

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

To: MEMBERS OF THE COUNCIL

Dear Sir/Madam

I hereby summon you to attend a meeting of the Tonbridge and Malling Borough Council which will be held in the Civic Suite, Gibson Building, Kings Hill, West Malling on Tuesday, 31st October, 2017 at 7.30 pm, when the following business is proposed to be transacted:-

PART 1 - PUBLIC

- | | | |
|----|---|---------|
| 1. | Apologies for absence | 3 - 4 |
| 2. | Declarations of interest | 5 - 6 |
| | To declare any interests in respect of recommended items | |
| 3. | Minutes | 7 - 14 |
| | To confirm as a correct record the Minutes of the meeting of Council held on 11 July 2017 | |
| 4. | Mayor's Announcements | 15 - 16 |
| 5. | Questions from the public pursuant to Council Procedure Rule No 5.6 | 17 - 18 |
| 6. | Questions from Members pursuant to Council Procedure Rule No 5.5 | 19 - 20 |
| 7. | Leader's Announcements | 21 - 22 |

8. Reports, Minutes and Recommendations 23 - 24

To receive and consider reports, minutes and recommendations from the meetings of the Cabinet and Committees set out in the Minute Book and officers' reports on any matters arising from them, and to receive questions and answers on any of those reports.

Matters for recommendation to the Council are indicated below at items 9, 10 and 15 (the latter contains exempt information).

9. Strategic Risk Register 25 - 32

Item CB 17/54 referred from Cabinet minutes of 11 October 2017

10. Treasury Management Update and Mid-Year Review 33 - 56

Item CB 17/55 referred from Cabinet minutes of 11 October 2017

11. Appointment of Cabinet 57 - 58

To note the Leader's appointments to the Cabinet and the portfolios they will hold. (Details will be circulated at the meeting).

12. Appointment of Committees, Advisory Panels and Boards and Other Member Groups 59 - 60

To consider the composition and appointments made to a number of Committees, Advisory Panels and Boards and Other Member Groups as a consequence of the preceding item. (Details will be circulated at the meeting).

13. Appointments to Outside Bodies 61 - 62

14. Sealing of Documents 63 - 64

To authorise the Common Seal of the Council to be affixed to any Contract, Minute, Notice or other document requiring the same.

PART 2 - PRIVATE

15. Leisure Trust - Review of Service Fee/Business Plan 65 - 100

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

Item CB 17/64 referred from Cabinet minutes of 11 October 2017

JULIE BEILBY
Chief Executive
Monday, 23 October 2017

Apologies for absence

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Agenda Item 2

Declarations of interest

To declare any interests in respect of recommended items.

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TONBRIDGE AND MALLING BOROUGH COUNCIL

COUNCIL MEETING

Tuesday, 11th July, 2017

At the meeting of the Tonbridge and Malling Borough Council held at Civic Suite, Gibson Building, Kings Hill, West Malling on Tuesday, 11th July, 2017

Present: His Worship the Mayor (Councillor R W Dalton), the Deputy Mayor (Councillor Mrs P A Bates), Cllr Mrs J A Anderson, Cllr O C Baldock, Cllr Mrs S M Barker, Cllr M C Base, Cllr Mrs S Bell, Cllr R P Betts, Cllr T Bishop, Cllr P F Bolt, Cllr J L Botten, Cllr V M C Branson, Cllr Mrs B A Brown, Cllr M A Coffin, Cllr D J Cure, Cllr D A S Davis, Cllr Mrs T Dean, Cllr T Edmondston-Low, Cllr B T M Elks, Cllr S M Hammond, Cllr N J Heslop, Cllr D Keeley, Cllr D Keers, Cllr R D Lancaster, Cllr D Lettington, Cllr Mrs S L Luck, Cllr D Markham, Cllr P J Montague, Cllr Mrs A S Oakley, Cllr L J O'Toole, Cllr M Parry-Waller, Cllr S C Perry, Cllr M R Rhodes, Cllr H S Rogers, Cllr R V Roud, Cllr Miss J L Sergison, Cllr C P Smith, Cllr A K Sullivan, Cllr M Taylor, Cllr Miss G E Thomas, Cllr F G Tombolis, Cllr B W Walker and Cllr T C Walker

Apologies for absence were received from Councillors M A C Balfour, T I B Cannon, M O Davis, Mrs M F Heslop, S R J Jessel, Mrs F A Kemp, S M King, B J Luker, Miss S O Shrubsole and Ms S V Spence

PART 1 - PUBLIC

C 17/48 DECLARATIONS OF INTEREST

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

C 17/49 MINUTES

RESOLVED: That the Minutes of the proceedings of the meeting of the Council held on 16 May 2017 be approved as a correct record and signed by the Mayor.

C 17/50 MAYOR'S ANNOUNCEMENTS

The Mayor reported that since the Annual Council meeting he or the Deputy Mayor had attended around 65 engagements including school fetes, plays and award presentations. He commented on the amount of talent within the Borough and highlighted an outstanding performance of "Beauty and the Beast" by the students of Hillview School who had

offered to put on a smaller event for Age UK Dementia Day Care Centre near Christmas.

The Mayor mentioned a range of memorable events, in particular the Royal Garden Party, the Tonbridge Lions and Snodland Carnivals, the opening of the Tree of Hope charity in Tonbridge, the Primary Schools Kwik Cricket Festival and the Heusenstamm Friendship School Reception. He also thanked those who had attended his Civic Service and reminded Members of the forthcoming Garden Party at Hadlow College on 27 July. The Mayor's Quiz would be hosted at the Guy Salmon Jaguar dealership at Aylesford on a date to be confirmed.

C 17/51 QUESTIONS FROM THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO 5.6

No questions were received from members of the public pursuant to Council Procedure Rule No 5.6.

C 17/52 QUESTIONS FROM MEMBERS PURSUANT TO COUNCIL PROCEDURE RULE NO 5.5

Councillor M Taylor asked the following question pursuant to Council Procedure Rule No 5.5:

“Addressed to Chief Executive

- (1) If the outcome of the Parish Standards Panel Hearing 12/13 June is a recommendation back to the Standards Committee, or more properly the Parish Council involved, why has the draft "Formal Letter to Councillor Taylor" already been released into the Public Domain, long before BGPC had the opportunity to ratify and adopt the recommendation on 3 July? Specifically Kent Online report 29 June 2017 (copy attached).
- (2) Why did the Monitoring Officer brief TMBC's Barrister to the Panel about a hypothetical future Standards Complaint, no such complaint having been lodged or advised to date?"

To which the Chief Executive replied as follows:

“At the Panel hearing on 12 and 13 June 2017, the Standards Hearing Panel found that Cllr Taylor had breached the Borough Green Parish Council Code of Conduct. It resolved as follows:

- (1) The Panel's findings be reported to Borough Green Parish Council and the Parish Council be invited to issue Cllr Taylor with a formal censure for obstructing the Headmaster.
- (2) A formal letter be sent to Cllr Taylor on behalf of the Hearing Panel.

- (3) The Panel's findings be published by publication on the TMBC website, by email to the local press, the clerk to Borough Green Parish Council and members of Borough Green Parish Council.

The first of these is a recommendation to Borough Green PC, so therefore requires ratification by the Parish Council. The second and third elements of the sanctions are not recommendations to the Parish Council, nor do they require approval by either the Joint Standards Committee or the full Council of Tonbridge & Malling Borough Council. In accordance with paragraphs 4.1(j) and (l) of the Hearing Panel Procedure, they are sanctions that may be imposed by the Hearing Panel itself.

Under the Hearing Panel Procedure, once a Hearing Panel has made a decision, a summary of the panel's decision and recommendations, and the reasons for those decisions and recommendations, is published on the Council's website within 10 days.

Furthermore, the Borough Council is under a duty to make available to the public agendas, decisions and documents relating to proceedings of all of its committees and sub-committees, including the hearing panel, to the extent they do not disclose exempt information.

The Monitoring Officer did not brief the Council's barrister about a 'hypothetical future Standards Complaint'. Rather, the barrister was advised of an existing complaint against Cllr Taylor, in which the complainant has requested that their identity remain confidential. Whilst details of the complaint have not currently been disclosed to Cllr Taylor, I am aware that the Monitoring Officer explained to Cllr Taylor after the hearing that this position would be reviewed in the event that the complaint were to proceed to investigation."

C 17/53 PETITION - KEEP RIVER LAWN GREEN

The report of the Management Team gave details of a petition submitted on behalf of the "Keep River Lawn Green" organisation in relation to intended disposals of land owned by the Council at River Lawn Road and 1 – 4 River Walk, Tonbridge. At the time of the initial submission the petition had 1,576 signatories and satisfied the requirement under the adopted Petition Scheme that petitions containing more than 1,500 signatures should be debated by the Full Council. By the date of publication of the Council agenda the Barden Residents Association submitted an electronic copy of the petition on behalf of Keep River Lawn Green with 1,617 signatories together with a separate paper petition containing a further 1,601 signatures. The petition called upon the Council to "stop their plans to sell off River Lawn and old CAB building in River Walk until a proper public consultation has been held".

