

# 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](mailto:committee.services@tmbc.gov.uk)

20 December 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, 3rd January, 2018 commencing at 7.30 pm

Yours faithfully

JULIE BEILBY

Chief Executive

## A G E N D A

### PART 1 - PUBLIC

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

3. Minutes 9 - 12

To confirm as a correct record the Notes of the meeting of the Finance, Innovation and Property Advisory Board held on 20 September 2017

**Matters for recommendation to the Cabinet**

4. Revenue Estimates 2018/19 13 - 14

Estimates booklet circulated as separate document.

5. Capital Plan Review 2017/18 15 - 34

Annexes 1 – 4 to the report contained in separate booklet circulated with agenda.

6. Review of Fees and Charges 2018/2019 35 - 44

7. Tonbridge Castle - Review of Fees and Charges 45 - 64

8. Applications for Discretionary Rate Relief 65 - 72

9. Rural Rate Relief - Rural Settlement List 73 - 76

10. Revenue and Benefits Shared Service 77 - 80

11. Procurement Strategy 81 - 104

**Matters submitted for Information**

12. IT Strategy Update 105 - 108

13. Revenues and Benefits Update 109 - 118

14. Urgent items 119 - 120

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**

15. Exclusion of Press and Public 121 - 122

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

## **PART 2 - PRIVATE**

### **Matters for Recommendation to the Cabinet**

- |     |   |           |
|-----|---|-----------|
| 16. | Debts for Write Off   | 123 - 126 |
|     | LGA 1972 Sch 12A Paragraph 2 – Information likely to reveal information about an individual |           |
| 17. | Banking and Merchant Acquirer Services Contracts  | 127 - 130 |
|     | LGA 1972 Sch 12A Paragraph 3 – Financial or business affairs of any particular person       |           |

### **Matters submitted for Information**

- |     |   |           |
|-----|---|-----------|
| 18. | Urgent items  | 131 - 132 |
|     | 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

This page is intentionally left blank

Declarations of interest

This page is intentionally left blank



## TONBRIDGE AND MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION AND PROPERTY ADVISORY BOARD

Wednesday, 20th September, 2017

**Present:** Cllr S M King (Chairman), Cllr B W Walker (Vice-Chairman), Cllr R P Betts, Cllr T Bishop, 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 and Cllr A K Sullivan

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

Apologies for absence were received from Councillors J L Botten and F G Tombolis

#### PART 1 - PUBLIC

##### **FIP 17/28 DECLARATIONS OF INTEREST**

There were no declarations of interest made in accordance with the Code of Conduct. However, in the interests of transparency Councillor Mrs B Brown indicated that she was a member of Snodland Town Council to which reference was made at paragraph 1.6.3 of the report on Financial Planning and Control.

##### **FIP 17/29 MINUTES**

**RESOLVED:** That the notes of the meeting of the Finance, Innovation and Property Advisory Board held on 21 June 2017 be approved as a correct record and signed by the Chairman.

#### MATTERS FOR RECOMMENDATION TO THE CABINET

##### **FIP 17/30 COUNCIL TAX DISCOUNT - EMPTY PROPERTIES**

Decision Notice D170059MEM

The report of the Director of Finance and Transformation gave details of a proposal to change the council tax empty property discount from 1 April 2018. It was noted that most other authorities in Kent had, or were committed to reducing the discount to one month or less. It was requested that the implications of offering no discount period be investigated in consultation with other relevant authorities with a view to considering that option in future.

**RECOMMENDED:** That the current period of two months 100% discount for vacant and unfurnished properties be reduced to one month with effect from 1 April 2018 and the experience of other authorities offering no discount period be investigated for report back and consideration of that option in due course.

**FIP 17/31 FINANCIAL PLANNING AND CONTROL**

Decision Notice D170060MEM

The report of the Director of Finance and Transformation provided information on the Council's key budget areas of salaries, major income streams and investment income. It also gave details of the variations agreed in relation to the revenue budget and areas identified through budget monitoring, summarised to provide an overall budget position for 2017/18 which showed a net favourable variance of £433,050.

However, reference was made to the projected funding gap and progress made towards meeting this year's savings target of £650,000. All Councillors were urged to attend the forthcoming finance briefing for Members when the significant financial challenge ahead would be discussed. An update was also given on capital expenditure and variations agreed in relation to the capital plan.

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

**FIP 17/32 APPLICATIONS FOR DISCRETIONARY RATE RELIEF**

Decision Notice D170061MEM

The report of the Director of Finance and Transformation gave details of new applications for discretionary rural rate relief which were considered in accordance with the previously agreed criteria for determining such applications. Reference was made to the Government's expectation that the current award of 50% mandatory relief would be "topped up" to 100% pending the update of primary legislation.

Consideration was also given to a revised Discretionary Relief Policy which aimed to improve understanding for applicants and transparency for decisions taken whilst aligning with Gravesham Borough Council's policies for the future shared service.

**RECOMMENDED:** That:

- (1) the applications for discretionary rural rate relief be awarded as set out at Annex 2 to the report with effect from 1 April 2017 in respect of The Bell Inn, Golden Green and 18 April 2017 in

respect of Bourne Produce, East Peckham, and time limited to 31 March 2018; and

- (2) the new Discretionary Relief Policy 2018/19 set out at Annex 4 to the report be adopted from 1 April 2018 subject to deletion of the words “up to” from the headings on the first page.

### **MATTERS SUBMITTED FOR INFORMATION**

#### **FIP 17/33 REVENUE AND BENEFITS UPDATE**

The report gave details of recent developments in respect of council tax, business rates, council tax reduction and housing benefits. A copy of the final Business Rates Relief Scheme agreed in accordance with Decision No D170042MEM was annexed to the report and an update given on the number of applications received and awards made for each relief.

Members were advised of the performance and workload of the Benefits Service and were pleased to note that for the first time a single figure average number of days for processing new claims had been achieved. Progress was also reported on preparations for the Revenue and Benefits shared service with Gravesham Borough Council.

#### **FIP 17/34 CAPITAL PROGRAMME POST IMPLEMENTATION REVIEWS MONITORING REPORT**

The report identified the post implementation reviews carried out since the meeting of the Advisory Board in July 2016 together with the capital plan schemes for which reviews were due or outstanding.

### **MATTERS FOR CONSIDERATION IN PRIVATE**

#### **FIP 17/35 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 17/36 DEBTS FOR WRITE OFF**

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

Decision Notice D170062MEM

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 18 items shown in the schedule of amounts over £1,000, totalling £111,216.37 be written-off for the reasons stated within the schedule.

The meeting ended at 8.46 pm

## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

03 January 2018

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

#### Part 1- Public

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

**NOTE: THIS IS A HOLDING REPORT PENDING RECEIPT OF THE PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT WHICH IS NOW NOT EXPECTED TO BE ANNOUNCED UNTIL 20 DECEMBER**

#### **1 REVENUE ESTIMATES 2018/19**

**The Council has a statutory duty to set the level of council tax for the forthcoming financial year by 11 March. Under the Budget and Policy Framework Rules of the Constitution, the Cabinet is responsible for formulating initial draft proposals in respect of the Budget. The role of this Advisory Board is to assist both the Cabinet and the Council in the preparation of the Budget for 2018/19 within the context of the Medium Term Financial Strategy and the Council's priorities.**

#### **1.1 Introduction**

- 1.1.1 Cabinet is responsible for formulating initial draft proposals in respect of the Budget for 2018/19. Unfortunately, at the time of this agenda being collated for publication, we have still not received the provisional local government finance settlement. We are hoping that this will be announced on Wednesday 20 December, although we have received no confirmation. When received, this will contain information about our Settlement Funding Assessment (SFA) and New Homes Bonus (NHB) allocation. In addition, we expect to find out which bids have been successful for the Business Rate Retention pilots.
- 1.1.2 On receipt, the draft budget and detailed report will be updated and circulated in advance of the meeting as a "supplementary". In the meantime, the revised estimates for 2017/18 and the estimates for 2018/19 are contained in a separate booklet circulated with the agenda.

Background papers:

Nil

Sharon Shelton

Director of Finance and Transformation

contact: Sharon Shelton

Neil Lawley

This page is intentionally left blank

## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

03 January 2018

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

#### Part 1- Public

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

#### 1 CAPITAL PLAN REVIEW 2017/18

##### This report:

- Reviews the current position of the existing Capital Plan (List A).
- Recommends schemes to be added to and deleted from List C.
- Recommends schemes from List C for evaluation.
- Recommends schemes for inclusion on List B from those evaluated schemes selected for evaluation this time last year or earlier and in certain circumstances schemes identified for Fast-Track evaluation.

Members are reminded however, that any aspirations in respect of capital schemes need to be set within the context of the significant financial challenge facing the Council.

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

#### 1.1 Introduction

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

1.1.2 The criteria established to guide the inclusion of new List C schemes (holding list of schemes not yet fully worked up) and ultimately the inclusion of schemes on List A (schemes assigned budget provision) are:

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

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

1.1.4 The review takes place within the context of the revenue estimates, reflecting the fact that capital schemes have an impact on revenue. Positive impacts may include potential to reduce costs and or generate income. Negative impacts may include loss of income during construction and will include loss of investment income where the project costs are met from the Council's resources.

## **1.2 Capital Plan Funding**

1.2.1 Members are aware of the significant financial challenge facing the Council as a result of the Government's ongoing budget deficit reduction programme which has resulted in continuing reductions in the financial support it can offer to local government.

1.2.2 Capital expenditure is currently funded from the revenue reserve for capital schemes, grants from government and other bodies, developer contributions and from capital receipts derived from the sale of assets.

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

1.2.4 As a result there is an annual capital allowance for all other capital expenditure. Any 'bids' for capital schemes or discretionary capital grants are to be assessed in the context of the annual allowance. It should be noted, based on current projections, that from 2021/22 the Council may need to borrow to fund such expenditure. The annual capital allowance is set at £200,000 and it is proposed that the annual allowance continue to be set at that level.

1.2.5 In addition, the Invest to Save Reserve or Transformation Reserve, subject to there being sufficient funds available and where deemed appropriate, could be used to fund in part or in full capital plan schemes.

## **1.3 Capital Plan Review Process**

1.3.1 The Capital Plan consists of three main elements:

- List C is a holding list of schemes which ordinarily have not been fully worked up. List C schemes can be in two states – schemes which have been retained on List C for possible future adoption and schemes which have been selected for evaluation, effectively short-listed for adoption.
- List B is a holding list of List C schemes which have been evaluated and not eliminated. The presumption is that, subject to budget guidance, these schemes will be adopted for inclusion in List A.



- List A is the approved capital programme. Schemes will be selected from List B for inclusion in List A in accordance with budgetary guidance. This selection will be carried out in conjunction with the revenue budget process.

1.3.2 The role of this Board is to consider four aspects of the review process and make recommendations to Cabinet. The four aspects are:

- A review of the existing Capital Plan (List A).
- The addition of new schemes to List C and the removal of schemes from List C.
- The selection of schemes from List C which are considered suitable for evaluation.
- Consideration of those List C schemes which have been evaluated.

1.3.3 The Overview and Scrutiny Committee on 23 January will also consider the overall Capital Plan position and make recommendations as appropriate to Cabinet on 8 February. Cabinet on 8 February will consider and make recommendations on the transfer of schemes from List B to List A in the light of the overall financial position. Finally, Council on 20 February will consider recommendations from Cabinet.

1.3.4 Capital Plan schemes should emerge from, or be designed to achieve, the Council's strategic priorities and objectives. As part of this review any new schemes being recommended for inclusion on List C are justified by reference to one of the three criteria detailed at paragraph 1.1.2. Elsewhere, Annexes 2, 3 & 4 contain references to the former Key Priorities and Improvement Actions and the key to these appears in **[Annex 1]**.

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

1.4.1 Attached at **[Annex 2]** is the existing Capital Plan (List A) in budget book format along with explanatory notes. The following routine adjustments to the 2017/18 Budget Book have been made:

- the outturn for 2016/17 has been taken into account and any slippage still required has been included in 2017/18;
- schemes included in the existing Budget Book which were completed in 2016/17 have been removed;
- in accordance with the policy of having a rolling six year Capital Plan (current year plus six) an additional year, 2023/24, has been added; and

- the profiling of project spend has been reviewed and adjusted where appropriate to reflect the most likely pattern of spend across the plan period.
- 1.4.2 Paragraphs 1.4.3 to 1.4.6 detail specific amendments to the Capital Plan (List A) approved by Council in February 2017.
- 1.4.3 Gross expenditure on Disabled Facility Grants across the plan period has been increased by £433,000 matched in full by additional government grant funding.
- 1.4.4 FIPAB in June 2017 recommended approval of an IT and digital transformation capital plan scheme for the Revenues and Benefits Service. The scheme cost identified at that time of £65,000 to be funded from the Transformation Reserve.
- 1.4.5 Capital renewals provisions have been extended by a further year to enable the current level of assets (vehicles, plant and equipment) to be maintained. Renewals figures included in 2017/18 and subsequent years incorporate provision for inflation (typically an uplift of 2% per annum). Average renewals spend over the seven-year period of the plan is £845,000 per annum (2017/18 - 2023/24) compared to £875,000 per annum (2016/17 - 2022/23).
- 1.4.6 Provision for recurring expenditure has also been extended by a further year (see table below). Members are asked to note that following a review of spend on Disabled Facilities Grants and associated government grant funding the Council's contribution has reduced from £175,000 to £125,000 per annum. Gross expenditure in the final year of the Plan remains at £665,000 as approved by Council in February 2017. As this is a contribution which is funded from revenue, **the reduction of £50,000** in the Council's own funding is a **contribution towards the savings target** and has been reflected accordingly.

<b>Capital Plan (List A) recurring expenditure</b>		
	<b>2023/24 £'000</b>	<b>Annex 2 Page</b>
<b>Planning, Housing and Environmental Health</b>		
Housing disabled facilities grants (net)	125	CP 14
Housing assistance (net)	30	CP 14
<b>Street Scene, Leisure and Technical Services</b>		
Green waste bins growth / replacement	31	CP 18
Refuse bins growth / replacement	61	CP 18
Leisure community group funding	8	CP 20
Improvements to existing car parks rolling programme	30	CP 22
<b>Corporate</b>		

General IT developments	30	CP 30
<b>Total</b>	<b>315</b>	

- 1.4.7 A number of other minor adjustments to scheme budget provisions have been made. Any budget amendments have been highlighted in bold italics in the detailed scheme notes in **[Annex 2]**.
- 1.4.8 It is **RECOMMENDED** that Cabinet be asked to endorse the Capital Plan (List A) position as shown in **[Annex 2]**, and note the contribution of £50,000 towards the savings target as a result of the reassessment of DFG funding.

## 1.5 List C Update

- 1.5.1 As a result of the undoubtedly difficult financial landscape that lies ahead the focus is on what are seen as priority capital plan schemes or where there is potential for external funding.
- 1.5.2 It should be noted that a number of List C schemes are dependent on and, will in all likelihood, only proceed if funded in full or in large part by developer contributions, government grant or other external funding opportunities. An updated schedule of List C schemes is attached at **[Annex 3]**. The update includes schemes which are recommended to be added to List C and schemes to be deleted from List C.
- 1.5.3 To assist Members a summary of the proposals is detailed in the table below.

<b>List C additions and deletions</b>	
	<b>Annex 3 Page</b>
<b>Schemes to be added to List C</b>	
<b>Street Scene, Leisure and Technical Services</b>	
Haysden Country Park – Sewage Treatment Facility	CP 41
<b>Schemes to be deleted from List C</b>	
<b>Street Scene, Leisure and Technical Services</b>	
Larkfield Leisure Centre: Gym Extension / New Studio (scheme currently being progressed and funded in full by TMLT)	CP 36
<b>Corporate Services</b>	
IT Initiatives: Revenues and Benefits Citizen's Access (scheme now part of the Revenues and Benefits IT Digital solution in List A)	CP46
IT Initiatives: Upgrade to Payment Facilities Software (alternative existing payment options taken up)	CP 46

1.5.4 It is **RECOMMENDED** that Cabinet be asked to amend List C as detailed in paragraph 1.5.3.

## 1.6 Selection of List C Schemes for Evaluation

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

1.6.2 It is recognised that the evaluation of schemes imposes a resource requirement and, in consequence, Services have to establish a balance between the evaluation of new schemes and the delivery of existing approved schemes.

1.6.3 The schedule of List C schemes in **[Annex 3]** indicates the schemes which have been recommended for evaluation coming out of this Capital Plan Review including where recommended for Fast-Track evaluation and summarised in the table below. On this occasion, one scheme has been recommended and for Fast-Track evaluation.

1.6.4 In addition, there are five schemes selected for evaluation in a previous Review that are either on hold following evaluation, subject to further evaluation or yet to be evaluated as follows: Tonbridge Farm Sportsground – Provision of Toilets, Tonbridge Racecourse Sportsground – Swimming Pool Bridge, Leybourne Lakes Country Park – Facility Improvements, River Medway – Riverside Lighting, Tonbridge and Financial Services Document Management Software.

<b>Schemes selected for evaluation from List C</b>	
	<b>Annex 3 Page</b>
<b>Street Scene, Leisure and Technical Services</b>	
Haysden Country Park – Sewage Treatment Facility (Fast-Track)	CP41

1.6.5 It is **RECOMMENDED** that Cabinet be asked to select the schemes listed in paragraph 1.6.4 for evaluation or further evaluation as appropriate including the scheme recommended for Fast-Track evaluation.

## 1.7 Evaluation of List C Schemes

1.7.1 As part of the 2016/17 and previous Capital Plan reviews a number of schemes were selected for evaluation. The results of those evaluations which have been concluded are given in **[Annex 4]** including those schemes recommended for Fast-Track evaluation.

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

- 1.7.3 Members are asked to note that the Larkfield Leisure Centre ventilation system capital plan scheme has been expanded to include replacement of the boiler serving the main building. At the current time the urgency of the replacement of the boiler is being established and on grounds of cost savings and operational efficiency consideration given to the implementation / timing of these works.
- 1.7.4 Details of the evaluated schemes are summarised below. For information, indicative, estimated annual revenue costs (savings) are also shown. The amount and timing of the revenue impact depends on the profiling of the capital expenditure and the timing of any changes in activity levels which generate changes to running costs or income.

<b>Capital / revenue consequences of evaluated schemes</b>			
	<b>Capital Cost</b>	<b>Annual revenue / renewals cost</b>	<b>Annex 4 Page</b>
	<b>£'000</b>	<b>£'000</b>	
<b>Street Scene, Leisure and Technical Services</b>			
Larkfield Leisure Centre – Ventilation System and Boiler Replacement	505	20	CP 49
Racecourse Sportsground – Rugby Pitch Drainage Improvements	25		CP 52
Haysden Country Park – Car Park Extension	30		CP 54
Haysden Country Park – Sewage Treatment Facility	75		CP 56
Tonbridge Cemetery – Path Works	15		CP 58
Tonbridge to Penshurst Cycle Route Refurbishment	60		CP 60
<b>Total</b>	<b>710</b>	<b>20</b>	

- 1.7.5 The schemes detailed above, other than the ventilation system and boiler replacement, are to be funded by way of developer contributions. The ventilation system and boiler replacement is to be met in part from the annual capital allowance. The balance is to be met by increasing the contribution to the revenue reserve for capital schemes in 2017/18 funded from the better than budgeted performance reflected in the 2017/18 revised estimates. The revenue consequences exclude an estimated loss of income claim in the sum of £250,000 to be funded from the Tonbridge and Malling Leisure Trust reserve.

