

# TONBRIDGE & MALLING BOROUGH COUNCIL



## EXECUTIVE SERVICES

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### Chief Executive

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

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

31 December 2018

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, 9th January, 2019 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 - 14

To confirm as a correct record the Notes of the meeting of the Finance, Innovation and Property Advisory Board held on 17 September 2018

**Matters for recommendation to the Cabinet**

4. Review of Fees and Charges 2019/20 15 - 24

*The report brings forward for consideration as part of the budget setting process for 2019/20 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.*

5. Tonbridge Castle - Review of Fees and Charges 25 - 38

*The report reviews fees and charges for a variety of different services and functions delivered at Tonbridge Castle.*

6. Proposed 3% Surcharge on Building Control Standard Charges 39 - 52

*The report sets out the context for the proposed increase in Building Control Fees.*

7. IT Strategy Update 53 - 60

*The report provides an update on the new IT Strategy with regard to the website development plan and seeks guidance on the setting up of a Member working group in relation to website development.*

8. Cyber Security 61 - 66

*A report on the "Cyber Stocktake" undertaken by the LGA; the timescale of a funding bid made to the LGA; and a recommendation that the Cabinet Member for Finance, Innovation and Property becomes the named Member for Cyber Security.*

9. Revenue Estimates 2019/20 67 - 88

*The Council has a statutory duty to set the level of council tax for the forthcoming financial year by 11 March. The role of the Advisory Board is to assist the Cabinet and Council in the preparation of the Budget for 2019/20 within the context of the Medium Term Financial Strategy and the Council's priorities.*

*Note: The revised estimates for 2018/19 and the estimates for 2019/20 are contained in a separate booklet circulated with the agenda.*

10. Capital Plan Review 2018/19 89 - 108

*The report provides a review of the Capital Plan.*

*Note: Annexes 1 to 3 to the report are contained in a separate booklet circulated with the agenda.*

11. Revenues and Benefits Update Report 109 - 124

*A report detailing recent developments in respect of council tax, business rates, council tax reduction and housing benefits. The report also makes recommendations to Council that schemes for Retail Discount and Council Tax Reduction for 2019/20 be adopted, and that the 'Class C' council tax discount be amended and the long term empty premium of 100% be adopted from 1 April 2019.*

12. Urgent items 125 - 126

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**

13. Exclusion of Press and Public 127 - 128

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**

14. Debts for Write Off 129 - 132

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

*Approval is sought for the writing-off of debts that are considered to be irrecoverable.*

15. Urgent items 133 - 134

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 M C Base (Chairman)  
Cllr R D Lancaster (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 S M King  
Cllr Miss J L Sergison  
Cllr A K Sullivan  
Cllr F G Tombolis

Apologies for absence

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Declarations of interest

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## TONBRIDGE AND MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION AND PROPERTY ADVISORY BOARD

Monday, 17th September, 2018

**Present:** Cllr M C Base (Chairman), Cllr R D Lancaster (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 M O Davis, Cllr S M King and Cllr F G Tombolis

Councillors O C Baldock, M A Coffin, N J Heslop, D Lettington, Mrs S L Luck and M R Rhodes were also present pursuant to Council Procedure Rule No 15.21.

Apologies for absence were received from Councillors Mrs S Bell, D J Cure, Miss J L Sergison and A K Sullivan

#### PART 1 - PUBLIC

##### **FIP 18/27 DECLARATIONS OF INTEREST**

The following Members declared an Other Significant Interest in the item on Applications for Discretionary Rate Relief in respect of applications by the organisations indicated; they withdrew from the meeting during their consideration:

Councillor O Baldock (member of Tonbridge Juddians RFC and vice-president of Tonbridge Lions which was supported by the applicant for hardship relief)

Councillor M Davis (vice-president of Tonbridge Juddians RFC and his firm represented K Sports Management Ltd)

##### **FIP 18/28 MINUTES**

**RESOLVED:** That the notes of the meeting of the Finance, Innovation and Property Advisory Board held on 23 May 2018 be approved as a correct record and signed by the Chairman.

#### MATTERS FOR RECOMMENDATION TO THE CABINET

##### **FIP 18/29 CLASS C EMPTY PROPERTY COUNCIL TAX DISCOUNT AND LONG TERM EMPTY HOMES PREMIUM**

Further to Decision No D170059MEM, consideration was given to the report of the Director of Finance and Transformation as to whether there should be a change to the Class C empty property council tax discount and whether a 100% long term empty homes premium should be applied, both from 1 April 2019 where Regulations allowed.

It was noted that all but two Kent authorities had committed to reducing the Class C empty property discount to one month or less and details were given of the experience of those that had removed the discount completely. Members were minded to reduce the discount to zero but considered that it should be introduced for a trial period of one year with a report back on any implications.

Members considered increasing the premium on long term empty homes to 100% and the grant of delegated authority to implement it subject to the Regulations receiving the Royal Assent.

**RECOMMENDED:** That

- (1) the Class C empty property discount be removed with effect from 1 April 2019 for a trial period of one year and a report back on any implications; and
- (2) delegated authority be granted to the Director of Finance and Transformation in liaison with the Cabinet Member for Finance, Innovation and Property to apply a long term empty homes premium of 100% from April 2019 if Regulations allow.  
**\*Referred to Cabinet**

**FIP 18/30 THE 2019/20 LOCAL GOVERNMENT FINANCE SETTLEMENT  
TECHNICAL CONSULTATION AND INVITATION TO PILOT 75%  
BUSINESS RATES RETENTION IN 2019/20**

Decision Notice D180054MEM

The report of the Director of Finance and Transformation provided an overview of “The 2019-20 Local Government Finance Settlement Technical Consultation” and an “Invitation to Local Authorities in England to pilot 75% Business Rates Retention in 2019/20”, published by the Ministry of Housing, Communities and Local Government, together with a response to the Technical Consultation.

**RECOMMENDED:** That the response to the Technical Consultation (set out at Annex 1 to the report), as agreed with the Leader, the Cabinet Member for Finance, Innovation and Property and the Chairman of the Finance, Innovation and Property Advisory Board, be noted and endorsed.

**FIP 18/31 FINANCIAL PLANNING AND CONTROL**

Decision Notice D180055MEM

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 indicative overall budget position for the year which showed a net adverse variance of £104,000. It was noted that this had arisen because better than budgeted performance had enabled a one-off contribution to the Building Repairs Reserve to fund a number of items of unbudgeted building repair works.

An update was given on capital expenditure and variations agreed in relation to the capital plan. The report also gave an update on the Savings and Transformation Strategy and funding gap and the proposed introduction by CIPFA of a financial resilience index.

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

### **FIP 18/32 APPLICATIONS FOR DISCRETIONARY RATE RELIEF**

Decision Notice D180056MEM

The report of the Director of Finance and Transformation gave details of renewal and new applications for discretionary rate relief which were considered in accordance with the previously agreed criteria for determining such applications. Further information was provided in relation to two applicants in accordance with Decision No D180029MEM (1). Consideration was also given to an application for hardship relief.

**RECOMMENDED:** That

- (1) in respect of the renewal applications discretionary rate relief be awarded as set out at Annex 2 to the report, in the case of the scout/guides groups indefinitely with effect from 1 April 2018; and the remainder with effect from 1 April 2018 and time limited to 31 March 2020 with Tonbridge Juddians RFC granted 100% relief and K Sports Management Limited 70% relief;
- (2) the new applications for discretionary rate relief be determined as follows:
  - Kent Archaeological Society, Room 20, The Manwaring Building, East Malling Research Station, New Road, East Malling – no discretionary relief be awarded
  - Housing & Care 21, Flat 4 Watercress Court, 98 Mill Street, East Malling - no discretionary relief be awarded;
  - Hospice in the Weald, 19 & 21 Swan Street, West Malling - no discretionary relief be awarded; and
- (3) the application for hardship relief in respect of The Green Barn Farmshop Limited, 2 The Pavilion, Tonbridge be refused.

**FIP 18/33 RURAL RATE RELIEF - RURAL SETTLEMENT LIST**

Decision Notice D180057MEM

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

**RECOMMENDED:** That the current rural settlement list shown on the map at Annex 1 to the report remain in force for the year 2019/20.

**MATTERS SUBMITTED FOR INFORMATION**

**FIP 18/34 REVENUES AND BENEFITS UPDATE**

The report gave details of recent developments in respect of council tax, business rates, council tax reduction and housing benefits. Members were pleased to note that the performance of the Benefits Service in recently published data for 2017/18 showed the combined performance to process new claims and changes in circumstances was best in Kent and among the top ten nationally, and they thanked staff for their hard work.

**FIP 18/35 CAPITAL PLAN POST IMPLEMENTATION REVIEWS MONITORING REPORT**

The report identified the post implementation reviews carried out since the meeting of the Advisory Board in September 2017 together with the capital plan schemes for which reviews were due or outstanding. It was proposed to remove the Renewable Energy Schemes item from the list for review since the last payment in respect of the scheme had been made in 2008/09 and funds had been vired to other schemes.

**MATTERS FOR CONSIDERATION IN PRIVATE**

**FIP 18/36 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 18/37 DEBTS FOR WRITE OFF**

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

Decision Notice D180058MEM

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.

It was noted that in future debts over £5,000 would be reported for write off (in accordance with the revised Constitution).

**RECOMMENDED:** That the 10 items shown in the schedule of amounts over £1,000, totalling £15,250.74 be written-off for the reasons stated within the schedule.

**FIP 18/38 PROPOSED DISPOSAL OF AMENITY LANE AT KEATS ROAD, LARKFIELD**

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

The report of the Director of Central Services gave details of an application from a resident of Keats Road, Larkfield to purchase an area of amenity land adjacent to their property.

**RECOMMENDED:** That the area of amenity land at Keats Road, Larkfield be disposed of in line with the conditions set out in the report, subject to provision of further information regarding the valuation.

**\*Referred to Cabinet**

**FIP 18/39 PROPOSED LEASE AT SWANMEAD SPORTSGROUND,  
TONBRIDGE**

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

The report of the Director of Central Services gave details of a proposed lease of land adjacent to Swanmead Sportsground Pavilion, Tonbridge to the Cricket Club for the siting of two storage containers.

**RECOMMENDED:** That a lease of land adjacent to Swanmead Sportsground Pavilion be approved in principle on the basis of the conditions outlined in the report, subject to clarification of details to the Cabinet meeting.

**\*Referred to Cabinet**

The meeting ended at 8.49 pm

## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

09 January 2019

#### Report of the Management Team

#### Part 1- Public

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

#### 1 REVIEW OF FEES AND CHARGES 2019/20

**This report brings forward for consideration as part of the budget setting process for 2019/20 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 2019/20 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 2019/20 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 14 February 2019. 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 over two years. 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 2019.

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 2019.

## **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. The service is estimated to generate an income of circa £42,000 a year. Neighbouring boroughs have their costs calculated in a different

way from TMBC, where new developments can be more costly and single addresses can be less costly, but the overall income is balanced.

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, we 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 inflation.

## 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 2018/19	Proposed Fee 2019/20
1	Addressing one new in-fill property	£177	£182
2	Addressing two to three in-fill properties	£92 per property	£95 per property
	Where four or more properties are to be named or numbered, the fee for new		

	developments (below) will be levied.		
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	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	£215	£221
4	Fee for addressing plots, including street naming if Required 1- 4 Units	£216 +£33	£222 +£34
5	5 – 10 Units	£216 +£28	£222 +£29
6	11 or more units	£431 +£12	£444 +£12

### 1.6.3 Existing Properties

7	Renumbering an existing property	£77	£80
8	Renaming an existing property, not in a current numbering scheme	£77	£80
9	Registering the addition or change or an alias to a numbered property	£77	£80
10	Removing an existing alias from a numbered property	No charge	No charge
11	Rename an existing street	£1,617	£1,665
12	Rename a block of flats	£1,617	£1,665
13	Fee for addressing units (flats) when splitting an existing property	£92 per unit	£95 per unit
14	Fee for addressing a single property when merging separate units	£177	£182

1.6.4 It is **RECOMMENDED** to Cabinet that the above fee Schedule for Street Naming and Numbering be adopted from 1 April 2019.

