

# 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)

29 December 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, 7th January, 2015 commencing at 7.30 pm

Yours faithfully

JULIE BEILBY

Chief Executive

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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, 24th September, 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 M O Davis, Cllr Mrs F A Kemp, Cllr Miss A Moloney, Cllr C P Smith and Cllr A K Sullivan

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

An apology for absence was received from Councillor S R J Jessel

#### PART 1 - PUBLIC

##### **FIP 14/54 DECLARATIONS OF INTEREST**

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

##### **FIP 14/55 MINUTES**

**RESOLVED:** That the notes of the meeting of the Finance, Innovation and Property Advisory Board held on 23 July 2014 be approved as a correct record and signed by the Chairman.

#### MATTERS FOR RECOMMENDATION TO THE CABINET

##### **FIP 14/56 FINANCIAL ARRANGEMENTS WITH PARISH COUNCILS 2015/16**

The joint report of the Director of Finance and Transformation and Cabinet Member for Finance, Innovation and Property gave details of proposed allocations to individual parish councils under the Scheme of Financial Arrangements with Parish Councils in accordance with the methodology agreed by the Council in 2013 following consultation with the Parish Partnership Panel. It was noted that this would result in the budget for the Scheme in 2015/16 increasing by 1.3%.

Members were advised that as a consequence of the transition to individual electoral registration, the basic allocation for 2015/16 had been calculated as a 1.3% increase over the 2014/15 basic allocation instead of as a rate per elector.

**RECOMMENDED:** That

- (1) the methodology outlined in the report be adopted in calculating the allocations to parish councils under the Scheme of Financial Arrangements with Parish Councils for the year 2015/16; and
- (2) parish councils be notified of their allocations as set out in Annex 1 to the report.

\* **Referred to Cabinet**

**FIP 14/57 LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16:  
TECHNICAL CONSULTATION**

Decision Notice D140107MEM

The report of the Director of Finance and Transformation gave details of a Department for Communities and Local Government (DCLG) consultation on the proposed changes to the illustrative 2015/16 Local Government Finance Settlement which had been published alongside the 2014/15 settlement. Since the return date for responses to the consultation was 25 September 2014, agreement had been obtained from the Leader, Cabinet Member for Finance, Innovation and Property and the Chairman of the Advisory Board to the suggested response set out at Annex 1 to the report.

Attention was also drawn to the DCLG's business rates retention scheme pooling prospectus together with an update on the position in Kent.

**RECOMMENDED:** That the response to the consultation, as previously agreed with the Leader of the Council, Cabinet Member for Finance, Innovation and Property and Chairman of the Finance, Innovation and Property Advisory Board, be endorsed.

**FIP 14/58 FINANCIAL PLANNING AND CONTROL**

Decision Notice D140108MEM

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 favourable variance of £43,350. 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 14/59 COUNCIL TAX DISCOUNTS**

Further to Decision No D140088MEM, the report of the Director of Finance and Transformation gave details of the outcome of consultation on possible changes to certain council tax discounts from 1 April 2015. The report set out the financial implications of amending the level of discounts together with other non-financial considerations.

Considerable discussion ensued regarding the detrimental effect of long term empty properties in the Borough and the most appropriate levels of council tax discount to apply to encourage owners to bring them back into use. Reference was made to the particular circumstances arising from the widespread flooding earlier in the year in the context of any change to the discount for uninhabitable properties and those undergoing repair.

**RECOMMENDED:** That

- (1) the period of 100% discount for vacant and unfurnished properties be reduced from three months to two months with effect from 1 April 2015;
- (2) the current twelve months discount for uninhabitable properties and those undergoing repair be retained at 100% from 1 April 2015;
- (3) a premium of 50% be charged on properties that have been empty for longer than two years with effect from 1 April 2015.  
\* **Referred to Cabinet**

#### **FIP 14/60 APPLICATIONS FOR DISCRETIONARY RATE RELIEF**

Decision Notice D140109MEM

The joint report of the Director of Finance and Transformation and Cabinet Member for Finance, Innovation and Property gave details of a new application for rural rate relief which was considered in accordance with the previously agreed criteria for determining such applications.

**RECOMMENDED:** That the new application for rural rate relief be determined as follows:

Hadlow Superstore, 4-6 The Broadway, Hadlow – 80% discretionary relief be awarded, time-limited to 31 March 2015.

**FIP 14/61 RURAL SETTLEMENT LIST**

Decision Notice D140110MEM

The report of the Director of Finance and Transformation referred to the requirement to review the Council's rural settlement list and recommended that the current list should be retained unaltered for the financial year 2015/16.

**RECOMMENDED:** That the current rural settlement list remain in force for the year 2015/16.

**FIP 14/62 EXTENSION OF CASH COLLECTION CONTRACT**

Decision Notice D140111MEM

The report of the Director of Finance and Transformation indicated that the five year cash collection contract entered into by Canterbury City Council as lead authority on behalf of the 12 Kent district councils was due to expire in January 2015 with an option for two 12 month extensions. It was noted that the option to extend the contract for one year to 2016 was considered the best option by all 12 councils.

**RECOMMENDED:** That the decision to extend the Council's current Cash Collection Contract for a further year be endorsed.

**FIP 14/63 IT STRATEGY**

Decision Notice D140112MEM

The report of the Director of Finance and Transformation gave details of a proposed IT Strategy for the Council covering the period 2014-2017. The Strategy described how current and new technologies could assist with the Council's transformation agenda and help make improvements and efficiencies in processes and service delivery to the public and other customers. It was noted that the Strategy would be used as a framework for developing a delivery plan linking the transformation projects and improvements to the relevant technologies.

**RECOMMENDED:** That the IT Strategy for the period 2014-2017, as set out at Annex 1 to the report, be approved subject to the inclusion of specific reference to the overarching aim of improving service with no reduction in customer experience.

**MATTERS SUBMITTED FOR INFORMATION**

**FIP 14/64 CAPITAL PROJECTS - POST IMPLEMENTATION REVIEWS**

The joint report of the Director of Central Services and Director of Finance and Transformation provided an update on four Capital Plan post implementation reviews. These related 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.

**FIP 14/65 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. It was noted that following the trial of a fast tracking process for benefits claims, performance had substantially improved.

**FIP 14/66 COUNCIL TAX AND BUSINESS RATES UPDATE REPORT**

The report gave details of recent developments in respect of council tax and business rates collection rates. To gauge the impact of the revised council tax reduction scheme the annex to the report set out a comparison between the number of recovery notices being issued in the current and previous financial years.

**FIP 14/67 FRAUD PREVENTION UPDATE**

The report provided an update on the performance of the corporate fraud prevention section for the period April to August 2014.

**MATTERS FOR CONSIDERATION IN PRIVATE**

**FIP 14/68 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 14/69 DEBTS FOR WRITE OFF**

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

Decision Notice D140113MEM

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 19 items shown in the schedule of amounts over £1,000, totalling £89,335.13 be written-off for the reasons stated within the schedule.

**FIP 14/70 PROPOSED TERMS FOR LEASE OF AMENITY LAND TO  
TONBRIDGE METHODIST CHURCH**

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

Decision Notice D140114MEM

The report of the Director of Central Service gave details of proposed terms for the lease of amenity land to Tonbridge Methodist Church to provide safe pedestrian access from Hunt Road.

**RECOMMENDED:** That the terms proposed for a lease to the Tonbridge Methodist Church be approved as set out in the report.

**FIP 14/71 PROPOSED NEW LEASE OF LAND TO REAR OF WILLOW LEA,  
TONBRIDGE AND APPROVAL OF DISPOSAL SCHEME**

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

Decision Notice D140115MEM

The report of the Director of Central Services outlined the background to the grant of periodic tenancies of a strip of land to the rear of properties in Willow Lea, Tonbridge. Details were given of proposed terms and conditions of a new lease to one of the home owners.

Consideration was also given to a proposal to investigate with each agreement holder in Willow Lea the option of purchasing the land to the rear of their properties.

**RECOMMENDED:** That

- (1) a new lease be granted to the individual home owner in Willow Lea as detailed in the report (and corrected at the meeting), subject to investigation of whether any further legislation applies and the inclusion of a clause reserving a right of access to the Council; and
- (2) approval be given to proceed with the wider disposal scheme as set out in the report.

The meeting ended at 8.59 pm

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

07 January 2015

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

#### Part 1- Public

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

#### 1 POLICY IN RESPECT OF DISCRETIONARY COUNCIL TAX AWARDS

Members are asked to consider a draft policy under s.13A of the Local Government Finance Act 1992, whereby a local authority has the power to reduce the amount of Council Tax due 'as it sees fit.'

#### 1.1 Introduction

1.1.1 Under s.13A of the Local Government Finance Act 1992, a local authority has the power to reduce the amount of Council Tax due 'as it sees fit.' This section (as amended by the Local Government Finance Act 2012) also allows a local authority to create a 'scheme' to reduce the Council Tax for persons or a class of persons that it considers being in financial need.

1.1.2 There is no statutory requirement to set a policy; but the Council still has an obligation to consider 'applications' in the absence of a policy. Management Team are of the view that in order to ensure that any such applications are dealt with consistently and equitably, it is appropriate for Members to agree a policy.

#### 1.2 Council Tax 'Section 13A' Discretionary Relief Policy

1.2.1 A draft policy is attached at **[Annex 1]** for Members' consideration.

1.2.2 As Members will note, it is proposed that applications will only be granted in **exceptional or unforeseen circumstances** that threaten a taxpayer's ability to discharge their liability for council tax and may threaten their ability to stay in their home. I would expect to see, as a pre-requisite, that other eligible discounts, reliefs and exemptions have been considered and exhausted.

1.2.3 All applications will be considered on their own merits, whilst having regard to this policy. Members will note that I propose that decisions on eligibility (or not) for an award will normally be delegated to me (or an officer nominated by me). This is consistent with the arrangements for the award of Discretionary Housing Payments.

### **1.3 Legal Implications**

- 1.3.1 A local authority has the power to reduce the amount of Council Tax due under s.13A of the Local Government Finance Act 1992 and therefore has an obligation to consider any requests.

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

- 1.4.1 The cost of any reduction awarded under Section 13A(1)(c) must be met by Tonbridge and Malling Borough Council. Therefore, any awards made will have an impact on the Council's general fund budget. Numbers of applications and the costs associated with any reliefs awarded (if any) will be monitored and reported to Members as appropriate.

### **1.5 Risk Assessment**

- 1.5.1 Although there is no statutory obligation to set a policy, there are risks of not having a policy. In the absence of a policy, it will be more difficult to consider applications that are received consistently and equitably and this could lead to external challenge.
- 1.5.2 Regardless of whether we have a policy or not, it is not possible to forecast the numbers of applications and the likely cost to the authority should any applications be successful.

### **1.6 Equality Impact Assessment**

- 1.6.1 Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The decisions recommended through this paper directly impact on end users. The impact should not vary between groups of people.
- 1.6.2 The council has circa 50,000 council tax payers. All groups of taxpayers have equal access to apply for relief through this policy.
- 1.6.3 The aim is to use the powers to assist council taxpayers in exceptional cases where they may still suffer financial hardship despite being in receipt of the maximum amount of discounts and exemptions due to them, and have exhausted all other reasonable steps to mitigate the situation. The desired outcome is the prevention of financial hardship arising from liability for council tax.
- 1.6.4 We shall monitor this by keeping a record of applications and decisions against the protected groups.

**1.7 Policy Considerations**

1.7.1 Customer Contact

1.7.2 Equalities/Diversity

**1.8 Recommendations**

1.8.1 Members are **REQUESTED** to **RECOMMEND** to Cabinet to approve the s13a Policy

Background papers:

Nil

contact: Mike Bytheway

017320876083

mike.bytheway@tmbs.gov.uk

Sharon Shelton

Director of Finance and Transformation

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## Council Tax – ‘Section 13A’ Discretionary Relief Awards

### Policy Document

#### Introduction

1. Under s.13A of the Local Government Finance Act 1992 a local authority has the power to reduce the amount of Council Tax due ‘as it sees fit.’ This section (as amended by the Local Government Finance Act 2012) also allows a local authority to create a ‘scheme’ to reduce the Council Tax for persons or a class of persons that it considers being in financial need.
2. The cost of any reduction awarded under Section 13A(1)(c) must be met in full by Tonbridge and Malling Borough Council. Decisions whether to award a reduction under Section 13A(1)(c) will be on a case by case basis.
3. Applications will only be granted in exceptional or unforeseen circumstances that threaten a taxpayer’s ability to discharge their liability for council tax and may threaten their ability to stay in their home. It is a pre-requisite that other eligible discounts, reliefs and exemptions have been considered and exhausted. In these circumstances, Tonbridge and Malling Borough Council will give consideration to reducing Council Tax liability for any applicant within the local area.
4. From time to time, national schemes may be introduced by Government in response to events or natural disasters, such as flooding. In these cases, funding is normally met in full by Government and such schemes will be administered in accordance with instructions and guidance set out by Government.

#### Application Process

5. As the discretion under s.13A is very wide there is no formal application process to be followed and there is no statutory necessity to complete a formal application form. In exercising its discretion, Tonbridge & Malling Borough Council shall have regard to this policy document and the considerations set out above.
6. An application for a reduction of Council Tax liability can be made by the Council Tax payer, an appointee or an authorised third party.
7. Applications must be made in writing and be accompanied by the following;
  - a) The exceptional circumstances for which the reduction is being requested including any hardship or personal circumstances relating to the application;
  - b) A full income and expenditure breakdown for the applicant and all other persons residing in the property. This can either be in the form of an ‘income and expenditure’ form for Council Tax or a similar form that is used for Housing Benefit Overpayments or by advice agencies;

- c) Details of the amount of reduction being requested and the period of time it is being requested for;
  - d) What other steps have been taken to meet, or mitigate, the council tax liability (e.g applying for other discounts or reductions)
8. Tonbridge and Malling Borough Council may request evidence that is relevant to the application. No costs will be borne by Tonbridge and Malling Borough Council in the provision of this request for evidence.

#### Consideration of Applications

9. As outlined above, in exercising its discretion, Tonbridge & Malling Borough Council shall have regard to this policy document and the considerations set out within it.
10. This is not to say that an application which appears to comply with the policy will necessarily be granted or one that does not will necessarily be refused. Tonbridge & Malling Borough Council will ensure that each application is considered on its own merits, and this policy is intended to act as a guide rather than a 'hard and fast' rule. That said, it will not be possible to consider the application without a statement of reasons for hardship and a financial statement.
11. Applications will be considered within 21 working days of receipt of the application and all supporting information being received and Tonbridge & Malling Borough Council will notify the applicant should there be a delay in processing the application.
12. Decisions on eligibility (or not) for an award will normally be made by the Director of Finance and Transformation, or an officer delegated by her within the Council's Constitution.
13. The applicant will be notified of the decision in writing and where the reduction is refused or not fully awarded, an explanation of the reasons why will be given.
14. Applications where the applicant has failed to provide information within the timescales provided will be refused.
15. When the application is received, careful consideration must be made to the reasons for financial hardship. There must be clear evidence of hardship or personal circumstance that justifies a reduction in Council Tax liability, the following will be considered before awarding any reduction;
- a) The applicant must demonstrate in their application that they have taken all reasonable steps to resolve their own situation prior to making an application.
  - b) Income and allowable expenses; reference can be made to the National Debtline budget figures which give a guidance on how much should be allowed for day to day living expenses. If these seem unnecessarily high, further information may be sought as there may be a reason for such high expenditure.
  - c) Luxuries and 'lifestyle' choices; this can include taking out of the calculations any excessive commitments for non-basic items.

- d) Prospect of a change in the applicants circumstances; is the applicant able to work and likely to return to work?
- e) Whether the applicant has access to other assets that could be used to pay the Council Tax if there was a surplus income then it would be difficult to support the position that there is hardship.

16. Additional factors to be considered;

- i. Reasons for hardship? i.e. historical debt problems, sudden change in circumstances or a recent financial burden. If an applicant has had bereavement or life change such as divorce or separation, it could be considered that there are valid reasons that hardship is being experienced. However if there is evidence that a applicant has continued to seek credit beyond their means then it may be more appropriate to refer them for debt counselling than apply a s.13A reduction.
- ii. How has the applicant sought to relieve their financial hardship? – i.e. maximising income or seeking advice on debt management or working out a budget.
- iii. Will a discretionary award address the hardship or will it be a temporary solution to other ongoing issues? Whilst it could be beneficial to the applicant to relieve a financial burden in the short term, a s.13A reduction should never be viewed as an ongoing solution.
- iv. Is there any other assistance that can be offered – e.g. Discretionary Housing Payment or Council Tax Reduction?
- v. Are there any other methods of reducing financial hardship? Does the applicant have any other debts with the Council? If an applicant has a housing benefit overpayment or sales ledger debt, it may be possible to spread the payments over a longer period of time to ensure that the applicant is paying something towards all their debt.
- vi. Any issues of vulnerability.

Awards of Section 13A(1)(c)

- 17. We will normally only award Section 13A(1)(c) for the financial year that it is claimed.
- 18. The amount of reduction awarded will take into account the level of arrears or Council Tax charge and the extent to which the criteria or guidelines are met.
- 19. Applicants requesting a Section 13A(1)(c) reduction to be backdated i.e. for the previous year will be dealt with in the same way as applications for the current year and they will have to demonstrate that the financial hardship existed during the period requested.

20. Relief will be cancelled if;

- The applicant ceases to be the council taxpayer;
- The property becomes empty or becomes occupied, or all or part of the unoccupied area becomes occupied;
- The use of the property changes;
- The applicants financial circumstances change;
- The financial circumstances for an applicant changes.
- It is the responsibility of the applicant to advise us of any changes.

21. If a reduction has been awarded as a result of a false or fraudulent claim Tonbridge and Malling Borough Council reserves the right to withdraw the award granted and will consider prosecution if appropriate.

#### Appeals procedure

22. There is no statutory right of appeal against a decision whether to award a Section 13A(1)(c) reduction; however, Tonbridge & Malling Borough Council does recognise that applicants should be entitled to have a decision reviewed objectively, if they are dissatisfied with the outcome.

23. Appeals may only be made by the original applicant. The applicant may appoint a third party to act on their behalf and in such cases we will require written authorisation from the appellant.

24. Applicants will be notified of the appeals process in writing at the time that they are notified of the outcome of their application.

25. Appeals must be in writing and include the reasons why it is believed the decision should be amended and include any new or additional information relevant to the decision making process.

26. Appeals against decisions to award a Section 13A(1)(c) reduction will be considered by a different Officer than the one who made the original decision.

27. After it has been reviewed, the appellant can appeal to the Valuation Tribunal at the following address;

The Valuation Tribunal Service  
2<sup>nd</sup> Floor  
120 Leman Street  
London E1 8EU

28. Submitting an appeal does not affect the appellant's legal rights to challenge a decision made by the Council through the Judicial Review process.

29. An appeal must be made within four weeks of the issue of the letter notifying them of



the decision. Any appeals received outside of the four week period will only be considered if there are exceptional circumstances that led to the delay in submitting the appeal.

- 30. The applicant will be notified whether an appeal is refused or accepted in writing within 21 days.
- 31. If we have requested further evidence from the applicant to support the appeal and this has not been received within the specified time given, the appeal will be refused on the grounds of lack of supporting evidence.

Approved by Full Council: .....