- 1.7.6 Members are reminded that evaluated schemes can be recommended for inclusion on List B, retention on List C, or deletion from the Capital Plan process. Recommendation for inclusion on List B does not commit a scheme to be included in the Capital Plan, but is an expression of “in principle” support. Other than loss of investment income the figures in the above table have **not** been included in the draft revenue estimates reported elsewhere in these papers.
- 1.7.7 List B schemes will be considered by Cabinet on 8 February alongside the revenue estimates. Schemes may be selected for transfer from List B to the Capital Plan (List A) taking into account the overall budget position.
- 1.7.8 It is **RECOMMENDED** that Cabinet be asked to endorse the transfer of the schemes listed in paragraph 1.7.4 from List C to List B.

## 1.8 Capital Strategy

- 1.8.1 The Chartered Institute of Public Finance and Accountancy has supplied the following background notes: “The Capital Strategy should describe how the investment of capital resources will contribute to the achievement of the authority’s key objectives and priorities that are detailed in their Performance Plans and Community Plans/Strategies. An authority’s Capital Strategy should be one of the key, overarching strategies that support service plans. The strategy will also determine priorities between the various services and look for opportunities for cross-cutting and joined-up investment. The authority’s Capital Strategy should describe how the deployment of capital resources contributes to the achievement of the described goals. It will also help to ensure that issues around property and other assets are fully reflected in the Council’s planning.”
- 1.8.2 The Capital Strategy [**Annex 5**] is updated annually. The Strategy has no annexes but includes links to a number of other documents or web pages which are referred to in the text and are available on the Council’s website or the internet.
- 1.8.3 It is **RECOMMENDED** that Cabinet be invited to endorse the Capital Strategy as attached at [**Annex 5**] for adoption by Council and publication on the Council’s website.

## 1.9 Legal Implications

The Local Government Act 2003 and its subsidiary regulations set out the framework for the system of capital controls which applied from 1 April 2004 whereby local authorities must set their own borrowing limits with regard to affordability, prudence and sustainability. Underpinning this is a requirement to follow the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

## 1.10 Financial and Value for Money Considerations

1.10.1 The transfer of schemes from List C to List B has no financial impact. The transfer of schemes from List B to List A will be considered by Cabinet on 8 February in the context of the Medium Term Financial Strategy and the overall budget position.

1.10.2 The Capital Strategy outlines a capital plan process which follows the CIPFA Prudential Code and in addition to supporting the achievement of the Council's priorities and corporate objectives, focuses on value for money.

### **1.11 Risk Assessment**

1.11.1 Financial implications of new schemes to be considered by Cabinet at the February budget meeting.

1.11.2 Failure to endorse a satisfactory Capital Strategy may lead to a capital programme which does not fully support the Council's priorities and corporate objectives.

### **1.12 Equality Impact Assessment**

1.12.1 Where there is a perceived impact on end users an equality impact assessment has or will be carried out as schemes progress as appropriate.

### **1.13 Summary of Recommendations**

1.13.1 It is **RECOMMENDED** that Cabinet be asked to endorse the Capital Plan (List A) position as shown in **[Annex 2]** and note the contribution to the savings target as a result of the reassessment of DFG funding;

1.13.2 It is **RECOMMENDED** that Cabinet be asked to amend List C as detailed in paragraph 1.5.3.

1.13.3 It is **RECOMMENDED** that Cabinet be asked to select the schemes listed in paragraph 1.6.4 for evaluation or further evaluation as appropriate including the scheme recommended for Fast-Track evaluation.

1.13.4 It is **RECOMMENDED** that Cabinet be asked to endorse the transfer of the schemes listed in paragraph 1.7.4 from List C to List B.

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

Background papers:

Nil

Sharon Shelton

Director of Finance and Transformation

contact: Michael Withey

Neil Lawley

This page is intentionally left blank



## TONBRIDGE AND MALLING BOROUGH COUNCIL

### CAPITAL STRATEGY

#### 1 Introduction

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

#### 2 The Financial Context

- 2.1 Key financial statistics are:

Net Budget Requirement <b>2017/18</b>	<b>£11.78 million</b>
Government Grant / Business rates excluding New Homes Bonus <b>2017/18</b>	<b>£2.27 million</b>
Borough Council Band D Charge <b>2017/18</b>	<b>£197.51</b>
Capital Plan <b>2017/18 to 2022/23</b> (Gross expenditure)	<b>£13.05 million</b>
Fixed Assets at 31 March <b>2017</b>	<b>£82.06 million</b>
Debt Outstanding at 31 March <b>2017</b>	<b>Nil</b>
Revenue Reserve for Capital Schemes at <b>31 March 2017</b>	<b>£6.75 million</b>

- 2.2 The Medium Term Financial Strategy (MTFS) together with the Council's strategic priorities and objectives along with the established criteria used to guide the inclusion of capital plan schemes and the Prudential Code (see paragraph 3.1) form the basis for any capital investment decisions. The MTFS was used to guide the selection of new Capital Plan schemes in recent years

and will continue to be a major influence on the **2017/18** and subsequent Capital Plan reviews. The MTFs is updated at least once a year and the latest version is published on the Council's website.

- 2.3 Capital receipts derived from the sale of capital assets (generally land and buildings) can be used to repay debt or used as a source of finance for new capital expenditure. The Council's assets are reviewed on a regular basis to identify the potential for alternative use or disposal.
- 2.4 The demographic and economic features of the Borough give rise to a realistic assessment of very limited opportunities to attract funds from national and regional sources. Nevertheless, the Council will continue to investigate and exploit external funding opportunities.
- 2.5 Capital expenditure is currently funded from the revenue reserve for capital schemes (RRCS) grants from government and other bodies, developer contributions and from capital receipts derived from the sale of assets.
- 2.6 All government support for the Council's capital expenditure is by way of capital grant. Government support through capital grants is usually ring-fenced for specific purposes. It is the Council's intention to try to secure capital grants, wherever possible, for schemes which advance the Council's strategic priorities and objectives.
- 2.7 It is important to ensure that the RRCS can continue to fund capital expenditure at least until we reach a position where the annual contribution to the reserve matches the funding required for the replacement of existing assets (vehicles, plant and equipment) as well as recurring capital expenditure.
- 2.8 As a result there is an annual capital allowance for all other capital expenditure. Any 'bids' for capital schemes or discretionary capital grants are to be assessed in the context of the annual allowance. It should be noted, based on current projections, that from **2021/22** the Council may need to borrow to fund such expenditure. The annual capital allowance is set at £200,000. ***Priority is afforded to schemes that meet legislative requirements, address health & safety concerns, generate income or reduce the Council's revenue costs.***

### **3 Legislative Framework and its associated regulations**

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

- 3.2 The Prudential Code requires that the CIPFA Treasury Management Code of Practice is adopted and that a number of prudential indicators are set. Council adopted the December 2009 edition of the Code on 18 February 2010 and due regard has also been given to subsequent revisions in preparing the Treasury Management and Annual Investment Strategy for **2018/19**.
- 3.3 The prudential framework for capital expenditure is intended to encourage local authorities to use resources more flexibly and plan for the longer term; provide more autonomy and accountability, with local authorities having greater responsibility for local capital spending decisions; move towards improved corporate and strategic working, with more effective tackling of cross-cutting issues; and better use and management of assets. Another key element of the legislative framework is the duty to secure economy, efficiency and effectiveness in the Council's use of resources. Achieving value for money is addressed in Section 5 of the Strategy as one of the key principles to be applied in capital investment decisions.

#### **4 Strategic Priorities**

- 4.1 Capital plan schemes should emerge from, or be designed to achieve, the Council's strategic priorities and objectives set out in overview in the recently updated [Corporate Strategy](#). The Strategy sets out Our Vision and Our Values guided by the following core values:
- Taking a business-like approach.
  - Promoting Fairness.
  - Embracing Effective Partnership Working.
  - Valuing our environment and encouraging sustainable growth.
- 4.2 The Corporate Strategy is supported by a wide range of Strategies and Plans where specific improvement projects and initiatives are cascaded down into section plans across the Council. These section and other plans also cover a range of other priorities, improvements and indicators that are set and managed by individual services.
- 4.3 The Council's capital investment decisions should be in support of its strategic priorities and objectives along with the established criteria used to guide the inclusion of capital plan schemes, and this is an integral part of the evaluation process for each project under consideration. No project should proceed to inclusion within the Capital Plan unless it furthers achievement of the Council's strategic priorities and objectives.

#### **5 Principles Supporting the Capital Strategy**

- 5.1 The key principles that underpin the Council's Capital Strategy are:
- 5.2 **Strategic Priorities.** Establishment of a direct relationship with the Council's strategic priorities and objectives, with a Capital Plan based upon investment needs and prioritised on an authority-wide basis. This demonstrates an explicit link with key strategic planning documents and recognition of the need

for a corporate approach to cross-cutting issues such as the environment, social inclusion, affordable housing and community safety.

- 5.3 **Public Consultation.** The use of public consultation is, indirectly, an important part of developing the Capital Plan through its use in setting priorities and developing strategies, which may lead to capital projects coming forward.
- 5.4 **Other Consultation.** As well as individuals communicating directly with Council Officers and Members, other conduits exist for expressing views to the Council. The Parish Partnership Panel, the Tonbridge Forum, the Tonbridge Sports Association, the Disability Working Party, and customer panels at leisure **facilities** allow specific persons or groups of users to express their views.
- 5.5 **Partnerships.** Partnership initiatives are considered in Section 6 including the Tonbridge and Malling Local Strategic Partnership, the West Kent Partnership and the Community Safety Partnership which help shape policy objectives and which aim to deliver projects in conjunction with others.
- 5.6 **Procurement Strategy.** The [Procurement Strategy](#) seeks to ensure that good procurement practice is applied consistently throughout the Council. It sets out how the Council will address procurement and establishes its importance to the Council and the contribution it can make to improved service delivery.
- 5.7 **Support for Regional and National Priorities.** To support, where possible, regional and national priorities, for example urban renaissance, transportation improvements, environmental initiatives such as increased levels of recycling.
- 5.8 **Support for Local Priorities.** The Borough Council has been consistently investing in its car parks to support the local economy through a phased programme of improvements. As a Flood Risk Management Authority, we will maintain our support for the flood defence schemes being developed in the area.
- 5.9 **Availability of External Funding.** In support of the Council's strategic priorities and objectives to monitor and pursue available forms of external partnership and other funding opportunities. **Capital schemes are increasingly being funded in full or part by contributions from developers.**
- 5.10 The Council's [Local Development Framework Core Strategy](#), adopted in 2007, supports the Government policy that development should contribute towards the community services and infrastructure that are necessary to support that development. **The provision of infrastructure by developers as part of a wider project and financial contributions** are brought forward by planning conditions or legal agreements on a case by case basis where justified by the application of the statutory tests. These arrangements have brought forward significant **provision of and** contributions to affordable housing, education

facilities, children's play, sports pitches, leisure facilities, highway works and transportation services.

- 5.11 The Council ***is well advanced on*** a new Local Plan for the Borough which will set out development policies and proposals until 2031. The potential development strategy ***is*** built upon strategic development options with the capacity to bring forward new infrastructure investment in parallel with planned growth. The programme is for the new Local Plan to be finally adopted ***during*** 2019, following public examination.
- 5.12 ***The Council is keen to secure a continuing supply of homes at appropriate and in sustainable locations to meet the needs and demands of the Borough. It has a proven track record in fostering growth in a strategically planned way. A range of housing provides balanced support for economic investment by companies looking to locate and expand in the Borough. The supply of new homes and businesses themselves make a contribution towards the Council tax base, potential new homes bonus funding and the potential income from business rates. So long as the level is consistent with planning policies and good practice the Borough Council will seek to secure levels of growth that assist in sustaining important local services.***
- 5.13 As a non-stockholding Housing Authority, the Council has a key role to play in the delivery of the strategic housing function covering policy and enabling, private sector housing, and ***in identifying and addressing*** housing needs. Contained within a number of different strategies the key priorities are to:
- Enable and facilitate the provision of housing, ***especially affordable homes***, across all tenures in order to meet existing and future housing need.
  - Prevent and reduce homelessness ***in-line with new duties under the Homeless Reduction Act***.
  - Support households to live independently in the community.
  - Improving conditions across all tenures to achieve safe, warm and healthy homes ensuring good health and wellbeing for our communities.
- 5.14 **Use of the Council's Assets.** Maintenance of an Asset Management Plan and performance measures for the use of Council owned assets to ensure optimum returns and early release of redundant assets in support of strategic investment priorities and to attract inward investment. An updated Asset Management Plan covering the period 2015-2020 is currently being prepared.
- 5.15 **Consideration of the Impact on the Council's Revenue Budget.** To ensure that capital investment decisions are consistent with the Council's Medium Term Financial Strategy, particularly the management of its revenue budget so as to reduce its dependence upon the use of revenue reserves.
- 5.16 **Value for Money.** Each year the Council's external auditor gives an opinion on whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. All of the Capital Plan processes from identification and selection of schemes, through

implementation to subsequent review of completed schemes can contribute to achieving value for money.

- 5.17 **Investment in IT** in order to improve efficiency and economy and to meet customer aspirations for self service, particularly via the website; and to enable more flexible and different ways of working to be adopted to support and assist delivery of the Savings and Transformation Strategy.

## 6 Partnerships

- 6.1 **The Tonbridge and Malling Local Strategic Partnership.** The [Local Strategic Partnership](#) is now well established and has attracted a high level of representation from the public, private, voluntary and faith sectors. Its work focuses on addressing key issues of concern locally such as older people's services, the needs of young people, the local economy, affordable housing and public health issues.
- 6.2 **West Kent Partnership.** The Council is a founding member of the [West Kent Partnership](#), formed on a sub regional rather than district basis, reflecting the degree of economic and social homogeneity across West Kent and a shared community of interest. The Partnership works with other partners in a joined up fashion for the benefit of the local community with a focus on economic development and infrastructure issues.
- 6.3 **Transportation Partnerships.** The Borough Council has consistently sought to influence the quality of transportation services in its area and increase investment in them by the relevant authorities. These authorities include the local highway authority, (Kent County Council), the strategic road network agency (Highways England), railway operators and Government Departments.
- 6.4 **The Joint Transportation Board**, comprising Members from the Borough and County Councils, provides an overseeing function for the co-ordination of transport investment in the Borough. This ranges from regular reviews of minor improvements, highway maintenance programmes and parking reviews to major investment through key strategies.
- 6.5 The Borough Council's **Rail Manifesto** sets out clearly the service expectations that the Council has for rail services for the Borough. The Manifesto is kept under constant review to reflect the changing demand for rail travel in communities across the Borough.
- 6.6 **Local Enterprise Partnership (LEP).** The South East Local Enterprise Partnership (SELEP) seeks to promote economic growth across Essex, Kent and East Sussex. Given its size, a federated model of operation has been adopted and the Kent and Medway Economic Partnership (KMEP) is the local body which covers Tonbridge and Malling. A key role for both organisations is to bid for Local Growth Fund monies to fund local projects which support our local economy.

- 6.7 **Other Partnerships.** The Council is also part of a partnership that has promoted a bid to the Local Growth Fund to bring forward the much needed improvement to the Leigh Flood Storage area. This is a strategic infrastructure investment required to safeguard many residential and business properties in the southern part of the Borough and to enable future growth and new development to take place.
- 6.8 **Community Regeneration Partnerships.** The Council has entered into partnerships which have made a genuine difference to the local community with clear and tangible outcomes.
- 6.9 **The Community Safety Partnership (CSP).** The Crime and Disorder Act 1998 placed an obligation on local authorities and the Police (amongst others) to work together to develop and implement a strategy to tackle crime and disorder in their area. The Tonbridge and Malling CSP vision is: working together to ensure the safety and security of Tonbridge and Malling's residents, businesses and visitors.
- 6.10 **Tonbridge Central Area Action Plan.** The Plan provides the context for partnership projects to attract private sector investment in the town centre and secure transport and environmental improvements. A number of key sites are allocated that have potential to deliver town centre and mixed use development that can generate increased vitality into the town centre and the High Street in particular. ***The Action Plan is to be reviewed as part of the new Local Plan.***

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

- 7.1 The Council has developed a process for considering and evaluating potential capital schemes as an integral part of its Capital Strategy. This process for selecting schemes is described below.
- 7.2 Schemes, subject to some exceptions listed below, are selected by a phased process. For convenience, the stages have been termed List A, List B and List C, with List A being the approved Capital Plan.
- 7.3 As schemes come forward they are stored in a list of schemes (List C) for consideration and possible evaluation. These schemes should emerge from, or be designed to achieve, the Council's strategic priorities and objectives along with a set of criteria used to guide the inclusion of new schemes to List C and ultimately the inclusion of schemes on List A. The criteria are: to meet legislative requirements including health and safety obligations; funded from external resources; and reduce revenue expenditure and or generate income. Justification would need to be provided for any schemes that failed to meet one or more of these criteria in order for them to progress through the capital plan process.
- 7.4 From List C, Members select schemes for evaluation. Evaluations will include:
- Specification of the purpose of the scheme and its relevance to the Council's strategic objectives and any wider national policy objectives, the

setting of targets by which the success or otherwise of the project can be judged post-implementation.

- An outline design to facilitate costing and, where appropriate, consultation.
- Consultation, including, where appropriate, public consultation on the scheme's principle.
- The establishment of a realistic estimated capital cost, incorporating any consultation feedback on design issues.
- An assessment of the ongoing revenue costs and income generating capacity of the completed scheme including an assessment of the loss of interest from investments and impact on capital renewals provisions.
- Consideration of partnership and external funding opportunities.
- Consideration of the time after the end of the project during which the targets and objectives should be reviewed and reported to stakeholders.

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



Innovation and Property Advisory Board and Overview and Scrutiny Committee.

- 7.10 Finance, Innovation and Property Advisory Board will also review existing Capital Plan (List A) schemes, advising Cabinet of the result. This provides an opportunity to review the budget and progress of existing schemes or even to propose their deferment or deletion.

## **8 The Capital Plan**

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

## **9 Post Implementation Reviews**

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

Strategy updated: ***December 2017***

This page is intentionally left blank

## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

03 January 2018

#### Report of the Management Team

#### Part 1- Public

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

#### 1 REVIEW OF FEES AND CHARGES 2018/19

**This report brings forward for consideration as part of the budget setting process for 2018/19 proposals in respect of those fees and charges that are the responsibility of the Cabinet Member for Finance, Innovation and Property or not reported elsewhere.**

#### 1.1 Introduction

1.1.1 The purpose of this report is to set out for 2018/19 the proposals for those fees and charges which fall within the remit of this Board or which have not been reported elsewhere.

1.1.2 The budgetary guidance issued to Chief Officers for the 2018/19 budget cycle, and approved by Cabinet, reiterated the objective to maximise income subject to market conditions, opportunities and comparable charges elsewhere. In bringing forward proposals officers have paid due regard to the guiding principles for the setting of fees and charges previously approved by this Board and endorsed by Cabinet.

1.1.3 The proposals regarding fees and charges outlined in this report are incorporated within the Revenue Estimates to be found elsewhere on this agenda. Any changes required following this meeting will be incorporated before the Estimates are presented to Cabinet on 30 January 2018. The proposals are set out on a service by service basis with the recommendations at the end of each section.