## 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 2018/19			
Tonbridge & Malling	Summons	Liability Order	Total
Council Tax	£55	£45	£100
Business Rates	£120	£60	£180

- 1.7.3 The level of costs is agreed with the Magistrates' Court each year and 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 The Court of Protection, Civil Proceedings and Magistrates' Courts Fees (Amendment) Order 2018 came into effect on 4 July 2018, reducing the liability order application fee from £3 to 50p.
- 1.7.5 This will reduce the cost of collection; however the increase in our administration charges has been rising since the costs were last reviewed in 2009.
- 1.7.6 As a result of this and taking into account pressure from organisations such as the Money Advice Trust and the Citizens Advice Bureau regarding the use of enforcement action, we do not propose to seek the Court's approval to increase the level of costs requested from taxpayers.
- 1.7.7 It is **RECOMMENDED**, therefore, that the amount of costs recharged should remain the same for the 2019/20 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:

contact: Adrian Stanfield

Nil

Sharon Shelton

Director of Finance & Transformation on behalf of Management Team

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		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

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

09 January 2019

#### 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 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.
- 1.1.2 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.
- 1.1.3 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.
- 1.1.4 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.
- 1.1.5 The main revenue streams from Tonbridge Castle are from the Attraction (Castle Tours), school visits, Ceremonies and the shop.
- 1.1.6 The target for growth in 2019 forward is to increase the number of meeting room bookings, with plans to convert the shared space into another meeting room, which will enable us to target smaller external groups who are looking for a meeting room.
- 1.1.7 During 2018-19 Tonbridge Castle branding and social media has been enhanced to reflect the quality of this historic Castle.

## 1.2 Social Media and Marketing Activity

This year has seen the website enhanced with the first phase of the marketing and social media enhancements.

<b>Website</b>	<a href="https://www.tonbridgecastle.org/">https://www.tonbridgecastle.org/</a>
<b>Facebook</b>	<a href="https://www.facebook.com/Tonbridge-Castle-215130582543309/">https://www.facebook.com/Tonbridge-Castle-215130582543309/</a>

<b>twitter</b>	<a href="https://twitter.com/tonbridgecastle?lang=en0">https://twitter.com/tonbridgecastle?lang=en0</a>
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Twitter (Launch 15 June 2018)	15/11	06/12	11/12	18/12
<b>Tweets</b>	462	495	524	531
<b>Following</b>	207	238	259	264
<b>Followers</b>	279	318	330	337
<b>Likes</b>	270	270	294	296

Instagram	<a href="https://www.instagram.com/tonbridgecastleofficial/">https://www.instagram.com/tonbridgecastleofficial/</a>																							
<table border="1"> <thead> <tr> <th>Instagram (Launch 18 October 2018)</th> <th>15/11</th> <th>06/12</th> <th>11/12</th> <th>18/12</th> </tr> </thead> <tbody> <tr> <td>posts</td> <td>11</td> <td>17</td> <td>20</td> <td>21</td> </tr> <tr> <td>followers</td> <td>224</td> <td>335</td> <td>364</td> <td>396</td> </tr> <tr> <td>following</td> <td>76</td> <td>96</td> <td>98</td> <td>99</td> </tr> </tbody> </table>					Instagram (Launch 18 October 2018)	15/11	06/12	11/12	18/12	posts	11	17	20	21	followers	224	335	364	396	following	76	96	98	99
Instagram (Launch 18 October 2018)	15/11	06/12	11/12	18/12																				
posts	11	17	20	21																				
followers	224	335	364	396																				
following	76	96	98	99																				

### 1.3 Visitors to the Castle

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

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

	Description	Number 2017 - 2018	Number LY 2016 - 2017	Variance year on year
1	Benefit	4,642	4,674	-0.68%
2	Parking	3,834	3,736	2.62%
3	Self Help Kiosk & Computers	2,153	1,110	93.96%
4	Council Tax	1,829	1,803	1.44%
5	Housing	1,754	2,037	-13.89%
6	Toilet	1,275	746	70.91%
7	Bus & Train Timetables	652	749	-12.95%
8	Bus passes	359	204	75.98%
9	Cross referrals	355	229	55.02%
10	Waste Enquiries	302	405	-25.43%
	Planning	229	255	-10.20%
	Electoral Roll	97	269	-63.94%

1.3.3 One of the principle aims is to move customers to use on line channels to self-serve through digital and online forms. Self-help Kiosk and use of computers has increased by 93%.

### 1.4 Revenue

1.4.1 The revenue breakdown by category

Category	2017 – 2018 TYD – Apr - Nov	2016 - 2017
Shop Sale	£5,277	£5,525
Castle Tours	£14,269	£19,979
Schools	£6,301	£7,432
Guide Books	£1,469	£1,903
Weddings	£10,350	£15,560

## 1.5 Tonbridge Castle - proposed fees

1.5.1 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.

1.5.2 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

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

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

2017/18	Tonbridge	Rochester	Upnor	Hever	Leeds	Dover
Adult	£9.00	£6.40	£6.40	£17.75	£25.50	£20.00
Concessions	£5.85	£4.00	£4.00	Free to £15.60	Free to £22.50	£18.00
Student	£5.85	£4.00	£4.00	£15.60	£22.50	£18.00
Child 5 – 15	£5.85	£4.00	£4.00	£9.95	£17.50	£12.00
Senior 60+	£5.85	£4.00	£4.00	£15.60	£22.50	£18.00
Family Ticket	£25.00	£16.80	£16.80	£46.85	£74.00	£50.00
Season Ticket Adult	£25.00	As part of English Heritage Membership	As part of English Heritage Membership	£42.25	5 year ticket is £100	As part of English Heritage Membership
Season Ticket Concession	£16.00			£43.15 to £113.75		
		No increase in 2018	No increase in 2018			

### 1.5.4 Proposed pricing for Castle Tours for 2019/20

Year	2016/17	2017/18	2018/19	2019/20
Adult	£8.50	£8.90	£9.00	£9.00
Concessions Jun/OAP/Student/Leisure	£5.00	£5.50	£5.85	£5.85
Family Ticket	£23.00	£24.00	£25.00	£26.00
Season Ticket Adult*	£20.00	£20.00	£25	£26
Season Ticket Concession	£15.00	£15.00	£16.00	£18.00

### Number of visitors to attraction

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2017/18	295	193	232	328	348	199	215	117	84	190	190	114	2,505
2018/19	228	188	166	270	424	151	210	130	36				

### Attraction (Castle Tours) Exhibits

- 1.5.5 Last year I proposed 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.
- 1.5.6 I can report that we have started the process of replacing broken exhibits and have ordered 6 baskets, 1 Helmet and 2 Mace.
- 1.5.7 Once the existing exhibits have been repaired / replaced we will then plan to look at purchasing new appropriate exhibits in consultation with Members and by taking soundings from the Tonbridge Historical Society.

### Recommendation

- 1.5.8 **That the new pricing model for the Castle Tour at Tonbridge Castle be approved as set out at paragraph 1.5.4 above.**

## 1.6 Schoolchildren

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

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2017-18	84	225	172	30	0	60	96	103	0	32	61	254	1,078
2018-19	269	283	194	0	0	60	31	137	0				

### Total Revenue School Children Education workshops

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2017/18	525	1,381	1911	1,208	0	345	650	758	0	217	489	1,723
cum	525	1,906	3,817	5,025	5,025	5,370	6,020	6,778	6,778	6,995	7,484	9,207
2018/19	1,251	1,803	1,522	0	0	476	234	1,015				
Cum	1,251	3,054	4,576	4,576	4,576	5,052	5,286	6,301				

### 1.6.1 Proposed fees for schools

Year	2016/17	2017/18	2018/19	2019/20
Adult	£8.50	£8.90	£9.00	£9.00
School Children	£5.00	£5.50	£5.85	£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	£76.00

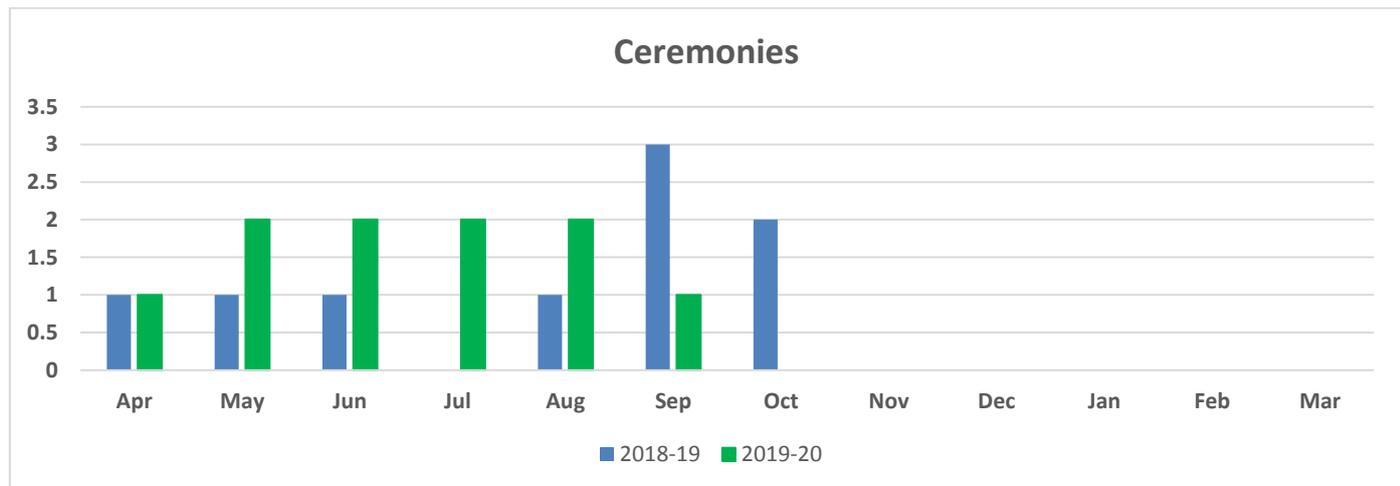
## Recommendation

1.6.2 That the new pricing model for Schoolchildren Educational workshops at Tonbridge Castle be approved as set out at paragraph 1.6.1 above.

## 1.7 Ceremonies

2

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Chamber 18-19	1		1		1	3	2						8
Gatehouse 18-19		1											1
<b>Total 2018-19</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>
Chamber 19-20	1	1	1	2	2	1							8
Gatehouse 19-20		1	1										2
<b>Total 2019-20</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>



### 2.1.1 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

### 2.1.2 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>			
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.)

2.1.3 The fee model shown in 2.12 was agreed by Members at the Finance, Innovation and Property Advisory Board on the 3 January 2018.

2.1.4 I will bring the fee charges for 2021/22 to the Finance, Innovation and Property Advisory Board in January 2020.

## **2.2 Council Chamber bookings – Concessionary Users**

2.2.1 As agreed at the Finance, Innovation and Property Advisory Board on the 3 January 2018 the level of fees for Concessionary Users has been referred to the Scrutiny and Overview Committee which is scheduled to discuss this issue at their meeting on the 22 January 2019.

## **2.3 Council Chamber bookings – other Users**

2.3.1 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.

2.3.2 Where a commercial event is held on the Castle Lawn, organised by Leisure Services, the Castle is receiving an income for the use of the Council Chamber when it is used in conjunction with an event taking place on the lawn.