Mr M Hood, as the organiser of the petition, addressed the Council and in accordance with Council Procedure Rule No 5.17.4, Ms L Athey was also permitted to speak. Members then discussed the matter, a motion to suspend the 15 minute time limit for debate specified in the Petition Scheme having been defeated. It was noted that as the issue raised in the petition was one on which the Cabinet was required to make the final decision, the role of the Council was to consider whether to make any recommendations to inform that decision.

It was proposed by Councillor R Lancaster, seconded by Councillor B Elks and

RESOLVED: That the Council invites Cabinet to note the petition in respect of the open space at River Lawn when considering responses to the consultation on the disposal of the larger area of open space on this site. Council is mindful that a decision to proceed with the disposal of 1 – 4 River Walk was taken by Cabinet on 9 February 2017. Having carefully considered the matters raised in the petition, no recommendations are made to Cabinet on this disposal.

C 17/54 LEADER'S ANNOUNCEMENTS

Incidents

The Leader referred to the appalling events of the Manchester bombing, the attacks on London Bridge and surrounding area and at Finsbury mosque and then the Grenfell Tower fire, each of which had ended innocent lives, wrecked families and individuals and left affected communities in shock. He advised that in respect of the terrorist attacks, the Chief Executive ensured that the Council took part in Kent wide strategic briefings led by the Police and was guided by them in reviewing the safety of events, the Council's own service delivery and community issues within the Borough area.

Turning to the awful fire at Grenfell Tower, the Leader wanted to assure Members that the Director of Planning, Housing and Environmental Health had also ensured that the Council worked with partners across Kent, both in the social rented sector and also with private landlords. He had advised there were no similar tower blocks to Grenfell within the Borough. Whilst the Borough Council was not a housing stock-holding authority and had no direct responsibility in that regard, contact had been made with all Housing Association (HA) partners to ensure they were following due diligence in their role as 'responsible person' in ensuring that fire safety duties under the relevant regulations were fulfilled. The Leader was pleased to report that the feedback received from the Housing Associations thus far was that they were undertaking various reviews of their buildings and fire risk assessments and most were carrying out direct contact with their tenants. Liaison with each HA would be maintained and practical assistance offered where appropriate and possible.

Members were also informed that the Council was working in liaison with Kent Fire and Rescue Service (KFRS). In particular, an exercise had been undertaken to identify all residential buildings in the Borough of four storeys and over to assist with the overall assessment of risk by KFRS and also by landlords. Most of these buildings were in private ownership although there were some owned or managed by the Housing Associations.

The Council Private Sector Housing team was also working with KFRS to undertake joint visits where necessary as part of their high rise reassurance campaign. Whilst the Council's focus had been primarily on buildings in residential use, other key buildings had also featured in the consideration, such as West Kent College where there was contact with the College's property department. The next task was to identify any use of insulated cladding systems on those buildings although the Leader pointed out that it was not entirely straight forward because the Borough Council may not have been the Building Control Authority for all the buildings under consideration. Members were advised that staff were fielding multiple requests for information from a number of agencies which was keeping the Building Control team busy.

In addition the Council was reviewing its own fire risk measures and would formally review the strategic fire risk assessments in buildings which it occupied or those which were used by partners, such as the Leisure Trust, once further findings from the Grenfell enquiry were available. The Leader indicated that this might lead to some changes to practice and in some cases some small works. If anything more significant emerged it would be considered very carefully for attention.

Elections

Since the last full Council, the Kent County Council elections took place and then there was the General Election. The Leader commented on the challenge that both had presented to staff across the whole Borough Council and he thanked the Chief Executive and the staff for the smooth running of both elections.

Savings and Transformation Strategy

The Leader referred to the recognition that there was no one simple solution to addressing the very significant financial challenges faced by the Council. The Savings and Transformation Strategy, adopted by the full Council, provided a structure, a clear focus and a direction in addressing the significant challenges ahead. Members were aware that there was an identified target to deliver savings and/or generate new income streams within a relatively short timetable. When the budget was set by the Council in February 2017 the projected funding gap was £1.6M and the initial savings target set at £650,000 to be achieved and delivered by 1 April 2018.

The Finance, Innovation and Property Advisory Board had recently learnt that progress continued to be made towards meeting the savings target for this year, for example by the renegotiation of the services fee to Tonbridge and Malling Leisure Trust. However, the Leader highlighted the stark reality that there was still some way to go in identifying further savings that would contribute to meeting this year's target – let alone the remainder of the funding gap of £950,000. He said that the risk was that failure to identify and deliver those savings would put the Council on the edge of a financial precipice; somewhere it had never been and would not wish to go.

The Leader stated that it was important to recognise that the funding gap and thus the savings targets now faced were despite the fact that the Council had delivered over £3M in savings over the last four to five years. That in itself was an enormous achievement by for example: the creation of the Leisure Trust; review of the summer playscheme; the introduction of Special Expenses and the associated cessation of grants to parish councils; plus a wide scale reduction in the Council's establishments. However, it was not possible to stop there. The Leader was sure that Members did not need reminding that the Council was now totally reliant on council tax, its share of business rates, new homes bonus, fees and charges and investment income for delivering local services.

The future of funding for Local Government Services was unclear, the Council's financial arrangements with Government for the next three year were predicated on the future move to the full business rates retention scheme and the absence of any commitment to this in the recent Queen's Speech had created a void of uncertainty.

C 17/55 HUMAN RESOURCES STRATEGY UPDATE

Item GP 17/13 referred from General Purposes Committee minutes of 26 June 2017

RESOLVED: That the recommendations at Minute GP 17/13 be approved.

C 17/56 REVENUES AND BENEFITS - SHARED SERVICE

Item CB 17/46 referred from Cabinet minutes of 28 June 2017

RESOLVED: That the recommendations at Minute CB 17/46 be approved.

C 17/57 TREASURY MANAGEMENT UPDATE AND ANNUAL REPORT FOR 2016/17

Item AU 17/31 referred from Audit Committee minutes of 3 July 2017

RESOLVED: That the recommendations at Minute AU 17/31 be approved.

C 17/58 LOCALISM ACT 2011 - APPOINTMENT OF INDEPENDENT PERSONS

The report of the Monitoring Officer outlined the provisions of the Localism Act 2011 regarding the appointment of Independent Persons and arrangements for recruitment following the expiry of the terms of office of the current Independent Persons who were not seeking reappointment. A supplementary report gave details of the outcome of the recruitment process including the two applicants to whom it was proposed to offer the position.

RESOLVED: That

- (1) Mr Clive Grenyer and Mr David Mercier be appointed as Independent Persons under section 28 of the Localism Act 2011 for a term expiring on 30 June 2022; and
- (2) thanks be recorded to Mr David Ashton and Mr John Gledhill for their years of service as Independent Persons.

C 17/59 APPOINTMENTS TO OUTSIDE BODIES

Consideration was given to the report of the Director of Central Services regarding the reappointment of Mrs D Huntingford as a nominative trustee of the Tonbridge United Charity for a further four year term for the period November 2016 to November 2020.

In a supplementary report circulated in advance of the meeting details were given of an invitation to consider the reappointment of Councillor Mrs P Bates as a local trustee of Sir Thomas Smythe's Charity for the parish of St Peter and St Paul with St Saviour, Tonbridge.

RESOLVED: That

- (1) Mrs D Huntingford be reappointed as a trustee of the Tonbridge United Charity for a further four year term;
- (2) Councillor Mrs P Bates be reappointed as a local trustee of Sir Thomas Smythe's Charity for the parish of St Peter and St Paul with St Saviour for a further four year term; and

- (3) appreciation be recorded of the contribution of councillors and members of the public serving on outside bodies.

C 17/60 SEALING OF DOCUMENTS

RESOLVED: That authority be given for the Common Seal of the Council to be affixed to any instrument to give effect to a decision of the Council incorporated into these Minutes and proceedings.

PART 2 - PRIVATE

C 17/61 REVENUES AND BENEFITS - SHARED SERVICE

(LGA 1972 Sch 12A Paragraph 5 – Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings)

Item GP 17/16 referred from General Purposes Committee minutes of 26 June 2017

RESOLVED: That the recommendations at Minute GP 17/16 be approved.

C 17/62 PETITION - RESTRICTED ANNEXES

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

Restricted annexes to Cabinet report of 9 February 2017 for information.