#### **LEGAL SERVICES**

#### 1.2 Legal Fees Payable by Third Parties

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

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

1.2.2 It is **RECOMMENDED** that the Council's charges follow the rates set out above.

### 1.3 LAND CHARGES

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

1.3.2 This is a volatile area of activity where income can fall, or alternatively increase, quickly. The last year has shown a slight decline in search income this may be associated with the uncertainty around Brexit.

1.3.3 In bringing this report forward market considerations have been taken into account where permissible within the appropriate legislation and we aim to operate a competitive charging policy where we are able to do so. The current charges have not increased since 2008.

1.3.4 In July 2016 the Local Authority implemented changes to the questions it answered using the new Official Enquiries of Local Authority forms R and O (more commonly known as "Con 29"). This was successfully introduced and has now been in place for just under 18 months. Your officers have undertaken random sampling and time recording using the new form to test the level of fees in accordance with the appropriate legislation on charging. It is not proposed to increase the standard fees which were charged last year.

1.3.5 The table at Annex 1 shows the fees for land charges searches and enquiries and the VAT element of those proposed to be effective from 1 April 2018.

1.3.6 It is not believed that it is appropriate to have any concessionary charges apply to these fees given that the search function supports the sale and purchase of private property. Members are reminded of the requirement under the Public Sector Equality Duty (s149 of the Equality Act 2010) to have regard to the requirement to (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) to advance equality of opportunity between people from different groups and (iii) to foster good relations between people from different groups, it is not believed that these charges will have an adverse impact on any particular group protected by the 2010 legislation. As the charges will be

the same for everyone there does not appear to be any disproportionate effect on any of the protected groups.

- 1.3.7 It is **RECOMMENDED** that the proposed scale of fees for local land charges searches and enquiries set out in this report be adopted with effect from 1 April 2018.

## **ADMINISTRATIVE SERVICES**

### **1.4 Photocopying Charges**

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

## **STREET NAMING & NUMBERING SERVICES**

### **1.5 Street Naming & Numbering - Introduction**

- 1.5.1 The requirement to provide a Street Naming & Numbering service is derived from the Towns Improvement Clauses act 1847, the Public Health Acts Amendment Act 1907 and the County of Kent Act 1981. The TMBC Street Naming & Numbering Policy sets out the framework under which the service is delivered in this authority
- 1.5.2 The IT GIS Team are responsible for delivery of this service. The actual cost of service delivery has been calculated by recording staff processing time, software costs and postage costs.

1.5.3 In line with the previous fee schedule the following priorities have been accounted for in the latest review:

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

1.5.4 The changes introduced in the fee structure last year continue to address the five principles set out above.

1.5.5 For the purposes of this year's review I have concentrated on priorities 1 and 2 ensuring that the cost of SNN to the Council is recovered where possible through fees and charges.

1.5.6 All fees have been uplifted by circa 3%, in line with the current CPI inflation level.

## 1.6 Proposed Fee scale for Street Naming and Numbering

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

1.6.2 Individual flats are considered as individual plots.

### New Properties

Category	Up to three in-fill properties on an existing street	Current Fee 2016/17	Proposed Fee 2017/18
1	Addressing one new in-fill property	£172	£177
2	Addressing two to three in-fill properties	£89 per property	£92 per property
	Where four or more properties are to be named or numbered, the fee for new developments (below) will be levied.		

	Four or more in-fill properties on an existing street, or new properties on a
--	---

new street			
3	Fee for naming of a street, other than in relation to new property addressing	£209	£215
4	Fee for addressing plots, including street naming if Required 1- 4 Units	£210 +£32	£216 +£33
5	5 – 10 Units	£210 +£27	£216 +£28
6	11 or more units	£418 +£12	£431 +£12

### Existing Properties

7	Renumbering an existing property	£75	£77
8	Renaming an existing property, not in a current numbering scheme	£75	£77
9	Registering the addition or change or an alias to a numbered property	£75	£77
10	Removing an existing alias from a numbered property	No charge	No charge
11	Rename an existing street	£1,570	£1,617
12	Rename a block of flats	£1,570	£1,617
13	Fee for addressing units (flats) when splitting an existing property	£89 per unit	£92 per unit
14	Fee for addressing a single property when merging separate units	£172	£177

1.6.3 It is **RECOMMENDED** to Cabinet that the above fee Schedule for Street Naming and Numbering be adopted from 1 April 2018.

### 1.7 Council Tax and Business Rate Court Costs

1.7.1 The Council is obliged by law to collect all unpaid amounts of council tax and business rates and therefore has to take recovery action through the Magistrates' Court to obtain the necessary order.

1.7.2 The Council's costs in taking this recovery action is charged back to the taxpayer as follows:-

Court Costs 2017/18	Council Tax - Costs			Non Domestic Rates - Costs		
	Summons	Liability Order	Total	Summons	Liability Order	Total
Tonbridge & Malling	£55.00	£45.00	£100.00	£120.00	£60.00	£180.00

- 1.7.3 The level of costs is agreed with the Magistrates' Court each year, and following a recent High Court case, evidence must be provided to justify the amount being requested. The Magistrates' Court has accepted our cost evidence during this financial year for the above charges.
- 1.7.4 There is also pressure from organisations such as the Money Advice Trust and the Citizens Advice Bureau about the costs incurred by residents due to the use of enforcement action by Local Authorities.
- 1.7.5 Our cost base in delivering this function is not expected to increase significantly in 2018/19, and as a result of this and the impact on our residents we do not propose to seek the Court's approval to increase the level of costs requested from taxpayers.
- 1.7.6 It is **RECOMMENDED**, therefore, that the amount of costs recharged should remain the same for the 2018/19 financial year.

## **1.8 Legal Implications**

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

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

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

## **1.10 Risk Assessment**

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

## **1.11 Equality Impact Assessment**

- 1.11.1 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.

## **1.12 Recommendations**

- 1.12.1 Recommendations are set out at the end of each section.

Background papers:

Nil

contact: Adrian Stanfield  
David Partridge



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

Annex 1

Proposed Land Charges Search fees 2018/19

		FEE	VAT	TOTAL
<b>Search Forms (non-commercial):</b>				
Certificate of Search of Register (LLC1) only		£35.00	Nil	£35.00
Fees for completing form CON29 only (standard questionnaire) on RESIDENTIAL properties		£135.00	£27.00	£162.00
Standard search (combined LLC1 and CON29) for NON-COMMERCIAL properties (discounted rate)	LLC1	£35.00	Nil	£35.00
	CON29	£113.00	£22.60	£135.60
	Total Payable			<b>£170.60</b>
Additional Parcel (LLC1) only		£10.00	Nil	£10.00
Additional Parcel (CON29/CON290)		£10.00	£2.00	£12.00
<b>Search Forms (commercial):</b>				
Certificate of Search of Register (LLC1) only		£35.00	Nil	£35.00
Fees for completing form CON29 only (standard questionnaire) on COMMERCIAL properties		£293.00	£58.60	£351.60
Standard search (combined LLC1 and CON29) for COMMERCIAL properties (discounted rate)	LLC1	£35.00	Nil	£35.00
	CON29	£264.00	£52.80	£316.80
	Total Payable			<b>£351.80</b>
<b>Fees for additional services:</b>				
Providing refined CON29 data for questions 3.1, 3.7, 3.8, 3.9, 3.10, 3.11 and 3.12 only in a tailored report. Excludes Highway information		£49.00	£9.80	£58.80
Per each question		£8.00	£1.60	Per Question £9.60
Sight of unrefined CON29 data for question 3.1, 3.7, 3.8, 3.9, 3.10, 3.11 and 3.12 by appointment only, please contact Land Charges office. Excludes information publicly available elsewhere e.g. Highways		Nil	Nil	Nil
Each Printed CON290 (Optional) enquiry		£15.00	£3.00	£18.00
Each Non-standard CON290 (Optional) enquiry		£18.00	£3.60	£21.60
Cancellation charge (fee if notified within 1-2 days of receipt of search application)		£31.00	£6.20	£37.20
<b>Expedition fees (in addition to search fees):</b>				
Search of Register and form CON29		£49.00	£9.80	£58.80

This page is intentionally left blank

## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

03 January 2018

#### Report of the Director of Central Services and Monitoring Officer

#### Part 1- Public

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

### 1 TONBRIDGE CASTLE – REVIEW OF FEES AND CHARGES

#### 1.1 Executive Overview

- 1.1.1 This review has taken a business-like-approach and has focussed on how Tonbridge Castle fees and charges have been set in the past and makes recommendations to increase revenue streams from a number of different areas.
- 1.1.2 Tonbridge Castle is used to deliver a variety of different services and functions. These include the Kent County Council funded Gateway; Tourist Information Centre; Attraction i.e. the Castle tour; Meeting Rooms; the Castle Lawn and offices (occupied by the Borough Council and Citizens Advice Bureau) which all have revenue streams attributed to them for a myriad of different activities.
- 1.1.3 Many of the different revenue streams covered in this report have long lag factors, where revenue can only be realised by ensuring there is a strong business plan which encompasses the key Marketing strategies, resulting in people interested to use Tonbridge Castle. Many people visiting Wedding Fairs are looking at finding venues for 2019 and 2020.
- 1.1.4 At the Castle the Borough Council arranges and facilitates many types of events, from music concerts on the Castle Lawn, art exhibitions in the Castle Chamber and weddings in the Castle Chamber and Gatehouse.
- 1.1.5 It is essential to have a strong working relationship between the different Directorates who manage different activities at the Castle to utilise this most valuable and historic asset. Leisure services organise many established mature events on the Castle Lawn which attract many visitors from the surrounding areas.
- 1.1.6 The main revenue streams from Tonbridge Castle are from the Attraction (Castle Tours), school visits, weddings and shop.

## 1.2 Visitors to the Castle

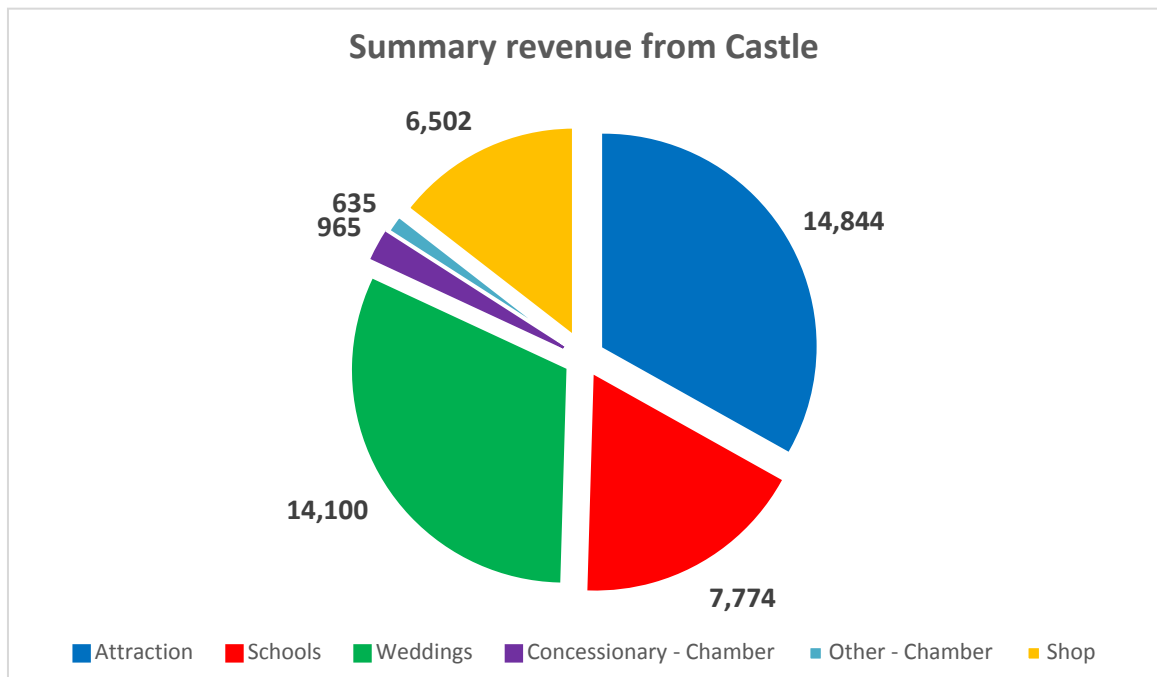
1.2.1 People visit the Castle for a wide range of services and needs seven days a week through the year.

1.2.2 The top ten customer services interactions (not including the Tourist Information Centre) are set out below:

<b>Castle Footfall</b>		
<b>No</b>	<b>Description</b>	<b>Number 2016</b>
1	Benefit	5,129
2	Parking	3,685
3	Housing	2,095
4	Council Tax	1,876
5	Self Help Kiosk & Computers	1,191
6	Toilet	757
7	Bus & Train Timetables	729
8	Waste Enquiries	438
9	Electoral Roll	279
10	Planning	276

<b>Kings Hill; Castle and Surgeries</b>		
<b>No</b>	<b>Description</b>	<b>Number 2016</b>
1	Benefits	14,129
2	Housing	5,160
3	Council Tax	4,722
4	Parking	4,126
5	Payments	3,833
6	Licensing	2,785
7	Post/Deliveries	2,322
8	KCC	1,092
9	Waste	855
10	Planning	796

### 1.3 Castle – Summary of Income Year-to-date 2017-18 ( “£”)



Revenue Stream	Revenue (£) YTD
Attraction (Castle Tours)	14,844
Weddings	14,100
Schools – Visits and Educational workshops	7,774
Castle Tourist Information Centre Shop	6,502
Castle Chamber – Concessionary bookings	965
Castle Chamber – bookings (Not weddings/schools)	635

## 1.4 Tonbridge Castle - proposed fees

1.4.1 For many of the activities at the Castle, particularly weddings and castle tours, the Borough Council trades in a competitive commercial market and therefore needs to attract high footfall of businesses, tourists and residents alike to ensure a healthy revenue stream.

1.4.2 I am therefore proposing three levels of fees to accommodate the commercial environment we are trading in:

Type 1 "Fixed rate"	Type 2 "Discount / commission when criteria is met"	Type 3 "Events"
<p>Examples</p> <ul style="list-style-type: none"> <li>• <b>Attraction Tickets</b> (Castle Tours)</li> <li>• <b>Vast Majority of Weddings</b></li> <li>• <b>Wedding Directory</b> (Partners can advertise their service to prospective couples.)</li> </ul>	<p>Examples</p> <ul style="list-style-type: none"> <li>• <b>Attraction Tickets</b> (Castle Tours – e.g. discount for groups)</li> <li>• <b>School parties</b> (1 place free in 10)</li> <li>• <b>Castle event partners</b> (Partners who book Weddings / Events)</li> </ul>	<p>Examples</p> <ul style="list-style-type: none"> <li>• Events where different levels of commission or fees are negotiated between TMBC and Event Organiser for events on:</li> <li>• <b>Castle Lawn and grounds</b> (where the Chamber is booked as part of a package)</li> <li>• <b>Gatehouse</b> (Where Partners enter in to an agreement to hold functions and the income to TMBC will vary)</li> </ul>



### Attraction (Castle Tours) – Gatehouse Charges

1.4.3 The attraction has been open since 2001 and has attracted thousands of visitors with the first class tour of the Gatehouse and Castle Grounds.

1.4.4 There are many different Castles open to the public in Kent with varying admission prices

2017/18	Tonbridge	Rochester	Upnor	Hever	Leeds	Dover
Adult	£8.90	£6.40	£6.40	£16.90	£24.90	£19.40
Concessions	£5.50	£4.00	£4.00	Free to £14.70	Free to £21.90	£17.50
Student	£5.50	£4.00	£4.00	£14.20	£21.90	£17.50
Child 5 – 15	£5.50	£4.00	£4.00	£9.75	£16.90	£11.60
Senior 60+	£5.50	£4.00	£4.00	£14.70	£21.90	£17.50
Family Ticket	£24.00	£16.80	£16.80	£44.50	n/a	£50.40
Season Ticket Adult	£20.00	As part of English Heritage Membership	As part of English Heritage Membership	£42.25	As above	As part of English Heritage Membership
Season Ticket Concession	£15.00			£23.75 to £36.75	As above	

#### Example of recent promotions

Leeds Castle – Groupon £10 from £20

Tonbridge – 1 free in groups of 10

Rochester Castle – 01.04.2017 – 31.12.2017 --- 2 for the price of 1

Hever Castle – 2 for the price of 1 one full paying adult (only 2 persons allowed per voucher)

Upnor Castle – Groups of 10+ receive a 15% discount

#### Number of visitors to attraction

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2017/18	343	455	431	361	435	2,250	377	154					
2016/17	383	369	343	372	343	133	194	151	119	134	316	423	3280
2015/16	406	390	490	391	483	2,057	337	130	105	170	325	470	5754
2014/15	282	354	406	566	490	2,321	263	277	190	134	320	536	6139

1.4.5 In September each year as part of the Heritage weekend TMBC opens part of the attraction up free for members of the general public to look around. In 2016/17 this was done by strict appointment only, hence the reduced numbers.

### Revenue from Attraction (Castle Tours) – Adult “£”

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2016/17	467	659	673	560	1240	574	645	609	248	602	694	673	7644
2017/18	682	749	823	816	927	534	682	445					

### Revenue from Attraction (Castle Tours) – Child / concession “£”

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2016/17	458	362	433	596	828	413	375	242	88	228	438	354	4815
2017/18	779	403	532	977	894	481	537	329					

### Revenue from Attraction (Castle Tours) – Family “£”

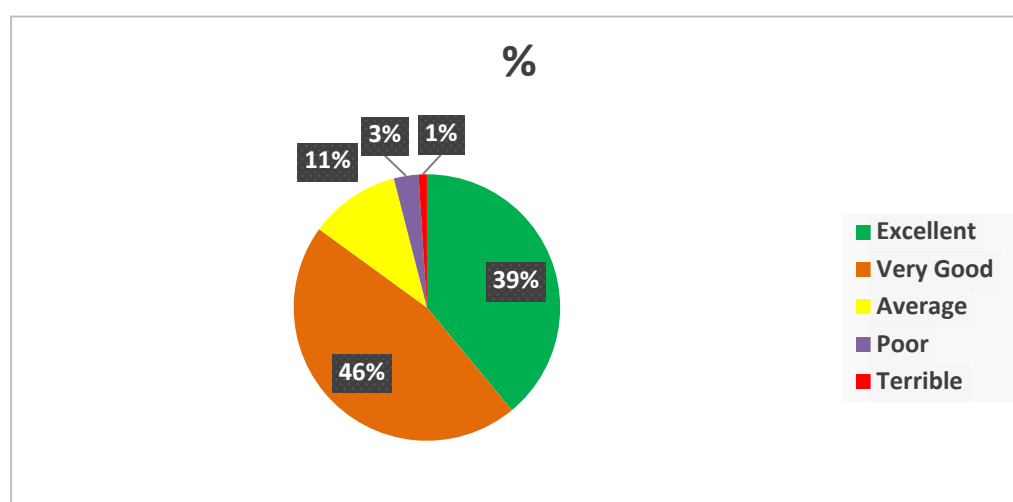
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2016/17	115	153	249	249	518	134	326	43	115	177	153	153	2385
2017/18	260	240	220	220	480	120	420	80					

### Revenue from Attraction (Castle Tours) – Total “£”

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2016/17	1040	1174	1355	1405	2586	1121	1346	894	451	1007	1285	1180	14844
Cum	1040	2214	3569	4974	7560	8681	10027	10921	11372	12379	13664	14844	
2017/18	1721	1392	1575	2013	2301	1135	1639	854					
Cum	1721	3113	4688	6701	9002	10137	11776	12630					
= / - Year on Year	681	899	1119	1727	1442	1456	1749	1709					

### Trip Advisor

1.4.6 At Tonbridge Castle we have received very positive feedback on the Trip Advisor Website. Looking at the Trip Advisor website on 1 December 2017 there were 162 reviews shown:



### Attraction (Castle Tours) Exhibits

- 1.4.7 Since the attraction has been open the exhibits in the attraction have been in place for 16 years, without any specific replacement programme to refresh or replace them.
- 1.4.8 Some are looking tired and some have been damaged and repaired.
- 1.4.9 I am proposing that 50p form each admission price is ring-fenced to be spent on replenishing and ensuring the attraction exhibits are well maintained and refreshed with additional appropriate and interesting items.