### 2.3.3 Proposed fee model – Council Chamber

Hire Charge	Fixed Price	
	Current 2018/19 £	Proposed 2019/20 £
Monday – Friday – AM (09:00 – 13:00)	100.00	100.00
Monday – Friday – PM (14:00 – 17:00)	100.00	100.00
Monday – Friday – PM (18:00 – 21:00) NB: outside normal caretaker hours	100.00 (plus caretaker costs)	100.00 (plus caretaker costs)
Saturday – AM or PM (09:00 – 13:00) (14:00 – 17:00)	100.00	100.00
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
Weekly rate Monday - Friday	Contact Castle for pricing	Contact Castle for pricing
Weekly rate Saturday - Friday	Contact Castle for pricing	Contact Castle for pricing

2.3.4 The revenue for 2018-19 year to date is £2,895, made up from £1,850 direct bookings and £1,045 from multiple concessionary booking.

#### Caretaking / Security cover

2.3.5 To service the evening Caretaker cover TMBC currently has to engage a Caretaker/security provider to lock up the Castle after functions for £150 (minimum 5 hours rate). We are currently trying to recruit two casual Caretaker/security who live locally to work just the required hours for the duration of the booking.

2.3.6 TMBC will be going out to Tender for Caretaker/security services during 2019.

## **2.4 Recommendation**

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

## **2.5 Great Hall Charges**

- 2.5.1 The Great Hall is a great asset for Tonbridge & Malling Borough Council and is currently used to generate revenue through weddings.
- 2.5.2 As agreed at the Finance, Innovation and Property Advisory Board on the 3 January 2018 we are continuing to promote the use of the Great Hall for other events in addition to Weddings.
- 2.5.3 In December 2018 we have hired the Great Hall for people to have the opportunity to have breakfast and afternoon tea with Father Christmas.
- 2.5.4 In addition we have also booked out the Great Hall to Paranormal groups who stay all night to carry out paranormal investigations.

## **2.6 Legal Implications**

- 2.6.1 None

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

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

## **2.8 Risk Assessment**

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

## **2.9 Equality Impact Assessment**

- 2.9.1 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.

## **2.10 Policy Considerations**

- 2.10.1 Community

- 2.10.2 Young People

## 2.11 Recommendations

2.11.1 Recommendations are laid out within the report.

Background papers:

contact: Anthony Garnett

Nil

Adrian Stanfield

Director of Central Services and Monitoring Officer

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION AND PROPERTY ADVISORY BOARD

09 January 2019

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

#### Part 1- Public

Matters for Recommendation to Cabinet - Key Decision

### 1 **PROPOSED 3% SURCHARGE ON BUILDING CONTROL STANDARD CHARGES**

**Summary: This report sets out the context for the proposed increase in Building Control Fees**

#### 1.1 Introduction

1.1.1 The Building Control Service is provided through a partnership arrangement with Sevenoaks District Council, overseen by a Management Board. The purpose of this report is to propose an overall fee increase of 3% for the Building Control Partnership standard charges

#### 1.1.2 Key principles

1.1.3 The Building (Local Authority Charges) Regulations 2010 require local authorities to ensure that the prices charged by the service is an accurate reflection of the costs of carrying out the chargeable building control functions and for giving chargeable advice relating to the Building Regulations.

1.1.4 The Regulations require authorities to achieve full cost recovery on their building regulation chargeable work. However, charges should not be increased above the level of the costs of providing a service under the Building Regulations. The Regulations identify standard and individual charges that, in turn, should reflect the cost of the service on individual building projects in accordance with the 'user pays' principle.

1.1.5 Authorities can set standard charges and individually determined charges at a local level. Individually determined charges are calculated on a scheme-by-scheme basis.

1.1.6 The use of standard charges should be limited to the types of building work where it is possible to estimate the amount of Building Control input required for a particular type of Building Regulation application. Standard charges can be challenged, therefore it is important that the evidence base that sits behind the

standard charges schedule is robust and uses the authority's hourly rate and input time.

1.1.7 The overriding objective in the Charges Regulations requiring local authorities to achieve full cost recovery in the setting of their charges is stated in paragraphs 31 to 38 of the CLG Circular letter. The fundamental principle of Regulation 6 is that the authority must ensure that the income derived by the local authority from performing chargeable functions and providing chargeable advice year to year equates, as far as possible, to the costs incurred by the authority in providing these services

## 1.2 Financial and Value for Money Considerations

1.2.1 The Building Control Standard Charges cover the majority of work undertaken by the Building Control Partnership (BCP) and has been effective in recovering Building Control costs. However, they were last increased on 1 April 2017 and, in accordance with legislation and guidance, it is appropriate to consider an increase in fees in order to achieve appropriate cost recovery for the year 2019/2020.

1.2.2 The predicted income for 2018-19 is £377k and a 3% increase would raise income by £11k, giving a predicted income total of £388k for 2019/2020. This would maintain a small surplus on the Building Control Chargeable account based on current economic activity.

	Full Plans rec'd	Building Notice rec'd	Regularisation
2016	388	395	26
2017	467	404	35
2018	408	422	28

Table 1: TMBC Building regulation applications

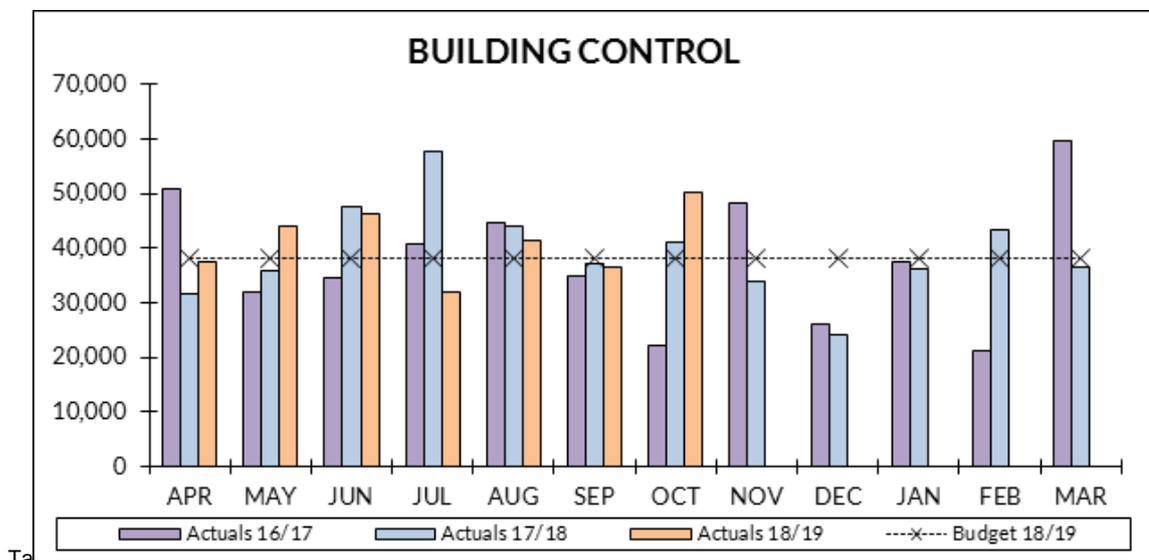


Table 2: TMBC Building Control income

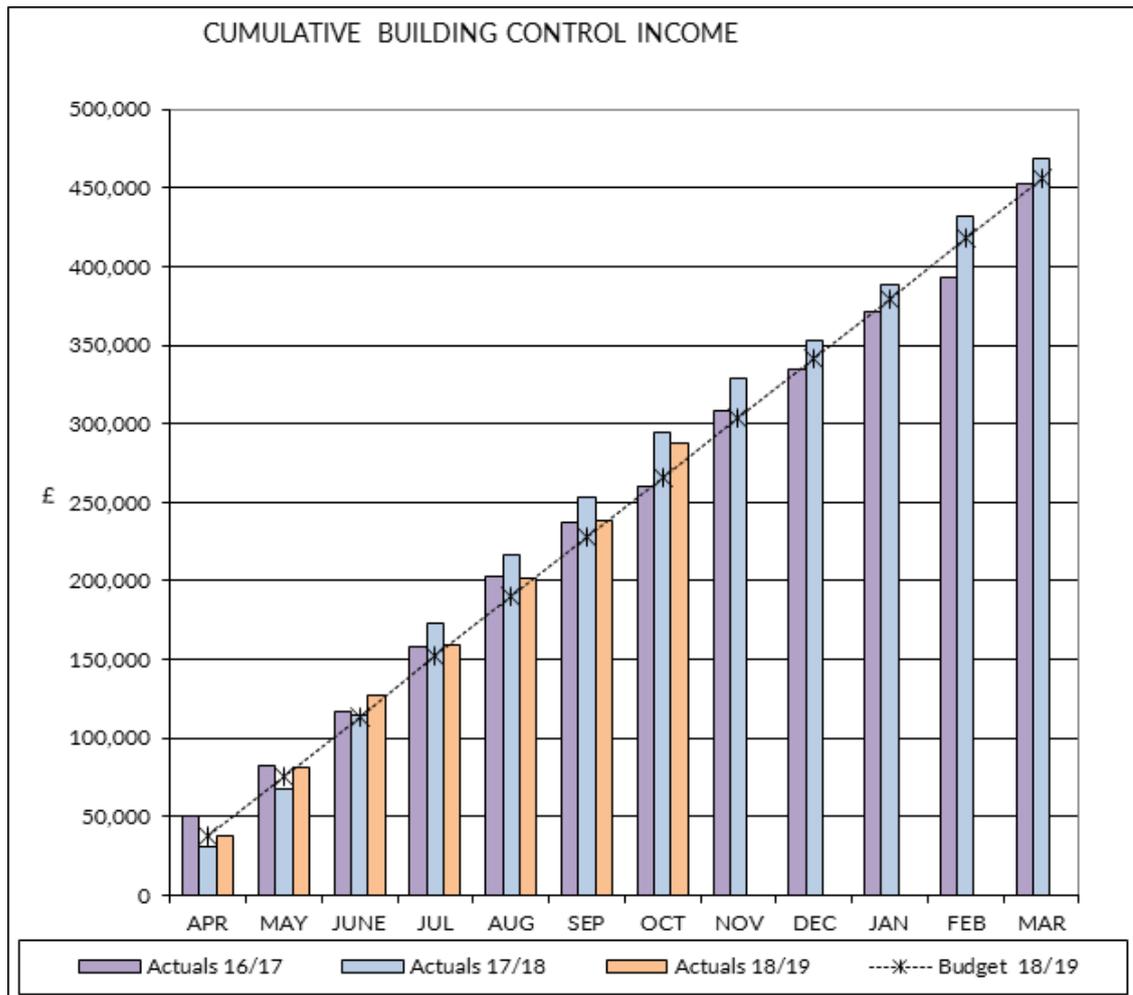


Table 3: TMBC Building Control cumulative income

### 1.3 Legal Implications

1.3.1 The Building (Local Authority Charges) Regulations 2010 (S.I. 2010/404) makes provision for local authorities in England and Wales to fix their own charges in a schedule, based on the full recovery of their costs for carrying out their main Building Control functions relating to the Building Regulations.

### 1.4 Financial and Value for Money Considerations

1.4.1 The Building Control Standard Charges should be reviewed every year and the evidence base updated. This will ensure that we are responsive to the needs of the customer and that the charging schedule is fairly applied.

### 1.5 Risk Assessment

- 1.5.1 The 'break even' position should be assessed each year to ensure that income, as nearly as possible, equates to costs and is based on up to date evidence.
- 1.5.2 Local Authority Building Control is in competition within the Building Control marketplace and increased fees could result on clients opting to use private Approved Inspectors (instead of the local authority) for their building projects. It is therefore important to ensure that the Building Control Service continues to operate efficiently and provide value for money for the customer.