The meeting ended at 8.35 pm

Mayor's Announcements

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Agenda Item 5

Questions from the public pursuant to Council Procedure Rule No 5.6

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Agenda Item 6

Questions from Members pursuant to Council Procedure Rule No 5.5

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Leader's Announcements

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Agenda Item 8

Meeting	Page Nos in Minute Book	Recommendations to Council
11 July: Council - Minute Numbers: C 17/48 – 62	3 – 10	
13 July: Area 3 Planning Committee - Minute Numbers: AP3 17/17 – 22	11 – 14	
28 July: Licensing and Appeals Panels (3) - Minute Numbers: LA 17/33 – 41	15 – 20	
4 August: Licensing and Appeals Panels (2) - Minute Numbers: LA 17/42 – 47	21 – 24	
16 August: Area 2 Planning Committee - Minute Numbers: AP2 17/36 – 40	25 – 26	
24 August: Area 3 Planning Committee - Minute Numbers: AP3 17/23 – 29	27 – 28	
4 September: Audit Committee - Minute Numbers: AU 17/40 – 48	29 – 32	
27 September: Area 2 Planning Committee - Minute Numbers: AP2 17/41 – 46	33 – 36	
28 September: Licensing and Appeals Committee - Minute Numbers: LA 17/48 – 52	37 – 38	
4 October: Licensing and Appeals Panels (3) - Minute Numbers: LA17/53 – 61	39 – 44	
11 October: Cabinet - Minute Numbers: CB 17/52 – 64	45 – 48	CB 17/54, 55 and 64
Cabinet Decision Notices - D170047MEM – D170049MEM - D170050MEM – D170053MEM - D170054MEM – D170056MEM - D170057MEM – D170058MEM - D170059MEM - D170062MEM - D170063MEM - D170065MEM - D170066CAB – D170070CAB	49 – 86	
26 October: Area 1 Planning Committee - Minute Numbers: AP1 17/19 –	To follow	

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Item CB 17/54 referred from Cabinet minutes of 11 October 2017

CB 17/54 STRATEGIC RISK REGISTER

The report of the Management Team presented the updated Strategic Risk Register which had been considered and endorsed by the Audit Committee on 4 September 2017. It was noted that the revised Register had been aligned with the new Corporate Strategy.

The Leader commended the actions of officers during the weekend of the Holborough flats fire and requested that thanks be conveyed to all involved.

RECOMMENDED: That the updated Strategic Risk Register set out at Annex 1 to the report be adopted by the Council.

***Referred to Council**

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TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

11 October 2017

Report of the Management Team

Part 1- Public

Matters for Recommendation to Council

1 STRATEGIC RISK REGISTER

Cabinet are asked to review the updated Strategic Risk Register considered and endorsed by the Audit Committee on 4 September 2017 for subsequent recommendation to Council.

1.1 Introduction

- 1.1.1 The Risk Management Strategy of the Council is to adopt best practices in the identification, evaluation, and cost-effective control of risks. This is intended to ensure that risks are reduced to an acceptable level or, where reasonable eliminated, thereby safeguarding the Council's assets, employees and customers and the delivery of services to the local community. Examples of risk include budget deficit, cyber/data loss, environmental and reputational.
- 1.1.2 The Council endeavours to pursue a forward-looking and dynamic approach to delivering services to the local community and will not be averse to taking a degree of commercial risk. However, it will always exercise a prudent approach to risk taking and decisions will be made within the parameters of the Council's internal control arrangements, i.e. Constitution, Procedural Rules, etc. These arrangements will serve to ensure that the Council does not expose itself to risks above an acceptable level.

1.2 Strategic Risk Register

- 1.2.1 The Strategic Risk Register [**Annex 1**] has been reviewed and updated to align with the new Corporate Strategy. Cabinet are asked to review the updated Strategic Risk Register considered and endorsed by the Audit Committee for subsequent recommendation to Council.
- 1.2.2 As risk changes this is considered to be a live document that will be updated as and when required with periodic reporting to the Audit Committee for information together with a more formal annual review.

1.3 Legal Implications

- 1.3.1 There is a Health and Safety requirement for effective risk management to be in place and the strategy supports this requirement.
- 1.3.2 There is also a requirement in the Accounts and Audit Regulations that accounting control systems must include measures to ensure that risk is appropriately managed.

1.4 Financial and Value for Money Considerations

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

1.5 Risk Assessment

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

1.6 Equality Impact Assessment

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

1.7 Recommendations

- 1.7.1 Cabinet are asked to **review** the Strategic risk Register and subject to any amendment required **recommend** to Council it be adopted.

Background papers:

contact: Samantha Buckland

Nil

Sharon Shelton

Director of Finance and Transformation on behalf of the Management Team

No	Risk Title	Risk Type	Consequences	Date identified	Current Mitigation	Likelihood Score	Impact score	Overall risk score	Desired risk score	Actions required	Links to Corporate Objectives / Strategies	Lead on behalf of Management Team	Review Date
1	Safeguarding and PREVENT	R, S	Significant reputational impact should a child, young person or vulnerable adult come to harm, including radicalisation and child sex exploitation, and TMBC are unable to demonstrate appropriate processes were in place.	01/04/2017	The responsibility for safeguarding has recently moved to the Chief Executive, rather than an individual service and a review implemented. An Audit review was commissioned which identified progress to date. Positive direction of travel noted in majority of areas (policy, training, engagement with other agencies). Areas of weakness identified and an action plan is being developed to address areas/necessary actions. Corporate Safeguarding Policy, DBS checking, Staffing/Member training. PREVENT training for staff. Attendance at K&M Adults Safeguarding Board, Local Children's Partnership Group. Training delivered to all Hackney Carriage and Private Hire drivers.	4	4	16	12	Posts eligible for DBS checks being reviewed by Legal Services and a Central recording system being commissioned. Audit to be reviewed early in 2018.	Safeguarding Policy	Chief Executive	Mar-18
2	Financial position/budget deficit	F, R	Financially unstable organisation. Failure to deliver a balanced budget, detrimental impact on quality of service, increased intervention. Failure to maximise New Homes Bonus.	01/04/2017	Medium Term Financial Strategy (MTFS) in place and reviewed regularly. Annual review of Treasury Management and Investments strategies. Effective budget setting process and financial monitoring in place; Robustness tested and adequacy of reserves. External Audit review MTFS. Savings & Transformation Strategy (S&TS). External audit of Accounts. Financial Procedure Rules. Monitor taxbase.	4	3	12	9	Areas of potential savings to be formally identified and prioritised, with commitment to delivery of those selected	Vision- to be a financially sustainable Council. Taking a business like approach.	Director of Finance and Transformation	Nov-17
3	Brexit Impact and Economic Stability	F	Financial impact and effect on the economy as well as uncertainty around current EU legislation, i.e. what replaces it, could have a significant financial impact and lead to legislative changes impacting on finance and resources.	01/04/2017	Regular review of MTFS. Kent-wide working to understand, plan for and react to pressures. Regular review of Treasury Management and Investment strategies. Economic factors reflected in MTFS.	4	3	12	12	Ongoing monitoring of landscape and consideration of issues arising.	N/A - external risk.	Director of Finance and Transformation	As required
4	Corporate Strategy and Savings and Transformation Strategy	F, R, S	Failure to meet objectives and/or make savings, including those arising from the planned West Kent Waste Partnership. Impact on quality of service, budget overspends, salami slicing, etc. staff motivation impacted and increased risk of fraud or error.	01/04/2017	Savings and Transformation Strategy reviewed and updated. Corporate Strategy reviewed and updated. Regular update reports to MT and Members Annual review of Savings & Transformation Strategy.	3	4	12	9	Areas of potential savings to be formally identified and prioritised, with commitment to delivery of those selected. Commissioning of in service reviews via MT to identify potential areas of transformation and savings. Strategic asset management review to deliver new income.	Vision- to be a financially sustainable Council focusing on ensuring good value for money, continuously reviewing how our services are provided and funded, focusing our available resources where they will have most beneficial impact, and maximising commercial opportunities. Taking a business like approach.	Chief Executive / Director of Finance and Transformation	Nov-17

No	Risk Title	Risk Type	Consequences	Date identified	Current Mitigation	Likelihood Score	Impact score	Overall risk score	Desired risk score	Actions required	Links to Corporate Objectives / Strategies	Lead on behalf of Management Team	Review Date
5	Local Plan	F, R	Lack of sound legal footing for Plan leading to risk of failure at Examination. Risk of challenge from not meeting identified development needs. Reputational risk and widespread public concern arising from decision making on strategic development. Lack of infrastructure to support future development.	01/04/2017	Audit of Local Plan process in hand. Update and review of evidence base underway in advance of Regulation 19 consultation. Specialist consultants engaged where appropriate and counsel briefed. Duty to Cooperate discussions and audit in hand. Clear explanation of local plan process and requirement to Members and through consultation with communities. Liaison with service and infrastructure providers.	4	3	12	9	Further refinement of evidence and narrowing down of sites to address development needs. Liaison with adjoining authorities and other agencies. Clear communications strategy to enable public understanding of proposals.	Local Plan assists in economic growth, delivering the supply of future housing and addressing affordability. Procedures set by National Government	Director of Planning, Housing and Environmental Health	May-18
6	Organisational development inc staff recruitment and retention/skills mix	F, R, S	Lack of resources or the right skills to deliver required outcomes, loss of key professionals/senior officers due to pay constraints and pressures, reduced staff morale and quality of work, leading to financial loss, reputational damage and detrimental impact on staff wellbeing.	01/04/2017	Review of staff resources and skills via service reviews. Organisational structure review as part of S&TS to achieve efficiency, coordinated service delivery and reflect changing legislative and policy requirements and priorities.	4	4	16	12	Succession planning Develop further skills and expertise through strategies such as shared services and specialist Commissioning. Engagement of external consultants and specialists. Resilience and rationalisation of existing structures. Further discussions to be undertaken by MT to agree strategies and resultant actions for recruitment and retention.	HR Strategy Savings and Transformation Strategy	Chief Executive	Jun-18
7	Health and Safety	F, R, S	Significant reputational impact should a service user, officer, member or contractor come to harm and TMBC are unable to demonstrate appropriate processes were in place (could be merged with safeguarding although arguably a different thing).	01/04/2017	Health and Safety Policy review. Lone working policy and service based practices to be continuously monitored. Item on SMT agendas Staff involved in JECC (supported by Members) Ongoing review undertaken to react to potential key risk areas Organisational learning and response to national events	3	4	12	12	Further embedding and dissemination of good practice through staff briefing	Staff wellbeing and customer care underpin the Council's fundamental service and corporate objectives	Director of Planning, Housing and Environmental Health	Sep-18
8	Compliance with legislation inc new GDPR requirements	F, R	Failure to meet legislative requirements or statutory obligations may result in financial penalties and/or damage to the Council's reputation.	01/04/2017	Nominated Senior Information Risk Officer Compliance/legal assessment of decisions included in all Board reports Constitution General Data Protection Regulation requirements to be addressed by Information Governance Group CPD and professional monitoring Corporate Governance and GDPR audits Legal involvement and sign-off of key projects and involvement in governance groups	3	4	12	8	Continued dissemination of new legislative requirements. Officers to ensure maintenance of professional training requirements	Need to ensure that all 7 key themes of the Corporate Strategy are delivered in lawful manner.	Director of Central Services and Monitoring Officer	Jul-18
9	Cyber security	F, R	Loss of data and legislative breach, leading to financial penalties and reputational impact.	01/04/2017	IT Security Policy. Network Security measures (firewall, access level controls). Consideration of cyber insurance. Creation of Information Governance Group to oversee and manage risks	4	4	16	12	Procurement of cyber security "recovery" contract via Kent Connects. Prioritisation of resources (financial and human) to ensure that priority is given to relevant updates etc. Cyber awareness training to be finalised and rolled out to all staff.	IT Strategy	Director of Finance and Transformation	Nov-17
10	IT Infrastructure	F, R	Failure to adequately invest resulting in inability to keep pace with technological change, leading to systems that are not fit for purpose to meet organisational need.	01/04/2017	IT Strategy and Action plans reviewed and updated. Invest to Save opportunities and funding.	4	4	16	12	Commitment to produce new IT Strategy for presentation into Members Autumn 2017. Linkage with MTFS and Savings and Transformation Strategy. Development of virtualisation project to enable efficient and effective ways of working. Review and upgrade of data quality within systems to ensure that improvements and efficiencies can be achieved.	IT Strategy	Director of Finance and Transformation	Jan-18

