and Mrs S Murray were also present pursuant to Council Procedure Rule No 15.21.

An apology for absence was received from Councillor C P Smith

#### PART 1 - PUBLIC

##### **FIP 14/39 DECLARATIONS OF INTEREST**

Councillor M Coffin declared a Disclosable Pecuniary Interest in the item on Council Tax Discounts on the grounds of being a landlord of residential and commercial property in the Borough. He also declared an Other Significant Interest in the item on Assignment of the Lease of Car Park at West Street, Wrotham as a member of the finance committee of Wrotham Parish Council. He withdrew from the meeting during consideration of both items.

##### **FIP 14/40 MINUTES**

**RESOLVED:** That the notes of the meeting of the Finance, Innovation and Property Advisory Board held on 14 May 2014 be approved as a correct record and signed by the Chairman.

#### MATTERS FOR RECOMMENDATION TO THE CABINET

##### **FIP 14/41 FINANCIAL PLANNING AND CONTROL**

Decision Notice D140087MEM

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 budgetary control, summarised to provide an indicative overall budget position which showed a net adverse variance of £8,900. Progress was noted in relation to the identification of savings to meet the targets set in the Medium Term Financial Strategy.

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

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

#### **FIP 14/42 COUNCIL TAX DISCOUNTS**

Decision Notice D140088MEM

Further to Decision No D130130CAB, consideration was given to whether there should be any change to certain council tax discounts with effect from 1 April 2015. The report of the Director of Finance and Transformation sought guidance on which discounts might be amended and whether a premium should be charged on long term empty properties to enable views to be obtained from residents and partners in order to ascertain any unintended consequences.

**RECOMMENDED:** That

- (1) the following guidance be given for the purposes of obtaining comments from residents, Registered Social Landlords and private landlords:
  - (i) for the financial year 2015/16 and beyond, the Council is minded to reduce the period of the vacant and unfurnished properties discount to two months and to reduce the discount for uninhabitable properties and those undergoing repair from the current rate of 100%, for example to 50%;
  - (ii) the Council is minded to charge a premium of 50% on properties empty for longer than two years; and
- (2) with reference to (1) above, the Director of Finance and Transformation be authorised to place relevant information on the Council's website seeking comments prior to the next meeting of the Advisory Board.

#### **FIP 14/43 PROPOSED BUILDING CONTROL SHARED SERVICE**

Decision Notice D140089MEM

Reference was made to Decision No D140069MEM approving in principle the establishment of a shared service arrangement with Sevenoaks District Council as the preferred option for future delivery of Building Control Services. The joint report of the Director of Planning, Housing and Environmental Health and Director of Finance and Transformation gave an update on work undertaken on the further development of the proposals, providing a business case and dealing

with financial matters. It was noted that the proposed arrangement reflected the Council's transformation agenda and would deliver a number of benefits which were outlined in the report.

**RECOMMENDED:** That

- (1) the establishment of a shared Building Control Service, with the Administration base at Sevenoaks District Council, be approved and authority be delegated to the Director of Finance and Transformation and Director of Planning, Housing and Environmental Health to determine the detailed financial and service arrangements respectively;
- (2) on conclusion of (1) above, the Council enter into a Memorandum of Understanding to include the matters summarised at paragraph 1.5.1 of the report to the satisfaction of the Director of Central Services; and
- (3) a sum of £10,000 from the 'invest to save' reserve be allocated to support the initial implementation costs of the new shared service.

**MATTERS SUBMITTED FOR INFORMATION**

**FIP 14/44 T&MBC WEBSITE DESIGN UPDATE**

The report of the Director of Finance and Transformation gave an update on the planned improvements to the Council's website which were designed to ensure that it remained fit for purpose as user preferences and technology changed. The focus for a redesign of the site was outlined involving simplicity, ease of access and assisting user requirements. Members received a demonstration of a concept providing a tool for users to navigate quickly and simply and which would be at the core of a wider redesign of the website. It was noted that the concept had been shared with staff and groups of external users drawn from subscribers to My Account and had received positive feedback. Further details of the redesign of the website would be reported back to the Advisory Board in due course.

**FIP 14/45 BENEFITS UPDATE**

Members were advised of current issues arising in the benefits field including performance and workload of the Benefits Service and progress with various aspects of welfare reform. A further update was given at the meeting on the reduction in number of days for handling new claims and changes in circumstances.

**FIP 14/46 COUNCIL TAX AND BUSINESS RATES UPDATE**

The report gave details of recent developments in respect of council tax and business rates including collection rates. It was noted that recovery work had increased substantially since the introduction of the council tax reduction scheme and the annex to the report set out a comparison between the number of recovery notices issued in 2013/14 and 2012/13.

**FIP 14/47 CAPITAL PROGRAMME: POST IMPLEMENTATION REVIEWS MONITORING REPORT**

The report identified the post implementation reviews carried out since the meeting of the Advisory Board in July 2013 and the capital plan schemes for which reviews were due.

**MATTERS FOR CONSIDERATION IN PRIVATE**

**FIP 14/48 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 14/49 DEBTS FOR WRITE OFF**

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

Decision Notice D140090MEM

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

**RECOMMENDED:** That the five items shown in the schedule of amounts over £1,000 totalling £36,220.54 be written-off for the reasons stated within the schedule.

**FIP 14/50 RENT REVIEWS FOR SHOP UNITS, TWISDEN ROAD, EAST MALLING**

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

Decision Notice D140091MEM

The report of the Director of Central Services gave details of proposed rent reviews for two shop units located in Twisden Road, East Malling.

**RECOMMENDED:** That the proposed rent reviews as detailed in the report be approved.

**FIP 14/51 ASSIGNMENT OF LEASE OF CAR PARK AT WEST STREET, WROTHAM**

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

Decision Notice D140092MEM

Consideration was given to the report of the Director of Central Services regarding a proposal to assign the existing lease of a car park at West Street, Wrotham to Wrotham Parish Council.

**RECOMMENDED:** That the proposed assignment of lease as detailed in the report be approved.

**FIP 14/52 LEASE FOR BUILDINGS INCLUDED IN GROUND MAINTENANCE CONTRACT**

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

Decision Notice D140093MEM

The report of the Director of Central Services gave details of the proposed lease arrangements for three maintenance buildings included within the grounds maintenance contract.

**RECOMMENDED:** That the proposed new lease of the buildings as identified in the report be approved.

**FIP 14/53 CHAIRMAN'S ANNOUNCEMENT**

The Chairman indicated that this was the last meeting to be attended by Mr Paul Griffin, Revenue and Benefits Manager, before his retirement.

Members thanked Mr Griffin for his long and valued service to the Council and recorded their best wishes for the future.

The meeting ended at 9.23 pm

## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

24 September 2014

**Report of the Director of Finance and Transformation and Cabinet Member for Finance, Innovation and Property**

#### Part 1- Public

#### Matters for Recommendation to Cabinet - Key Decision

### 1 FINANCIAL ARRANGEMENTS WITH PARISH COUNCILS

**This report gives details of the proposed allocations to individual parish councils under the Scheme of Financial Arrangements with Parish Councils for the financial year 2015/16.**

#### 1.1 Introduction

- 1.1.1 The Council has a Scheme of Financial Arrangements with Parish Councils to provide funding for local services under the provisions of the Local Government Act 1972. This Act allows payments by one council to another where both councils have powers to carry out a specific function. The Borough Council uses these powers to assist parishes with the cost of services they provide which are provided by the Borough Council in unparished areas.
- 1.1.2 In 2013, the Council, in liaison with the Parish Partnership Panel, agreed the budget for the Scheme of Financial Arrangements with Parish Councils would increase or decrease by the same percentage as the increase or decrease in the Borough Council's Local Government Finance Settlement including New Homes Bonus funding in the previous year.
- 1.1.3 It is worth noting that with this methodology when the New Homes Bonus scheme reaches its sixth year or is replaced by something else it could result in a marked percentage decrease.
- 1.1.4 Adopting the same methodology for the forthcoming financial year will increase the budget for the Scheme of Financial Arrangements with Parish Councils 2015/16 by 1.3%. The proposal was reported to the Parish Partnership Panel on 4 September and was welcomed.
- 1.1.5 The transition to individual elector registration has brought about a decrease in the number of electors on the register. Consequently for 2015/16 we have calculated the 'Basic Allocation' to be an increase of 1.3% over the 2014/15 'Basic Allocation' instead of a rate per elector.

1.1.6 The final debt charge will be paid in 2014/15 and consequently, from 2015/16 onwards there will not be any debt charges included in the Financial Arrangements with Parish Councils.

1.1.7 **[Annex 1]** sets out details of the allocations to individual parish councils in accordance with the above methodology.

## **1.2 Legal Implications**

1.2.1 The Financial Arrangements with Parish Councils are in accordance with Section 136 of the Local Government Act 1972 which says: "Two or more local authorities may make arrangements for defraying any expenditure by one of them in exercising any functions exercisable by both or all of them."

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

1.3.1 As set out above.

## **1.4 Risk Assessment**

1.4.1 There will always be a degree of risk associated with third party service delivery, however, our experiences with the Parish Councils lead us to believe this risk is very small.

## **1.5 Equality Impact Assessment**

1.5.1 See 'Screening for equality impacts' table at end of report

## **1.6 Recommendations**

1.6.1 Members are asked to **RECOMMEND** to Cabinet that:

- 1) The methodology outlined above is adopted in calculating the allocations to parish councils under the Scheme of Financial Arrangements with Parish Councils for the year 2015/16.
- 2) Parish Councils be notified of their allocations as set out in **[Annex 1]**.

Background papers:

contact: Francis Gahan

Nil

Sharon Shelton  
Director of Finance and Transformation

Martin Coffin  
Cabinet Member for Finance, Innovation  
and Property



<b>Screening for equality impacts:</b>		
<b>Question</b>	<b>Answer</b>	<b>Explanation of impacts</b>
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	Changes to grant allocations are not expected to cause adverse impact or discriminate against different groups in the community.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	See above
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		Not applicable.

*In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.*

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**Financial arrangements with parish councils**  
**2015/16**

Parish / Town Council	Basic Allocation £	Cemeteries & Churchyards £	Footway Lighting £	Total £
Addington	2,355	921		3,276
Aylesford	15,920	8,317	2,670	26,907
Birling	2,355	1,720	140	4,215
Borough Green	5,317		1,344	6,661
Burham	2,355	1,437	192	3,984
Ditton	7,138	1,065		8,203
East Malling & Larkfield	19,899	2,564	611	23,074
East Peckham	4,989	3,426	1,152	9,567
Hadlow	5,889	7,382	35	13,306
Hildenborough	7,356	2,198	105	9,659
Ightham	2,958	2,714		5,672
Kings Hill	9,587			9,587
Leybourne	5,006	766	332	6,104
Mereworth	2,355	2,156		4,511
Offham	2,355	771		3,126
Platt	2,461	2,102	367	4,930
Plaxtol	2,355	2,068	244	4,667
Ryarsh	2,355	838	419	3,612
Shipbourne	2,355	1,337		3,692
Snodland	14,797	12,033	2,426	29,256
Stansted	2,355	1,036		3,391
Trottscliffe	2,355	450		2,805
Wateringbury	2,982	4,685	698	8,365
West Malling	3,817	3,667	1,641	9,125
West Peckham	2,355	1,096		3,451
Wouldham	2,355	665	140	3,160
Wrotham	2,583	4,282	943	7,808
<b>Total</b>	<b>138,959</b>	<b>69,696</b>	<b>13,459</b>	<b>222,114</b>

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

24 September 2014

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

#### Part 1- Public

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

#### **1 LOCAL GOVERNMENT FINANCE SETTLEMENT 2015-16: TECHNICAL CONSULTATION**

**In July 2014 the Department for Communities and Local Government published the Local Government Finance Settlement 2015-16: Technical Consultation.**

#### **1.1 Introduction**

1.1.1 The consultation outlines the proposed changes to the illustrative 2015-16 local government finance settlement which was published alongside the 2014-15 settlement in February 2014. The return date for responses to the consultation is 25 September 2014.

1.1.2 As the return date is tomorrow, I did ask and obtain the approval of the Leader, Cabinet Member for Finance and Innovation and your Chairman to my response to the consultation. A copy of the response can be found at **[Annex 1]**.

The paper can be found at the following link:

<https://www.gov.uk/government/consultations/local-government-finance-settlement-2015-to-2016-technical-consultation>

#### **1.2 Overview**

1.2.1 The key points from the technical consultation are:

- Continued compensation for the reduced income from business rates as a result of the 2% cap on the small business rates multiplier.
- To roll in three specific grants into the Revenue Support Grant (in line with previous years). These grants are 2014/15 Council Tax Freeze Grant, Efficiency Support Grant and Rural Services Delivery Grant.

- To remove £6.4m in funding from authorities that have fallen below the threshold for participation in the Carbon Reduction Commitment Energy Efficiency Scheme.
- Planned deductions will be unchanged, i.e. New Homes Bonus and the Safety Net.

1.2.2 What matters of course is how these proposals shake out to individual local authorities and included in the consultation are indicative Settlement Funding Assessments (SFA) for 2015-16. As none of the proposed changes outlined in the consultation are relevant to this Council you would expect our indicative SFA to be unchanged, i.e. £3,684,595, and it is.

1.2.3 The provisional settlement for 2015-16 will be consulted on in the usual way in Autumn 2014.

### **1.3 Pooling Prospectus**

1.3.1 The DCLG have also issued the Business rates retention scheme: pooling prospectus. This sets out the opportunities that pooling presents for local authorities under the business rates retention scheme and the process for formally designating pools.

1.3.2 It invites local councils who are seeking to establish a pool for 2015/16 to come forward with their pooling proposals by 31 October 2014.

1.3.3 It can be found at the following link:

<https://www.gov.uk/government/publications/business-rates-retention-scheme-pooling>

### **1.4 Legal Implications**

1.4.1 None.

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

1.5.1 As set out above.

### **1.6 Risk Assessment**

1.6.1 None.

### **1.7 Equality Impact Assessment**

1.7.1 See 'Screening for equality impacts' table at end of report

## 1.8 Recommendations

- 1.8.1 Members are requested to **endorse** the response to the consultation as previously agreed with the Leader of the Council, Cabinet Member for Finance Innovation and Property and your Chairman.

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

Background papers:

contact: Neil Lawley

Nil

Sharon Shelton  
Director of Finance and Transformation

<b>Screening for equality impacts:</b>		
<b>Question</b>	<b>Answer</b>	<b>Explanation of impacts</b>
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	This report sets out our response to a consultation paper published by the Department for Communities and Local Government.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	See above.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		Not applicable.

*In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.*

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# Summary of consultation questions

Question 1: Do you agree that compensation for the cap should be paid on the basis of the reduction to retained business rates income adjusted to account for lower tariffs and top-ups, as in 2014-15?

**An already established methodology – agree.**

Question 2: Do you agree that the 2014-15 Council Tax Freeze Grant should be rolled into Revenue Support Grant, and combined with the 2013-14 Council Tax Freeze funding element as a single element?

**An already established methodology – agree.**

Question 3: Do you agree that, subject to satisfactory progress by individual authorities, the 2014-15 Efficiency Support Grant should be rolled in as a separate element for the qualifying authorities?

**Agree.**

Question 4: Do you agree that the 2014-15 Rural Services Delivery Grant should be rolled in and combined with the rural funding element?

**Agree.**

Question 5: Do you agree with the proposed methodology for reducing funding to authorities which have fallen below the threshold for participation in the Carbon Reduction Commitment Energy Efficiency Scheme, to take account of the loss in tax revenue to the Exchequer?