## **1.6 Equality Impact Assessment**

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

## **1.7 Recommendations**

- 1.7.1 At present it is considered that a prudent approach would be to aim increase fees by 3%. The proposed fees scales for year 2019/2020 are attached as Appendix A with the existing fee scales for 2017/2018 attached as Appendix B.
- 1.7.2 The proposed changes to the Standard Charges would reflect the current cost of the works supervised by the Building Control Partnership.

contact: Allan Taylor  
Louise Reid

Background papers:  
Nil

Adrian Stanfield  
Director of Central Services & Monitoring Officer

Sevenoaks District Council / Tonbridge & Malling Borough Council  
PO Box 561 Sevenoaks TN13 9QZ  
Tel: 01732 227356

## Standard Building Control Charges

Effective from 1<sup>st</sup> April 2019

### Introduction

These tables and guidance notes are based on the Sevenoaks District Council's and Tonbridge & Malling Borough Council's Building Control Charges scheme. The charges scheme is made under the Building (Local Authority Charges) Regulations 2010. The charges have been established to cover the cost of building control fee earning work in respect of commonly occurring building projects. The full scheme of charges can be viewed at either of the Council Offices by appointment.

### Charges are payable for:

Before you build, extend, convert or make alterations to a property, you may need to submit a Building Regulation application to The Building Control Partnership and this will take the form of either a Full Plans application or a Building Notice submission. If the basis on which the charge has been determined significantly changes the Building Control Partnership may either provide a refund or request a supplementary charge in writing setting out the basis and detailing the method of calculation.

### Full Plans

If you submit a Full Plans application the Plan Charge must accompany the plans to cover an assessment of the works and the passing or rejection of the plans. The Inspection Charge becomes due after the our Building Surveyors first inspection of the works on site. An invoice will be sent to the applicant for the relevant amount and this covers all necessary site inspections by Building Control Surveyors including issuing a completion certificate.

### Building Notice

Where a Building Notice is submitted, the Building Notice Charge is payable at the time of submitting the Notice. The fee covers Building Control Surveyors visiting the site when notified to ensure the work conforms to Building Regulations and the issuing of a completion certificate. Supplementary information, ie floor plans, structural & thermal calculations, may be requested as necessary to confirm compliance with the Building Regulations 2010.

### Regularisation

If you have carried out unauthorised building work you can apply for a Regularisation Certificate if the works were carried out on or after 11th November 1985. There is a fee to pay to cover the cost of assessing your application and all inspections, but no VAT is payable on this type of application.

## Individually Determined Charges

You can request and bespoke fee quote where:

- All or part of the project falls outside of the standard Charges in Tables A, B & C
- these categories do not cover all aspects of the project
- the categories do not reflect a reasonable charge

**You can obtain an Individually Determined Charge by contacting Building Control; email: [building.control@sevenoaks.gov.uk](mailto:building.control@sevenoaks.gov.uk) or telephone: 01732 227376.**

## Exemption from Charges

Existing Dwelling - where the whole of the work is solely for the purpose of providing access for a disabled person to, from and within their residence, or for the purpose of providing accommodation, or facilities designed to secure the greater health, safety, welfare or convenience of the disabled person (subject to Regulation 4(2)) no charge shall be payable. Note: evidence of the person's disability or special needs may be required, ie, a letter from a medical practitioner or an occupational therapist.

Existing Building - to which members of the public are admitted (e.g. public buildings, shops, banks, etc) - where the whole of the work is solely for the purpose of providing access for disabled persons to, from and within the building, or for the provision of facilities designed to secure the greater health, safety, welfare or convenience of disabled persons no charge shall be payable.

## Service level

The inspection fee will cover all site inspections carried out during the construction phase including discussions and meetings with the builder, architect &/or the owner if required. Our Surveyors provide a next day inspection service and because we are local we will do our utmost to accommodate any reasonable requests for inspections at short notice in the event of problems on site. We offer a prompt, proactive, commercially aware service and we understand the pressure involved in delivering construction projects on time including the programming issues of major builds.

The stages the Surveyor will look at include:

- Foundations
- Damp proofing
- Drainage
- Beams, floor and roof structures
- Thermal insulation

## VAT

VAT is charged at 20%

## Payment

Payment can be made on our website; [www.sevenoaks.gov.uk](http://www.sevenoaks.gov.uk). Debit / Credit card payments are accepted by telephone; 01732 227376 and cheques should be made payable to "Sevenoaks District Council" or "Tonbridge & Malling Borough Council" depending on which Council the property is located in.

## Further guidance, application forms and advice can be obtained from:

Building Control Sevenoaks District Council, Council Offices, Argyle Road, Sevenoaks, TN13 1GN

E: [building.control@sevenoaks.gov.uk](mailto:building.control@sevenoaks.gov.uk);

T: 01732 227376

W: <http://www.sevenoaks.gov.uk>;

## Standard Charges

### TABLE A – NEW DWELLINGS

Limited to work less than 300m<sup>2</sup> floor area

Code	Bungalows or Houses less than 3 storeys		Full Plans		Building Notice Charge *	Regularisation Charge *
			Plan Charge	Inspection Charge *		
H01	1 Plot	Net	247.50	510.00	908.33	1363.00
		VAT	49.50	102.00	181.67	-
		<b>Total</b>	<b>297.00</b>	<b>612.00</b>	<b>1090.00</b>	<b>1363.00</b>
H02	2 Plots	Net	309.17	824.17	1360.00	2039.00
		VAT	61.83	164.83	272.00	-
		<b>Total</b>	<b>371.00</b>	<b>989.00</b>	<b>1632.00</b>	<b>2039.00</b>
H03	3 Plots	Net	370.83	1081.67	1742.50	2614.00
		VAT	74.17	216.33	348.50	-
		<b>Total</b>	<b>445.00</b>	<b>1298.00</b>	<b>2091.00</b>	<b>2614.00</b>
H04	4 Plots	Net	432.50	1334.17	2120.00	3180.00
		VAT	86.50	266.83	424.00	-
		<b>Total</b>	<b>519.00</b>	<b>1601.00</b>	<b>2544.00</b>	<b>3180.00</b>
H05	5 Plots	Net	494.17	1462.50	2348.33	3523.00
		VAT	98.83	292.50	469.67	-
		<b>Total</b>	<b>593.00</b>	<b>1755.00</b>	<b>2818.00</b>	<b>3523.00</b>
<b>Flats</b>						
F01	1 Flat	Net	247.50	360.00	523.33	829.00
		VAT	49.50	72.00	104.67	-
		<b>Total</b>	<b>297.00</b>	<b>432.00</b>	<b>628.00</b>	<b>829.00</b>
F02	2 Flats	Net	309.17	510.00	908.33	1363.00
		VAT	61.83	102.00	181.67	-
		<b>Total</b>	<b>371.00</b>	<b>612.00</b>	<b>1090.00</b>	<b>1363.00</b>
F03	3 Flats	Net	370.83	630.83	1742.50	1628.00
		VAT	74.17	126.17	236.00	-
		<b>Total</b>	<b>445.00</b>	<b>757.00</b>	<b>1416.00</b>	<b>1628.00</b>
F04	4 Flats	Net	432.50	864.17	1505.00	2076.00
		VAT	86.50	172.83	301.00	-
		<b>Total</b>	<b>519.00</b>	<b>1037.00</b>	<b>1806.00</b>	<b>2076.00</b>
F05	5 Flats	Net	494.17	1596.57	1756.67	2424.00
		VAT	98.83	319.33	351.33	-
		<b>Total</b>	<b>593.00</b>	<b>1916.00</b>	<b>2108.00</b>	<b>2424.00</b>
<b>Conversion to</b>						
V01	Single Dwelling House	Net	278.33	562.50	840.83	1261.00
		VAT	55.67	112.50	168.17	-
		<b>Total</b>	<b>334.00</b>	<b>675.00</b>	<b>1009.00</b>	<b>1261.00</b>
V02	Single Flat	Net	133.33	360.00	523.33	829.00
		VAT	26.67	72.00	104.67	-
		<b>Total</b>	<b>160.00</b>	<b>432.00</b>	<b>628.00</b>	<b>829.00</b>

## Standard Charges

### TABLE B – EXTENSIONS TO A SINGLE DWELLING

Limited to work not more than 3 storeys above ground level

Code	Extensions & Conversions		Full Plans		Building Notice Charge *	Regularisation Charge *
			Plan Charge	Rejection Charge *		
D01	Single storey extension with a floor area less than 10m <sup>2</sup>	Net	123.33	309.17	432.50	649.00
		VAT	24.67	61.83	86.50	-
		<b>Total</b>	<b>148.00</b>	<b>371.00</b>	<b>519.00</b>	<b>649.00</b>
D02	Single storey extension with a floor area between 10m <sup>2</sup> & 40m <sup>2</sup>	Net	185.00	432.50	618.33	927.00
		VAT	37.00	86.50	123.67	-
		<b>Total</b>	<b>222.00</b>	<b>519.00</b>	<b>742.00</b>	<b>927.00</b>
D03	Single storey extension floor area between 40m <sup>2</sup> & 100m <sup>2</sup>	Net	247.50	494.17	741.67	1080.00
		VAT	49.50	98.83	148.33	-
		<b>Total</b>	<b>297.00</b>	<b>593.00</b>	<b>890.00</b>	<b>1080.00</b>
D04	Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area not exceeding 40m <sup>2</sup>	Net	247.50	494.17	741.67	1112.00
		VAT	49.50	98.83	148.33	-
		<b>Total</b>	<b>297.00</b>	<b>593.00</b>	<b>890.00</b>	<b>1112.00</b>
D05	Multi-storey extension (ie some part 2 or 3 storeys in height) & floor area 40m <sup>2</sup> to 100m <sup>2</sup>	Net	247.50	555.83	803.33	1241.00
		VAT	49.50	111.17	160.67	-
		<b>Total</b>	<b>297.00</b>	<b>667.00</b>	<b>964.00</b>	<b>1241.00</b>
D06	Extension comprising SOLELY garage, carport or store with a floor area less than 60m <sup>2</sup>	Net	123.33	309.17	432.50	630.00
		VAT	24.67	61.83	86.50	-
		<b>Total</b>	<b>148.00</b>	<b>371.00</b>	<b>519.00</b>	<b>630.00</b>
D07	Detached non-habitable domestic building with a floor area less than 60m <sup>2</sup>	Net	123.33	309.17	432.50	649.00
		VAT	24.67	61.83	86.50	-
		<b>Total</b>	<b>148.00</b>	<b>371.00</b>	<b>519.00</b>	<b>649.00</b>
<b>Conversions</b>						
D08	Loft conversions with a floor area less than 40m <sup>2</sup>	Net	247.50	494.17	680.00	1020.00
		VAT	49.50	98.83	136.00	-
		<b>Total</b>	<b>297.00</b>	<b>593.00</b>	<b>816.00</b>	<b>1020.00</b>
D09	Loft conversions with a floor area between 40m <sup>2</sup> - 100m <sup>2</sup>	Net	247.50	555.83	741.67	1080.00
		VAT	49.50	111.17	148.33	-
		<b>Total</b>	<b>297.00</b>	<b>667.00</b>	<b>890.00</b>	<b>1080.00</b>
D10	Conversion of a garage to a habitable room	Net	123.33	226.67	350.00	525.00
		VAT	24.67	45.33	70.00	-
		<b>Total</b>	<b>148.00</b>	<b>272.00</b>	<b>420.00</b>	<b>525.00</b>

#### Multiple work reductions:

- a) Where more than one extension, or an extension and a loft conversion is proposed and the works are carried out concurrently, the individual fees should be combined and reduced by 30%.
- b) Where domestic alterations up to £10,000 are to be carried out at the same time as work described in codes D01 – D09 above, the charge payable in Table C can be reduced by 30%.

Where Standard Charges are not applicable please email [building.control@sevenoaks.gov.uk](mailto:building.control@sevenoaks.gov.uk), or telephone 01732 2273376.