No	Risk Title	Risk Type	Consequences	Date identified	Current Mitigation	Likelihood Score	Impact score	Overall risk score	Desired risk score	Actions required	Links to Corporate Objectives / Strategies	Lead on behalf of Management Team	Review Date
11	Elections	R	Failure to comply with legislation, miscounts and significant reputational impact.	01/04/2017	Ensure experienced staff are in place, corporate team reviewing activity and monitoring progress. A temporary issue has arisen with the election Manager being on long term sick leave. Mitigation includes bringing in experienced external staff, to work alongside election office and RO / DRO's. Additional admin and project management skills also brought into election planning team.	2	4	8	8	Broadening of staff skills and experience to build resilience	Statutory requirement	Chief Executive	As required
12	Business Continuity and Emergency Planning	F, R, S	Failure to provide statutory service or meet residents' needs resulting in additional costs, risk of harm and reputational impact. Impact/pressures on services and resources. Failure to ensure proper safeguards to prevent or to respond adequately to a significant disaster/event e.g. terrorist attack at a large scale public event or fire.	01/04/2017	Business Continuity Plan inc Corporate (BC) Risk Register, Disaster Recovery Plan, Inter-Authority Agreement, increased resilience through Mutual Aid and Kent Resilience Team (Please see Business Continuity Plan and Corporate Risk Register for more detail).	3	4	12	12	Emergency planning documentation undergoing constant review and key aspects exercised on an annual basis. Members of Management Team undertaking MAGIC training on an annual basis. Business Continuity working group established to review and update existing Plan. Updated plan to be considered by Management Team and tested by a training exercise.	Business continuity underpins the delivery of the Council's essential services	Director of Street Scene, Leisure & Technical Services	Jul-18
13	Devolution	F, R, S	Uncertainty about future operating models and changes / opportunities in responsibilities or service provision leading to financial pressures, impact on quality of services, reputational damage.	01/04/2017	Continual scanning of national / regional and Kent wide agenda by CE / Corporate Services manager. Participation in county wide debate via Joint Kent Chief Execs and Kent Leaders meetings	3	3	9	9	N/A	External risk/national issue	Chief Executive	As required
14	Partnerships inc shared services	F, R, S	Reliance on partners to deliver key services. Could include specific partnership or shared service models such as the Leisure Trust and Revenues and Benefits and risks around service delivery and impact on staff morale / retention if base moves from TMBC . Potential resistance to shared services / partnerships impacting on ability to deliver Savings & Transformation Strategy.	01/04/2017	Regular liaison meetings with partners. Partnership Agreements in place and reviewed as appropriate. Good communication with staff.	3	3	9	9	N/A	Savings and Transformation Strategy	Chief Executive	As required
15	Welfare reform inc Housing need	F, R, S	Safeguarding impact on TMBC residents due to reduction in benefits, increase in applications for DHP, etc. Failure to adequately understand and meet housing needs and return unsuitable properties to use leading to increase in homelessness or occupation of unsuitable homes. Financial impact of increased emergency accommodation and failure to maximise new homes bonus.	01/04/2017	Cross sector working (e.g. welfare reform group) to identify issues and solution. Providing advice to residents on welfare and housing issues, or signposting to relevant providers. Working with partners to identify land and funding opportunities. Working with Registered Provider Partners to ensure needs of residents are being met. Working with owners to bring long term empty properties back into use. New initiatives for Temporary Accommodation. Review implications for new Homeless Reduction Act requirements. Concessionary charges for key services EQIA assessment of key decisions included in all Board reports.	4	3	12	9	Prepare for impact of further roll out of Universal Credit by learning from other areas earlier in the programme. Consideration of review of housing service to meet the needs following Housing legislative changes.	Promoting Fairness - acting transparently at all times and being accountable for what we do, and promoting equality of opportunities. Embracing Effective Partnership Working - achieving more by working and engaging effectively with a wide range of local partners from the private, public, voluntary and community sectors.	Director of Finance and Transformation/ Director of Planning, Housing and Environmental Health	Nov-17
16	Political factors including stability of political leadership and decision making	F, R	Decisions required to achieve objectives including corporate strategy and savings and transformation may not be made and therefore required savings not achieved.	01/04/2017	Close liaison with Leader, Deputy Leader and Cabinet in developing the Savings & Transformation Strategy. Clear and comprehensive reports to support Members in making appropriate decisions to support the S&TS.	3	3	9	9	Member briefings and training sessions.	Underpins delivery of overall strategy and Savings and Transformation.	Chief Executive	As required

No	Risk Title	Risk Type	Consequences	Date identified	Current Mitigation	Likelihood Score	Impact score	Overall risk score	Desired risk score	Actions required	Links to Corporate Objectives / Strategies	Lead on behalf of Management Team	Review Date
17	Flooding	F, R, S	Impact on resources to support emergency planning, financial impact due to damage, loss of resources, etc. Residents and staff put at risk of harm. Impact on key flood risk areas - Tonbridge, Hildenborough, East Peckham and Aylesford.	01/04/2017	Working with partners (EA/KCC/LEP) to secure funding and implement flood defence schemes which will reduce risk of future flooding.	3	4	12	12	Funding committed to assist in implementation of flood defence works including increasing capacity of Leigh Flood Storage. Ongoing support of Leigh FSA and involvement with Medway catchment partnerships. Reduction of risk dependent on funding and implementation of projects therefore longer term.	Emergency Plan Civil Contingencies Act 2004 Kent Emergency Response Framework West Kent Partnership and Medway Catchment Partnership	Director of Street Scene, Leisure & Technical Services	Mar-18

Key

F Financial

R Reputational

S Health and Safety inc safeguarding

Item CB 17/55 referred from Cabinet minutes of 11 October 2017

CB 17/55 TREASURY MANAGEMENT UPDATE AND MID-YEAR REVIEW

The report of the Director of Finance and Transformation provided an update on treasury management activity undertaken during the period April to July 2017. It also included an update on progress in securing property fund investment and a mid-year review of the Annual Investment Strategy and risk parameters. Members were invited to endorse the action taken by officers in respect of treasury management activity to date, note the progress in respect of property fund investment and retain the current risk parameters.

The report had also been considered by the Audit Committee at its meeting on 4 September 2017 and the action commended for endorsement.

RECOMMENDED: That the following be commended to the Council:

- (1) the action taken by officers in respect of treasury management activity for the period April to July 2017 be endorsed;
- (2) the progress made in respect of property fund investments be noted; and
- (3) the existing parameters intended to limit the Council's exposure to investment risks be retained.

***Referred to Council**

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TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

11 October 2017

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Recommendation to Council

1 TREASURY MANAGEMENT UPDATE AND MID-YEAR REVIEW

A report detailing treasury management activity undertaken during the period April to July of the current financial year was considered by Audit Committee on 4 September. The report also provided an update on progress in securing property fund investment and reminded Members of the parameters that define the Council's risk appetite. Cabinet are invited to recommend that Council endorse the action taken by officers in respect of treasury management activity to date, note the progress made in respect of property fund investment and retain the current risk parameters.