Year	2016/17	2017/18	2018/19
Adult	£8.50	£8.90	£9.00
Concessions Jun/OAP/Student/Leisure	£5.00	£5.50	£5.85
Family Ticket	£23.00	£24.00	£25.00
Season Ticket Adult*	£20.00	£20.00	£25
Season Ticket Concession	£15.00	£15.00	£16.00

\* Only one season ticket sold during 2016 –17, none so far during 2017-18.

### Recommendation

- 1.4.10 **That the new pricing model for the Castle Tour at Tonbridge Castle be approved as set out at paragraph 1.4.10 above.**

## 1.5 Schoolchildren

### Number of Schoolchildren and Education workshops 2017/18

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total

Children	84	225	172	30		60	96	45					712
----------	----	-----	-----	----	--	----	----	----	--	--	--	--	-----

### Revenue Schoolchildren visiting attraction

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2016/17	0	705	951	930	0	748	117	150	127	104	300	901
Cum	0	705	1656	2586	2586	3334	3451	3601	3728	3832	4132	5033
2017/18	0	552	1351	371	24	0	678	476				
Cum	0	522	1903	2274	2298	2298	2976	3452				

### Revenue School Education workshops

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2016/17	0	195	417	0	46	0	130	130	650	588	195	390
Cum	0	195	612	612	658	658	788	918	1568	2156	2351	2741
2017/18	0	205	560	70	0	0	210	210				
Cum	0	205	765	835	835	1045	1255					

### Total Revenue School Children Education workshops

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2016/17	0	900	1368	930	46	748	247	280	777	692	495	1291
cum	0	900	2268	3198	3244	3992	4239	4519	5296	5988	6483	7774
2017/18	0	757	1911	441	24	0	888	686				
Cum	0	757	2668	3109	3133	3133	4021	4707				
= / - Year on Year	0	-143	400	-89	-111	-859	-218	188				

### Proposed fees

Year	2016/17	2017/18	2018/19
Adult	£8.50	£8.90	£9.00
School Children	£5.00	£5.50	£5.85
Education Facilities includes toys, dressing up clothes, games, paper, pens and 2 tour guides (1 teacher free per 10 children. For special needs groups, carers admitted free as required)	65.00	70.00	75.00

### Recommendation

- 1.5.1 That the new pricing model for Schoolchildren Educational workshops at Tonbridge Castle be approved as set out at paragraph 1.5 above.

## 1.6 Weddings

### Number of weddings 2017/18

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Chamber		1	3		2	3	1		1				11
Great Hall				2		2			1				5

### Revenue from Weddings 2017/18 (Including deposits (£100))

Fees	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Chamber	2080	1180		740	1480	740		1890					8110
Great Hall			1150	2300			100	100					3650

### Revenue from Weddings 2016/17 (Including deposits (£100))

Fees	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Chamber	1500	1500	1200	400	3700	0	460	300	0	940	0	1300	11300
Great Hall	0	200	1100	1100	100	100	200						2800

### Cost of hiring venue for ceremonies - current fee model agreed at the Finance, innovation and property advisory board 04.01.2017.

	2016/17	2017/18	2018/19
<b>Weddings</b>			
• Chamber	800	840	900
• Gatehouse	1200	1250	1300
<b>Renewal of Vows/Baby Naming</b>			
• Chamber	560	600	600
• Gatehouse	900	900	900

- 1.6.1 There are no current bookings for any renewal of Vows or baby naming.

- 1.6.2 It is proposed that we adopt a new pricing model to reflect the competitive market we are operating in. A table showing comparative costs at other wedding venues is attached as **Annex 1**.

### Proposed new fee model - Chamber

	2018/19	2019/20	2020/21
<b>Weddings -</b>			
Monday - Thursday	800	840	880
Friday	840	880	920
Saturday	900	940	980
Sunday	900	940	980
<b>Renewal of Vows/Baby Naming -</b>			
Monday - Thursday	300	315	330
Friday	400	420	440
Saturday	500	525	550
Sunday	500	525	550

### Proposed new fee model - Gatehouse

	2018/19	2019/20	2020/21
<b>Weddings -</b>			
Monday - Thursday	1000	1050	1075
Friday	1200	1250	1300
Saturday	1300	1350	1400
Sunday	1300	1350	1400
<b>Renewal of Vows/Baby Naming -</b>			

	2018/19	2019/20	2020/21
Monday - Thursday	600	630	660
Friday	600	630	660
Saturday	700	735	770
Sunday	700	735	770

A particular challenge relating to weddings is the current inability to offer a discount to prospective bookers in appropriate circumstances. It is therefore proposed that authority be delegated to the Director of Central Services to depart from the fixed fee structure above where he considers that it is in the financial interests of the Council to do so in a particular case.

Director of Central Services and Monitoring Officer to have the ability to discount (Partners / last minute bookings etc.)

### Recommendations

1.6.3 **(a) That the new pricing model for weddings at Tonbridge Castle be approved as set out at paragraph 1.6.2 above.**

(b) That authority be delegated to the Director of Central Services to depart from the fixed fee structure set out at paragraph 1.6.2 above where he considers that it is in the financial interests of the Council to do so in a particular case

1.6.4 **Wedding Directory**

1.6.5 This directory will enable partners to advertise their service associated with a Wedding.

1.6.6 The cost for each partner to feature on this register will be £100 with a renewal fee for the second year of £50

	2018/19
<b>Wedding Directory</b>	
Cost to register	£100
Cost of renewal	£50

### Recommendation

1.6.7 **That the new pricing model for entries into the Wedding Directory at Tonbridge Castle be approved as set out at paragraph 1.6.6 above.**

## 1.7 Council Chamber bookings – Concessionary Users

- 1.7.1 There are currently 30 Concessionary Users who can book the Council Chamber at Tonbridge Castle at a discount, payment ranges from between 16.76 – 66.67 % of fixed rate. The current booking fees are shown at 1.8.2.
- 1.7.2 The current designated concessionary users are set out at **Annex 2**: Members are invited to review the list of concessionary users.
- 1.7.3 Out of the 30 Concessionary Users only 8 have booked the Chamber during 2017/18 so far this year.
- 1.7.4 These bookings have generated a total revenue of £965.

### Recommendations

- 1.7.5 **Members are invited to review the list of concessionary users and confirm the rate of discount to be given to any booking by an approved concessionary user.**

## 1.8 Council Chamber bookings – other Users

1.8.1 The other users fall into the following categories:

- Tonbridge organisations which hold regular meetings in the evening for which there has been no charge.
- User Panels, such as Haysden Country Park for which there has been no charge.
- Organisations that hold events on the Castle Lawn, where the Chamber has been made available to them during the event at no additional charge (e.g. The Tonbridge Lions – Tonbridge Carnival; Illyria).
- Paying users, such as Election Services; Private family functions etc.

1.8.2 Current Model

Hire Charge	Current 2016/17 £	Current 2017/18 £	Current Concessionary Rate 2016/17 £	Current Concessionary Rate 2017/18 £



First 3 hours	100.00	100.00	26.00	30.00
Plus each additional hour or part hour	40.00	40.00	9.00	10.00
Caretaking per hour	30.00	30.00	18.00	20.00
Cleaning charge *1	45.00	45.00	35.00	35.00
Daily rate	200.00	200.00	50.00	75.00
Weekly rate	895.00	895.00	110.00	150.00

**1.8.3 Proposed new model - Current fee model agreed at the Finance, Innovation and Property Advisory Board 04.01.2017.**

Hire Charge	Fixed Price		Concessionary	
	Current 2017/18 £	Current 2018/19 £	Current Concessionary Rate 2017/18 £	Proposed Concessionary Rate 2018/19 £
Monday – Friday – AM (09:00 – 13:00)		100.00		35.00
Monday – Friday – PM (14:00 – 17:00)		100.00		35.00
Monday – Friday – PM (18:00 – 21:00) NB: outside normal caretaker hours		100.00 (plus caretaker costs)		35.00 (plus caretaker costs)
Saturday – AM or PM (09:00 – 13:00) (14:00 – 17:00)		100.00		35.00
Saturday (18:00 – 23:00) NB: outside normal caretaker hours		200.00 (plus caretaker costs)		200.00 (plus caretaker costs)
Sunday – 10:00 – 16:00		120.00		120.00

Cleaning charge *1	45.00	45.00	45.00	45.00
Weekly rate Monday - Friday		Contact Castle for pricing		Members direction sought
Weekly rate Saturday - Friday		Contact Castle for pricing		Members direction sought

1.8.4 It is proposed to investigate whether it is possible to save or reduce the set £150 (minimum 5 hours rate) it currently costs from our current Caretaker/security provider to lock up the Castle after functions.

### Recommendation

**1.8.5 That the new pricing model for hiring out the Council Chamber at Tonbridge Castle be approved as set out at paragraph 1.8.3 above**

## 1.9 Great Hall Banquet Charges

- 1.9.1 The Great Hall is a great asset for Tonbridge & Malling Borough Council and is currently used to generate revenue through weddings.
- 1.9.2 Earlier this Summer we held a test event to understand the practicalities of holding a sit down dinner in the Great Hall. This was run by the Tonbridge Old Fire Station and proved to be a huge success.



- 1.9.3 Given the success of the above event, we would now like to propose to hire out the Great Hall under strict supervision to a chosen partner(s) for a series of sit down meals.
- 1.9.4 It is envisaged that these events for the season for 2018/19 would not be set at a fixed fee, however would be on a shared profit basis.

### Recommendation

- 1.9.5 **That the Director of Central Services and Monitoring Officer be authorised to agree Gate House fee charges for special events.**

## 1.10 Tourist Information Centre (TIC) Shop

### 1.11 Tic Shop revenue

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2016/17	699	620	677	575	841	573	472	338	320	381	530	478	6502
Cum	699	1319	1996	2571	3412	3985	4457	4795	5115	5496	6026	6504	
2017/18	604	824	548	650	704	608	533	461					
Cum	604	1428	1976	2626	3330	3938	4471	4932					
= / - Year on Year	-95	109	-20	55	-82	-47	14	137					

### 1.12 TIC Shop revenue Walk Cards\*

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2016/17	6	17	6	0	2	10	3	0	2	0	0	7	
2017/18	2	2	0	4	13	7	10	6					

\*Walk cards are a folder containing 15 cards of individual local walks that people can follow.

### 1.13 Filming at the Castle

- 1.13.1 The Castle offers a great opportunity for film companies to film adverts, documentaries and use the Castle as a back drop for different media projects.

However, at the moment there is no fee structure for such events, so it is proposed that authority be granted to the Director of Central Services and Monitoring Officer to negotiate and agree fees with parties wishing to use the Castle for filming purposes.

### **Recommendation**

- 1.13.2 **That authority be delegated to the Director of Central Services and Monitoring Officer** to negotiate and agree fees with parties wishing to use the Castle for filming purposes

## **1.14 Legal Implications**

- 1.14.1 None

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

- 1.15.1 These proposals are in accordance with the guidance in the Council's budget strategy.
- 1.15.2 Feedback from customers identifies that the charging regime provides value for money for casual visitors as well as group visits.

## **1.16 Risk Assessment**

- 1.16.1 There is a risk that excessive increases in charges could deter visitors and lead to a fall in overall income.

## **1.17 Equality Impact Assessment**

- 1.17.1 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.

## **1.18 Policy Considerations**

- 1.18.1 Community
- 1.18.2 Young People

## **1.19 Recommendations**

- 1.19.1 Recommendations are laid out within the report.

Background papers:

contact: Anthony Garnett

Nil

Adrian Stanfield  
Director of Central Services and Monitoring Officer

## Annex 1

### Wedding venues – comparisons with Tonbridge Castle

Venue	Type	Time hours	Cost	Registry Office / Fees	No Guests allowed	2018	2019	2020	2021	Discount available
Tonbridge Castle Chamber	historic building	2	£900	Direct to KCC	> 80	£840	£900			
Tonbridge Castle Great Hall	historic building	2	£1,300	Direct to KCC	> 32	£1,250	£1,300			
Chiddingstone Castle	historic building	3/4	£2,495	Direct to KCC	> 120	£2,495				Discount Available Thursday 30% Friday 20% as well as during 'Off Season'
Penshurst Place Fri-Sun	historic building	3	£1,995	Direct to KCC	> 200	£1,995	£2,250			
Penshurst Place Mon-Thurs	historic building	3	£1,500	Direct to KCC	> 200	£1,500	£1,750			
Bradbourne House E.Malling	historic building	1	£3,360							£2000 Out Season Nov-Mar
The Knowle	historic building	1								
Nettlestead Place Maidstone	historic building	2	£1,600	Direct to KCC	>120	£1,600				November-February ONLY for Just Ceremony
Spa Hotel Tunbridge Wells	Hotel	2	£1,200	Direct to KCC	> 45	£1,200				Mon-Fri £600 plus £15 per head compulsory charge for Drink or Canopy
Mansion House TW Regency	Registry Office	1	£667		> 80	£667	£667	£667	£667	Monday-Friday £553
Mansion House TW Wells Room	Registry Office	1	£327		> 16	£327	£327	£327	£327	Monday-Friday £215
Archbishops Maidstone Undercroft Room	Registry Office	1	£440		> 40	£440	£440	£440	£440	Monday-Friday £327
Maidstone The Great Hall	Registry Office	1	£1,071		> 100	£1,071	£1,071	£1,071	£1,071	Monday-Friday £801
Maidstone Solar Room	Registry Office	1	£667		> 50	£667	£667	£667	£667	Monday-Friday £553
Bexley Sir John Boyd's Room	Registry Office	1	£667		> 45	£667	£667	£667	£667	Monday-Friday £553
Dartford Anne of Cleves	Registry Office	1	£440		> 30	£440	£440	£440	£440	Monday-Friday £327
Bexley The Library & Dining Room	Registry Office	1	£1,071		> 65	£1,071	£1,071	£1,071	£1,071	Monday-Friday £801
Bexley The Salon	Registry Office	1	£667		> 45	£667	£667	£667	£667	Monday-Friday £553
Dartford Lord Irvine Suite	Registry Office	1	£667		>100	£667	£667	£667	£667	Monday-Friday £553

## Annex 2

The current designated concessionary users are:

Bridge Trust

Citizens Advice Bureau

Guide Dogs for the Blind

Home Start West Kent

KCC Walking Bus

Lyons Commuters Tonbridge

Mencap

Police

Platonic Arts now 4 arts

Relate

Royal British Legion –Tonbridge Branch

Slade Residents Association

Small Businesses Federation

Tonbridge Adult Education Centre

Tonbridge Access Group

Tonbridge Allotments and Garden Association

Tonbridge Arts Group

Tonbridge Camera Group

Tonbridge Creative Art Group

Tonbridge Civic Society

Tonbridge Historical Society

Tonbridge Memorial Gardens

Tonbridge Model Engineering Society

Tonbridge Sports Association

Tonbridge Lions Club

Tonbridge Town Lands & Richard Mylls Charity

Voluntary Action within Kent –VAWK and West Kent Chamber of Commerce & Industries

West Kent Community Health Forum

West Kent Victim Support.

This page is intentionally left blank



## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

03 January 2018

#### 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 three new applications for discretionary rate relief.**

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

#### **1.1 New applications for discretionary rate relief**

1.1.1 Since the last meeting of the Board, I have received three new applications for rate relief that have reached a stage where they are ready for Members' consideration. I give below further details of these applications.

1.1.2 **1<sup>st</sup> Ditton Scout Group, R/O 18 New Road, Ditton, Aylesford ME20 6AD.  
Rateable Value £3,350**

1.1.3 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.

1.1.4 The applicant was in receipt of the maximum 20% top up relief up to 31 March 2013. However, as no reapplication was received, relief has not been awarded since.

1.1.5 An award of 20% discretionary relief seems appropriate as this would be consistent with similar applications received this financial year. However, relief can only be backdated to 1 April 2017 as the application was received after the 30 September 2017.

1.1.6 Should Members decide to award the maximum 20% relief, the applicant will receive £320.93 for 2017/18.

1.1.7 Members are **REQUESTED** to consider the application and make an appropriate **RECOMMENDATION** to Cabinet regarding discretionary rate relief. If relief is

awarded, Members might wish, in view of the uncertainty surrounding Government funding for future financial years, to consider time-limiting any awards of relief, initially, to 31 March 2019.

**1.1.8 Carers First, 146A High Street, Tonbridge, Kent, TN9 1BB. Rateable Value £6,500**

1.1.9 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.

1.1.10 The property is used to provide information, advice and guidance to unpaid carers.

1.1.11 Having considered the application, we believe the organisation meets the necessary criteria and therefore, Members might be inclined to grant a maximum award of 100% relief backdated to 13 May 2017. This would be consistent with previous awards of relief when the applicant occupied other premises in the borough.

1.1.12 Should Members decide to award the maximum 20% relief, the applicant will receive £551.05 for 2017/18.

1.1.13 Members are **REQUESTED** to consider the application and make an appropriate **RECOMMENDATION** to Cabinet regarding discretionary rate relief. If relief is awarded, Members might wish, in view of the uncertainty surrounding Government funding for future financial years, to consider time-limiting any awards of relief, initially, to 31 March 2019.

**1.1.14 St Benedict's Centre, 52 Swan Street, West Malling, Kent, ME19 6JX. Training Centre Rateable Value £36,500 and Car Parking Rateable Value £13,500**

1.1.15 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.

1.1.16 The application is for the training centre and associated car park situated within the grounds of Malling Abbey which opened on 31 May 2016.

1.1.17 The centre offers a place for individuals and groups to meet, study, retreat and pray. The St Benedict's Centre is also home to the St Augustine's College of Theology (formerly SEITE- South East Institute for Theological Education) and is a Diocese of Rochester Training Centre for Formation in Christian Ministry and Licensed Lay Ministry.

- 1.1.18 Rooms are available from 9am to 6pm Monday to Saturday for a daily charge of £12 per person. Groups of 2 to 50 people can also be accommodated, with conference rooms and catering facilities available.
- 1.1.19 Having considered the application, I do not believe the organisation meets at least two of the main criteria and therefore, Members might be inclined to refuse an award of discretionary relief.
- 1.1.20 However, should Members decide to award the maximum 20% 'top up' relief as a 'special case', the applicant will receive £8,943.01 for the period 31 May 2016 to 31 March 2018.
- 1.1.21 Members are **REQUESTED** to consider the application and make an appropriate **RECOMMENDATION** to Cabinet regarding discretionary rate relief. If relief is awarded, Members might wish, in view of the uncertainty surrounding Government funding for future financial years, to consider time-limiting any awards of relief, initially, to 31 March 2019.

## 1.2 Legal Implications

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

## 1.3 Financial and Value for Money Considerations

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

## 1.4 Risk Assessment

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

## 1.5 Equality Impact Assessment

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

The Director of 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 September 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.



## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

03 January 2018

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

#### Part 1- Public

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

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

**A report informing Members of the requirement to review the Council's rural settlement list and recommending that the current list be amended to include a new rural settlement for the financial year 2018/19.**

- 1.1 Members will be aware that the Council grants relief to certain types of businesses that are located in rural settlements. For the purpose of granting relief, the rural settlements within the area of Tonbridge and Malling Borough Council are shown in the Council's rural settlement list. The list is in the form of a map, which shows the location and boundaries of each rural settlement. The map is shown at **ANNEX 1**.
- 1.2 At this time of year, the Council has to consider whether it wishes to amend the rural settlement list for the forthcoming financial year. If it wishes to do so, then it must consult on any changes that it proposes to make.
- 1.3 The major development at Peter's Village has been considered by Planning, and they have advised a new settlement should be created as there is sufficient separation between the development and the current rural settlement for Wouldham. The population is currently well below the 3,000 threshold, and it will be some time before this threshold is reached based on the current pace of the development.
- 1.4 I am unaware of any problems arising from the definitions of the other rural settlements in the current list.
- 1.5 **Legal Implications**
  - 1.5.1 None.
- 1.6 **Financial and Value for Money Considerations**
  - 1.6.1 None.

**1.7 Risk Assessment**

1.7.1 No risks identified.

**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 In view of the above, Members are **REQUESTED** to **RECOMMEND** to Cabinet that the rural settlement list should be amended to include a new settlement for Peter's Village. The amended list should then remain in force for the year 2018/19.

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:

Nil

contact: Glen Pritchard

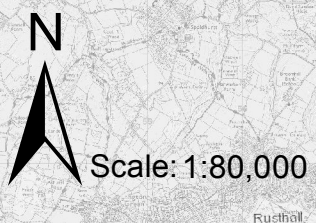
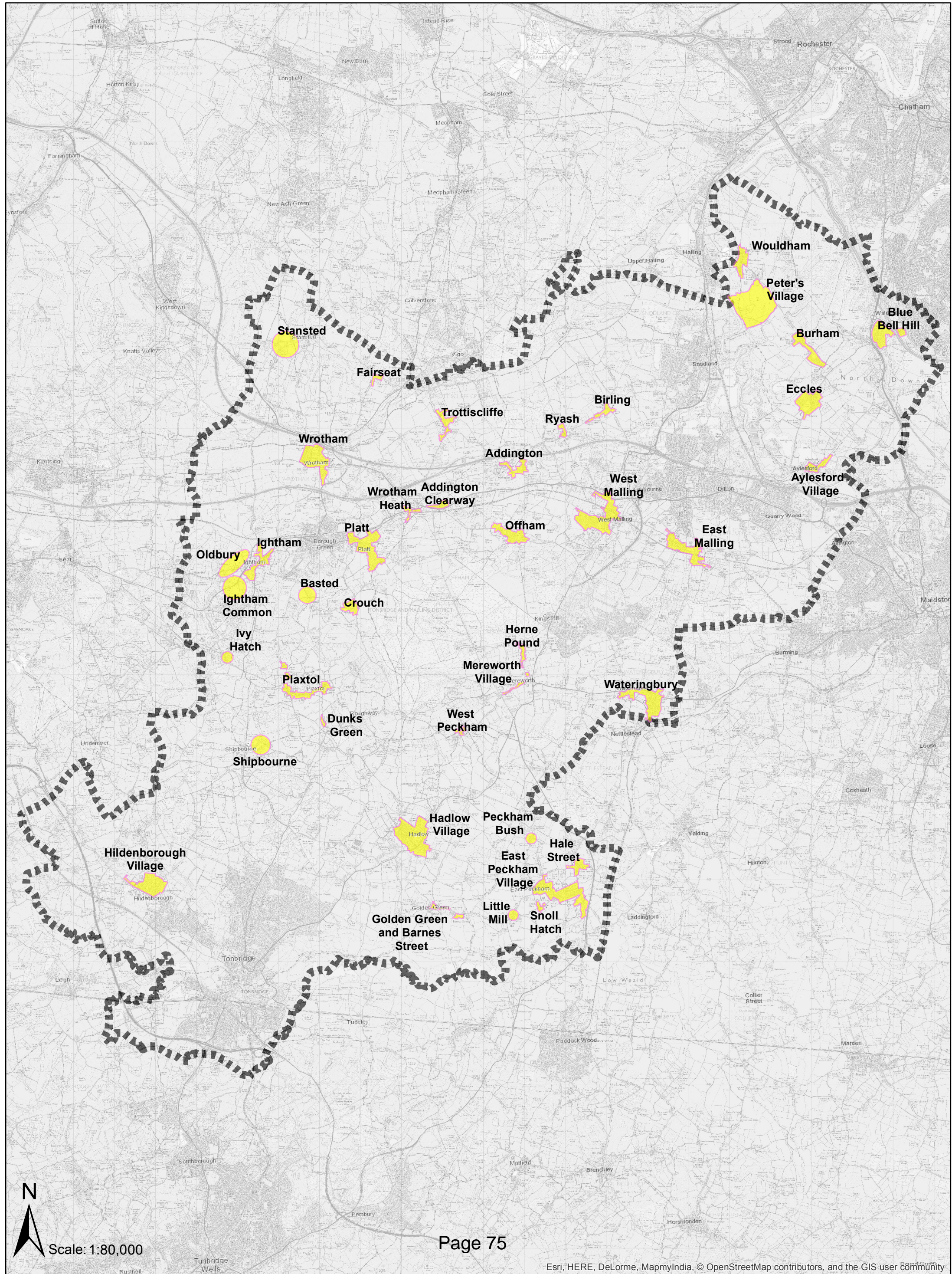
Tel: 01732 876146

Sharon Shelton  
Director of Finance and Transformation

# RURAL SETTLEMENTS MAP

Map of Rural Settlements within Tonbridge and Malling Borough Council

Map Dated: 12 Dec 2017



This page is intentionally left blank

## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

03 January 2018

#### 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 REVENUE & BENEFITS SHARED SERVICE**

**A report advising Members that GBC has decided not to proceed with the Shared Service.**

**Members are asked to note however that the IT digital and transformation plan for the service will continue to be progressed as set out in the Capital plan.**

#### **1.1 Introduction**

1.1.1 Members are aware that, in March 2017, it was agreed to proceed with a shared service for the Revenues and Benefits function with Gravesham Borough Council (GBC). Work has continued since March investigating IT digital solutions and preparing the way for the shared service with a target date of July 2018.

1.1.2 Regrettably, I have to advise Members that GBC has decided to pull out of progressing the shared service. The key reason GBC has given is that it is strategically reviewing the direction of its shared services. In addition, GBC has cited the complexities and interrelations with other council services; plus the complication of the roll-out of Universal Credit. This is naturally disappointing given the officer time that has been attributed to the project so far.

1.1.3 As Members will understand, one of the reasons we had decided to progress with a Shared Service was to deliver savings which could be achieved based on 'economies of scale'. We will now have to revise our position in terms of our overall savings strategy.

#### **1.2 Way Forward**

1.2.1 We have agreed with GBC that we will continue to share the two officers (Revenues & Benefits Manager and Principal Revenue Officer) through secondment agreements as is our current practice. Jointly we had commenced process mapping of the various aspects of the function and we intend to continue this work in order to identify efficiencies in our respective processes.

1.2.2 Furthermore, we will continue to progress the delivery of IT digital solutions alongside GBC in order to secure competitive pricing. Members may recall from my report to this Advisory Board in June that I advised that we 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.

### **1.3 IT and digital transformation plan**

1.3.1 My report in June identified a phased approach to the delivery of the IT and digital transformation plan. It will no longer be necessary to provide financial outlay for the 'Shared Service Layer' which was phase 1 of the original plan. However, other phases can proceed despite the cessation of the Shared Service plan; and indeed it will be essential to do so in order to deliver to the customer the 24/7 digital service that is now almost expected.

1.3.2 At the June meeting, Members considered a capital plan evaluation covering phases 1 and 2 of the digital and transformation plan; and funding was subsequently approved at Full Council in July.

1.3.3 Further work in evaluating systems has found that it will be possible to procure a product that will enable us to fulfil phases 2, 3 and ultimately 4 of the original plan broadly within the capital costs identified for the original evaluation (of phases 1 and 2 only). The original scheme previously approved by Members has, therefore, been updated to reflect the latest information and is incorporated within the Capital plan report elsewhere on this agenda.

1.3.4 As the product will deliver all of the phases we had previously mapped out, the revenues costs are, not surprisingly, anticipated to be higher than the original evaluation. The product will enable a digital service to be provided to the customer together with full back office integration, and as a result we anticipate that revenue savings will be achieved within the Revenue and Benefits Service. In other words, revenue costs will be met in full by future savings and there will be no 'net' growth to the budget in future years.

### **1.4 Legal Implications**

1.4.1 None. IT procurement will be undertaken in accordance with appropriate procurement requirements.

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

1.5.1 We had envisaged that savings of circa £100k to £150k per annum were achievable from a Shared Service after the initial 'bedding in' had taken place. Prudently, we had not factored into our medium term plans these potential savings until such time as an agreement had been signed and there was greater certainty.

1.5.2 Through digital transformation, we do expect to realise savings in the medium term but clearly not on the scale previously envisaged. Nevertheless as set out in paragraph 1.3.4, we are confident that revenue costs associated with the software will be met by savings within the Service.

## 1.6 Risk Assessment

1.6.1 The Council will now need to look for other corporate opportunities to deliver savings given the collapse of this potential Shared Service.

1.6.2 One desired outcome of the Shared Service was the improvement of resilience. This is something that needs further consideration over the coming months.

## 1.7 Policy Considerations

1.7.1 Business Continuity/Resilience

1.7.2 Customer Contact

## 1.8 Recommendations

1.8.1 Members are asked to **NOTE** that:

- 1) at GBC's behest, the intended Shared Service for Revenue & Benefits will not be progressed;
- 2) existing secondment agreements for the Revenue & Benefits Manager and Principal Revenues Officer will continue as is the current practice;
- 3) the planned IT and digital transformation initiatives in respect of this service will continue to be progressed; and
- 4) the Capital plan has been updated accordingly.

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: Sharon Shelton

Nil

Sharon Shelton  
Director of Finance & Transformation

This page is intentionally left blank



## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

03 January 2018

#### 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 PROCUREMENT STRATEGY**

**The report presents an updated Procurement Strategy for Members consideration and endorsement.**

#### **1.1 Introduction**

1.1.1 Responsibility for procurement is devolved to Services with Directors and those officers appointed by them taking responsibility for procurement within their own Directorate. In addition, a Procurement Officer Study Group plays a strategic and overview role and seeks to ensure that good procurement practice is applied throughout the organisation.

#### **1.2 Procurement**

1.2.1 Procurement is the process of acquiring goods, works and services, covering both acquisitions from third parties and from in-house providers. The process spans the whole cycle from identification of needs through to the end of a service contract or the end of the useful life of an asset.

1.2.2 In the context of the procurement process, obtaining best value for money means choosing the bid that offers the optimum combination of whole life costs and benefits to meet the customer's requirement.

1.2.3 The money that councils spend externally goes on a wide variety of goods and services. The high value, high risk requirements are clearly the strategically important ones and need to be treated accordingly. For low-risk requirements, the key is to leverage collective buying power and minimise the cost of the procurement process.

1.2.4 This Procurement Strategy attached at **[Annex 1]** seeks to ensure that good procurement practice is applied consistently throughout the organisation. It sets out how we address procurement and establishes its importance to the Council and the contribution it can make to improved service delivery.

### **1.3 Legal Implications**

- 1.3.1 Local authorities have a legal and moral duty to ensure that they get good value for money.

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

- 1.4.1 Procurement is an essential element of cost effective and efficient services.

### **1.5 Risk Assessment**

- 1.5.1 The Procurement Strategy provides the framework to ensure that good procurement practice is applied throughout the organisation and delivery of cost effective and efficient services.

### **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 Policy Considerations**

- 1.7.1 Procurement

### **1.8 Recommendations**

- 1.8.1 Members are asked to consider and, subject to any amendments required, endorse the updated Procurement Strategy attached at **[Annex 1]**.

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

# **TONBRIDGE & MALLING BOROUGH COUNCIL PROCUREMENT STRATEGY**



## Contents

	Procurement Strategy	
1.	Introduction.....	3
2.	Structure and Responsibility.....	3
3.	The Council's Corporate Strategy .....	3
4.	Key Aims of the Procurement Strategy .....	4
5.	Procurement Principles .....	4
6.	Safeguarding of Adults and Children.....	5
7.	Supplier Management .....	6
8.	Economic Issues .....	6
9.	Environmental Issues .....	6
10.	Equality Issues .....	7
11.	Social Value Issues .....	7
12.	Major Procurement Projects.....	7
13.	Collaboration .....	7
14.	Partnering.....	8
15.	E-Procurement .....	8
16.	Competencies and Development .....	8
17.	Risk Management .....	8
18.	Implementation.....	8
	Annex A	
	Procurement with Small and Medium-sized Businesses, and Voluntary and Community Organisations Policy Statement	
1.	Introduction.....	9
2.	Legal Issues .....	9
3.	Guiding Principles .....	9
4.	The Benefits of Working with SMEs.....	9
5.	The Benefits of Working with VCOs.....	10
6.	The Small Business Concordat.....	10
7.	The Borough Council's Commitments.....	10
	Annex B	
	Sustainable Procurement Policy Statement	
1.	Introduction.....	12
2.	Guiding Principles .....	12
3.	Benefits of Sustainable Procurement.....	12
4.	Achieving Sustainable Procurement .....	13
	Appendix 1	
	Environmental Questionnaire .....	15
	Annex C	
	Social Value Policy Statement	
1.	Defining Social Value .....	18
2.	The Legal Issues .....	18
3.	The Council's Approach to Social Value .....	19
4.	Including Social Value in the Council's Procurement Processes .....	20
5.	Monitoring, Measurement and Review.....	20

## **Procurement Strategy**

### **1. Introduction**

- 1.1. This Strategy seeks to ensure that good procurement practice is applied consistently throughout Tonbridge & Malling Borough Council. It sets out how we address procurement and establishes its importance to the Council and the contribution it can make to improved service delivery.
- 1.2. Procurement is an essential element of cost-effective and efficient services and can be defined as follows:  
“Procurement is the process of acquiring goods, works and services covering both acquisitions from third parties and from in-house providers. The process spans the whole cycle from identification of needs through to the end of a service contract or the end of the useful life of an asset.”

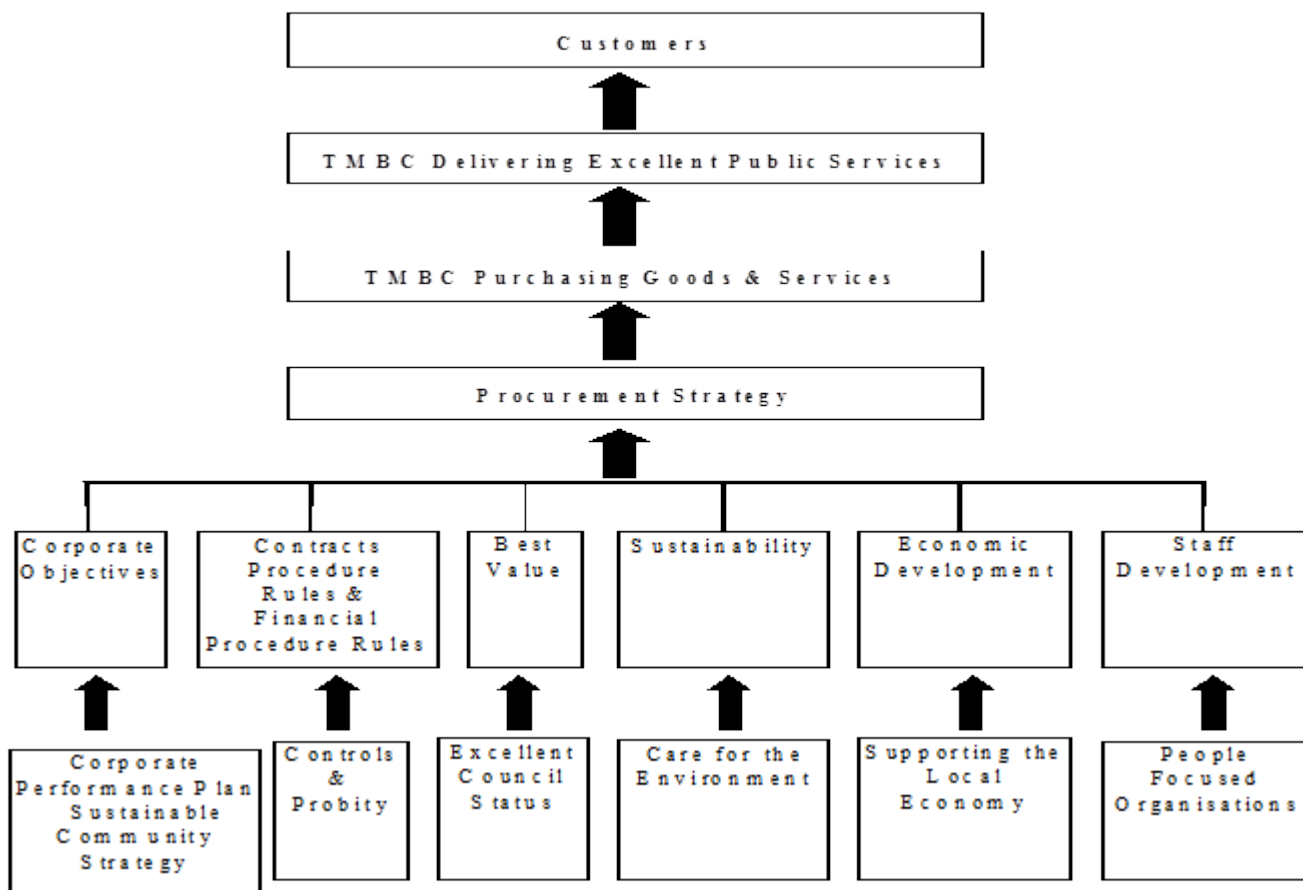
### **2. Structure and Responsibility**

- 2.1. The responsibility for Procurement in Tonbridge & Malling Borough Council rests with the following positions:
  - Member Level – Cabinet Member for Finance, Innovation and Property
  - Management Team Level –the three Statutory Officers
  - Head of Service Level – All Directors in respect of Procurement within their own Directorate
  - Officer Level – Officers appointed within each Directorate to be responsible for Procurement

### **3. The Council’s Corporate Strategy**

- 3.1. The Borough Council’s Corporate Strategy sets out the following four key values:
  - Adopting a more commercial approach
  - Promoting fairness
  - Embracing effective partnership working
  - Valuing our environment and encouraging sustainable growth.
- 3.2. In particular, the Corporate Strategy requires the Council to seek a reduction in costs when service contracts are renewed and re-tendered and that those undertaking procurement look at ways in which services can be delivered more efficiently to help meet the Council’s adopted savings targets.
- 3.3. The strategic framework for procurement can be illustrated by the attached diagram. This shows the policies and rules that affect and inform procurement.