## Standard Charges

### TABLE C – ALTERATIONS TO A SINGLE DWELLING and ALL OTHER NON-DOMESTIC WORK

Limited to work not more than 3 storeys above ground level

Code	Alterations		Full Plans		Building Notice Charge*	Regularisation Charge*
			Plan Charge	Inspection Charge		
D11	Renovation of a thermal element ie recovering a roof or recladding walls	Net	185.00	-	154.17	278.00
		VAT	37.00	-	30.83	-
		<b>Total</b>	<b>222.00</b>	<b>0.00</b>	<b>222.00</b>	<b>278.00</b>
D12	Replacement of windows, roof windows, or external glazed doors	Net	185.00	-	154.17	278.00
		VAT	37.00	-	30.83	-
		<b>Total</b>	<b>222.00</b>	<b>0.00</b>	<b>222.00</b>	<b>278.00</b>
D13	Cost of work not exceeding £2000	Net	185.00	-	154.17	278.00
		VAT	37.00	-	30.83	-
		<b>Total</b>	<b>222.00</b>	<b>0.00</b>	<b>222.00</b>	<b>278.00</b>
D14	Cost of work between £2,001 & £5,000	Net	257.50	-	257.50	375.00
		VAT	51.50	-	51.50	-
		<b>Total</b>	<b>309.00</b>	<b>0.00</b>	<b>309.00</b>	<b>375.00</b>
D15	Cost of work between £5,001 & £15,000	Net	154.17	259.17	393.33	590.00
		VAT	30.83	51.83	78.67	-
		<b>Total</b>	<b>185.00</b>	<b>311.00</b>	<b>472.00</b>	<b>590.00</b>
D16	Cost of work between £15,001 & £25,000	Net	175.00	345.83	520.83	782.00
		VAT	35.00	69.17	104.17	-
		<b>Total</b>	<b>210.00</b>	<b>415.00</b>	<b>625.00</b>	<b>782.00</b>
D17	Cost of work between £25,001 & £50,000	Net	278.33	562.50	840.83	1261.00
		VAT	55.67	112.50	168.17	-
		<b>Total</b>	<b>334.00</b>	<b>675.00</b>	<b>1009.00</b>	<b>1261.00</b>
D18	Cost of work between £50,001 & £100,000	Net	345.83	680.00	1025.83	1521.00
		VAT	69.17	136.00	205.17	-
		<b>Total</b>	<b>415.00</b>	<b>816.00</b>	<b>1231.00</b>	<b>1521.00</b>
<b>Competent Persons Schemes (in addition to the above, where applicable)</b>						
D19	Where a satisfactory competent Persons certificate will not be Issued, ie Part P, GASAFE, HETAS, OFTEC	Net VAT <b>Total</b>	275.00 55.00 <b>330.00</b>	This charge relates to the first fix pre-plaster inspection and final testing on completion. For a Regularisation Certificate full testing and appraisal will be carried out.		

**Estimated Cost of Works:** The estimated cost of work used to determine the charge in Table C should be a reasonable estimate that would be charged by a professional builder to carry out such work (excluding the amount of any VAT).

**Competent Persons Schemes:** The Charges marked with an \* have been reduced to reflect where controlled electrical and heating installations are to be certified by an installer registered with one of the Governments Competent Persons Schemes, the additional charge in Table C, code D19, will be required for each unit. This is to enable checks and tests on the work to be made by our nominated contractor to establish that the work meets with the requirements of the Building Regulations 2010.

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# BUILDING CONTROL PARTNERSHIP



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e [building.control@sevenoaks.gov.uk](mailto:building.control@sevenoaks.gov.uk) | [building.control@tmbc.gov.uk](mailto:building.control@tmbc.gov.uk)  
w [www.sevenoaks.gov.uk](http://www.sevenoaks.gov.uk) | [www.tmbc.gov.uk](http://www.tmbc.gov.uk)  
P.O. Box 561, Argyle Road, Sevenoaks, Kent TN13 9QZ

## Building Control Fees

### Guidance notes and summary of fees charged (valid from 1 April 2017)

These tables of fees charged and guidance notes are based on Sevenoaks District Council's and Tonbridge & Malling Borough Council Building Control Charge Scheme. The charges scheme has been made under the Building (Local Authority Charges) Regulations 2010, which contains the full statement of law. A copy of Sevenoaks District Council's and Tonbridge & Malling Borough Council's charges scheme is available for viewing on request.

Where Building Regulations apply to your work, you or your Agent will need to submit a Full Plans Application for approval or give a Building Notice.

#### Full Plans Application

If you submit a Full Plans Application, we will examine your plans and details within 14 days and if we are satisfied that they comply with the Building Regulations, a notice of approval or conditional approval will be issued. Should further information or clarification be required prior to approval, we will ask you to provide this. A 'Submission Charge' is payable with your application. You will be invoiced for the 'Inspection Charge' (where applicable) following the first inspection by Building Control.

#### Building Notice

If you submit a valid Building Notice you will need to be confident that the work will comply with the Building Regulations as no approval is given for your plans under this procedure. The Building Regulations preclude Building Notices for most work in non-domestic buildings.

#### Regularisation Application

A Regularisation Application may be submitted when seeking retrospective approval for work, which has been substantially completed. A charge of 150 per cent of the total Full Plans application charge (i.e submission charge + inspection charge) must be paid when the application is submitted. This type of application is, however, exempt from VAT.

#### Disabled Exemptions

There are no charges payable when the proposed works are to provide access and facilities in an existing dwelling or is an extension to store equipment or provide medical treatment for a disabled person. In order to claim exemption, the appropriate evidence as to the nature of the disabled person's disability must support any application.

#### Multiple Works

Where other works are carried out at the same time as building work which is described in classes 1 - 10 in Table 2, the total charge payable will be the appropriate charge in Table 2 added to the appropriate charge in Table 3. Please see the appropriate table for further information.

#### Estimated Cost of Works

The estimated cost of work used to determine the charge in Table 3 should be a reasonable estimate that would be charged by a professional builder to carry out such work (excluding the amount of any VAT).

#### Electrical Work

Where you choose not to use an electrician who belongs to an approved self-certification scheme, we will carry out inspections of the new electrical work and test it once it has been completed. We will employ qualified electricians for this and there is an additional fee to cover costs. (See Table 2 - Class 9).

## Building Control Fees

**Table 1 - Standard Charges for the Erection of New Dwellings**

The standard charges below relate to creation or construction of new dwellings each unit not exceeding 300m<sup>2</sup> in floor area, for larger properties please contact Building Control to obtain an individual fee quotation for the work.

VAT applies at the current rate of 20% (except for a Regularisation Application).

No of New Dwellings	Full Plans Submission				Building Notice Charge		Regularisation charge
	Plan Submission Charge		Inspection charge		Exc Vat	Inc Vat	
	Exc Vat	Inc Vat	Exc Vat	Inc Vat			No Vat
1	£240.00	<b>£288.00</b>	£495.00	<b>£594.00</b>	£882.00	<b>£1058.40</b>	£1323.00
2	£300.00	<b>£360.00</b>	£800.00	<b>£960.00</b>	£1320.00	<b>£1584.00</b>	£1980.00
3	£360.00	<b>£432.00</b>	£1050.00	<b>£1260.00</b>	£1692.00	<b>£2030.40</b>	£2538.00
4	£420.00	<b>£504.00</b>	£1295.00	<b>£1554.00</b>	£2058.00	<b>£2469.60</b>	£3087.00
5	£480.00	<b>£576.00</b>	£1420.00	<b>£1704.00</b>	£2280.00	<b>£2736.00</b>	£3420.00

For schemes where the number of units exceed 5 or floor areas of individual units exceed 300m<sup>2</sup> please contact Building Control to obtain an individual fee quotation for the work.

**Note:** Where electrical installations are not to be certified by an installer registered with one of the Governments Competent Persons Schemes the additional charge in Table 2 Class 9 will be required for each unit. This is to enable checks and tests on the work to be made by our nominated contractor to establish that the work meets with the requirements of Approved Document P.

Shaded figures indicate that the 'Building Notice' charge exceeds the 'Full Plans' charge by 20%, which reflects the additional work associated with servicing Building Notices for such work compared to work associated with a Full Plans application.

**Table 2 - Standard Charges for Extensions & Alterations to Domestic Buildings**

VAT applies at the current rate of 20% (except for a Regularisation Application).

Class & Description		Full Plans Submission				Building Notice Charge		Regularisation Charge
		Plan Submission Charge		Inspection charge		Exc Vat	Inc Vat	No Vat
		Exc Vat	Inc Vat	Exc Vat	Inc Vat			
1	Single storey garage up to 60m <sup>2</sup>	£120.00	£144.00	£150.00	£180.00	£270.00	£324.00	£405.00
2	Extension less than 6m <sup>2</sup>	£120.00	£144.00	£300.00	£360.00	£420.00	£504.00	£630.00
3	Extension 6m <sup>2</sup> - 40m <sup>2</sup>	£180.00	£216.00	£420.00	£504.00	£600.00	£720.00	£900.00
4	Extension 40m <sup>2</sup> - 100m <sup>2</sup>	£240.00	£288.00	£480.00	£576.00	£720.00	£864.00	£1080.00
5	Loft conversion up to 40m <sup>2</sup>	£240.00	£288.00	£420.00	£504.00	£660.00	£792.00	£990.00
6	Loft conversion 40m <sup>2</sup> - 100m <sup>2</sup>	£240.00	£288.00	£480.00	£576.00	£720.00	£864.00	£1080.00
7	Conversion of garage to habitable room up to 30m <sup>2</sup>	£120.00	£144.00	£220.00	£264.00	£340.00	£408.00	£510.00
8	Recovering of roofs or cladding of walls to single dwellings (renovation of thermal element)	£180.00	£216.00	£0.00	£0.00	£180.00	£216.00	£270.00
9	Electrical/ Gas/ HETAS installation	£200.00	£240.00	£0.00	£0.00	£200.00	£240.00	£240.00
10	Replacement windows	£180.00	£216.00	£0.00	£0.00	£180.00	£216.00	£270.00

For all other works to a single domestic building and extensions/conversions over the floor areas specified above, please refer to Table 3 – Estimated Cost of Works.

For all other works to a single domestic building and extensions/conversions over the floor areas specified above, please refer to Table 3 – Estimated Cost of Works.

Where an extension or loft conversion over 100m<sup>2</sup> is proposed, the total fee payable will not be less than that specified in Class 4/6 above.

Where more than one extension, or an extension and a loft conversion is proposed, and the work is to be carried out concurrently, the individual fees should be combined and reduced by 30%.

Note: Where electrical installations are not to be certified by an installer registered with one of the Governments Competent Persons Schemes, the additional charge in Table 2 Class 9 will be required for each unit. This is to enable checks and tests on the work to be made by our nominated contractor to establish that the work meets with the requirements of Approved Document P.

**Table 3 - Standard Charges for Alterations to Single Domestic Buildings (Other Than Those Specified in Table 2) and All Work to Non – Domestic Buildings**

Please note: Building Notices should not be submitted for works to non-domestic buildings.

VAT applies at the current rate of 20% (except for a Regularisation Application).

Estimated Cost of Works Up To:	Plan Submission Charge		Inspection Charge		Building Notice Charge		Regularisation Charge
	Exc VAT	Inc VAT	Exc VAT	Inc VAT	Exc VAT	Inc VAT	No VAT Payable
£2,000	£180.00	<b>£216.00</b>	£0.00	£0.00	£180.00	<b>£216.00</b>	£270.00
£5,000	£250.00	<b>£300.00</b>	£0.00	£0.00	£250.00	<b>£300.00</b>	£375.00
£10,000	£110.00	<b>£132.00</b>	£210.00	<b>£252.00</b>	£320.00	<b>£384.00</b>	£480.00
£15,000	£130.00	<b>£156.00</b>	£252.00	<b>£302.40</b>	£382.00	<b>£458.40</b>	£573.00
£20,000	£150.00	<b>£180.00</b>	£294.00	<b>£352.80</b>	£444.00	<b>£532.80</b>	£666.00
£25,000	£170.00	<b>£204.00</b>	£336.00	<b>£403.20</b>	£506.00	<b>£607.20</b>	£759.00
£30,000	£190.00	<b>£228.00</b>	£378.00	<b>£453.60</b>	£568.00	<b>£681.60</b>	£852.00
£35,000	£210.00	<b>£252.00</b>	£420.00	<b>£504.00</b>	£630.00	<b>£756.00</b>	£945.00
£40,000	£230.00	<b>£276.00</b>	£462.00	<b>£554.40</b>	£692.00	<b>£830.40</b>	£1038.00
£45,000	£250.00	<b>£300.00</b>	£504.00	<b>£604.80</b>	£754.00	<b>£904.80</b>	£1131.00
£50,000	£270.00	<b>£324.00</b>	£546.00	<b>£655.20</b>	£816.00	<b>£979.20</b>	£1224.00

For work exceeding an estimated cost of £50,000 in Table 3 please contact Building Control to obtain an individual fee quotation for the work.

