

TONBRIDGE & MALLING BOROUGH COUNCIL



EXECUTIVE SERVICES

Chief Executive

Julie Beilby BSc (Hons) MBA

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

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

13 June 2017

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, 21st June, 2017 commencing at 7.30 pm

Yours faithfully

JULIE BEILBY

Chief Executive

A G E N D A

PART 1 - PUBLIC

- | | | |
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To confirm as a correct record the Notes of the meeting of the Finance, Innovation and Property Advisory Board held on 4 January 2017

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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.

Matters for consideration in Private

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PART 2 - PRIVATE

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16. Urgent items 139 - 140

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 S M King (Chairman)
Cllr B W Walker (Vice-Chairman)

Cllr Mrs S Bell
Cllr R P Betts
Cllr T Bishop
Cllr J L Botten
Cllr V M C Branson
Cllr Mrs B A Brown
Cllr T I B Cannon

Cllr D J Cure
Cllr M O Davis
Cllr S R J Jessel
Cllr R D Lancaster
Cllr Miss J L Sergison
Cllr A K Sullivan
Cllr F G Tombolis

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, 4th January, 2017

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

Councillors Mrs J A Anderson, O C Baldock, P F Bolt, M A Coffin, N J Heslop, D Lettington, Mrs A S Oakley, S C Perry, H S Rogers and R V Roud were also present pursuant to Council Procedure Rule No 15.21.

Apologies for absence were received from Councillors Mrs S Bell, Mrs B A Brown and S R J Jessel

PART 1 - PUBLIC

FIP 17/1 DECLARATIONS OF INTEREST

Councillor N Heslop declared an Other Significant Interest in the item on Review of Fees and Charges in respect of concessionary users of Tonbridge Castle Council Chamber on the grounds of membership of the Board of the Bridge Trust. He withdrew from the meeting during consideration of this matter.

In the interests of transparency, Councillors M Davis and R Betts advised that they were the Council's appointees to Tonbridge and Malling Leisure Trust, a number of whose facilities featured in the Capital Plan.

FIP 17/2 MINUTES

RESOLVED: That the notes of the meeting of the Finance, Innovation and Property Advisory Board held on 21 September 2016 be approved as a correct record and signed by the Chairman.

MATTERS FOR RECOMMENDATION TO THE CABINET

FIP 17/3 REVENUE ESTIMATES 2017/18

The report of the Director of Finance and Transformation referred to the responsibility of the Cabinet under the constitution for formulating initial proposals in respect of the budget. Reference was made to the role of the Advisory Board in assisting the Cabinet and Council in the preparation of the budget within the context of the Medium Term

Financial Strategy (MTFS) and the Council's priorities. An outline was given of the process for referring the Advisory Board's recommendations to the Overview and Scrutiny Committee prior to consideration by the Cabinet on 9 February and thereafter by the Council at its Budget meeting.

The report set out the framework for considering the estimates in terms of the MTFS together with a number of Service specific issues. The report indicated the factors to be taken into account when updating the MTFS and referred to the Savings and Transformation Strategy (STS) which provided a structure and focus for addressing the significant financial challenge facing the Council. It was noted that the MTFS would continue to be updated as more information became available and the targets and timescales within the STS would be revisited and realigned with the latest projected funding gap during the budget setting process.

The Director of Finance and Transformation introduced the provisional Local Government Finance Settlement including the Council's acceptance of the multi-year settlement to 2019/20 and drew attention to the key messages arising from the outcome of the consultation on New Homes Bonus funding. It was considered that a robust response to the settlement consultation should be submitted by the 13 January deadline in view of the changes to the New Homes Bonus scheme which would bring added funding pressure for district councils and increased risk to financial sustainability. The Director of Finance and Transformation presented the suggested response, circulated before the meeting, which was endorsed by Members.

RECOMMENDED: That

- (1) the proposed response to the provisional local government finance settlement 2017/18, as set out at Annex 1 to the report, be supported subject to the answers to appropriate questions being prefixed by the word "No" for additional emphasis, and the response be submitted by the consultation deadline;
- (2) the draft Revenue Estimates contained in the Booklet be endorsed for consideration by the Cabinet at its special meeting on 9 February 2017; and
- (3) the Savings and Transformation Strategy be updated to reflect the latest projected "funding gap" as part of the budget setting process.
***Referred to Cabinet**

FIP 17/4 CAPITAL PLAN REVIEW 2016/17

Consideration was given to the report of the Director of Finance and Transformation which reviewed the current position of the existing Capital Plan (List A). It also recommended schemes for addition to

List C, some existing List C schemes for deletion or evaluation and schemes for inclusion on List B from those List C schemes previously selected for evaluation. Members were reminded that any aspirations in respect of capital schemes needed to be set within the context of the significant financial challenge facing the Council.

RECOMMENDED: That the following be endorsed for consideration by the Overview and Scrutiny Committee:

- (1) the Capital Plan (List A) position as shown in Annex 2 to the report;
- (2) the amendment of List C as detailed in paragraph 1.5.3 of the report;
- (3) the selection for evaluation of those List C schemes shown in paragraph 1.6.4 of the report including two for fast track evaluation;
- (4) the transfer of the schemes listed in paragraph 1.7.3 of the report from List C to List B; and
- (5) the draft Capital Strategy as set out at Annex 5 to the report be endorsed for adoption and publication on the Council's website.

***Referred to Cabinet**

FIP 17/5 REVIEW OF FEES AND CHARGES 2017/18

The report of the Management Team brought forward for consideration as part of the Budget setting process for 2017/18 proposals in respect of those fees and charges that were the responsibility of the Cabinet Member for Finance, Innovation and Property or not reported elsewhere.

It was noted that there would be a fundamental review of operations at Tonbridge Castle in the light of changes in the Gateway facility.

RECOMMENDED: That

- (1) in respect of the recovery of legal fees payable by third parties, the Council's fees continue to follow the Supreme Court guideline hourly rates as set out at paragraph 1.2.1 of the report;
- (2) the proposed scale of fees for local land charges searches and enquiries set out in the report be adopted with effect from 1 April 2017, noting that property search fees are to be subject to VAT as shown in the table at Annex 1 to the report from 1 January 2017 unless HMRC confirms that any element shown as Vatable should not be subject to VAT;

- (3) the current photocopying charges of 10p (inclusive of VAT) for each page of the same document or additional copies of the same page plus postage as appropriate be retained;
- (4) the proposed charges for Tonbridge Castle Chamber as set out in Annex 4 to the report be approved for implementation from 1 April 2017;
- (5) the proposed charges for weddings at Tonbridge Castle as outlined in paragraph 1.6.3 of the report be approved for implementation from 1 April 2018;
- (6) the fees schedule for street naming and numbering set out in section 1.8 of the report be adopted with effect from 1 April 2017; and
- (7) the amount of council tax and business rate Court costs recharged remain as set out at paragraph 1.9.2 of the report for the 2017/18 financial year.

***Referred to Cabinet**

FIP 17/6 BUILDING REGULATION FEES

Consideration was given to the joint report of the Director of Planning, Housing and Environmental Health and Director of Finance and Transformation which referred to the annual review of fees schedules and recommended amendments to the charging regime to cover more accurately the costs of the fee earning aspects of the Building Control Partnership service provided with Sevenoaks District Council. Members were advised of some changes in staffing of the service.

RECOMMENDED: That the revised Building Control Charges, as detailed in Annex 1 to the report, be approved and adopted from 1 April 2017.

***Referred to Cabinet**

FIP 17/7 REVIEW OF PRE-APPLICATION PLANNING CHARGING REGIME

The joint report of the Director of Finance and Transformation and Director of Planning, Housing and Environmental Health provided an update on the pre-application procedures for planning and reviewed the protocol and scale of charges introduced in 2016 in accordance with Decision Number D160018CAB.

RECOMMENDED: That

- (1) the updated protocol for providing Pre-Application and Other Technical Planning Advice, as set out at Annex 1 to the report, be adopted; and

- (2) the Pre-Application Charging Schedule for 2017/18, as set out at Annex 2 to the report, be adopted.

***Referred to Cabinet**

FIP 17/8 APPLICATION FOR DISCRETIONARY RATE RELIEF

Decision Notice D170001MEM

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

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

Hillsong Church London, The River Centre, Medway Wharf Road, Tonbridge - no discretionary relief be awarded.

MATTERS SUBMITTED FOR INFORMATION

FIP 17/9 REVENUES AND BENEFITS UPDATE REPORT

The report gave details of recent developments in respect of council tax, business rates, council tax reduction and housing benefits. Reference was made to the announcement in the Chancellor's Autumn Statement that Rural Rate Relief would be doubled from 1 April 2017. The report also indicated the council tax base set for the financial year 2017/18.

MATTERS FOR CONSIDERATION IN PRIVATE

FIP 17/10 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 17/11 DEBTS FOR WRITE OFF

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

Decision Notice D170002MEM

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

RECOMMENDED: That the 23 items shown in the schedule of amounts over £1,000, totalling £86,351.07 be written-off for the reasons stated within the schedule.

FIP 17/12 RENEWAL OF CASH COLLECTION CONTRACT AND COUNCIL BANKING CONTRACT

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

Decision Notice D170003MEM

The report of the Director of Finance and Transformation provided an update on the outcome of the countywide tender exercise, carried out on behalf of 12 authorities in Kent, for provision of cash collection services. Due to the timescale for commencement of the new contract, it had been necessary for the result of the tender exercise to be accepted in advance of the meeting following consultation with the Leader, Cabinet Member for Finance, Innovation and Property and Chairman of the Overview and Scrutiny Committee.

Details were also given of action taken in accordance with Contracts Procedure Rules to extend the Council's current banking contract until 31 March 2018.

RECOMMENDED: That

- (1) the decision of the Leader, Cabinet Member for Finance, Innovation and Property and Chairman of the Overview and Scrutiny Committee to accept the result of the cash collection tendering exercise and the appointment of Contract Security Services Limited be endorsed; and
- (2) the contract extension in respect of the Council's Bankers be noted.

FIP 17/13 PROPOSED DISPOSAL OF LAND ADJACENT TO FIELDING DRIVE, LARKFIELD

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

Decision Notice D170004MEM

The report of the Director of Central Services gave details of proposed terms and conditions in respect of the disposal of an area of amenity land adjacent to Fielding Drive following a request to purchase by an adjoining property owner.

RECOMMENDED: That disposal of the area of amenity land adjacent to Fielding Drive, Larkfield be approved on the basis of the conditions outlined in the report, subject to planning permission being obtained for a change of use from amenity to domestic garden.

FIP 17/14 LICENCE AGREEMENT FOR USE OF LAND AS PERMISSIVE FOOTPATH ADJACENT TO BAILEY BRIDGE, AYLESFORD

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

Decision Notice D170005MEM

The report of the Director of Central Services gave details of a proposed licence agreement with Kent County Council for use of land owned by the Borough Council adjacent to the Bailey Bridge car park, Aylesford as a permissive footpath.

RECOMMENDED: That approval be given for a licence to Kent County Council for a permissive footpath as identified in the report.

The meeting ended at 9.07 pm

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TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

21 June 2017

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Recommendation to Cabinet - Council Decision

1 REVENUES AND BENEFITS – SHARED SERVICE

Members are advised of the progress with the implementation of the Shared Service, and are invited to recommend to Cabinet and then Full Council that the evaluation of IT and digital solutions be approved.

1.1 Introduction

1.1.1 At the meeting of the Cabinet on 21 March 2017, Members considered a report in respect of the potential shared service for revenues and benefits. The Cabinet resolved that:

- 1) the establishment of a Shared Service for Revenue and Benefits between Tonbridge and Malling Borough Council and Gravesham Borough Council be approved as set out in the report;
- 2) the Director of Finance and Transformation, in liaison with the Cabinet Member for Finance, Innovation and Property and Leader, be authorised to progress detailed negotiations with Gravesham Borough Council (GBC) accordingly;
- 3) Tonbridge and Malling Borough Council would prefer to be considered as the lead authority (and site provider) for the Shared Service and the Overview and Scrutiny Committee be advised accordingly for the purposes of the accommodation review;
- 4) the Director of Finance and Transformation be authorised to commence consultation and discussion with staff as appropriate;
- 5) the target implementation date of July 2018 be noted; and
- 6) further progress reports setting out detailed proposals for the implementation of the shared service be presented to either Finance, Innovation and Property Advisory Board, General Purposes Committee or directly to Cabinet as appropriate.

- 1.1.2 Since the report to Cabinet, staff briefings have taken place at both authorities and a Revenues & Benefits Shared Service Development Project Board has been set up consisting of key staff from both TMBC and GBC. Sub-groups undertake detailed investigative work on specific areas (e.g. property, HR etc) and report directly into the Project Board. A staff portal is being set up to keep staff informed as to progress; including reports to Members.
- 1.1.3 The Project Board agreed that the key 'initial' decisions that are required in order to lay the foundations for the Shared Service relate to the 'host' site, and some IT and 'digital' transformation related matters.
- 1.1.4 It is intended that a report will be presented to the General Purposes Committee on 26 June setting out the recommendations from the Project Board in respect of the hosting of the shared service. This report focuses on issues relating to IT and digital services.

1.2 IT Services and Digital Transformation

- 1.2.1 As was explained in the report to Cabinet on 21 March, both authorities operate the same key systems (Northgate and information@work) for the delivery of revenue and benefits services which provides a good foundation for the shared service. Both authorities need to invest in digital customer platforms to assist with the transformation of service delivery as was explained in the report, and Members were reminded that the Capital Plan List C already carries a potential scheme for evaluation entitled "Revenues and Benefits Citizen's Access" in this regard.
- 1.2.2 However, in terms of how relevant information is (or is planned to be) presented to the public via our website, the two authorities are at different points and as such there is a need to harmonise the approaches across the two sites.
- 1.2.3 Looking to the future, both authorities want to be able to offer more digital options to the public through the website including the opportunity for customers to complete their own template 'forms' for specific requests, applications or provision of information. Ultimately, as part of a full transformation process, in time, we would want to be able to deliver 'back office integration' maximising opportunities for efficiency. However this is a much later stage and would be subject to a separate evaluation in the future.
- 1.2.4 What is important to note is that many of these developments are strongly desirable irrespective of the implementation of a shared service. However, given that a shared service is to be implemented, it will be necessary to work with our partner GBC to ensure that IT and digital provision is harmonised. Having a shared IT manager with GBC is extremely helpful in this regard.
- 1.2.5 The IT and digital transformation plan can be split into phases. 3 phases need to take place prior to the shared service going live and there is a potential further phase, subject to separate future evaluation, which could occur at a later date.

Phase	Detail of project work required	Cost basis	Timescale
1.	<p>Shared back office platform (with the assistance of the supplier Northgate) to align TMBC and GBC databases and allow access to both by all staff through a 'Shared Service Layer'.</p> <p>This will require a one off revenue/capital cost to be shared by both authorities. Ultimately by doing this work for the operation of a fully shared service, there is the opportunity to deliver future revenue savings in respect of system costs. This has been the experience in other revenues and benefits shared services.</p>	Revenue or capital cost – shared with GBC	Work to commence once host site has been determined (report to go to GPC on 26 June to determine host site).
2.	<p>Improvements to the 'look and feel' of customers' own revenues and benefits information presented via the website.</p> <p>This work is required in any event to provide a better and more streamlined offer to customers, but with the implementation of the shared service this needs to be harmonised with that at GBC.</p> <p>At TMBC information is currently presented via the in-house developed 'My Account' solution. At GBC, this is via a third party supplier.</p>	<p>TMBC cost only.</p> <p>Could be capital and/or revenue</p>	<u>Latest</u> by July 2018, but earlier is strongly desirable.
3.	<p>E-forms package to give customers the opportunity to complete their own template 'forms' for specific requests, applications or provision of information.</p> <p>This is something that we would wish to purchase whether we implement a shared service or not, but given that we are entering into a shared service, purchase will be jointly with GBC.</p>	Capital and revenue costs to be shared with GBC	<u>Ideally</u> by July 2018.
4.	<p><i>Potential further phase: Full 'back-office integration'.</i></p> <p><i>Subject to more detailed evaluation in due course, this could potentially improve efficiency by reducing double handling of data.</i></p>	<p><i>Potential Capital and revenue costs. Joint.</i></p>	<i>If this were proven to be feasible, this would be a future development.</i>

- 1.2.6 In accordance with the Council's budget process, it is necessary to bring forward a 'fast-track' capital plan evaluation for approval to enable the work above to progress. This report sets out that evaluation for phases 1 and 2. The evaluation for phase 3 is still being undertaken and will be reported to Members of this Advisory Board as soon as it is available.
- 1.2.7 Members should note that funding for IT and digital transformation has been set aside in an earmarked reserve, so any decisions involving capital investment will not impact on the Council's capital allowance available for other capital projects. Any one-off revenue costs are also to be met from the earmarked reserve.