**Agree.**

Question 6: Do you have any comments on the impact of the 2015-16 settlement on protected groups, and on the draft Equality Statement?

**No comments.**

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

24 September 2014

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

#### Part 1- Public

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

#### **1 FINANCIAL PLANNING AND CONTROL**

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

#### **1.1 Salaries Monitoring Statement**

1.1.1 Appended for information at **[Annex 1]** is a budgetary control statement that compares actual expenditure on basic salaries, temporary staff, overtime, superannuation and national insurance to the end of August 2014, with the appropriate proportion of the original estimate for 2014/15.

1.1.2 Members will note that management savings to the end of August are **£1,650 less** than anticipated.

#### **1.2 Income Monitoring Statement**

1.2.1 Appended for information at **[Annex 2]** is a budgetary control statement that compares actual income from fees and charges to the end of August 2014, with the appropriate proportion of the original estimate for 2014/15.

1.2.2 Members will note that overall income to the end of August is **£22,150 more** than anticipated.

#### **1.3 Treasury Management**

##### *Externally Managed Funds*

1.3.1 For the period 1 April 2014 to 31 July 2014 the Council's Fund Manager achieved a gross return of 0.57%. This compares with a 7-day LIBID benchmark of 0.35%

for the same period. Investment income of £25,500 was achieved for the period ended July 2014.

- 1.3.2 At the end of July 2014 the value of the fund stood at £13.4m. This was invested at an average rate of 0.61% and an average maturity of 0.78 years.

*Internally Managed Core Funds*

- 1.3.3 The Council's core funds were transferred from the Council's External Fund Manager to in-house management on 1 August 2014. The Council achieved a return of 0.64% on its internally managed core fund investments for the month of August 2014, compared to a 7-day LIBID benchmark of 0.35%. Investment income achieved for the month of August 2014 is £7,300.

- 1.3.4 At the end of August 2014 the value of the fund stood at £13.4m. This was invested at an average rate of 0.71% and an average maturity of 0.82 years.

*Internally Managed Cash flow Funds*

- 1.3.5 The Council achieved a return of 0.66% on its internal cash flow investments for the period ended August 2014, compared to a 7-day LIBID benchmark of 0.35%. Investment income achieved for the period ended August 2014 is £27,600.
- 1.3.6 In cash terms, the value of internally managed cash flow investments at the end of August 2014 was £8.2m. This was invested at an average rate of 0.73% and an average maturity of 0.15 years.

*All investments*

- 1.3.7 The combined return figure for externally and internally managed investments is compared with the original estimate for 2014/15 later in this report.

## **1.4 Approved Variations to the Revenue Budget**

- 1.4.1 Listed below are the variations that have been agreed to the revenue budget. It has been based upon those variations approved by Portfolio Holders, Committees, Cabinet and Council up to the meeting of General Purposes Committee on 1 September 2014.

- 1.4.2 Local Environmental Management Advisory Board 27 May 2014

- Recommended that the Waste Electrical and Electronic Equipment recycling pilot be extended to 30 June 2015. The cost of extension is £19,000 of which £6,000 is being funded by a contribution from Kent County Council and the remainder from existing revenue budgets and an earmarked reserve.

#### 1.4.3 Overview and Scrutiny Committee 11 June 2014

- Approved changes to the Council's courier service which will generate non-salary savings of £7,300 per annum.

#### 1.4.4 General Purposes Committee 23 June 2014

- Approved various establishment changes which will generate permanent savings of £86,000 per annum. In addition, there are time limited costs and a one-off redundancy cost of £30,700.

#### 1.4.5 Finance, Innovation and Property Advisory Board 23 July 2014

- Recommended that the existing lease of Wrotham car park be assigned to Wrotham Parish Council. This will generate savings of £5,500 per annum.

#### 1.4.6 General Purposes Committee 1 September 2014

- Approved the deletion of a Building Control Technician post and payment of an out of hours allowance to three building control posts as part of the building control partnership arrangements with Sevenoaks District Council. The partnership is expected to generate net savings of £25,000 per annum.
- Approved the deletion of a Printing Assistant post which will generate permanent savings of £20,700 per annum. There is a one-off redundancy cost of £7,800.

#### 1.4.7 A summary of the approved variations to the revenue budget is given in the table below.

Description	Paragraph Reference	2014/15 £	2015/16 £
Waste Electrical and Electronic Equipment	1.4.2	-	-
Courier Service – Non-Salary	1.4.3	(1,800)	(7,300) *
Establishment Changes – Permanent	1.4.4	(50,200)	(86,000) *
Establishment Changes – Time Limited Costs	1.4.4	19,300	18,200
Establishment Changes – Redundancy	1.4.4	30,700	-
Wrotham Car Park	1.4.5	(2,200)	(5,500) *
Building Control	1.4.6	(12,500)	(25,000) *
Print Section	1.4.6	(10,300)	(20,700) *
Print Section – Redundancy	1.4.6	7,800	-
<b>Total</b>		<b>(19,200)</b>	<b>(126,300)</b>

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

## **1.5 Virements**

- 1.5.1 At the time of writing this report there are no virements to the original revenue estimates for 2014/15 that were approved by Council on 18 February 2014.

## **1.6 Revenue Budget Monitoring**

- 1.6.1 As part of our budgetary monitoring and control arrangements Chief Officers confirm that budgetary control has been undertaken within the Service areas under their control each month and at the same time highlight those areas, if any, that they wish to bring to the attention of the Director of Finance and Transformation. In addition, the Accountancy Section also monitors budgetary performance across the whole range of services during the year. At the time of writing this report the following areas have been brought to my attention.
- 1.6.2 The RPI increase from 1 March 2014 in respect of the Refuse Collection and Recycling and Amenity and Street Cleansing contracts was 0.3% less than estimated. As a consequence the contract payments will be in the order of £11,000 less than the current estimate.
- 1.6.3 Paper recycling income is now expected to be £50,000 less than that estimated (£17,500 of which is reflected in the Income Monitoring Statement above) following reduction in the price paid for paper and tonnages collected.
- 1.6.4 Telephone (landline) allowances are no longer paid to key staff who may be called 'out of hours'. This will produce annual savings of £4,500.
- 1.6.5 The Council has been awarded the following grants from central government and other public bodies. It is anticipated that these grants will be used to fund as yet unbudgeted expenditure. Any residual balance at the year-end will be transferred to reserves.
- Discretionary Housing Payments £75,494 (in addition to budgeted £90,000)
  - Welfare Reform Grant £18,015
  - New Homes Bonus Adjustment £6,845
  - Localising Council Tax Support New Burdens Grant £75,660
  - Individual Electoral Registration Grant £20,370 (in addition to budgeted £25,000)
  - Housing Benefits Grants £5,305
  - Public Health Funding £79,853 (in addition to budgeted £72,300)

- 1.6.6 The Council has received a one-off payment of £25,000 in respect of the new ground lease granted at Vale Rise, Tonbridge, as reported to this Board on 22 May 2013.
- 1.6.7 The Council has paid Tonbridge and Malling Leisure Trust £6,250 for supporting the delivery of Capital Plan schemes in 2013/14. Future payments are the subject of discussion.
- 1.6.8 In accordance with the Council's Treasury Management Strategy for 2014/15, management of the Council's core fund investments was brought in-house at the end of July. This will generate savings of £17,000 per annum.
- 1.6.9 A summary of the items identified through budgetary control is given in the table below.

Description	Paragraph Reference	2014/15 £	2015/16 £	
Environmental Health Contracts RPI Increase	1.6.2	(11,000)	(11,000)	*
Paper Recycling	1.6.3	32,500	50,000	*
Telephone Allowances	1.6.4	(4,500)	(4,500)	*
Central Government Grants	1.6.5	-	-	
One-off Payment for Vale Rise, Tonbridge	1.6.6	(25,000)	-	
Capital Plan Support by TMLT	1.6.7	6,250	-	
Core Fund Investment Management	1.6.4	(11,300)	(17,000)	*
<b>Total</b>		<b>(13,050)</b>	<b>17,500</b>	

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

## 1.7 Revenue Budget Summary

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

Description	Budget to August £	Actual to August £	Variance £
Salaries Monitoring Statement	4,079,800	4,081,450	1,650
Income Monitoring Statement	(1,937,300)	(1,959,450)	(22,150)
Treasury Management	(69,800)	(60,400)	9,400
Approved Variations to the Revenue Budget			(19,200)
Revenue Budgetary Control			(13,050)
<b>Net Favourable Variance</b>			<b>(43,350)</b>

1.7.2 This would mean that rather than having to draw down £1,076,850 (original estimate for 2014/15) from the General Revenue Reserve to support our budget in 2014/15 as anticipated when the budget was set in February 2014, if nothing else changed, we would draw down in the order of £1,034,000.

## 1.8 Medium Term Financial Strategy

1.8.1 Members will recall that the projected funding gap identified (albeit this is a forever moving target) as part of the 2014/15 budget setting process was £1.875m. As in previous iterations of the Medium Term Financial Strategy the savings target was initially broken down into tranches (tranche one £650,000, tranche two £700,000 and tranche three £525,000) to be achieved by the start of the year 2016/17, 2017/18 and 2019/20 respectively.

1.8.2 However, in order to maintain momentum and focus, a savings target for this year of £200,000 was set by breaking out the first savings tranche into two parts – i.e. £200,000 followed by £450,000. From the information given in the tables above net savings of around £125,000 have been identified to date.

## 1.9 Capital Monitoring Statement

1.9.1 Appended for information at **[Annex 3]** is a capital monitoring statement which compares actual capital expenditure for the period 1 April 2014 to 31 August 2014 with the 2014/15 Capital Plan.

1.9.2 The Capital Plan for 2014/15 is based on the 2014/15 budgets that were approved by Council on 18 February 2014, amended for slippage from 2013/14.

1.9.3 Prior year's expenditure is only shown for finite schemes for which there is a budget in 2014/15. Where schemes are of a rolling programme nature, prior year's expenditure has not been shown in order to avoid large, generally meaningless, totals building up.

1.9.4 Capital Plan schemes which are scheduled to start after 2014/15 have not been shown. The budget profile for these schemes can be found in the 2014/15 Budget



Book. Members will note that at the end of August net expenditure of £426,000 has been incurred against an amended 2014/15 net expenditure budget of £2.8m.

## **1.10 Approved Variations to the Capital Plan**

- 1.10.1 A report detailing the use of the urgency procedure to create a new Capital Plan scheme was submitted to the June 2014 meeting of Overview and Scrutiny Committee. The scheme, funded in full by Government, has enabled the Council to comply with the requirement to introduce individual electoral registration from June 2014.
- 1.10.2 Members at the September 2013 meeting of Overview and Scrutiny Committee recommended the introduction of a Capital Plan scheme to enable committee agendas to be viewed electronically during meetings using tablet computers. The initial scheme to provide tablet computers for Members and Chief Officers has proved a success. Management Team, under delegated authority, approved a virement of £11,000 to enable the scheme to be expanded so that officers attending meetings can view agendas electronically.
- 1.10.3 The Government announced a number of schemes to support businesses and home owners recover from the impact of the recent flooding. The Repair and Renewals Grant scheme is deemed capital expenditure and appears within the Corporate Services section of the capital monitoring statement. Expenditure incurred thus far of £49,000 has been reimbursed in full by Government.

## **1.11 Capital Plan Issues**

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

## **1.12 Legal Implications**

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

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

- 1.13.1 As set out above.

## 1.14 Risk Assessment

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

## 1.15 Equality Impact Assessment

1.15.1 See 'Screening for equality impacts' table at end of report

## 1.16 Recommendations

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

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

Background papers:

contact: Neil Lawley

Nil

Sharon Shelton  
Director of Finance and Transformation

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	Report details results of internal budget monitoring regime.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	See comment above.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		Not applicable.

*In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.*

**Salaries Budgetary Control Monitoring Statement**

Annex 1

**Period Ended Last Day of August 2014****2014/15 Financial Year**

	<b>Annual Budget 2014/15</b>	<b>Budget to end of August (a)</b>	<b>Actual to end of August (b)</b>	<b>Above (Below) Budget (b - a)</b>
<b>Service</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Central</b>				
Administrative & Property	710,000	295,350	285,450	(9,900)
Legal	323,100	134,550	139,700	5,150
Personnel	649,150	270,500	264,850	(5,650)
<b>Executive</b>	597,900	256,850	250,850	(6,000)
<b>Finance &amp; Transformation</b>				
Finance	2,015,350	839,100	849,700	10,600
Information Technology	781,100	325,450	326,750	1,300
<b>Planning, Housing &amp; Environmental Health</b>				
Environmental Health & Housing	1,175,500	476,400	489,150	12,750
Planning	1,867,850	777,250	725,850	(51,400)
Transportation	704,900	293,350	239,800	(53,550)
<b>Street Scene &amp; Leisure</b>	1,151,400	511,950	529,350	17,400
Management Savings	9,976,250	4,180,750	4,101,450	(79,300)
Shared Working Arrangements	(102,150)	(42,600)	(22,850)	19,750
Sub-total	9,874,100	4,138,150	4,078,600	(59,550)
Other factors impacting on the management savings above				(16,000)
Non-budgeted spend on recruitment & other expenses to the end of August				3,200
Payments outstanding for the period to the end of August				15,650
Budgeted management savings to the end of August				58,350
<b>Net Management Savings</b>				<b>1,650</b>

Financial Services  
9 September 2014



**Income Budgetary Control Monitoring Statement**

Annex 2

**Period Ended Last Day of August 2014****2014/15 Financial Year**

	<b>Annual Budget 2014/15</b>	<b>Budget to end of August (a)</b>	<b>Actual to end of August (b)</b>	<b>(Above) Below Budget (b - a)</b>
<b>Service</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Central</b>				
Land Charges	(273,600)	(115,050)	(123,850)	(8,800)
Licensing	(221,100)	(84,150)	(94,600)	(10,450)
	-----	-----	-----	-----
Sub-Total	(494,700)	(199,200)	(218,450)	(19,250)
	-----	-----	-----	-----
<b>Planning, Housing &amp; Environmental Health</b>				
Planning Fees	(620,000)	(258,300)	(276,700)	(18,400)
Building Regulations	(330,000)	(153,000)	(156,200)	(3,200)
Short Stay Car Parking	(1,528,000)	(632,000)	(636,050)	(4,050)
Long Stay Car Parking	(544,500)	(240,000)	(233,250)	6,750
Penalty Charge Notices	(205,000)	(85,450)	(59,900)	25,550
Car Parks Season Tickets	(140,750)	(66,000)	(97,600)	(31,600)
Residents Parking Permits	(92,000)	(44,000)	(43,400)	600
	-----	-----	-----	-----
Sub-Total	(3,460,250)	(1,478,750)	(1,503,100)	(24,350)
	-----	-----	-----	-----
<b>Street Scene &amp; Leisure</b>				
Recycling	(883,300)	(259,350)	(237,900)	21,450
	-----	-----	-----	-----
Sub-Total	(883,300)	(259,350)	(237,900)	21,450
	-----	-----	-----	-----
<b>Grand Total</b>	<b>(4,838,250)</b>	<b>(1,937,300)</b>	<b>(1,959,450)</b>	<b>(22,150)</b>
	-----	-----	-----	-----



**CAPITAL PLAN MONITORING STATEMENT 2014/15 TO 31 AUGUST 2014**  
**SUMMARY OF SERVICES**

	Expenditure To 31/03/14	2014/15 Estimate Inc Prior Year Slippage	2014/15 Actual to 31 August 2014
	£'000	£'000	£'000
<b>Capital Plan Schemes</b>			
Planning, Housing & Environmental Health	635	829	68
Street Scene & Leisure	543	734	135
Corporate	71	124	23
Sub-total	1,249	1,687	226
<b>Capital Renewals</b>			
Planning, Housing & Environmental Health	n/a	50	11
Street Scene & Leisure	n/a	640	33
Corporate	n/a	454	156
Sub-total	n/a	1,144	200
<b>Total</b>	1,249	2,831	426