1.1 Introduction

- 1.1.1 Council adopted the 2009 CIPFA Code of Practice for Treasury Management on 18 February 2010. That Code, and subsequent updates, requires as a minimum that full Council approves an annual strategy prior to the start of the financial year, a mid-year review of that strategy (this report) and an outturn report.
- 1.1.2 Additional reports updating Members on current activity are presented to the Audit Committee and performance is also reported on a regular basis to the Finance, Innovation and Property Advisory Board. The combination of Member reporting and detailed scrutiny of activity ensures this Council complies with best practice.
- 1.1.3 The treasury management report presented to the Audit Committee on 4 September 2017 is replicated in full at **[Appendix 1]**.

1.2 Investment Performance

- 1.2.1 A gross annualised return of 0.58% was generated on investments for the period April to July 2017. In cash terms, investment income of £66,100 is £24,150 better than our profiled budget for the same period.
- 1.2.2 Investment returns offered by banks and building societies are broadly the same today as they were a year ago. The additional income can be attributed primarily to higher core cash balances resulting from a delay by the Valuation Office in

clearing outstanding business rate appeals. Income for the 2017/18 financial year as a whole is expected to exceed budget by some £50,000.

- 1.2.3 All investments undertaken in 2017/18 complied in full with the requirements of the 2017/18 Treasury Management and Annual Investment Strategy including prudential and treasury limits.

1.3 Long term Investment Update

- 1.3.1 A review of long term investment opportunities (bonds, equities and property) was presented to Audit Committee in January 2017. The review concluded property fund investment to be the most appropriate. The use of commercial property funds for both existing cash balances and any new money derived from the sale of assets was subsequently approved by Council, February 2017.
- 1.3.2 Capita, the Council's treasury advisors, assisted in the detailed analysis and selection of suitable commercial property funds. Interviews with the fund managers from four funds were held in May 2017. Three funds were selected for immediate investment. Investments totalling £3m have been placed with the Local Authorities' Property Fund (£1m, June 2017), the Lothbury Property Trust (£1m, July 2017) and the Hermes Property Unit Trust (£1m, September 2017). Any additional investment in property funds will be dependent on new money being made available from the sale of existing assets.
- 1.3.3 Property funds are expected to generate a revenue stream net of fund management fees of some 4% per annum. Income of £72,500 (after deducting additional treasury advisor fees of £7,500) is anticipated in 2017/18 and £120,000 in 2018/19. These figures are in addition to existing budget provision.
- 1.3.4 Commercial property values have a strong correlation to economic activity (GDP). Property values rise as the economy grows and fall during a recession. During a recession property values can fall significantly reducing the underlying value of the Council's investment.
- 1.3.5 The costs associated with buying and selling property are deducted from the sum invested on entry to a fund and its subsequent value on exit. These costs are expected to be recouped over time as property values rise increasing the underlying value of the Council's investment.
- 1.3.6 Property fund investment is only appropriate for cash that is available long term and has no spending commitment associated with it. The duration of a property fund investment may need to be extended to avoid crystallising a loss in the event that property values fall.

1.4 Review of Risk Parameters

- 1.4.1 The 2017/18 Treasury Management and Annual Investment Strategy was approved by Council in February 2017. The Strategy limits the Council's

exposure to investment risks via the specification of minimum sovereign and counterparty credit ratings and associated exposure limits. The Strategy also imposes restrictions on the duration of an investment and the type of investment instrument that can be used. In conducting a mid-year review of the Strategy no change to the Council's current risk appetite is proposed.

1.5 Legal Implications

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

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

1.6 Financial and Value for Money Considerations

1.6.1 As outlined above.

1.7 Risk Assessment

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

1.8 Equality Impact Assessment

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

1.9 Recommendations

1.9.1 Audit Committee endorsed the recommendations contained in the report to them on 4 September 2017 [**Appendix 1**] and as detailed below. Cabinet is invited to **RECOMMEND** that Council:

- 1) Endorse the action taken by officers in respect of treasury management activity for the period April to July 2017.
- 2) Note the progress made in respect of property fund investments.
- 3) Retain the existing parameters intended to limit the Council's exposure to investment risks.

Background papers:

contact: Michael Withey

Capita interest rate forecast (August 2017)

Capita Benchmarking data (June 2017)

Sharon Shelton
Director of Finance and Transformation

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

04 September 2017

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Recommendation to Cabinet – Council Decision

1 TREASURY MANAGEMENT UPDATE AND MID-YEAR REVIEW

The report provides an update on treasury management activity undertaken during April to July of the current financial year. A mid-year review of the Treasury Management and Annual Investment Strategy for 2017/18 is also included in this report.

1.1 Introduction

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

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

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

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

- An economic update and revised interest rate forecast.
- Investment performance for April to July of the 2017/18 financial year including recent benchmarking data.
- Compliance with Treasury and Prudential Limits for 2017/18.
- Long term investment update.
- A review of the risk parameters contained in the 2017/18 Annual Investment Strategy.

1.2 Economic Background

- 1.2.1 Despite the recent improvements in public finance data and healthier near term economic outlook the Chancellor's spring budget introduced no major changes in government policy. The main focus areas for support were the NHS and social care, education and additional funds earmarked for businesses to assist with planned changes in business rates.
- 1.2.2 The budget was supported by updated economic growth and inflation forecasts by the Office for Budget Responsibility. GDP was forecast at 2.0% for 2016/17, 1.8% for 2017/18 (up from 1.3% forecast last autumn), 1.6% for 2018/19 and rising back to 2.0% in 2021/22. The Consumer Price Index forecast was 1.0% for 2016/17, rising to 2.6% in 2017/18 and falling back to 2.0% in 2019/20.
- 1.2.3 Since the spring budget, CPI has risen to 2.9% for the 12 months to May 2017, its highest reading in four years. Although CPI dropped to 2.6% for the 12 months ending July some economists expect inflation to increase again as a result of the falling pound causing the cost of imported goods to rise. RPI for the 12 months to July was 3.6%.
- 1.2.4 Unemployment fell to a 42 year low of 4.5% in July. Whilst positive news, average weekly earnings after adjusting for inflation fell by 0.7%.
- 1.2.5 In the February Inflation Report, the Bank of England moved to a 'neutral' policy position, stating that central bank policy can respond in 'either direction' to changes in the economic outlook, removing its previous view (post the Brexit referendum and the August 2016 rate cut) that a further rate cut was likely. At the Bank's March meeting, the minutes noted 'it would take relatively little further upside news on the prospects for activity or inflation for them to consider that a more immediate reduction in policy support might be warranted'. The March meeting also saw one of its nine members vote for an immediate increase in Bank Rate. The August meeting saw two members vote for an increase.

1.2.6 At the Bank of England's August meeting the scale of the Term Funding Scheme (provision of cheap finance to banks introduced in August 2016) was increased from £100bn to £115bn. The February 2018 end date for the scheme was also confirmed.

1.2.7 In America the Federal Reserve raised the Fed Rate (equivalent of our Bank Rate) by 0.25% to 0.75% in December 2016. The rise, the second since 2006, was accompanied by an expectation that further rises would follow in 2017. Thus far in 2017 the Fed Rate has been increased by a further 0.25% in March and again in June and now stands at 1.25%. Growth accelerated to 2.6% in the 12 months to June 2017 (compares with 1.7% for the UK).

1.3 Interest Rate Forecast

1.3.1 The Bank Rate, having remained at an emergency level of 0.5% for over seven years, was reduced to 0.25% in August 2016. Capita, the Council's treasury advisor, provided an updated forecast in August 2017. The forecast anticipates the Bank Rate remaining at 0.25% until June 2019.

Rate	Now	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
	%	%	%	%	%	%	%	%	%	%	%	%
Bank Rate	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.75	0.75
3 mth LIBID	0.19	0.30	0.30	0.30	0.30	0.30	0.40	0.50	0.60	0.70	0.80	0.90
6 mth LIBID	0.33	0.40	0.40	0.40	0.40	0.40	0.50	0.60	0.70	0.80	0.90	1.00
12 mth LIBID	0.54	0.60	0.70	0.70	0.80	0.80	0.90	1.00	1.10	1.20	1.30	1.40
25yr PWLB	2.60	2.80	2.90	2.90	3.00	3.00	3.10	3.10	3.20	3.20	3.30	3.30

1.4 Investment Performance

1.4.1 In accordance with the CIPFA Code the Council's priorities, in order of importance, are: to ensure security of capital; liquidity; and having satisfied both, to obtain an appropriate level of return which is consistent with the Council's risk appetite.

1.4.2 The Council's investments are derived from cash flow surpluses, core cash and other long term cash balances.

1.4.3 Cash flow surpluses are available on a temporary basis and the amount mainly dependent on the timing of council tax and business rates collected and their payment to precept authorities and government. Less significant cash flows relate to receipt of grants, payments to housing benefit recipients, suppliers and staff. Cash flow surpluses build up during the course of a financial year and are spent by financial year end. Thus far in 2017/18 cash flow surpluses have averaged £12.3m.

1.4.4 The Authority also has £22m of core cash balances. These funds are for the most part available to invest for more than one year, albeit a proportion is usually

transferred to cash flow towards the end of the financial year to top-up daily cash balances. Core cash includes the Council's capital and revenue reserves which are being consumed over time to meet capital expenditure and 'buy time' to enable the authority to deliver its revenue savings targets. The core cash balance also includes some £8m to meet business rate appeals which are expected to be resolved in 2017/18 and 2018/19.