1.3 Evaluation

- 1.3.1 A capital plan evaluation template can be found at **[Annex 1]**.
- 1.3.2 Members will note that in respect of phase 2, an 'in house' option versus a 'third party supplier' option is being considered. Details of the functionality considerations that are being considered are attached at **[Annex 2]** for completeness.

1.4 Legal Implications

- 1.4.1 Any procurement of a digital IT solution will, of course, need to follow appropriate procurement requirements and legal colleagues are engaged in providing advice in this regard. If a full EU tendering process is required, the timescales for implementation will be more extensive.

1.5 Financial and Value for Money Considerations

- 1.5.1 The estimated capital and revenue costs to TMBC of implementing phases 1 and 2 in readiness for the 'live' Shared Service is set out at **[Annex 1]**. An in-house development in respect of phase 2 would be more cost effective, but the feasibility of this is presently being evaluated taking into account other IT priorities and pressures. **Therefore for this purpose it is recommended that the costs based on third party support for phase 2 are approved.** If in house development proves to be feasible, then this will mean that less funding needs to be provided and a saving can be achieved.
- 1.5.2 Funding is set aside in an earmarked reserve for this purpose and therefore will not impact on the Council's capital allowance available for other capital projects. One-off revenue costs are also being met from this earmarked reserve.
- 1.5.3 Ongoing revenue costs/savings will be factored into the overall Shared Service cost framework. Members are reminded that, as reported to Cabinet, we envisage that savings of circa £100k to £150k per annum are achievable after the initial 'bedding in' has taken place.

1.6 Risk Assessment

- 1.6.1 Delays in making decisions about IT solutions could mean that the implementation of the shared service does not happen in accordance with our anticipated timescales.

1.7 Equality Impact Assessment

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

1.8 Policy Considerations

1.8.1 Customer Contact

1.8.2 Procurement

1.9 Recommendations

1.9.1 Members are asked to **RECOMMEND** to Cabinet and then Full Council that:

- 1) The evaluation (assuming costs for a third party phase 2 option) set out at **[Annex 1]** be approved;
- 2) The Capital Plan and Revenue Budget be updated accordingly;
- 3) The capital and one-off revenue costs are met from the Transformation Reserve.

Background papers:

Nil

contact: Mike Bytheway
Darren Everden

Sharon Shelton
Director of Finance and Transformation

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CAPITAL PLAN LIST C – EVALUATIONS

Project		Revenues and Benefits Shared Service – IT and digital transformation	
1	Specification:		
	(i)	Purpose of the scheme	Preparation for Shared Service with GBC
	(ii)	Relevance to National / Council's Objectives	(a) National: Improving customer interaction and communication (b) Council: Achieving digital transformation
	(iii)	Targets for judging success	(a) Provision of a functioning digital system which all staff in shared service can readily access (b) Improvements to on-line presentation of revenue and benefits information, including forms, which taxpayers can access 24/7
2	Description of Project / Design Issues:		
	<p>There are 3 parts to the project which need to take place prior to the implementation of the Shared Service.</p> <p><u>Phase 1:</u> Shared back office platform (with the assistance of the supplier Northgate) to align TMBC and GBC databases and allow access to both by all staff through a 'Shared Service Layer'. This will require a one off capital/revenue cost to be shared by both authorities. Ultimately by doing this work for the operation of a fully shared service, there is the opportunity to deliver future revenue savings in respect of system costs. This has been the experience in other revenues and benefits shared services.</p> <p><u>Phase 2:</u> Improvements to the 'look and feel' of customers' own revenues and benefits information presented via the website. This work is required in any event to provide a better and more streamlined offer to customers, but with the implementation of the shared service any work needs to be harmonised with that at GBC. At TMBC information is currently presented via the in-house developed 'My Account' solution. Options are to develop the current solution in-house with external support (revenue cost) in order to harmonise with GBC's presentation; or to procure a third party solution along the lines of GBC (would involve both capital and revenue costs).</p> <p><u>Phase 3:</u> E-forms package to give customers the opportunity to complete their own template 'forms' for specific requests, applications or provision of information (capital and revenue costs). THIS PHASE WILL BE EVALUATED SEPARATELY</p>		
3	Consultation:		
	Consultation has taken place with Management Team, GBC officers, the Cabinet Member for Finance, Innovation & Property and the Leader.		

CAPITAL PLAN LIST C – EVALUATIONS

Page 24	4	<p>Capital Cost:</p> <p><u>Phase 1</u> Potential purchase of a server and support from Northgate. Estimated cost: £10k Capital and £10k one-off revenue (to be shared with GBC, therefore TMBC cost is 50% of this).</p> <p><u>Phase 2</u> Final costs will depend upon which delivery option is the most practicable and achievable in the timescales required.</p> <p>a) A primarily 'In house' development with some external support will be more cost effective (estimated one-off revenue costs of circa £15k maximum with no capital outlay). This does not include the opportunity cost of in-house resources. Allowance for annual updates to website with external support – say £5k per annum</p> <p>b) Alternatively, the potential prices for a third party system (for e.g. as used by GBC) is likely to be : Set-up (capital) £60k; and annual revenue costs of £26k.</p> <p>Phase 3 – to be evaluated separately</p> <p><u>Overall cost 'options' to TMBC combining phases 1 and 2 are:</u></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center;">Option 1</td> <td style="text-align: center;">Option 2</td> </tr> <tr> <td></td> <td style="text-align: center;">Phase 1 plus</td> <td style="text-align: center;">Phase 1 plus</td> </tr> <tr> <td></td> <td style="text-align: center;">'In-house' Phase 2</td> <td style="text-align: center;">'third party' Phase 2</td> </tr> <tr> <td></td> <td style="text-align: center;">£</td> <td style="text-align: center;">£</td> </tr> <tr> <td>Capital:</td> <td style="text-align: center;">5,000</td> <td style="text-align: center;">65,000</td> </tr> <tr> <td>One-off revenue costs:</td> <td style="text-align: center;">20,000</td> <td style="text-align: center;">5,000</td> </tr> <tr> <td>Ongoing revenue costs:</td> <td style="text-align: center;">5,000 per annum</td> <td style="text-align: center;">26,000 per annum</td> </tr> </table>						Option 1	Option 2		Phase 1 plus	Phase 1 plus		'In-house' Phase 2	'third party' Phase 2		£	£	Capital:	5,000	65,000	One-off revenue costs:	20,000	5,000	Ongoing revenue costs:	5,000 per annum	26,000 per annum
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	'In-house' Phase 2	'third party' Phase 2																									
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One-off revenue costs:	20,000	5,000																									
Ongoing revenue costs:	5,000 per annum	26,000 per annum																									
5	<p>Profiling of Expenditure (Capital and One-off Revenue)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;"></th> <th style="width: 15%;">2017/18 (£'000)</th> <th style="width: 15%;">2018/19 (£'000)</th> <th style="width: 15%;">2019/20 (£'000)</th> <th style="width: 15%;">2020/21 (£'000)</th> <th style="width: 15%;">2021/22 (£'000)</th> <th style="width: 15%;">2022/23 (£'000)</th> </tr> </thead> <tbody> <tr> <td>£25k (option 1) Or £70k (option 2)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>						2017/18 (£'000)	2018/19 (£'000)	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)	£25k (option 1) Or £70k (option 2)														
	2017/18 (£'000)	2018/19 (£'000)	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)																					
£25k (option 1) Or £70k (option 2)																											

CAPITAL PLAN LIST C – EVALUATIONS

6	<p>Capital Renewals Impact:</p> <p>Server has an asset life of circa 5 years or annual renewal cost of £2k for which TMBC would be responsible for 50% (i.e £1k)</p>																		
7	<p>Revenue Impact:</p> <p>As identified in 4. above, annual revenue costs required to be built into base budget will be dependent on the options selected for phase 2 .</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 35%; text-align: center;">Option 1</th> <th style="width: 35%; text-align: center;">Option 2</th> </tr> <tr> <td></td> <th style="text-align: center;">Phase 1 plus 'In-house' Phase 2 £</th> <th style="text-align: center;">Phase 1 plus 'third party' Phase 2 £</th> </tr> </thead> <tbody> <tr> <td>Annual licence/ support costs</td> <td style="text-align: right;">5,000</td> <td style="text-align: right;">26,000</td> </tr> <tr> <td>Capital renewals</td> <td style="text-align: right;">1,000</td> <td style="text-align: right;">1,000</td> </tr> <tr> <td>Loss of investment income (4%)</td> <td style="text-align: right;">1,000</td> <td style="text-align: right;">2,800</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">7,000</td> <td style="text-align: right;">29,800</td> </tr> </tbody> </table>		Option 1	Option 2		Phase 1 plus 'In-house' Phase 2 £	Phase 1 plus 'third party' Phase 2 £	Annual licence/ support costs	5,000	26,000	Capital renewals	1,000	1,000	Loss of investment income (4%)	1,000	2,800	Total	7,000	29,800
	Option 1	Option 2																	
	Phase 1 plus 'In-house' Phase 2 £	Phase 1 plus 'third party' Phase 2 £																	
Annual licence/ support costs	5,000	26,000																	
Capital renewals	1,000	1,000																	
Loss of investment income (4%)	1,000	2,800																	
Total	7,000	29,800																	
8	<p>Partnership Funding:</p> <p>Phase 1 - costs to be shared with GBC Phase 2 – TMBC will need to fund independently</p>																		
9	<p>Post Implementation Review:</p> <p>12-18 months after implementation</p>																		

CAPITAL PLAN LIST C – EVALUATIONS

10	Screening for equality impacts:		
	Question	Answer	Explanation of impacts
	a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	It will open up further access channels for resident to communicate with the Council
	b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	Yes	As above
	c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		N/A
11	<p>Recommendation:</p> <p>At this stage the feasibility of in-house development for phase 2 is being considered against other priorities. Therefore for this purpose it is recommended that the costs based on third party support for phase 2 are approved with funding for the capital and one-off revenue costs being met from the Transformation Reserve. If in house development proves to be feasible, then this will mean that less funding needs to be provided from the Transformation Reserve.</p> <p>Revenue costs will be offset against savings from the shared service.</p> <p>Recommendation is to:</p> <ul style="list-style-type: none"> • Approve and transfer to List A • Update Capital Plan and Revenue Budget be updated accordingly with the capital and one-off revenue costs met from the Transformation Reserve 		

Key Functionality Considerations

Requirements for the MyAccount solution in Revenues & Benefits

1	My Account Portal – a simple and intuitive system which drives customer self-service, encourages repeat usage making the web the first choice channel
2	Online account details / instalments – customers can view overall details of their accounts including discounts and exemptions, instalments and payments that have been made and that are due.
3	Electronic Bills/Letters – customer can view their bills and letters online Council Tax Bills (1st Annual & Ad Hoc) Business Rates Bills (1st Annual & Ad Hoc) Benefit Notification Letters (1st Annual & Ad Hoc) Council Tax Support Letters Landlord Notification Letters Landlord Schedules
4	Electronic correspondence (letters, statements) – customer can receive text and/or email notification when letters are updated on line.
5	Ability for customer service staff to view exactly the same information as the customer providing an enhanced service with calls answered faster and information easily accessible
6	Easy links to apply for a DD and to make a payment
7	Access to a suite of intelligent online forms that use autocomplete and conditional formatting logic, so that customers do not have to answer unnecessary questions or type in more information than they need to
8	Provides access to services that are mobile responsive natively and scale to multiple device, screen size and input types
9	E-Forms with the potential for future back office integration – customers can complete a form online which can be passed to Northgate Information@Work. In the future, it may be possible to upload directly to Northgate back office.
10	Ability to integrate into the councils corporate My Account solution
11	All services accessed through a single authentication. Federated authentication means other council services are accessible through a single login. Allows additional services to be linked as more become available
12	The solution must be accessible (as far as is possible) 24/7, to aid with contingency and resilience
13	Print suppression functionality to enable the suite of letters to be separated from bills that need to be printed and then made available electronically rather than posted. Printing will take place on either two sites or possibly through one
14	Details of IT staff resource needed for implementation and on an ongoing basis

In terms of savings and efficiency, it is anticipated that the following benefits will be realised;

- Provides a new channel for customers to contact us by
- Savings by migrating contact to a low cost channel.
- Single 24/7 access to accounts for customers
- Reduced contact to contact centre and back office including telephone calls, face to face and emails.
- Frees up resource to deal with complex contacts
- Easy and Intuitive to use
- Reduces paper, print, postage and administration
- Audit trail of users, signups and activity
- Customers can be signed up over the phone or face to face
- Wait times for telephone calls will decrease providing better service for customers
- Integrates with the corporate EDMS system

TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

21 June 2017

Report of the Director of Finance and Transformation

Part 1- Public

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

1 APPLICATIONS FOR DISCRETIONARY RATE RELIEF

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

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

The Council's policy in respect of rural rate relief is attached at [ANNEX 2].

1.1 Renewal applications for discretionary rate relief and discretionary rural 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 Members will also be aware that discretionary rural rate relief can be granted either as a top-up to mandatory rural rate relief or, on its own, in cases where mandatory rural rate relief may not be granted (as shown at [ANNEX 2]). It is the Council's policy to seek the views of the appropriate parish councils in respect of applications for rural rate relief regarding properties in their areas. However, we have not consulted the parishes in respect of these cases because they are not new applications for relief but renewal requests.

1.1.3 Organisations that had awards of discretionary rate relief time-limited to 31 March 2017 were invited to re-apply, and I have listed, at [ANNEX 3] and [ANNEX 4], applications that have recently been received.

1.1.4 The annexes details the levels of discretionary rate relief awarded in 2016/17 and the proposed amount of relief the organisations would receive in 2017/18.

- 1.1.5 For Members' information, under the discretionary relief rules, relief can be backdated to 1 April 2016 providing applications are received before 30 September 2017. The applications were received during March to May this year.
- 1.1.6 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 2017-18, based on previous criteria and level of applications, it has been estimated that £224,523 discretionary relief will be awarded.
- 1.1.7 In respect of the organisations shown at **[ANNEX 3]**, I have considered the applications and believe that they meet the criteria, and are of particular benefit to the needs of the residents of the Borough. Therefore, there appear to be good grounds for continuing the current level of discretionary rate relief in all cases. Further details on the organisations (so far as I have them) can be provided, at the meeting, if requested by Members.
- 1.1.8 In respect of Tonbridge Juddians RFC, their CASC status ceased 6 April 2016 as they were no longer able to fully comply with HMRC's revised guidelines. This means they are no longer entitled to 80% mandatory rate relief (and the additional 20% discretionary 'top up') from that date. The club has stated that they remain a community club providing rugby for all age groups and that having to pay rates would have a serious adverse effect on the club's activities. As the property's rateable value exceeds the threshold for small business rate relief, it is therefore proposed that 100% discretionary rate relief is awarded from 6 April 2016, in effect replacing the previous award of relief.
- 1.1.9 In respect of the organisations shown at **[ANNEX 4]**, I have considered the applications for Lucky Hands Ltd and Mr Subasharan and believe that they meet the criteria, and are of particular benefit to the needs of the residents of the Borough. Therefore, there appear to be good grounds for continuing the current level of discretionary rate relief in these cases. In respect of the applications for O'Flanagan and Vyas, these properties are now entitled to 100% mandatory relief. Primary legislation has not been updated as yet, so Government expects the current award of 50% relief to be 'topped up' to 100% as per **[ANNEX 5]**. The proposed relief amounts shown at **[ANNEX 4]** therefore reflect the additional 50% discretionary relief. Further details on the organisations (so far as I have them) can be provided, at the meeting, if requested by Members.
- 1.1.10 The criteria is currently being reviewed and will be brought to the next meeting of this Board for Members to consider. It is suggested, therefore, that Members only consider awarding relief for 1 year (rather than previous awards of 2 years) so that organisations can reapply using the new criteria in 2018/19.
- 1.1.11 The Council's own financial position is, of course, still very challenging and it is important to recognise that whilst it may be possible to provide the level of assistance at the current time, it may not be sustainable into the future. Accordingly, Members might consider that, when writing to the organisation

concerned, it would be prudent to advise the organisations that there could be a reduction in the level of relief awarded by the Council in the future should further applications for relief be made.