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

07 January 2015

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

#### Part 1- Public

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

#### 1 REVENUE ESTIMATES 2015/16

The Council has a statutory duty to set the level of council tax for the forthcoming financial year by 11 March. Under the Budget and Policy Framework Rules of the Constitution, the Cabinet is responsible for formulating initial draft proposals in respect of the Budget. The role of this Advisory Board is to assist both the Cabinet and the Council in the preparation of the Budget for 2015/16 within the context of the Medium Term Financial Strategy and the Council's priorities.

**NOTE: THE REVISED ESTIMATES FOR 2014/15 AND THE ESTIMATES FOR 2015/16 ARE CONTAINED IN A SEPARATE BOOKLET CIRCULATED WITH THE AGENDA**

#### 1.1 Introduction and Timetable

- 1.1.1 The Cabinet is responsible for formulating initial draft proposals in respect of the Budget for 2015/16. This report is intended as the basis for recommendations from this Board to the Cabinet.
- 1.1.2 The proposals will also be referred to the Overview and Scrutiny Committee for further consideration and advice. The Overview and Scrutiny Committee has a meeting on the 27 January in order to address this responsibility. A special meeting of the Cabinet is scheduled for the 12 February to consider the recommendations of this Board and the Overview and Scrutiny Committee and, in addition, take into account the Council's final grant settlement.
- 1.1.3 At that special meeting on the 12 February, the Cabinet will need to formulate its final proposals in respect of the Budget for 2015/16 and the council tax to be levied in respect of the Borough Council. The Full Council will meet on the 17 February to approve the Budget and set the Council Tax. The Full Council may adopt or amend the Cabinet's proposals.
- 1.1.4 The role of this Advisory Board is to consider in detail both the Revised Estimates for 2014/15 and the Estimates for 2015/16 within the context of the Medium Term Financial Strategy and the Council's priorities. For completeness, details of how

we are updating the Medium Term Financial Strategy are contained within this report for information.

## 1.2 Medium Term Financial Strategy

- 1.2.1 To recap, the Council's current Medium Term Financial Strategy (MTFS) covers both revenue and capital budgets over a rolling ten-year period, and it is this Strategy that underpins the budget setting process each year and over the strategy period. The aim of the Strategy is to give us a realistic and sustainable plan that reflects the Council's priorities. The MTFS sets out the high level objectives the Council wishes to fulfil over the agreed time span. These are:
- To achieve a **balanced revenue budget** that delivers the Council's priorities by the end of the strategy period.
  - To retain a **minimum of £2.0m** in the General Revenue Reserve by the end of the strategy period.
  - Seek to set **future increases in council tax having regard to the guidelines** issued by the Secretary of State.
  - Over the strategy period, **continue to identify efficiency savings and opportunities for new or additional income sources** within the Council's budget to contribute towards the identified 'funding gap'; and, if necessary thereafter, **seek appropriate reductions in service costs** following consultation, as necessary, with taxpayers.
  - Set a **maximum 'annual capital allowance'** each year as part of the budget setting process for all new capital schemes (set at £320,000 from the Council's own resources) and give priority to those schemes that generate income or reduce costs.
- 1.2.2 The MTFS sets out, not only the projected budgets for the period, but also the levels of council tax that are projected to be required to meet the Council's spending plans. Underneath the Strategy for the budget setting year sits detailed estimates formulated in conjunction with Services taking into account past outturn, current spending plans and likely future demand levels / pressures.
- 1.2.3 Members are fully aware that the Council faces an increasingly significant financial challenge as a result of the Coalition Government's budget deficit reduction programme which has resulted in a reduction in the financial support it can offer to local government.
- 1.2.4 We believe, however, that our MTFS is resilient and the financial pressures likely to confront us can be addressed in a measured and controlled way. Clearly, the absolute size of the budget 'funding gap' will influence the timescales we can afford ourselves to address the problem.

- 1.2.5 Members will recall that when setting the budget for 2014/15 in February 2014 projections at that time suggested a ‘funding gap’ between expenditure and income of circa £1.875 million. Based on the above projection it was further suggested that we break the savings target into three tranches (tranche one £650,000, tranche two £700,000 and tranche three £525,000 to be achieved by ideally the start of the year 2016/17, 2017/18 and 2019/20). However, in order to maintain momentum and focus a savings target has been set for the start of next year (2015/16) by breaking out the first savings tranche into two parts, i.e. £200,000 followed by £450,000.
- 1.2.6 The MTFs will need to be updated and rolled forward as part of the 2015/16 budget setting process. Further information about this, together with the issues that Cabinet will need to address when updating the MTFs are set out later in this report at paragraph 1.12.

### 1.3 Provisional Local Government Finance Settlement

- 1.3.1 On 18 December 2014, provisional Settlement Funding Assessments for 2015/16 were published. Each local authority’s actual allocation for 2015/16 is expected to be confirmed in January 2015. Ordinarily, indicative figures for the following year are also made available, but with the General Election next year, indicative figures for 2016/17 have not been provided. The Spending Review 2015 due to take place shortly after the General Election will tell us more about the financial landscape for local government beyond 2015/16 with the potential for multi-year settlements which, if introduced, will aid financial planning.
- 1.3.2 Our provisional Settlement Funding Assessment for 2015/16 is £3,678,599. This represents a cash decrease of £677,918 or 15.6% when compared to the equivalent figure of £4,356,517 in 2014/15. Included in the Settlement Funding Assessment is the parish councils’ indicative allocation in respect of the council tax support scheme, however, it is not separately identified. In addition, the Council’s grant award under the New Homes Bonus (NHB) scheme in 2015/16 is £3,101,153 compared to £2,395,874 in 2014/15. Grant funding including NHB is, therefore, £6,779,752. A breakdown of the total grant funding into the various funding streams is set out in the table below.

	2014/15 £	2015/16 £	Cash Increase / (Decrease)	
			£	%
Local Share of Business Rates	2,049,944	2,089,115	39,171	1.9
Revenue Support Grant	2,306,573	1,589,484	(717,089)	(31.1)
<b>Settlement Funding Assessment</b>	<b>4,356,517</b>	<b>3,678,599</b>	<b>(677,918)</b>	<b>(15.6)</b>
New Homes Bonus	2,395,874	3,101,153	705,279	29.4
<b>Total Grant Funding</b>	<b>6,752,391</b>	<b>6,779,752</b>	<b>27,361</b>	<b>0.4</b>

1.3.3 In recent years the government has referred to the increase / (decrease) in an authority's **spending power**; and this is what tends to be quoted in media coverage. The increase in spending power calculated by the government is given as 0.3% and although not one and the same is not that different to the increase in our grant funding including NHB. Members will note that the decrease in our Settlement Funding Assessment was negated by the grant award under the NHB scheme.

1.3.4 Our concern has always been what happens when NHB in its current form 'ceases' and/or it is replaced by something else, and we hit the metaphorical 'cliff edge'. Putting to one side NHB, it is worth noting that, **of the twelve district councils in Kent, Tonbridge & Malling Borough Council continues to receive the lowest Settlement Funding Assessment both in total and per head.**

#### 1.4 Local Referendums to Veto Excessive Council Tax Increases

1.4.1 The Localism Act gives local communities the power to veto excessive council tax increases. The Secretary of State will determine a limit for council tax increases which has to be approved by the House of Commons. If an authority proposes to raise council tax above this limit they will have to hold a referendum to get approval for this from local voters who will be asked to approve or to veto the rise.

1.4.2 Members may recall as part of the 2013 Spending Review we were advised that the threshold was to be set at 2% for 2015/16 and this was reaffirmed on 18 November 2014. It should be noted that beyond 2015/16 the Medium Term Financial Strategy assumes a 3% increase in council tax year on year. To put this into context, 1% currently equates to about £85,000.

1.4.3 It was also announced as part of the 2013 Spending Review that funding for council tax freezes in 2014/15 and 2015/16 will **become part of local authority's baseline funding**. To this end the Government announced that it will provide funding equivalent to a **1.0%** increase in council tax in 2014/15 and 2015/16. As a result, and in the absence of information to the contrary, I am assuming that the **freeze funding due to be handed out in 2015/16 will continue indefinitely.**

#### 1.5 Business Rates Retention

1.5.1 Members will be aware that, from April 2013, the Government introduced the Business Rates Retention scheme. For medium term financial planning purposes we continue to assume that the business rates baseline attributed to TMBC is not notably different to the actual business rates income. If our actual income is less than the baseline set the authority will have to **meet a share of that shortfall up to a maximum of circa £153,800 this year, 2014/15**. This figure increases each year in line with inflation.

#### 1.6 New Homes Bonus

1.6.1 The sustainability of the New Homes Bonus in its current form remains a concern.

- 1.6.2 For medium term financial planning purposes, I have assumed that there will be a phased withdrawal of the current NHB model from 2016/17 onwards and that the model will be replaced with something else, but with a reduced level of funding. It should be noted that, depending on how any replacement 'model' allocates funding to individual local authorities, there is a real risk that the Council could see its **overall grant funding reduce by more than is presently reflected in the Medium Term Financial Strategy.**
- 1.6.3 It is of course impossible to estimate with any certainty what that might mean for TMBC, but our working assumption is that this could require a **further potential savings tranche of circa £700,000.**

## 1.7 Specific Issues

- 1.7.1 Members are advised that certain government initiatives, e.g. Welfare Reform and giving consideration to the transfer of the Land Charges function to HM Land Registry will undoubtedly impact on the Council's finances over the medium term and an assessment of the potential impact is not straightforward. Nonetheless, I and Management Team will continue to monitor the potential impact as more information is made available.
- 1.7.2 In terms of the council tax base, built into the Medium Term Financial Strategy is an expectation about future growth in the number of band D equivalents over the ten-year period. Members will be aware that this growth (or otherwise) will impact on the level of the New Homes Bonus that the Council might receive in the future.
- 1.7.3 It is important to recognise, however, that, currently, the timing of development growth is very difficult to predict given the market as well as other site specific conditions. Therefore, our assumption about the growth in the tax base for the Medium Term Financial Strategy comes with a 'health warning'.
- 1.7.4 Recommendations regarding fees and charges shown elsewhere on this agenda or to be reported to the appropriate Advisory Board / Committee during this cycle of meetings are incorporated within the Estimates. Any changes required following consideration of fees and charges presented to this and other meetings will be incorporated before the Estimates are reported to Cabinet on 12 February.
- 1.7.5 Other than loss of investment income the draft Estimates presented do not take account of the revenue consequences of new capital schemes to the Capital Plan. At its meeting on 12 February, the Cabinet will need to give consideration to both the Revenue and Capital Estimates in the context of the Medium Term Financial Strategy and, where appropriate, recommend additions to the Capital Plan.
- 1.7.6 Members are aware of the budgetary pressure on the Building Repairs Reserve and that over time the annual contribution to the Reserve will need to increase to meet ongoing maintenance and repair obligations. As a result it is proposed that the contribution to the Building Repairs Reserve in the current year is increased from £650,000 to £750,000 and that there is a further stepped increase in the

annual contribution thereafter from £450,000 (2015/16 to 2019/20) and £475,000 (2020/21 to 2024/25) respectively to £500,000.

1.7.7 It is important to ensure that the revenue reserve for capital schemes can continue to fund capital expenditure at least until we reach a position where the annual contribution to the reserve matches the funding required for the replacement of existing assets (vehicles, plant and equipment) as well as recurring capital expenditure. As a result in 2015/16 an additional contribution of £500,000 is to be made to the reserve for this purpose.

1.7.8 Turning to the individual Estimates, particular issues to be drawn to Members attention are set out below:

### **Corporate Services**

1.7.9 The key issues are:

- 1) The forward estimate includes provision for the April 2015 pay award and continued provision for additional temporary staff in the Housing Benefits Section to assist with increased workload. Both revised and forward estimates include termination payments following changes to the establishment.

### **Chief Executive**

1.7.10 The key issues are:

- 1) Revised estimate includes £230,000 to fund the final round of the Community Enhancement Fund bids.
- 2) Economic development revised estimate includes £217,000 for Business Support scheme grants to assist with the recovery from severe weather conditions. These grants are met in full from a government grant.

### **Director of Central Services**

1.7.11 The key issues are:

- 1) Following the completion of a rent review at Vale Rise industrial estate an additional £25,000 one-off payment is included within the revised estimate in respect of backdated rent.

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

1.7.12 The key issues are:

- 1) Housing benefits overpayment levels have risen sharply due to a number of reasons including data matching, sharing of Real Time Information (RTI)



with HMRC, claimants moving into work in an improving economy and variable rate hours employment contracts.

- 2) The DWP administration grant for 2015/16 has been reduced by 10.4%.

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

1.7.13 The key issues are:

- 1) Savings have been achieved from new building control partnership with Sevenoaks District Council.
- 2) Penalty Charge Notice income has reduced due to improved parking discipline (and consequently fewer PCNs) achieved through clarity in new parking regimes and high profile enforcement presence in car parks and key on-street locations.
- 3) Homelessness accommodation costs have increased due to the impact of welfare reform.

### **Director of Street Scene and Leisure**

1.7.14 The key issues are:

- 1) The budget provisions for contract payments have been increased by 2.5% reflecting the level of inflation (RPI) at the time of preparing the estimates.
- 2) Refuse collection, recycling and street scene budgets include provision for growth in new properties (£28,000).
- 3) Recycling income is lower than originally estimated as a result of tonnages collected being lower than anticipated and reductions in prices.
- 4) Savings have been achieved from the new Ground Maintenance Contract commencing 1 January 2015.

## **1.8 Revised Revenue Estimates 2014/15**

Overall, the Revised Estimates show a **decrease over the Original Estimates of £58,850 prior** to making a contribution to/from the General Revenue Reserve. The principal variations are given in the table below.

<b>Description</b>	<b>DR £</b>	<b>CR £</b>
Housing Benefits (net of subsidy)	151,600	
Redundancy Costs	91,450	
Building Repairs Reserve	82,000	
Electoral Registration	24,250	
Crime & Disorder Initiatives		20,000

Release of Provision		20,000	
Summons Costs Recovered		20,000	
Industrial Estate Rent		25,000	
Housing Benefits Grants		25,000	
Ground Maintenance Contract		36,000	
VAT Refund		63,950	
Salaries & Contributions		135,750	
Other Net Changes		62,450	<b>CR</b>
<b>Total</b>	<b>349,300</b>	<b>408,150</b>	<b>58,850</b>

## 1.9 Revenue Estimates 2015/16

1.9.1 Overall, the draft Estimates 2015/16 total £12,396,350 **prior** to making a contribution to/from the General Revenue Reserve. This represents a **decrease of £1,022,850** or 7.6% over the Original Estimates for 2014/15. The principal variations are given in the table below.

<b>Description</b>	<b>DR £</b>	<b>CR £</b>	
Revenue Reserve for Capital Schemes	500,000		
Refuse, Recycling & Street Cleansing Contract	113,100		
Housing Benefits (net of subsidy)	97,250		
Benefits Administration Grant	46,850		
Major Income Streams	32,400		
Redundancy Costs	28,700		
Tonbridge Gateway Agreement	24,750		
Crime & Disorder Initiatives		20,000	
Summons Costs Recovered		20,000	
Ground Maintenance Contract		100,500	
Salaries & Contributions		130,900	
Building Repairs Reserve		150,000	
New Homes Bonus		705,300	
River Wall at Wouldham Reserve		700,000	
Other Net Changes		39,200	<b>CR</b>
<b>Total</b>	<b>843,050</b>	<b>1,865,900</b>	<b>1,022,850</b>

1.9.2 It is likely that there will need to be changes made to the Estimates as we move through the budget setting process. It is my intention to bring these together for the Cabinet Budget meeting in February, rather than introduce them in a piecemeal fashion.

## 1.10 Draft Capital Plan

1.10.1 A report elsewhere on this agenda seeks to advise Members of the way forward on the Capital Plan. The criteria established to guide the inclusion of new schemes to List C ('wish' list) and ultimately the inclusion of schemes on List A (schemes assigned budget provision) are:

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

1.10.2 The Capital Plan review report recommends schemes for inclusion on List B, the short-list of schemes for possible inclusion in the Capital Plan. Members are reminded that the selection from List B, of schemes to be included in the Capital Plan (List A) – if any – will be made at Cabinet on the 12 February for endorsement by Council. With this in mind Members are advised that other than loss of investment income the revenue consequences of new capital schemes **have yet to be incorporated within the Estimates.**

1.10.3 It is important to ensure that the revenue reserve for capital schemes can continue to fund capital expenditure at least until we reach a position where the annual contribution to the reserve matches the funding required for the replacement of existing assets (vehicles, plant and equipment) as well as recurring capital expenditure.

As a result there is an annual capital allowance for all other capital expenditure. Any 'bids' for capital schemes or discretionary capital grants are to be assessed in the context of the annual allowance. Members are reminded that in setting the budget for 2014/15 that allowance was set at £320,000. It should be noted, based on current projections, that from 2018/19 the Council will need to borrow to fund such expenditure.

## 1.11 Consultation with Non-Domestic Ratepayers

1.11.1 Before the Borough Council determines the amount of its total estimated expenditure and makes calculations of its requirements for the ensuing financial year, it consults representatives of its non-domestic ratepayers about its expenditure proposals (including capital expenditure). The consultees, who include the local Chambers of Commerce as well as a group of the larger ratepayers in the Borough, receive on request information and copies of the draft budgets and are invited to make written representations if they deem it appropriate. Any points of clarification required are dealt with by telephone, written correspondence or, if appropriate, an informal meeting with officers.

1.11.2 Any comments or representations received from the consultees will be reported to Members during the budget process as appropriate.

## 1.12 Update of our Medium Term Financial Strategy

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

- those factors that have contributed towards addressing the ‘funding gap’;
- those factors that have taken matters in the ‘wrong’ direction;
- the announcement on the level of council tax increase for 2015/16 above which the local authority would be required to seek the approval of their electorate via a local referendum and the government’s commitment in partnership with local authorities to freeze council tax in England for a further year;
- the ongoing impact of the Business Rates Retention scheme; and
- award of New Homes Bonus.

1.12.2 Members will recall we set ourselves a savings target this year of £200,000 and I am extremely pleased to report to date savings in the order of £475,000 have been achieved. However, after taking into account those issues outside our control that either take the ‘funding gap’ in the right or wrong direction, **net savings in the order of £325,000 have been achieved** when compiling the Revenue Estimates for 2015/16.

1.12.3 In addition, the council tax base is higher than estimated as a result of better than expected growth, positive improvement in the council tax base in respect of the council tax reduction scheme and changes to discounts and exemptions approved by Council in November 2014. This, in turn, **making a contribution to the savings target of circa £150,000.**

1.12.4 A summary of the make-up of the net savings achieved in the order of **£475,000** can be found at **[Annex 1]**. As a result we have not only met this year’s savings target, but began to make ‘in roads’ into the next savings tranche, although of course a significant financial challenge remains.

1.12.5 Assuming a **council tax referendum threshold of 2%** (see paragraph 1.4.2) **the updated ‘funding gap’ (savings target) is circa £1.4 million.** As in previous iterations of the MTFS the savings target can be broken down into tranches. For example, the savings target could be broken down into three tranches.

- 1) Tranche one £200,000 to be achieved by 1 April 2016.
- 2) Tranche two £700,000 to be achieved by 1 April 2017.
- 3) Tranche three £500,000 to be achieved by 1 April 2018.