**CAPITAL PLAN MONITORING STATEMENT 2014/15 TO 31 AUGUST 2014**  
**PLANNING, HOUSING AND ENVIRONMENTAL HEALTH**

	Expenditure To 31/03/14	2014/15 Estimate Inc Prior Year Slippage	2014/15 Actual to 31 August 2014
	£'000	£'000	£'000
<b>Capital Plan Schemes</b>			
Car Parking	90	104	0
Transportation	362	38	0
Environmental Improvements	80	320	23
Land Drainage / Flood Defence	29	43	3
Housing Investment Programme	74	324	42
Environmental Health	0	0	0
Sub-total	635	829	68
<b>Capital Renewals</b>	n/a	50	11
<b>Total Planning, Housing and Environmental Health</b>	635	879	79



**CAPITAL PLAN MONITORING STATEMENT 2014/15 TO 31 AUGUST 2014**  
**PLANNING, HOUSING AND ENVIRONMENTAL HEALTH**

	Code	Expenditure To 31/03/14	2014/15 Estimate Inc Prior Year Slippage	2014/15 Actual to 31 August 2014
		£'000	£'000	£'000
<b>Car Parking</b>				
(a) Improvement Programme for Existing Car Parks				
(i) Rolling Programme	P01AB	59	52	
(b) Car Parking Action Plan				
(i) Phase 6	P01MA	32	6	
(ii) Phase 7	P01MB	(1)	26	
(iii) Phase 8	P01AV		20	
<b>Total Car Parking to Summary</b>		90	104	0
<b>Transportation</b>				
(a) Local Transport Plan Partnership Programme Less Grants & Contributions	P01ED	201 (9)	34	
Sub-total		192	34	0
(b) Community Partnership Initiatives	P06FE	170	4	
<b>Total Transportation to Summary</b>		362	38	0

**CAPITAL PLAN MONITORING STATEMENT 2014/15 TO 31 AUGUST 2014**  
**PLANNING, HOUSING AND ENVIRONMENTAL HEALTH**

	Code	Expenditure To 31/03/14	2014/15 Estimate Inc Prior Year Slippage	2014/15 Actual to 31 August 2014
		£'000	£'000	£'000
<b>Environmental Improvements</b>				
(a) Tonbridge Town Centre Enhancement - Phase 1	P01FH	80	20	23
(b) Tonbridge Town Lock Less Developer Contributions Environment Agency Other Grants and Contributions	P01LD		792 (260) (230) (2)	
Sub-total		0	300	0
Total Environmental Improvements to Summary		80	320	23
<b>Land Drainage / Flood Defence</b>				
(a) Drainage				
(i) Drainage Improvement Programme Less DEFRA Grant	P01HR	57 (28)	43	3
Sub-total		29	43	3
Total Land Drainage / Flood Defence to Summary		29	43	3



**CAPITAL PLAN MONITORING STATEMENT 2014/15 TO 31 AUGUST 2014**  
**PLANNING, HOUSING AND ENVIRONMENTAL HEALTH**

	Code	Expenditure To 31/03/14	2014/15 Estimate Inc Prior Year Slippage	2014/15 Actual to 31 August 2014
		£'000	£'000	
<b>Capital Renewals</b>				
(a) CCTV Capital Renewals	P01BA	n/a	40	
(b) Car Parking	P01JF	n/a	9	5
(c) Environmental Protection	P02EB CR01	n/a	8	6
Provision for Inflation / Savings Target	P01JZ/P02EZ	n/a	(7)	
Total Capital Renewals to Summary		n/a	50	11

**CAPITAL PLAN MONITORING STATEMENT 2014/15 TO 31 AUGUST 2014**  
**STREET SCENE & LEISURE**

	Expenditure To 31/03/14	2014/15 Estimate Inc Prior Year Slippage	2014/15 Actual to 31 August 2014
	£'000	£'000	£'000
<b>Capital Plan Schemes</b>			
Street Scene	n/a	83	25
Larkfield Leisure Centre	0	280	5
Tonbridge Swimming Pool	0	92	0
Sports Grounds	20	125	8
Open Spaces	10	15	0
Capital Grants	398	25	25
Other Schemes	115	114	72
Sub-total	543	734	135
<b>Capital Renewals</b>	n/a	640	33
<b>Total Street Scene and Leisure</b>	543	1,374	168

**CAPITAL PLAN MONITORING STATEMENT 2014/15 TO 31 AUGUST 2014**  
**STREET SCENE & LEISURE**

	Code	Expenditure To 31/03/14	2014/15 Estimate Inc Prior Year Slippage	2014/15 Actual to 31 August 2014
		£'000	£'000	£'000
<b>Street Scene</b>				
(a) Green Waste Bins Growth / Replacement	P02BC	n/a	52	12
(b) Refuse Bins Growth / Replacement	P02DA	n/a	31	13
Total Street Scene to Summary		n/a	83	25
<b>Larkfield Leisure Centre</b>				
(a) Refurbishment of Lifestyles Health Suite	P05LL		240	5
(b) Energy Saving Measures Phase 3	P05LM		40	
Total Larkfield Leisure Centre to Summary		0	280	5
<b>Tonbridge Swimming Pool</b>				
(a) Car Park Improvement / Extension	P05CM		92	
Total Tonbridge Swimming Pool to Summary		0	92	0

**CAPITAL PLAN MONITORING STATEMENT 2014/15 TO 31 AUGUST 2014**  
**STREET SCENE & LEISURE**

	Code	Expenditure To 31/03/14	2014/15 Estimate Inc Prior Year Slippage	2014/15 Actual to 31 August 2014
		£'000	£'000	£'000
<b>Sports Grounds</b>				
(a) Tonbridge Racecourse Sportsground				
(i) Bridge Renewal Repair	P05DT	20	125	7
(ii) Improvement Works - Phase 2 Less Contribution from Developers	P05DZ		65 (65)	1
Sub-total		0	0	1
(iii) Flood Lighting Less Grants and Contributions	P05DA	8 (8)	12 (12)	
Sub-total		0	0	0
Total Sports Grounds to Summary		20	125	8
<b>Open Spaces</b>				
(a) East Malling & Larkfield PC - Recreation Ground Improved Play Facilities	P05FR	10	15	
(b) Open Spaces Site Improvements - Phase 1 Less Developer Contributions	P05FT	68 (68)	31 (31)	
Sub-total		0	0	0
(c) Open Spaces Site Improvements - Phase 2 Less Developer Contributions	P05FV	56 (56)	13 (13)	
Sub-total		0	0	0
Total Open Spaces to Summary		10	15	0





**CAPITAL PLAN MONITORING STATEMENT 2014/15 TO 31 AUGUST 2014**  
**STREET SCENE & LEISURE**

	Code	Expenditure To 31/03/14	2014/15 Estimate Inc Prior Year Slippage	2014/15 Actual to 31 August 2014
		£'000	£'000	£'000
<b>Capital Renewals</b>				
(a) Recycling Initiatives	P02EBCR02	n/a	26	14
(b) Sports Grounds & Open Spaces	P05KGBC05	n/a	215	8
(c) Angel Centre	P05KGBC01	n/a	133	1
(d) Larkfield Leisure Centre	P05KGBC02	n/a	181	4
(e) Tonbridge Swimming Pool	P05KGBC04	n/a	92	5
Poult Wood Golf Course:				
Clubhouse	P05KGBC03	n/a	38	1
Grounds Maintenance	P05KGBC06	n/a	26	
Course	P05KGBC07	n/a	18	
Provision for Inflation / Savings Target	P05KZ	n/a	(89)	
<b>Total Capital Renewals to Summary</b>		n/a	640	33

**CAPITAL PLAN MONITORING STATEMENT 2014/15 TO 31 AUGUST 2014**  
**CORPORATE**

	Expenditure To 31/03/14	2014/15 Estimate Inc Prior Year Slippage	2014/15 Actual to 31 August 2014
	£'000	£'000	£'000
<b>Capital Plan Schemes</b>			
Land and Property	10	60	0
Information Technology Initiatives	75	50	24
Other Schemes	(14)	14	(1)
Sub-total	71	124	23
<b>Capital Renewals</b>	n/a	454	156
<b>Total Corporate</b>	71	578	179

**CAPITAL PLAN MONITORING STATEMENT 2014/15 TO 31 AUGUST 2014**  
**CORPORATE**

	Code	Expenditure To 31/03/14	2014/15 Estimate Inc Prior Year Slippage	2014/15 Actual to 31 August 2014	
		£'000	£'000	£'000	
<b>Land and Property</b>					
(a) Tonbridge Castle Offices: Re-tile Roof	P06AA	10	60		
Total Land and Property to Summary		10	60	0	
<b>Information Technology Initiatives</b>					
(a) General IT Developments	P06DA	n/a	30	13	
(b) Document Management System Expansion	P06DE	51	9		
(c) Tablets Computers for Members / Senior Officers	P06DC	24	11	11	
Total Information Technology Initiatives to Summary		75	50	24	
<b>Other Schemes</b>					
(a) Local Strategic Partnership Less Performance Reward Grant	P06FJ	135	14		
Sub-total		(149)	14	0	
(b) Electoral Voters Registration Less Government Grant	P06FK		30	30	
Sub-total		0	(30)	(1)	
(c) Flood Repair and Renewal Less Government Grant	P06FM			49	
Sub-total		0	0	(49)	0
Total Other Schemes to Summary		(14)	14	(1)	

2014/15 provision of £11,000 represents an extension of the original scheme supported by Overview and Scrutiny Committee, 10 Sept 2013. A further 35 tablet computers have been acquired to enable all officers attending meetings to have access to paperless copies of agendas. Funded by virement approved by Management Team under delegated authority from the IT Capital Renewals underspend in 2013/14.

Scheme introduced to enable the Council to comply with the requirement to implement Individual voter registration commencing June 2014. See report to Overview and Scrutiny Committee, 11 June 2014

Government funded scheme to enable business and homeowners to make flood damaged properties more resilient in the future.

**CAPITAL PLAN MONITORING STATEMENT 2014/15 TO 31 AUGUST 2014**  
**CORPORATE**

	Code	Expenditure To 31/03/14	2014/15 Estimate Inc Prior Year Slippage	2014/15 Actual to 31 August 2014
		£'000	£'000	£'000
<b>Capital Renewals</b>	P06FA			
(i) General				
Departmental Administration	GR01	n/a	96	
Council Offices	GR02	n/a		
Print Unit	GR03	n/a	89	28
Photocopiers	GR04	n/a		
Telephones	GR05	n/a	74	
Snack Facilities	GR06	n/a	13	
Tonbridge Christmas Lighting	GR09	n/a		
	Sub-total	n/a	272	28
(ii) Information Technology	P06FB	n/a	258	128
Provision for Inflation / Savings Target	P06FZ	n/a	(76)	
Total Capital Renewals to Summary		n/a	454	156

## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

24 September 2014

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

#### Part 1- Public

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

#### 1 COUNCIL TAX DISCOUNTS

**A report seeking the views of Members as to whether there should be any change to certain council tax discounts with effect from 1 April 2015.**

#### 1.1 Consultation

1.1.1 In my report to your Board of 23 July 2014 [**Annex 1**] Members' guidance was sought on which council tax discounts might be amended and whether a premium should be charged on long term empty properties.

1.1.2 Although there is no legal requirement to do so, it was requested that views be obtained from the main Registered Social Landlords (RSL) and landlords who are members of the Council's landlord forum in order to ascertain any unintended consequences from the suggested changes to the council tax discounts. Information was, therefore, placed on the Council's website in line with the guidance provided by Members below and emails sent to landlords to request their views [**Decision D140088MEM**].

- for the financial year 2015/16 and beyond, the Council is minded to reduce the period of the vacant and unfurnished properties discount to two months and to reduce the discount for uninhabitable properties and those undergoing repair from the current rate of 100%, for example to 50%;
- the Council is minded to charge a premium of 50% on properties empty for longer than two years.

1.1.3 There were just twelve responses to the consultation in total, and these are shown at [**Annex 2**].

1.1.4 Members will note that four responses support Members' initial view the discount for vacant and substantially unfurnished properties be reduced to two months, with half the responses suggesting the discount remain unchanged at three months. Just two responses suggested a period of discount lower than two months.

1.1.5 Seven of the respondents have suggested the current 100% discount awarded to 'uninhabitable properties' and those undergoing repair should remain the same, with the other five supporting Members' initial view that there should be a reduction in the discount to 50%.

1.1.6 In respect of whether a premium of 50% should be charged on properties that have been empty for longer than two years, seven responses support Members' initial view. Two responses suggested a premium of 25% be charged, with three responses suggesting no premium be applied.

## 1.2 Financial Considerations

1.2.1 My report of 23 July also set out the financial implications of amending the level of discounts. I have remodelled the impact of the proposed changes using the current financial year's charges as follows:

### 1) Vacant and substantially unfurnished properties

If Members were inclined to reduce the period of no charge from three months to two months, the additional income generated would be in the region of **£375,000** and a reduction of the period to one month would generate additional income of circa **£400,000** (August 2014 figures). It is important to note that any additional income would have to be shared with the precepting authorities; our share being approximately 15%.

### 2) Uninhabitable properties and properties undergoing repair

If Members reduced the current 100% discount to 75%, the additional income generated would be in the order of **£35,000**. A reduction of the discount to 50% would produce additional income of around **£70,000** (August 2014 figures). As above, any additional income would have to be shared with the precepting authorities.

### 3) Properties that have been empty for longer than two years

If Members decided to charge a 50% premium on long-term empty properties, additional income, to be shared with the precepting authorities, would amount to some **£50,000** (August 2014 figures).

1.2.2 The maximum potential income that would be generated, for Tonbridge and Malling, from the above would be in the order of **£80,000** at August 2014 figures ( $[\text{£}400,000 + \text{£}70,000 + \text{£}50,000] \times 15\%$ ).

1.2.3 However, as Members will recall from previous reports, Kent County Council has offered to share with districts 25% of the additional revenue accruing to the County from the above changes. **Therefore, in addition to the £80,000 mentioned above, we could receive, approximately, an extra £90,000; giving a total of £170,000.**

1.2.4 This is not an insignificant figure and Members will be very aware of the Council's budget position and the requirement, because of reductions in the level of Government grant, to make ever greater budget savings. In addition, I anticipate that the Government will continue at least in the short term to restrict the amount by which the council tax can be increased each year without the need for a referendum to be held.

### **1.3 Non-financial considerations**

1.3.1 The amount of long term empty properties in the Borough impacts on the Council's key corporate priorities and has a detrimental effect on residents who live next to them.

1.3.2 Therefore, reducing the level of discount and applying a premium on long term empty properties would seem to be an option to encourage owners of these properties to bring them back into use.

1.3.3 Local authorities that have applied a premium have seen a reduction in the amount of properties that have been empty for longer than two years. For example, when Gravesham Borough Council implemented the additional charge on 1 April 2013, approximately 80 properties were eligible to pay it. Current figures show that approximately 50 properties are now eligible, suggesting that the owners have been encouraged to bring their properties back into use to avoid paying extra council tax. Although the amount of income raised by applying the premium will have reduced, the properties that have been brought back into use will have increased the amount of 'new homes bonus' payable to the Council.

1.3.4 Members should note that there are currently two statutory exemptions from the premium; namely unoccupied annexes and properties left empty by a member of the armed forces. Although the Government's intention to implement a premium was not to penalise owners of property that are genuinely on the market for sale or rent, there is currently no exemption that can be applied for these circumstances.