1.1.12 Members are **REQUESTED** to **RECOMMEND** to Cabinet that, in respect of the re-applications for relief as shown at **[ANNEX 3]** and **[ANNEX 4]**, discretionary rate relief be awarded with effect from 1 April 2017 (bar Tonbridge Juddians where relief to be awarded from 6 April 2016) and time-limited to 31 March 2018.

1.2 New applications for discretionary rate relief

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

1.2.2 **Mereworth Village Hall Committee, Mereworth Village Hall, 149 Butchers Lane, Mereworth, Maidstone, Kent, ME18 5QD. Rateable Value £2,750**

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

1.2.4 Their previous application for discretionary relief was considered by Members on 8 July 2009. On that occasion, Members refused to award relief on the basis that, as the services provided by village halls and community centres are generally focused on residents of the communities in which they are situated, it might be considered that it is inappropriate that residents of the whole Borough should be funding rate relief on such premises.

1.2.5 Therefore, unless Members feel that special considerations apply, an award of discretionary relief may not be appropriate.

1.2.6 Should Members decide to award 20% discretionary relief, the applicant will receive £263.45 for the current financial year.

1.2.7 Members are **REQUESTED** to consider the application and make an appropriate **RECOMMENDATION** to Cabinet regarding discretionary rate relief. If relief is awarded, Members are requested to consider time-limiting any awards of relief, initially, to 31 March 2018 as per para 1.1.10.

1.3 Legal Implications

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

1.4 Financial and Value for Money Considerations

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

1.5 Risk Assessment

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

1.6 Equality Impact Assessment

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

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

Background papers:

contact: Glen Pritchard
01732 876146

Applications for relief from the organisations referred to in the main body of the report received since March 2017 and held in Financial Services.

Sharon Shelton
Director of Finance and Transformation

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 core values. For the year 2017/19 these priorities are:
 - Taking a business-like approach
 - Promoting Fairness
 - Embracing Effective Partnership Working
 - Valuing our environment and encouraging sustainable growth

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.

Policy in Respect of Rural Rate Relief

Introduction

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

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

The legislative background

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

The rural settlements

As at September 2016, the following are defined as rural settlements:

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

Mandatory rural rate relief

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

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

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

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

Discretionary rural rate relief

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

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

The policy

Policy objectives

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

General considerations

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

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

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

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

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

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

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

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

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

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

Limitations

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

Procedure

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

Consultation

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

Financial considerations

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

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

Interaction with other reliefs

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

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

Period of relief

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

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Scout/Guides Groups			
Organisation	Address	Relief awarded 2016/17	Proposed relief to be awarded 2017/18
8th Tonbridge (Hildenborough) Scout Group	Scout Hut, Riding Lane, Hildenborough	20% Top Up	£354.46
Higham Wood Scout & Guide Group	Adj Higham Wood Methodist Church, Tonbridge	20% Top Up	£357.57
The Boys Brigade N W Kent Batalion	OPP 87-89 Barden Road, Tonbridge	20% Top Up	£170.05
1st Tonbridge Bp Scout Group	Lamberts Yard, Tonbridge	20% Top Up	£201.18
East Peckham Scout Group (15th Tonbridge)	Scout Hut, Whitebine Gardens, East Peckham	20% Top Up	£330.49
Tonbridge Town Girl Guides	The Brent, Tonbridge	20% Top Up	£277.82
2nd Tonbridge (Parish Church) Scout Group	The Ridgeway, Tonbridge	20% Top Up	£405.01
Wateringbury Scout Group	Glebe Meadow, Wateringbury	20% Top Up	£488.58
1st Ightham Scout Group	Oldbury Lane, Ightham	20% Top Up	£103.42
Blacklands Scout Group	R/O Blacklands Cp School, Mill Street, East Malling	20% Top Up	£311.35
1st Larkfield (Holy Trinity) Scout Group	Scout Hall, New Hythe Lane, Larkfield	20% Top Up	£632.28
Medway Towns District Scouts	Buckmore Park Scout Campsite, Chatham	20% Top Up	£108.48
1st St Marys Platt Scout Group Per The Treasurer	Scout Hut Stonehouse Field, Long Mill Lane, Platt	20% Top Up	£745.99
1st Borough Green Scout Group	Harrison Road, Borough Green	20% Top Up	£517.32
Hadlow Scout And Guide Group	School Lane, Hadlow	20% Top Up	£255.83
14th Tonbridge Sea Scout Group	Weir View Scout HQ, Avebury Avenue, Tonbridge	20% Top Up	£450.26
14th Tonbridge Sea Scout Group	Scout Hut, Barden Road, Tonbridge	20% Top Up	£61.31
			£5,771.40

CASC Organisations			
Organisation	Address	Relief awarded 2016/17	Proposed relief to be awarded 2017/18
Swanmead Sports Association	Swanmead Sports Club, Swanmead Way, Tonbridge	20% Top Up	£1,916.00
Eccles Football Club	Bull Lane, Eccles	20% Top Up	£191.60
Borough Green Bowls Club	Dryland Road, Borough Green	20% Top Up	£554.44
Hadlow Cricket Club	Common Road, Hadlow	20% Top Up	£143.70
Hadlow Bowls Club	School Lane, Hadlow	20% Top Up	£216.24
Townsend Hook Bowls Club	North Downs View, Paddlesworth Road, Snodland	20% Top Up	£544.33
Leybourne Cricket Club	Rectory Lane North, Leybourne	20% Top Up	£574.80
Wrotham Bowls Club	R/O Bull Hotel, Bull Lane, Wrotham	20% Top Up	£192.40
Tonbridge Bowling Club	Tonbridge Farm, Darenth Avenue, Tonbridge	20% Top Up	£628.83
Tonbridge Canoe Club	New Wharf Road, Tonbridge	20% Top Up	£766.40
Riverside (Tonbridge) Bowls Club	Avebury Avenue, Tonbridge	20% Top Up	£186.82
Ditton Bowls Club	Adj Community Centre, Kiln Barn Road, Ditton	20% Top Up	£426.65
Plaxtol Cricket Club	School Lane, Plaxtol	20% Top Up	£167.65
Tonbridge Cricket Club	Darenth Avenue, Tonbridge	20% Top Up	£938.84
Plaxtol And Shipbourne Tennis Club	Upper Green Road, Shipbourne	20% Top Up	£126.94
Hildenborough Tennis Club	Riding Lane, Hildenborough	20% Top Up	£177.23
Town Malling Cricket Club	West Malling Cricket Club, Norman Road, W. Malling	20% Top Up	£479.00
Aylesford Bulls Rugby Football Club	Ferryfield, Hall Road, Aylesford	20% Top Up	£2,179.45
Hugh Christie Sports Association	Hugh Christie School, Norwich Avenue, Tonbridge	20% Top Up	£431.10
Angel (Tonbridge) Indoor Bowls Association	Angel Bowling Club, Avenue Le Puy, Tonbridge	20% Top Up	£3,065.60
Hammersmith Martial Arts Club	Rear, 130 Vale Road, Tonbridge	20% Top Up	£2,227.35
			£16,135.37

Other applications			
Organisation	Address	Relief awarded 2016/17	Proposed relief to be awarded 2017/18
Trustees Of Malling Memorial Institute	9 High Street, West Malling	20% Top Up	£189.21
Mereworth Village Hall Committee	The Sports Pavilion, The Street, Mereworth	20% Top Up	£194.00
Ditton Church Pre-School	New Road, Ditton	20% Top Up	£820.41
Rochester Indoor Skatepark Club	Unit 1b, 1, Laker Road, Rochester Airport	20% Top Up	£3,712.25
Happy Faces Pre-School Ltd	Hectorage Road, Tonbridge	20% Top Up	£1,058.86
Wateringbury Sports & Recreation Field Association	The Pavilion, Fields Lane, Wateringbury	20% Top Up	£136.52
Addington Recreation Ground	Park Road, Addington	20% Top Up	£474.21
St Georges Pre-School Committee	R/O St Georges CPS, Old London Road, Wrotham	20% Top Up	£332.84
The Heart Of Kent Hospice	Preston Hall, London Road, Aylesford	20% Top Up	£9,148.90
Age Concern Malling	Rotary House, Norman Road, West Malling	20% Top Up	£349.67
Rock Uk Adventure Centres Ltd	Carroty Wood, Higham Lane, Tonbridge	20% Top Up	£7,280.80
Ditton Youth Centre Per The Treasurer	105 Kiln Barn Road, Ditton	20% Top Up	£244.29
West Kent Mind	3 St Marys Road, Tonbridge	20% Top Up	£170.05
Poppy Pre-School Ltd	Teapot Lane, Aylesford	20% Top Up	£2,331.88
Roselands Preschool Higham Wood Limited	Higham School Road, Tonbridge	20% Top Up	£1,957.23
Kent Friendz	Unit G Great Hollanden Farm, Mill Lane, Underriver	20% Top Up	£1,431.95
Tonbridge & Malling Leisure Trust	Tonbridge Swimming Pool	20% Top Up	£19,539.25
Tonbridge & Malling Leisure Trust	Angel Centre, Tonbridge	20% Top Up	£12,070.80
Tonbridge & Malling Leisure Trust	Larkfield Leisure Centre	20% Top Up	£43,734.02
Tonbridge & Malling Leisure Trust	Poultwood Golf Course	20% Top Up	£6,706.00
Tonbridge & Malling Leisure Trust	1-5 Martin Square, Larkfield	20% Top Up	£2,993.75
Mcch Society Ltd	Unit 5 Britannia Business Park, Aylesford	20% Top Up	£1,652.55
The Bridge Trust	17A Quarry Hill Road, Tonbridge	20% Top Up	£1,199.47

Other applications			
Organisation	Address	Relief awarded 2016/17	Proposed relief to be awarded 2017/18
Age Uk Sevenoaks & Tonbridge	5 Bradford Street, Tonbridge	20% Top Up	£1,784.55
Snodland Community Association	Snodland Community Centre, Paddlesworth Road	20% Top Up	£1,197.50
East Malling Centre	The St James Centre, Chapman Way, East Malling	20% Top Up	£884.66
Kent Woodland Employment Scheme	Field Adj Stone Cottage, Maidstone Road, Hadlow	20% Top Up	£1,317.25
Tonbridge Counselling Service	1st Floor Gilbert House, River Walk, Tonbridge	20% Top Up	£474.34
Pre-School Learning Alliance	The Old Power Station, The Slade, Tonbridge	5% Top Up	£664.61
K Sports Management Ltd	Cobdown Sports & Social Club, Station Road, Ditton	90% Disc	£29,745.90
The Charity Bank Ltd	Gnd/1st Flr Fosse House, 182 High Street, Tonbridge	30% Disc	£13,807.80
Tonbridge Juddians R F C *	Old Juddians Rugby FC, The Slade, Tonbridge	20% Top Up	£8,741.75
			£176,347.27
* Tonbridge Juddians CASC status ceased 6 April 2016			

Rural Rate Relief Applications			
Organisation	Address	Relief awarded 2016/17	Proposed relief to be awarded 2017/18
Lucky Hands Ltd	30 Swan Street, West Malling	40% Discretionary	£2,796.00
Mr P And Mrs P J O'Flanagan	192 Tonbridge Road, Watringbury	30% Top Up*	£1,219.58
Mr Bankim Vyas & Mrs Rupal Vyas	47 Bow Road, Watringbury	30% Top Up*	£1,259.75
Mr Subasharan	4-6 The Broadway, High Street, Hadlow	80% Discretionary	£5,592.00
			£10,867.33
* Now entitled to 100% mandatory relief			

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ANNEX A: AUTUMN STATEMENT 2016: 100 % Rural Rate Relief Available to Eligible Business Ratepayers

Fact sheet

About this fact sheet

1. This fact sheet is intended to support local authorities in administering the relief for rural businesses announced in the Autumn Statement on 23 November 2016. This relief applies to England only. Enquiries on this relief should be addressed to ndr@communities.gsi.gov.uk

Introduction

2. At the Autumn Statement on 23 November 2016 the Chancellor of the Exchequer confirmed that rural rate relief will double from 50% to 100% from 1 April 2017.
3. The Government intends to amend the relevant primary legislation to require local authorities to grant 100% mandatory rural rate relief to take effect from 1 April 2018. However, before the requirement to grant mandatory relief comes into force we expect local authorities to use their local discount powers to grant 100% rural rate relief to eligible ratepayers from 1 April 2017.

The rural rate relief scheme – background

4. The rural rate relief scheme was introduced to help protect the last retail outlets and similar services in rural settlements with a population of less than 3,000.
5. Under the scheme, the following businesses in designated rural settlements are entitled to 50 per cent mandatory rate relief:
 - the sole village shop or post office with a rateable value of up to £8,500
 - the sole public house or petrol station with a rateable value of up to £12,500
6. Local authorities have a discretionary power to top up the mandatory relief to 100 per cent.

Who is eligible for 100% rural rate relief?

7. Anyone who is entitled to the mandatory Rural Rate Relief as above will be eligible for the increased level of discount off their rates bill.

When does this happen?

8. The revised reliefs will apply from 1 April 2017.

How will the relief be provided?

9. For 2017-18, local authorities will be expected to use their discretionary relief powers (under section 47(3) of the Local Government Finance Act 1988 to grant the revised rural rate relief in line with the eligibility criteria set out in this document.
10. Central Government will reimburse local government for the actual cost to them under the rates retention scheme of granting the additional relief.
11. Local authorities will be able to provide an estimate of their likely total cost for providing the relief in their National Non Domestic Rate Return 1 (NNDR1) for 2017. A reconciliation exercise will be conducted based on NNDR 3 returns in the usual way.
12. The relief will be subject to state aid de minimis levels in the normal way.

TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

21 June 2017

Report of the Director of Finance and Transformation

Part 1- Public

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

1 FINANCIAL PLANNING AND CONTROL

This report provides information on the following key budget areas for the year ended 31 March 2017: Salaries; Major Income Streams; and Investment Income. The report also provides details of variations and virements that have been agreed in relation to the 2016/17 revenue budget. This information is then summarised to provide an overall outturn position for 2016/17. In addition, the report provides details of variations identified through revenue budget monitoring in respect of 2017/18. The report also updates Members on capital expenditure and variations that have been agreed in relation to the capital plan.

1.1 Salaries Monitoring Statement 2016/17

- 1.1.1 Appended for information at **[Annex 1]** is a budgetary control statement that compares actual expenditure on basic salaries, temporary staff, overtime, superannuation and national insurance for the year ended March 2017, with the revised estimate for 2016/17.
- 1.1.2 Members will note that management savings to the end of March 2017 are **£172,510 more** than anticipated.

1.2 Income Monitoring Statement 2016/17

- 1.2.1 Appended for information at **[Annex 2]** is a budgetary control statement that compares our major sources of income from fees and charges for the year ended March 2017, with the revised estimate for 2016/17.
- 1.2.2 Members will note that overall income for the year ended March 2017 is **£66,940 more** than the revised estimate.