## TMBC PROCUREMENT STRATEGY DIAGRAM



#### 4. Key Aims of the Procurement Strategy

- 4.1. The overall aim of this Strategy is to ensure fair and transparent procurement procedures are adopted which lead to effective procurement choices and decisions that provide the best possible services to the community in realisation of the Council's corporate aims and objectives.
- 4.2. In addition, the Strategy seeks to achieve the following specific objectives:
- To provide a clear message on how to improve service delivery and provide value for money through better procurement practices.
  - To reinforce the requirement for procurement to reflect the Council's core values and corporate objectives and aims.
  - To secure commitment to good procurement from Members and officers at all levels of the organisation.
  - To describe the key policies for procurement.
  - To raise awareness of the scale and impact of procurement activity and its potential contribution to service delivery.
  - To ensure that the way the Council undertakes procurement is innovative, challenging and effective.
  - To provide a framework within which the Council can seek to realise efficiency gains and/or savings.
  - To embed procurement in key strategic reviews.

## 5. Procurement Principles

- 5.1. The Strategy recognises that different models and approaches will be required for the different markets that the Council does business with. These are based on an awareness of the relative risk, complexity and value of each such procurement. The Council will apply the following set of guiding principles to ensure consistency in all of our procurement activity:
- 5.2. Ensure the principles of fairness, openness and transparency are applied to all our procurement activities.
- 5.3. Seek to gain maximum mutual advantage and continuous improvement in relations with suppliers.
- 5.4. Consider the potential for innovation, the management and balance of risk and the opportunity for new or alternative methods of service delivery.
- 5.5. Seek to work with others whenever appropriate, including strategic partners, public sector agencies and consortia, to:
  - maximise purchasing power;
  - harness knowledge; and
  - achieve economies of scale.
- 5.6. Incorporate sustainability, equality, social value, quality and safety as important criteria in addition to cost, in the provision of all services procured.
- 5.7. Operate within the framework determined by EC and UK law and the Council's own adopted Financial and Contract Procedure Rules, in that order of precedence.
- 5.8. In all dealings, Members and officers will preserve the highest standards of honesty, integrity, impartiality and objectivity.
- 5.9. Utilise competition as a means of achieving economy, efficiency and effectiveness, wherever appropriate and seek to ensure that our procurement methods contribute to the continued competitiveness of suppliers, contractors and service providers.
- 5.10. Seek to provide value for money in terms of whole life costs, that is all aspects of cost including running costs and the cost of disposal as well as the initial purchase price
- 5.11. Ensure that the workforce is adequately protected when it is affected by procurement. This will be achieved by consulting all employees and their respective trade unions.

## 6. Safeguarding of Adults and Children

- 6.1. Tonbridge and Malling Borough Council is committed to working in partnership with others to safeguard children, young people and adults at risk from all detectable forms of abuse, neglect or exploitation. The Council's Safeguarding Policy aims to:
  - raise awareness of the duties and responsibilities for children, young people and adults at risk of harm,
  - encourage good practice amongst staff, elected members, volunteers and contractors, to safeguard children and adults at risk who receive Council services,
  - provide clear guidance on the procedures to be adopted if it is suspected that an adult, young person or child may be at risk of harm.
- 6.2. The Council is committed to ensuring that organisations providing services on its behalf do so in a way that safeguards and promotes the well-being of children, young people and adults at risk. Where applicable, the Council will require service

providers to have their own policy for the protection of children and vulnerable adults in place and to demonstrate how this policy will be taken into account as part of individual contracts. Up to date DBS checks for relevant employees or sub-contractors will also be required.

## **7. Supplier Management**

- 7.1. The Council will endeavour to provide all potential suppliers, who meet our stated criteria, with an equal opportunity to be aware of our needs and to express interest in supplying goods/services to the Council. In certain circumstances, the Council may not expose an opportunity to competition, for instance, where there is an existing Framework Contract already set up which meets the Council's requirements for goods works or services which can be called off under those arrangements or where a very specialised service is required and there is only one or two possible suppliers or where a part is required for an existing piece of machinery which can only be sourced from the original manufacturer. These and similar situations are addressed in the Council's rules and procedures and require to be validated by three senior officers.
- 7.2. The Council will consider the impact on markets of the way we package services. Whenever possible we will package contracts so as to:
  - encourage the widest possible interest in them;
  - make them as attractive as possible to all sectors of the market;
  - provide the highest quality of service to end-users; and
  - make the best savings possible on the cost of the service provision.
- 7.3. Payment of suppliers will be managed in accordance with the Prompt Payment Code to which the Borough Council is a signatory. We will endeavour to pay suppliers within 10 days of receipt of a valid invoice.
- 7.4. The Council will seek to encourage contractors, service providers and suppliers (and their supply chains) to reduce cost and continuously improve performance. Appropriate standards and/or targets will be included in contracts.
- 7.5. For high value and/or high-risk contracts we will dedicate resources and time into ensuring that organisations working with the Council positively contribute to the aims of the Council's Corporate Strategy.
- 7.6. In letting contracts we must ensure that ongoing management and monitoring is structured into our approach. We will endeavour to ensure that all contracts are properly managed and monitored with a view to achieving completion of the service, works or supply on time, within budget and to the appropriate standards of quality.

## **8. Economic Issues**

- 8.1. Tonbridge & Malling Borough Council is committed to promoting a strong local economy. It is also committed to providing high quality information and advice to local businesses (particularly small and medium enterprises), voluntary and community organisations, to help them to win and retain contracts or to take part in the supply chain.
- 8.2. We will ensure that information on how to access opportunities is widely available to ensure local businesses and voluntary bodies have a full opportunity to undertake work for the Borough Council. Involving voluntary agencies will be guided by the terms of the Kent Compact that sets out the Council's commitment to working in partnership with that sector. Where possible we will work with other agencies, within and outside the Borough, to encourage/promote business development opportunities for the local economy. Our more detailed policy setting out how we will



promote procurement activity with small and medium sized business and local voluntary sector bodies is attached as Annex A to this Strategy.

## **9. Environmental Issues**

9.1. We are committed to help address the impacts of climate change and help achieve a more sustainable environment. Therefore, the Council will, when evaluating contracts and developing business cases, ensure that consideration is given to the environmental impact of its decisions. We will work with our suppliers to ensure that they demonstrate a similar commitment insofar as this is permissible within the law. Our more detailed policy on sustainable procurement is attached as Annex B to this Strategy.

## **10. Equality Issues**

10.1. The Council is committed to promoting equality of opportunity, diversity and cohesion in all of its procurement activity. The Public Sector Equality Duty set out in the Equality Act 2010 will be considered in every procurement decision. The duty will be fulfilled, in line with the Council's Equality and Diversity Policy, by the Council addressing this through:

- Considering the potential impacts of the procurement process on the protected characteristics of age, disability, sex, religion or belief, pregnancy and maternity, race, marriage or civil partnership, sexual orientation and gender re-assignment and where relevant ensuring that Equality Impact Assessment (EIA's) are carried out to ensure that equality and diversity requirements are built into contract documents and processes where relevant.
- Ensuring that equality and diversity terms and conditions are built into standard procurement documents.
- Monitoring compliance against such terms in contracts documents regularly in Customer Management meetings.
- Any other relevant action considered to be relevant and proportionate.

## **11. Social Value Issues**

11.1. A policy statement on achieving social value when procuring services is attached as Annex C to this Strategy. In appropriate cases, the policy acknowledges that additional social benefits may be achieved via the procurement process as set out in the Public Services (Social Value) Act 2012. The Council will need to consider each relevant procurement case on its own merits as social value will need to be tailored to the particular contract opportunity whilst taking account of the attached policy statement.

## **12. Major Procurement Projects**

12.1. All major procurement projects will be subject to an option appraisal that assesses the principle options available to the Council against agreed criteria. The criteria will include:

- affordability, based on whole life costs;
- risk management;
- service delivery objectives;
- issues of equality, sustainability and economic impact; and
- savings against budget which can be achieved.

12.2. All major procurements will be managed on a structured project management basis. Such project management will include progress reports and/or reviews at each key stage. The reports/reviews will be presented to a relevant Advisory Board for decision/information. For contracts above the current EU service and supply threshold the procurement process and contract award is to be approved by Members.

### **13. Collaboration**

13.1. We will seek to take an active role in the creation of strong collaborative initiatives. By doing so, we aim to achieve better solutions, which take advantage of economies of scale and enhanced shared knowledge and learning. The Council will seek to use appropriate regional buying consortia whenever consortium contracts are of benefit to the Council and meet its requirements. In addition, the Council will endeavour to aggregate its internal demand for supplies and services.

### **14. Partnering**

14.1. The Council will consider a Partnership approach to service delivery for all of its major projects. The aim will be the creation of mutually advantageous, flexible, long-term relationships based on the achievement of continuous improvement and on sharing of risk and reward. The partnerships may involve the public or the private or the voluntary sector or a combination thereof. The core objective will be to build and sustain an excellent working relationship through openness, trust and common, or compatible, aims and objectives. However, any partnership will be underpinned by a very clear set of objectives.

### **15. E-Procurement**

15.1. To improve efficiency, and reduce the cost of purchase transactions, the Council will, replace existing paper-based processes (from requisition of goods through to payment) with electronic solutions.

15.2. The Council will continue to assess and exploit new technologies to reduce the internal cost of making purchases and provide information on which to base Procurement decisions.

15.3. We will encourage our suppliers to adopt similar technologies and to share the resulting benefits. Suppliers who take advantage of these opportunities are likely to increase their competitiveness.

### **16. Competencies and Development**

16.1. The Council is committed to the training and development of all staff involved in procurement. The Council's Management Team will identify any high priority/risk procurement and will:

- keep under review procurement training and development needs, including skills required for contract management; and
- ensure that there are sufficient resources available to meet the aspirations of this Strategy.

### **17. Risk Management**

17.1. The Council has a strategy for the management of risk which also embraces its procurement processes. The Council will identify and allocate risk between the respective parties to ensure that risk is effectively managed throughout the procurement process.

## 18. Implementation

18.1. The Council can deliver the aspirations of this Procurement Strategy and its wider corporate objectives by:

- requiring that Services are properly reviewed and scrutinised pre-procurement and that procurement processes remain proportionate and focussed on key markets to help deliver the best contractual arrangements within the resources available; and
- embedding in the culture and practice of the Council the principles of good procurement practices and contract management.

## **Procurement with Small and Medium-sized Businesses, and Voluntary and Community Organisations Policy Statement**

### **1. Introduction**

- 1.1. The Borough Council recognises the need to promote a strong local economy and to assist voluntary and community organisations (VCOs), some of which are themselves, small/medium sized enterprises. Where appropriate, the Borough Council will use the procurement of its supplies and services to help achieve this. Over 80% of businesses in Tonbridge and Malling employ 10 people or less and therefore these make up a significant part of our local economy. There are approximately 150 VCOs operating within the borough.
- 1.2. The Borough Council spends over £10m annually on supplies and services. Analysis shows that of the businesses the Council did business with in 2015/16 around 65% were small or medium sized enterprises and accounted for more than 50% of the associated spend (for this purpose defined as organisations with fewer than 250 employees).
- 1.3. The Borough Council believes that more could be done to increase the numbers of small and medium sized enterprises and voluntary and community bodies in supplying goods and services to the Council to support the local economy and help strengthen the voluntary sector in accordance with the Kent Compact. This policy statement sets out how this will be achieved.

### **2. Legal Issues**

- 2.1. European and national procurement rules require fair, equal and open competition to be achieved in the purchase of goods and services. This means that nothing should be done that could restrict, distort or prevent competition when undertaking procurement.
- 2.2. The Borough Council is therefore unable to give priority to certain sizes of companies or groups when seeking suppliers of goods and services and it cannot favour companies or groups located locally over those from further afield. This policy statement has been prepared to take full account of these issues.

### **3. Guiding Principles**

- 3.1. Our overall approach is therefore to:
  - Do nothing to preclude SMEs and VCOs from having a fair and equal opportunity to tender/bid for works and the supply of goods and services to the Council
  - Look for opportunities, within the constraints of ensuring fair and open competition, to assist and encourage SMEs and VCOs to work with the Council over the supply of goods and services.

### **4. The Benefits of Working with SMEs**

- 4.1. Using smaller companies to supply goods and services can often have advantages over using larger companies:
  - The placing of a contract with an SME even of relatively low value can represent a significant boost for that company, providing for better stability and growth.
  - SMEs will be able to focus on the delivery of a single contract and will therefore be keen to provide a better quality service to the client overall.

- SMEs help to promote supply chains as they can link and work with other SMEs over the contract works.
- SMEs are often growing companies and are keen to develop and expand. They can be a source of innovation and help clients develop new ways of working.
- SMEs can often have smaller administrative and management costs compared to larger firms and thus can provide better value for money for their clients.
- SMEs, being run by a smaller complement of staff, can be more responsive to a client's needs and can be more flexible in their approach.

## **5. The Benefits of Working with VCOs**

5.1. Using VCOs to supply goods and services can have a number of benefits depending on the type of service which is being procured:

- VCOs have established links with the community, are often locally based with a thorough understanding of the environment in which they operate. They are able to draw on resources in the community and gain local support for new projects.
- VCOs often have a good understanding of the needs of specific client groups: for example, they have a greater capacity to reach and earn trust of excluded or disadvantaged groups.
- VCOs are independent and driven by charitable aims rather than improved profit margins. This can make them enthusiastic, committed and flexible and responsive to customer's needs.
- They may be less risk averse, more willing to innovate and have stronger motivation, through their charitable aims and objectives, to identify better ways of doing things.

## **6. The Small Business Concordat**

6.1. The Government's good practice guide for local authorities entitled the 'Small Business Concordat' seeks to encourage local authorities to make greater use of SMEs in the procurement of goods and services. The concordat contains a number of 'pledges' to ensure a council's procurement processes do not unduly discriminate against SMEs and, where appropriate, to make it easier for this sector to tender for public sector contracts.

6.2. The Borough Council is a signatory to the Concordat and this policy statement seeks to indicate how the pledges contained in the Concordat will be implemented within the borough.

## **7. The Borough Council's Commitments**

7.1. The Borough Council will seek to assist SMEs and VCOs in undertaking the procurement of council goods and services in the following ways:

- We will provide information about relevant key contract opportunities on our website and assist bidders, including SMEs and VCOs, with their understanding of the Council's requirements and tender processes on request.
- We will provide feedback on request to any company, including SMEs and VCOs, who have tendered unsuccessfully for the supply of goods and services so that they may improve future bids for council work.
- We will review our procurement processes in the light of any feedback received to ensure that they are both simple and accessible and that SMEs and VCOs are not unduly prejudiced when tendering for council work.

- We will treat all of our suppliers, including SMEs and VCOs, fairly and openly and will endeavour to pay suppliers within 10 days of receipt of a valid invoice.
- We will ensure that tender evaluation criteria do not result in SMEs and VCOs being unfairly excluded from supplying goods and services to us.
- We will provide details of our main contractors on our website to provide opportunities for SMEs and VCOs to explore joint working and sub-contracting.
- We will balance opportunities for disaggregating our larger contracts or dividing them into smaller lots to enable SMEs and VCOs to have an equal chance to tender for them with value for money considerations.
- We will require those tendering for council business at tender stage to provide information about how they could make use of, and promote, supply chains which may include SMEs and VCOs.
- We will, where appropriate, advertise contract opportunities locally and via SME and VCO networks (subject to ensuring sufficient competition).
- We will, where appropriate, encourage our main contractors to explore opportunities for them to make use of specialist sub-contractors (which might include SMEs and VCOs) in the delivery of larger, longer term contracts.

## Sustainable Procurement Policy Statement

### 1. Introduction

- 1.1. The Borough Council recognises that sustainable development considerations should be incorporated into the procurement of goods, works and services. It demonstrates a commitment to procuring goods, works and services that are environmentally and socially responsible. In so doing, the Council wishes to promote the adoption of more sustainable practices and procedures amongst the wider business community.
- 1.2. The Council has a “Procurement Officer Study Group” (OSG) who will encourage internal purchasers to review their consumption of goods and services, reduce usage and adopt more environmentally friendly alternative products. They will also communicate the sustainable procurement policy to all staff and stakeholders.

### 2. Guiding Principles

- 2.1. Sustainable development means achieving four objectives:
  - Effective protection of the environment
  - Prudent use of natural resources
  - Social progress which recognises the needs of everyone
  - Maintenance of high and stable levels of economic growth and employment
- 2.2. Efficient procurement of goods, works and services depends upon balancing considerations of cost and quality. Sustainability issues need to be incorporated into both aspects as follows:
  - When considering the **costs** of goods and services, the life-span of the product or the whole life costs, need to be considered. This takes into account running costs such as energy usage, CO2 emissions, maintenance requirements, staff training needs, reuse, recycling and disposal costs. These costs need to be taken into account in addition to the initial purchase price.
  - When considering the **quality** of goods and services offered, their environmental issues and standards need to be taken into account equally alongside other aspects of quality.
- 2.3. Obtaining value for money when procuring goods, works and services is not just about obtaining the lowest price. Consideration of environmental factors needs to be undertaken at an early stage in the procurement process as a key element of the wider ‘value’ that can be obtained. In some circumstances, a higher price for goods and services may be justified where this choice results in additional environmental benefits.

### 3. Benefits of Sustainable Procurement

- 3.1. Adopting a consistent approach to the environmental implications of procuring goods, works and services can have the following benefits:
  - Long-term efficiency savings
  - More efficient and effective use of natural resources
  - Reduction in harmful impacts of pollution and waste
  - Reduction of the impact of hazardous substances on human health and the environment

- Encourages business innovation
- Provides strong signals to the sustainable products market
- Represents a practical expression of the Council's commitment to sustainable development in the local community.

3.2. In addition to the above, the Borough Council is a signatory to the Small Business Friendly Concordat and the Kent Partners Compact. It is therefore committed to working with small businesses and the voluntary sector to promote sustainable procurement, remove any barriers for them doing business with the Council and via corporate social responsibility processes, encourage these sectors to adopt an environmentally friendly approach when providing goods and services to the Council.

#### 4. Achieving Sustainable Procurement

- 4.1. As an initial step in the procurement of any goods, works or services, an assessment of environmental risk will need to be undertaken to determine the extent to which issues of sustainability will need to be taken into account in the procurement process. The assessment will need to take account of the environmental factors set out in Appendix 1 to this policy. For example, some goods, works and services may constitute a high environmental risk where it is expected that higher levels of energy consumption and/or CO<sub>2</sub> may be generated by the goods or services being purchased or where there may be an adverse impact on the environment due to the need to use chemicals, etc. In these cases, the procurement process to be adopted must seek to take full and proper account of these factors. Where environmental risk is assessed to be lower or, in some cases, minimal, the extent to which sustainability is taken into account may be proportionately less. Further advice on likely impacts can be obtained from the Council's lead officer on Sustainability.
- 4.2. For **procurement exercises of under £100,000** in value, environmental factors need to be taken fully into account where the assessed risk is judged to be medium/high. For all other exercises, the extent to which environmental factors are taken into account should be proportionate to the nature of the goods or services being procured. In **Non EU procurement exercises** that involve a formal tender procedure, for goods or works with a value in excess of £100,000 but below the current EU threshold, it will be expected that environmental issues where relevant to the subject matter of the contract must be taken into account in the procurement process and that this should be informed by the risk assessment.
- 4.3. The authority is not entitled to have a pre-selection stage in below EU threshold procurements due to the Public Contracts Regulations 2015. If environmental factors are critical to the award decision in such procurements these should now become part of the award decision itself or be written into the contract specification as set out below.
- 4.4. When formal contract documents are prepared as part of the formal tendering process, sustainable procurement should be encouraged by incorporating social and environmental factors into the contract specification. Any conditions must relate directly to the particular contract activity and be capable of objective assessment. The environmental requirements for contracts will vary depending upon the types of goods or services being procured. A guide as to the requirements that could, where relevant, be included in the invitation to tender documentation is set out at Appendix 1 to this policy.
- 4.5. The tender evaluation process must include some assessment of environmental impacts. The relative weight to be applied to these will depend on the environmental risk balanced with other factors such as cost and quality of the service or goods to be



provided. The weights to be applied to each criterion will be set out in the invitation to tender letter.