1.3.5 Although amending the levels of discount is financially favourable to the Council, I feel I should make Members aware of the extra administrative burden this would place on the Revenues team.

1.3.6 The local authorities that have reduced the discount for vacant and substantially unfurnished properties to one month and below have reported an increased level of disputes over periods of liability (for example, between landlord and tenant) and a difficulty in collecting small amounts of council tax owed by landlords when their properties are empty.

1.3.7 That being said, the collection rates have not been adversely affected and the number of complaints and appeals received are still relatively low compared to the period prior to the discounts being amended.

## 1.4 Legal Implications

- 1.4.1 Section 11A(4) of the Local Government Finance Act 1992 (the Act) states that an English billing authority may determine that the council tax discounts applicable where there is no resident of a dwelling shall be replaced by a lower discount or no discount at all.
- 1.4.2 Section 11B of the Act (inserted by the Local Government Finance Act 2012) makes provision for an empty homes premium to be charged in relation to such classes of long term empty dwelling as billing authorities choose, subject to exceptions prescribed by the Secretary of State.

## 1.5 Financial and Value for Money Considerations

- 1.5.1 Any decision to change the value of discounts and/or to charge a premium will have an impact on the Council's finances.

## 1.6 Risk Assessment

- 1.6.1 A decision to decrease the value of discounts and/or to charge a premium, will have a negative financial effect on those liable to pay council tax, either through charging them when previously no charge was due or increasing the amount they are liable to pay.

## 1.7 Equality Impact Assessment

- 1.7.1 See 'Screening for equality impacts' table at end of report

## 1.8 Recommendations

- 1.8.1 Members are **REQUESTED** to consider the options below and make an appropriate **RECOMMENDATION** to Cabinet.
- a) Whether to retain the current period of three months 100% discount for vacant and unfurnished properties or to reduce the period to two months or lower with effect from 1 April 2015.
  - b) Whether to retain the current period of twelve months 100% discount for uninhabitable properties and those undergoing repair or to reduce the percentage to an amount below 100%, for example 50%, with effect from 1 April 2015.
  - c) Whether to charge a premium of 50% on properties that have been empty for longer than two years with effect from 1 April 2015.

Background papers:

Nil

contact: Glen Pritchard  
01732 876146  
glen.pritchard@tmbc.gov.uk



Sharon Shelton  
 Director of Finance and Transformation

<b>Screening for equality impacts:</b>		
<b>Question</b>	<b>Answer</b>	<b>Explanation of impacts</b>
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	The recommendation is ultimately to encourage more empty properties back into use to offset the shortfall in available properties therefore no one group in the community is affected in particular.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	Yes	It makes a positive contribution to bringing empty properties back into use for the benefit of everyone in the community.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		N/A

*In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.*

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

**23 July 2014**

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

**Part 1- Public**

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

**1 COUNCIL TAX DISCOUNTS**

**A report seeking the views of Members as to whether there should be any change to certain council tax discounts with effect from 1 April 2015.**

**1.1 Introduction**

- 1.1.1 Councils have the power to amend the level of certain discounts that may be granted to those liable to pay council tax. In addition, the Council may resolve, in the case of domestic properties that have been unoccupied for longer than two years, to charge a council tax premium (in effect a reverse discount).
- 1.1.2 This Council resolved in 2012 that the value of some discounts should be reduced but that the value of others should not be changed. Furthermore, the Council determined that no premium should be charged in respect of properties unoccupied for longer than two years.
- 1.1.3 Those determinations were made as part of the decision-making process in respect of the introduction of our local council tax reduction scheme. Last October the Council reviewed the operation of our council tax reduction scheme. As part of that review, your Board recommended to Cabinet that no changes be made to the current discounts in preparation for the financial year 2014/15 but the possibility of further amendments be considered in due course [**Decision FIP 13/049**]. That recommendation was approved by Cabinet on 9 October 2013 [**Decision D130130CAB**].
- 1.1.4 This report takes forward Cabinet's wish that further amendments be considered in due course.

**1.2 Discounts – the current position**

- 1.2.1 There are four areas in which Members have discretion. These are:

- 1) **Second-homes and long-term empty properties.** Such properties used to benefit from a 10% discount. However, Members resolved to remove the discount with effect from April 2013. There is no scope to make further amendments.
- 2) **Vacant and substantially unfurnished properties.** Until April 2013, no council tax was charged for the first six months during which the property was vacant and substantially unfurnished. Members determined that the six month period should be reduced to three months as from April 2013.
- 3) **Uninhabitable properties and properties undergoing repair.** Such properties have attracted a 100% discount for a period of one year. Members have not previously chosen to reduce the level of discount but may, if they wish, reduce it to 0%. It is not possible to amend the period for which a discount is given.
- 4) **Properties that have been empty for longer than two years.** These properties are subject to the full council tax charge. However, the Council may resolve to levy a premium of up to 50% in such cases.

### 1.3 Discounts – options for change – financial considerations

1.3.1 In my report to your Board of 9 October last year, I set out the financial implications of amending the level of discounts. Those were:

#### 1) **Vacant and substantially unfurnished properties**

If Members were inclined to reduce the period of no charge from three months to two months, the additional income generated would be in the region of £41,000 and a reduction of the period to one month would generate additional income of circa £98,000 (October 2013 figures). It is important to note that any additional income would have to be shared with the precepting authorities; our share being approximately 15%.

#### 2) **Uninhabitable properties and properties undergoing repair**

If Members reduced the discount to 75%, the additional income generated would be in the order of £25,000. A reduction of the discount to 50% would produce additional income of around £49,000 (October 2013 figures). In other words, each 1% reduction in the discount rate would produce additional income of about £1,000. As I stated above, any additional income would have to be shared with the precepting authorities.

#### 3) **Properties that have been empty for longer than two years**

If Members decided to charge a 50% premium on long-term empty properties, additional income, to be shared with the precepting authorities, would amount to some £82,000 (October 2013 figure).

- 1.3.2 The maximum, potential income that would be generated, for Tonbridge and Malling, from the above equates to about just over £34,000 at October 2013 figures ( $[\text{£}98,000 + \text{£}49,000 + \text{£}82,000] \times 15\%$ ). However, Kent County Council has offered to share with districts 25% of the additional revenue accruing to the County from changes to discounts. Therefore, in addition to the £34,000 mentioned above, we could receive, approximately, an extra £42,000; giving a total of £76,000.
- 1.3.3 Although this might not seem a significant figure in terms of the Council's overall budget, Members will be very aware of the Council's budget position and the requirement, because of reductions in the level of Government grant, to make ever greater budget savings. In addition, I anticipate that the Government will continue to restrict the amount by which the council tax can be increased each year.

#### **1.4 Non-financial considerations**

- 1.4.1 There are, of course, reasons why Members might not wish to alter the council tax discounts or might not wish to change them in such a way as to produce the maximum financial gain. For instance, in the case of landlords, there will almost inevitably be a period of vacancy between lets, either to find new tenants and/or to redecorate the property. Therefore members might consider that a shortening of the period for which a 100% discount is given to one month might be too severe. In the case of uninhabitable properties or those undergoing repair, if Members decided to reduce the discount to less than 25%, then there would be an advantage in the taxpayer saying that the property was occupied by one person as a 25% single occupancy discount could then be claimed.

#### **1.5 Neighbouring authorities**

- 1.5.1 I have asked our neighbouring authorities what decisions they have made in respect of discounts and their responses are shown in the following table:

Authority	Vacant & Unfurnished discount – period at 100%	Uninhabitable/Undergoing repair discount (%) over 12 months	Premium %
Ashford	6 weeks	100	50
Canterbury	None	100	0
Dartford	3 months	100	50
Dover	None	100	0
Gravesham	1 month	100	50
Maidstone	1 month	100	50
Medway	3 months	100	0
Sevenoaks	3 months	100	50
Shepway	None	0	50
Swale	3 months	100	0
Thanet	None	100	0
Tunbridge Wells	1 month as from April 2015 (previously 2 months)	25% as from April 2015 (previously 50%)	50
Tonbridge and Malling	3 months	100	0

1.5.2 As can be seen from the above:

- 1) **in respect of those properties that are vacant and unfurnished:** four other authorities give no discount; three – from April next year – will give a discount for one month; one will give a discount for six weeks; and four will give a discount for three months. Thus the authorities giving a discount of three months are in the minority.
- 2) **in respect of properties that are uninhabitable or undergoing repair,** we are in line with the majority of Kent authorities in allowing a 100% discount for twelve months.

- 3) **in respect of properties empty for longer than two years**, there is an even split between those other authorities charging a 50% premium and those not charging a premium.

## **1.6 The way forward**

- 1.6.1 When I reported on this subject in October last year, Members did not consider that they wished to amend discounts in respect of the year 2014/15 but wished to reconsider the issue for future years. Now appears to be an appropriate time to do so if Members do wish to make changes for the years 2015/16 onwards.
- 1.6.2 In the light of the foregoing information, I should be grateful if Members would give me guidance as to which discounts they might wish to amend and whether they are minded to charge a premium for properties empty for longer than two years.
- 1.6.3 In the light of Members' guidance, I can then refine my calculations as to the financial impact of those changes and present my findings to your Board in September for decision by Cabinet in October. By taking my findings to your Board in September, this will allow me time to 'consult' our residents via the website on any amendments to the discounts proposed by Members. The results of that 'consultation' will be available to inform Member's decision-making in September/October.

## **1.7 Legal Implications**

- 1.7.1 None at this stage

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

- 1.8.1 None at this stage but ultimately any decision made has an effect on the Council's budget.

## **1.9 Risk Assessment**

- 1.9.1 None at this stage but in due course a decision to decrease the value of discounts and/or to charge a premium, will have a negative financial effect on those liable to pay council tax, either through charging them when previously no charge was due or increasing the amount they are liable to pay.

## **1.10 Equality Impact Assessment**

- 1.10.1 See 'Screening for equality impacts' table at end of report

## 1.11 Recommendations

1.11.1 Members' guidance is **REQUESTED** as to :

- 1) those discounts that they believe should be amended and the extent to which they should be amended for the financial year 2015/16 and beyond; and
- 2) whether the Council should charge a premium on properties that have been empty for longer than two years and, if so, the percentage premium to be charged for the financial year 2015/16 and beyond .

1.11.2 Subject to the above, the Director of Finance & Transformation be **AUTHORISED** to place relevant information on the Council's website seeking comments prior to the next meeting of this Advisory Board.

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

Background papers:

Nil

contact: Paul Griffin  
email:  
paul.griffin@tmbs.gov.uk

Sharon Shelton  
Director of Finance and Transformation

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	Report merely seeks guidance from Members as to how they might wish to amend discounts for future years.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	Report merely seeks guidance from Members as to how they might wish to amend discounts for future years.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		Not applicable.

*In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.*



Question 1 For the financial year 2015/2016 and beyond, the Council is minded to reduce the period during which vacant and uninhabited properties are not charged council tax from three months to two months			Question 2 For the financial Year 2015/2016 and beyond, the Council is minded to reduce the discount for uninhabitable properties, and those undergoing major repair. The discount is currently 100% but it could be reduced, for example to 50%		Question 3 For the financial year 2015/2016 and beyond, the Council is minded to charge a premium of 50% on properties that have been empty for longer than two years.		Are you a resident, a private landlord or a registered social landlord?	Any other comments	
Option chosen	If not two months how many months?	Reasons	What option: A = 50%, B= reduced but not to 50% and C = Stay at 100%	Reason for picking that option	Do you agree that a premium should be charged and at what rate?	Why should no premium be charged?	Are you:		
1	remain at three months	N/A	I think that 3 Months is reasonable	C	If there is work going on I do not feel that it is fair to penalise people for that.	Yes at 50%	N/A	A resident of Tonbridge and Malling	N/A
2	reduced to two months	N/A	N/A	C	You say you would like empty homes brought back into use. Allowing 100% discount enables people to do the work required to bring unusable properties back into use.	No	Doing so would open the system to abuse and encourage fraud. You would then have inaccurate records at to which properties are empty and which are not.	A resident of Tonbridge and Malling	N/A
3	shorter than two months	1	N/A	A	N/A	Yes at 50%	N/A	A resident of Tonbridge and Malling	N/A
4	reduced to two months	N/A	N/A	A	N/A	Yes at 50%	N/A	A resident of Tonbridge and Malling	N/A
5	reduced to two months	N/A	N/A	A	N/A	Yes at 50%	N/A	A resident of Tonbridge and Malling	N/A
6	remain at three months	N/A	As a RSL we sometimes have difficulties filling voids due to lack of interest within the area.	C	To reduce the % would have a negative impact on KPI's. Any major works are likely to benefit the new tenant and keep stock in better condition.	Yes at 25%	N/A	A registered social landlord	N/A
7	remain at three months	N/A	because I thought/believed that Council Tax pays for services used? Surely a vacant property uses no services? Most landlords would not choose to have long voids - surely they are either undertaking lengthy (and probably expensive) maintenance or actively seeking tenants. If there is a 3 month void for some reason I would imagine expenses are already running high	C	for the same reasons as stated above	Yes at 50%	N/A	A private landlord within Tonbridge and Malling	N/A
8	remain at three months	N/A	because there are genuine reasons why a property may be empty for that period	C	for reasons given at point 1	No	I would request that the owner be given the option to claim relief from this premium in the event that extenuating reasons can be shown. so look at situations on a case by case basis	A private landlord within Tonbridge and Malling	N/A
9	reduced to two months	N/A	N/A	A	N/A	Yes at 50%	N/A	A resident of Tonbridge and Malling	Anything that encourages empty buildings to be brought into use is a good idea. Please do try to keep the free period for landlords as we normally have short void periods. Thank you

10	remain at three months	N/A	It can take longer than 3 months to refurbish and then re-let properties at the end of long term lets, where there have been nightmare/destructive Tenants, or where Tenants leave/disappear unexpectedly without notice. Given the relatively low number of these instances the grace period should remain at, or increase to 6 months as the financial effect on Landlords is very considerable at a difficult time; whereas the potential gain to the council (after the administration costs of re-assigning the liability) would probably have minimal impact.	C	If a property is uninhabited then the burden on local services is negligible. If it is necessary to spend a lot of money on bringing it back into use then the owner already has considerable expense and the effect of CT liability is likely to be a huge burden; whereas the overall gain to the council is likely to be relatively minor.	No	If a property owner chooses to keep a property empty for whatever reason, AND are paying 100% council tax, then that should be their choice. There are probably very good reasons for their choice, and as the empty property is causing any burden on local services, the Council is already benefiting indirectly. I would suggest long term empty property CT rate should be reduced by 25/50% to reflect this.	A private landlord within Tonbridge and Malling	Private Landlords are generally very good and conscientious (despite the media scare stories) and deserve SUPPORT from the LA, rather than further burdens that will seriously affect the individual Landlords, and provide marginal overall benefit to the Council after the additional administrative costs.
11	shorter than two months	1	0	A	N/A	Yes at 50%	N/A	A resident of Tonbridge and Malling	N/A
12	remain at three months	N/A	If you are refurbishing a property then this is not an unreasonable time. The more run down houses that get back to habitable status the better. You shouldn't penalise people who have the vision to get off their sofa and do something positive	C	If the property is empty then there are no inhabitants using public services. Obviously you cannot leave a property empty indefinitely, but a bit refurb will take three months.	Yes at 25%	N/A	A resident of Tonbridge and Malling	This all looks like a ruse to raise more cash.