1.3 Treasury Management 2016/17

Core Funds

- 1.3.1 The Council achieved a return of 0.71% on its core fund investments for the period ended March 2017, compared to the 3-month LIBID benchmark of 0.34%. Investment income achieved for the period ended March 2017 is £139,991.
- 1.3.2 At the end of March 2017 the value of the fund stood at £24.0m. This was invested at an average rate of 0.68% and an average maturity of 117 days.

Cash Flow Funds

- 1.3.3 The Council achieved a return of 0.57% on its cash flow investments for the period ended March 2017, compared to a 7-day LIBID benchmark of 0.20%. Investment income achieved for the period ended March 2017 is £91,492.
- 1.3.4 In cash terms, the value of internally managed cash flow investments at the end of March 2017 was £6.1m. This was invested at an average rate of 0.50% and an average maturity of 61days.

All Investments

- 1.3.5 The combined return figure for both core and cash flow funds is compared with the revised estimate for 2016/17 later in this report.

1.4 Approved Variations to the Revenue Budget 2016/17

- 1.4.1 There were no approved variations to the revised revenue estimates for 2016/17 reported to Council on 14 February 2017.

1.5 Virements 2016/17

There were no virements to the revised revenue estimates for 2016/17 reported to Council on 14 February 2017.

1.6 Revenue Budget Summary 2016/17

- 1.6.1 The accounts for 2016/17 have been closed and an examination of spend compared with the revised estimates for 2016/17 shows a favourable variance of £43,153 across all Services including that separately identified above.
- 1.6.2 The table below provides a broad overview of the outturn for the year ended March 2017.

Description	Budget to March £	Actual to March £	Variance £
Salaries Monitoring Statement	9,505,350	9,332,840	(172,510)
Income Monitoring Statement	(5,194,900)	(5,261,840)	(66,940)
Treasury Management	(206,000)	(231,483)	(25,483)
Invest to Save Reserve	200,000	400,000	200,000
Tonbridge & Malling Leisure Trust	0	120,000	120,000
General Fund Services	3,998,857	3,900,637	(98,220)
Net Favourable Variance	8,303,307	8,260,154	(43,153)

1.6.3 This gives a contribution to the General Revenue Reserve of **£908,903** compared with the Revised Estimate figure of £865,750.

1.7 Salaries Monitoring Statement 2017/18

1.7.1 Appended for information at **[Annex 3]** is a budgetary control statement that compares actual expenditure on basic salaries, temporary staff, overtime, superannuation and national insurance to the end of May 2017, with the appropriate proportion of the original estimate for 2017/18.

1.7.2 Members will note that management savings to the end of May are **£48,000 more** than anticipated.

1.8 Income Monitoring Statement 2017/18

1.8.1 Appended for information at **[Annex 4]** is a budgetary control statement that compares actual income from fees and charges to the end of May 2017, with the appropriate proportion of the original estimate for 2017/18.

Members will note that overall income to the end of May is **£9,400 more** than anticipated.

1.9 Treasury Management 2017/18

Core Funds

1.9.1 The Council achieved a return of 0.67% on its core fund investments for the period ended April 2017, compared to a 3-month LIBID benchmark of 0.21%. Investment income achieved for the period ended April 2017 is £12,900.

1.9.2 At the end of April 2017 the value of the fund stood at £23m. This was invested at an average rate of 0.66% and an average maturity of 115 days.

Cash Flow Funds

- 1.9.3 The Council achieved a return of 0.41% on its cash flow investments for the period ended April 2017, compared to a 7-day LIBID benchmark of 0.11%. Investment income achieved for the period ended April 2017 is £3,400.
- 1.9.4 In cash terms, the value of internally managed cash flow investments at the end of April 2017 was £10.9m. This was invested at an average rate of 0.41% and an average maturity of 31days.

All Investments

- 1.9.5 The combined return figure for both core and cash flow funds is compared with the original estimate for 2017/18 later in this report.

1.10 Approved Variations to the Revenue Budget 2017/18

- 1.10.1 Listed below are the variations that have been agreed to the revenue budget. It has been based upon those variations approved by Portfolio Holders, Committees, Cabinet and Council up to the meeting of Council on 16 May 2017.

1.10.2 Cabinet 21 March 2017

- Approved the acceptance of the offer from the Department of Communities and Local Government to increase planning fees by 20% from July 2017. This is expected to generate £132,000 income per annum (£99,000 in 2017/18) some of which may be required to meet additional resource costs.

1.10.3 Council 11 April 2017

- Approved changes to Members Allowances which will generate annual savings of £12,400 per annum in the short term and £25,400 per annum following the next Borough Council election in May 2019.

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

Description	Paragraph Reference	2017/18 £	2018/19 £	
Planning Fees	1.10.2	(99,000)	(132,000)	*
Members Allowances	1.10.3	(10,850)	(12,400)	*
Total		(109,850)	(144,400)	

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

1.11 Virements 2017/18

1.11.1 There have been no virements to the original revenue estimates for 2017/18 reported to Council on 14 February 2017.

1.12 Revenue Budget Monitoring 2017/18

1.12.1 As part of our budget monitoring and control arrangements Chief Officers confirm that budgetary control has been undertaken within the Service areas under their control each month and at the same time highlight those areas, if any, which they wish to bring to the attention of the Director of Finance and Transformation. In addition, the Accountancy Section also monitors budgetary performance across the whole range of services during the year. At the time of writing this report the following areas have been brought to my attention.

1.12.2 The RPI increase from 1 March 2017 in respect of the Refuse Collection and Recycling and Amenity and Street Cleansing contracts was 0.7% more than estimated. As a consequence the contract payments will be in the order of £26,000 more than the current estimate.

1.12.3 Snodland Town Council has withdrawn the contribution towards Leybourne Lakes Country Park which was expected to be £2,000 in 2017/18.

1.12.4 The Council has been awarded the following grants from central government which will be used to fund as yet unbudgeted expenditure or reductions in other government funding streams:

- Community Housing Fund £23,655
- Discretionary Housing Payments £134,178 (in addition to budgeted £150,000)
- Flexible Homelessness Support Grant £175,267
- Local Authority Data Sharing Programme Grants £3,133
- New Homes Bonus Returned In-Year £5,081
- Self and Custom Build Housing New Burdens Grant £30,000
- Single Fraud Investigation Service Project Grant £1,350
- Welfare Reform Grant £29,999

1.12.5 A summary of the items identified through budgetary control is given in the table below.

Description	Paragraph Reference	2017/18 £	2018/19 £
Environmental Health Contracts RPI Increase	1.12.2	26,000	26,000 *
Leybourne Lakes Country Park Contribution	1.12.3	2,000	2,000 *
Central Government Grants	1.12.4	-	-
Total		28,000	28,000

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

1.13 Revenue Budget Summary 2017/18

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

Description	Budget to May £	Actual to May £	Variance £
Salaries Monitoring Statement	1,585,350	1,537,350	(48,000)
Income Monitoring Statement	(719,400)	(728,800)	(9,400)
Treasury Management (to end of April)	(10,250)	(16,300)	(6,050)
Approved Variations to the Revenue Budget			(109,850)
Revenue Budgetary Control			28,000
Net Favourable Variance			(145,300)

1.13.2 This would suggest if nothing else changed, the contribution to the General Revenue Reserve would be in the order of £580,000 compared to £434,500 anticipated when the budget was set in February 2017.

1.14 Savings and Transformation Strategy

1.14.1 Members will be aware that alongside the Medium Term Financial Strategy now sits a Savings and Transformation Strategy. Its purpose to provide structure, focus and direction in addressing the significant financial challenge that lies ahead and, in so doing, recognise there is no one simple solution and we will need to adopt a number of ways to deliver the savings within an agreed timetable.

1.14.2 When the budget was set in February 2017 the projected funding gap was £1.6m with a savings target of £650,000 to be achieved by 1 April 2018. Progress has and continues to be made towards meeting the savings target for this year, for example, renegotiation of the service fee paid to Tonbridge and Malling Leisure Trust and the outcome of the insurance tender reported elsewhere on this agenda.

1.15 Capital Monitoring Statement 2016/17

1.15.1 Appended for information at **[Annex 5]** is a capital monitoring statement which compares actual capital expenditure for the period 1 April 2016 to 31 March 2017 with the 2016/17 Capital Plan. The Capital Plan for 2016/17 is based on the 2016/17 budgets that were approved by Council on 14 February 2017.

1.15.2 Prior year's expenditure is only shown for finite schemes for which there is a budget in 2016/17. Where schemes are of a rolling programme nature, prior year's expenditure has not been shown in order to avoid large, generally meaningless, totals building up.

1.15.3 Capital Plan schemes which are scheduled to start in 2017/18 and beyond have not been shown. The budget profile for these schemes can be found in the 2017/18 Revenue and Capital Budgets Book.

1.15.4 Members will note a Capital Plan spend of £0.3m against the revised 2016/17 budget of £1.1m. The underspend can largely be attributed to a lower than anticipated spend on vehicles, plant and equipment (renewals) at our leisure facilities and in respect of information technology; and due to the nature of capital expenditure and funding the rescheduling / re-profiling and review of future budgetary provision.

1.16 Capital Monitoring Statement 2017/18

1.16.1 Appended for information at **[Annex 6]** is a capital monitoring statement which compares actual capital expenditure for the period 1 April 2017 to 30 April 2017 with the 2017/18 Capital Plan. The Capital Plan for 2017/18 is based on the 2017/18 budgets that were approved by Council on 14 February 2017, amended for slippage from 2016/17.

1.16.2 Members will note a Capital Plan spend of £44,000 against an amended 2017/18 net expenditure budget of £2.9m

1.17 Approved and Other Variations to the Capital Plan

1.17.1 The 2017/18 Disabled Facilities budgets incorporated in Annex 6 reflect those approved by Council in February 2017. A higher level of grant has been received (£860,000 compared to £770,000 excluding slippage from 2016/17) which will necessitate a budget amendment in due course.

1.18 Capital Plan Issues

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

1.19 Legal Implications

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

1.20 Financial and Value for Money Considerations

1.20.1 As set out above.

1.21 Risk Assessment

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

1.22 Equality Impact Assessment

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.

1.23 Recommendations

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

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

Background papers:

contact: Neil Lawley

Nil

Sharon Shelton
Director of Finance and Transformation

Salaries Budgetary Control Monitoring Statement**Period Ended Last Day of March 2017****2016/17 Financial Year**

	Revised Budget 2016/17 (a)	Provisional Outturn 2016/17 (b)	Above (Below) Budget (b - a)
Service	£	£	£
Central			
Administration & Property	782,100	774,192	(7,908)
Legal	438,650	442,492	3,842
Personnel	471,950	438,199	(33,751)
Executive	497,450	499,253	1,803
Finance & Transformation			
Finance	1,828,350	1,807,949	(20,401)
Information Technology	890,750	853,382	(37,368)
Planning, Housing & Environmental Health			
Environmental Health & Housing	1,205,050	1,157,586	(47,464)
Planning	1,791,200	1,745,569	(45,631)
Street Scene, Leisure & Technical			
Street Scene & Leisure	1,227,000	1,209,614	(17,386)
Technical	497,050	458,059	(38,991)
Management Savings	9,629,550	9,386,295	(243,255)
Shared Working Arrangements	(54,150)	(53,890)	260
Sub-total	9,575,400	9,332,405	(242,995)
Establishment Reviews (Ring-fenced sums)	29,950	0	(29,950)
Budgeted management savings to the end of March			100,000
Non-budgeted spend on recruitment & other expenses to the end of March			435
Net Management Savings			(172,510)

Financial Services
28 April 2017

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Income Budgetary Control Monitoring Statement**Period Ended Last Day of March 2017****2016/17 Financial Year**

	Revised Budget 2016/17 (a)	Provisional Outturn 2016/17 (b)	(Above) Below Budget (b - a)
Service	£	£	£
Central			
Land Charges	(293,000)	(290,710)	2,290
Licensing	(305,250)	(314,597)	(9,347)
Sub-Total	(598,250)	(605,307)	(7,057)
Planning, Housing & Environmental Health			
Planning Fees	(660,000)	(678,632)	(18,632)
Building Regulations	(340,000)	(352,620)	(12,620)
Sub-Total	(1,000,000)	(1,031,252)	(31,252)
Street Scene, Leisure & Technical			
Recycling	(597,650)	(593,840)	3,810
Short Stay Car Parking	(1,820,000)	(1,814,310)	5,690
Long Stay Car Parking	(644,000)	(628,744)	15,256
Penalty Charge Notices	(190,000)	(229,309)	(39,309) [1]
Car Parks Season Tickets	(225,000)	(238,781)	(13,781)
Residents Parking Permits	(120,000)	(120,297)	(297)
Sub-Total	(3,596,650)	(3,625,281)	(28,631)
Grand Total	(5,194,900)	(5,261,840)	(66,940)

[1] Reflects improved performance and number of Civil Enforcement Officers towards year end.

Financial Services
28 April 2017

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Salaries Budgetary Control Monitoring Statement

Annex 3

Period Ended Last Day of May 2017

2017/18 Financial Year

	Annual Budget 2017/18	Budget to end of May (a)	Actual to end of May (b)	Above (Below) Budget (b - a)
Service	£	£	£	£
Central				
Administration & Property	784,700	130,550	126,800	(3,750)
Legal	444,700	74,150	76,500	2,350
Personnel	463,700	74,800	62,950	(11,850)
Executive	504,100	81,900	85,650	3,750
Finance & Transformation				
Finance	1,781,150	296,450	282,150	(14,300)
Information Technology	896,700	150,950	140,600	(10,350)
Planning, Housing & Environmental Health				
Environmental Health & Housing	1,190,250	198,350	177,800	(20,550)
Planning	1,808,950	301,200	286,900	(14,300)
Street Scene, Leisure & Technical				
Street Scene & Leisure	1,227,700	205,050	201,300	(3,750)
Technical	530,050	88,350	79,950	(8,400)
Management Savings	9,632,000	1,601,750	1,520,600	(81,150)
Shared Working Arrangements	(51,650)	(8,100)	(8,100)	0
Sub-total	9,580,350	1,593,650	1,512,500	(81,150)
Non-budgeted spend on recruitment & other expenses to the end of May				1,650
Payments outstanding for the period to the end of May				23,200
Budgeted management savings to the end of May				16,650
Budgeted ring-fenced sum to the end of May				(8,350)
Net Management Savings				(48,000)

Financial Services
6 June 2017

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Income Budgetary Control Monitoring Statement

Annex 4

Period Ended Last Day of May 2017

2017/18 Financial Year

	Annual Budget 2017/18	Budget to end of May (a)	Actual to end of May (b)	(Above) Below Budget (b - a)
Service	£	£	£	£
Central				
Land Charges	(289,500)	(50,900)	(44,950)	5,950
Licensing	(298,900)	(47,250)	(51,750)	(4,500)
Sub-Total	<u>(588,400)</u>	<u>(98,150)</u>	<u>(96,700)</u>	<u>1,450</u>
Planning, Housing & Environmental Health				
Planning Fees	(660,000)	(110,000)	(95,550)	14,450
Building Regulations	(355,000)	(42,000)	(24,350)	17,650
Sub-Total	<u>(1,015,000)</u>	<u>(152,000)</u>	<u>(119,900)</u>	<u>32,100</u>
Street Scene, Leisure & Technical				
Recycling	(544,500)	(11,250)	(11,300)	(50)
Short Stay Car Parking	(1,850,000)	(282,000)	(292,900)	(10,900)
Long Stay Car Parking	(647,000)	(107,000)	(105,100)	1,900
Penalty Charge Notices	(210,000)	(34,000)	(44,700)	(10,700)
Car Parks Season Tickets	(200,000)	(18,000)	(41,650)	(23,650)
Residents Parking Permits	(120,000)	(17,000)	(16,550)	450
Sub-Total	<u>(3,571,500)</u>	<u>(469,250)</u>	<u>(512,200)</u>	<u>(42,950)</u>
Grand Total	<u>(5,174,900)</u>	<u>(719,400)</u>	<u>(728,800)</u>	<u>(9,400)</u>