- 1.4.5 The Council's long term cash balances were reviewed autumn 2017. The review concluded that up to £2m of the Council's existing cash balances and any 'new money' derived from the sale of assets could be applied to a long term investment. Of the alternatives, property funds were considered best suited to meet the Council's more immediate funding needs. Property fund investments of £2m are included in the table below and discussed in greater detail later in the report (Section 1.7).
- 1.4.6 A full list of investments held on 31 July 2017 is provided at **[Annex 1]** and a copy of our lending list of the same date is provided at **[Annex 2]**. The table below provides a summary of funds invested and interest earned at 31 July 2017.

	Funds invested on 31 July 2017	Average duration to maturity	Weighted average rate of return	Interest / dividends earned to 31 July 2017	Annualised return	LIBID benchmark (average from 1 April 2017)
	£m	Days	%	£	%	%
Cash flow	10.1	66	0.49	17,150	0.42	0.11 (7 Day)
Core cash	22.0	193	0.66	48,950	0.67	0.19 (3 Mth)
Sub-total	32.1	153	0.60	66,100	0.58	0.16 (Ave)
Property funds	2.0			-	-	
Total	34.1			-	-	

- 1.4.7 Interest on cash flow and core cash balances of £66,100 to the end of July is £24,150 better than the original estimate for the same period. The authority also outperformed the LIBID benchmark by 42 basis points. The additional income is due primarily to the higher core cash balance attributed to business rate appeal provisions.
- 1.4.8 The slowing economy and likelihood that the Bank Rate won't rise for some time to come has resulted in bank offers falling in recent months. Nevertheless, income is expected to continue above budget on a monthly basis albeit at a slower pace as the year progresses. Income for the year as a whole is likely to exceed budget by some £50,000.

- 1.4.9 Property fund investments of £2m were placed at the end of June / beginning of July 2017. A further £1m is expected to be placed by the end of September. Dividends from property funds are distributed on a quarterly basis. The next distribution is due at the end of September 2017. Any dividends received will be in addition to the current year budget provision.

1.5 Benchmarking

- 1.5.1 The Council takes advantage of Capita's benchmarking service which enables performance on cash flow and core cash returns to be gauged against Capita's other local authority clients. An extract from the latest benchmarking data is provided in the form of a scatter graph at **[Annex 3]**. The graph shows the return (vertical scale) vs. the credit / duration risk (horizontal scale) associated with an authority's investments. At 30 June 2017, our return at 0.62% (purple diamond) was above the local authority average of 0.50%. Based on the Council's exposure to credit / duration risk that return was also above Capita's predicted return (above the upper boundary indicated by the green diagonal line). The Council's risk exposure, whilst above average, was not excessive relative to others.

1.6 Compliance with the Treasury Management and Annual Investment Strategy

- 1.6.1 Throughout the period April to July 2017 all of the requirements contained in the 2017/18 Treasury Management and Annual Investment Strategy intended to limit the Council's exposure to investment risks (minimum sovereign and counterparty credit ratings; durational limits; exposure limits in respect of counterparties, groups of related counterparty and sovereigns; and specified and non-specified investment limits) have been complied with. No borrowing was undertaken during April to July 2017.
- 1.6.2 In addition, the Council has operated within the treasury limits and prudential indicators set out in the 2017/18 Annual Investment Strategy and in compliance with the Council's Treasury Management Practices. The Prudential and Treasury Indicators can be found in **[Annex 4]** to this report.

1.7 Long Term Investment Update

- 1.7.1 The availability of cash balances over the longer term (10 years) and the suitability of different types of long term investment (equities, bonds and property) was explored in the report to Audit Committee, January 2017. Of the alternatives, investment in property funds was considered the most appropriate. The use of property funds for both existing cash balances and any new money derived from the sale of assets was subsequently approved by Council in February 2017.
- 1.7.2 There are numerous property funds to choose from. Many have: a track record that precedes the 2008 financial crisis; a diverse **commercial property** portfolio (mix of retail, office and industrial / warehouse premises); a portfolio in excess of £500m; a client base of over 50 investors and; where investment is not classified

as capital expenditure. Capita were engaged to assist with the detailed analysis required to identify the most appropriate funds to suit the Council's needs. That assistance included analysis of: fund investment strategies; performance; portfolio composition; liquidity risk and fund management fees.

- 1.7.3 The analysis produced a shortlist of four funds who were invited to attend an interview at the Council's offices in late May. The interviews with fund managers provided the opportunity to probe in more detail their differing investment strategies and portfolio mix. The process culminated in three funds being selected for immediate investment.
- 1.7.4 Of the Council's existing cash balances £2m has been identified for long term investment and is to be applied to investment in property funds. A further £1m anticipated from the disposal of existing property assets is also being applied now, bringing the total available for investment to £3m. Applications have been submitted and accepted by each of the: Local Authorities' Property Fund; Hermes Property Unit Trust and the Lothbury Property Trust. Investment is to be diversified across the three funds to ensure, as far as is possible, stability of annual income and capital growth over time.
- 1.7.5 At the end of July 2017, £1m has been invested in the Local Authorities' Property Fund (placed June 29) and £1m invested in the Lothbury Property Trust (placed July 6). A further £1m has been earmarked for the purchase of units in the Hermes Property Unit Trust. The timing of this final investment is dependent on the fund issuing new primary units (expected August / September).
- 1.7.6 In setting the budget for the current financial year no income from property funds was anticipated. Based on recent performance by the funds and subject to the timing of the Hermes investment, net income for 2017/18 is likely to be in the region of £70,000 (£77,500 dividends less a one-off addition to treasury management consultancy fees of £7,500).

1.8 Review of Risk Parameters

- 1.8.1 Members will recall the detailed consideration that was given to the 2017/18 Treasury Management and Annual Investment Strategy at the January 2017 meeting of the Audit Committee. The strategy includes the parameters that aim to limit the Council's exposure to investment risks by requiring investments to be placed with highly credit rated institutions and that those investments are diversified across a range of counterparties. More specifically the 2017/18 Strategy requires:
- Counterparties must be regulated by a Sovereign rated AA- or better as recognised by each of the three main rating agencies (Fitch, Moody's or Standard & Poor's).
 - Whilst 100% of funds can be invested in the UK, exposure to non-UK banks is restricted to no more than 20% of funds per Sovereign.

- Exposure to individual counterparties / groups of related counterparty must not exceed 20% of funds (25% of funds for part state owned UK Banks).
- In selecting suitable counterparties the Council has adopted Capita's credit worthiness methodology. The methodology combines the output from all three credit rating agencies including credit watches / outlooks and credit default swap data to assign a durational band to a financial institution (100 days, 6 months, 12 months, 5 years, etc.). At the time of placing an investment the financial institution must be assigned a durational band of at least 100 days. This broadly equates to a minimum long term credit rating of Fitch A- (high) and a short term credit rating of Fitch F1 (strong).
- The duration of an investment in a foreign bank must not exceed Capita's recommendation. For UK financial institutions Capita's duration recommendation can be enhanced by up to six months subject to the combined duration (Capita recommendation plus the enhancement) not exceeding 12 months. Where duration exceeds Capita's recommendation by more than three months, the institution's CDS must be below average at the time the investment is placed and exposure in the extended duration limited to 10% of funds.
- Money Market funds should be rated Fitch AAmmf or equivalent and exposure limited to no more than 20% per fund.
- Enhanced Money Funds should be rated AAA and exposure limited to no more than 10% per fund and 20% to all such funds.
- Exposure to non-credit rated property funds limited to 20% per fund and 40% to all such funds.

1.8.2 The returns being offered by financial institution vary significantly one to another and across all durations. Whilst scope is limited from an income generation perspective there are a sufficient number of creditworthy institutions available to the Council to ensure an appropriate level of diversification. In undertaking this review **no changes to the current approved risk parameters are proposed.**

1.9 Legal Implications

1.9.1 Under Section 151 of the Local Government Act 1972, the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority including securing effective arrangements for treasury management. In addition, Capita are employed to provide independent advice on legislative and professional changes that impact on the treasury management function.

1.10 Financial and Value for Money Considerations

1.10.1 Investment income from cash flow and core cash at the end of July 2017 (month four of the financial year) is £24,150 better than budget for the same period.

Income for the 2017/18 financial year as a whole is likely to exceed budget by some £50,000.