Summary

**Question 1**

For the financial year 2015/2016 and beyond, the Council is minded to reduce the period during which vacant and unfurnished properties are not charging council tax from three months to two months

Keep at three months	6
Reduce to two months	4
Less than two months	2

**Question 2**

For the financial Year 2015/2016 and beyond, the Council is minded to reduce the discount for uninhabitable properties, and those undergoing major repair. The discount is currently 100% but it could be reduced, for example to 50%

Reduce to 50%	5
Reduced but not to 50%	0
Stay at 100%	7

**Question 3**

For the Financial year 2015/2016, the Council is minded to charge a premium of 50% on properties that have been empty for longer than two years.

Charge a premium of 50%	7
Charge a premium of 25%	2
No premium	3

## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

24 September 2014

#### Report of the Director of Finance and Transformation and Cabinet Member for Finance, Innovation and Property

#### Part 1- Public

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

#### 1 APPLICATIONS FOR DISCRETIONARY RATE RELIEF

This report gives details of new applications for discretionary rate relief.

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

#### 1.1 New applications for rural rate relief

1.1.1 Members will be aware that discretionary rural rate relief can be granted either as a top-up to mandatory rural rate relief or, on its own, in cases where mandatory rural rate relief may not be granted (as shown at [Annex 1]). Members will also be aware that it is the Council's policy to seek the views of the appropriate parish councils in respect of applications for rural rate relief regarding properties in their areas. However, we have not consulted the parish in respect of this case as the previous ratepayer was awarded relief and the business has not changed since it changed hands on 4 June 2014.

1.1.2 The application is for Hadlow Superstore, 4-6 The Broadway, Hadlow (Rateable value £14,250). Before we comment on the merits of the application that Members have before them, we think it worthwhile to draw Members' attention to the following aspects of the rural rate relief policy (as previously agreed by Members).

- The legislation underpinning the rural rate relief scheme recognises the importance of small rural businesses. As such, a rural business (post offices, general stores, public houses, etc.) occupying premises with a rateable value under a specified level, may qualify for mandatory rural rate relief. This gives a business an automatic entitlement to 50% rate relief. Up to a further 50% discretionary relief may be awarded by the Council, to top up the mandatory relief.
- If a rural business has no entitlement to mandatory rural rate relief, because it occupies premises with a rateable value over a specified level,

or there is more than one such similar business in the settlement area, then the Council may grant discretionary relief (this may not be awarded if the rateable value of the premises exceeds £16,500).

- The policy states, as general considerations, that the 'Council wishes to target relief primarily at properties that are providing essential facilities for the local community ... where the number of such facilities in any settlement is limited **and mandatory rural rate relief has been awarded**'. The policy goes on to state that, 'as a general rule, the Council takes the view that the amount of relief that it would grant should decrease as the number of shops in a rural settlement increases'.

- 1.1.3 Notwithstanding the foregoing, the policy does give Members the scope to grant relief to businesses that would not otherwise qualify for relief under the terms of the policy but are 'demonstrably important to the life of the community'.
- 1.1.4 As stated at previous meetings of your Board, we do not think that consideration of the applicants' accounts will greatly assist Members. In some cases losses will be shown and in others profits. Should Members support the loss-making businesses in preference to those that are showing a profit or vice versa? In the case of those that are showing a loss, this might be because of various factors, e.g. the expenses incurred by the business or drawings by the owners. What is reasonable? Is the business occupying premises that are too large; is its stock appropriate; is it maximising income?
- 1.1.5 Bearing in mind the comments in the foregoing paragraph, we would suggest that Members focus on the nature of the business; its location; its intrinsic value to the local community; and the impact on the community were it to be lost, rather than whether the business is being run in a way that Members consider appropriate.
- 1.1.6 As mentioned at Paragraph 1.1.1, the previous ratepayers, Messrs P, R & K Patel, were awarded 80% discretionary relief at the 22 May 2013 meeting of this Board (Decision Notice D130061MEM refers).
- 1.1.7 In light of this previous decision, Members might therefore be inclined to grant a similar award of 80% to the new ratepayer, Mr Subasharan. Should this amount be awarded, the applicant will receive £4,427.92 relief for the period 4 June 2014 to 31 March 2015.
- 1.1.8 Members are **REQUESTED** to consider the application and make an appropriate **RECOMMENDATION** to Cabinet regarding discretionary rate relief. If relief is awarded, Members might wish, in view of the uncertainty surrounding Government funding for future financial years, to consider time-limiting any awards of relief, initially, to 31 March 2015.

## 1.2 Legal Implications

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

## 1.3 Financial and Value for Money Considerations

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

## 1.4 Risk Assessment

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

## 1.5 Equality Impact Assessment

- 1.5.1 See 'Screening for equality impacts' table at end of report

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

Background papers:

contact: Glen Pritchard  
01732 876146

Applications for relief from the organisations referred to in the main body of the report received between 25 April 2014 and 31 August 2014, and held in Financial Services.

Sharon Shelton  
Director of Finance and Transformation

Martin Coffin  
Cabinet Member for Finance,  
Innovation and Property

<b>Screening for equality impacts:</b>		
<b>Question</b>	<b>Answer</b>	<b>Explanation of impacts</b>
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	Where a grant of relief is not being recommended, the decisions could affect the viability of a business within the community thereby affecting all persons within the community rather than particular groups.

<b>Screening for equality impacts:</b>		
<b>Question</b>	<b>Answer</b>	<b>Explanation of impacts</b>
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	The decisions being recommended affect businesses rather than individuals.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		Not applicable.

*In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.*

## Policy in Respect of Rural Rate Relief

### Introduction

Tonbridge & Malling Borough Council recognises the importance of local facilities to the life of rural communities. To this end the Council supports the legislation that allows the Council to:

- Grant rate relief to village shops, post offices, petrol filling stations and public houses (mandatory rural rate relief).
- Allows the Council, at its discretion, to top up any mandatory rural rate relief that has been granted (discretionary rural rate relief).
- Permits the Council, at its discretion, to grant relief to other businesses in rural areas where the use of premises occupied by the businesses is of benefit to the local community but where the business does not qualify for mandatory rural rate relief (discretionary rural rate relief).

### The legislative background

Rural rate relief – whether mandatory or discretionary – may be granted only if a property is located within a rural settlement. Rural settlements are defined by reference to the Council's Rural Settlement List. The List is available for inspection at the Council's office at Kings Hill.

### The rural settlements

As at September 2014, the following are defined as rural settlements:

Addington	Golden Green/Barnes St	Plaxtol
Addington Clearway	Hadlow Village	Ryarsh
Aylesford Village	Hale Street	Shipbourne
Basted	Herne Pound	Snoll Hatch
Birling	Hildenborough Village	Stansted
Blue Bell Hill	Ightham	Trottiscliffe
Burham	Ivy Hatch	Wateringbury
Crouch	Little Mill	West Malling
Dunks Green	Mereworth Village	West Peckham
Eccles	Offham	Wouldham
East Malling Village	Oldbury	Wrotham
East Peckham Village	Peckham Bush	Wrotham Heath
Fairseat	Platt	

### Mandatory rural rate relief

Mandatory rural rate relief can be granted to the following types of property:

Type of property	Rateable value limit £
General stores	8,500
Post offices	8,500
Public houses	12,500
Petrol filling stations	12,500
Food shops	8,500

Where a property qualifies for mandatory rural rate relief, then the relief is given at the rate of 50% of the rates liability for the property.

If the rateable value of a property exceeds the rateable value limit, then no mandatory rural rate relief may be granted.

### **Discretionary rural rate relief**

Discretionary rural rate relief may be granted either to top up an award of mandatory rural rate relief or where the property does not qualify for mandatory rural rate relief. Where the discretionary relief tops up mandatory relief, the discretionary relief added to the mandatory relief cannot exceed the total rates due for the property. Discretionary relief on its own cannot be granted for a property where the rateable value for the property exceeds £16,500.

This following policy sets out the guidelines that the Council will follow in considering whether to grant discretionary rural rate relief.

## **The policy**

### **Policy objectives**

In formulating this policy, the Council wishes to maintain the diversity of local shops available to the residents of Tonbridge & Malling who live in rural areas by building on the provisions of the mandatory rural rate relief scheme.

### **General considerations**

Although all applications will be entertained, the Council wishes to target relief primarily at properties that are providing essential facilities for the local community, e.g. general stores, post offices and food shops (eg butchers and bakers), where the number of such facilities in any settlement is limited and mandatory rural rate relief has been awarded. Further references to shops in this policy should be read accordingly.

The Council will consider granting relief to other businesses that are demonstrably important to the life of the community, such as a sole public house or petrol filling station, primarily serving the local catchment area.

As a general rule, the Council takes the view that the amount of relief that it would grant should decrease as the number of shops in a rural settlement increases.

The Council recognises that a number of rural settlements have already lost all of their shops. In recognition of this fact, the Council might be willing to consider granting discretionary rate relief of 50%, on top of mandatory rate relief of 50%, or 100% discretionary rate relief, in respect of businesses opening in such settlements. The Council would be willing to grant such relief for the first two calendar years from the date the business commences trading.

### **Discretionary relief (top-up relief) in cases where mandatory rural rate relief applies**

In respect of shops (general stores and food shops) and post offices, the Council will generally be willing to grant discretionary relief of 30% (in addition to 50% mandatory rural rate relief) where the shop or post office is the only such property within the rural settlement and it has already qualified for mandatory relief.

In respect of public houses and petrol filling stations, the Council will consider granting discretionary relief of 30% (in addition to 50% mandatory rural rate relief) where the public house or petrol filling station is the only such property within the rural settlement and it has already qualified for mandatory relief.



**Discretionary rate relief in cases where mandatory rural rate relief does not apply**

Where the property would, but for its rateable value, qualify for mandatory rural rate relief, the Council will consider granting discretionary relief of 80%.

Where the property is not the only property of its type within the rural settlement, and is therefore excluded from gaining mandatory rural rate relief, the Council will consider granting 60% relief where there are two such properties and 40% relief where there are three such properties (i.e. each property would receive either 60% or 40% relief). The Council will not normally grant relief where there are more than three such properties.

**Limitations**

As a general rule, the Council will not normally consider granting relief for a particular property where the total of the mandatory and discretionary relief sought by the applicant would exceed 80% of the rates bill.

**Procedure**

The Council will give consideration to any application for discretionary rate relief from a business operating in a settlement within a rural area.

**Consultation**

It is the Council's intention that parish councils should play a role in the decision making process on applications for relief. Therefore, before making a decision on whether relief should be granted in any particular case, the Borough Council will seek the views of the appropriate parish council.

**Financial considerations**

The Council, in formulating this policy, also bears in mind the cost of any relief granted to the residents of the Borough as a whole.

Applicants for discretionary rural rate relief should note that the cost of relief falls partly on the Council. As such, in determining the level of relief to be granted, the Council must have regard to its budgetary position. Although the Council will aim to achieve equality between organisations in terms of the level of relief that it grants, this might not always be possible. The Council has the right, subject to giving the requisite notice required by law, to vary the level of relief that it has previously granted either in respect of a particular organisation or in respect of a class of organisation or to all organisations in receipt of relief.

**Interaction with other reliefs**

Where a property is eligible for mandatory rural rate relief and small business rate relief, it shall receive rural rate relief.

Where a property is eligible for mandatory rural rate relief, mandatory charitable rate relief and small business rate relief, it shall receive charitable rate relief.

**Period of relief**

Any grant of relief shall normally be given for a fixed period not exceeding three years.

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

24 September 2014

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

#### Part 1- Public

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

#### **1 RURAL RATE RELIEF – RURAL SETTLEMENT LIST**

**A report informing Members of the requirement to review the Council's rural settlement list and recommending that the current list should be retained, unaltered, for the financial year 2015/16.**

#### **1.1 Introduction**

1.1.1 Members will be aware that the Council grants relief to certain types of businesses that are located in rural settlements. For the purpose of granting relief, the rural settlements within the area of Tonbridge and Malling Borough Council are shown in the Council's rural settlement list. The list is in the form of a map, which shows the location and boundaries of each rural settlement. The map is shown at **[Annex 1]**.

1.1.2 At this time of year, the Council has to consider whether it wishes to amend the rural settlement list for the forthcoming financial year. If it wishes to do so, then it must consult on any changes that it proposes to make.

1.1.3 Members should be aware that I have received no suggestions for amendment of the list. I am also unaware of any problems arising from the definitions of the rural settlements in the current list.

#### **1.2 Legal Implications**

1.2.1 None.

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

1.3.1 None.

#### **1.4 Risk Assessment**

1.4.1 No risks identified.

## 1.5 Equality Impact Assessment

1.5.1 See 'Screening for equality impacts' table at end of report

## 1.6 Recommendations

1.6.1 In view of the above, Members are **REQUESTED** to **RECOMMEND** to Cabinet that the current rural settlement list should remain in force for the year 2015/16.

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

Background papers:

contact: Glen Pritchard  
Tel: 01732 876146

Nil

Sharon Shelton  
Director of Finance and Transformation

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	The recommended decision to retain the rural settlement list in an unaltered form is neutral in its effect, insofar as it relates to a geographical area in which a business might operate and not to individuals or groups of individuals who might use a business.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	See above.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		Not applicable.

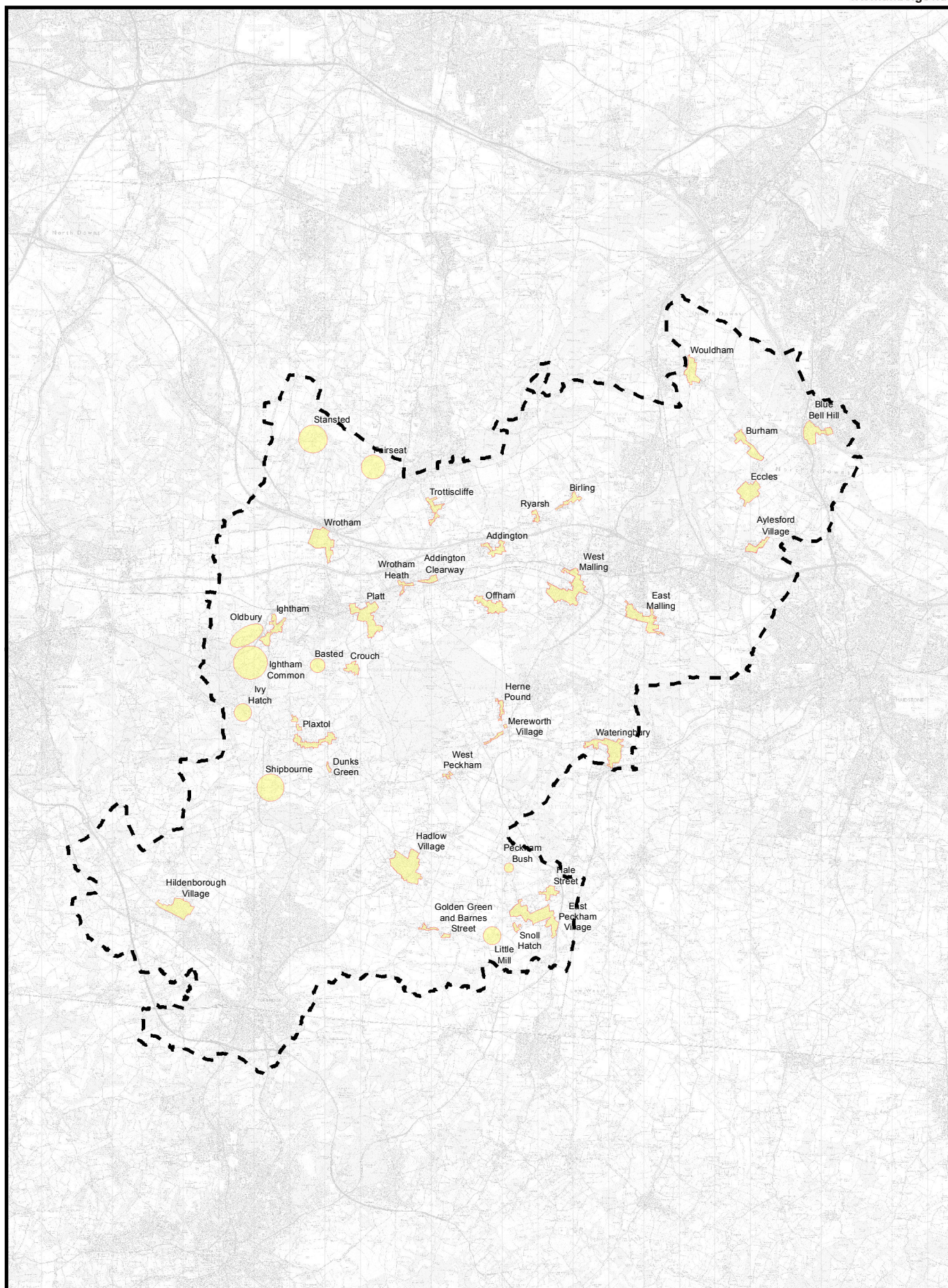
*In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.*

# RURAL SETTLEMENTS MAP



www.tmbc.gov.uk

Map of Rural Settlements within Tonbridge and Malling Borough Council



Scale 1:150,000

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

24 September 2014

#### Report of the Director of Finance & Transformation

#### Part 1- Public

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

### 1 EXTENSION OF CASH COLLECTION CONTRACT

This report informs Members of considerations pertinent to the decision to extend the Council's current Cash Collection Contract for a further year.