Financial Services
6 June 2017

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CAPITAL PLAN MONITORING STATEMENT 2016/17 TO 31 MARCH 2017
SUMMARY OF SERVICES

	Expenditure To 31/03/16	2016/17 Revised Inc Prior Year Slippage	2016/17 Actual to 31 March 2017
	£'000	£'000	£'000
Capital Plan Schemes			
Planning, Housing & Environmental Health	0	30	(18)
Street Scene, Leisure & Technical Services	1,647	148	(131)
Corporate	(8)	270	255
Sub-total	1,639	448	106
Capital Renewals			
Planning, Housing & Environmental Health	n/a	2	1
Street Scene, Leisure & Technical Services	n/a	468	126
Corporate	n/a	227	107
Sub-total	n/a	697	234
Total	1,639	1,145	340

CAPITAL PLAN MONITORING STATEMENT 2016/17 TO 31 MARCH 2017
PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	Expenditure To 31/03/16	2016/17 Revised Inc Prior Year Slippage	2016/17 Actual to 31 March 2017
	£'000	£'000	£'000
Capital Plan Schemes			
Housing	0	30	(18)
Sub-total	0	30	(18)
Capital Renewals	n/a	2	1
Total Planning, Housing and Environmental Health	0	32	(17)

CAPITAL PLAN MONITORING STATEMENT 2016/17 TO 31 MARCH 2017
PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	Code	Expenditure To 31/03/16	2016/17 Revised Inc Prior Year Slippage	2016/17 Actual to 31 March 2017	
		£'000	£'000	£'000	
Housing					
(a) Disabled Facility Grants					
(i) Mandatory Grants Less repayments	P03AC	n/a	665	593 (10)	} Demand led. }
(ii) Discretionary Grants	P03AT		27		
(iii) Government Grant		n/a	(692)	(583)	
Sub-total		n/a	0	0	Grant received in full. £109,000 set aside for use in 2017/18.
(b) Housing Assistance Less repayments	P03AD	n/a	60	38 (56)	Demand led.
Sub-total		n/a	30	(18)	
(c) Winter Warmth Less KCC Grant	P03AP	10	18	19 (19)	Scheme complete.
Sub-total		0	0	0	
Total Housing to Summary		0	30	(18)	
Capital Renewals					
(a) Environmental Protection	P02EB CR01	n/a	2	1	
Total Capital Renewals to Summary		n/a	2	1	

CAPITAL PLAN MONITORING STATEMENT 2016/17 TO 31 MARCH 2017
STREET SCENE, LEISURE & TECHNICAL SERVICES

	Expenditure To 31/03/16	2016/17 Revised Inc Prior Year Slippage	2016/17 Actual to 31 March 2017
	£'000	£'000	£'000
Capital Plan Schemes			
Street Scene	n/a	92	79
Leisure			
Larkfield Leisure Centre	477	33	29
Sports Grounds	154	0	1
Open Spaces	0	11	11
Other Leisure Schemes	115	10	4
Technical Services			
Car Parking	44	107	43
Transportation	376	8	0
Environmental Improvements	436	(140)	(298)
Land Drainage / Flood Defence	45	27	0
Sub-total	1,647	148	(131)
Capital Renewals	n/a	468	126
Total Street Scene, Leisure & Technical Services	1,647	616	(5)

CAPITAL PLAN MONITORING STATEMENT 2016/17 TO 31 MARCH 2017
STREET SCENE, LEISURE & TECHNICAL SERVICES

	Code	Expenditure To 31/03/16	2016/17 Revised Inc Prior Year Slippage	2016/17 Actual to 31 March 2017	
		£'000	£'000	£'000	
Street Scene					
(a) Green Waste Bins Growth / Replacement	P02BC	n/a	31	29	
(b) Refuse Bins Growth / Replacement	P02DA	n/a	61	50	Underspend reflects timing of orders and depot storage capacity.
Total Street Scene to Summary		n/a	92	79	
Larkfield Leisure Centre					
(a) Refurbishment of Lifestyles Health Suite Less TMLT Contribution	P05LL	394 (62)	28	25	Scheme complete. Contract retention payment due in 2017/18.
Sub-total		332	28	25	
(b) Pool Disinfectant and Backwashing System	P05LN	145	5	4	Scheme complete.
Total Larkfield Leisure Centre to Summary		477	33	29	
Sports Grounds					
(a) Tonbridge Racecourse Sports Ground Bridge Renewal	P05DT	154		1	
Total Sports Grounds to Summary		154	0	1	

CAPITAL PLAN MONITORING STATEMENT 2016/17 TO 31 MARCH 2017
STREET SCENE, LEISURE & TECHNICAL SERVICES

	Code	Expenditure To 31/03/16	2016/17 Revised Inc Prior Year Slippage	2016/17 Actual to 31 March 2017	
		£'000	£'000	£'000	
Open Spaces					
(a) Open Spaces Site Improvements - Phase 1 Less Developer Contributions	P05FT	96 (96)	3 (3)	2 (2)	Scheme complete.
Sub-total		0	0	0	
(b) Haysden Country Park Extension of Play Area Third Party Payment Less SITA Grant LSP and Other Contributions	P05FS	6 (6)	55 (50) (5)	56 (50) (6)	
Sub-total		0	0	0	
(a) Haysden Country Park Site Improvements Third Party Payment Less Grants & Contributions	P05FX		51 4 (44)	51 4 (44)	Scheme complete.
Sub-total		0	11	11	
Total Open Spaces to Summary		0	11	11	
Other Leisure Schemes					
(a) Tonbridge Cemetery - Memorial Safety Less Developer Contributions	P05KV	86	7	6 (3)	Scheme complete.
Sub-total		86	7	3	
(b) Memorial Garden Improvement Less Fund Raising & Developer Contributions	P05KA	325 (296)	12 (16)	9 (13)	
Sub-total		29	(4)	(4)	
(c) Community Group Funding	P05KS	n/a	7	5	
Total Other Leisure Schemes to Summary		115	10	4	

CAPITAL PLAN MONITORING STATEMENT 2016/17 TO 31 MARCH 2017
STREET SCENE, LEISURE & TECHNICAL SERVICES

	Code	Expenditure To 31/03/16	2016/17 Revised Inc Prior Year Slippage	2016/17 Actual to 31 March 2017		
		£'000	£'000	£'000		
Car Parking						
(a) Improvement Programme for Existing Car Parks						
(i) Rolling Programme	P01AB	n/a	68	12	A number of projects, including works to Upper Castle Field and Wateringbury car parks, commenced late in 16/17, with payment due in early 17/18.	
(b) Car Parking Action Plan						
(i) Phase 6	P01AV	35	3	3		Scheme complete.
(ii) Phase 7	P01AV	9	16	16		Scheme complete.
(iii) Phase 8	P01AV		20	12		
Total Car Parking to Summary		44	107	43		
Transportation						
(a) Local Transport Plan Partnership Programme Less Grants & Contributions	P01ED	215 (9)	4			
Sub-total		206	4	0		
(b) Community Partnership Initiatives	P06FE	170	4			
Total Transportation to Summary		376	8	0		

CAPITAL PLAN MONITORING STATEMENT 2016/17 TO 31 MARCH 2017
STREET SCENE, LEISURE & TECHNICAL SERVICES

	Code	Expenditure To 31/03/16	2016/17 Revised Inc Prior Year Slippage	2016/17 Actual to 31 March 2017	
		£'000	£'000	£'000	
Environmental Improvements					
(a) Tonbridge Town Lock	P01LD	1,900	75	74	Scheme complete. Includes £155,000 developer contributions received earlier than expected.
Less Developer Contributions		(734)	(213)	(372)	
Environment Agency Grant		(730)			
Other Grants and Contributions			(2)		
Sub-total		436	(140)	(298)	
Total Environmental Improvements to Summary		436	(140)	(298)	
Land Drainage / Flood Defence					
Drainage Improvement Programme	P01HR	75	27		Reflects unavoidable delays to works being considered on a partnership basis.
Less DEFRA Grant and other income		(30)			
Sub-total		45	27	0	
(b) Tonbridge Castle River Bank	P01HT	9	110	111	Scheme complete.
Less Environment Agency Grant		(9)	(110)	(111)	
Sub-total			0	0	
Total Land Drainage / Flood Defence to Summary		45	27	0	

CAPITAL PLAN MONITORING STATEMENT 2016/17 TO 31 MARCH 2017
CORPORATE

	Expenditure To 31/03/16	2016/17 Revised Inc Prior Year Slippage	2016/17 Actual to 31 March 2017
	£'000	£'000	£'000
Capital Plan Schemes			
Information Technology Initiatives	0	262	250
Other	(8)	8	5
Sub-total	(8)	270	255
Capital Renewals	n/a	227	107
Total Corporate	(8)	497	362

CAPITAL PLAN MONITORING STATEMENT 2016/17 TO 31 MARCH 2017
CORPORATE

	Code	Expenditure To 31/03/16	2016/17 Revised Inc Prior Year Slippage	2016/17 Actual to 31 March 2017	
Information Technology Initiatives					
(a) General IT Developments	P06DA	n/a	30	30	Scheme complete.
(b) Revenues & Benefits Document Management Less Government Grant	P06DG	33 (33)	19 (19)	16 (16)	
Sub-total		0	0	0	
(c) Housing Services Document Management Less Government Grant	P06DH		40 (8)	28 (8)	
Sub-total		0	32	20	
(d) TMLT IT Equipment Capital Grant	P06EP		200	200	
Total Information Technology Initiatives to Summary		0	262	250	
Other					
(a) Local Strategic Partnership Less Performance Reward Grant	P06FJ	141 (149)	8	5	
Sub-total		(8)	8	5	
Total Other to Summary		(8)	8	5	

CAPITAL PLAN MONITORING STATEMENT 2017/18 TO 30 APRIL 2017
SUMMARY OF SERVICES

	Expenditure To 31/03/17	2017/18 Revised Inc Prior Year Slippage	2017/18 Actual to 30 April 2017
	£'000	£'000	£'000
Capital Plan Schemes			
Planning, Housing & Environmental Health	0	30	(2)
Street Scene, Leisure & Technical Services	879	395	38
Corporate	17	340	0
Sub-total	896	765	36
Capital Renewals			
Planning, Housing & Environmental Health	n/a	1	0
Street Scene, Leisure & Technical Services	n/a	1,481	3
Corporate	n/a	661	5
Sub-total	n/a	2,143	8
Total	896	2,908	44

CAPITAL PLAN MONITORING STATEMENT 2017/18 TO 30 APRIL 2017
PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	Expenditure To 31/03/17	2017/18 Revised Inc Prior Year Slippage	2017/18 Actual to 30 April 2017
	£'000	£'000	£'000
Capital Plan Schemes			
Housing	0	30	(2)
Sub-total	0	30	(2)
Capital Renewals	n/a	1	0
Total Planning, Housing and Environmental Health	0	31	(2)

CAPITAL PLAN MONITORING STATEMENT 2017/18 TO 30 APRIL 2017
PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	Code	Expenditure To 31/03/17	2017/18 Revised Inc Prior Year Slippage	2017/18 Actual to 30 April 2017	
		£'000	£'000	£'000	
Housing					
(a) Disabled Facility Grants					
(i) Mandatory Grants Less repayments	P03AC	n/a	747	13 (2)	2017/18 includes £82,000 underspend brought forward from 2016/17.
(ii) Discretionary Grants	P03AT		132		Includes £27,000 underspend brought forward from 2016/17.
(iii) Government Grant		n/a	(879)	(11)	Includes £109,000 grant not used in 2016/17. Provisions to be reviewed following receipt of 2017/18 grant.
Sub-total		n/a	0	0	
(b) Housing Assistance Less repayments	P03AD	n/a	60 (30)	(2)	
Sub-total		n/a	30	(2)	
Total Housing to Summary		0	30	(2)	
Capital Renewals					
(a) Environmental Protection	P02EB CR01	n/a	1		
Total Capital Renewals to Summary		n/a	1	0	

CAPITAL PLAN MONITORING STATEMENT 2017/18 TO 30 APRIL 2017
STREET SCENE, LEISURE & TECHNICAL SERVICES

	Expenditure To 31/03/17	2017/18 Revised Inc Prior Year Slippage	2017/18 Actual to 30 April 2017
	£'000	£'000	£'000
Capital Plan Schemes			
Street Scene	n/a	105	8
Leisure			
Larkfield Leisure Centre	357	13	0
Sports Grounds	0	92	0
Open Spaces	0	17	0
Other Leisure Schemes	89	14	0
Technical Services			
Car Parking	12	114	30
Transportation	376	13	0
Land Drainage / Flood Defence	45	27	0
Sub-total	879	395	38
Capital Renewals	n/a	1,481	3
Total Street Scene, Leisure & Technical Services	879	1,876	41

CAPITAL PLAN MONITORING STATEMENT 2017/18 TO 30 APRIL 2017
STREET SCENE, LEISURE & TECHNICAL SERVICES

	Code	Expenditure To 31/03/17	2017/18 Revised Inc Prior Year Slippage	2017/18 Actual to 30 April 2017
		£'000	£'000	£'000
Street Scene				
(a) Green Waste Bins Growth / Replacement	P02BC	n/a	33	
(b) Refuse Bins Growth / Replacement	P02DA	n/a	72	8
Total Street Scene to Summary		n/a	105	8
Larkfield Leisure Centre				
Refurbishment of Lifestyles Health Suite Less TMLT Contribution	P05LL	419 (62)	13	
Sub-total		357	13	0
Total Larkfield Leisure Centre to Summary		357	13	0
Sports Grounds				
(b) Racecourse Sports Ground Riverside Rivetment Less Grants	P05DD		120 (28)	
Sub-total		0	92	0
Total Sports Grounds to Summary		0	92	0

CAPITAL PLAN MONITORING STATEMENT 2017/18 TO 30 APRIL 2017
STREET SCENE, LEISURE & TECHNICAL SERVICES

	Code	Expenditure To 31/03/17	2017/18 Revised Inc Prior Year Slippage	2017/18 Actual to 30 April 2017
		£'000	£'000	£'000
Open Spaces				
(a) Open Spaces Site Improvements - Phase 2 Less Developer Contributions	P05FV	57 (57)	12 (12)	
Sub-total		0	0	0
(b) Leybourne Lakes CP Car Park Extension	P05FY		17	
Total Open Spaces to Summary		0	17	0
Other Leisure Schemes				
(a) Tonbridge Cemetery - Memorial Safety Less Developer Contributions	P05KV	92 (3)	4	
Sub-total		89	4	0
(c) Community Group Funding	P05KS	n/a	10	
Total Other Leisure Schemes to Summary		89	14	0

CAPITAL PLAN MONITORING STATEMENT 2017/18 TO 30 APRIL 2017
STREET SCENE, LEISURE & TECHNICAL SERVICES

	Code	Expenditure To 31/03/17	2017/18 Revised Inc Prior Year Slippage	2017/18 Actual to 30 April 2017	
		£'000	£'000	£'000	
Car Parking					
(a) Improvement Programme for Existing Car Parks					
(i) Rolling Programme	P01AB	n/a	86	30	2017/18 budget provision includes £56,000 underspend brought forward from 2016/17. Subject to review Autumn 2017.
(b) Car Parking Action Plan					
(i) Phase 8	P01AV	12	8		
(ii) Phase 9	P01AW		20		
Total Car Parking to Summary		12	114	30	
Transportation					
(a) Local Transport Plan Partnership Programme Less Grants & Contributions	P01ED	215 (9)	9		
Sub-total		206	9	0	
(b) Community Partnership Initiatives	P06FE	170	4		
Total Transportation to Summary		376	13	0	

CAPITAL PLAN MONITORING STATEMENT 2017/18 TO 30 APRIL 2017
STREET SCENE, LEISURE & TECHNICAL SERVICES

	Code	Expenditure To 31/03/17	2017/18 Revised Inc Prior Year Slippage	2017/18 Actual to 30 April 2017
		£'000	£'000	£'000
Land Drainage / Flood Defence				
(a) Drainage Improvement Programme Less DEFRA Grant and other income	P01HR	75 (30)	27	
Sub-total		45	27	0
(b) Tonbridge Castle River Bank Less Environment Agency Grant	P01HT	120 (120)	2 (2)	
Sub-total		0	0	0
Total Land Drainage / Flood Defence to Summary		45	27	0

CAPITAL PLAN MONITORING STATEMENT 2017/18 TO 30 APRIL 2017
CORPORATE

	Expenditure To 31/03/17	2017/18 Revised Inc Prior Year Slippage	2017/18 Actual to 30 April 2017
	£'000	£'000	£'000
Capital Plan Schemes			
Information Technology Initiatives	20	337	0
Other	(3)	3	0
Sub-total	17	340	0
Capital Renewals	n/a	661	5
Total Corporate	17	1,001	5

CAPITAL PLAN MONITORING STATEMENT 2017/18 TO 30 APRIL 2017
CORPORATE

	Code	Expenditure To 31/03/17	2017/18 Revised Inc Prior Year Slippage	2017/18 Actual to 30 April 2017
Information Technology Initiatives				
(a) General IT Developments	P06DA	n/a	30	
(b) Revenues & Benefits Document Management Less Government Grant	P06DG	49 (49)	3 (3)	
Sub-total		0	0	0
(c) Housing Services Document Management Less Government Grant	P06DH	28 (8)	12	
Sub-total		20	12	0
(d) Council Chamber Conference System	P06ER		95	
(e) Virtual Desktop Infrastructure	P06ET		200	
Total Information Technology Initiatives to Summary		20	337	0
Other				
(a) Local Strategic Partnership Less Performance Reward Grant	P06FJ	146 (149)	3	
Sub-total		(3)	3	0
Total Other to Summary		(3)	3	0

TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

21 June 2017

Report of the Director of Finance and Transformation

Part 1- Public

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

1 BUSINESS RATES RELIEF SCHEME

In March 2017, the Department for Communities and Local Government published a paper entitled – ‘Consultation on proposals on the design and implementation of the locally administered Business Rates Relief Scheme’. This report provides an overview of and our response to the consultation paper; and requests that delegated authority be granted to the Director of Finance and Transformation in conjunction with the Leader, Cabinet Member for Finance, Innovation and Property and the Chairman of this Advisory Board to agree the scheme to be adopted by this Council.