1.12.6 If Members were minded, in due course, to implement a **council tax 'freeze'**, then, assuming the 2015/16 freeze funding continues indefinitely in the 'baseline' (see paragraph 1.4.3) **the updated 'funding gap' (savings target) would be in the order of £1.525 million**. The savings target could again be broken down into three tranches.

- 1) Tranche one £325,000 to be achieved by 1 April 2016.
- 2) Tranche two £700,000 to be achieved by 1 April 2017.
- 3) Tranche three £500,000 to be achieved by 1 April 2018.

1.12.7 The figures above are, presently, indicative figures intended to give Members a 'flavour' of the choices and challenges ahead. However, it can be seen from the above that the implications of accepting the grant to freeze council tax as opposed to a council tax increase of 1.99% adds around £125,000 to the overall savings we have to make.

1.12.8 Clearly, the Medium Term Financial Strategy will continue to be updated as we move through the 2015/16 budget cycle and as more information becomes available. Members will note from this latest 'update' that the projected funding gap is £1.4 million (increase in council tax 1.99%) or £1.525 million (council tax freeze).

### **1.13 Legal Implications**

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

1.13.2 The Localism Act gives local communities the power to veto excessive council tax increases. The Secretary of State will determine a limit for council tax increases which has to be approved by the House of Commons. If an authority proposes to raise council tax above this limit they will have to hold a referendum to get approval for this from local voters who will be asked to approve or veto the rise.

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

1.14.1 As set out above.

### **1.15 Risk Assessment**

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

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

1.15.2 The Medium Term Financial Strategy sets out the high level financial objectives the Council wishes to fulfil and underpins the budget setting process for the forthcoming year and over the Strategy period. As the Council's high level financial planning tool the Strategy needs to be reviewed and updated at least annually and in the current climate regularly reviewed by Management Team.

1.15.3 The increased uncertainty and volatility particularly in some of our major sources of income (business rates and New Homes Bonus) make financial planning that more difficult with the increased risk of significant variances compared to projections.

1.15.4 Any increase in council tax above the relevant threshold, even by a fraction of a percentage point, would require a referendum to be held.

## **1.16 Equality Impact Assessment**

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

## **1.17 Recommendations**

1.17.1 The Advisory Board is requested to:

- 1) Consider the draft Revenue Estimates contained in the Booklet and make such recommendations, as it considers appropriate, to Cabinet for its special meeting on 12 February.
- 2) Within the context of the financial pressures outlined in the report, request that the Overview and Scrutiny Committee consider the draft Revenue Estimates contained in the Booklet and make such recommendations, as it considers appropriate, to Cabinet for its special meeting on 12 February.

Background papers:

Nil

contact: Sharon Shelton  
Neil Lawley

Sharon Shelton  
Director of Finance and Transformation

**Revenue Savings 2015/16**

	<b>£'000</b>
<b>Savings Identified to Date</b>	
Ground Maintenance Contract	(100)
Establishment Changes (Nov 14)	(98)
Establishment Changes (Jun 14)	(86)
2013/14 Outturn Review	(73)
CCTV Capital Renewals	(30)
Building Control Shared Service	(25)
Print Section	(21)
External Fund Manager	(15)
Members Special Responsibility Allowance	(8)
Courier - Non Staff Costs	(7)
Wrotham Car Park	(6)
Telephone Allowances	(5)
<b>Total Savings</b>	<b><u>(474)</u></b>
<b>Other Factors Impacting on MTFS</b>	
Disabled Facilities Grants	(26)
Additional Annual Pension Contributions	(22)
Summons Costs Recovered	(20)
Environmental Health Contracts RPI Increase	15
Building Repairs Reserve Contribution	25
Gateway Income	25
Penalty Charge Notices	25
Benefits Administration Grant	50
Recycling Income	80
<b>Total Other Factors</b>	<b><u>152</u></b>
<b>Net Savings Identified</b>	<b><u>(322)</u></b>
<b>Savings Target for 2015/16</b>	<b>(200)</b>
<b>Additional Savings Identified</b>	<b><u>(122)</u></b>
Council Tax Base	(150)
<b>Total Savings Over Target for 2015/16</b>	<b><u><u>(272)</u></u></b>

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

07 January 2015

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

#### Part 1- Public

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

#### 1 CAPITAL PLAN REVIEW 2014/15

This report reviews the current position of the existing Capital Plan (List A), recommends new schemes for adding to List C and schemes to be deleted from List C, recommends schemes from List C for evaluation and recommends schemes for inclusion on List B from those evaluated schemes selected for evaluation this time last year or earlier. Members are reminded however, that any aspirations in respect of capital schemes need to be set within the context of the significant financial challenge facing the Council.

<p><b>NOTE: ANNEXES 1 to 4 TO THIS REPORT ARE CONTAINED IN A SEPARATE BOOKLET CIRCULATED WITH THE AGENDA</b></p>
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#### 1.1 Introduction

1.1.1 The capital plan process, as outlined below, provides a means of maintaining a pool of schemes (List C) from which schemes can be selected for evaluation and possible implementation. It also provides an opportunity to review the provisions for schemes which are already in the Capital Plan (List A).

1.1.2 The criteria established to guide the inclusion of new schemes to List C (wish list) and ultimately the inclusion of schemes on List A (schemes assigned budget provision) are:

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

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

1.1.4 The review takes place within the context of the revenue estimates, reflecting the fact that capital schemes have an impact on revenue. Positive impacts may

include potential to increase income or reduce operating costs. Negative impacts may include loss of income during construction and will include loss of investment income where the project costs are met from the Council's resources.

## **1.2 Capital Plan Funding**

- 1.2.1 Members will be aware that the Council continues to face a significant financial challenge as a result of the Coalition Government's budget deficit reduction programme which has resulted in a reduction in the financial support it can offer to local government.
- 1.2.2 Capital expenditure is currently funded from the revenue reserve for capital schemes, grants from government and other bodies, developer contributions and from capital receipts derived from the sale of assets. The revenue reserve for capital schemes provides the main source of funding for existing and any new schemes that are introduced into the Capital Plan.
- 1.2.3 It is important to ensure that the revenue reserve for capital schemes can continue to fund capital expenditure at least until we reach a position where the annual contribution to the reserve matches the funding required for the replacement of existing assets (vehicles, plant and equipment) as well as recurring capital expenditure.
- 1.2.4 As a result there is an annual capital allowance for all other capital expenditure. Any 'bids' for capital schemes or discretionary capital grants are to be assessed in the context of the annual allowance. The annual allowance is set at £320,000. It should be noted, based on current projections, that from 2018/19 the Council will need to borrow to fund such expenditure.

## **1.3 Capital Plan Review Process**

- 1.3.1 The Capital Plan consists of three main elements:
- List C is a holding list of schemes which ordinarily have not been fully worked up. List C schemes can be in two states – schemes which have been retained on List C for possible future adoption and schemes which have been selected for evaluation, effectively short-listed for adoption.
  - List B is a holding list of List C schemes which have been evaluated and not eliminated. The presumption is that, subject to budget guidance, these schemes will be adopted for inclusion in List A.
  - List A is the approved capital programme. Schemes will be selected from List B for inclusion in List A in accordance with budgetary guidance. This selection will be carried out in conjunction with the revenue budget process.
- 1.3.2 The role of this Board is to consider four aspects of the review process and make recommendations to Cabinet. The four aspects are:

- A review of the existing Capital Plan (List A).
- The addition of new schemes to List C and the removal of schemes no longer required.
- The selection of schemes from List C which are considered suitable for evaluation over the following year.
- Consideration of those List C schemes which have been evaluated.

1.3.3 The Overview and Scrutiny Committee on 27 January will also consider the overall Capital Plan position and make recommendations as appropriate to Cabinet on 12 February. Cabinet on 12 February will consider and make recommendations on the transfer of schemes from List B to List A in the light of the overall financial position. Finally, Council on 17 February will consider recommendations from Cabinet.

1.3.4 Throughout the review process it is essential to remember that Capital Plan schemes should emerge from, or be designed to achieve, the Council's Key Priorities and Improvement Actions. Annexes 2, 3 & 4 contain references to the Council's Key Priorities and Improvement Actions and the key to these appears in **[Annex 1]**.

#### **1.4 Review of the Existing Capital Plan (List A)**

1.4.1 Attached at **[Annex 2]** is the existing Capital Plan (List A) in budget book format along with explanatory notes. The following routine adjustments to the 2014/15 Budget Book have been made:

- the outturn for 2013/14 has been taken into account and any slippage still required has been included in 2014/15;
- schemes included in the existing Budget Book which were completed in 2013/14 have been removed;
- in accordance with the policy of having a rolling six year Capital Plan (current year plus six) an additional year, 2020/21, has been added; and
- the profiling of project spend has been reviewed and adjusted where appropriate to reflect the most likely pattern of spend across the plan period.

1.4.2 Paragraphs 1.4.3 to 1.4.13 detail specific amendments to the Capital Plan (List A) approved by Council in February 2014.

1.4.3 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.

- 1.4.4 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.
- 1.4.5 The Government announced a number of schemes to support businesses and home owners recover from the impact of the recent flooding. The Repair and Renew Grant scheme is deemed capital expenditure and appears within the Corporate Services section of the Capital Plan.
- 1.4.6 The Council following a successful bid has secured a grant of £150,000 to stabilise a section of the river bank at Tonbridge Castle by replacing an existing failing timber revetment with steel sheet piling.
- 1.4.7 A grant of £9,000 has been provided by KCC to fund measures under KCC's winter warmth programme (Keep Warm, Keep Well). The scheme aims to reduce the risk of ill health through improving the safety and warmth of the home for vulnerable people meeting agreed health criteria.
- 1.4.8 Games Kiosk – this project looked at the potential of extending the existing Games Kiosk at the Racecourse Sportsground to provide additional catering facilities. The impact of the recent floods has led us to believe that this would not be an appropriate location for such a development and as a result the scheme is to be deleted from the Capital Plan. Alternative ways of extending the catering offer on site are, therefore, being considered including the enhancement of mobile catering services similar to those provided at the Council's country parks.
- 1.4.9 Extension of Car Park – this project saw the transfer of the car park adjacent to the Tonbridge Juddians Rugby Club to the Council followed by a programme of improvements. Unfortunately the negotiations with the existing landowner have proven to be unsuccessful and the project is, therefore, unable to proceed and as a result the scheme is to be deleted from the Capital Plan. The existing Lower Castle Field car park will continue to be operated on its current basis.
- 1.4.10 Improvements to the Tonbridge Memorial Garden to mark the centennial commemorations are now complete. The gross scheme budget has been increased by £50,000 primarily to cover the cost of additional stonework. Total scheme costs of £300,000 have been met in full by developer contributions / grant support and fund raising by the Memorial Garden Trust.
- 1.4.11 Capital renewals provisions have been extended by a further year to enable the current level of assets (vehicles, plant and equipment) to be maintained. Figures

included in 2015/16 and subsequent years incorporate provision for inflation (typically an uplift of 2% per annum) and the tendency to underspend against budget is mitigated by a savings target. A savings target of 20% has been assumed in each year of the Plan. Average renewals spend over the seven-year period of the plan is now £823,000 per annum (2014/15 – 2020/21) compared to £829,000 per annum (2013/14 – 2019/20).

- 1.4.12 The process by which our capital renewals provisions are determined is the subject of a review by Overview and Scrutiny Committee. The interim report to the Committee anticipated that the savings target referred to above could be eliminated (and potentially enhanced) by increasing the estimated useful life attributed to each asset. Renewals provisions in respect of CCTV and recycling bank replacements have already been amended and budget reductions of £30,000 per annum in respect of CCTV replacements and £10,000 per annum for recycling bank replacements have been reflected in the Capital Plan. It is anticipated that further limited savings in respect of other assets will be identified from the Overview and Scrutiny Committee review.
- 1.4.13 Provision for recurring expenditure has also been extended by a further year (see table below). The grant allocation in respect of Housing disabled facilities grants (DFGs) for 2015/16 is £490,000, an increase of £66,000. The budgeted spend on DFGs has been increased by £40,000 to £665,000 producing a net saving of £26,000.

<b>Capital Plan (List A) recurring expenditure</b>		
	<b>2020/21 £'000</b>	<b>Annex 2 Page</b>
<b>Planning, Housing and Environmental Health</b>		
Improvements to existing car parks rolling programme	30	CP 14
Housing disabled facilities grants (net)	175	CP 18
Housing assistance (net)	60	CP 18
<b>Street Scene and Leisure</b>		
Green waste bins growth / replacement	52	CP 24
Refuse bins growth / replacement	52	CP 24
Leisure community group funding	8	CP 30
<b>Corporate</b>		
General IT developments	30	CP 36
<b>Total</b>	<b>407</b>	

- 1.4.14 A number of other minor adjustments to scheme budget provisions have been made. Any budget amendments have been highlighted in bold in the detailed scheme notes in **[Annex 2]**.

1.4.15 It is **RECOMMENDED** that Cabinet be asked to endorse the Capital Plan (List A) position as shown in **[Annex 2]**.

## 1.5 Selection of New List C Schemes

1.5.1 An updated schedule of List C schemes is attached at **[Annex 3]**. Since the January 2014 meeting of this Advisory Board schemes which have been approved for implementation and now appear in the Capital Plan (List A) have been removed from List C. The updated schedule includes schemes which are recommended to be added to List C and schemes to be deleted from List C. To assist Members a summary of the proposals is detailed in the table below.

<b>List C additions and deletions</b>	
	<b>Annex 3 Page</b>
<b>Schemes to be added to List C</b>	
<b>Street Scene and Leisure</b>	
Country Parks: Installation of Automatic Bollards	CP 52
<b>Corporate</b>	
IT Initiatives: Revenues and Benefits Document Management	CP 53
IT Initiatives: Revenues and Benefits Citizen's Access	CP 54
<b>Schemes to be deleted from List C</b>	
<b>Corporate</b>	
IT Initiatives: Public Access to Online Personal Data	CP 53

1.5.2 It is **RECOMMENDED** that Cabinet be asked to:

- 1) Amend List C as detailed in paragraph 1.5.1.

## 1.6 Selection of List C Schemes for Evaluation

1.6.1 At this meeting, Members have the opportunity to recommend schemes for evaluation over the coming year.

1.6.2 It is recognised that the evaluation of schemes imposes a resource requirement and, in consequence, Services have to establish a balance between the evaluation of new schemes and the delivery of existing approved schemes. The recommendations of schemes for evaluation have taken into account this balance. The selection of different schemes for evaluation may upset this balance.

1.6.3 The schedule of List C schemes in **[Annex 3]** indicates the schemes which have been recommended for evaluation including one recommended for Fast-Track evaluation. To assist Members, the table below summarises the schemes that

have been recommended for evaluation coming out of this Capital Plan Review. If the recommendations are accepted the evaluations, other than the one recommended for Fast-Track evaluation, will be reported to this Board in January 2016, together with three schemes selected for evaluation in a previous Review: Tonbridge Farm Sportsground Provision of Toilets, Leybourne Lakes Country Park Facility Improvements and Tonbridge to Penshurst Cycle Route Refurbishment.

<b>Schemes selected for evaluation from List C</b>	
	<b>Annex 3 Page</b>
<b>Street Scene and Leisure</b>	
Country Parks: Installation of Automatic Bollards	CP 52
<b>Corporate</b>	
IT Initiatives: Revenues and Benefits Document Management (Fast-Track)	CP 53
IT Initiatives: Revenues and Benefits Citizen's Access	CP 54

1.6.4 It is **RECOMMENDED** that Cabinet be asked to select those schemes listed in paragraph 1.6.3 for evaluation including one for Fast-Track evaluation.

## **1.7 Evaluation of List C Schemes**

1.7.1 As part of the 2013/14 and previous Capital Plan reviews a number of schemes were selected for evaluation. The results of those evaluations which have been concluded are given in **[Annex 4]** including the scheme recommended for Fast-Track evaluation.

1.7.2 Members are reminded that the Capital Strategy sets out criteria for evaluation. These criteria are the basis for the pro forma structure for reporting on the evaluation which includes screening for equality impacts.

1.7.3 A report to the Planning and Transportation Advisory Board on 18 November 2014 advised Members on progress and provided an updated programme for the implementation of the Tonbridge Town Lock scheme where a funding shortfall in the order of £100,000 was identified. It is suggested that the shortfall be met from a pending developer contribution and in the interim from the Council's own resources.

1.7.4 The Tonbridge School Athletics Track Improvements will be progressed on a partnership basis between the School and the Council. It is hoped that the majority, if not all, of the Council's contribution can be met from developer contributions / external grant sources. The School has indicated that the works should be progressed in 2018/19.

- 1.7.5 The refurbishment of the Health Suite at Larkfield Leisure Centre is included in the Capital Plan in the current financial year and the associated budget provision is £240,000. However, the tenders received following a competitive tendering exercise were above the pre-tender estimate and, in turn, the current budget provision. As a result the scheme has been revisited in conjunction with the Tonbridge and Malling Leisure Trust. The original Capital Plan evaluation for the project recognised the current condition of the Health Suite to be extremely poor. A fact also recognised by Members on a tour of the facilities. The favoured option is a revised specification for the area and the scheme re-tendered with a total estimated project cost of £300,000. An increase in the capital cost and budget provision of £60,000.
- 1.7.6 Details of the evaluated schemes are summarised below. For information, indicative, estimated annual revenue costs (savings) are also shown. The amount and timing of the revenue impact depends on the profiling of the capital expenditure and the timing of any changes in activity levels which generate changes to running costs or income.

<b>Capital / revenue consequences of evaluated schemes</b>			
	<b>Capital Cost</b>	<b>Estimated annual revenue / renewals cost</b>	<b>Annex 4 Page</b>
	<b>£'000</b>	<b>£'000</b>	
<b>Planning, Housing and Environmental Health</b>			
Car Parking Action Plan Phase 9	20	1	CP 55
Tonbridge Town Lock	100		N/A
<b>Street Scene and Leisure</b>			
LLC Installation of UV Pool Disinfectant Plant	150	11	CP 56
Tonbridge School Athletics Track Improvements	150		CP 59
LLC Health Suite Refurbishment	60	3	N/A
<b>Corporate</b>			
IT Initiatives: Revenues and Benefits Document Management (Fast Track)	60	5	CP 61
<b>Total</b>	<b>540</b>	<b>20</b>	

- 1.7.7 The funding shortfall in respect of the Tonbridge Town Lock scheme; the Tonbridge School Athletics Track Improvements scheme; and the IT Initiatives: Revenues and Benefits Document Management scheme are expected to be funded from developer contributions / external grant sources. As a result the sum



to be met from the Council's own resources is £230,000 (£540,000 – 310,000) which is within the current annual capital allowance set by Members of £320,000.

- 1.7.8 Members are reminded that evaluated schemes can be recommended for inclusion on List B, retention on List C for further evaluation, or deletion from the Capital Plan process. Recommendation for inclusion on List B does not commit a scheme to be included in the Capital Plan, but is an expression of “in principle” support. Other than loss of investment income the figures in the above table have **not** been included in the draft revenue estimates reported elsewhere in these papers.
- 1.7.9 List B schemes will be considered by Cabinet on 12 February alongside the revenue estimates. Schemes may be selected for transfer from List B to the Capital Plan (List A) taking into account budget guidelines and the annual allowance.
- 1.7.10 It is **RECOMMENDED** that Cabinet be asked to endorse the transfer of the schemes listed in paragraph 1.7.6 from List C to List B noting:
- 1) In respect of the Tonbridge Town Lock scheme this is an additional funding requirement of £100,000 to that currently reflected in the Capital Plan to be met from a pending developer contribution and in the interim from the Council's own resources.
  - 2) The Tonbridge School Athletics Track Improvements scheme is expected to be progressed in the year 2018/19 subject to the identification of developer contributions / external grant sources.
  - 3) In respect of the LLC Health Suite Refurbishment scheme this is an additional funding requirement of £60,000 to that currently reflected in the Capital Plan.