#### 1.1 Introduction

1.1.1 On 10 January 2010 Canterbury City Council, as the lead authority, entered into a five year contract with Contract Security Services to provide cash collection services for the twelve Kent district councils. The contract is due to expire in January 2015 but does allow for two 12 month extensions.

1.1.2 In the four years that the contract has been in place Contract Security Services have provided an excellent service and a twelve month extension will provide the parties to the contract time to evaluate their options which include a further twelve month extension in 2016 to 2017 or to approach the market with a new tender.

1.1.3 The option to extend the contract for 12 months to 2016 was considered the best option by all 12 councils.

#### 1.2 Legal Implications

1.2.1 The existing contract includes a provision for two 12 month extensions subject to the agreement of each Council and the contractor.

#### 1.3 Financial and Value for Money Considerations

1.3.1 The existing contractor was the only one that could satisfy the requirements of the group when the contract was last tendered and as mentioned in para.1.1.1 they have provided an excellent service.

#### 1.4 Risk Assessment

1.4.1 If the Council opts to break away from the group and seek alternative arrangements on its own, it would not benefit from the economies of scale

associated with the original contract and increased costs would be a high probability.

## 1.5 Equality Impact Assessment

1.5.1 See 'Screening for equality impacts' table at end of report

## 1.6 Recommendations

1.6.1 Members are asked to endorse the decision to extend the Council's current Cash Collection Contract for a further year.

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

Background papers:

contact: Brian Courtney

Nil

Sharon Shelton

Director of Finance & Transformation

<b>Screening for equality impacts:</b>		
<b>Question</b>	<b>Answer</b>	<b>Explanation of impacts</b>
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		Not applicable.

*In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.*



## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

24 September 2014

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

#### Part 1- Public

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

#### **1 IT STRATEGY**

**The purpose of this report is to inform Members of a new IT Strategy to see us through the next three years, and to ask Members for approval of this Strategy.**

#### **1.1 Introduction**

1.1.1 **[Annex 1]** of this report contains the proposed IT Strategy for Tonbridge and Malling Borough Council covering the period of 2014 to 2017.

1.1.2 The strategy describes at a high level how current and new technologies can assist with the Council's Transformation agenda and help to make improvements and efficiencies in our processes and in service delivery to the public and other customers.

1.1.3 The strategy is designed to provide a vision of what is possible and to give a reference point for work to follow. It sets a fresh approach to thinking about how IT can best be used to improve what we do.

1.1.4 Using the strategy as a framework, Officers will be able to develop a delivery plan linking the Transformation projects and service delivery improvements to the relevant technologies.

1.1.5 Technology has a big role to play in our future and this strategy aims to change the organisations attitude to what Information Technology can deliver.

#### **1.2 Legal Implications**

1.2.1 There are no legal implications in this report.

### 1.3 Financial and Value for Money Considerations

- 1.3.1 By adopting “smarter” use of technology in our delivery of services we have the opportunity to improve efficiencies, therefore reducing cost and improving value for money to the resident.

### 1.4 Risk Assessment

- 1.4.1 Without a clearly defined strategy we may not be able to prioritise our resources correctly, leading to missed opportunities to improve service delivery and reduce costs.

### 1.5 Equality Impact Assessment

- 1.5.1 See 'Screening for equality impacts' table at end of report

### 1.6 Recommendations

- 1.6.1 Members are asked to **APPROVE** the IT Strategy for the period of 2014 to 2017.

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

Background papers:

contact: Darren Everden

Nil

Sharon Shelton

Director of Finance & Transformation

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	

<b>Screening for equality impacts:</b>		
<b>Question</b>	<b>Answer</b>	<b>Explanation of impacts</b>
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		Not applicable.

*In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.*

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## IT Strategy 2014-2017

### Contents

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### 1. Introduction

- 1.1. This strategy details how we can apply and develop Information and Communication Technology (ICT) to support the delivery of the Corporate Performance Plan, our Transformation agenda and service improvement by enabling change and driving forward efficiencies..
- 1.2. This strategy is a statement of our aims and objectives which will be used as the framework within which we can operate and is to form the basis for making future decisions. It also sets the scene for future joint working and collaboration with partner organisations through links to the Kent wide Public Services ICT Strategy.
- 1.3. The extremely rapid pace of change and development of ICT means we have to be constantly identifying opportunities for further improvements. As with any strategy this document will be kept under review and updated to reflect internal and external drivers for change over the next 3 years.
- 1.4. This ICT Strategy aims to support the delivery of the Council's Corporate Performance Plan 2012/15 and the seven Key Priorities that stem from it:
  - Continued delivery of priority services and a financially viable Council
  - A clean, smart, well maintained and sustainable Borough
  - Healthy living opportunities and community well-being

- Children and young people who are safe, involved and able to access positive activities
- Low levels of crime, anti-social behaviour and fear of crime
- A continuing supply of homes, including affordable housing to buy and rent, and prevention of homelessness
- Sustainable regeneration of Tonbridge town centre and economic development in communities across the Borough

## 2. Service Modernisation

- 2.1. Although many areas of the Council are now supported by a back office IT system, the business processes and method of service delivery have remained largely the same.
- 2.2. Over the last five years the main-streaming of new technologies such as mobile computing, cloud services, and the commoditisation of IT hardware have made new service delivery models possible.
- 2.3. This has the potential to bring benefits to many areas of the organisation including both the front and back office.
- 2.4. While "digitising" services for improved customer service we should also be looking at our underlying business processes and identifying where technology can help with improving efficiency and / or reducing cost.
- 2.5. By challenging the existing processes and considering new options we can also identify where rationalisation of processes can occur or where further use of technologies such as document management could be of benefit.
- 2.6. Business processes in many of our service areas can work in a number of different directions. It's important that these interactions are challenged in terms of their actual value judged against the impact on efficiency and resources used.. Directions to consider are;
  - interactions between staff (inside-inside)
  - interactions from customers or suppliers with staff (outside-in)
  - interactions from staff with customers or suppliers (inside-out)
- 2.7. Document management and workflow automation are large areas of potential benefit. Previously we thought of "manual processes" as those which did not use a computer. **With the introduction of personal computers and backoffice systems we have created a new type of "manual process" - a job which is done *on* a computer instead of a job that could be done *by* a computer.**

- 2.8. Management of information is a key enabler of business improvement and good data governance. Consideration must be given to our data handling and retention policies to ensure we comply with relevant legislation (such as the Data Protection Act) and are able to concentrate our efforts on the most relevant and up to date information available.
- 2.9. Many areas of our business are dependant upon knowledge. Consistent and timely application of this knowledge is critical to good customer service and also for our efficiency. Technology can help to unlock this knowledge and make it more widely available, reducing the dependency on a small number of individuals and the bottle necks that result in demand outstripping resources.
- 2.10. Using technology in the area of knowledge management can help to empower staff. Ensuring that staff have the appropriate "digital skills" will also help develop our workforce to embrace the changes and suggest further areas for enhancement. Assessment of the workforce's current digital competency should be undertaken and training programmes developed to ensure staff are equipped to deal with changes in the workplace.
- 2.11. We must not underestimate the level of change that is required to deliver true service modernisation. There is a risk that the time taken to change working practices will negate any savings achieved, or that the project delivered will not meet all of the requirements. [Agile project management](#) techniques should be used to ensure that programme delivery is timely and iterative in reaching the desired function.

We must also challenge notions such as "where are our staff based?", "what devices do they use?", and "what are our expectations of their level of engagement with technology?" Service modernisation is a partnership between the organisation, customer and staff. The role of the workforce is critical and will require support and encouragement in the following ways:

- rapid decision making
  - transparency
  - clear vision
  - training
  - trust
- 2.12. Greater use of mobile and flexible working should be encouraged where it can bring service delivery improvement. Technology should be used to release staff from being tied to a single location in order to carry out their duties.
  - 2.13. Shared Services remains an efficient vehicle for driving down the cost of some individual services whilst maintaining or improving the service delivery. These will continue to be explored, implemented and supported where applicable.

- 2.14. The IT Infrastructure is a critical enabler for service modernisation, and as such should have the functionality and capacity required to support the business and transformational projects. Consideration on the most appropriate infrastructure delivery method (on-premise, partnership, hybrid cloud, or cloud) must be taken and regularly reviewed. When procuring solutions, existing frameworks and partnerships (such as the [UK Govstore](#) or Kent Managed Marketplace) should be considered in order to obtain best value.

### 3. Communications

- 3.1. The methods by which we communicate with our customers and staff is changing and we should be matching our availability to the expectations of those that contact us.
- 3.2. Telephone and email contact has now been joined by website, mobile app, instant messaging and social media as popular channels.
- 3.3. With this increase in contact choice we need a method of converging those access channels into a single contact stream, giving equitable priority to all methods. This will help prevent channel hopping where multiple channels are used until a desired answer is received, thereby duplicating the number of enquiries received.
- 3.4. For our staff we require flexibility and new ways of managing a distributed workforce who have embraced mobile and flexible working.
- 3.5. "Follow me" numbers can be used so that staff are contactable irrespective of location via one telephone number.
- 3.6. Use of "presence" technology can also be used so staff availability can be identified at a single glance.
- 3.7. These small productivity enhancements can help the organisation operate more efficiently by taking the guesswork out of people's location and availability status.

### 4. Website

- 4.1. A large part of our transformation and channel shift agenda concerns using the corporate website as the main interaction channel with the Council. People's habits and expectations are changing and we can take advantage of that by having a *web first* vision.
- 4.2. Expansion of the **my account** and **my nearest** sections of the website will provide more tailored content to visitors helping to avoid contact through other



access channels. Security and identity validation is an important area to introduce so that we can offer the widest range of services with the assurance that this is being done in the most secure way and in keeping with our obligations to the data protection act.

- 4.3. The website is an evolving entity and the design and content should change to reflect what we are trying to deliver with this channel. In order to encourage more interaction and to make the website the fastest method of finding relevant information we should consider ways that the design can influence ease of use. Beyond the design, the content of the website is also important. Customers want relevant and up to date information. We should consider ways that we can de-clutter and remove irrelevant information.
- 4.4. Content reviews should be undertaken to identify areas where we have too little or too much information available. The language used in content should also be clear, concise, and easy to understand. Use of jargon and acronyms can be tempting but often have very little understanding outside of the office environment.
- 4.5. Thinking **web first** in everything we do in designing future service delivery should underpin our approach

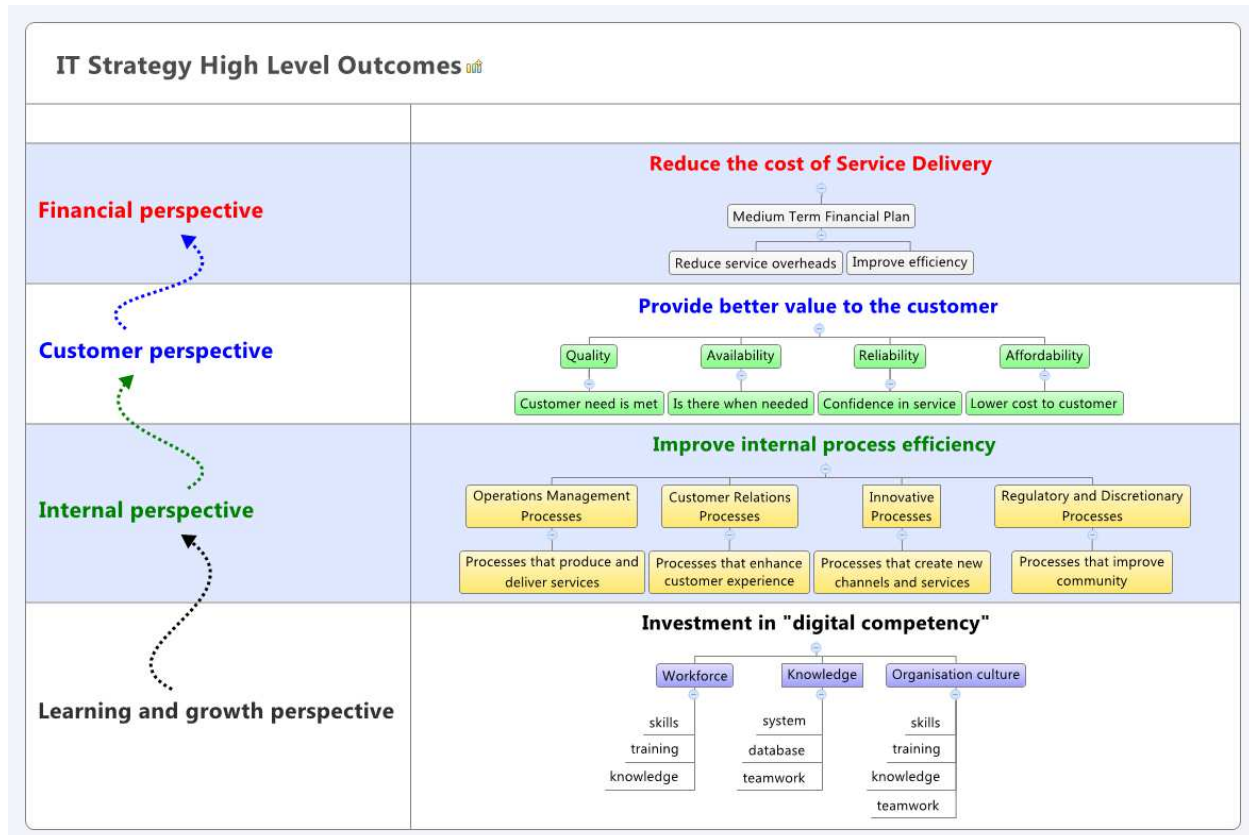
## 5. Self Service

- 5.1. Self service covers all areas where a customer can receive the delivery of a service without the assistance of a Council Officer. Areas that currently enable self service are;
  - website
  - telephone system (card payments, switchboard)
  - kiosks (payment)
- 5.2. Future areas for consideration include;
  - partner organisations delivering services on behalf of the council
  - smart machines
- 5.3. The physical and virtual worlds are colliding and the internet is providing opportunity and expectations that we will need to take advantage of.
- 5.4. The "Internet of Everything" is bringing together people (social networking), things (smart devices), places (smart locations) and information (websites).
- 5.5. This is enabling the re-invention of industries on three main levels;
  - Business process (improving services, processes, customer experience)
  - Business model (how we deliver services and interact with the customer)

- Business moment (the need to operate with an unprecedented business velocity and agility)
- 5.6. With the internet providing the connection between these areas we should consider what appropriate self service systems can be deployed.
  - 5.7. Embedding the *digital by default* ethos into everything we do is critical for us to provide the service that is expected of us. Considering how this applies to new and existing services will help prioritise our work streams, highlight areas for improvement and identify gaps.
  - 5.8. Supporting the publication of **Open Data** will also help us deliver services to the citizen by providing new methods of accessing information, improving transparency, and reducing the time required to respond to customer enquiries (such as Freedom of Information requests).