Where domestic alterations up to £10,000 are to be carried out at the same time as work described in categories 2 – 6 of Table 2 the charge payable in Table 3 is reduced by 30%.

## Further information

If you have any queries regarding Building Control charges, please telephone 01732 227376 or email; [building.control@sevenoaks.gov.uk](mailto:building.control@sevenoaks.gov.uk).

## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

09 January 2019

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

#### Part 1- Public

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

#### **1 IT STRATEGY UPDATE**

**A new IT Strategy was introduced to Members on 23 May 2018. This report provides an update with regard to the website development plan, and seeks Members' guidance on the setting up of a Member working group in relation to website development.**

#### **1.1 Background**

1.1.1 The current IT Strategy was agreed by FIPAB on 23 May 2018. The Strategy covers the period from 2018 to 2022.

1.1.2 Members expressed specific interest in the website development plan which is the subject of this report.

#### **1.2 Update on work relating to the website development plan**

1.2.1 The IT Strategy stated that consideration should be given to developing a number of complementary corporate strategies and ensuring a corporate change culture is embedded within the organisation.

1.2.2 To that end, initial work has commenced on scoping a "Digital Strategy" for the Council which will set the scene for the "business" side of service transformation alongside the "technology" side which is the IT Strategy. A Digital Strategy would feed into the website development plan the priorities and drivers for project work.

1.2.3 It is worth noting that the 'digital' agenda is one in which we are not currently well resourced at TMBC, and it is something that the Management Team have recently been reviewing.

1.2.4 It is important that both officers and Members understand that developing a digital agenda is not just an IT (technological) matter; it involves the coming together of Service driven initiatives informed by engagement/interaction with the customer working alongside the dedicated IT development resources. Further reports will

be presented as our thinking on this subject and the strand of work progresses, but for now, work carried out so far on a Digital Strategy includes:-

- Engagement with the Head of Service (Licensing, Community Safety & Customer Service) and the Gateway Manager in order to lead the Customer Service elements of a Digital Strategy.
- A visit to Aylesbury Vale District Council (winners of Digital Transformation of the Year at the Professional Service Management Awards 2017) to learn from their experiences and bring back valuable advice for our own projects.
- Discussion at Management Team on the benefits and drivers of a Digital Strategy.
- Initial discussions with a 'digital' officer from another council to explore what assistance can be given on a consultancy basis to develop a Digital Strategy.

1.2.5 Running concurrently with the consideration of a digital strategy, a Website Review document was compiled in the summer which contained the results of the Smart Digital Services customer testing of our website, and the feedback of the latest SOCITM Better Connected national review of council websites. This is a 'frank and honest' assessment of the website with the objective of providing a platform upon which we can move forward. A summarised document is attached at **[Annex 1]**.

1.2.6 The review document highlighted a number of areas for improvement, some of which could be acted on immediately, others were longer term aspirations. There were also some areas highlighted with third party systems that the council uses which required consultation with the relevant suppliers.

1.2.7 Amongst the work which took place immediately was;

- Improvements in content (wording and explanations) where it was confusing
- Providing the ability to return to the page where you started if a form required you to sign up for an account
- Better promoting tasks you can carry out in My Account
- Overhaul of the Council Tax web pages (currently implementing the Northgate Citizen Access system to address this)
- Improvements in the ICES parking website (currently implementing a new version of the ICES parking software)

1.2.8 One of the recommendations made in the website review document is that a Study Group be assembled to inform any further website development and this be comprised of both officers and Members. From a practical point of view it is likely that we would need to hold two separate groups, with the ability for the two groups to come together as needed. One of the key objectives for both groups will be to address the issues addressed in the review document. **Members' views on the setting up of an informal Member working group are sought.**

1.2.9 Whilst long term future development is considered, the current website continues to evolve and recent new developments include;

- Better integration of location based data into My Account
- Taking on board the requirements of the new Waste Contract, including publicity campaign and sign up / payment of garden waste bins.

### **1.3 Legal Implications**

1.3.1 Procurement policy should be followed for all projects arising from the IT Strategy.

1.3.2 The IT Strategy will take into account the requirements of the General Data Protection Regulation which came into force on 25 May 2018.

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

1.4.1 Improvement of website services has the potential to encourage more use which in turn can improve the efficiency of the Council leading to a positive impact on the medium term financial strategy. Some projects may need to be considered on an 'invest to save' basis.

### **1.5 Risk Assessment**

1.5.1 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.

### **1.6 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 at this stage.

### **1.7 Policy Considerations**

1.7.1 Business Continuity/Resilience

1.7.2 Communications

1.7.3 Customer Contact

1.7.4 Procurement

**1.8 Recommendation**

- 1.8.1 Members are asked to consider whether an informal Member working group should be formed in order to assist with the website review, and to **RECOMMEND** to Cabinet 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: Darren Everden

Nil

Sharon Shelton  
Director of Finance & Transformation

## Website Review Document (summary)

### Goals and Principles

The primary goal of the TMBC website is to provide website visitors with a digital front door to TMBC council services. The user experience should be of such high quality that website visitors would not wish to access TMBC services by any other means. By default, this should also represent the most efficient and cost-effective means of council service delivery.

A strong website management structure will ensure that the website continues to develop but does so in a manner confluent to the requirements of both TMBC and website visitors. The management group should set goals and standards, planning how these will be achieved whilst ensuring that appropriate resourcing is available. As well as sanctioning new developments the group should also oversee testing (especially user testing) of these developments and sign them off when deemed fit for purpose. The management group must also undertake performance (uptime, availability) and infrastructure monitoring setting goals (usability, service uptake, etc) and where necessary addressing deficiencies.

Website visitors must be able to find services easily; intuitively, using conventional navigation or easily using website or external search. This should be achieved through practical website structure, well-honed content and metadata and strong internal search engine.

Content should be brief, succinct and written in a tone that is consistent throughout the entire site. Jargon should be eliminated and the site should make sense to website visitors with the most basic of website and browser skills.

The website should have sufficient flexibility to adopt new web technologies and new standards as and when they materialise.

### Need for change

The website was last redesigned in August 2015. The mobile first project introduced responsive design giving precedence to website visitors looking to transact with the council using their phone or a tablet. At the time the brief for this project was cutting edge. However, the discovery, design and approval stages for the project took over a year and implementation and testing took an additional year. Since launching the new design little has changed, development momentum has been lost, development has stagnated. It is important that website design and redesign are no longer created as a discrete project, that there is a strategy in place that ensures the continuous development of website design so that it can utilise evolving technologies, new web standards and adopt new design features.

During the last makeover the design and navigation were dictated by the components with which the original Matrix website had originally been created. This has produced anomalies that would not have arisen had a bottom up design approach been adopted or indeed some of our self-imposed rules been relaxed (LGNL). It is imperative that any new design is undertaken with regard for the requirements of the website visitor not the constraints of the components from which the website is built. Content categories should be reviewed, content must be restructured with regard to the recategorisation.

Added to the search box is an additional navigational aid 'I want to ..'. Using predictive text this facility is designed to assist website visitors in pin pointing content/services. However, after implementation its efficacy was not been measured, furthermore the recent SDS usage study suggested that website visitors either do not like it or are simply not aware of it. This feature needs replacing. Also, replacement of the default Matrix search engine by Apache Lucene was agreed some years ago, although scheduled for implementation this piece of work is still on the back burner. A review of TM website search engine is now essential.

On the point of third party suppliers there is a need to further integrate a number of peripheral systems. Not only is branding out of step with the main site but a good deal of content on systems such as Modern Gov and Public Access is poorly integrated into the main site. Users are unable to access content on these systems due to poor signposting, weak linkage and inability to index content into search.

A number of older ebase online forms do not have the same branding as the rest of the website. Although a generic ebase template has been developed to ensure transparency between the main system and online forms it has yet to be fully implemented.

Historically there has been no budgetary provision for website development. TM have been fortunate in procuring open source software in the last two iterations of the website and ad-hoc developments have been covered as one-off costs. It is important that a business case is prepared and that appropriate funding made available. Where possible development will be undertaken in-house, if necessary external resources may be brought in to undertake discrete projects.

TM need to devise a schedule of service reviews identifying business processes that are suitable for transformation. As well as streamlining existing practices these reviews will identify service areas that are suitable for online processing.

The website must be as inclusive as possible. This no longer means achieving AA WC3 accessibility levels and covering as many browsers as possible, the site must provide transactional services to users with assistive software and other special requirements. TMBC failed this years Better Connected accessibility report not for technical reasons, but because there was no online form to apply for disabled parking.

The TM website must focus on service delivery only. There are myriad alternative specialist digital channels for specialist content (statutory documents, news, imagery, etc). It is important for the council to decide which channels they use for which content. It is even more important that the public understand which channel is appropriate to the content they wish to consume.

### What we need to achieve

The way forward has several threads.

Before any further work takes place, a governance group should be convened with a remit to develop a strategy, schedule and implement a workload and put in place markers to identify both strategy and schedule progress. The strategy will identify the overall website development direction and themes, the schedule should be prioritised from existing known tasks and augmented with new suggestions and work stemming from the SDS and Better Connected reports.

It is largely up to the study group to plan the way forward. Although restructuring the navigation as part of an overall redesign would provide a strong foundation on which a new site can be built.

### Transition from information site to transactional is incomplete

Most news and corporate media related items have moved from the website to the Council's social media streams. There are still a number of information type content items that need to be moved before the T&M website can be categorised as truly transactional. Moving the council's news pages from the main website to social media will consolidate content and should be considered a priority.

### Set of forms at single location

The previous iteration of the current website housed its online forms in area titled "Do it now". The current website has no equivalent. A good deal of visits to the website are undertaken with a view to completing an online transaction. The TM site requires sign posting to a single location from which all forms can be accessed.

### Repository for documents

The council has a good deal of statutory and legislative documents that are made available online for reason of convenience rather than practical content presentation. These tend to fall into two categories, advice and guidance that assists in undertaking a transaction with TM and statutory and legislative documentation that have to be publicly available. In very much the same usability issue that online forms need to be located somewhere immediately accessible, a well sign posted document repository is required.

These documents tend to be in PDF format a large number of which are out of date, not accessible and contain personal contact details likely to be in contravention of GDPR. PDF files in general require a more stringent management regime.

### Pare down content

In recent years there has been a reduction in the number of website pages and their verbosity, further works is required. This could be greatly assisted by providing a page template that places a call for action at the top of page followed by a brief service description and lastly any detailed explanation. There is also a need to introduce a one service one page approach providing clearer content.

### Best practice examples

12 shire district authorities that have achieved a four-star rating in this current Better Connected report.

### SDS involvement

The council subscribes to SDS and should look to engage them in further projects. The TMBC governance group should participate in SDS meetings and workshops.

### Existing interactions and future developments

The recent SDS study and Better Connected report tested a number of existing interactions identifying areas of potential improvement.

The waste services CRM system has now been integrated with phone, it now has an acceptable level of back office utility. This system should form the bedrock of future online systems development allowing future online developments to incorporate an element of task status that can be relayed back to individuals making service requests.