## 1.8 Capital Strategy

- 1.8.1 The Chartered Institute of Public Finance and Accountancy has supplied the following background notes: “The Capital Strategy should describe how the investment of capital resources will contribute to the achievement of the authority's key objectives and priorities that are detailed in their Performance Plans and Community Plans/Strategies. An authority's Capital Strategy should be one of the key, overarching strategies that support service plans. The strategy will also determine priorities between the various services and look for opportunities for cross-cutting and joined-up investment. The authority's Capital Strategy should describe how the deployment of capital resources contributes to the achievement of the described goals. It will also help to ensure that issues around property and other assets are fully reflected in the Council's planning.”
- 1.8.2 The updated Capital Strategy attached at **[Annex 5]** has been designed to be published on the Council's website. The Strategy has no annexes but

incorporates links to a number of other documents or web pages which are referred to in the text and are available on the Council's website or the internet.

- 1.8.3 The update has followed the policy of evolution, rather than revolution. The Key Financial Statistics in paragraph 2.1 of the annex have been updated to reflect the 2014/15 estimates and the balance sheet as at 31 March 2014. Elsewhere, examples of our current practice have been updated where appropriate. Throughout the annex the type face of any new and or amended text and figures has been presented in bold italics.
- 1.8.4 The Peer Review Challenge reinforced the recognition that future strategies will need to take into account the fact that the main source of funding for new capital plan schemes, the revenue reserve for capital schemes, is expected to be exhausted in 2018/19 at which stage the Council will need to borrow to fund such expenditure.
- 1.8.5 It is **RECOMMENDED** that Cabinet be invited to endorse the Capital Strategy as attached at **[Annex 5]** for adoption by Council and publication on the Council's website.

## **1.9 Legal Implications**

- 1.9.1 None.

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

- 1.10.1 The transfer of schemes from List C to List B has no financial impact. The transfer of schemes from List B to List A will be considered by Cabinet on 12 February in the context of the Medium Term Financial Strategy and the overall budget position.
- 1.10.2 The Capital Strategy outlines a capital plan process which follows the CIPFA Prudential Code and in addition to meeting the Council's Key Priorities and Improvement Actions, focuses on value for money.

## **1.11 Risk Assessment**

- 1.11.1 Where a scheme is to be funded, in full or in part, from a pending developer contribution and in the interim from the Council's own resources there is a risk of an unbudgeted commitment if that developer contribution is not forthcoming.
- 1.11.2 Financial implications of new schemes to be considered by Cabinet at the February budget meeting.
- 1.11.3 Failure to endorse a satisfactory Capital Strategy may lead to a capital programme which does not fully support the Council's Key Priorities and Improvement Actions.

## **1.12 Equality Impact Assessment**

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

### 1.13 Summary of Recommendations

1.13.1 It is **RECOMMENDED** that Cabinet be asked to endorse the Capital Plan (List A) position as shown in **[Annex 2]**.

1.13.2 It is **RECOMMENDED** that Cabinet be asked to amend List C as detailed in paragraph 1.5.1.

1.13.3 It is **RECOMMENDED** that Cabinet be asked to select those schemes listed in paragraph 1.6.3 for evaluation including one for Fast-Track evaluation.

1.13.4 It is **RECOMMENDED** that Cabinet be asked to endorse the transfer of the schemes listed in paragraph 1.7.6 from List C to List B noting:

- 1) In respect of the Tonbridge Town Lock scheme this is an additional funding requirement of £100,000 to that currently reflected in the Capital Plan to be met from a pending developer contribution and in the interim from the Council's own resources.
- 2) The Tonbridge School Athletics Track Improvements scheme is expected to be progressed in the year 2018/19 subject to the identification of developer contributions / external grant sources.
- 3) In respect of the LLC Health Suite Refurbishment scheme this is an additional funding requirement of £60,000 to that currently reflected in the Capital Plan.

1.13.5 It is **RECOMMENDED** that Cabinet be asked to endorse the Capital Strategy as attached at **[Annex 5]** for adoption by Council and publication on the Council's website.

Background papers:

Nil

contact: Michael Withey  
Neil Lawley

Sharon Shelton  
Director of Finance and Transformation

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## TONBRIDGE AND MALLING BOROUGH COUNCIL

### CAPITAL STRATEGY

#### 1 Introduction

- 1.1 The purpose of the Capital Strategy is to document the principles and framework that underpin the Council's capital investment and expenditure proposals. The strategy is drawn up under the framework provided by the Local Government Act 2003 and its associated regulations.
- 1.2 The principal aim of the Capital Strategy is to provide a context for a programme of capital investment (known as the Capital Plan) that will assist in the achievement of the Council's strategic priorities and objectives. The Capital Plan is published in the Council's [budget book](#) and available on the Council's website.
- 1.3 The component elements of the Capital Strategy comprise:
- A statement of the financial context within which the Council needs to determine its approach to capital investment (Section 2).
  - A description of the legislative framework and Central Government policies that will influence capital investment decisions (Section 3).
  - An explanation of the direct relationship between capital investment decisions and the Council's strategic priorities and objectives (Section 4).
  - The key principles supporting the Capital Strategy (Section 5).
  - Consideration of various partnership arrangements (Section 6).
  - Explanation of the processes to be followed in the implementation and management of the Capital Strategy (Section 7).
  - The Capital Plan (Section 8).
  - Post implementation reviews (Section 9).

#### 2 The Financial Context

- 2.1 Key financial statistics are:

Net Budget Requirement <b>2014/15</b>	<b>£12.34</b> million
Government Grant / Business rates <b>2014/15</b>	<b>£4.36</b> million
Borough Council Band D Charge <b>2014/15</b>	<b>£183.85</b>
Capital Plan <b>2014/15 to 2019/20</b> (Gross expenditure)	<b>£12.65</b> million
Fixed Assets at 31 March <b>2014</b>	<b>£67.22</b> million
Debt Outstanding at 31 March <b>2014</b>	Nil
Revenue Reserve for Capital Schemes at 31 March <b>2014</b>	<b>£7.50</b> million

- 2.2 The Council transferred its housing stock to Russet Homes (formerly known as Tonbridge and Malling Housing Association) in 1991 and from the proceeds repaid all external debt. It is not expected that the Council will need to borrow to fund its capital expenditure prior to 2018/19.
- 2.3 A [Medium Term Financial Strategy](#) (MTFS) was adopted in 2003/04. The MTFS together with the Council's key priorities and the Prudential Code (see

paragraph 3.1) form the basis for any capital investment decisions. The MTFs was used to guide the selection of new Capital Plan schemes in recent years and will continue to be a major influence on the **2014/15** and subsequent Capital Plan reviews. The MTFs is updated at least once a year and the latest version is published on the Council's website.

- 2.4 Although it no longer directly owns and manages a housing stock, the Council has a wide and varied strategic housing responsibility and has identified, through the Housing Strategy four key priorities:
- Provision of affordable housing
  - Tackling homelessness
  - Private sector renewals and energy efficiency
  - Assisting vulnerable households.
- 2.5 The Housing Strategy identifies means, outside the Capital Plan, by which the Council seeks to identify new funding opportunities for meeting these priorities and to support Registered Provider (RP) partners in accessing resources for new development and other initiatives. Details of the Council's housing investment priorities can be found in the Housing Strategy 2013-2016 approved by Council in April 2013.
- 2.6 Government support to the Council in terms of Capital funding is mainly focussed on mandatory Disabled Facilities Grants (DFGs) for adaptations to disabled persons' homes. In the past 60% of funding for DFGs, up to an annual limit, came from the government. Local authorities were required to find the remaining 40% from their own resources. From 2008/09 the DFG funding split of 60:40 no longer applies. Local authorities instead receive a DFG allocation without a specified requirement to match this **funding although demand for the service continues to grow**. For **2014/15** the DFG allocation from Government is **£424,000**.
- 2.7 The potential for generating future capital receipts is limited. The main source of capital receipts is the disposal of capital assets, mainly land, for which there are now limited opportunities. The Council's holdings of assets are kept under review so as to expose any further opportunities that may still exist to release resources for re-investment.
- 2.8 The demographic and economic features of the Borough give rise to a realistic assessment of very limited opportunities to attract funds from national and regional sources. From a European perspective the Borough does not have any specific objective areas status and thus European Union funding is also seen as limited. Nevertheless, the Council will continue to investigate and exploit external funding initiatives where projects are identified which deliver the Council's key priorities and do not generate unsustainable revenue budget commitments. European Union funding has previously been obtained for Tonbridge Castle Gatehouse and the Tonbridge to Penshurst Cycleway.
- 2.9 The Revenue Reserve for Capital Schemes (RRCS) contains funds the Borough Council has previously put aside from revenue to fund capital

expenditure. This reserve provides the main source of funding for existing and any new schemes that are introduced into the Capital Plan.

- 2.10 The reserve is generally topped up annually by a revenue contribution as part of the Council's budget setting process. That top-up is intended to contribute sufficient new funds to meet the cost of replacing existing plant and equipment as it reaches the end of its useful life as well as providing money for the non-grant funded element of statutory services such as Disabled Facilities Grants. Clearly, replacement of life expired assets such as IT and the equipment used in our leisure facilities and elsewhere is essential to enable the Council to continue to deliver services.
- 2.11 The 2008/09 original estimates made provision for a contribution to the RRCS of £450,000 which represents approximately one third of the Council's long term capital renewals and other annually recurring expenditure. As part of a package of measures to address the significant financial pressures facing the Council, Members agreed as part of the budget setting process for 2009/10 to temporarily suspend the RRCS annual top-up (Finance and Property Advisory Board, January 2009). Agreement to that suspension was predicated on:
- Deleting / scaling back existing approved capital budget provision where feasible
  - Limiting budget provision for new additions to the Capital Plan to no more than £600,000 in any one year, and
  - Re-introducing the RRCS annual top-up within a reasonable time frame and increasing the annual contribution over time to a level sufficient to meet capital renewals and other annually recurring expenditure, currently £1.5m per annum.
- 2.12 The RRCS balance at 31 March **2014** was **£7.50m**. The annual limit on new additions to the Capital Plan and commitment to re-introduce and increase the annual RRCS contribution over time will enable the authority to support new investment, without recourse to borrowing prior to 2018/19.
- 2.13 The annual limit on new additions to the Capital Plan and the annual RRCS contribution figures will be reviewed as part of each year's revenue and capital budget setting process. In setting the budget for **2014/15** Members agreed the annual limit for new schemes at **£320,000** per annum.

### **3 Legislative Framework and Central Government Policies**

- 3.1 The legislative framework is set out by the Local Government Act 2003 and its subsidiary regulations. This framework provides for a prudential system based on borrowing limits set by each individual local authority. Under this system, local authorities must have regard to affordability, prudence and sustainability and must follow the "[Prudential Code for Capital Finance in Local Authorities](#)" published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

- 3.2 The Prudential Code also requires that the CIPFA Code of Practice for Treasury Management in the Public Services is adopted. The Code of Practice adopted by Council in September 2003 was revised during 2009. The revised Code underpins the Council's Treasury Management Strategy Statement and Annual Investment Strategy for **2014/15** adopted by Council in February **2014**.
- 3.3 All government support for the Council's capital expenditure in **2014/15** is by way of capital grant. Government support through capital grants is usually ring-fenced for specific purposes. Recently, the Council has been successful on several fronts in securing grants, notably the Town Lock scheme in Tonbridge which has received capital grant from the Department for the Environment, Food and Rural Affairs (Defra). It is the Council's intention to try to secure capital grants, wherever possible, for schemes which advance the Council's key priorities.
- 3.4 The prudential framework for capital expenditure is intended to encourage local authorities to use resources more flexibly and plan for the longer term; provide more autonomy and accountability, with local authorities having greater responsibility for local capital spending decisions; move towards improved corporate and strategic working, with more effective tackling of cross-cutting issues; and better use and management of assets. Another key element of the legislative framework is the duty to secure economy, efficiency and effectiveness in the Council's use of resources. Achieving value for money is addressed in Section 5 of the Strategy as one of the key principles to be applied in capital investment decisions.

#### **4 Key Priorities**

- 4.1 The Council works with a range of partners and our local communities towards achieving the following key priorities:
- 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.
- 4.2 Our 2012/15 [Corporate Performance Plan](#) sets out how we are doing this. It justifies and sets out the context for each of our key priorities, and brings together the main ongoing activities, improvements and measures to achieve and assess progress. This requires a collective effort across all of the Council's services. First published in July 2012 it is reviewed and updated annually.



- 4.3 The improvement actions set out within our Corporate Performance Plan, together with a range of specific improvement projects and initiatives that underpin them are cascaded down into section plans across the Council. These section and other plans also cover a range of other priorities, improvements and indicators that are set and managed by individual services.
- 4.4 The Council's key priorities are supported by a wide range of Strategies, and Plans. These will be kept under review to ensure they provide sound linkages to the Capital Strategy.
- 4.5 The Council's capital investment decisions should be in support of its key priorities, and this is an integral part of the evaluation process for each project under consideration. The Council's Capital Plan specifically records the linkage between individual projects and the key priorities. No project should proceed to inclusion within the Capital Plan unless it furthers achievement of the Council's key priorities.

## 5 Principles Supporting the Capital Strategy

- 5.1 The key principles that underpin the Council's Capital Strategy are:
- 5.2 **Key Priorities.** Establishment of a direct relationship with the Council's key priorities, with a Capital Plan based upon investment needs and prioritised on an authority-wide basis. This demonstrates an explicit link with key strategic planning documents and recognition of the need for a corporate approach to cross-cutting issues such as the environment, social inclusion, affordable housing and community safety.
- 5.3 **Public Consultation.** The use of public consultation is, indirectly, an important part of developing the Capital Plan through its use setting priorities and developing strategies, which may lead to capital projects coming forward.
- 5.4 **Other Consultation.** As well as individuals communicating directly with Council Officers and Members, other conduits exist for expressing views to the Council. The Parish Partnership Panel, the Tonbridge Forum, the Tonbridge Sports Association, the Disability Working Party, and customer panels at leisure centres allow specific persons or groups of users to express their views.
- 5.5 **Partnerships.** Partnership initiatives are considered in Section 6 including the Tonbridge and Malling Local Strategic Partnership, the West Kent Partnership and the Community Safety Partnership which help shape policy objectives and which aim to deliver projects in conjunction with others.
- 5.6 **Procurement Strategy.** Corporate policies on procurement are detailed in the updated [Procurement Strategy](#) approved by Cabinet *in* March 2011. This strategy seeks to ensure that good procurement practice is applied consistently throughout the Council. It sets out how the Council will address procurement and establishes its importance to the Council and the contribution it can make to improved service delivery.

- 5.7 **Support for Regional and National Priorities.** To support, where possible, regional and national priorities, for example urban renaissance, transportation improvements, environmental initiatives such as increased levels of recycling.
- 5.8 **Support for Local Priorities.** The Borough Council has been consistently investing in its car parks to support the local economy through a phased programme of improvements. As a Flood Risk Management Authority, we will maintain our support for the flood defence schemes being developed for Aylesford, Little Mill and East Peckham.
- 5.9 **Availability of External Funding.** In support of the Council's strategic priorities and objectives to monitor and pursue available forms of external partnership and other funding including European and Lottery funds. Recent examples include the provision of all-weather pitches with community use at Wrotham and Hayesbrook schools, funded by grants from the Football Foundation and other partners augmenting School and Council contributions.
- 5.10 The Council's [Local Development Framework Core Strategy](#), adopted in 2007, supports the Government policy that development should contribute towards the community services and infrastructure that are necessary to support that development. Developer contributions (S106 obligations) are brought forward by planning conditions or legal obligations on a case by case basis. These arrangements have brought forward contributions to affordable housing, education facilities, children's play, sports pitches, leisure facilities, highway works and transportation services. However, the Government has quite clearly indicated its perception that the planning system is a 'drag anchor' on the economy. Our local analysis is that nothing that this Council is doing through the use of S106 obligations is holding back development. Indeed, development of key sites continues to progress well despite the current economic environment. Nevertheless, we must be alert to the fact that the Government is actively promoting the notion of reviewing and renegotiating S106 obligations. Funding properly made available from this source has been an important element of funding for the Council's Capital Plan but it has to be recognised that in the years ahead this may not be such a beneficial resource.
- 5.11 The Council has embarked on a new Local Plan for the Borough which will set out development policies and proposals **until 2031**. The funding of community infrastructure will be an important element in the new plan.
- 5.12 **Use of the Council's Assets.** Maintenance of an Asset Management Plan and performance measures for the use of Council owned assets to ensure optimum returns and early release of redundant assets in support of strategic investment priorities and to attract inward investment. ***An updated Asset Management Plan covering the period 2015-2020 is currently being prepared.***
- 5.13 **Consideration of the Impact on the Council's Revenue Budget.** To ensure that capital investment decisions are consistent with the Council's Medium

Term Financial Strategy, particularly the management of its revenue budget so as to reduce its dependence upon the use of revenue reserves.

- 5.14 **Value for Money.** Each year as part of the Annual Governance Report the Council's external auditor will express an opinion on whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Those arrangements amongst others will include:
- Planning finances effectively to deliver strategic priorities and secure sound financial health.
  - Having a sound understanding of costs and performance and achieving efficiencies in activities.
  - Commissioning and buying quality services and supplies that are tailored to local needs and deliver sustainable outcomes and value for money.
  - Producing relevant and reliable data and information to support decision making and managing performance.
  - Managing assets effectively to help deliver strategic priorities and service needs.
- 5.15 All of the Capital Plan processes from identification and selection of schemes, through implementation to subsequent review of completed schemes can contribute to achieving value for money.
- 5.16 **E-Government.** The government has previously set a target that all services should be available electronically, where feasible. Additionally the Department for Communities and Local Government (DCLG) has set 73 priority outcomes. The Borough Council has used its Capital Plan to meet these targets, assisted by the receipt of grant from the DCLG. Although the specific targets and priority outcomes are no longer applicable, the general objective to make services available electronically still applies and is a priority in order to improve efficiency and economy and to meet customer aspirations for self service, particularly via the website.

## 6. Partnerships

- 6.1 **The Tonbridge and Malling Local Strategic Partnership (LSP).** This partnership was launched in 2008 following a review of the role and remit of the West Kent Partnership. That review concluded that each of the three West Kent Districts should have their own district based [Local Strategic Partnership](#), leaving the West Kent Partnership to focus on issues of concern that were relevant to all three district areas including economic development and transport.
- 6.2 The Tonbridge and Malling LSP is now well established and has attracted a high level of representation from the public, private, voluntary and faith sectors. Its work focuses on addressing key issues of concern locally such as older people's services, the needs of young people, the local economy, affordable housing and public health issues.