- 4.6. For **EU Service Contracts**, environmental considerations can only be taken into account if they are directly relevant to the particular contract activity and are capable of objective assessment. There are strict rules on what can be taken into account in assessing contractors at the pre-tender stage so environmental considerations should predominantly be considered when specifying the services required and in tender evaluation when assessing how the contractor will operate the Service (where relevant) as set out in paras 4.4 and 4.5 above.
- 4.7. The Borough Council's lead officer on Sustainability issues should be consulted on all procurement exercises where environmental issues may arise and where the risk assessment is medium/high.
- 4.8. The application of this policy is subject to the proper application of national and EU rules on open and fair competition in the procurement of goods, works and services and the Council's own adopted financial and contracts procedure rules.

**Environmental Questionnaire**

**Environmental policy**

*Have you adopted an environmental policy (such as ISO14001 or EMAS) which gives details of the main environmental impacts associated with your product or service demonstrating how impacts will be reduced?*

**Yes / No**

*If yes please attach a copy*

**Corporate Social Responsibility**

*Can you demonstrate how economic, social and environmental impacts are taken into account in the way you operate?*

**Yes / No**

*If yes please provide brief details below*

**Energy**

*Can you demonstrate any examples you are using to minimise energy use?*

**Yes /No**

*If yes please provide brief details below*

**Transport**

*Can you demonstrate how distance of travel required for the delivery of goods or the undertaking of specific services can be minimised?*

**Yes /No**

*If yes please provide brief details below*

**Further Comments**

**Environmental issues: Goods, Works and Services****Chemicals**

*A prohibition on the use of chemicals listed as most harmful by the EU.*

**Resource Use**

*A requirement to reduce the consumption of energy, water and resources in addition to reducing CO2 emissions and waste associated with any contract or purchase.*

**Packaging**

*Where reasonable, a commitment to ensure products purchased will use minimum packaging and will be available in refill packs, recycled packaging or returnable packaging.*

**Timber**

*A requirement to use local sources of timber and wood products wherever possible and to use products carrying the Forest Stewardship Council (FSC) trademark, or an equivalent, internationally recognised certification of good forest management.*

**Recycled products/paper**

*A requirement to use of paper from sustainably managed sources with a high recycled content and/or a commitment to use, and encourage the use of, other recycled products.*

**Peat**

*A prohibition on the use of peat or peat compounds for mulches, container grown plants or in soil dressings.*

**Creosote**

*A prohibition on the use of creosote or creosote treated wood.*

**Pesticides**

*A commitment to use non chemical control methods rather than the use of pesticides (including herbicides, fungicides, insecticides, rodenticides, lumracides).*

**Eco-labels**

*The use of products which carry recognised eco-labels meeting formally approved criteria, based on life-cycle environmental impact.*

**Transport**

*A requirement that the distance of travel required for the delivery of goods or the undertaking of specific services is minimised and/or that the supply of goods and services incurs less business miles or otherwise the contractor is able to adopt more sustainable travel modes or fuel types.*

**Environmental issues: Goods Only**

**Durability of goods**

*A requirement that the goods being offered are the most durable when compared to others available on the market and is a product likely to last the longest.*

**Materials**

*The product makes the most of recycled materials compared to others on the market.*

**Upgrading**

*Use of a product which can be easily upgraded at a reduced cost.*

**End of Life**

*Use of a product (or parts of it) which is re-usable or recyclable when it reaches the end of its useful life and compares well to other similar products.*

**Running Costs**

*The running costs of the product are acceptable (i.e. does the product being offered compare with others in terms of amount of energy used and associated CO2 emissions)?*

**Pollution**

*The product is minimum or non-polluting or there is no available alternative that is more environmentally sound within a similar price range.*

**Disposal**

*The disposal costs related to the product are acceptable, compares well to other similar product and contains no chemicals that require special disposal arrangements at extra cost.*

## Social Value Policy Statement

### 1. Defining Social Value

- 1.1. A generally adopted definition of 'Social Value' is 'a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits to society and the economy, whilst minimising damage to the environment'.
- 1.2. In terms of local procurement, adopting and embracing the concept of 'social value' means that additional economic, social and environmental considerations can be taken into account when choices are made as to which organisations provide those goods, works and services to the Council. Whilst the issues of cost and quality remain of key concern, the concept of social value means that, where appropriate, the Council can seek to achieve added social benefits via its procurement processes that may otherwise not have been achieved by other means.

### 2. The Legal Issues

- 2.1. The Public Services (Social Value) Act came into force in February 2012. The Act requires that for public service contracts over the current EU procurement threshold for services the Council must consider:
  - how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area; and:
  - how, in conducting the process of procurement, it might act with a view to securing that improvement.
- 2.2. In addition, the authority must also consider only matters that are relevant to what is proposed to be procured and, in doing so, must consider the extent to which it is proportionate in all the circumstances to take those matters into account.
- 2.3. Provisions of the Act need to be taken into account prior to the procurement processes being commenced. It is suggested that Commissioners should consider social value before the procurement starts because that can inform the whole shape of the procurement approach and the design of the services required. Commissioners can use the Act to re-think outcomes and the types of services to commission before starting the procurement process.
- 2.4. The EU procurement directive also provides for social matters to be taken into account in awarding contracts provided the following criteria are met
  - Social policy should be reflected in a policy adopted by the public procurement body
  - Social requirements should be capable of being measured
  - Social requirements must be relevant to the subject matter of the contract and proportionate to what is being procured
  - Social requirements should not discriminate against any bidders across the EU.
- 2.5. It is also possible for social requirements to be included in the specification and become part of the contract subject to the same considerations outlined above.
- 2.6. This Social Value Policy seeks to meet these requirements.
- 2.7. It is possible for the Council to go further than required under the Public Contracts (Social Value) Act and to seek social value in contracts at a lower threshold and in relation to a wider range of contracts including works and supply contracts. The Council recognises the social return that can be generated from a procurement exercise and wishes to maximise the social benefits arising from its commissioning

processes by extending the requirement to consider social value to all tendered contracts. This will support the Council in its corporate objective of supporting and facilitating economic regeneration, and addressing social and environmental issues across the Borough.

### 3. The Council's Approach to Social Value

- 3.1. To assist our existing and future providers of goods and services, we need to be clear about what specific objectives we wish to achieve by adopting social value generally and what local benefits we wish to achieve via this process.
- 3.2. In the main, the Council will explore social value benefits when procuring contracts for works and services. There is likely to be only limited opportunities to apply social value considerations to supply contracts. Each procurement opportunity will therefore be assessed on its individual merits to test the extent to which social value benefits could be sought.
- 3.3. We believe that social value should embrace the following range of local economic, social and environmental benefits:
  - Economic
    - Creating opportunities for more small and medium sized businesses (SMEs) to provide goods and services, for example, by creating supply chain opportunities between larger and smaller local businesses
    - Making provision for larger contractors to take on local apprentices as part of their contract delivery
    - Provision of additional training, skills development and work placements for young people in partnership with local education providers including the provision of careers advice to young people, offering curriculum support with shared experience and knowledge about professional disciplines such as construction and civil engineering, etc.
    - Taking on people currently out of work as new employees.
  - Social
    - Including opportunities for social enterprises to be involved in the delivery of contracts either as a main provider or in partnership with others or as part of the supply chain
    - Involving and supporting the voluntary sector to deliver local contract opportunities
    - Identifying opportunities to support and employ people with disabilities
    - Supporting specific groups in the community including ex-offenders, those not in education, employment or training (NEET) and former service personnel.
  - Environmental
    - Encouraging the use of sustainable resources (e.g. recycled materials)
    - Reduced carbon footprint including reductions in transport distances and using fuel efficient or low emission vehicles/plant and machinery.
    - A commitment to whole life costing and ethical purchasing.
- 3.4. Not all of the above benefits will be relevant to each and every contract let by the Council. Each will be assessed on its merits. Some contracts might include a requirement to help deliver one of the above outcomes whereas for others, more than one social benefit might be deemed both relevant and proportionate.
- 3.5. The above list of social values will be used to assess the extent to which such requirements can be built into the Council's future contracts. The above list is not

intended to be exhaustive. If, for example, a potential contractor offers different economic, social or environmental benefits to those listed, then the value of these will be assessed on a case by case basis.

#### **4. Including Social Value in the Council's Procurement Processes**

- 4.1. The Council will adopt the following processes when considering social value issues for contracts valued at £100,000 and above:
- Stage 1: Prior to any new or revised contract being developed, the Council will, based on the content of this adopted policy, consider the extent to which any of the specific social values listed above or others might be deemed relevant to that contract and, if so, what specific additional benefits might be sought from the procurement process.
  - Stage 2: Ensure that, in any invitation to tender and required OJEU notice that these social value requirements are made clear so that all potential contractors are aware of what is being required of them.
  - Stage 3: Include, if relevant, such requirements in any Pre-Qualification Questionnaire (PQQ) and set out any weighting to be attached to such matters. The inclusion of social value matters may, for instance, be assessed as part of the review of the technical capacity of the bidder to perform the contract or their experience. A PQQ is now only permissible for Contracts valued at above the relevant EU threshold.
  - Stage 4: To specify in tender documents the social values that are being sought and to set out the score to be attached to those requirements as part of the overall tender evaluation process. These might include specific requirements for tenderers to address or open questions to tenderers that set out how they intend to meet (and possibly exceed) the social value requirements.
  - Stage 5: To include in the final contract which is awarded, appropriate requirements setting out how the Council wishes the contractor to monitor, review and measure the impact of the social value elements.
- 4.2. Whilst the above processes will apply to the Council's tendered contracts, such provisions may also be applied to other forms of procurement where the goods, works and services being sought are particularly relevant to the social values listed in this Policy.
- 4.3. The Council will in addition, when seeking quotations for contracts valued at between £5,000 and £100,000, endeavour to invite at least one local supplier/provider located within the County where available. This will help promote local economic regeneration as it has been reported that for each £1 spent locally the majority of that sum remains within the local community.

#### **5. Monitoring, Measurement and Review**

- 5.1. The extent to which social value requirements are being met during the life of a contract will be assessed as part of normal contract monitoring procedures. The Council will agree with the contractor what information will need to be collected during the contract period, how the social value elements will be measured (a method statement will need to be agreed with the contractor) and the frequency of reporting.
- 5.2. As social value matters might prove hard to assess in overall value terms, the Council will adopt a simple approach to monitoring focusing on actual social value outputs rather than an assessment of wider social outcomes.
- 5.3. The inclusion of social value requirements within contracts is a relatively new process. Each contract to which social value is applied will be reviewed to assess the success of the approach adopted and this will be used to inform how social value is

built into our future contracts. If required, a review of the Social Value Policy will be undertaken to reflect this learning and any new issues which might arise.



## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

03 January 2018

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

#### Part 1- Public

#### Matters for Information

### 1 IT STRATEGY UPDATE

**This report updates Members on the significant progress of projects within the current strategy since the last update on 21<sup>st</sup> June 2017. It also provides an update on the subject matter of the next IT Strategy ahead of its presentation to Members at the next board meeting.**

#### 1.1 Background

1.1.1 The current IT Strategy was agreed by FIPAB on 24th September 2014.

1.1.2 The Strategy covered the period from 2014 to 2017.

#### 1.2 Update on achievements during the current IT Strategy 2014 to 2017

1.2.1 Since the previous report to the Finance, Innovation and Property Advisory Board on 21<sup>st</sup> June the IT Team have made significant progress over a relatively short period of time on a number of additional projects.

1.2.2 The Citrix Virtual Desktop Infrastructure (VDI) system has been procured and the service is currently being set up and configured. The system will consolidate the way IT is provided to officers and provide a consistent environment for staff working in the office and remotely. This will support more modern and flexible ways of working and also improve our business continuity arrangements (eg. access to systems remotely during adverse weather). The IT Manager and IT Technical Support Team are leading on this project and have been working closely with the supplier to scope a technical solution which is now being put into action.

1.2.3 Running alongside the setup of the Citrix VDI system is a review of the way officers currently use IT and what their requirements are for the future. The goal is to ensure that all staff have the right tools in order to perform their job. An external consultant has been engaged to interview service managers and key officers on the way IT can be used to deliver their service. The first interviews are complete and has given an overall picture of what can be achieved to improve both staff efficiency and job satisfaction. Further work is now planned on refining these

results with further staff interviews and highlighting any policy changes that are required.

- 1.2.4 A new contract for Multi-Function Device's (printers, scanners and faxes) has been procured via the Kent Commercial Services framework. The new supplier (Sharp) has delivered and installed the equipment throughout the Council. The IT Technical Support Manager and her team have been instrumental in delivering a successful solution despite a number of teething problems with the new equipment.
- 1.2.5 We have teamed up with the Smarter Digital Services (SDS) team at Tunbridge Wells Borough Council who are assisting Kent local authorities with reviewing their websites. The IT Development Manager is leading on our website improvement project and has already conducted two workshops with members of the public to help inform us of changes and improvements we can make which will increase the take up of digital services. The results of this review will be delivered in January 2018 and will provide the scope for an overall website redesign / improvement project which will run for the rest of the year.
- 1.2.6 The Council Chamber audio visual and conferencing systems have been completely replaced with a newer more modern system. The new projectors have a simpler control system making them easier to use and also support the digital inputs found on newer laptops and tablets. The audio conferencing system has been completely replaced and more microphones have been added. Finally USB charging points have been added to the desks making it easier to charge tablets whilst at meetings.
- 1.2.7 We are now reviewing the replacement of Members tablets and have purchased a batch of six iPads with attachable keyboards for trialling by a few Members. We plan to use these for a month before committing to a bulk purchase for everyone. All being well, and the trial not highlighting any issues, we would hope to be in a position to roll-out new equipment to all Members by Easter

### **1.3 Update on the new IT Strategy 2018 to 2022**

- 1.3.1 As mentioned in the June report, the aim of the next IT Strategy will be to build upon the IT infrastructure improvements delivered during the life of the previous strategy, and will look to improve staff efficiency, provide the foundations for effective business transformation and improve customer service.
- 1.3.2 The strategy will support the major corporate initiatives and projects that are planned or underway, including the new Waste Contract and Customer Services Review.
- 1.3.3 Some of the work streams will be new, and others (such as the rollout of Virtual Desktop Infrastructure, replacement of computing devices for staff and replacement of tablets for members) will be continuation of work already underway.

- 1.3.4 The use of data by the Council will be a major feature of the next strategy which will outline how we can better use the information we own for improved delivery of digital services whilst maintaining our obligations with information security and privacy.
- 1.3.5 Projects for establishing a corporate data quality policy and establishing a single citizen “golden record” (in the same way that the Local Land and Property Gazetteer is the “golden record” for properties) will be key activities to assist with the transition to more digital services via the website.
- 1.3.6 The strategy will support activities and improvements taking place in other areas of the Council (such as the Customer Services Review and new Waste Contract).
- 1.3.7 There are changes needed to the draft strategy to take into account the cessation of the shared revenues and benefits service project.
- 1.3.8 Taking the above into consideration it is hoped that a draft of the strategy will be ready for members to view at the next Finance, Innovation and Property Advisory Board.

## **1.4 Legal Implications**

- 1.4.1 Procurement policy should be followed for all projects arising from the IT Strategy.
- 1.4.2 The IT Strategy will take into account the requirements of the General Data Protection Regulation which is implemented on 25/05/2018.

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

- 1.5.1 A separate review will be undertaken to determine the resourcing requirements for a programme of work to improve data quality and implement the citizen “golden record”.

## **1.6 Risk Assessment**

- 1.6.1 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

## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

03 January 2018

#### 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 30 November 2017, the collection rate for council tax stood at 74.39%. For the same period in the year 2016/17, the collection rate was 74.3%.
- 1.1.2 As at 30 November 2017, the collection rate for business rates stood at 76.07%. For the same period in the year 2016/17, the collection rate was 75.45%.
- 1.1.3 In respect of the working age customers receiving a council tax reduction (CTR), approximately 96% of the council tax due for 2013/14 has been paid, with 94% for 2014/15, 91% for 2015/16 and 86% for 2016/17.
- 1.1.4 For the current financial year, approximately 59% has been paid compared to 61% for the comparative period in the previous financial year. Although the level of council tax support only reduced by 1.5% this financial year, it does appear to be having an impact on the collection rate for our working age customers.
- 1.1.5 The number of recovery notices issued this financial year is approximately 17% higher compared to 2016/17 (see **ANNEX 1**). This may be partly due to the reduced level of council tax support as mentioned above.

#### **1.2 Business Rate Relief Schemes**

- 1.2.1 At the last meeting of this Board, I notified Members that work was under way to implement the three new rate relief schemes announced by the Chancellor in his Spring Budget.
- 1.2.2 I am pleased to advise that, to date, relief has been awarded to 45 public houses totalling £43,717.82.

- 1.2.3 In respect of the Supporting Small Businesses scheme, relief has been awarded to 21 businesses totalling £26,834.06.
- 1.2.4 Finally, in respect of Discretionary Fund Relief, application forms were sent to the organisations identified by officers as meeting the necessary criteria.
- 1.2.5 The response was disappointing, with over half of the forms not being returned and approximately 50 businesses declaring they were not entitled to relief as they did not meet the criteria set out in our policy.
- 1.2.6 As a result, it was decided to award relief to the remaining businesses that were pre-selected in order to spend as much of the Government's allocation as possible by the end of this financial year. This is because any unspent amount has to be returned to Government, meaning businesses would lose out if they didn't apply. A letter has been sent to these businesses advising them relief has been awarded, but requesting they inform the Council if they do not meet our criteria.
- 1.2.7 The Council's allocation for 2017/18 was £338,000. Out of this, £267,250 has been awarded to 230 businesses.
- 1.2.8 All recipients of relief as at 31 March 2018 will automatically have relief awarded for the 2018/19 financial year in accordance with our policy.

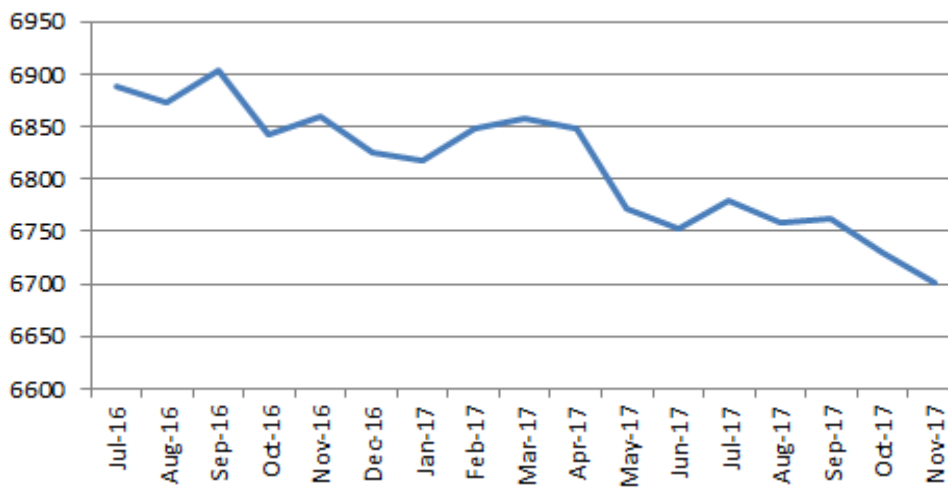
### **1.3 Autumn Budget**

- 1.3.1 In the Autumn Budget, the Chancellor announced the following changes to business rates:
- Pub relief (£1000 discount) to be extended to 31 March 2019
  - 2018/19 multiplier to be calculated using CPI rather than RPI
  - Revaluations to be every 3 years from 2022 (currently 5 years)
  - Properties that have been reassessed following a Supreme Court decision will be reinstated to the original assessment once legislation has been changed (commonly known as the Staircase Tax).
- 1.3.2 The Council will be reimbursed through a Section 31 grant for the lost revenue resulting from the extension of the pub relief scheme and the reduced multiplier.
- 1.3.3 An announcement was also made regarding the council tax premium, whereby a 100% surcharge (currently 50%) can be applied to a property that has been empty for more than two years. The Council has since been advised that this change is not likely to be implemented until at least 2019, as legislation needs to be updated.