## 6. Outcomes

- 6.1. Taking into consideration the topics described above, the following diagram provides a high level overview from several perspectives and shows how the various elements of the strategy are interlinked. By investing in "digital competency" (people, skills and systems) we can improve internal process efficiency. This in turn will provide better value to the customer and reduce the cost of service delivery.
- 6.2. The following diagram describes the outcomes from a number of different perspectives and how each component of the strategy contributes to them. Working from the bottom row upwards shows how each element contributes to the layer above. This helps us visualise why the various strands of the strategy are important and how they interact with each other.



6.3. A number of key deliverable outcomes will be sought during the life of the strategy and will be reported in annual strategy reviews.

- Establish new IT Infrastructure which challenges existing methods of delivery and evaluates new methods (such as shared services, cloud computing, and commoditised hardware)
- Enable projects to be delivered quicker and with more resilience to change by adopting Agile project methods.
- Provide assistance with the formation and enforcement of a Data Governance policy which includes relevant data retention guides.
- Staff who are guided and supported in the acquisition and use of digital skills through a comprehensive assessment and training programme.
- Development of the My Account and My Nearest functionality of the website to provide rich and relevant information to the customer (such as up to date bill and payment information), encouraging use of the website by implementing time saving features (such as pre-populating forms) and making information easier to find.
- Introduction of new self service options for the customer.
- Consolidate contact channels into a single stream through managed use of social media and a new integrated customer contact system.

- Implement new communications suite (email and telephony system) to support new flexible working practices
- Review and challenge business processes throughout the organisation and implement workflow and document management where appropriate.
- Facilitate new business processes, business models and business moments by the appropriate use of technology.

## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

24 September 2014

#### Joint Report of the Directors of Central Services and Finance and Transformation

#### Part 1- Public

#### Matters for Information

### 1 CAPITAL PROJECTS – POST IMPLEMENTATION REVIEWS

#### Summary

Four Capital Plan Post Implementation Reviews are brought forward to update Members. These relate to Improvements to Reception Areas at Gibson East, Kings Hill and Tonbridge Castle; Gibson Building West, Replacement of Heating Boilers and Circulatory Pipework; Health and Safety Improvements within Council Buildings; and Replacement Cash Receipting System.

#### 1.1 Introduction

1.1.1 This report addresses four Post Implementation Reviews which, in accordance with the Capital Strategy, are submitted to this Board for consideration. The reviews are presented in accordance with the corporate template previously agreed by this Board.

#### 1.2 Improvements to Reception Areas at Gibson East, Kings Hill and Tonbridge Castle; Gibson Building West, Replacement of Heating Boilers and Circulatory Pipework; Health and Safety Improvements within Council Buildings; and Replacement Cash Receipting System.

1.2.1 Attached at [Annexes 1, 2, 3 and 4] are the relevant review templates for these Capital Schemes. Members will note a positive outcome for all four schemes both in terms of the objectives being met and the projects being delivered within, or very close to, budget provisions. In relation to the Cash Receipting System, Members will note that the original budget of £50,000 was increased by virement to £65,000 in the 2013/14 Capital Plan Review. The additional funds were necessary as a result of the need to upgrade interfaces with other IT systems.

#### 1.3 Legal Implications

1.3.1 Considered within the evaluation template for the scheme.

**1.4 Financial and Value for Money Considerations**

1.4.1 As shown in [Annexes 1, 2, 3 and 4].

**1.5 Risk Assessment**

1.5.1 All risks identified within the evaluation procedure and any difficulties highlighted through the attached Post Implementation Reviews.

**1.6 Policy Considerations**

1.6.1 Asset Management, Equalities/Diversity, Customer Contact.

Background papers:

contacts: John De Knop  
Brian Courtney

Nil

Adrian Stanfield  
Director of Central Services

Sharon Shelton  
Director of Finance and Transformation

<b>ANNEX 1 - Capital Plan Post Implementation Review</b>	
Service:	Property
Scheme Title:	Improvements to Reception Areas at Gibson Building East, Kings Hill and Tonbridge Castle
Scheme Description:	Works at both sites to provide reception areas that facilitate high standards of face to face customer services and improve access for the disabled. The revised reception design treatment at both sites was a prerequisite for delivery of two key outcomes from the Financial Services Revenue and Benefits Best Value Review (closure of the cash offices) and implementation of the Customer Contact Strategy. The scheme was subsequently extended and jointly funded with KCC to provide a 'Gateway' at Tonbridge Castle with associated Changing Place for disabled visitors to the town.
Evaluation:	Customer Contact Advisory Board 27 March and 3 July 2006 Cabinet 5 April and 6 September 2006
Capital Plan Year(s)	2006/07
Approved budget	£756K (with joint funding from KCC (£250K) and PDG (£38K))
National Priorities	National IEG Strategy and ODPM Priority Outcomes
Local Priorities	<ul style="list-style-type: none"> <li>• 2b Improve how we manage customer contacts and customer care.</li> <li>• 2c Increase the availability of electronic information and transactions to make local services more accessible and convenient.</li> <li>• 2g Improve access to Council services and facilities in accordance with DDA requirements.</li> <li>• 16a Improve the Council's own use of technology to help provide better services to the public.</li> <li>• 17a Invest in providing and maintaining quality facilities with easy access for all.</li> <li>• 19a Improve the efficiency of Council's services.</li> </ul>
Targets for judging success:	<ul style="list-style-type: none"> <li>a) Customer Feedback</li> <li>b) Successful closure of Cash Offices at both sites with associated replacement provision of Cash Receipting Machines</li> <li>c) Improved 'Gateway' facilities at Tonbridge Castle including Changing Place for disabled visitors to the town.</li> </ul>
Completion date (work completed):	July 2009
Completion date (final payment):	2010/11
Projected date for post implementation review:	12 months after completion date.
Final cost:	£755K
Performance against National and Local Priorities and Targets:	The project has satisfactorily addressed issues raised, with improvements to receptions at both sites enhancing face to face contact with customers, the introduction of new cash receipting machines, the

	joint provision with the County Council of a 'Gateway' at Tonbridge Castle including the incorporation of a Changing Place for disabled visitors to the town..
Budget performance / Value for money:	The project was completed within budget.
Other performance / procurement issues:	None.
Ongoing / Outstanding issues:	None.



<b>ANNEX 2 - Capital Plan Post Implementation Review</b>	
Service:	Property
Scheme Title:	Gibson Building West – Replacement of Heating Boilers and Circulatory Pipework
Scheme Description:	Replacement of existing ageing and obsolete boilers with new high efficiency condensing boilers. These to be linked to new distribution pipework through the undercroft and set up with four separately controlled heating zones covering the east and west wings, main meeting rooms and remaining central areas.
Evaluation:	Cabinet 7 February 2012.
Capital Plan Year(s)	2012/13
Approved budget	£160K
National Priorities	None
Local Priorities	<ul style="list-style-type: none"> <li>• 12a Climate change</li> <li>• 17a Invest in providing and maintaining good quality buildings.</li> </ul>
Targets for judging success:	<ul style="list-style-type: none"> <li>a) Reliability of boilers and circulatory pipework, protecting business continuity</li> <li>b) Reduction in consumption of energy (gas) associated with high efficiency condensing boilers</li> <li>c) Maintaining adequate working conditions for staff.</li> </ul>
Completion date (work completed):	October 2012
Completion date (final payment):	May 2014
Projected date for post implementation review:	12 months after completion date.
Final cost:	£161K
Performance against National and Local Priorities and Targets:	<p>The new boilers have performed very well with no reliability issues since installation. The new circulatory pipework (within the central undercroft) has also performed well with no maintenance issues.</p> <p>Separate zones established within the new heating controls have enabled us to better adapt to the use of the Civic Suite for evening meetings and the accommodation of the Police on a 24/7 basis within the east wing. These improved controls combined with the higher efficiency boilers have enabled a 20% reduction in energy consumption (gas in KWH) despite 24/7 occupation of the east wing by the Police.</p> <p>Conditions for staff during cold weather has improved due to better boiler control programmes that are being constantly adapted to demands.</p>
Budget performance / Value for money:	The project was completed within £1K of budget.

Other performance / procurement issues:	None.
Ongoing / Outstanding issues:	Condition of existing general heating pipework and radiators (not replaced) throughout the building are being constantly monitored and repaired as required from revenue budgets.

<b>ANNEX 3 - Capital Plan Post Implementation Review</b>	
Service:	Property
Scheme Title:	Health and Safety – Building Improvements
Scheme Description:	Fast Track Scheme to address a range of health and safety issues across the Council's building portfolio associated primarily with Statutory Fire Risk Assessments undertaken during 2011. Works required included improvements to fire detection and alarm systems, fire door improvements, emergency lighting and revisions to fire alarm auto-dialers.
Evaluation:	Finance and Property Advisory Board 4 January 2012 Cabinet 15 May 2012
Capital Plan Year(s)	2012/13
Approved budget	£25K
National Priorities	None
Local Priorities	<ul style="list-style-type: none"> <li>• 18a Resources- Property</li> </ul>
Targets for judging success:	Ability of the Council to meet its legal obligations with regard to fire safety within all of its buildings to protect both the public and members of staff.
Completion date (work completed):	March 2013.
Completion date (final payment):	2012/13
Projected date for post implementation review:	12 months after completion date.
Final cost:	£25K
Performance against National and Local Priorities and Targets:	The project has satisfactorily addressed issues raised within the Statutory Fire Risk Assessments undertaken during 2011.
Budget performance / Value for money:	The project was completed within budget.
Other performance / procurement issues:	None.
Ongoing / Outstanding issues:	None.

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<b>Annex 4 - Capital Plan Post Implementation Review</b>	
Service:	Finance & Transformation
Scheme Title:	Cash Receipting System
Scheme Description:	Implementation of a replacement Cash Receipting System to ensure compliance with changes in Payment Card Industry Data Security Standards (PCIDSS).
Evaluation:	Finance & Property Advisory Board 18 July 2012
Capital Plan Year(s)	2012/13
Approved budget	£50,000 Subsequently increased by virement to £65,000 in 2013/14 Capital Plan Review
National Priorities	Compliance with PCIDSS
Local Priorities	Maintain the ability to securely accept and process credit and debit card transactions.
Targets for judging success:	Achieve compliance with Payment Card Industry Data Security Standards (PCIDSS)
Completion date (work completed):	March 2013
Completion date (final payment):	1 May 2013
Projected date for post implementation review:	12 months after completion date.
Final cost:	£60,903
Performance against National and Local Priorities and Targets:	Implemented system is compliant with PCIDSS
Budget performance / Value for money:	The project exceeded the original budget for the reasons set out in the report.
Other performance / procurement issues:	The new system has proved to be adaptable and will be of benefit when implementing payment option Channel Shift initiatives.
Ongoing / Outstanding issues:	None

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION AND PROPERTY ADVISORY BOARD

24 September 2014

#### Report of the Director of Finance & Transformation

#### Part 1- Public

#### Matters for Information

#### 1 BENEFITS UPDATE

This report advises Members of current issues arising in the benefits field.

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

1.1.1 At the last Board meeting I informed Members that a fast tracking process for new benefit claims was introduced on a trial basis from 16 June. I am very pleased to report that the trial was successful and together with some other changes to the way benefit claims are processed, they combined to produce a great improvement to our performance. The changes have now become standard procedure.

1.1.2 As a result, our performance in August stood at 13.3 days on average to process new benefit claims and 6 days for changes in circumstances.

1.1.3 The number of households in receipt of housing benefit continues to creep up. The last 3 months have seen increases of around 10 households over each period. The trend continues for 'out of work' claims to reduce in numbers, indicating a general shift into work. The number of homes receiving benefit from council tax support has also increased slightly over the last year. Put into perspective, the Council now assists around 1 in 6 homes in the Borough with housing benefit and / or council tax support.

#### 1.2 Discretionary Housing Payments (DHP) & Welfare Reform

1.2.1 The Council's budget for the DHP is £165,497 for this financial year. As at the beginning of September the remaining balance of the DHP fund stood at £70,500, meaning £95,000 has been allocated to assist households, who receive housing benefit, so far this year. The spending is on profile to use up the fund by around the end of the financial year.

1.2.2 The benefit section has, so far, received 312 applications for payments, 258 of these have been awarded and 54 refused. The majority of applications and awards assist tenants in difficulty with the additional financial burden caused by the social sector size criteria restrictions (SSSC/bedroom tax). There have been 197 applications for this reason since April.

- 1.2.3 At the time of writing this report there are 555 working age households with restrictions to housing benefit due to the SSSC rules. Of these, 403 are Circle Housing Russet (CHR) tenants.
- 1.2.4 There are two levels of SSSC benefit restriction, 14% of gross rent if under occupation is one bedroom and 25% if two or more. Of the 555 households, 477 have the 14% restriction applied (averaging a reduction in housing benefit of £17.55 per week) and 78 have the 25% restriction applied (averaging £33.04 per week). These figures indicate a total annual restriction in housing benefit of over £550,000.
- 1.2.5 In general, feedback from housing associations is that there is relatively low interest from tenants to downsize due to the restrictions (even with various incentive schemes to hand) and that rent arrears have not significantly increased.
- 1.2.6 Although the DHP fund mitigates the difficulties for some tenants, it is clear that the fund cannot fully assist all households. The DHP fund is supplied to the Council by Government. In spite of the grant having increased this year and last, the worry is that it will be reduced in future and help will no longer be available to residents at such a level. It is important that there is no reliance placed on continued or repeat awards, all bar exceptional cases.
- 1.2.7 The 'benefit cap' is currently applied to 20 households. The cap restricts the total benefit income of a family to £500 per week. It only applies to families where the claimant and partner (if there is a one) are not in work. It operates by placing a restriction on the housing benefit payment to reduce the total benefit award. Of the 20 households, 7 live in privately rented accommodation, whilst 12 are housing association tenants. One is in temporary accommodation, placed through homelessness. The weekly restrictions average £127.50, ranging from £13 to £227.
- 1.2.8 The Council's Officer Study Group for Welfare Reform continues to monitor the impact on the Borough of the welfare reform agenda and does what it can to strategically and practically help residents, directly or through other organisations.
- 1.2.9 The group is able to take a broad view of social factors and indicators through representation from key Council services, the Citizens Advice Bureau, CHR, Jobcentre Plus and KCC's Troubled Families unit, amongst others, providing a wealth of data and commentary. It is very apparent that there is an increased demand for advice and support services for personal debt, housing, benefits and relationship issues, relating to the reforms.
- 1.2.10 There has been very little news of Universal Credit forthcoming since my last report to this Board. The Universal Credit project, which will see the transfer of working age housing benefit claims (except those in supported accommodation), together with 5 other state benefits, into a single nationally administered benefit, remains set for rollout during 2016/17.