1.1 Introduction

1.1.1 The Chancellor in the March 2017 Budget announced that the Government would provide £300m to support those businesses most affected by the revaluation of business rates due to take effect from April 2017.

1.1.2 The Department for Communities and Local Government subsequently published a paper entitled – ‘Consultation on proposals on the design and implementation of the locally administered Business Rates Relief Scheme’. This report provides an overview of and our response to the consultation paper; and requests that delegated authority be granted to the Director of Finance and Transformation in conjunction with the Leader, Cabinet Member for Finance, Innovation and Property and the Chairman of this Advisory Board to agree the scheme to be adopted by this Council.

1.2 Consultation on proposals on the design and implementation of the locally administered Business Rates Relief Scheme

1.2.1 The consultation paper can be found at the following link:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/598261/Discretionary_Business_Rates_Relief_Scheme_consultation.pdf

1.2.2 The return date for responses to the consultation was 7 April 2017 and a copy of the response agreed with the Cabinet Member for Finance, Innovation and Property and the Chairman of this Advisory Board can be found at **[Annex 1]**.

1.2.3 An overview of the proposals set out in the consultation paper is given below.

- The Government is to provide £300m over the four-year period 2017/18 to 2020/21 to support those businesses most affected by the revaluation of business rates due to take effect from April 2017.
- Every billing authority will be provided with a share of the £300m. The sums allocated to this Council in each of the four years 2017/18 to 2020/21 are £338,000, £164,000, £68,000 and £10,000 respectively.
- Which businesses receive support is to be determined locally by billing authorities. There will be no national scheme.

Consideration was given to whether in responding to ask the Government to alter the transitional relief scheme as an alternative to locally determined schemes, but on balance decided not to do so.

- Billing authorities will be required to consult with their major precepting authorities on the design of the local scheme to be implemented.

Expressed the view there should be no formal requirement to consult where the total discretionary rate relief granted under a local scheme is to be capped at that year's allocation. Also note the consultees to be those organisations in the Business Rates Retention Scheme which is not necessarily one and the same as major precepting authorities.

- Relief provided above the allocated amount will not be refunded.

1.2.4 The Government did not say that it will provide support to local authorities for the costs arising from designing and managing the introduction of this additional discretionary scheme. As a result clarification was sought as to whether the administration of this scheme is to be or should be covered under the New Burdens Doctrine.

1.3 Approach to be taken in Administering the Business Rates Relief Scheme

1.3.1 It is for the local authority to adopt a local scheme and decide in each case when to grant relief. Local authorities have been waiting for Government guidance on the various reliefs to be applied in order to inform the design of the local scheme which only recently has been made available.

As a result it is requested that delegated authority be granted to the Director of Finance and Transformation in conjunction with the Leader, Cabinet Member for Finance, Innovation and Property and the Chairman of this Advisory Board to

agree the scheme to be adopted by this Council. Factors to be considered in the design of the scheme are to include the scale of the increase in the business rates liability for 2017/18 when compared to that payable for 2016/17 and the rateable value of the property.

1.4 State Aid

- 1.4.1 The De Minimis regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three-year period (current financial year and the two previous financial years). Local authorities are asked to note the terms of this State Aid exemption and to seek assurance that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid.

1.5 Legal Implications

- 1.5.1 The legislative framework for the billing, collection, recovery and administration of national non-domestic rates (business rates) is set out in the Local Government and Finance Act 1988. The relief scheme to be administered through billing authorities' discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended by the Localism Act).

1.6 Financial and Value for Money Considerations

- 1.6.1 As set out above. Cash flow implications, albeit relatively small.

1.7 Risk Assessment

- 1.7.1 There could 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.

1.8 Recommendations

- 1.8.1 It is requested that delegated authority be granted to the Director of Finance and Transformation in conjunction with the Leader, Cabinet Member for Finance, Innovation and Property and the Chairman of this Advisory Board to agree the locally administered business rates relief scheme to be adopted by this Council.

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

Background papers:

contact: Neil Lawley

Nil

Sharon Shelton
Director of Finance and Transformation

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Consultation on proposals on the design and implementation of the locally administered Business Rates Relief Scheme

Summary of Questions and Responses

Preamble

Before responding to the specific questions we would wish to seek clarification as to whether the management and administration of this scheme is to be or should be covered under the New Burdens Doctrine.

Question 1: Do you agree that individual local authorities should be responsible for designing and implementing their own discretionary relief schemes, having regard to local circumstances and reflecting local economies?

Agree.

Question 2: Are the Government's assumptions about the design of local discretionary relief schemes reasonable?

The assumption that the scheme should benefit those facing the most significant increase in bills is right. It should be for local government to decide on how best to design and implement the local scheme in the best way to support their own businesses.

Question 3: Is the allocation methodology reasonable?

Proposed allocation methodology seems reasonable, provided it is not skewed by large increases in ratepayer bills in a few areas, which would therefore benefit these few areas at the cost of the whole of the rest of the country.

Question 4: Do you think that authorities should have some flexibility to switch resources between years to ensure relief provided meets local need and provides maximum value for money?

Authorities should have the flexibility to switch resources between years if they choose to do so.

Question 5: Do you agree with the proposal that s.31 grant should be paid to compensate authorities for their loss of income under the rates retention scheme up to the maximum of that year's "total pot"?

Agree.

Question 6: Do you agree with the proposals for administering payments, including in-year payments based on estimates, end-year reconciliations and payments quarterly in arrears?

Agree with the proposals for administering payments, other than that payments are made in advance (except the first payment).

Question 7: Do you agree the grant conditions are appropriate?

There should be no formal requirement to consult where the total discretionary rate relief granted under a local scheme is to be capped at that year's allocation. Also note the consultees to be those organisations in the Business Rates Retention Scheme which is not necessarily one and the same as major precepting authorities.

TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

21 June 2017

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 100% BUSINESS RATES RETENTION

In February 2017, the Department for Communities and Local Government published two papers – Summary of responses and subsequent Government response to the first 100% Business Rates Retention consultation paper published in July 2016; and Further consultation on the design of the reformed system. This report provides an overview of both documents, together with our response to the latest consultation paper.

1.1 Introduction

- 1.1.1 In October 2015, the Government announced that, by the end of the Parliament, local government will keep 100% of the income raised through business rates, and will take on new responsibilities to be funded from this additional income as central government grants are phased out. This has since been overtaken by events with the calling of a snap General Election and it is now very unlikely that the aim to introduce 100% Business Rates Retention (BRR) in 2019/20 is to be met.
- 1.1.2 Alongside the move to 100% BRR is to be a Fair Funding Review. Its aim to provide councils with their fair share of funding according to local needs under the new system.
- 1.1.3 In February 2017, the DCLG published two papers – Summary of responses and subsequent Government response to the first 100% BRR consultation paper published in July 2016; and Further consultation on the design of the reformed system. This report provides an overview of both documents, together with our response to the latest consultation paper.
- #### 1.2 Summary of responses and subsequent Government response to the first 100% Business Rates Retention consultation paper published in July 2016
- 1.2.1 Principles and elements of the current system which are to remain; and issues known about the new system following publication of the above document include:

- Ensuring the system is designed to encourage and reward councils that promote and support economic growth in their areas. The levy on growth will be scrapped under 100% BRR.
- Ensuring a system of redistribution of funding that recognises the needs and demands of different councils through a system of top-ups and tariffs – underpinned by the Fair Funding Review.
- Measures to manage risk within the system, including the improved management of appeals. Appeals following revaluation will be paid for centrally, using a top-slice of business rates income.
- Ability to reduce the business rates tax rate (the multiplier) subject to the principle that the authority taking the decision to reduce the multiplier should bear the costs of doing so.
- Ability for Combined Authority Mayors to levy a supplement on business rates bills to fund new infrastructure projects.
- Protection built into the system (safety net) to insulate authorities from shocks, or significant reductions in income.
- Enterprise Zones continuing to keep 100% in the growth in business rates for a defined period.
- The New Burdens Doctrine, which requires Departments to assess and fund the impact on councils of any new policies, will remain in place.
- The Government will look to build fixed reset periods into the future 100% BRR system and is to explore partial resets and a redetermination of relative need every five years.
- The Government does not intend to explore at this point, localising mandatory business rate reliefs.
- The Government will continue to consider how to refresh the central list and how to provide greater clarity about the businesses that sit on each list, but does not intend at this point to introduce area lists.
- Business Rates Pools will be determined by the Secretary of State. Pool membership could include a number of benefits including Local Growth Zones which would make elements of growth exempt from resets.
- Revenue support grant, rural services delivery grant, public health grant and the GLA transport grant will be funded through 100% BRR. Attendance allowance will not be devolved under 100% BRR. The remaining grants and or new responsibilities to be devolved yet to be determined.

1.2.2 What is still to be decided:

- Tier splits in two tier areas.
- How business rates baselines will be determined.
- The workings behind the £12.5bn figure that government believe is available to be rolled in.
- The level of safety net support.
- What the new nationalised system of appeals will look like and how the transition to a nationalised system of appeals will take place.
- The proposal to remove fire authority funding from the 100% BRR system.
- The technical details that will in large part determine the financial consequences for individual authorities of the move to 100% BRR.

1.2.3 The Summary of responses and subsequent Government response to the first 100% BRR consultation paper published in July 2016 can be found at the following link:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/591908/Government_response_to_Self-sufficient_local_government-100_Business_Rates_Retention_consultation.pdf

1.3 **100% Business Rates Retention: Further consultation on the design of the reformed system**

1.3.1 This further consultation seeks views on some of the detailed aspects of the design of the reformed system. The consultation also sets out the original timeframe for future announcements including the planned consultation on relative need to inform an authority's baseline funding level, a key part of the jigsaw.

1.3.2 An overview of the issues raised in this latest consultation is given below.

How the system is reset and how frequently it is reset

1.3.3 Support the proposal to build fixed reset periods into the future 100% BRR system. On the subject of a full or partial reset, this latest consultation paper looks at a partial reset and a redetermination of relative need (baseline funding level) every five years.

1.3.4 In responding to the earlier consultation the view at that time was there should be a full reset of the system including all achieved growth as local authorities under the new system will be heavily dependent on business rates income for delivery of core services. As a result a partial reset is supported on the understanding that the growth retained in the system would be net of the amount of growth needed by

those authorities whose funding is below the new baselines. It is acknowledged that the approach does mean the level of growth to be retained would not be known until the reset was undertaken thereby not providing any certainty in terms of medium term financial planning beyond the reset period.

- 1.3.5 Resetting the needs formula every five years could result in significant changes of income and as such transitional arrangements after a reset could be required. Annual updating of data would allow the system to respond to relative need changes much faster and could lessen the resulting stepped change from periodic updates.
- 1.3.6 Matters that require clarification – that growth in the new system would be retained by local authorities and not used to fund new responsibilities or allow further grants to be rolled in, along with the CPI growth in business rates without compensating reductions in other income streams?
- 1.3.7 As previously further data and modelling is required to better understand the impact of these choices – rewarding growth / redistributing for need.

Business rates pooling

- 1.3.8 The Government wants to continue to encourage and reward pooling under the 100% BRR. The current approach to pooling allows local authorities to voluntarily come together and propose their own business rate pools. With the removal of the levy the financial incentive to pool is removed. In order to make pooling more attractive, the consultation lists a number of rewards that are to be explored for pools of authorities including the ability for the pool to set their own local growth zone/s.
- 1.3.9 Through the current Local Government Finance Bill, the Government is broadening the ability of the Secretary of State to designate pools of authorities. The Bill removes the requirement for local authority consent, but introduces a requirement to consult with affected local authorities.
- 1.3.10 The officers' view is that it should remain up to local areas to decide to join a business rates pool arrangement.

Local Growth Zones

- 1.3.11 The Government is introducing a new power through the Local Government Finance Bill to allow local authorities that are cooperating and working together as a business rates pool to establish growth areas (within parameters to be set by Government). These zones would allow local authorities to retain growth outside the reset system for a specified number of years.
- 1.3.12 Further information is required to better understand the likely impact on the total amount of growth in business rates to be redistributed at a partial reset and how

that impact might be managed to make an informed response. Not forgetting the growth needed by those authorities whose funding is below the new baselines.

Managing the impact of successful appeals

- 1.3.13 Managing the impact of successful business rates appeals is particularly important given the impact that this can have on an authority's available resources. The Government's intention under 100% BRR is to continue to help manage the risk and income volatility associated with appeals, but to better direct this support to where losses are experienced. To do this, the Local Government Finance Bill includes a provision for loss payments funded by way of a top-slice to the total England-wide amount of business rates income.
- 1.3.14 The Government's intention to make direct payments to local authorities to recompense for loss of income resulting from changes to rating lists relating to 'valuation errors' (successful change of status, e.g. schools becoming academies assume is not covered as the rateable value remains the same) is seen as a positive step. This change should see a reduction in business rates volatility both in terms of successful appeals reducing income and the removal of the estimated appeals' provisions that, for good reasons, are often incorrect.
- 1.3.15 The detail about how loss payments are calculated and made will be set out in further proposals.

Tier Splits

- 1.3.16 The Government intends to continue to set tier splits, i.e. the percentage of business rates income that each tier of authority would get to help manage the level of risk and reward open to councils in multi-tier areas.
- 1.3.17 As noted in the response to the earlier consultation the approach to tier splits will need to take into account the services (including any new responsibilities) that are expected to be delivered at each tier of government and the impact of different options on a local authority's exposure to risk, resilience/ability to manage risk and incentive to grow their business rates base. Also, the level at which the safety net threshold is set.
- 1.3.18 Again, further data and modelling is required to better understand the impact of the different options.