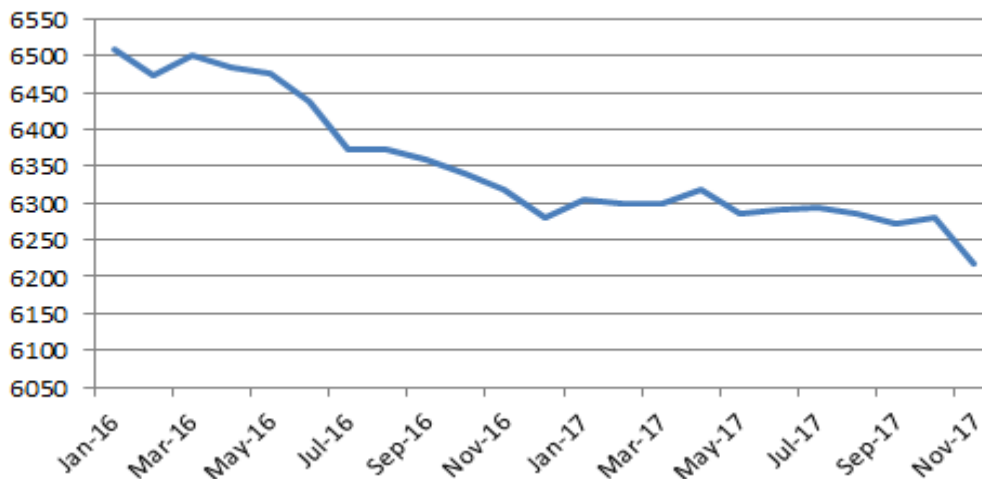
## 1.4 Performance and Workload of the Benefits Service

- 1.4.1 The average number of days taken to process a new claim for housing benefit so far this year is 13.3. It takes an average of 4.4 days to process a change in circumstances. For November the results were 8.5 and 3 days, our best performance so far and amongst the top performers nationally. The targets for the year are 15 and 6 days.
- 1.4.2 There is a continued reduction in the number of households receiving housing benefit and council tax reduction. The trends are shown at figures 1 and 2 below.

**F1: Council Tax Reduction Caseload**



**F2: Housing Benefit Caseload**

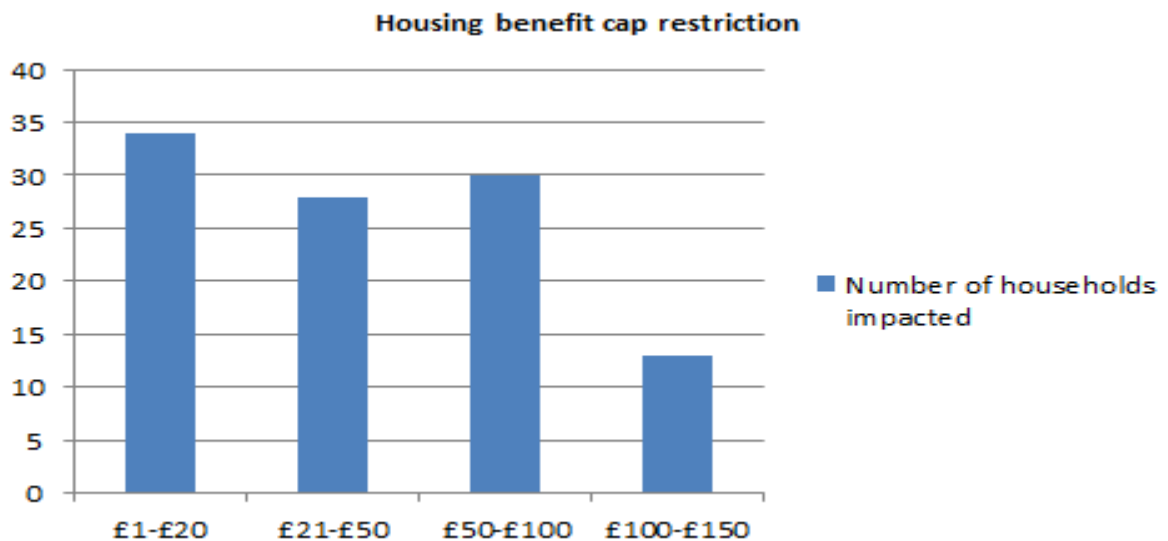


- 1.4.3 Approximately one in eight households in the Borough are assisted by housing benefit and / or council tax support. For council tax reduction, the main cause for the overall reduction in caseload has been fewer pension age claims due to annual pension rate increases (triple lock). Pension age claims make up 35% of total council tax reduction claims. For housing benefit there has been an equal number of reductions in pension age and working age claims, although pension age claims account for 43% of total claims.

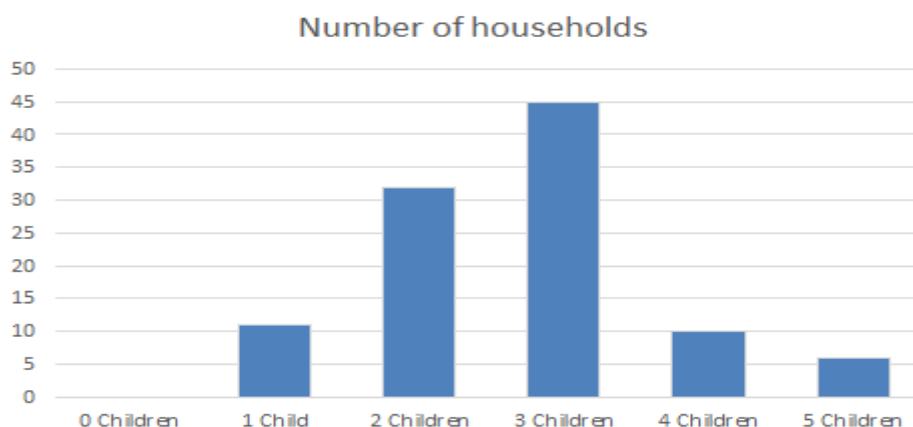
1.4.4 Although the number of claims for council tax reduction is decreasing and the scheme designed for 2017/18 is less generous than that of 2016/17, the total award of council tax reduction slightly increased due to the rise in council tax. For the first year since the introduction of local council tax reduction schemes, our collection rate of council tax for households helped by council tax reduction has fallen. This suggests that all things being equal, the impact of changes to the scheme together with other welfare reform measures, is nearing that ‘tipping point’ whereby households are unable to meet liabilities.

## 1.5 Housing Benefit Cap

1.5.1 There are currently 107 households with restrictions to housing benefit due to the benefit cap. Restrictions range from £1.04 per week to £222.69. The chart below shows the number of households and level of restrictions.



1.5.2 Officers in my benefits service continue to work with landlords, local Jobcentres, other agencies and benefit claimants to ensure the benefit cap does not cause long term hardship to households. All of the households affected by the benefit cap contain children, shown in the chart below.

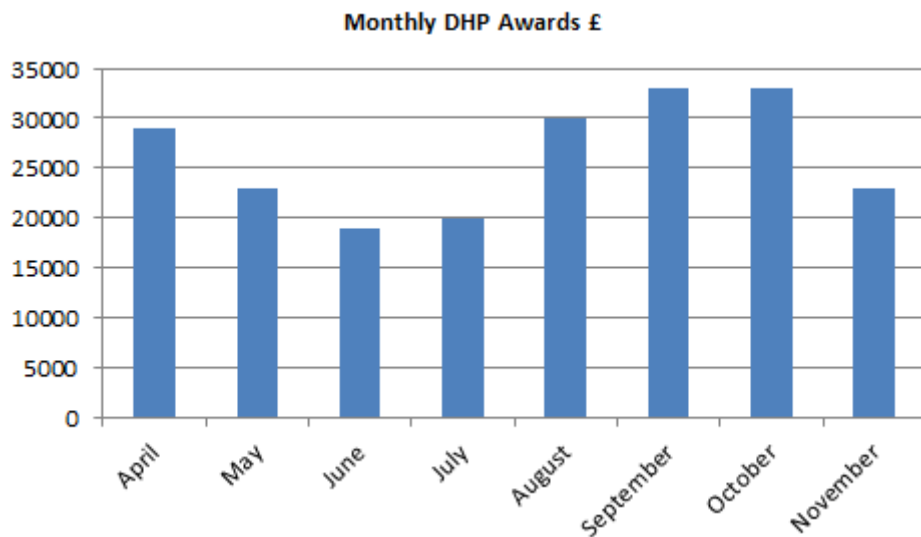




1.5.3 There is now wide use of discretionary housing payments to support families over the short term while longer term solutions are sought.

## 1.6 Discretionary Housing Payments (DHP)

1.6.1 The Government grant for DHP this year was £284,178. At 15 December, £70,074 remains unallocated for the remainder of the financial year, the budget is on track to be spent by 31 March 2018. The spending profile is shown below.



1.6.2 This financial year has seen an increase in the number of DHP applications and awards made to directly prevent homelessness. The use of DHP to clear rent arrears to prevent evictions and to provide rent in advance payments enables customers to move to more suitable accommodation. So far, £130,500 has been awarded for these purposes. All applications are carefully scrutinised, with a requirement to supply any supporting evidence deemed necessary. A higher priority is given to applicants who are already staying in temporary accommodation allocated by our housing officers, or where there is a strong likelihood that the applicant would be placed into temporary accommodation.

## 1.7 Changes to Universal Credit

1.7.1 Universal Credit 'Live' service was introduced in the Borough in October 2015. Since then, a single, working age person who would otherwise claim jobseeker's allowance when out of work, has claimed universal credit instead. Couples, families and people incapable of work have so far been excluded from claiming universal credit. The new digital service, known as the Full service, was due to be rolled out in the Borough in August 2018. Full service which includes all working age claimants, except families with more than two children, is steadily being rolled out across the country.

1.7.2 The Chancellor made a number of announcements relating to universal credit in his budget speech. These were followed the next day by several additional announcements from David Gauke MP, Secretary of State for Work and

Pensions. The announcements included a £1.5 billion package to address concerns of universal credit delivery. The main measures announced are:

### **1.7.3 Universal Credit Live service**

From January 2018, the universal credit 'Live' service will cease to take any new claims. This means that any **new claim** in a live service area made after the 31st December 2017 will, until UC 'Full' service is commenced locally, be made to one of the following legacy benefits and/or tax credits listed below

- Employment and Support Allowance
- Jobseeker's Allowance
- Income Support
- Housing Benefit for any rental support
- Child Tax Credits and/or Working Tax Credits

This means that the Council will continue to administer all housing benefit claims until November 2018 at the earliest.

### **1.7.4 Abolition of the seven waiting days**

This applies to new claims from February 2018. At the moment, anyone making a new claim will not be paid for the first seven days from the date of the claim. This will alleviate the immediate pressure placed on claimants to help with daily living and housing cost when making a new claim. This should reduce the waiting time for payment from six to five weeks, current feedback from LA's suggests that delays have been in excess of six weeks.

### **1.7.5 Extension of advance payments**

From January 2018, claimants will be able to request 100% of their projected entitlement for the first assessment period to be paid within five days as an interest free advance, repayable over 12 months. This represents an extension of the existing allowance of a 50% advance repayable over six months.

### **1.7.6 Extended housing benefit payments**

From April 2018, a new two week extended housing benefit payment will be introduced for those already on housing benefit who transfer to universal credit. The first universal credit payment will also include payment for housing costs for the same two weeks.

### **1.7.7 Larger families**

The 'Full' service system cannot register families with more than two children. They must claim 'legacy' benefits (housing benefit, jobseekers allowance, tax credits, income support or employment and support allowance) or revert to these benefits if receiving universal credit and an additional child joins the household

where there are already two. From January 2019, this issue will be fixed. The fix was scheduled for November 2018.

#### **1.7.8 Temporary accommodation and universal credit**

From April 2018, housing costs for temporary accommodation due to homelessness will be met through housing benefit and not universal credit in recognition of the impracticalities created by paying claims through universal credit.

#### **1.7.9 Other universal credit measures**

Announcements were also made, with little detail as yet, relating to 'making it easier' for claimants to have their housing cost element of their award paid directly to their landlord, £8m has been set aside to trial 'innovative approaches' to help individuals on universal credit earn more and there will be a partnership agreement with CAB to provide face to face support to universal credit claimants.

#### **1.7.10 Other announcements affecting housing benefit**

The freeze on uprating working age benefit rates will continue but, in order to address problems with the associated freeze on local housing allowance (LHA) rates, LHA rates will be increased in some of the more expensive rental market areas. For 2018/19, £40m has been allocated to address the problems and £85m in 2019/20.

### **1.8 Legal Implications**

1.8.1 Nil.

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

1.9.1 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.

### **1.10 Risk Assessment**

1.10.1 Nil.

Background papers:

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

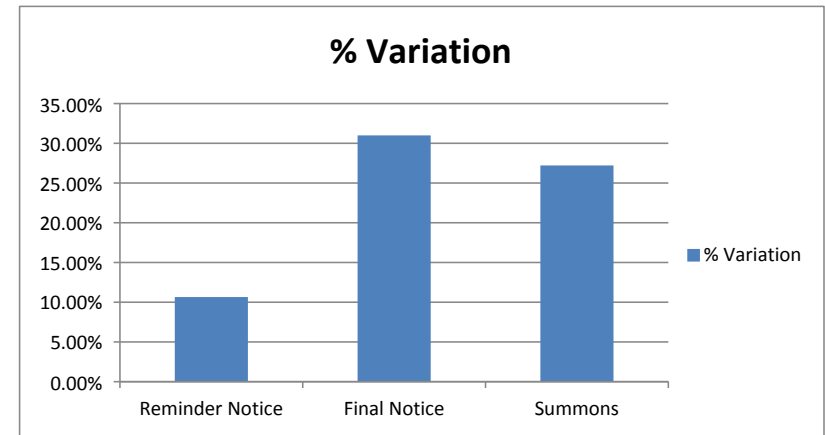
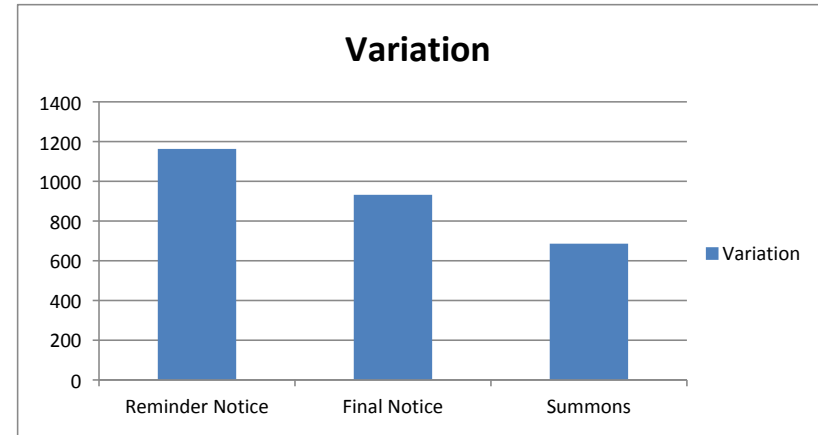
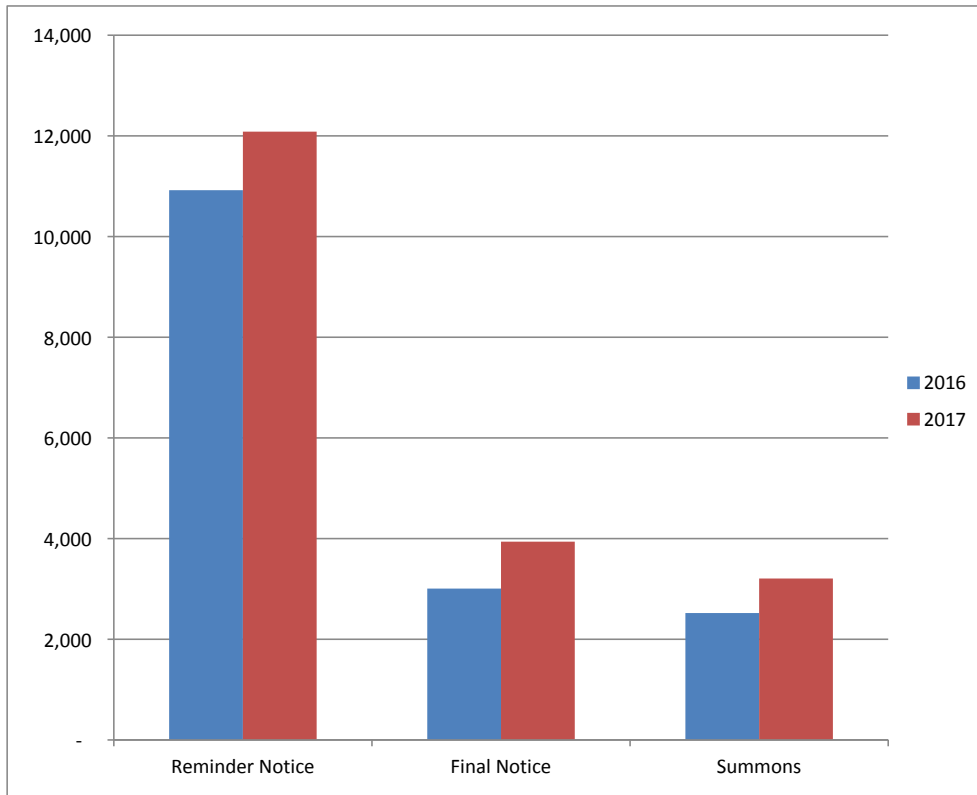
contact: Glen Pritchard  
01732 876146  
Andrew Rosevear  
01732 876143

Sharon Shelton  
Director of Finance and Transformation

This page is intentionally left blank

	Reminder Notice	Final Notice	Summons	Total
2016	10,921	3,007	2,521	16,449
2017	12,084	3,939	3,207	19,230
<b>Variation</b>	<b>1163</b>	<b>932</b>	<b>686</b>	<b>2781</b>
<b>% Variation</b>	<b>10.65%</b>	<b>30.99%</b>	<b>27.21%</b>	<b>16.91%</b>

**ANNEX 1**



This page is intentionally left blank

# Agenda Item 14

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

This page is intentionally left blank



# Agenda Item 15

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

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

This page is intentionally left blank

By virtue of paragraph(s) 2 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 2 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank



# Agenda Item 18

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

This page is intentionally left blank