- 1.10.2 No provision was included in the current year budget for income from property funds. Based on recent performance and subject to the timing of the final investment with the Hermes Property Unit Trust net income for the year as a whole is expected to be in the region of £70,000.
- 1.10.3 The Bank Rate having remained at a historic low of 0.5% for over seven years was cut to 0.25% in August 2016. Capita, our treasury advisors, anticipate the Bank Rate will remain at this level until June 2019.
- 1.10.4 Performance is monitored against a benchmark return and against other local authorities in Kent and the broader local authority pool via Capita's benchmarking service.
- 1.10.5 Whilst the annual income stream from a property fund exhibits stability (circa 4% per annum net of management fees) capital values rise and fall with the cyclical nature of economic activity. During a downturn in the economy capital values may fall significantly. To avoid crystalizing a loss duration may need to be extended. As a consequence the duration of a property based investment cannot be determined with certainty.
- 1.10.6 Buying and selling property involves significant costs making property unsuitable for short term investment. Buying and selling costs are reflected in the entry fees (circa 6%) and exit fees (circa 2%) a property fund will charge unit holders. These fees are expected to be recouped overtime through capital appreciation.
- 1.10.7 The money being applied to property fund investment from existing resources is expected to be available in perpetuity. Nevertheless, the Council's cash balances will continue to be monitored and due regard had to the potential for a fund to delay payment of redemption requests by up to 12 months. Funds will seek to minimise their own cash balances in favour of holding property and therefore manage redemption requests for the benefit of all fund participants. The Council is only likely to seek redemption to pursue a higher yielding income opportunity should one be identified.

1.11 Risk Assessment

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

1.12 Equality Impact Assessment

- 1.12.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act.

1.13 Recommendations

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

- 1) Endorse the action taken by officers in respect of treasury management activity for April to July 2017.
- 2) Note the progress made in respect of property fund investments.
- 3) Retain the existing parameters intended to limit the Council's exposure to investment risks.

Background papers:

contact: Mike Withey

Capita interest rate forecast (August 2017)

Capita benchmarking data (June 2017)

Sharon Shelton

Director of Finance and Transformation

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Investment Summary as at 31 July 2017

Counterparty	Sovereign	Fitch Credit rating		Capita Suggested Post CDS Duration Limit	Investment					Instrument type	Cash Flow £	Core Fund £	Property Funds £	
		Long Term	Short Term		Start Date	End Date	Duration	Amount Invested £	Return %					Proportion of total %
Bank of Scotland	UK	A+	F1	6 months	23/03/2017	23/03/2018	12 months	500,000	0.80%		Fixed Term		500,000	
Bank of Scotland	UK	A+	F1	6 months	25/07/2017	25/07/2018	12 months	1,000,000	0.65%		Fixed Term		1,000,000	
Bank of Scotland Total								1,500,000		4.40%				
Barclays Bank	UK	A	F1	6 months	30/03/2017	21/03/2018	12 months	1,000,000	0.86%		CD	1,000,000		
Barclays Bank	UK	A	F1	6 months	11/05/2017	27/04/2018	12 months	1,000,000	0.81%		CD		1,000,000	
Barclays Bank	UK	A	F1	6 months	12/05/2017	12/02/2018	9 months	2,000,000	0.51%		Fixed Term		2,000,000	
Barclays Bank	UK	A	F1	6 months	25/07/2017	25/05/2018	10 months	1,000,000	0.51%		Fixed Term		1,000,000	
Barclays Bank Total								5,000,000		14.65%				
BNP Paribas MMF	n/a	AAA	mmf (Eq)	5 years	31/07/2017	01/08/2017	Overnight	3,915,000	0.27%		Call	3,915,000		
BNP Paribas MMF Total								3,915,000		11.47%				
Goldman Sachs Int'l Bank	UK	A	F1	6 months	20/12/2016	20/09/2017	9 months	1,000,000	0.76%		Fixed Term		1,000,000	
Goldman Sachs Int'l Bank	UK	A	F1	6 months	01/06/2017	01/03/2018	9 months	2,000,000	0.73%		Fixed Term	2,000,000		
Goldman Sachs Int'l Bank	UK	A	F1	6 months	21/06/2017	21/03/2018	9 months	2,000,000	0.79%		Fixed Term		2,000,000	
Goldman Sachs Int'l Bank Total								5,000,000		14.65%				
Lloyds Bank	UK	A+	F1	6 months	25/01/2017	21/10/2017	9 months	1,000,000	0.70%		Fixed Term		1,000,000	
Lloyds Bank	UK	A+	F1	6 months	23/03/2017	23/03/2018	12 months	500,000	0.80%		Fixed Term		500,000	
Lloyds Bank	UK	A+	F1	6 months	25/07/2017	25/07/2018	12 months	1,000,000	0.65%		Fixed Term		1,000,000	
Lloyds Bank Total								2,500,000		7.33%				
Local Authorities' Property Fund	n/a	n/a	n/a	n/a	29/06/2017	n/a	n/a	1,000,000	4.32%		n/a			1,000,000
Local Authorities' Property Fund								1,000,000		2.93%				
Lothbury Property Trust	n/a	n/a	n/a	n/a	06/07/2017	n/a	n/a	1,000,000	To follow		n/a			1,000,000
Lothbury Property Trust								1,000,000		2.93%				
NatWest Deposit Account	UK	BBB+	F2	12 months	31/07/2017	01/08/2017	Overnight	214,000	0.01%		Call	214,000		
National Westminster Bank Total								214,000		0.63%				
Royal Bank of Scotland	UK	BBB+	F2	12 months	28/03/2017	27/03/2018	12 months	2,000,000	0.73%		CD		2,000,000	
Royal Bank of Scotland	UK	BBB+	F2	12 months	28/06/2017	27/06/2018	12 months	1,000,000	0.66%		CD		1,000,000	
Royal Bank of Scotland	UK	BBB+	F2	12 months	25/07/2017	29/06/2018	11 months	1,000,000	0.61%		CD		1,000,000	
Royal Bank of Scotland Total								4,000,000		11.72%				
Santander Deposit Account	UK	A	F1	6 months	28/07/2017	31/07/2017	Overnight	6,000,000	0.55%		Call	3,000,000	3,000,000	
Santander UK Plc Total								6,000,000		17.58%				
Standard Chartered Bank	UK	A+	F1	6 months	16/02/2017	16/11/2017	9 months	2,000,000	0.76%		Fixed Term		2,000,000	
Standard Chartered Bank	UK	A+	F1	6 months	27/04/2017	26/01/2018	9 months	2,000,000	0.54%		Fixed Term		2,000,000	
Standard Chartered Bank Total								4,000,000		11.72%				
Total invested								34,129,000		100.00%		10,129,000	22,000,000	2,000,000

Number of investments	23	Average investment value £			1,484,000
Number of counter parties	11	Average counter party investment £			3,103,000
Group exposures:		Core £	Cash £	Combined £	%
RBS + National Westminster (UK Nationalised 25%)		4,000,000	214,000	4,214,000	12.35
Bank of Scotland + Lloyds (20%)		4,000,000	-	4,000,000	11.72
Property Funds Total				£	%
				2,000,000	5.86

Total non-specified investments should be less than 60% of Core Funds	0.00%
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Notes:

CD = Certificate of Deposit
Property Fund returns are indicative only and based on available data for the last 12 months.

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Tonbridge and Malling Borough Council Lending List

Checked against Capita Duration Matrix dated 28/07/17									
Minimum investment criteria is Capita Green (100 days) Duration Band (entry point broadly equates to Fitch A-, F1 unless UK nationalised).									
Counterparty	Sovereign	Sovereign Rating [1]	Fitch Long Term	Fitch Short Term	Exposure Limits			Capita Duration [2]	
					Cash Flow	Core Fund	Combined	Credit Rating	Post CDS
Bank of Montreal	Canada	AAA	AA-	F1+	£3m	£3m	£6m	12 months	12 months
Toronto Dominion Bank	Canada	AAA	AA-	F1+	£3m	£3m	£6m	12 months	12 months
Deutsche Bank	Germany	AAA	A-	F1	£3m	£3m	£6m	100 days	100 days
Rabobank (Cooperatieve Rabobank U.A.)	Netherlands	AAA	AA-	F1+	£3m	£3m	£6m	12 months	12 months
ING Bank	Netherlands	AAA	A+	F1	£3m	£3m	£6m	12 months	12 months
Nordea Bank AB	Sweden	AAA	AA-	F1+	£3m	£3m	£6m	12 months	12 months
Svenska Handelsbanken AB	Sweden	AAA	AA	F1+	£3m	£3m	£6m	12 months	12 months
Bank of Scotland (Group limit with BOS and Lloyds of £6m)	UK	AA	A+	F1	£2m	£4m	£6m	6 months	6 months
Barclays Bank	UK	AA	A	F1	£2m	£4m	£6m	6 months	6 months
Goldman Sachs Int'l Bank	UK	AA	A	F1	£2m	£4m	£6m	6 months	6 months
HSBC Bank	UK	AA	AA-	F1+	£3m	£3m	£6m	12 months	12 months
Lloyds Bank (Group limit with BOS and Lloyds of £6m)	UK	AA	A+	F1	£2m	£4m	£6m	6 months	6 months
Santander UK	UK	AA	A	F1	£3m	£3m	£6m	6 months	6 months
Standard Chartered Bank	UK	AA	A+	F1	£2m	£4m	£6m	6 months	6 months
Coventry Building Society	UK	AA	A	F1	£3m	£3m	£6m	6 months	6 months
Nationwide Building Society	UK	AA	A+	F1	£3m	£3m	£6m	6 months	6 months
National Westminster Bank [3] (Group limit with RBS £7.6m)	UK	AA	BBB+	F2	£3.8m	£3.8m	£7.6m	12 Months	12 Months
The Royal Bank of Scotland [3] (Group limit with Nat West £7.6m)	UK	AA	BBB+	F2	£3.6m	£4m	£7.6m	12 Months	12 Months
UK Debt Management Office including Treasury Bills	UK	AA	N/A	N/A	No limit	No limit	No limit	N/A	N/A
UK Treasury (Sovereign Bonds-Gilts)	UK	AA	N/A	N/A	No limit	£7.5 / 15m	£7.5 / 15m	N/A	N/A
UK Local Authorities	UK	AA	N/A	N/A	£3m	£3m	£6m	N/A	N/A

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

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

[3] UK nationalised.