Safety Net

- 1.3.19 The Government continues to recognise the ongoing need for a safety net under 100% BRR. The safety net is expected to be funded by way of a top-slice to the total England-wide amount of business rates income.
- 1.3.20 A safety net is required to support those local authorities that experience shocks to the system such as the closure of a major ratepayer which reduces their

income and affects their ability to deliver services. The Government expects to raise the current safety net threshold of 92.5% to reflect the increased proportion of funding at stake and is to trial a safety net threshold of 97% of baseline funding level in the pilots for 2017/18.

- 1.3.21 In responding to the earlier consultation it was suggested the safety net be set at the baseline funding level as this is a measure of need and is more often than not used for budgeting purposes and as such should aid financial planning. In this respect welcome the intention at the very least to raise the current threshold. As with other aspects of the new BRR system, the safety net threshold to be informed by the impact of different options on a local authority's exposure to risk, resilience/ability to manage risk and incentive to grow their business rates base.
- 1.3.22 Again, further data and modelling is required to better understand the impact of the different options.

Central List

- 1.3.23 Ahead of the introduction of 100% BRR the Government intends to set out a clear statement of policy for which properties and ratepayers should be assessed on the central list.
- 1.3.24 To provide stability and certainty for local government in terms of whether hereditaments should be assessed on the central list or local rating lists is a prerequisite to the introduction of 100% BRR.

Summary

- 1.3.25 We remain clear that councils must first and foremost be able to use extra business rates income to address existing funding pressures before any additional responsibilities are considered.

Decisions on additional responsibilities transferred to councils, tier splits and the safety net threshold and subsequent impact are not mutually exclusive and it is, therefore, difficult to make an informed response in isolation, notwithstanding an authority's baseline funding level.

- 1.3.26 The consultation paper can be found at the following link:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/592368/100_Business_Rates_Retention_-_Further_Consultation.pdf

- 1.3.27 The return date for responses to the consultation was 3 May 2017. A copy of the response agreed with the Cabinet Member for Finance, Innovation and Property and the Chairman of this Advisory Board can be found at **[Annex 1]**.

1.4 Legal Implications

- 1.4.1 The legislative framework for the billing, collection, recovery and administration of national non-domestic rates (business rates) is set out in the Local Government and Finance Act 1988.
- 1.4.2 The Local Government Finance Act 2012 and regulations that followed introduced the current Business Rates Retention scheme.

1.5 Financial and Value for Money Considerations

- 1.5.1 A key part of the jigsaw is what will the Council's baseline funding level be and how does this compares to that reflected in the Medium Term Financial Strategy taking into account transfer of any new responsibilities?
- 1.5.2 This Council has not fared favourably on previous assessments of need and of further (probably greater) concern is reference to 'some existing central government grants will be phased out'. What about New Homes Bonus – is that in the frame?
- 1.5.3 The level of funding any one authority receives in future could alter significantly for the worse and place financial sustainability at risk where transitional arrangements in the form of damping will be a prerequisite.

1.6 Risk Assessment

- 1.6.1 There is so much uncertainty and volatility that financial planning is becoming increasingly difficult with the increased risk of significant variances compared to projections; and the consequent implications on the level of reserves held to deal with potentially greater income volatility.

Background papers:

contact: Neil Lawley

Nil

Sharon Shelton
Director of Finance and Transformation

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100% Business Rates Retention - Further consultation on the design of the reformed system

Summary of Questions and Responses

Preamble

We remain clear that councils must first and foremost be able to use extra business rates income to address existing funding pressures before any additional responsibilities are considered.

Decisions on additional responsibilities transferred to councils, tier splits and the safety net threshold and subsequent impact are not mutually exclusive and it is, therefore, difficult to make an informed response in isolation, notwithstanding an authority's baseline funding level will not be known until nearer the introduction of 100% BRR.

Question 1: What are your views on the proposed approach to partial resets?

Support the proposal to build fixed reset periods into the future 100% BRR system.

In responding to the earlier consultation the view at that time was there should be a full reset of the system including all achieved growth. Local authorities under the new system will be heavily dependent on business rates income for delivery of core services. As a result a partial reset is supported on the understanding that the growth retained in the system would be net of the amount of growth needed by those authorities whose funding is below the new baselines. It is acknowledged that the approach does mean the level of growth to be retained would not be known until the reset was undertaken and, in turn, not provide any certainty in terms of medium term financial planning beyond the reset period.

Resetting the needs formula every five years could result in significant changes of income and as such transitional arrangements after a reset could be required. Annual updating of data would allow the system to respond to relative need changes much faster and could lessen the resulting stepped change from periodic updates.

Matters that require clarification – that growth in the new system would be retained by local authorities and should not be used to fund new responsibilities. Neither should allow further grants to be rolled into the scheme. CPI growth in business rates should be calculated as part of the scheme without compensating reductions in other income streams?

Further data and modelling is required to better understand the impact of these choices – rewarding growth / redistributing for need.

Question 2: What are your views on how we should measure growth in business rates income over a reset period?

It would seem to be sensible to measure growth in real terms and as an average. A crucial component is of course the baseline against which growth is to be measured and as such how it is determined should be transparent, fair and readily understood.

Question 3: What are your views on the Government's plans for pooling and local growth zones under the 100% Business Rates Retention system?

It should remain up to local areas to decide to join a business rates pool arrangement.

Further information is required on pooling and local growth zones to better understand the likely impact on the total amount of growth in business rates. Details on how this growth is to be redistributed at a partial reset as well as how that impact might be managed. Without these details it not possible to make an informed response. Not forgetting the growth needed by those authorities whose funding is below the new baselines.

Question 4: How can we best approach moving to a centrally managed appeals risk system?

Managing the impact of successful business rates appeals is particularly important given the impact that this can have on an authority's available resources.

The proposal to make direct payments to local authorities to recompense for loss of income resulting from changes to rating lists relating to 'valuation errors' is seen as a positive step. This change should see a reduction in business rates volatility both in terms of successful appeals reducing income and the removal of the estimated appeals' provisions that, for good reasons, are often incorrect. The proposal is supported in principle subject to the detail about what is seen as a 'valuation error' and how loss payments are calculated and made.

Question 5: What should our approach be to tier splits?

As noted in the response to the earlier consultation; the approach to tier splits will need to take into account the services (including any new responsibilities) that are expected to be delivered by each tier of government. The split needs to acknowledge the impact on a local authority's exposure to risk, resilience and ability to grow their business rates base. Also, the level at which the safety net threshold is set.

Further data and modelling is required to better understand the impact of the different options.

Question 6: What are your views on proposals for a future safety net under the 100% Business Rates Retention system?

In responding to the earlier consultation, it was suggested the safety net be set at the baseline funding level. This is a measure of need and is often used for budgeting purposes and as such should aid financial planning.

In this respect welcome the intention at the very least to raise the current threshold to reflect the increased proportion of funding at stake.

As with other aspects of the new Business Rates Retention system, the safety net threshold to be informed by the impact of different options on a local authority's exposure to risk, resilience and ability to manage risk as well as incentivise the growth in their business rates base.

Further data and modelling is required to better understand the impact of the different options.

Question 7: What are your views on our proposals for the central list?

To provide stability and certainty for local government in terms of whether hereditaments should be assessed on the central list or local rating lists is a prerequisite to the introduction of 100% BRR; and in that regard support the proposals for the central list set out in the consultation paper.

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TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

21 June 2017

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 REVENUES AND BENEFITS UPDATE REPORT

A report detailing recent developments in respect of council tax, business rates, council tax reduction and housing benefits.

1.1 Collection of council tax and business rates

- 1.1.1 As at 31 March 2017, the final collection rate for council tax, for the year 2016/17, was 99.03%. This exceeds the target set for the financial year (98.9%). The final collection rate for 2015/16 was 98.87%.
- 1.1.2 As at 31 March 2017, the final collection rate for business rates, for the year 2016/17, was 99.19%. This is marginally below the target set for the financial year (99.6%). The final collection rate for 2015/16 was 99.43%.
- 1.1.3 To exceed 99% collection for both council tax and business rates is an excellent achievement and for the second year running, the council tax collection is the highest in Kent.
- 1.1.4 Since the introduction of the council tax reduction scheme in 2013/14, the working age taxpayers in receipt of support have been charged £5.9M. By the end of 2016/17, £5.2M has been collected, approximately 89%. This is significantly higher than was first envisaged and has helped with the overall collection rate. In respect of 2016/17, the collection rate for working age taxpayers improved by 2% (approximately £30,000) more than in 2015/16.
- 1.1.5 Previous year council tax arrears also reduced by £1.1M in the last financial year (compared to £1.25M in 2015/16).
- 1.1.6 I am also pleased to advise that the number of recovery notices issued overall in 2016/17 was 2% lower than in 2015/16 (see **ANNEX 1**). This has helped to reduce the cost of collection.
- 1.1.7 In respect of business rates, the collection target was narrowly missed despite collecting an additional £900,000 compared to 2015/16. Collection of business

rates is volatile, and the overall collection rate can be affected by factors affecting a small number of accounts.

- 1.1.8 The overall business rate arrears reduced by approximately £300,000 in the last financial year, leaving just over £700,000 uncollected in respect of all rates due since 1990.
- 1.1.9 As always, I can assure Members that every effort is being made to maintain high collection rates, and that we are doing all that is possible to collect the council tax and business rates that are due to the Council.
- 1.1.10 As at 31 May 2017, the collection rate for council tax stood at 17.54%. For the same period in the year 2016/17, the collection rate was 17.39%.
- 1.1.11 As at 31 May 2017, the collection rate for business rates stood at 21.25%. For the same period in the year 2016/17, the collection rate was 21.32%.

1.2 Spring Budget

- 1.2.1 In the Spring Budget, the Chancellor announced three schemes of relief would be made available to those ratepayers facing large increases as a result of the revaluation of business rates.
- Supporting Small Businesses
 - New Discretionary Relief Scheme
 - New Business Rate Relief Scheme for Pubs
- 1.2.2 As a General Election was called, only one scheme (New Discretionary Relief Scheme) has currently been approved for local authorities to administer; this means we are in a stalemate position with regards the other two schemes and it will be for the new Government to decide whether to continue with their implementation.
- 1.2.3 For Members' information, the new schemes are as follows.
- 1.2.4 Discretionary Relief Scheme: a £300M discretionary fund has been established over four years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the 2017 revaluation.
- 1.2.5 The intention is that every billing authority in England will be provided with a share of the £300M to support their local businesses. Billing authorities will be expected to use their share of the funding to develop their own discretionary relief schemes to deliver targeted support to the most hard-pressed ratepayers. The £300M will cover the four years from 2017/18:
- £175m in 2017/18 (TMBC share £338,000)

- £85m in 2018/19 (TMBC share £164,000)
- £35m in 2019/20 (TMBC share £68,000)
- £5m in 2020/21 (TMBC share £10,000)

1.2.6 A policy is currently being devised and I will report to Members when this has been done. The Council will be compensated through a Section 31 grant for the cost of relief awarded up to the maximum amount allocated.

1.2.7 Supporting Small Businesses: this scheme is to be made available to those ratepayers facing large increases as a result of the loss of small business or rural rate relief.

1.2.8 To support these ratepayers, the supporting small businesses relief will ensure that the increase per year in the bills of these ratepayers is limited to the greater of:

- a cash value of £600 per year (£50 per month). This cash minimum increase ensures that those ratepayers currently paying nothing or very small amounts are brought into paying something, or
- the matching cap on increases for small properties in the transitional relief scheme.

1.2.9 It is currently not possible to award this relief as mentioned above. However, an initial analysis suggests only a very small number of ratepayers will be eligible for this relief as and when the legislation is confirmed and the software supplier has amended the Revenues system. The Council will be compensated for the cost of granting the relief through a Section 31 grant from Government.

1.2.10 Support for Pubs: this scheme will be for 'pubs' that have a rateable value of below £100,000. Under the scheme, eligible pubs will receive a £1000 discount on their bill for 2017/18 only. DCLG's plans to publish a consultation on the operation of the relief scheme was postponed so it is not clear what properties may be eligible for this relief (wine bars, restaurants etc may be included).

1.2.11 It is currently not possible to award this relief as mentioned above. The Council will be compensated for the cost of granting the relief through a Section 31 grant from Government.

1.2.12 Further information regarding these schemes will be presented to Members of the Economic Regeneration Advisory Board on 6 July 2017.

1.3 Performance and Workload of the Benefits Service

1.3.1 For the 2016/17 year, the average number of days to process housing benefit new claims was 15.4 and 4.7 for changes in circumstances. The national averages were 21 and 9 days.

- 1.3.2 Council tax reduction claims were processed on average in 15.1 and 5.7 days. The target for both housing benefit and council tax support performance for the year was 15 days and 6 days.
- 1.3.3 My Service processed 3,068 new claims and 51,480 changes in circumstances over the course of the year.
- 1.3.4 The number of households in receipt of housing benefit has fallen by 3% over the last year. The figure now stands at 6,285 households, with equal numbers of working age and pension age claims decreasing.
- 1.3.5 There has been a similar fall in the number of households receiving a council tax reduction. There are now 6,772 homes getting help.
- 1.3.6 Since the introduction of Universal Credit in the Borough in October 2015, the number of people claiming a council tax reduction who receive Universal Credit has been low. There are currently 57 households in this situation. Universal Credit is only available to single jobseekers, until further roll-out scheduled for Autumn 2018.
- 1.3.7 The number of households in the Borough affected by the benefit cap continues to rise. In November 2016, the new lower rate cap of £20,000 per annum took effect, impacting an additional 85 households on top of the existing 21 cases. Since then, numbers have risen to 123 households. Work is ongoing, together with landlords to engage with these families and find solutions.
- 1.3.8 The Discretionary Housing Payments (DHP) fund was fully spent in 2016/17. The total of £171,000 was used to assist 230 separate households. The Government contribution to our DHP fund has significantly increased to £284,000 for 2017/18, enabling greater support in particular for benefit cap cases and homelessness prevention. By the first week of June, over £50,000 has already been allocated for assistance.

1.4 Legal Implications

- 1.4.1 Nil.

1.5 Financial and Value for Money Considerations

- 1.5.1 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.

1.6 Risk Assessment

- 1.6.1 Nil.