**1.3 Legal Implications**

1.3.1 None.

**1.4 Financial and Value for Money Considerations**

1.4.1 None.

**1.5 Risk Assessment**

1.5.1 None.

Background papers:

contact: Andrew Rosevear

Nil

Sharon Shelton  
Director of Finance & Transformation

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

24 September 2014

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

#### Part 1- Public

#### Matters for Information

#### 1 COUNCIL TAX AND BUSINESS RATES UPDATE REPORT

**This report details recent developments in respect of council tax and business rates.**

#### 1.1 Collection of council tax and business rates

- 1.1.1 As at 31 August 2014, the collection rate for council tax stood at 45.27%. For the same period in the year 2013/14, the collection rate was 45.64%.
- 1.1.2 To gauge the impact of the revised council tax reduction scheme on the collection rate, I am reviewing the amount of recovery notices being issued compared to the previous financial year (see **ANNEX 1**).
- 1.1.3 Members will see that there has been an increased amount of final notices issued so far this year. I have therefore asked my officers to review the wording on the reminder notices in order to encourage taxpayers to contact the council tax team before their right to pay by instalments is removed.
- 1.1.4 As at 31 August 2014, the collection rate for business rates stood at 49.87%. For the same period in the year 2013/14, the collection rate was 53.64%.

#### 1.2 Legal Implications

- 1.2.1 Nil.

#### 1.3 Financial and Value for Money Considerations

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

#### 1.4 Risk Assessment

- 1.4.1 Nil.

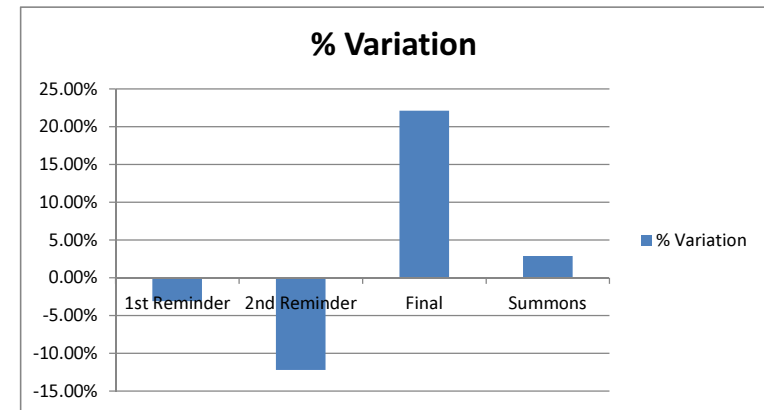
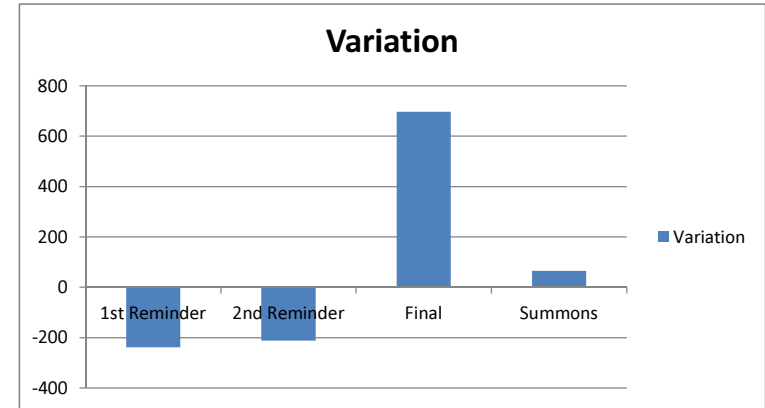
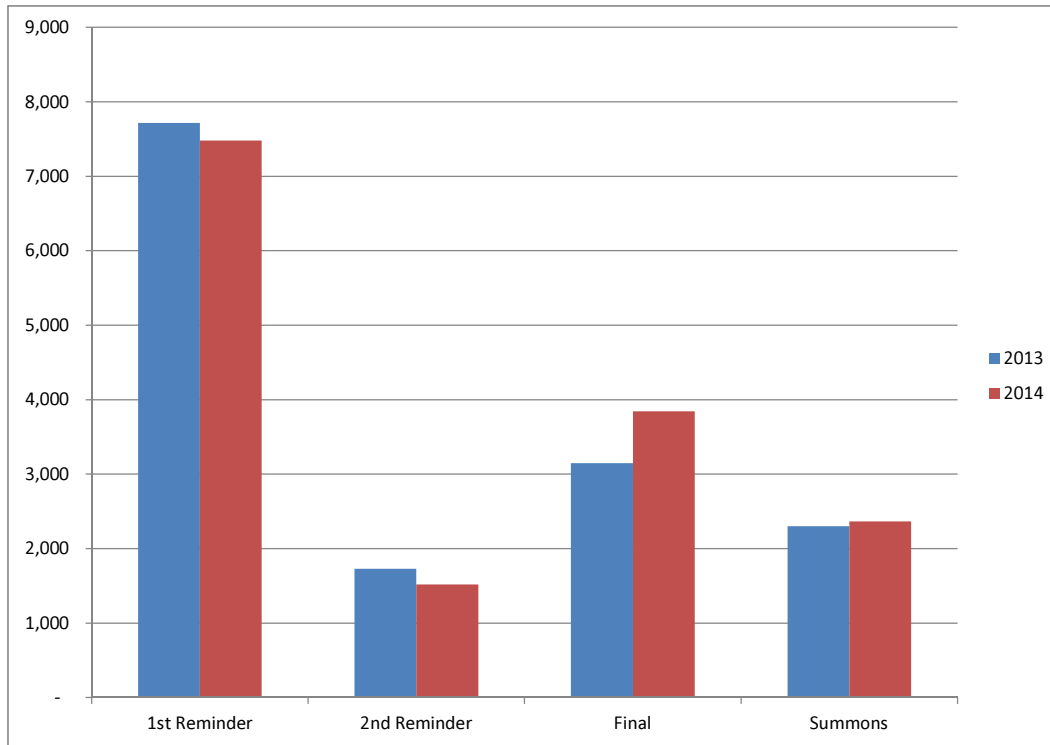
Background papers:

Nil

contact: Glen Pritchard  
01732 876146

Sharon Shelton  
Director of Finance and Transformation

	1st Reminder	2nd Reminder	Final	Summons
2013	7,718	1,729	3,149	2,301
2014	7,480	1,518	3,846	2,367
<b>Variation</b>	<b>-238</b>	<b>-211</b>	<b>697</b>	<b>66</b>
<b>% Variation</b>	<b>-3.08%</b>	<b>-12.20%</b>	<b>22.13%</b>	<b>2.87%</b>



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## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE INNOVATION AND PROPERTY ADVISORY BOARD

24 September 2014

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

#### Part 1- Public

#### Matters for Information

#### 1 FRAUD PREVENTION UPDATE

##### Summary

**This report provides Members with an update on the performance of the corporate fraud prevention section for the period April 2014 to August 2014.**

#### 1.1 Brief summary of 2013-14

1.1.1 In May 2014, Members were provided with the annual report detailing the work undertaken by the fraud prevention team for the year 2013-14.

1.1.2 The following is a summary of the findings that were presented as evidence of performance;

- Benefit Fraud – Fraud proven in 22 cases and a further 50 cases where benefit overpayments were identified. Weekly housing benefit entitlements were reduced by £3,775.44, housing benefit overpayments totalling £307,325.12 and council tax benefit overpayments totalling £50,358.13 identified.
- Council Tax Fraud (including Council Tax Reduction (CTR)) – 3 cases were identified as having an incorrect discount or exemption. A civil penalty of £70 was applied in one case. Weekly CTR awards were reduced by £710.50 and overall an additional £3,590.81 of council tax revenue was identified. It was noted in the report that the true figure may have been higher and that improvements were to be made in relation to recording of statistical information.
- Housing Fraud – With the assistance of the housing needs team a fraudulent application was identified and led to a caution being issued for the supply of a false statement.

1.1.3 The following sections provide details of the work undertaken by the team for the period April to August 2014.

## 1.2 Investigating Fraud

- 1.2.1 The Fraud Team is responsible for investigating all allegations of fraud and corruption, whether this is through internal fraud, external stakeholders or customers.
- 1.2.2 In May 2014, the team's compliance officer transferred to the benefits department to take up a visiting officer position. The team now consists of:
- An Investigations Manager (shared with Gravesham Borough Council)
  - 1.6 Investigation Officers
- 1.2.3 Since April 2014, a total of 246 referrals have been received. Of these 187 have been accepted for investigation and 59 have been rejected on the basis of insufficient information or because they were more suitable for investigation by the Department for Work and Pensions (DWP).
- 1.2.4 The source of referrals and the types of fraud alleged was very varied and many allegations indicated fraud in more than one area, such as housing and benefits for example.
- 1.2.5 A total of 109 cases have been concluded since April across a range of areas and with varying results, which may have included fraud or errors in more than one area, benefits and council tax for example. The results of these cases are shown in more detail in their individual area of fraud.

## 1.3 Benefit Fraud

- 1.3.1 62 cases involving benefit fraud have been concluded and the results are shown in the table below

Closure Category	Number of Cases
No Fraud	36
Incorrect Benefit**	22
Fraud Proven	4

\*\*The Department for Work and Pensions state that a benefit case may only be classified as fraud proven where a sanction is applied. Other cases where overpayments or other changes to benefits are identified but sanction action is not taken must be classified as customer error.

- 1.3.2 As a result of these cases, housing benefit entitlement has been reduced by £966.06 per week (£50,235.12 per annum). They have also identified housing benefit overpayments totalling £97,923.19 and council tax benefit overpayments totalling £16,678.57.



1.3.3 One person has received a caution in relation to benefit offences, four have accepted administration penalties totalling £2,816.78 and seven people have been successfully prosecuted.

#### 1.4 Council Tax Fraud (including Council Tax Reduction (CTR))

1.4.1 Between April 2014 and August 2014, the team have received 74 referrals linked to CTR claims and 184 linked to council tax discounts or exemptions. This high volume is due to the National Fraud Initiative data matching that will be detailed later in this report.

1.4.2 45 cases involving CTR have been concluded and the results are shown in the table below:

Closure Category	Number of Cases
No Fraud	33
Incorrect Reduction	10
Fraud Proven	2

1.4.3 As a result of these cases, CTR entitlement has been cut by £203.52 per week (£10,583.04 per annum). They have also identified excess CTR awards of £4,566.49.

1.4.4 79 cases involving other council tax discounts and exemptions have been concluded and the result are shown below:

Closure Category	Number of Cases
No Fraud	16
Incorrect Discount	63
Fraud Proven	0

1.4.5 The removal of incorrect discounts has identified additional council tax revenue of £19,937.81.

1.4.6 Overall, these cases have identified a total of £24,504.30 additional council tax liability and 3 people have received civil penalties of £70 for negligently failing to report changes in circumstances that affected their entitlement to a discount.

## **1.5 Housing Fraud**

- 1.5.1 Five referrals have been received since 1 April in relation to applications for housing. Three cases have been concluded in the same period, although no evidence of fraud was found in any of them.
- 1.5.2 In addition to this, the team have undertaken pro-active exercise in relation to persons who have approached TMBC as homeless. This involved early morning visits to Bed & Breakfast that the authority uses to temporarily house families in order to verify that the individuals in question were residing in the accommodation provided and were not falsely claiming to be homeless.
- 1.5.3 The exercise identified one person who was suspected to possibly not be resident at the temporary accommodation. The individual was not at home when visited at 7am but as the visit took place the day before a property was offered by Russett Homes, it was not possible to conclusively verify a residence elsewhere. It also identified that residents were not signing the register on a daily basis to confirm their residence for rental charges.
- 1.5.4 The exercise has demonstrated that Tonbridge & Malling is committed to tackling all forms of fraud against the authority. This has acted as a deterrent to would be fraudsters and strengthened prevention measures as it has prompted the Bed & Breakfast manager to ensure that tenants are signing the register and promoted daily checks to stop people simply attending the residence to collect mail and sign for the whole week in advance.

## **1.6 National Fraud Initiative (NFI) Update**

- 1.6.1 Members will be aware that the Council participates in a national data matching exercise, originally undertaken by the Audit Commission. The benefits exercise runs every two years and an exercise matching council tax single person discount records to electoral register data in alternate years.
- 1.6.2 The 2012-13 benefit exercise resulted in 974 matches being received by Tonbridge & Malling. These matches covered a variety of different areas, indicating undeclared income and household residents, as well as connections to council housing in other boroughs
- 1.6.3 As of August, checks into 950 of these matches have been concluded and 24 remain ongoing. Cases identified by the exercise have produced the following results\*\*
- Weekly housing benefit entitlement reduced by £1,226.60
  - Weekly council tax reduction entitlement reduced by £245.93
  - Housing benefit overpayments totalling £70,461.52 and council tax benefit overpayments totalling £3,176.28

- Excess council tax reduction of £3,405.06
- 1 person cautioned and 4 accepted administration penalties

\*\*The exercise commenced prior to 1<sup>st</sup> April 2014. Some of these figures will be incorporated in the statistics for the 2014-15 financial year but most form part of the 2013-14 results.

- 1.6.4 Matches from the 2013-14 council tax exercise were received in March 2014. Matches were received in relation to 549 council tax accounts that received a 25% single person discount.
- 1.6.5 As of August, 320 matches have been closed and 229 have ongoing enquiries. The concluded cases have resulted in the removal of the single person discount from 64 council tax accounts (alternative equivalent discounts have been applied in 22 cases) creating additional council tax revenue of £18,934.40. Many of these accounts were amended on the basis of information already held within the benefits department.
- 1.6.6 While no sanctions have been applied in relation to criminal offences, 2 civil penalties of £70 have been applied for negligent failure to report changes in circumstances. It is anticipated that there will be further cases suitable for penalties or sanctions as enquiries into the outstanding cases progress.

## **1.7 Legal Implications**

- 1.7.1 The Section must comply with a strict legal framework within the legislation regarding criminal investigation in order to progress prosecutions for offences.
- 1.7.2 In addition there is a requirement to follow strict legislation in relation to conducting criminal investigations. Failure to comply with this could lead to evidence being deemed an un-admissible in court resulting in unsuccessful prosecutions and a loss of credibility in court with a potential for damages claims.
- 1.7.3 The Council also has a Prosecution Policy that requires consideration of the “public interest test” in order to avoid any potential inappropriate prosecutions.

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

- 1.8.1 The Council has a duty to ensure that public money is spent correctly and that those who receive benefits or discounts are entitled to receive them. A failure to investigate allegations of fraud could result in excess benefit being paid or a failure to collect council tax owed.
- 1.8.2 The Council will consider all appropriate action in order to recover any overpayments of benefits or council tax owed.

## **1.9 Risk Assessment**

- 1.9.1 A failure to have an effective fraud investigation service in place exposes the council to a risk of loss and could lead to a failure to meet external inspection requirements.
- 1.9.2 A poor performance in fraud investigation could lead to an increased level of external audit if it were considered to be failing.

## **1.10 Equality Impact Assessment**

- 1.10.1 The investigation of potential benefit fraud is carried out under the Police & Criminal Evidence Act 1984 Guidance. This makes provision for the protection of vulnerable groups. In addition any sanction action arising from an investigation will consider the “public interest test” which also considers vulnerable groups.
- 1.10.2 All cases are dealt with in accordance with the evidence available and on its own merit using consideration of the safeguards above in order to avoid any impact on any groups.

Background papers:

contact: James Larkin

Corporate Fraud Records

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 21

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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