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

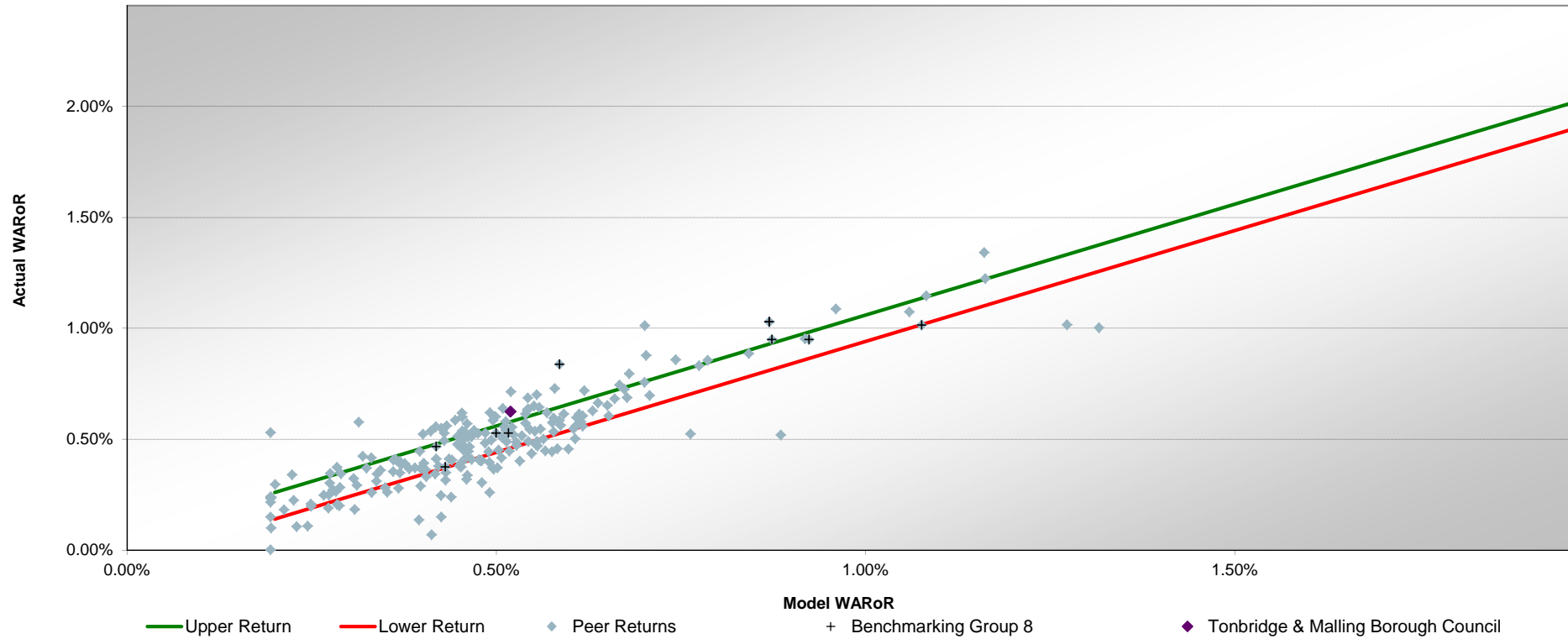
Enhanced Cash Funds						
Minimum investment criteria AAA						
Fund Name	Moody	Fitch	S&P	Exposure Limit		
				Cash Flow	Core Fund	Combined
Insight Liquidity Plus Group limit for IL and ILP of £6m	-	-	AAAf / S1	£1.5m	£1.5m	£3m

Approved by Director of Finance & Transformation
31st July 2017

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Tonbridge & Malling Borough Council

Population Returns against Model Returns



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	Actual WARoR	Model WARoR	Difference	Lower Bound	Upper Bound	Performance
Tonbridge & Malling Borough Council	0.62%	0.52%	0.11%	0.46%	0.58%	Above

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Prudential and Treasury Indicators

1 Prudential Indicators	2016/17 Actual £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
Capital expenditure	1,632	1,872	2,682
Ratio of financing costs to net revenue stream	-2.33%	-2.53%	-0.97%
Net borrowing requirement:			
Brought forward 1 April	nil	nil	nil
Carried forward 31 March	nil	nil	nil
In year borrowing requirement	nil	nil	nil
Capital financing requirement as at 31 March	nil	nil	Nil
Annual change in capital financing requirement	nil	nil	Nil
Incremental impact of capital investment decisions:			
Increase in Council Tax (Band D) per annum	£0.10	£0.00	£0.48

2 Treasury Management Indicators	2016/17 Actual £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
Authorised limit for external debt:			
Borrowing	nil	5,000	5,000
Other long term liabilities	nil	nil	nil
Total	nil	5,000	5,000
Operational boundary for external debt:			
Borrowing	nil	2,000	2,000
Other long term liabilities	nil	nil	nil
Total	nil	2,000	2,000
Actual external debt	nil	nil	nil
Upper limit for fixed rate exposure over one year at year end	nil	0 – 60%	0 – 60%
Upper limit for variable rate exposure under one year at the year end	13,098 (43.5%)	40 – 100%	40 – 100%
Upper limit for total principal sums invested for over 364 days	nil (0%)	60%	60%

3 Maturity structure of new fixed rate borrowing during 2017/18	Upper limit %	Lower limit %
Under 12 months	100	nil
Over 12 months	nil	nil

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Appointment of Cabinet

To note the Leader's appointments to the Cabinet and the portfolios they will hold. (Details will be circulated at the meeting).

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Agenda Item 12

Appointment of Committees, Advisory Panels and Boards and Other Member Groups

To consider the composition and appointments made to a number of Committees, Advisory Panels and Boards and Other Member Groups as a consequence of the preceding item.
(Details will be circulated at the meeting).

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TONBRIDGE & MALLING BOROUGH COUNCIL

COUNCIL

31 October 2017

Report of the Director of Central Services

Part 1- Public

Matters For Decision

1 APPOINTMENTS TO OUTSIDE BODIES

To consider the reappointment of a Trustee to the Hospital of the Holy Trinity, Aylesford for a further term; and the appointment of a representative to the Rochester Airport Delivery Board.

1.1 Introduction

1.1.1 The Clerk to the Trustees of the Hospital of the Holy Trinity has invited the Council to reappoint Councillor A Sullivan as a nominated Trustee for a further four year term from November 2017 to November 2021. The charity provides almshouses for elderly people with a local connection to Aylesford. Councillor Sullivan is willing to be reappointed.

1.1.2 Medway Council has set up a Delivery Board to help take forward the development of the Enterprise Zone at Rochester Airport. The Enterprise Zone site represents an opportunity to deliver aspirations for a flagship economic hub that generates significant investment and employment opportunities in an area that sits across the boundary between Medway Council and Tonbridge & Malling Borough Council areas.

1.1.3 A number of representatives have been invited to sit on this board, including:

- Local Authorities
- Landowners
- Development Partners
- Industry
- Higher Education

1.1.4 Medway Council has invited the Council to appoint a representative to the board for the period up to March 2022.

1.2 Legal Implications

1.2.1 None.

1.3 Financial and Value for Money Considerations

1.3.1 Not applicable.

1.4 Risk Assessment

1.4.1 Not applicable.

1.5 Equality Impact Assessment

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

1.7 Recommendations

1.7.1 RECOMMENDED that the Council consider the reappointment of Councillor Allan Sullivan as a Trustee of the Hospital of the Holy Trinity, Aylesford for a further four year term.

1.7.2 RECOMMENDED that the Council consider the appointment of Councillor Brian Luker, as Chairman of the Economic Regeneration Advisory Board, as a representative on the Rochester Airport Delivery Board.

Background papers:

Letter from Clerk to Trustees of 23 September 2017

Adrian Stanfield
Director of Central Services

contact: Claire Fox
Jeremy Whittaker

Sealing of Documents

To authorise the Common Seal of the Council to be affixed to any Contract, Minute, Notice or other document requiring the same.

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Item CB 17/64 referred from Cabinet minutes of 11 October 2017

CB 17/64 LEISURE TRUST - REVIEW OF SERVICE FEE/BUSINESS PLAN

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

(Item CH 17/26 referred from Communities and Housing Advisory Board minutes of 24 July 2017)

The Cabinet received the recommendations of the Communities and Housing Advisory Board at its meeting on 24 July 2017 concerning a new five year Leisure Trust Business Plan and Service Fee from 1 April 2018.

RECOMMENDED: That

- (1) the Tonbridge and Malling Leisure Trust's proposed Business Plan for 2017/2022 be approved;
- (2) the Tonbridge and Malling Leisure Trust's proposed Management Fee of zero from 1 April 2018 be agreed; and
- (3) the proposed variations to the existing Management Agreement, set out within the report, be approved and implemented from 1 April 2018.

***Referred to Council**

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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