Background papers:

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

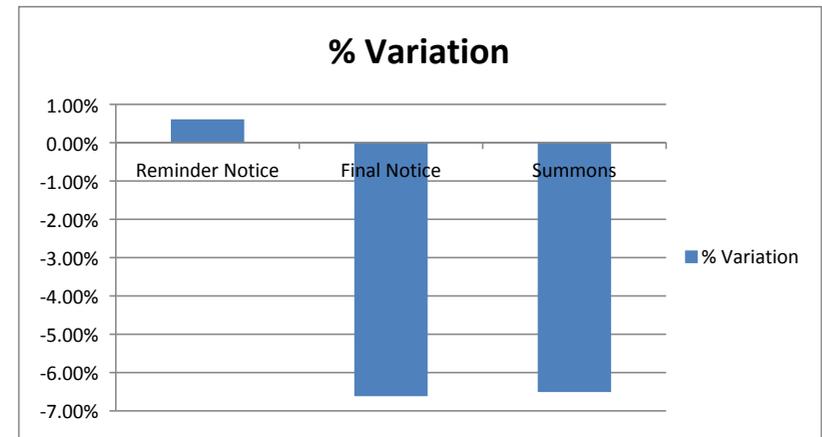
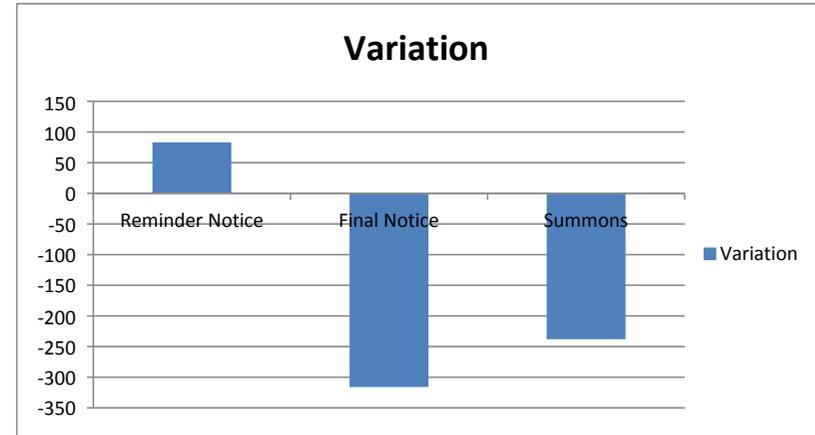
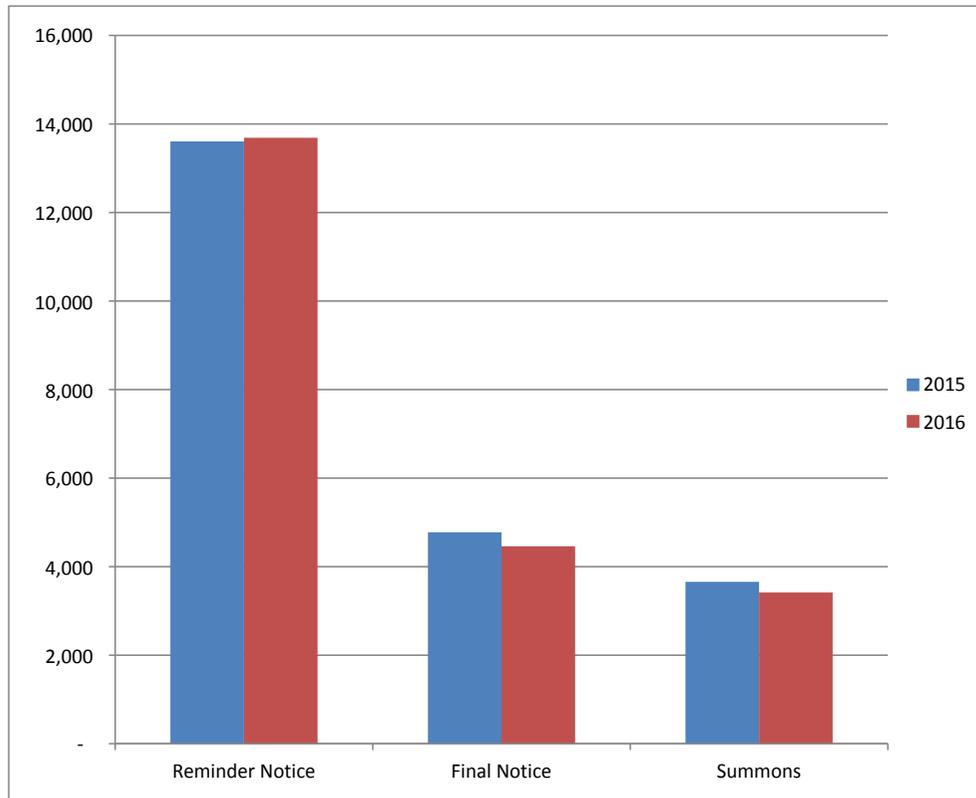
contact: Glen Pritchard
01732 876146
Andrew Rosevear
01732 876143

Sharon Shelton
Director of Finance and Transformation

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	Reminder Notice	Final Notice	Summons	Total
2015	13,605	4,776	3,657	22,038
2016	13,688	4,460	3,419	21,567
Variation	83	-316	-238	-471
% Variation	0.61%	-6.62%	-6.51%	-2.14%

ANNEX 1



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TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

21 June 2017

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 PUBLICATION OF ALLOWANCES PAID TO MEMBERS DURING THE FINANCIAL YEAR 2016/17

Publication of the Statement is required in accordance with regulation 15 (3) of the Local Authorities (Members Allowances) (England) Regulations 2003.

1.1 Background

1.1.1 In accordance with regulation 15 (3) of the Local Authorities (Members Allowances) (England) Regulations 2003, the Council is required to publish the actual allowances paid to Members during the course of the financial year. The Statement attached at **[Annex 1]** to this report was placed on display at the Council's Kings Hill and Tonbridge Castle offices and also appears on the Council's website.

1.2 Legal Implications

1.2.1 This is a requirement for all local authorities and publication is consistent with the requirements for data transparency.

1.3 Financial and Value for Money Considerations

1.3.1 Not applicable.

1.4 Risk Assessment

1.4.1 Failure to publish the Statement in accordance with the relevant regulation could result in adverse publicity and criticism against the Council.

1.5 Policy Considerations

1.5.1 Communications

Background papers:

contact: Brian Courtney

Nil

Sharon Shelton
Director of Finance and Transformation

ANNEX 1

In accordance with regulation 15 (3) of the Local Authorities
(Members Allowance) (England) Regulations 2003, I hereby publish details of
allowances paid to the Councillors of Tonbridge & Malling Borough Council
during the financial year 2016/17.

Member	Basic Allowance	Special Responsibility	Mileage	Subsistence/ Expenses	Carers Allowance
ANDERSON J A	5178.00	3197.94			
ATKINSON J A	2769.31	55.50			
BALDOCK O C	5178.00	1080.00			
BALFOUR M	5178.00				
BARKER S M	5283.00				
BASE M C	5283.00	550.00	70.20		
BATES P A	5283.00	660.00	83.95		
BELL S	5283.00				
BETTS R P	5178.00				
BISHOP T	5283.00				
BOLT P F	5283.00	55.50	243.90		
BOTTEN J L	5178.00				
BRANSON V M C	5283.00	2643.00			
BROWN B A	5178.00	327.00			
CANNON T I B	5283.00				
COFFIN M A	5178.00	8235.00			
CURE D J	5283.00	660.00	222.30		
DALTON R W	5283.00	440.50			
DAVIS D A S	5178.00	1296.00			
DAVIS M O	5178.00	1296.00	94.50		
DEAN T	5283.00				
EDMONDSTON-LOW T	5283.00	387.50			
ELKS B T M	5178.00				
HALL S M	5155.19	1121.29	240.04		
HAMMOND S M	5283.00				
HESLOP M F	5283.00	8400.00	193.10	29.50	
HESLOP N J	5186.75	18048.50	939.15	46.20	
JESSEL S R J	5283.00	1320.00			
KEELEY D	5283.00	333.00	48.60		
KEMP F A	5178.00	5178.00			
KING S M	5178.00	1296.00			
LANCASTER R D	5178.00	5178.00	28.80		
LETTINGTON D	5178.00	7410.56			
LUCK S L	3120.00				

In accordance with regulation 15 (3) of the Local Authorities
(Members Allowance) (England) Regulations 2003, I hereby publish details of
allowances paid to the Councillors of Tonbridge & Malling Borough Council
during the financial year 2016/17.

Member	Basic Allowance	Special Responsibility	Mileage	Subsistence/ Expenses	Carers Allowance
LUKER B J	5178.00	2120.44			
MARKHAM D	5283.00	0.00			
MONTAGUE P J	5178.00	1080.00			
O'TOOLE L J	5178.00	272.50			
OAKLEY A S	5283.00	3696.00			
PARRY-WALLER M	5178.00	5178.00		40.90	
PERRY S C	5178.00				
RHODES M R	5178.00	216.00			
ROGERS H S	5283.00	8400.00			
ROUD R V	5283.00				
SERGISON J L	5178.00	2589.00	125.55		
SHAW T B	5283.00				
SHRUBSOLE S O	5178.00	7410.56			
SMITH C P	5178.00				
SPENCE S V	5283.00	1320.00			
SULLIVAN A K	5178.00	5178.00	226.80		
TAYLOR F M	5283.00				
THOMAS G E	1604.78				
TOMBOLIS F G	5178.00	272.50			
WALKER B W	5283.00				
WALKER T C	5283.00	277.50			
TOTALS	279361.03	107179.79	2516.89	116.60	0.00
Independent Members of Standards Committee					
ASHTON DS	513.00				
GLEDHILL JM	513.00				

Sharon Shelton
Director of Finance & Transformation

April 2017

TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

21 June 2017

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 IT STRATEGY AND PROJECT UPDATE

This report updates Member on the progress, challenges and achievements of the current IT Strategy 2014 to 2017 and 'sets' the scene for the preparation of the new IT Strategy.

It also provides an update on progress with the project to replace the Audio/Visual equipment in the Chamber.

1.1 IT Strategy - Background

1.1.1 The current IT Strategy was agreed by FIPAB on 24th September 2014. The Strategy covered the period from 2014 to 2017.

1.1.2 This report sets out the achievements of the current Strategy and highlights the draft themes and topics for the new Strategy covering the period of 2018 to 2022.

1.1.3 The current strategy had four themes;

- Service Modernisation
- Communications
- Website
- Self-Service

1.1.4 Service Modernisation

1.1.5 The ICT infrastructure at Tonbridge and Malling needed an overhaul in order to bring it up to the standard to support further business improvement.

1.1.6 Prior to the strategy coming into effect we had just undergone a programme to eliminate Windows XP from the estate before its retirement from support in July 2014.

1.1.7 Following the adoption of the strategy we delivered;

- New Storage Area Network
- New Virtual Server environment
- Elimination and replacement of legacy Windows Server 2003 installations
- Elimination of legacy Novell software
- Upgrade the wireless infrastructure to make use of tablets more reliable
- Introduce PSN Roam \ Gov Roam to make wifi more useful when visiting other authorities
- Digital training trial ahead of wider rollout to 2nd tier
- Mobile and Flexible working – research and investigations into VDI have resulted in a viable project being introduced ready for the next IT Strategy
- Replaced IDOX DMS with Information@Work for Revs and Bens
- CRM system for Waste Management
- Complaints system
- IDOX Doc Loader for DC
- Parking Samsung phone rollout
- Forward Planning Consultation processing system
- Strategic Housing database for Forward Planning
- PVP register

1.1.8 Areas that we had problems with were;

- Elimination of Windows Server 2003 installations – user departments were not always able to test or implement new systems in a timely manner to assist removing these from the network
- Agile project management – whilst IT staff had been trained a shortfall was that user departments did not understand the process and timescales that have to be met to make the project successful. As a result projects have been run at times convenient for user departments which have made scheduling other projects difficult and led to delays
- Training providers for digital competencies have been hard to find

1.1.9 **Communications**

1.1.10 We delivered;

- New telephone system – Skype for Business
- New contact centre platform – Contact Expert
- New email system – Outlook and Exchange
- New email archiving system – Net Mail

1.1.11 Areas that we had problems with were;

- Transition between old and new telephone system. Very difficult to achieve without significant downtime and inconvenience to users. The linking of old and new systems was complex, had reliability issues, was difficult to manage, and gave a false impression of the reliability of the new system.
- Training on the new phone system. We provided class room training, hand out notes, one to one sessions, and repeat training for anyone that needed it. However, there have still been issues with incorrect use of the system due to users not grasping the concepts of the new system. This has also given a false impression of the new system.
- Transition between old and new email systems. . Same as with telephony, difficult to achieve without significant downtime and inconvenience to users. The linking of old and new systems was complex, had reliability issues, was difficult to manage, and gave a false impression of the reliability of the new system.

1.1.12 **Website**

1.1.13 We delivered;

- New website design which is mobile first and meets accessibility requirements
- Content review with service areas
- Introduced “web chat” to help customers
- Implemented the Social Sign In system and provided training
- Dynamic election results between modern.gov and website

1.1.14 Areas we had problems with were;

- Engagement with users for website testing and content review. There is a perception that this work is low priority and has to be fitted in around other commitments
- Losing the customer champion

1.1.15 **Self Service**

1.1.16 We delivered;

- My Account improvements – auto form population for address details
- Linked My Account to the LLPG for authoritative address data
- Introduced e-billing for Revs and Bens
- Integrated card payments into the website
- Saturday Bulky Freighter scheduling on the website
- Pre-planning advice form with associated payment
- Bulky waste booking online
- Abandoned vehicles reporting (location based form)

1.1.17 Areas we had problems with were;

- Loss of key IT staff at critical times during the project
- Changing specifications for users during development
- Data quality issues in back end databases
- User acceptance testing taking longer than hoped

1.2 **Draft themes for the new IT Strategy 2018 to 2022**

1.2.1 Building upon the IT infrastructure improvements delivered during the life of the previous strategy, the new strategy will look to improve staff efficiency, provide the foundations for effective business transformation and improve customer service.

- 1.2.2 The IT Strategy will provide focus and direction for the transformation and customer service improvement strategies, projects and work streams which are council-wide.
- 1.2.3 Projects arising from the IT Strategy will fall into two categories;
- Corporate – projects for the benefit of everyone (e.g. The adoption of Virtual Desktop Infrastructure)
 - Service Specific – projects assisting the delivery of a particular business outcome (e.g. The Revenues and Benefits Shared Service)
- 1.2.4 During the research phase we are consulting with service areas on their expectations of IT Service Delivery, what they would like to see, what projects they are going to undertake (or would like to undertake) in the next eighteen months and beyond to aid their transformation.
- 1.2.5 The research is also taking into account best practices that other authorities and the wider public and private sector are building into their strategies.
- 1.2.6 Current topics considered for inclusion in the new IT Strategy are;
- Provision of a faster more appropriate computing platform for staff, enabling them to work securely and efficiently whether that be on a desktop PC, laptop, or mobile tablet device.
 - Enable flexible working by providing access to business information and resources from any location at any time.
 - Continued development of the Council website as the most efficient and easiest place to conduct business with the Council.
 - Explore automation and machine learning as a method to improve service improvement and increase customer satisfaction.
 - Improve the quality of data sets in use by the Council so they are consistent, fit for purpose, and provide accurate information to customers on the website assisting with digital transformation of services.
 - Enable the data sets owned by the council to be joined up and used for Data Analytics so we are able to best use the assets we already have.
 - Use Business Intelligence so more informed decisions and evidence backed policies can be used by the Council.
- 1.2.7 It is anticipated that a draft of the new IT Strategy will be presented to this Board in the Autumn.

1.3 COUNCIL CHAMBER AUDIO / VISUAL UPDATE

- 1.3.1 The audio visual equipment in the Council Chamber and Committee Room has been in place for a number of years but is starting to show signs of age and wear-and-tear.
- 1.3.2 The audio conferencing system is no longer supported by the manufacturer making spare parts increasingly hard to find when any components need replacing.
- 1.3.3 The visual system is analogue based and does not provide the modern digital connections in use by current equipment that visitors may wish to connect or that IT are providing.
- 1.3.4 A capital plan evaluation was completed and agreed by Members to provide adequate funding for the replacement of the audio visual equipment.
- 1.3.5 IT and Property Services have commissioned the production of a high level design of audio visual requirements that can be used in a procurement exercise.
- 1.3.6 Property Services have identified a procurement framework that can be used to source supply and installation of equipment.
- 1.3.7 The high level design is in the final stages of review before the procurement exercise commences.
- 1.3.8 The preferred time for installation of the new system is during the summer holiday period when the Council Chamber availability is higher.

1.4 Legal Implications

- 1.4.1 Procurement policy should be followed for all projects arising from the IT Strategy and Council Chamber Audio Visual supply and installation.

1.5 Financial and Value for Money Considerations

- 1.5.1 The Capital Plan includes a budget allocation of £95,000 in 2017/18 for the replacement of the Conference system.
- 1.5.2 It also includes a budget allocation of £200,000 in 2017/18 for the Virtual Desktop Infrastructure project which is featured in the IT Strategy.

1.6 Risk Assessment

- 1.6.1 Availability of internal staff resources continues to be a concern although the recent appointment of a new Senior Technical Support Officer will help mitigate this.
- 1.6.2 Corporate strategies, goals and priorities need to align and support each other. The IT Strategy will support the activities and goals set by the Council.

1.7 Policy Considerations

1.7.1 Business Continuity/Resilience

1.7.2 Communications

1.7.3 Customer Contact

1.7.4 Procurement

Background papers:

contact: Darren Everden

Nil

Sharon Shelton
Director of Finance & Transformation

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Agenda Item 12

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 13

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

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

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Agenda Item 16

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

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