- 6.3 **West Kent Partnership.** The Council is a founding member of the [West Kent Partnership](#), formed on a sub regional rather than district basis, reflecting the degree of economic and social homogeneity across West Kent and a shared community of interest. The other members are Kent County Council, Sevenoaks DC, Tunbridge Wells BC, Police, the FE Education Sector, Registered Providers and other Social Housing Providers, Kent Association of Parish Councils, transport providers and representatives of the business community.
- 6.4 The Partnership works with other partners in a joined up fashion for the benefit of the local community with a focus on economic development and infrastructure issues. The Partnership has also led a successful bid for Leader funding to support the rural economy. Over the past 4 years, a total of £1.6m has been invested in the area to support local farming, forestry and rural businesses. More recently, the Partnership has led a successful bid to the Government's Regional Growth Fund to provide funding of £5.5m to enable interest free business loans to be offered. In addition, a new West Kent business support programme has now been launched following a successful bid to the County Council's Regeneration Fund. ***A new 5 year LEADER programme is about to be launched and the Partnership has recently been successful in securing local growth funding finance for a number of local infrastructure projects.***
- 6.5 **Transportation Partnership.** The Borough Council has consistently sought to influence the quality of transportation services in its area and ***increase*** invested in them by the relevant authorities. These authorities include the local highway authority, (Kent County Council), the strategic road network ***agency*** (the Highways Agency), ***railway operators and Government Departments.***
- 6.6 The member-level manifestation of this is the Joint Transportation Board, comprising equal numbers of Borough and County Councillors guiding decision making on local traffic and highway matters. This is supported by joint working at officer level focussing on initiatives such as the Medway Valley Sustainable Transport Strategy (MVSTS). This strategy underpins and provides a framework for over £10m of contributions from various strategic development sites in the north of the Borough to fund elements of the strategy. These include the provision of service enhancements along the A20 corridor to make public transport more attractive and convenient for passengers.
- 6.7 A parallel component of the strategy is ***the current*** remodelling of the West Malling Station forecourt to radically improve multi-modal access to the station, including safe pedestrian access to the station building from nearby car parks, bus stops and non-motorised routes; access arrangements and layover space for buses and taxis; and 'kiss-and-ride' facilities. A partnership team including representatives from KCC, TMBC, Southeastern, Network Rail and local bus companies has been working to ***deliver*** this project.
- 6.8 The Borough Council's Rail Manifesto sets out clearly the service expectations that the Council has for rail services for the Borough. This has been submitted

to the Department for Transport in response to their various consultations ***regarding service provision and the award of franchises to operators. The Manifesto is kept under constant review to reflect the changing demand for rail travel in communities across the Borough.***

- 6.9 **Local Enterprise Partnership (LEP).** The Council, in partnership with the County Council and others, has been successful in promoting a bid for funding from the LEP, via the Local Growth Fund. ***A sum of £2.37m has been awarded to a traffic and environmental improvement project for Tonbridge High Street and a further £2.19m for substantial improvements to junction 4 of the M20 motorway at Leybourne. In addition the Council has access to part of a £4.89m fund allocated to West Kent as part of the Local Sustainable Transport Fund from the LEP. The Council will be working up improvement projects focussing on railway station improvements commencing with Snodland.***
- 6.10 **Other Partnerships.** ***The Borough Council is also part of a partnership that has promoted a bid to the Local Growth Fund to bring forward the much needed improvement to the Leigh Flood Storage area. This is a strategic infrastructure investment required to safeguard many residential and business properties in the southern part of the Borough and to enable future growth and new development to take place. The Borough Council remains committed to working with partners to address additional issues of future flood resilience and to aid recovery from any future flooding episodes that may occur.***
- 6.11 **Community Regeneration Partnership.** The Council has entered into partnerships which have made a genuine difference to the local community with clear and tangible outcomes. Partnerships are now in place for Snodland, East Malling and Trench ward in Tonbridge.
- 6.12 The Council contributes a range of resources in such partnerships, including, where appropriate, capital funding. At East Malling, the Council has supported the conversion of a former school to a much needed community centre using capital investment. The centre is now operational and will act as a hub for the provision of services to the most deprived community in the Borough.
- 6.13 **The Community Safety Partnership (CSP).** As well as the Council, the partnership includes organisations such as Kent Police Authority, Kent County Council, Kent Fire and Rescue, South West Kent and Maidstone Weald Primary Care Trust, Probation Service, Russet Homes, and Kent Drug and Alcohol Action. The partnership has influenced the installation of CCTV in Tonbridge town centre and other borough locations, in partnership with the Home Office, Tunbridge Wells Borough Council and local traders, which has led to a reduction in crime as identified in the 2011/12 Strategic Assessment of crime trends.
- 6.14 **Tonbridge Central Area Action Plan.** The Plan provides the context for partnership projects to attract private sector investment in the town centre and secure transport and environmental improvements. ***A number of key sites***

***are allocated that have potential to deliver town centre and mixed use development that can generate increased vitality into the town centre and the High Street in particular. The Council is carrying out a review of its own land assets with a view to bringing forward a regeneration initiative for the town centre in the near future and at the same time consider the best use of the Council's assets.***

- 6.15 The Borough Council is promoting an enhancement scheme at Town Lock *in* partnership scheme with the Environment Agency ***and utilising funds from nearby development*** to deal with an 'eye-sore' area in the heart of the town on the bank of the River Medway is also supported by funding contributions from developments in the area. The scheme is now likely to be completed in ***2015***.

## **7 Implementing and Managing the Capital Strategy**

- 7.1 The Council has developed a process for considering and evaluating potential capital schemes as an integral part of its Capital Strategy. This process for selecting schemes is described below.
- 7.2 Schemes, subject to some exceptions listed below, are selected by a phased process. For convenience, the stages have been termed List A, List B and List C, with List A being the approved Capital Plan and List C being the entry level.
- 7.3 As schemes come forward they are stored in a list of schemes (List C) for consideration and possible evaluation. These schemes arise naturally from the Council's strategic priorities and objectives, particularly the key priorities, reflect the results of consultation, and are accompanied by a preliminary cost estimate. As part of the budget setting process for 2011/12 Members agreed a set of criteria to guide the inclusion of new schemes to List C and ultimately the inclusion of schemes on List A. The criteria are: to meet legislative requirements including health and safety obligations; funded from external resources; generate income or reduce revenue expenditure. Justification would need to be provided for any schemes that failed to meet one or more of these criteria in order for them to progress through the capital plan process.
- 7.4 From List C, Members select schemes for evaluation. Evaluations will include:
- Specification of the purpose of the scheme and its relevance to the Council's strategic objectives and any wider national policy objectives, the setting of targets by which the success or otherwise of the project can be judged post-implementation.
  - An outline design to facilitate costing and, where appropriate, consultation.
  - Consultation, including, where appropriate, public consultation on the scheme's principle.
  - The establishment of a realistic estimated capital cost, incorporating any consultation feedback on design issues.
  - An assessment of the ongoing revenue costs and income generating capacity of the completed scheme including an assessment of the loss of interest from investments and impact on capital renewals provisions.

- Consideration of partnership and external funding opportunities.
  - Consideration of the time after the end of the project during which the targets and objectives should be reviewed and reported to stakeholders.
- 7.5 The evaluation process will reveal the impact of the project on the revenue base budget, enabling Members to compare the value of the scheme with the financial savings required to pay for it or the impact on the Council Tax requirement. Schemes successfully passing through evaluation will be included in List B.
- 7.6 The Council is conscious that the process of evaluation is a revenue cost in itself; involving in-house staff and resources or the buying in of external resources and which may draw resources away from the implementation of the approved Capital Plan. In order to minimise the resource impact of evaluation it is important that restraint is exercised in selecting schemes for evaluation. A balance is struck each year between deliverability of the programme and the evaluation of new schemes.
- 7.7 Under the constitutional arrangements adopted by the Council, the evaluated schemes will be reported to Finance, Innovation and Property Advisory Board which will advise the budget meeting of Cabinet of those schemes deemed suitable to progress to be included on List B. Prior to the budget meeting of Cabinet that advice will be reviewed by Overview and Scrutiny Committee and may be updated. By considering all eligible schemes at the same time, a corporate approach can be taken to selecting those schemes deemed suitable to progress. Prioritisation of such schemes will be informed by the wider financial climate, the Medium Term Financial Strategy and the requirements of the CIPFA Prudential Code. Prioritisation will take account of national and regional priorities, the Council's own strategic priorities and objectives and the financial consequences arising from the schemes proposed.
- 7.8 The main exception to this selection procedure is the investment necessary to maintain existing levels of service. This will consist primarily of renewals provisions and some one-off items outside the basic renewal provisions. These provisions are subject to Member scrutiny within List A and application of best value principles.
- 7.9 Ultimately the selection of new Capital Plan schemes from List B for inclusion in the Capital Plan (List A) will be determined by the Council following recommendations from the Cabinet in the light of advice from the Finance, Innovation and Property Advisory Board and Overview and Scrutiny Committee.
- 7.10 Finance, Innovation and Property Advisory Board will also review existing Capital Plan (List A) schemes, advising Cabinet of the result. This provides an opportunity to review the budget and progress of existing schemes or even to propose their deferment or deletion.

## **8 The Capital Plan**

- 8.1 The result of the process described in section 7 is the Council's Capital Plan. This is a medium term financial and capital planning document covering a seven-year period (current financial year + six).
- 8.2 Achievement against the Capital Plan is monitored regularly via monthly reports posted on the Council's intranet for use by the Council's staff. At the end of each quarter a statement is considered by the Council's Corporate Management Team and monitoring reports are presented to Members at meetings of the Finance, Innovation and Property Advisory Board.

## **9 Post Implementation Reviews**

- 9.1 It is important that any issues relating to the implementation of a Capital Plan project are addressed as soon as possible; either during the project or shortly after completion. The wider issues of the effectiveness and value for money of a project are addressed through a formal system of post-implementation review. The reviews take place after completion of a project, at a time determined during the evaluation process and are reported to an appropriate Advisory Board. Lessons learnt inform future capital programme decision making and are part of a system of continuous improvement. Monitoring reports are presented annually to the July meeting of the Finance, Innovation and Property Advisory Board.

Strategy Updated December 2014



## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

07 January 2015

#### Report of the Management Team

#### Part 1- Public

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

#### 1 REVIEW OF FEES AND CHARGES 2015/16

**This report brings forward for consideration as part of the budget setting process for 2015/16 proposals in respect of those fees and charges that are the responsibility of the Cabinet Member for Finance, Innovation and Property or not reported elsewhere.**

#### 1.1 Introduction

1.1.1 The purpose of this report is to set out for 2015/16 the proposals for those fees and charges which fall within the remit of this Board or which have not been reported elsewhere.

1.1.2 The budgetary guidance issued to Chief Officers for the 2015/16 budget cycle, and approved by Cabinet, reiterated the objective to maximise income subject to market conditions, opportunities and comparable charges elsewhere. In bringing forward proposals officers have paid due regard to the guiding principles for the setting of fees and charges previously approved by this Board and endorsed by Cabinet.

1.1.3 The proposals regarding fees and charges outlined in this report are incorporated within the Revenue Estimates to be found elsewhere on this agenda. Any changes required following this meeting will be incorporated before the Estimates are presented to Cabinet on 12 February 2015. The proposals are set out on a service by service basis with the recommendations at the end of each section.

#### **LEGAL SERVICES**

#### 1.2 Legal Fees Payable by Third Parties

1.2.1 From time to time the Council's legal fees can be recovered from third parties, for example costs in connection with section 106 agreements. Our level of fees have historically followed the Supreme Court guideline hourly rates, which are currently as follows:

Solicitors with over 8 years post qualification experience including at least 8 years relevant experience	£217
Solicitors and legal executives with over 4 years post qualification experience including at least 4 years relevant experience	£192
Other solicitors and legal executives and fee earners of equivalent experience	£161
Trainee solicitors, paralegals and fee earners of equivalent experience	£118

1.2.2 It is **RECOMMENDED** to Cabinet that the Council's charges follow the rates set out above with effect from 1 April 2015.

### 1.3 Land Charges

1.3.1 The Local Authorities (England) (Charges for Property Searches) Regulations 2008 enable local authorities to charge for their property search services – charging for access to property records or responding to official search requests.

1.3.2 This is a volatile area of activity where income can fall, or alternatively increase, quickly. The prolongation of the recession, together with the revocation of the personal search fee, has of course had an impact upon our activity, although we are currently experiencing an upturn in the number of searches.

1.3.3 In bringing this report forward market considerations have been taken into account where permissible within the appropriate legislation and we will of course operate a competitive charging policy where we are able to do so. In reality, save for unrefined data fees (which were introduced in 2009), the current charges have not increased since 2008. This reflects the challenging market conditions faced by this service.

1.3.4 Furthermore, the size of the land charges team remains at only 2 FTE staff now and the turnaround time for dealing with official searches is currently 6-7 days. This remains unchanged from last year. Our continued move towards automation of electronic data e.g. all searches are now returned via e-mail, should also see a corresponding reduction in turnaround time.

1.3.5 The following table shows the proposed fees for local land charges searches and enquiries proposed to be effective from 1 April 2015. No changes are proposed to the current fee levels.

	Current Charge £	Proposed Charge £
LLC1 (the Official Certificate of Search and the search of the Land Charges Register).	35	35
Con29 R (the enquiries of Local Authority's form, comprising of a list of questions including matters relating to highways, building control, environmental health and housing).	135 (Residential)  293 (Commercial)	135 (Residential)  293 (Commercial)
Combined LLC1 & Con29R (full search on domestic property)	148	148
Commercial Search	299	299
Standard optional enquiry	15	15
Non-standard optional enquiry	18	18
Expedition charge	49	49
Additional parcel fee	10	10
Cancellation fee	31	31

- 1.3.6 It is **RECOMMENDED** to Cabinet that the proposed scale of fees for local land charges searches and enquiries set out in this report be adopted with effect from 1 April 2015.
- 1.3.7 Members should note that during the next financial year a new form for enquiries of local authority Con29 is likely to be introduced. This may result in a need to change the level of fees due to new information being provided by external bodies such as KCC Highway PROW and Access Service, who provide public rights of way and common land and village green information (for which we have to recover the fees they charge TMBC) or to deal with fees for additional information requirements which may be set. When the new form is finalised any fee changes required will be reported to the Council for approval.

## ADMINISTRATIVE SERVICES

### 1.4 Photocopying Charges

- 1.4.1 A photocopying service is offered for members of the public calling at the council's main offices or requiring copies of Council documents sent by post. The current charges are 10p for each page of the same document or additional copies of the same page plus postage as appropriate.
- 1.4.2 These charges are intended to cover the costs of the photocopy meter charge (including toner), paper and an allowance towards the staff time in looking out documents and postage where appropriate.
- 1.4.3 The level of charge was reduced in 2007/08 after remaining static for a number of years to comply with Freedom of Information requirements. The marginal cost per copy (including paper) is still approximately £0.10 per copy. Comparative charges in neighbouring authorities have been somewhat difficult to ascertain and many appear not to charge for photocopying. However, it is considered appropriate to retain a charge to avoid requests for multiple copies of pages and to cover cases where documents cannot be provided by email. It is therefore suggested that the current charge be maintained.
- 1.4.4 It is **RECOMMENDED** that Cabinet be recommended to retain the current photocopying charges of £0.10 (inclusive of VAT) for each page of the same document or additional copies of the same page plus postage as appropriate.

## TONBRIDGE CASTLE

### 1.5 Tonbridge Castle Gatehouse Charges

- 1.5.1 As Members may be aware, the charges for Tonbridge Castle Gatehouse are reviewed at this time for implementation in the next financial year. This allows the revised prices to be incorporated in tourism marketing material, much of which is published during the winter months.
- 1.5.2 Visitors to the Gatehouse continue to be very positive about the experience and the value for money offered. The schools market has shown growth this year, but it is essential to remain competitive in this market.
- 1.5.3 A feedback form has been introduced for monitoring school groups. To date all elements of the service provided at the Gatehouse have been rated as either "very good" or "excellent".

The current 2014/15 charges for a number of neighbouring attractions, along with the current charges for Tonbridge Castle Gatehouse are shown at **[Annex 1]**. Members will be aware that when reviewing charges, the general approach is to consider not only the prevailing inflation figures, but also to take account of

competitor charges and local market conditions. The following table shows the proposed charges:

	Existing Charge 2014/15 (£)	Proposed Charge 2015/16 (£)
Adult	7.70	8.00
Concessions (Jun/OAP/Student/Leisure Pass)	4.40	4.70
Family ticket	21.00	22.00
Education Facilities (1 teacher free per 10 children. For special needs groups, carers admitted free as required)	65.00	65.00
Season ticket (adult)	20.00	20.00
Season ticket (concession)	15.00	15.00

1.5.4 It is estimated that the proposed increases will provide approximately £1,800 of additional income.

1.5.5 It is, therefore, **RECOMMENDED** to Cabinet that:

- 1) the proposed charges for Tonbridge Castle Gatehouse as outlined above be agreed for implementation from 1 April 2015; and
- 2) these charges be reflected in the appropriate tourism marketing material.

## 1.6 Tonbridge Castle Hire Charges

1.6.1 The Council Chamber is used for a number of purposes, including Member and Officer meetings, weddings, private hire and concessionary use by a number of local organisations.

1.6.2 Several years ago a minimal charge was introduced for concessionary users. It is recognised that this concessionary charge is greatly valued by these organisations. It is proposed that a concessionary user charge be retained to reflect ongoing support for local organisations.

1.6.3 The list of concessionary users was agreed by Cabinet on 4 February 2014 (D140011CAB) and some amendments are proposed as shown in bold [see **Annex 2**]. Concessionary use is subject to a number of restrictions as shown in **[Annex 3]**.

1.6.4 The Director of Central Services has brought forward proposed charges for all users of the Chamber, which are set out at **[Annex 4]**. Annual income from the hire of the Chamber is approximately £2500, and it is estimated that the proposed charges will generate additional income of £80.

## 1.7 Tonbridge Castle Wedding Charges

- 1.7.1 Current wedding charges were agreed by Cabinet on 4 February 2014 (Decision D140011CAB). Members agreed a charge of £735 for weddings in the Chamber and £1100 for weddings in the Gatehouse for 2014/15. Charges of £770 and £1150 respectively were also agreed for 2015/16
- 1.7.2 The current charges at a number of premises licensed for Civil Marriages are shown in [Annex 5]
- 1.7.3 Weddings are often booked more than one year in advance and applications are now being received for 2016/17. It is, therefore, necessary to consider a charge for implementation from 1 April 2016, as Members have already agreed the charges for 2015/16. The Director of Central Services has proposed an increase of around 4% for the following charges in 2016/17, which will generate additional net income of approximately £800:

	Current Charge 2014/15 (£)	Agreed Charge 2015/16 (£)	Proposed Charge 2016/17 (£)
<b>Weddings</b>			
• Chamber	735	770	800
• Gatehouse	1100	1150	1200
<b>Renewal of Vows/Baby Naming</b>			
• Chamber	540	560	560
• Gatehouse	875	900	900

- 1.7.4 NB: Non-returnable deposit - £100
- 1.7.5 To aid Members, all proposed charges are inclusive of VAT where applicable.
- 1.7.6 There is a risk that excessive increases in charges could deter our customers and lead to a fall in overall income. Dialogue with customers and comparison with other attractions has been taken into consideration in bringing these charges forward.
- 1.7.1 It is, therefore, **RECOMMENDED** to Cabinet that:
- 1) the proposed charges for Tonbridge Castle Chamber as set out in Annex 4 be agreed for implementation from 1 April 2015; and
  - 2) the proposed charges for Weddings as outlined in paragraph 1.7.3 above be agreed for implementation from 1 April 2016.