The .gov/notify SMS service has now been implemented at TMBC allowing push messaging. Such developments as bin collection notification should prove a reasonably straight forward development. There are many additional uses for this technology.

#### Study group made up of members and officers

Formation of a website management group is essential in ensuring a strategic approach to website development is devised, executed and realised.

Council officers should be involved in actual transformation projects within their service. They should be digitally aware and understand the overriding digital corporate imperative rather than that of their service. They need to be empowered to make things happen, they must have time not only to attend meetings but to assist with the website development plan and assist in implementing it.

The group does not require representation from every service, should have some senior management involvement and if at all possible some digital natives.

Officers must be able to see service delivery as a corporate imperative, that their own service area delivery is only a small part of a very big picture.

Formation of a study group should happen before any further development commitments are made and should happen as soon as possible.

## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

09 January 2019

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

#### Part 1- Public

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

### 1 CYBER SECURITY

**A report advising Members of the “Cyber Stocktake” undertaken by the LGA; the timescale of a funding bid made to the LGA; and a recommendation that the Cabinet Member for Finance, Innovation and Property becomes the named Member for Cyber Security.**

#### 1.1 Introduction

1.1.1 The National Cyber Security Strategy describes ‘cyber security’ as *“the protection of information systems (hardware, software and associated infrastructure), the data on them, and the services they provide, from unauthorised access, harm or misuse. This includes harm caused intentionally by the operator of the system, or accidentally, as a result of failing to follow security procedures.”*

1.1.2 Generally, it is now acknowledged that **cyber security is one of the top 3 risks for local government**. Members will be aware that we already have this on our strategic risk register currently as a “red” risk.

1.1.3 Foreign states, criminals, hacktivists, insiders and terrorists all pose different kinds of threat. They may try to compromising public sector networks to meet various objectives that include:

- Stealing sensitive information to gain an economic, diplomatic or military advantage over the UK
- Financial gain
- Attracting publicity for a political cause
- Embarrassing central and local government
- Controlling computer infrastructure to support other nefarious activity
- Disrupting or destroying computer infrastructure.

1.1.4 Whilst the level of threat will vary across local authorities they all possess information or infrastructure of interest to malicious cyber attackers.

1.1.5 Members may recall the high profile case of Copeland District Council which was hit by a cyber attack over the Bank Holiday weekend in August 2017. The impact of the attack has cost Copeland DC approaching £2m; and although many Services have now been restored there are still outstanding issues which the council hope to be completed by March 2019. The impact was quite devastating to the Council and its community. The LGA has an article on its website <https://local.gov.uk/copeland-borough-council-managing-cyber-attack> which Members may care to read by way of background.

## 1.2 LGA Cyber Stocktake

1.2.1 In order to assist all local authorities prepare defences as best they can against cyber attacks, the LGA undertook a “stocktake” exercise during 2018. This was not meant as a “league table”, but simply a mechanism to help councils move forward and provide funding as appropriate. The aims were to

- *capture existing cyber security arrangements*
- *identify good practice – and those councils delivering it*
- *identify risks – and those councils at risk.*

1.2.2 Each Council was asked to provide information and the results were analysed by the LGA, eventually producing a report with a RAG rating. Overall 90% of authorities fell into the RAG rating of amber, and TMBC were one of these.

1.2.3 However, as ever, the overall ‘amber’ rating did mask some ‘red’ ratings in particular areas. The specific areas for TMBC which included a red element were as follows (summarised):

1.2.4 Leadership, reporting and ownership - actions needed to be taken:

- Regular cyber briefings should be given to Management Team
- There should be a named responsible and accountable officer for cyber security on Management Team
- A councillor should also be identified who has the lead responsibility for cyber
- The Council should have a specific cyber security budget allocated.

1.2.5 Governance, structures and policies - actions needed to be taken:

- A separate cyber security risk register should be maintained
- The DR plan should be tested with third party suppliers and tested regularly
- Business continuity plans should include cyber risks.

1.2.6 Technology, standards and compliance – actions needed to be taken:

- We should be using our security event data to manage cyber security alerts

1.2.7 Training and awareness - actions needed to be taken:

- All members of staff and councillors should receive mandatory and ongoing basic cyber security awareness training
- IT staff should receive specific cyber security awareness training related to their job function.

1.2.8 Management Team and the IT team are working through the issues identified and will begin to address these points. Some of the items will require funding and a bid has been submitted to the LGA (see paragraph 1.3 below).

1.2.9 In respect of a named officer on Management Team, it has been agreed by colleagues that I will fulfil this role.

1.2.10 In respect of a named councillor, Management Team recommends that responsibility for cyber security should attach to the portfolio of the Cabinet Member for Finance, Innovation and Property. If Members are supportive of this approach then the Director of Central Services, who has delegated authority to make such amendments, will update the Constitution accordingly.

1.2.11 Further reports on the progress with Cyber Security will be presented to this Advisory Board.

### **1.3 LGA Funding Bids**

1.3.1 Bids to the LGA had to be submitted by 30 November with funding, if successful, being released in 2019.

1.3.2 Two separate bids were submitted. The first in respect of training for both Officers and Members, and the second in respect of the active management of security event data.

1.3.3 At the time of writing this report the bids have been assessed by the LGA and announcements are planned for January.

## 1.4 Legal Implications

1.4.1 Procurement policy will be followed in the purchase of any equipment or services.

## 1.5 Financial and Value for Money Considerations

1.5.1 The Estimates presented elsewhere on this agenda reflect an increase in resources for cyber security, although this will need to be reviewed and updated as we reflect on the issues in the stocktake report.

## 1.6 Risk Assessment

1.6.1 Cyber Security already features on our Strategic Risk Register. Further work is needed in order to reduce the current risk assessment.

## 1.7 Equality Impact Assessment

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

## 1.8 Policy Considerations

1.8.1 Procurement

1.8.2 Business Continuity/Resilience

1.8.3 Customer Contact

## 1.9 Recommendations

1.9.1 Members are **RECOMMENDED** to:

- 1) Note and confirm action to address the outcome of the LGA Stocktake and funding bid;
- 2) Note that further reports on the progress with Cyber Security will be presented to this Advisory Board; and
- 3) Appoint the Cabinet Member for Finance, Innovation & Property as the named councillor for Cyber Security and ask that the Director of Central Services update the Council's Constitution accordingly.

Background papers:

Nil

contact: Sharon Shelton  
Darren Everden

Sharon Shelton

Director of Finance and Transformation

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

09 January 2019

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

#### Part 1- Public

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

**NOTE: THE REVISED ESTIMATES FOR 2018/19 AND THE ESTIMATES FOR 2019/20 ARE CONTAINED IN A SEPARATE BOOKLET CIRCULATED WITH THE AGENDA**

#### **1 REVENUE ESTIMATES 2019/20**

**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 2019/20 within the context of the Medium Term Financial Strategy and the Council's priorities.**

#### **1.1 Introduction**

- 1.1.1 The Cabinet is responsible for formulating initial draft proposals in respect of the Budget for 2019/20. This report is intended as the basis for recommendations from this Board to the Cabinet.
- 1.1.2 The proposals will also be referred to the Overview and Scrutiny Committee for further consideration and advice. The Overview and Scrutiny Committee has a meeting on the 22 January in order to address this responsibility. A special meeting of the Cabinet is scheduled for the 14 February to consider the recommendations of this Board and the Overview and Scrutiny Committee and, in addition, take into account the Council's final grant settlement.
- 1.1.3 At that special meeting on the 14 February, the Cabinet will need to formulate its final proposals in respect of the Budget for 2019/20 and the council tax to be levied in respect of the Borough Council. The Full Council will meet on the 19 February to approve the Budget and set the Council Tax. The Full Council may adopt or amend the Cabinet's proposals.

1.1.4 The role of this Advisory Board is to consider in detail both the Revised Estimates for 2018/19 and the Estimates for 2019/20 within the context of the Medium Term Financial Strategy and the Council's priorities. For completeness, details of how we are updating the Medium Term Financial Strategy are contained within this report for information.

## 1.2 Medium Term Financial Strategy

1.2.1 To recap, the Council's Medium Term Financial Strategy (MTFS) covers both revenue and capital budgets over a rolling ten-year period, and it is this Strategy that underpins the budget setting process each year and over the strategy period. The aim of the Strategy is to give us a realistic and sustainable plan that reflects the Council's priorities. The MTFS sets out the high level objectives the Council wishes to fulfil over the agreed time span and are currently:

- To achieve a **balanced revenue budget** that delivers the Council's priorities by the end of the strategy period.
- To retain a **minimum of £2.0m** in the General Revenue Reserve by the end of the strategy period.
- Seek to set future increases in council tax having regard to the **guidelines** issued by the Secretary of State.
- Continue to **identify efficiency savings** and **opportunities for new or additional income sources** and to **seek appropriate reductions in service costs** in delivery of the Savings and Transformation Strategy approved by Members.
- Subject to there being sufficient resources within the capital reserve, set a **maximum 'annual capital allowance'** each year as part of the budget setting process for all new capital schemes (currently set at £200,000 from the Council's own resources) and give priority to those schemes that generate income or reduce costs.

1.2.2 As mentioned in the report to Cabinet on 10 October 2018, it is proposed that the minimum General Revenue Reserve balance **be increased from £2.0m to £3.0m** to recognise the continuing uncertainty and volatility surrounding local government finances with the increased risk of significant variances compared to projections; and the consequent implications on the level of reserves held.

1.2.3 The MTFS sets out, not only the projected budgets for the period, but also the levels of council tax that are projected to be required to meet the Council's spending plans. Underneath the Strategy for the budget setting year sits detailed estimates formulated in conjunction with Services taking into account past outturn, current spending plans and likely future demand levels / pressures.

- 1.2.4 Members are fully aware of the significant financial challenge faced by the Council as a result of the Government's ongoing budget deficit reduction programme which has resulted in reductions in the financial support it can offer to local government. We believe, however, that our MTFS is resilient and the financial pressures likely to confront us can be addressed in a measured and controlled way, but this is becoming progressively more difficult.
- 1.2.5 Members will recall that when setting the budget for 2018/19 in February 2018 projections at that time suggested a funding gap between expenditure and income of circa £1 million. This 'gap' was translated into three savings and transformation contributions of £350,000, £350,000 and £300,000 to be achieved over three consecutive years commencing 2018/19.
- 1.2.6 The new waste services contract was expected to make a substantive contribution towards the funding gap which to all intents and purposes it has. However, for the avoidance of doubt and as was acknowledged at the Cabinet meeting in October, a not insignificant funding gap remains to be addressed over the period of the MTFS.
- 1.2.7 The MTFS will need to be updated and rolled forward as part of the 2019/20 budget setting process. Further information about this, together with the issues that Cabinet will need to address when updating the MTFS are set out later in this report at paragraph 1.13.

### 1.3 Provisional Local Government Finance Settlement

#### *Settlement Funding Assessment*

- 1.3.1 On 13 December 2018, the Secretary of State for the Ministry of Housing, Communities and Local Government, James Brokenshire MP, made a statement to Parliament on the provisional local government finance settlement for 2019/20. The provisional figures are expected to be confirmed in January / February 2019.
- 1.3.2 In 2016 the government offered any council that wished to take it up a multi-year settlement for the four year period 2016/17 to 2019/20. This Council accepted the offer of a multi-year settlement. The provisional Settlement Funding Assessment (SFA) for 2019/20 is not that dissimilar to that set out in the multi-year settlement **except** for the removal of 'negative RSG' which the government is to meet from their share of business rates income. In our case 'negative RSG' in 2019/20 was circa £998,000 which we would otherwise had to pay over and as such is clearly welcome, **albeit it should be remembered this is a "one-off" adjustment.** Funding beyond 2019/20 **dependent** on the outcome of the 2019 Spending Review and the Fair Funding Review.
- 1.3.3 Our provisional SFA for the year 2019/20 as shown in the table below is £2,264,850 (budget £1,265,000). This represents a cash decrease of £631,546 or 21.8% when compared to the equivalent figure of £2,896,396 in 2016/17.