## 1.8 CAR PARKING

- 1.8.1 A comprehensive review of parking charges was undertaken towards the end of 2013 which resulted in a number of changes which came into effect in April 2014. We have reviewed the level of our current charges against the prevailing picture in

nearby areas and generally against the current economic climate and have come to the general conclusion that no changes are appropriate currently. Moreover, most of the car parks where we currently charge are located in central Tonbridge and in view of KCC's significant enhancement works for Tonbridge High Street programmed for 2015 we consider the next review of parking charges should be undertaken following these works in about 12 months' time.

- 1.8.2 It is **RECOMMENDED** to Cabinet that no changes are made to parking charges this year and that these should be reviewed again in 12 months' time.

## 1.9 BUILDING CONTROL

- 1.9.1 Our Building Control fee structure was aligned to Sevenoaks in 2012, that alignment has eased the transition to the shared Building Control Partnership, which went live on 1 October 2014.
- 1.9.2 The shared service has resulted in savings in the region of £100,000 across the two Councils. Given the level of saving and the requirement to ensure that the customer pays for the cost of the service delivered, but no more and no less, it is **RECOMMENDED** that the fees are held at the same level as last year for a further 12 months, when they will be reviewed again. It should be noted that the current level of fees remain competitive with the private sector.

## ENVIRONMENTAL HEALTH AND STREET SCENE SERVICES

### 1.10 Condemned Food Certificates

- 1.10.1 This is a service available to food businesses in the borough which properly controls the safe surrender and disposal of food deemed by environmental health staff as unfit for human consumption. The service continues to reflect legislative requirements for stricter controls and is based on total cost recovery. The proposed charges, as set out below, continue to reflect this approach and to reflect the Council's Budget Strategy.
- 1.10.2 Recent years have seen a significant decline in the number of certificates requested. The lower income rate is reflected in the revised and estimated revenue budgets.

Service	Current Charge	Recommended Charge 15/16	Income Full Year
For each Condemned Food Certificate issued	£135 for first hour plus £135 for each additional hour plus VAT	£138 for first hour plus £138 for each additional hour plus VAT	£138

The proposed total charge of £138 + VAT is within the range of those Kent authorities that provided information. Dartford & Sevenoaks Environmental Health Partnership charge £165 + VAT minimum charge for up to 2 hours and £65 for

every hour or part thereof. Gravesham charge £100 plus £25 per hour for every hour or part thereof. Maidstone charge £73.50 plus officer time at £78.75 per hour.

### 1.11 Exported Food Certificates

- 1.11.1 This is a service provided by the Council for a food exporter who exports food outside the European Union. In this instance, authorising officers of the Borough Council certify that the food products being exported have been manufactured and held under hygienic conditions in accordance with the requirements of Regulation (EC) 852/2004 and The Food Safety & Hygiene (England) Regulations 2013. The premises are subject to regular inspection by Food and Safety Officers.
- 1.11.2 The proposed charges, as set out below, continue to reflect this approach and to reflect the Council's Budget Strategy. As with condemned food certificates this service reflects legislative requirements and is based on total cost recovery.
- 1.11.3 The number of certificates required has remained high for several years and it is anticipated this higher level will be maintained.

Service	Current Charge	Recommended Charge 15/16	Income Full Year
For each Exported Food Certificate issued	£135 plus VAT per certificate	£138 plus VAT per certificate.	£1900

- 1.11.4 The proposed total charge of £138 + VAT is within the range of those Kent authorities that provided information. Dartford & Sevenoaks Environmental Health Partnership charge are not currently charging for these as they only have 2 or 3 requests per year. Maidstone charge 121.80 + VAT. Gravesham Borough Council have not been required to issue any for a number of years but would charge as per Condemned Food Certificates.

### 1.12 Contaminated Land

- 1.12.1 The Environmental Protection Act 1990 Part 2A requires local authorities to implement a system for the identification and remediation of land where contamination is causing a risk to human health or the wider environment because of historic or current uses.
- 1.12.2 The Environmental Protection Team provides a contaminated land information service or assessment of risk for which it currently makes a charge of £50 per hour in responding to these requests for information
- 1.12.3 Guidance from the Information Commissioner advises that local authorities can make a reasonable charge. We have assumed that a reasonable charge includes the hourly rate of the officer responsible for providing information, on-costs and an administration charge.



- 1.12.4 The fee has been derived based upon comparison with other Kent local authorities. Sevenoaks charge £50, Tunbridge Wells £150, Maidstone BC charge £63; Medway a one off charge of £150. Thanet DC, Swale BC and Gravesham BC currently charge between £36 and £75 per hour. There is no maximum fee under the legislation.
- 1.12.5 The revised income estimates for this year and next have risen from £1,000 to £2,500 (based on the current year) and it is assumed the number of requests for information will remain high.

The officer in charge of providing this information is in a shared post arrangement with Gravesham Borough Council. We propose to maintain the charge at £50 per hour in responding to these requests for information.

<b>Service</b>	<b>Current Charge</b>	<b>Recommended Charge</b>	<b>Income Full Year</b>
Responding to requests for information relating to contaminated land	£50 per hour (1 hour minimum charge)	£50 per hour (1 hour minimum charge)	£2,500

### **1.13 Private Water Supplies**

- 1.13.1 The Private Water Supplies Regulations 2009 introduced a statutory and more onerous regime for the risk assessment and sampling of private water supplies.
- 1.13.2 In a report to the Local Environmental Management Advisory Board on 28 February, 2011 it was agreed to introduce a charge to recover the cost of officers' time. In addition, owners of private water supplies and private distribution networks will be charged for the cost of sample analysis.
- 1.13.3 We have reviewed the cost of providing this service and propose to maintain the charge at £45 per hour, plus the cost of sample analysis.
- 1.13.4 The fee has been derived based upon comparison with other Kent local authorities. Maidstone BC £105 one off Tunbridge Wells BC (£40 per hour), Sevenoaks DC (£35 per hour), Medway (£41.50), Dartford (NA) and Gravesham BC currently charge between £35 and £60 per hour. These charges are subject to a maximum limit which is set out under the Private Water Supplies (PWS) Regulations 2009.
- 1.13.5 As each private water supply is very different, the officer time for each visit/ risk assessment is difficult to quantify. The projected income for the year is based upon the officer's projected workload for the year.

<b>Service</b>	<b>Current Charge</b>	<b>Recommended Charge</b>	<b>Income Full Year</b>
Carrying out sampling and risk assessment of private water supplies	£45 per hour (1 hour minimum charge) plus VAT	£45 per hour (1 hour minimum charge) plus VAT	£1,550

#### **1.14 Stray Dog Redemption Fees**

1.14.1 The Environmental Protection Act 1990 prescribes that a person claiming to be the owner of a dog seized as a stray by the Council shall not be entitled to the return of the dog unless all the expenses incurred by reason of its detention, and such further amount as is for the time being prescribed, are met. The Environmental Protection (Stray Dogs) Regulations 1992 set down a prescribed redemption fee of £25 and provides for local authorities to recover their other reasonable expenses, in addition to any other expenses incurred, such as kennelling costs.

1.14.2 Where a dog is taken to kennels we charge the owner for the other reasonable expenses, associated with the costs of providing our Dog Warden contract and admin costs. This is presently set at £53. The total fee charged by the Council is £78. We recommend that the administration fee be increased this year to £54 with no formal waiver or discount, but we will continue to exercise discretion to allow payment by instalments. The proposed total charge of £79 is still within the range of those of neighbouring councils as below.

<b>Maidstone B.C.</b>	<b>Sevenoaks D.C.</b>	<b>Tun. Wells B.C.</b>	<b>Dartford B.C</b>
£60 including statutory fee. Not including Kennelling fees.	£80 including statutory fee. Not including Kennelling fees.	£55 including statutory fee. Not including Kennelling fees.	£55 including statutory fee. Not including Kennelling fees.

1.14.3 This year has seen a significant increase in the number of stray dogs reported and collected out of hours. The increased cost to our contractor Ward Security is offset by the increased income.

1.14.4 At present, where the Dog Warden returns a stray dog to the owner without the need for kennelling, a charge is made at the prescribed fee of £25. This rate was introduced, after agreement by the Local Environmental Management Advisory Board, in July 2009. We do not propose increasing this fee as the low fee encourages owners to identify their dog by microchipping their pet.

<b>Service</b>	<b>Current Charge</b>	<b>Recommended Charge</b>	<b>Income Full Year</b>
Stray Dog Redemption Fee - Return Direct to owner	£25 (Statutory fee)	£25 (Statutory fee)	£1500
Stray Dog Redemption Fee - Kennelling required	£78 plus detention (kennelling) expenses Includes statutory fee.	£79 plus detention (kennelling) expenses. Includes statutory fee.	£7600

### 1.15 Household Bulky Refuse Collection Service

1.15.1 This service provides for the collection of up to six items of household waste which will not otherwise fit within the wheeled bin. The current charge is £47. The contractor charges the Council for each collection. The Council may then pass on our costs to the householder including our handling costs.

1.15.2 The Council's policy is to waive recharge of the costs where the person requesting the service is in receipt of Council tax reduction benefit. In order to encourage residents to look at more sustainable disposal options the free service is limited to one every three months.

1.15.3 We have reviewed the administration costs and feel that from April 2015, a charge of £48.20 should apply for each service request which allows for the collection of up to six items.

<b>Service</b>	<b>Current Charge</b>	<b>Recommended Charge</b>	<b>Income Full Year</b>
Household Bulky Refuse Collection	£47	£48.20	£41,750

1.15.4 The proposed total charge of £48.20 for six items is within the range of those of neighbouring councils who tend to charge per item:

<b>Maidstone B.C.</b>	<b>Sevenoaks D.C.</b>	<b>Tun. Wells B.C.</b>
1-4 Items : £22.50 5-8 Items- £32.50. No concessions.	£17 per item No Concessions	£30 per item. Concessions at one item per month.

1.15.5 This service does not include fridge and freezer collections which are free of charge to all residents due to the potential damage from CFCs.

## 1.16 Refuse collection

- 1.16.1 On occasion the waste services team receive requests from customers to empty wheeled bins where the customer has not placed the bin out for collection. In general, where it is the resident's fault the contractor is not obliged to return. On these occasions the team are often asked by the customer if they can pay for a collection.
- 1.16.2 We propose introducing a collection charge of £15 to cover these circumstances. This charge covers the contractor cost, £13.41 rising by RPI annually and a small administration fee.
- 1.16.3 We propose that this service is introduced for a trial period of 6 months starting February 2015. We will then review and report back to the Local Environmental Management Advisory Board following the trial.
- 1.16.4 Cabinet is **RECOMMENDED** to:
- 1) approve the scale of charges for condemned food certificates, exported food certificates, contaminated land monitoring, sampling private water supplies, stray dog redemption fees, household bulky refuse collection with effect from 1 April 2015 as detailed in the above report; and
  - 2) approve the introduction of a charge for emptying wheeled bins, where the contractor is not at fault and the customer requests paying for the service, with effect from 1 February 2015 for a trial period of 6 months.

## STREET NAMING & NUMBERING SERVICES

### 1.17 Street Naming & Numbering - Introduction

- 1.17.1 The requirement to provide a Street Naming & Numbering service is derived from the Towns Improvement Clauses act 1847, the Public Health Acts Amendment Act 1907 and the County of Kent Act 1981. The TMBC Street Naming & Numbering Policy sets out the framework under which the service is delivered in this authority.
- 1.17.2 IT Services GIS section have been responsible for delivery of this service for just over a year. During this time the actual cost of service delivery has been calculated by recording staff processing time, software costs and postage costs.
- 1.17.3 In line with the previous fee schedule the following priorities have been accounted for in the latest review:

- There should be no overall reduction of income to the Council through the SNN function;
- The cost of SNN to the Council should, where possible, be recovered through fees and charges (noting that this is not always possible, and not always desirable);
- Ensure there are no 'perverse incentives' to apply for alternative naming schemes to minimise costs;
- Ensure there is clarity in the fee schedule to avoid confusion and the need for officer discretion in charging fees.; and
- Where workloads are sufficient to justify such, additional new fees should be considered.

1.17.4 The changes introduced in the fee structure last year continue to address the five principles set out above. For the purposes of this year's review I have concentrated on principles 1 and 2 ensuring that the cost of SNN to the Council is recovered where possible through fees and charges.

### 1.18 Proposed Fee scale for Street Naming and Numbering

1.18.1 A development is considered to be separate if they are received on separate applications and/or they do not share a common road which is also being named for the first time as part of the application.

1.18.2 Individual flats are considered as individual plots.

#### 1.18.3 New Properties

Up to three in-fill properties on an existing street	Current Fee 2014/15	Proposed Fee 2015/16
Addressing one new in-fill property	£169	£175
Addressing two to three in-fill properties	£87 per property	£90
Where four or more properties are to be named or numbered, the fee for new developments (below) will be levied.		

Four or more in-fill properties on an existing street, or new properties on a new street		
Fee for naming of a street, other than in relation to new property addressing	£205	£210
Fee for addressing plots, including street naming if Required 1- 4 Units	£205 +£31 per unit	£210 +£35
5 – 10 Units	£205 +£26 per unit	£210 +£30
11 or more units	£410 +£11 per unit	£415 +£15

#### 1.18.4 Existing Properties

Renumbering an existing property	£51	£60
Renaming an existing property, not in a current numbering scheme	£51	£60
Registering the addition or change or an alias to a numbered property	£51	£60
Removing an existing alias from a numbered property	No charge	No charge
Rename an existing street	£1,540	£1,640
Rename a block of flats	£1,540	£1,640
Fee for addressing units (flats) when splitting an existing property	£87 per unit	£90
Fee for addressing a single property when merging separate units	£169	£170

1.18.5 It is **RECOMMENDED** to Cabinet that the above fee Schedule for Street Naming and Numbering be adopted from 1 April 2015.

#### 1.19 Legal Implications

1.19.1 The Council's financial rules require that all fees and charges must be reviewed at least once a year and be reported to Members.

#### 1.20 Financial and Value for Money Considerations

1.20.1 As set out above in relation to individual fees and charges.

#### 1.21 Risk Assessment

1.21.1 As part of the review of fees and charges Chief Officers will consider the risks associated with any proposals.

#### 1.22 Equality Impact Assessment

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

#### 1.24 Recommendations

1.24.1 Recommendations are set out at the end of each section.

Background papers:

contact: Adrian Stanfield  
Tina Levett

Nil

Mike O'Brien  
Jane Heeley  
Michael Campbell-Lenaghan  
David Partridge

Sharon Shelton  
Director of Finance & Transformation on behalf of Management Team

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**TONBRIDGE CASTLE GATEHOUSE CHARGES**

**2014 TOURIST ATTRACTION CHARGES**

<b>Venue</b>	<b>Adult (£)</b>	<b>Child (£)</b>	<b>Family (£)</b>
Tonbridge Castle	7.70	4.40	21.00
Lullingstone Castle	7.00	4.00	18.00
Arundel Castle	16.00	9.00	41.00
Hever Castle	15.50	8.70	39.70
Chiddingstone	8.00	4.00	21.50
Penshurst Place	10.00	6.50	28.00
Leeds Castle	19.00	11.00	-
Groombridge Place	9.95	8.45	33.95

Prices may vary as these are set at different times of the year

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**Tonbridge Council Chamber**  
**Concessionary Users 2015/16**

- Bridge Trust
- Citizens Advice Bureau
- Guide Dogs for the Blind
- Home Start West Kent
- KCC Walking Bus (Kent County playing fields)
- **Lyons Commuters (Tonbridge) To be approved**
- Mencap
- Police
- Platonic Arts
- Relate
- Royal British Legion –Tonbridge Branch
- Slade Residents Association
- Small Businesses Federation
- Tonbridge Adult Education Centre
- Tonbridge Access Group
- Tonbridge Allotments and Garden Association
- Tonbridge Arts Group
- Tonbridge Camera Group
- Tonbridge Civic Society
- Tonbridge Historical Society
- Tonbridge Memorial Gardens
- Tonbridge Model Engineering Society
- Tonbridge Sports Association
- Tonbridge Lions Club
- Tonbridge Town Lands & Richard Mylls Charity
- Voluntary Action within Kent -VAWK
- West Kent Chamber of Commerce & Industries
- West Kent Community Health Forum
- West Kent Victim Support

Proposed changes are highlighted in bold above

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**TONBRIDGE CASTLE COUNCIL CHAMBER  
CONCESSIONARY USERS**  
Terms & Conditions

**Due to the increased number of requests by Concessionary Users to book the Council Chamber certain restrictions have had to be put in place to ensure fair usage for all concerned.**

We would ask you to take into account the following restrictions when making your bookings.

- Free use will be limited to two sessions per month between 01 October until 31 March each year (a session being morning or afternoon) or a seven day period in the case of exhibitions.
- Free use will not be available on Friday evenings as this time may be required to set up and rehearse for weddings the following day.
- Free use is limited to 5pm, after which caretaking costs become payable.
- Concessionary bookings will not be accepted more than 12 months in advance.
- A charge will be made for cleaning in the event of food being consumed.
- One Parking Permit only will be issued to the hirer.

**NB** – If charges are agreed for concessionary use, the above will be amended to refer to “concessionary charge” rather than “free use”

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**TONBRIDGE CASTLE COUNCIL CHAMBER****PROPOSED CHARGES 2015/16**

<b>Hire Charge</b>	<b>Current 2014/15 (£)</b>	<b>Proposed 2015/16 (£)</b>	<b>Current Concessionary Rate 2014/15 (£)</b>	<b>Proposed Concessionary Rate 2015/16 (£)</b>
First 3 hours	95.00	95.00	23.00	24.00
Plus each additional hour or part	40.00	40.00	8.00	8.00
Caretaking per hour	30.00	30.00	16.00	16.00
Cleaning charge <sup>*(1)</sup>	45.00	45.00	35.00	35.00
Daily rate	200.00	200.00	38.00	38.00
Weekly rate	895.00	895.00	95.00	95.00
Drinks machine	99p per cup	99p per cup	99p per cup	99p per cup

<sup>\*(1)</sup> Cleaning charge only applies to users where food is eaten.

**All charges shown are inclusive of VAT where applicable.**

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**TONBRIDGE CASTLE WEDDING CHARGES 2014/15**  
**COMPARISON WITH OTHERS**

<b>VENUE</b>	<b>PRICE (£)</b>
Tonbridge Castle Chamber	735
Tonbridge Castle Gatehouse	1,100
Boughton Monchelsea Place	1200
Registrar's Office (Standard Charge) Tonbridge Wells (for 50 people)	667
Hever Castle (Astor Room)	2250
Chiddingstone Castle	2,950
Penshurst Place (Monday-Friday only)	2,394

**All charges shown are inclusive of VAT.**

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

07 January 2015

#### Joint 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 APPLICATION FOR DISCRETIONARY RATE RELIEF

A report giving details of a new application for discretionary rate relief.

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

#### 1.1 New application for discretionary rate relief

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

1.1.2 With the introduction of the business rate retention scheme on 1 April 2013, there is no longer a direct cost to the Council in awarding relief. However, Members should note that all awards of relief affect the Council's business rate yield; for 2014-15, it has been estimated that £167,000 discretionary relief will be awarded.

1.1.3 Members may recall that a new application from **The Charity Bank Ltd** was considered at the 14 May 2014 meeting of this Board. Members recommended that the applicant be awarded 80% discretionary relief, time limited to 31 March 2015 (Decision Notice D140052MEM refers). This amount of relief resulted in a £13,592 reduction in their 2014-15 business rate bill.

1.1.4 The applicant has since advised that they are relocating from their current address, 194 High Street Tonbridge to Fosse House, 182 High Street Tonbridge on 6 March 2015.

1.1.5 The criteria state that the rateable value and location of the applicant's premises should be considered as to their appropriateness to the organisation.

1.1.6 As the rateable value of their new premises (Ground Floor £51,000 and 1<sup>st</sup> Floor £49,000) is significantly higher than their current rateable value (£35,250),

Members may wish to consider whether the original award of 80% discretionary relief is still appropriate.

- 1.1.7 If the applicant had been in occupation of Fosse House for the whole of the 2014-15 financial, their rates bill would have reduced by £38,560 (Ground Floor £19,665.60 and 1<sup>st</sup> Floor £18,894.40).
- 1.1.8 The applicant has stated that their relocation to a larger premises is very much part of their aim to be able to grow and support the charity sector following receipt of the capital injection from Big Society Capital earlier in the year. Unfortunately the Bank remains loss making and has not yet reached break-even so any support they receive, such as from the Council through rate relief, is gratefully received. The move to larger premises at the end of their existing lease is one of the key factors which should enable them to operate at the scale that will be necessary for them to be sustainable in the future.
- 1.1.9 The applicant has also advised they are a member of Social Enterprise UK, and a press release is shown at **[ANNEX 2]** for Members' information. In addition, we were also supplied with an annual portfolio which ran to some 44 pages. The document will be available at the meeting if Members wish to view it.
- 1.1.10 Members are **REQUESTED** to review the application, consider the level of relief awarded and make an appropriate **RECOMMENDATION** to Cabinet.

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

The Director of Transformation and Finance 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

Application for relief from the organisation referred to in the main body of the report received 28 October 2014, and held in Financial Services.

Sharon Shelton  
Director of Finance and Transformation

Martin Coffin  
Cabinet Member for Finance,  
Innovation and Property

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## CRITERIA TO BE USED IN DETERMINING APPLICATIONS FOR DISCRETIONARY RATE RELIEF

### Part 1 - Non profit-making bodies

#### Previous awards of discretionary rate relief

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

#### 100% discretionary rate relief granted to:

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

#### 20% top-up relief granted to:

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

#### Applications where special considerations may apply

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

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

- Healthy living opportunities and community well-being

### **Meaning of 'special needs'**

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

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

### **Other considerations**

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

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

### **Restrictions on the granting of relief**

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

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



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

### **Special cases**

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

### **Affordability**

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

## **Part 2 – Applications not falling within Part 1**

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

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

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

**Affordability**

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

**Part 3 - General**

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



11<sup>th</sup> September 2014

## **Celebrating Social Saturday: Charity Bank becomes the first bank to display Social Enterprise accreditation**

To mark the UK's first Social Saturday (September 13<sup>th</sup> - a national day to celebrate social enterprises\*) - Charity Bank has become the first bank to display a Social Enterprise UK accreditation badge\*\*, which states "we're a social enterprise – business where society profits".

Charity Bank is an ethical bank that takes savings from individuals and organisations, and lends solely to social sector organisations.

Patrick Crawford, Charity Bank's Chief Executive, says, "The Bank was well known for being the only bank that was both a registered charity and a bank, until it became impossible, due to changing financial regulation, to operate as both.

"When it ceased to be a charity, we put restrictions in place to maintain the Bank's original charitable objects. We should signal that we continue to be from the social sector and that we lend solely to the sector. That is why we have chosen to display our social enterprise badge now.

"I encourage social sector organisations to *borrow social* as well as to *buy social*, as their repayments will only be re-lent to other enterprises within the sector."

### **Ends/more**

For further information please contact:

Noel Privett  
01256 892514  
[noelprivett@charitybank.org](mailto:noelprivett@charitybank.org)

Mark Howland  
01732 774059 or 07786984321  
[mhowland@charitybank.org](mailto:mhowland@charitybank.org)

### **Notes to editors**

#### **\*Social Saturday**

September 13<sup>th</sup> is the UK's first Social Saturday - a national day to celebrate and buy from social enterprises - businesses that trade for people and planet. In the UK, there are more than 70,000 social enterprises. Every purchase we make has an impact on the world we live in. Social enterprises trade to tackle some of the greatest challenges we face, like food waste and unemployment. So when you buy from a social enterprise, your spending goes much further.

#### **\*\*Social Enterprise UK accreditation badge**

The Social Enterprise accreditation badge is designed to encourage social enterprises to promote themselves as such. To use the 'we are a social enterprise' badge, an organisation must be a member of Social Enterprise UK and agree with five statements that represent the essential characteristics of social enterprises; these are:

1. Our business has a clear social or environmental mission that is set out in its governing documents.
2. We are an independent business and we earn more than half of our income through trading (or we are working towards this).
3. We are controlled or owned in the interests of our social mission.
4. We reinvest or give away at least half our profits or surpluses towards our social purpose.
5. We are transparent about how we operate and the impact that we have.

For more details visit: [www.socialenterprise.org.uk/membership/membership-badge-criteria](http://www.socialenterprise.org.uk/membership/membership-badge-criteria)

### **Case study – one social enterprise helping another**

Charity Bank and The House of St Barnabas are both social enterprises and members of Social Enterprise UK. They worked together to create what is believed to be the world's first not-for-profit private members club supporting those affected by homelessness back into sustained work.

The House of St Barnabas has a dual charitable aim: To make sustainable employment a reality for homeless people and to look after its Grade I listed property in Soho, ensuring it is answering its charitable aims at all times. In March 2012 it was granted a change of use for its property from a hostel to an employment training academy and a private members club, after it became unsuitable for use as a hostel. It needed a loan, alongside a Capital Campaign, for essential repairs and refurbishments and working capital, to enable it to set up the training and the club infrastructure.

The organisation borrowed £500,000 from Charity Bank to open the new venture. As well as the academy, the club provides opportunities for work experience and commercial hospitality training and is set to become self-financing, paying for all the training provision.

Sandra Schembri, Chief Executive, says, "The club at The House of St Barnabas helps to change lives and it has a drive for social change at its heart. It's a unique community of social pioneers, drawn together inside a beautiful Grade 1 listed house in the heart of Soho. Working in partnership with Benugo, we have created a truly inspiring environment that is home to a growing membership that is dedicated to social change. We create unique work experience opportunities through our Employment Academy, which operates at the heart of our social business, our not-for-profit members' club in Soho

"Without backing, from Charity Bank, the Garfield Weston Foundation, JP Getty Foundation and the Linbury Trust among others, none of this would have been possible. Without our loan we would not be supporting people today on their road to the independence that work can provide. It is the vision of the Charity Bank team that allowed us to move forward with what we believe to be the world's first not-for-profit private members club supporting those affected by homelessness back into sustained work. We feel we have a partner working with us towards a shared vision rather than a bank watching us."

[www.hosb.org.uk](http://www.hosb.org.uk)

[https://www.youtube.com/watch?v=uBW5q2PxCK8&list=UUsspMtuee9mHaa6E\\_IrLbeA](https://www.youtube.com/watch?v=uBW5q2PxCK8&list=UUsspMtuee9mHaa6E_IrLbeA)

### **About Charity Bank**

Charity Bank is an ethical bank that takes savings from individuals and organisations, and lends solely to charities and other social sector organisations. Since 2002, the Bank's innovative approach to lending and its mission to benefit society have enabled it to make loan commitments of nearly £200m to over 1,000 charities and other social sector organisations.

Registered Office: The Charity Bank Limited, 194 High Street, Tonbridge, Kent TN9 1BE. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority No. 207701. Member of the Financial Services Compensation Scheme (FSCS). Company registered in England and Wales No. 4330018.

[www.charitybank.org](http://www.charitybank.org)

**Ends/all**

## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

07 January 2015

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

#### Part 1- Public

#### Matters for Information

#### **1 BENEFITS UPDATE**

**A report advising Members of current issues arising in the benefits field**

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

1.1.1 The average number of days to process new housing benefit and council tax support claims is currently 11.7 days, whilst changes in circumstances are taking on average 6.9 days. At the last Board meeting I informed Members of the significant improvement in performance and I am pleased to report that the level has been maintained.

#### **1.2 Discretionary Housing Payments (DHP)**

1.2.1 The total DHP fund for the financial year is £165,494. The balance now stands at £42,801. The Council has received 555 applications for assistance, of which, 444 have been successful.

1.2.2 The most common reason for applications by far is hardship caused by the spare room reduction, but awards have been made for a variety of other reasons, including assistance with rent arrears to prevent homelessness, rent in advance to assist moves and 'down-sizing', help to residents with disabilities, help to foster carers, help with the 'benefit cap' and general assistance due to private rents being higher than housing benefit levels.

#### **1.3 Universal Credit Update**

1.3.1 In October, Secretary of State for Work and Pensions, Iain Duncan Smith announced that the roll-out of Universal Credit will be brought forward, making the new benefit available to single job seekers across the country from early 2015.

1.3.2 Since that announcement, more details have emerged of the change to the Government's planned roll-out of Universal Credit. During 2015, volunteer Councils will start to work with their local Jobcentres to provide Universal Credit for single unemployed persons making new claims as job seekers. The volunteer

Councils in Kent are Swale, Ashford and Maidstone. The pilots are due to be up and running with the new benefit around April 2015.

- 1.3.3 Through recent meetings and talks with local Jobcentre staff responsible for the introduction of Universal Credit, it is fair to say that, at present, they are not prepared. Knowledge of Universal Credit is minimal, there is no operational detail, staff have received no training, there is very little concept in how Councils currently administer housing benefit and a new computer system designed for Universal Credit is not due until May 2016.
- 1.3.4 During the piloting and early roll-out phase of Universal Credit, any person who is assessed under the new rules, will stay under those rules regardless of whether that person moves to another area which is not part of a pilot. It is possible that at some point during 2015, someone who has been awarded Universal Credit will move into the Borough.
- 1.3.5 The Government's timescale for the total national roll-out of Universal Credit has slipped again, with completion now set for 2019. At that point, local Councils will not administer housing benefit claims for the working age but continue to do so for pensioners.
- 1.3.6 The Government announcements, local meetings and other communications regarding the changes to the time-table and pilots fail to provide any assurances on which to base future service provision of housing benefit for local Councils, moreover, they re-enforce the degree of uncertainty that looms over the project.

#### **1.4 Local Council Tax Reduction Scheme 2015/16**

- 1.4.1 In April 2015 we will be entering the third year of our local council tax reduction scheme. The original scheme was agreed by Members in January 2013 and planned to run for three years. As Members will be aware, the scheme is based on the calculation for council tax benefit but reduces entitlement by 18.5% for working age claimants. Pensioners have been granted statutory protection from any financial loss
- 1.4.2 As in previous years, I will look to refresh the 2015/16 scheme by bringing it in line with relevant national changes to the housing benefit scheme. This will include matters such as uprating amounts of state benefits used in assessments and restrictions on eligibility for European Economic Area migrants.
- 1.4.3 In October 2014, using up to date information, an equality impact assessment was carried out against the Council's 2014/15 council tax reduction scheme. The conclusion was that no further action was needed to mitigate the impact of the scheme at that point in time. A further assessment will take place early in the New Year to consider the impact of bringing the 2015/16 scheme in line with housing benefit rules.

Details of the updated Council Tax Reduction Scheme for Tonbridge & Malling Borough Council (2015/16) will be made available on the Council's website in the New Year.

**1.5 Legal Implications**

1.5.1 None

**1.6 Financial and Value for Money Considerations**

1.6.1 None

**1.7 Risk Assessment**

1.7.1 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

07 January 2015

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

#### Part 1- Public

#### Matters for Information

### 1 COUNCIL TAX AND BUSINESS RATES UPDATE REPORT

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

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

1.1.1 As at 30 November 2014, the collection rate for council tax stood at 74.04%. For the same period in the year 2013/14, the collection rate was 74.57%.

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 As at 30 November 2014, the collection rate for business rates stood at 76.31%. For the same period in the year 2013/14, the collection rate was 80.97%.

1.1.4 I shall update Members, as to the collection rates for 2014/15, as at 31 December 2014, for both council tax and business rates, on the evening of the meeting.

1.1.5 In respect of the customers receiving a council tax reduction (CTR), approximately 89% of the council tax due for 2013/14 has been paid. For the current financial year, approximately 63% has been paid compared to 69% for the comparative period in the previous financial year. This reflects the reduction in council tax support from 91.5% to 81.5%.

#### 1.2 Autumn Statement

1.2.1 There is a separate report on this evening's agenda highlighting the main financial issues from the Autumn Statement. In respect of business rates specifically, the Chancellor announced a package of business rate measures that will take effect in the next financial year:

- the Retail Price Index increase in 2015-16 (in respect of the multiplier) will be capped at 2% instead of 2.3%;

- the doubling of the Small Business Rate Relief will be extended for a further 12 months until 31 March 2016;
- ratepayers receiving Small Business Rate Relief that take on an additional property which would currently disqualify them from receiving relief will continue to receive their existing relief for 12 months;
- increasing the temporary £1,000 discount for shops, pubs and restaurants with rateable values below £50,000 to £1,500 for 2015-16;
- to extend the existing transitional relief scheme for two years for properties with a rateable value up to and including £50,000. As a result of this measure, small properties (with a rateable value of less than £18,000) that would otherwise face bill increases above 15% and medium sized properties (with a rateable value of £50,000 or less) that would otherwise face bill increases above 25% will benefit. This will be delivered using Localism Act discounts on which the DCLG will publish guidance shortly. This measure will not affect those ratepayers in transition to lower bills whose scheme will end on 31 March 2015; and
- business rates appeals: backdating – the government will change the rules so that alterations to rateable values can only be backdated to the period between 1 April 2010 and ratepayers' appeals made before 1 April 2015 and 1 April 2015 for Valuation Office Agency alterations made before 1 April 2016.

1.2.2 Local authorities will be refunded for the loss in rate yield as a result of these measures. Refunds will be made through s31 New Burden grants.

### **1.3 Business Rate Reform**

1.3.1 The Government also made the following announcements in the Autumn Statement:

- the Government has announced that it will review the future structure of business rates and will report before Budget 2016. The review will not consider changes to the principle that some of the revenue from business rates should directly fund local government. It will fully consider the impact on local government funding of any changes to the structure of business rates;
- business rates administration review: interim findings – the government will publish interim findings in December 2014 setting out a summary of stakeholder responses and providing an update on how the government proposes to respond to businesses' calls for clearer billing, better sharing of information and a more efficient appeals system; and
- business rates avoidance: discussion paper – the government will publish a discussion paper on the nature and scale of business rates avoidance in December 2014.

## **1.4 Council Tax Base for the year 2015/16**

- 1.4.1 I append, at **[ANNEX 2]**, the council tax base for the financial year 2015/16. This shows that there are 46,900.52 Band D equivalent properties within the Borough.
- 1.4.2 Members should note that, compared to the tax base for the year 2014/15 (45,804.52 Band D equivalent properties), there has been an increase of approx. 2.4% in the overall tax base for the Borough.
- 1.4.3 This increase is a result of fewer taxpayers claiming Council Tax Reduction and growth in the number of new properties.
- 1.4.4 The taxbase has also been adjusted to incorporate changes to empty property discounts with effect from 1 April 2015. The Class C discount (100% exemption for unoccupied properties up to three months) will change to a 100% discount for the first two months a property is unoccupied. A premium of 50% will also be applied to properties that have been empty for more than two years
- 1.4.5 The figures for Leybourne and Ryarsh have also been adjusted to incorporate the boundary change that takes effect on 1 April 2015.
- 1.4.6 The Council is required to set its tax base for the forthcoming financial year, and notify it to the major precepting authorities, during the period 1 December to 31 January. Members will recall that, at the time of reporting the tax base for the year 2005/06, they agreed to give me delegated authority to calculate the tax base for subsequent years.
- 1.4.7 I attach, at **ANNEX 3**, the tax base for Tonbridge and each parish of the Borough.

## **1.5 E-billing**

- 1.5.1 Members will recall that, at the meeting of this Board in May 2014, I updated on the plans to give council taxpayers (and, as a later phase, business ratepayers) the option to receive their bills electronically.
- 1.5.2 Over the course of the last year, the 'MyAccount' facility on the TM website has been extended to hold details necessary for linking MyAccount holders to their respective Council Tax accounts. The Council Tax bills production program has been amended by our IT staff to differentiate between Council Tax Bills to be printed and those Bills to be made available electronically.
- 1.5.3 Regrettably, however, due to reasons which follow, it has not been possible to progress this initiative as quickly as I hoped and it will not now be possible to launch for the main billing process in February. That said, we will be continuing to press ahead with the project and will aim to introduce the facility as soon as we can in the new financial year.
- 1.5.4 The main reason for this delay is that the TM website uses PHP, a server side scripting language for development purposes. In April this year, a PHP bug was

discovered that curtailed development. An upgrade of the Content Management System which is used to maintain the website was scheduled for June and offered an opportunity to upgrade the entire website technical environment including installation of a later version of PHP that addressed the PHP bug. The upgrade undertaken by Squiz PLC took considerably longer than expected and was not completed until December this year, six months later than scheduled. The project group have reconvened and work is once again underway.

- 1.5.5 Whilst it is disappointing that we have been unable to introduce this facility in time for annual billing, Members will understand that it is important to get this 'right' before full launch. It remains a priority project and I will continue to closely monitor the development of this facility and I will report back to Members when it becomes available for use.

## **1.6 Legal Implications**

- 1.6.1 Nil.

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

- 1.7.1 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.

## **1.8 Risk Assessment**

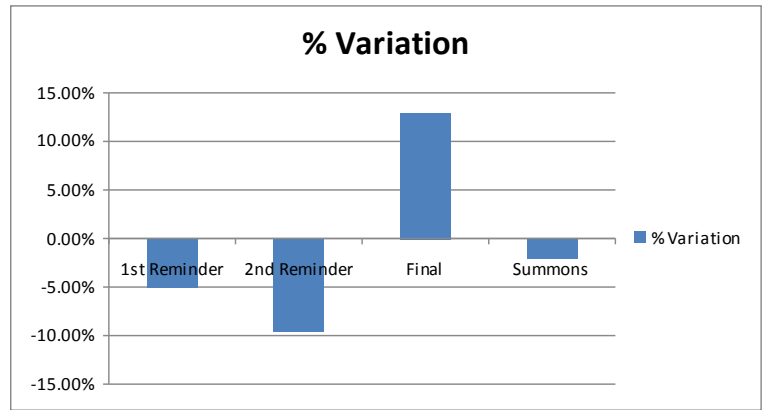
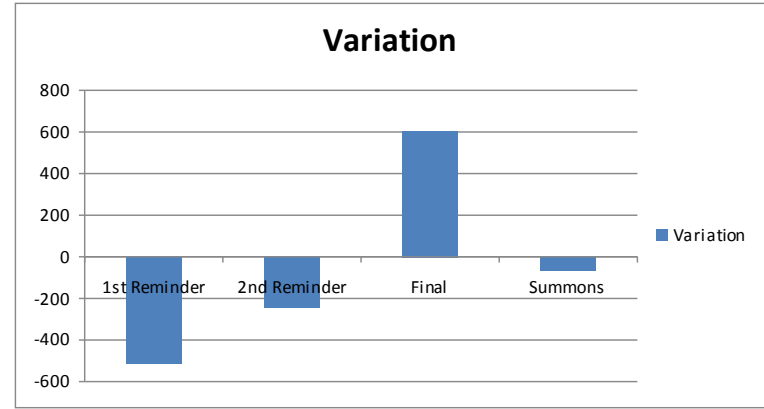
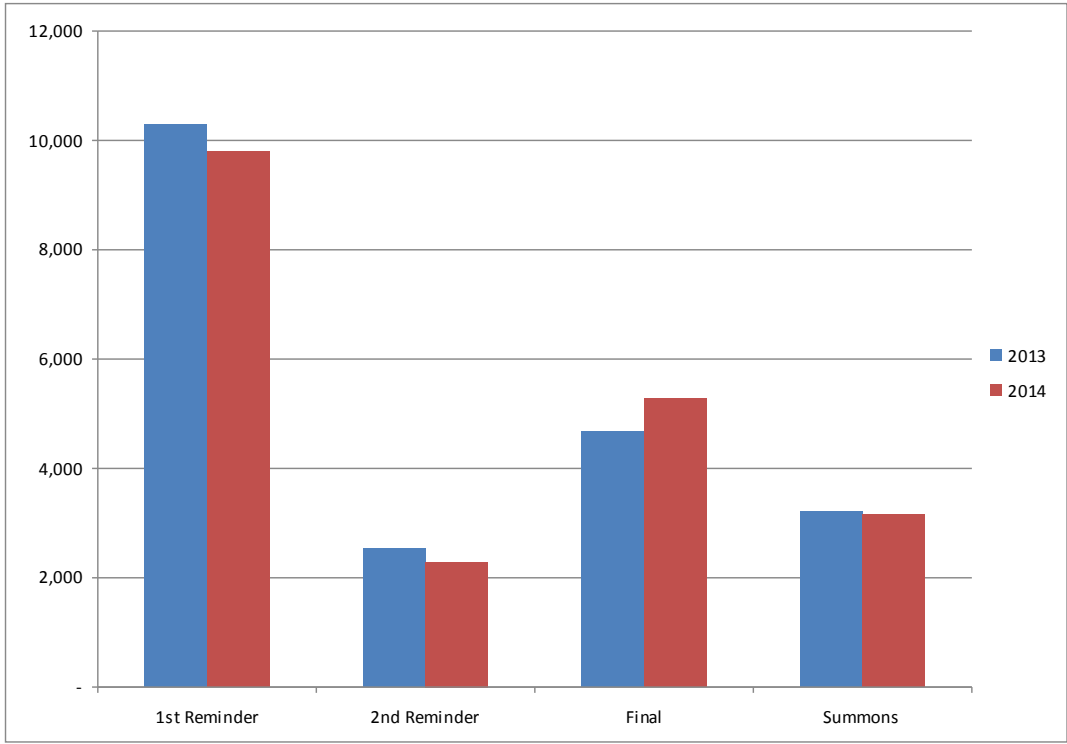
- 1.8.1 Nil.

Background papers:  
Business Rates Information Letter (11/2014)

contact: Glen Pritchard  
01732 876146

Sharon Shelton  
Director of Finance and Transformation

	1st Reminder	2nd Reminder	Final	Summons	
2013	10,300	2,528	4,671	3,217	
2014	9,791	2,289	5,274	3,155	
<b>Variation</b>	<b>-509</b>	<b>-239</b>	<b>603</b>	<b>-62</b>	
<b>% Variation</b>	<b>-4.94%</b>	<b>-9.45%</b>	<b>12.91%</b>	<b>-1.93%</b>	



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**Tax Base 2015/2016 - Analysis of Properties**

**ANNEX 2**

<b>BAND</b>	<b>Disab A</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>Total</b>
Total Properties	0	1674	3842	14629	12931	8627	4880	4444	385	51,412
Exempt Properties	0	73	63	108	91	56	26	23	8	448
PCLC100 (Empty)	0	25	34	82	39	46	14	13	1	254
PCLD100 (Uninhabitable)	0	2	8	28	11	16	11	10	2	88
Disabled Relief Additions	3	5	51	72	51	24	35	12	0	253
Disabled Relief Reductions	0	3	5	51	72	51	24	35	12	253
PCLB0 2nd Homes	0	29	25	44	42	30	17	31	7	225
PCLC0 LTE	0	21	68	159	78	62	40	42	3	473
Premium	0	15	23	22	19	14	3	4	2	102
25% Discounts	1	1100	2130	5097	3512	1885	763	488	17	14,993
50% Discounts	0	5	4	8	4	9	9	15	2	56
CTR discounts	0.00	503.93	889.76	2,000.63	887.60	253.25	74.05	21.39	0.76	4,631.37
Properties with full charge	2	406	1533	9102	9114	6482	4008	3795	331	34,773
Total properties (adjusted)	2.75	802.07	2,370.24	11,164.12	11,010.90	7,760.00	4,572.20	4,226.11	356.99	42,265.38
Growth adjustment	0	5	32	145	154	115	49	16	1	517
Net Total	2.75	807.07	2,402.24	11,309.12	11,164.90	7,875.00	4,621.20	4,242.11	357.99	42,782.38
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	-
Band D Equivalents	1.53	538.05	1,868.41	10,052.55	11,164.90	9,625.00	6,675.07	7,070.18	715.98	47,711.67
Less 1.7% Losses	0.03	9.16	31.77	170.88	189.84	163.60	113.49	120.22	12.16	811.15

Tax Base	1.50	528.89	1,836.64	9,881.67	10,975.06	9,461.40	6,561.58	6,949.96	703.82	46,900.52
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<b>PARISH</b>	<b>TOTAL TAXBASE</b>
HADLOW	1,485.86
HILDENBOROUGH	2,145.25
ADDINGTON	376.03
AYLESFORD	3,903.65
BIRLING	197.70
BOROUGH GREEN	1,460.74
BURHAM	441.40
DITTON	1,719.65
IGHTHAM	1,088.35
LEYBOURNE	1,475.71
EAST MALLING & LARKFIELD	4,792.64
WEST MALLING	1,088.72
MEREWORTH	409.29
OFFHAM	370.97
EAST PECKHAM	1,242.70
WEST PECKHAM	173.93
PLATT	846.06
PLAXTOL	570.45
RYARSH	266.51
SHIPBOURNE	248.24
SNODLAND	3,352.46
STANSTED	235.98
TROTTISCLIFFE	262.72
WATERINGBURY	884.84
WOULDHAM	485.54
WROTHAM	794.87
KINGS HILL	3,739.48
TONBRIDGE	12,840.78
<b>TOTAL</b>	<b>46,900.52</b>

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

07 January 2015

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

#### Part 1- Public

#### Matters for Information

#### 1 CHANCELLOR'S AUTUMN STATEMENT 2014

**This report highlights the main issues relevant to us within the Chancellor's Autumn Statement.**

#### 1.1 Introduction

1.1.1 The Chancellor presented his Autumn Statement to the House of Commons on 3 December 2014.

1.1.2 Detailed below are some of the specific financial issues relevant to TMBC within the Autumn Statement

#### 1.2 Overview

1.2.1 Public Sector Expenditure is set to fall at the same rate as between 2010/11 and 2014/15 until 2018. It is then forecast to increase by inflation in 2018/19 and beyond.

1.2.2 The Government aims to find a further £10bn of efficiency savings by 2017/18. The programme will be led by the Cabinet Office and key areas of focus will be IT procurement and the digital uptake of public services.

1.2.3 Travel expenses paid to councillors are to become exempt from income tax and employee national insurance contributions from April 2015 on approved mileage allowance payment rates.

1.2.4 Business Rates – a number of announcements were made in respect of business rates (see also the Council Tax and NNDR update report elsewhere on the agenda).

- A cap of 2% will be applied to the Business Rate Multiplier for 2015/16.
- The current doubling of Small Business Rate Relief will continue in 2015/16.

- The discounts applied to small and medium retailers announced in 2013 will be increased from £1,000 to £1,500.
- All of these should be revenue neutral to the authority as we will be compensated for any losses via a section 31 grant as in previous years.
- The government will carry out a review of the future structure of business rates. This will be reported by Budget 2016. It will also publish its interim findings on the review of business rate administration by December 2015. The review is intended to be revenue neutral and “consistent with the government’s financing for local authorities”

1.2.5 Flood Defences - £17m has been earmarked by the Government for flood defences in Tonbridge and the surrounding area.

### **1.3 Medium Term Financial Strategy**

1.3.1 In terms of the Medium Term Financial Strategy, the Autumn Statement only serves to reinforce that the ever increasing pressure on the Council’s finances will continue into the medium term.

### **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 The Medium Term Financial Strategy sets out the high level financial objectives the Council wishes to fulfil and underpins the budget setting process for the forthcoming year and over the Strategy period. As the Council’s high level financial planning tool the Strategy needs to be reviewed and updated at least annually and in the current climate regularly reviewed by Management Team.

Background papers:

Nil

contact: Paul Worden  
Neil Lawley  
Sharon Shelton

Sharon Shelton  
Director of Finance and Transformation

## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

07 January 2015

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

#### Part 1- Public

#### Matters for Information

#### **1 BUSINESS RATES RETENTION AND SHALE OIL AND GAS: TECHNICAL CONSULTATION; AND BUSINESS RATES POOLING**

In October 2014 the Department for Communities and Local Government published the Business Rates Retention and Shale Oil and Gas: Technical Consultation. The report also updates Members on the current situation on the Business Rates Retention Pool for Kent authorities.

#### **1.1 Technical Consultation**

1.1.1 The consultation sets out draft regulations to allow the 100% local retention of business rates on shale gas and oil sites and the return date for responses was 5 December 2014. The paper can be found at the following link:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/366633/Business\\_rates\\_retention\\_and\\_shale\\_oil\\_and\\_gas.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/366633/Business_rates_retention_and_shale_oil_and_gas.pdf)

1.1.2 In summary:

- The proposals will take effect from April 2015.
- They will not be subject to any reset.
- Local government will retain 100% of all business rates revenues from shale oil and gas instead of the 50% received from standard business rates income.
- The 50% share will be split across local government in different proportion to the current split.

1.1.3 The current 50% split in our case is 1% Kent Fire and Rescue, 9% Kent County Council and 40% Tonbridge and Malling.

1.1.4 The proposed 100% split for shale oil and gas sites is 1% Kent Fire and Rescue; 59% Kent County Council and 40% Tonbridge and Malling.

- 1.1.5 The key difference, therefore, being that district councils and fire authorities, together with the GLA do not receive any of the 50% that would normally be paid to central government.
- 1.1.6 This at first sight might seem somewhat unfair. However, the Government considers that in two tier areas and London the extra 50% should go to the County Council and the London Boroughs because for shale oil and gas those authorities have significant levers for promoting development and have responsibility for minerals planning decisions.
- 1.1.7 On balance, therefore, the proposals set out in the paper are considered to be appropriate, not forgetting that shire districts will continue to receive 40% of business rates on shale oil and gas sites. As a result on this occasion it was decided a response to the consultation was unnecessary.

## **1.2 Business Rates Retention - Kent Wide Pool**

- 1.2.1 Cabinet on 8 October 2014 gave delegated authority (decision notice 14/72) for detailed consideration to be given to the Council joining a Kent wide Business Rate Pool.
- 1.2.2 Following detailed consideration of the issues and data, the Director of Central Services and I in consultation with the Leader and Cabinet Member for Finance, Innovation and Property, agreed that Tonbridge & Malling Borough Council should be party to the 'bid' to the Department for Communities and Local Government (DCLG) for the establishment of a new pool with effect from 1 April 2015. The bid was submitted at the end of October 2014.
- 1.2.3 Attached at **[Annex 1]** is the letter received by Maidstone Borough Council (the lead authority for the Pool) from the DCLG approving the establishment of the Pool commencing 1 April 2015. Members will note that the pool will consist of KCC, Kent & Medway Fire and Rescue Authority and ten district councils.

## **1.3 Legal Implications**

- 1.3.1 None.

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

- 1.4.1 As set out above.

Background papers:

contact: Neil Lawley

Nil

Sharon Shelton  
Director of Finance and Transformation



Department for  
Communities and  
Local Government

Ms Alison Broom  
Chief Executive  
Maidstone Borough Council  
Maidstone House  
King Street  
Maidstone  
ME15 6JQ

Our Ref:  
Your Ref:

16 December 2014

Dear Ms Broom,

## LOCAL RETENTION OF NON-DOMESTIC RATES: DESIGNATION OF A POOL OF AUTHORITIES

The Government will shortly publish the draft Local Government Finance Report 2015-16. Within this pools of authorities will be treated as a single authority for top-up/tariffs and levy and safety net purposes. In addition to the aggregate pool position, the draft Report will also publish both individual figures. This will enable members of the pool to see their individual position relative the pool figures and will allow them to establish if they still wish to pool.

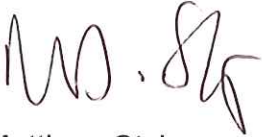
Local authorities in the pool will have 28 days beginning with the date on which the draft report is published to consider if they wish to continue to be designated as a pool. Provided that no authority within the pool requests the Secretary of State to make a revocation during that period, the pool will come in to effect on 1 April 15, meaning that all local authorities covered by the designation will remain in the pool for the full financial year. The designation will have effect for each subsequent financial year until the Secretary of State revokes the designation, either of his own volition or in response to a request to do so.

However, if a member of the pool decides it no longer wishes to be designated as part of a pool for 2015-16 it must notify DCLG using the e-mail address in the following paragraph by **14 January**. If a local authority exercises its option to request revocation of the designation before this date the rest of the pool cannot continue. The Secretary of State will then revoke this designation and the local authorities identified as part of this pool will revert to individual settlement figures.

If there are any questions about the content of this letter and the enclosed designation please contact Francis Jones on 0303 444 3855 or at [francis.jones@communities.gsi.gov.uk](mailto:francis.jones@communities.gsi.gov.uk) as soon as possible.

Copies of this designation have been sent to all the members of this pool.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M. Style'.

Matthew Style  
Director – Local Government Finance  
Department for Communities and Local Government





Department for  
Communities and  
Local Government

Ms Alison Broom  
Chief Executive  
Maidstone Borough Council  
Maidstone House  
King Street  
Maidstone  
ME15 6JQ

Our Ref:  
Your Ref:  
16 December 2014

Dear Ms Broom,

**LOCAL RETENTION OF NON-DOMESTIC RATES: DESIGNATION OF A POOL OF AUTHORITIES IN 2015-16**

In accordance with paragraph 34 of Schedule 7B to the Local Government Finance Act 1988 ("the 1988 Act"), the Secretary of State designates the following authorities as a pool of authorities for the purposes of the scheme for local retention of non-domestic rates under Schedule 7B to the 1988 Act:

- Local Authority Maidstone Borough Council
- Local Authority Kent County Council
- Local Authority Kent and Medway Fire and Rescue Authority
- Local Authority Ashford Borough Council
- Local Authority Canterbury City Council
- Local Authority Dover District Council
- Local Authority Gravesham Borough Council
- Local Authority Shepway District Council
- Local Authority Swale Borough Council
- Local Authority Thanet District Council
- Local Authority Tonbridge and Malling Borough Council
- Local Authority Tunbridge Wells Borough Council

All members of the pool have agreed to this designation.

The designation has effect for the year beginning 1 April 2015 and for each subsequent year, unless revoked.

This designation is made subject to the conditions below.

1. The authorities to which this designation relates must appoint a lead authority to exercise the following functions:
  - To make and receive, on behalf of the pool members, payments in respect of any top ups and tariffs, levy and safety net and safety net on account payments to and from the Department.
  - To make and receive payments between members of the pool as determined by the governance agreements.
  - Administration (including the operation of the dissolution arrangements) of the pool in accordance with the governance arrangements.
  
2. If this designation is revoked, the authorities covered by this designation must take the following steps before the revocation takes effect:
  - Comply with the dissolution arrangements established in the pool's governance agreement.

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

A handwritten signature in black ink, appearing to read 'M. Style', written in a cursive, slightly slanted style.

Matthew Style

A member of the Senior Civil Service in the Department for Communities and Local Government

16 December 2014



Department for  
Communities and  
Local Government

Ms Alison Broom  
Chief Executive  
Maidstone Borough Council  
Maidstone House  
King Street  
Maidstone  
ME15 6JQ

Our Ref:  
Your Ref:

16 December 2014

Dear Ms Broom,

Further to the e-mail from Paul Riley at Maidstone Borough Council, of 30 October 2014 asking the Secretary of State to revoke the designation of the Kent Business Rates Pool, in accordance with paragraph 34(3) and (6) of Schedule 7B to the Local Government Finance Act 1988, the Secretary of State hereby revokes the designation made on 17 December 2013 of the following pool of authorities:

- Local Authority Maidstone Borough Council
- Local Authority Kent County Council

This means that the Kent Business Rates pool ceases to exist and the authorities designated as that pool will revert to individual settlement figures in the final Local Government Finance Report 2015-16.

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

Matthew Style

A member of the Senior Civil Service in the Department for Communities and Local Government  
16 December 2014



## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

07 January 2015

#### Report of the Management Team

#### Part 1- Public

#### Matters for Information

##### **1 PRINCIPLES FOR FUTURE WEB SITE RE-DESIGN**

1.1 Following the introduction of the new navigation tool to the web site, attention has now turned to the wider re-design.

1.2 Key to the project will be that there is a universal understanding and acceptance as to what the re-design is to achieve as, only by having such an understanding, will agreement on a design be achievable.

1.3 The attached are principles that your Management Team have agreed and which will underpin and inform the re-design.

##### **2 LEGAL IMPLICATIONS**

2.1 There are no legal implications.

##### **3 FINANCIAL AND VALUE FOR MONEY CONSIDERATIONS**

3.1 There are no financial implications.

##### **4 RISK ASSESSMENT**

4.1 There are no risks identified.

##### **5 POLICY CONSIDERATIONS**

5.1 Customer Contact

Background papers:

contact: Charlie Steel

Nil

Sharon Shelton  
Director of Finance & Transformation

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## **Principles to underpin and inform the approach to web site re-design.**

1. We wish for the web site to be our customers' preferred choice of channel for transacting with us in the future. In order to do this we acknowledge the change in emphasis from 'web site' to 'customer service portal'.
2. The design will support the potential to maximise customer self-service and proactive service delivery by encouraging subscriptions to My Account.
3. The design will be fully responsive, having been designed for mobile technology first.
4. The design should allow customers to do what they are looking to do simply and quickly in order that they will be encouraged to do it again.
5. The design should support Digital Inclusion initiatives and should be sensitive to issues such as accessibility, customer security, and the cost of downloading data.
6. The Home page design will support customers' transaction needs, not the Council's 'marketing' - that will be the function of My Account (notifications) and Social Media – driving customers to specific web site content.
7. Navigation of the re-designed site will focus on the new Search tool, with alternative navigation available as a secondary method. It is envisaged that eventually the more traditional navigation will become redundant.
8. The responsive design will use tools and imagery that mobile users will be familiar with.
9. The re-design will encourage customers of all ages to engage with us.

Management Team  
November 2014

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# Agenda Item 14

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 15

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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of the Local Government Act 1972.

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# Agenda Item 22

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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