### *New Homes Bonus*

- 1.3.4 The baseline below which New Homes Bonus (NHB) will not be paid is to be held at 0.4% for the year 2019/20. The Council's NHB for the year 2019/20 as shown in the table below is £3,457,428 (budget £2,998,000). This represents a cash decrease of £390,452 or 10.1% when compared to the equivalent figure of £3,847,880 in 2016/17.
- 1.3.5 Beyond 2019/20, NHB will continue to fall as changes made to the scheme work their way through the system and the recent above average housing delivery falls out of the calculation. It is estimated that by 2023/24 NHB could be around £1.8m assuming no further changes are made to the scheme. This is a dramatic change to the sums we have so far enjoyed and where NHB remains at **risk indefinitely**. It is our ambition to restructure the MTFs so it is not as reliant on NHB or its replacement particularly when read in conjunction with the paragraph below.
- 1.3.6 Recent comments reported in local government press that the Treasury do not see NHB as having worked could well see its demise from 2020/21. However, this seems to be in sharp contrast to the statement made by the Secretary of State for the Ministry of Housing, Communities and Local Government who said in his statement to the House that he was maintaining the NHB baseline at 0.4% in 2019/20 in order to ensure that the government continues to reward councils for delivering homes. We await developments in this regard.

### *Overall Grant Funding*

- 1.3.7 Overall, grant funding including NHB for the year 2019/20 as shown in the table below is £5,722,278 (budget £4,263,000). This represents a cash decrease of £1,021,998 or 15.2% when compared to the equivalent figure of £6,744,276 in 2016/17.

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Local Share of Business Rates	2,106,525	2,149,532	2,214,110	2,264,850
Tariff Adjustment ('negative RSG')				
Revenue Support Grant	655,042			
Transition Grant	134,829	117,201		
<b>Settlement Funding Assessment</b>	<b>2,896,396</b>	<b>2,266,733</b>	<b>2,214,110</b>	<b>2,264,850</b>
Change over SR Period (£)				(631,546)
Change over SR Period (%)				-21.8%
<b>New Homes Bonus</b>	<b>3,847,880</b>	<b>3,490,134</b>	<b>3,334,128</b>	<b>3,457,428</b>
Change over SR Period (£)				(390,452)
Change over SR Period (%)				-10.1%

<b>Overall Grant Funding</b>	<b>6,744,276</b>	<b>5,756,867</b>	<b>5,548,238</b>	<b>5,722,278</b>
Change over SR Period (£)				(1,021,998)
Change over SR Period (%)				-15.2%

1.3.8 The government in recent years has referred to the increase / (decrease) in an authority's core spending power. Using 2015/16 as the base year the increase in core spending power over the spending review period calculated by the government in cash terms is £872,149 or 5.6%.

1.3.9 The provisional local government finance settlement 2019/20 is subject to consultation. The return date for responses to the consultation is 10 January 2019. A copy of the response drafted so far is attached at **[Annex 1]**. The response is still being updated and any changes will be made in liaison with the Cabinet Member for Finance, Innovation and Property. The consultation paper can be found at the following link:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/764449/Provisional\\_local\\_government\\_finance\\_settlement\\_consultation\\_2019-20.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/764449/Provisional_local_government_finance_settlement_consultation_2019-20.pdf)

1.3.10 Alongside the provisional settlement, the Secretary of State also published two further papers:

- “Review of local authorities’ relative needs and resources” seeking views on the approach to measuring the relative needs and resources of local authorities, which will determine new baseline funding allocations for local authorities in England in 2020-21.
- “Business rates retention reform: consultation” seeking views on proposals for sharing risk and reward, managing volatility in income and setting up the reformed business rates retention system.

1.3.11 The return date for responses to both papers is 21 February 2019. In view of the timescales involved and the programming of meetings it is **recommended** that delegated authority be given to the Director of Finance and Transformation in liaison with the Cabinet Member for Finance, Innovation and Property to respond as appropriate.

## 1.4 Business Rates Retention Pilots

1.4.1 Members will recall the Kent and Medway bid for pilot status in respect of 100% business rates retention for the year 2018/19 was successful and based on the estimates prepared during the bidding process the financial benefit for Kent as a whole could be circa £25m with the sum being divided into two discrete ‘pots’. One for financial sustainability paid at individual council level, and the second for housing and commercial growth paid on a cluster basis.

- 1.4.2 Again, based on the estimates prepared during the bidding process, in terms of financial sustainability, a sum of circa £500,000 would come to Tonbridge and Malling in 2018/19 and an allocation of circa £1m to the West Kent Cluster (Sevenoaks, Tunbridge Wells and Tonbridge and Malling areas) towards supporting housing and commercial growth. As reported elsewhere, performance to date would suggest the sums set out above could be exceeded, potentially to around £800,000 in respect of financial sustainability and £1.5m in respect of the West Kent Cluster.
- 1.4.3 An application to pilot 75% business rates retention in 2019/20 was submitted in September 2018 following an invitation from the Secretary of State. 75% business rates retention pilots in 2019/20 have been approved in 15 areas, but regrettably on this occasion the Kent and Medway bid was unsuccessful.

## 1.5 2019 Spending Review and Fair Funding Review

- 1.5.1 Beyond 2019/20, the 2019 Spending Review will determine the overall funding envelope for local government over the Spending Review period, the Fair Funding Review detailing how that funding is shaken down to individual councils and, in turn, business rates baselines and baseline funding levels. How we will fair at the end of that process is extremely difficult to predict at this stage. As Members can appreciate this period of 'limbo' does little to aid medium term financial planning and it will be some time before the outcome of the above process is known. As a result the year 2019/20 could be seen as a **holding year**.

## 1.6 Local Referendums to Veto Excessive Council Tax Increases

- 1.6.1 The Localism Act gives local communities the power to veto excessive council tax increases. The Secretary of State will determine a limit for council tax increases which has to be approved by the House of Commons. If an authority proposes to raise council tax above this limit they will have to hold a referendum to get approval for this from local voters who will be asked to approve or to veto the rise.
- 1.6.2 For the year 2019/20, a referendum will be triggered where council tax is increased by **3%, or more than 3% and more than £5**.
- 1.6.3 Referendum principles currently do not apply to town and parish councils.

## 1.7 Partnership Funding Pressures

### *Disabled Facilities Grants*

- 1.7.1 Members may recall central government grant funding made available for disabled facilities grants (DFGs) by way of the Better Care Fund (BCF) was increased a few years ago. The additional funding was used to establish the West Kent Hospital and Handyperson Scheme and secondment of an occupational therapist on the understanding this initiative would need to be scaled back or cease

dependent on the funding required to meet mandatory DFGs expenditure. Members will be aware that this scheme has been very well received.

- 1.7.2 Ironically, due to the success of the scheme all of the funding by way of the BCF is required to meet the pressure on the mandatory DFGs budget such that no funding is available for the West Kent Hospital and Handyperson Scheme and secondment of occupational therapist beyond March 2019. Accordingly, based on the understanding made at the time of its introduction, the scheme should cease as of that date unless alternative funding can be identified and secured.
- 1.7.3 However, to give the matter proper consideration it is proposed that the Scheme be the subject of review by the Overview and Scrutiny Committee over the coming months. The costs of the Scheme in 2019/20 only can be funded from an earmarked reserve to provide a breathing space for the review to take place. Clearly, if alternative funding cannot be identified and secured and the Scheme were to continue beyond 2019/20, this would represent budget growth and, in turn, add to the funding gap.

#### *Public Health*

- 1.7.4 Similarly, the Council in recent years has and continues to deliver public health initiatives, in the main, for Kent County Council, under a 'commissioning role'. When introduced it was on the understanding that the arrangement would be fiscal neutral (i.e. we would 'cut our cloth' according to the funding provided). The funding provided has reduced over time whilst costs have increased where the Council is now meeting a shortfall in funding from an earmarked reserve established for this purpose.
- 1.7.5 The reserve can 'plug' the shortfall in funding in the short term, but after that the presumption is that we should 'cut our cloth' accordingly as was originally planned. To give the matter proper consideration it is proposed this service area also be the subject of review by the Overview and Scrutiny Committee over the coming months. Again, if the shortfall were to continue this would represent budget growth and, in turn, add to the funding gap.

#### *Community Safety Partnership*

- 1.7.6 In recent years contributions made to the Community Safety Partnership (CSP) by various partners have ceased whereby only two bodies (Tonbridge and Malling Borough Council and Police and Crime Commissioner for Kent) now fund the work of the CSP. The earmarked reserve used to fund the resulting increase in costs to this Council has now been consumed and as such future years' costs represent budget growth.
- 1.7.7 It is proposed that this service area too be the subject of review by the Overview and Scrutiny Committee over the coming months to consider costs and how we might attract / secure third party funding. Alongside it however, the Management

Team suggest that consideration of CCTV arrangements also be “rolled in” to this review.

- 1.7.8 In terms of CCTV, Members will be aware that we are in a partnership with Tunbridge Wells Borough Council (TWBC) to provide ‘live’ CCTV monitoring across the two boroughs. Whilst the benefits are clearly shared by other public sector partners in terms of community safety and crime reduction, it is the borough councils who pay in full for these costs. Members will note the costs on page SSLTS 37 of the revenue estimates booklet appended to this report.
- 1.7.9 In early 2017, in view of the costs involved TWBC began a review to test whether it would be appropriate to move from ‘live’ to ‘passive’ monitoring. This was not supported at the time by TWBC Members; but had it been, Members of this Council as a partner authority would have been asked to consider ‘passive’ monitoring also.
- 1.7.10 Management Team has now suggested that if a scrutiny review of CSP funding is to take place, bearing in mind the obvious link with CCTV, this should be rolled into the review also.

## 1.8 Specific Issues

- 1.8.1 Members are advised that certain government initiatives, e.g. Welfare Reform, will undoubtedly impact on the Council’s finances over the medium term and an assessment of the potential impact is not straightforward. Nonetheless, I and Management Team will continue to monitor the potential impact as more information is made available.
- 1.8.2 In terms of the council tax base, built into the MTFS is an expectation about future growth in the number of band D equivalents over the ten-year period. Members will be aware that this growth (or otherwise) will impact on the level of New Homes Bonus (NHB) that the Council **might** receive in the future. It is important, however, to recognise that the scale of development growth both in any one year and over the medium term is very difficult to predict given the market as well as other site specific conditions.
- 1.8.3 Recommendations regarding fees and charges are to be considered during this cycle of meetings. Any changes required following consideration of fees and charges presented to this and other meetings will be incorporated before the Estimates are reported to Cabinet on 14 February.
- 1.8.4 The draft Estimates, other than loss of investment income and the estimated loss of income claim associated with the proposed major programme of works at Larkfield Leisure Centre, do not take account of the revenue consequences of the addition of new capital schemes to the Capital Plan. At its meeting on 14 February, the Cabinet will need to give consideration to both the Revenue and Capital Estimates in the context of the MTFS and, where appropriate, recommend additions to the Capital Plan.

- 1.8.5 An additional contribution of £450,000 is to be made to the Revenue Reserve for Capital Schemes in 2018/19 following the latest cost estimate in respect of the Larkfield Leisure Centre ventilation system and boiler replacement capital plan scheme. In addition, the annual contribution to the Reserve is to be increased to £557,000 in 2019/20 returning to £232,000 for the remainder of the capital plan review period 2020/21 to 2024/25.
- 1.8.6 The contribution to the Building Repairs Reserve in 2018/19 is to be increased from £600,000 to £1,000,000 following identification of unfunded works required including the Larkfield Leisure Centre internal roof frame and Tonbridge Farm Sportsground Pavilion roof. In addition, the annual contribution to the Reserve is to be increased from £600,000 to £650,000 from 2019/20 to meet ongoing maintenance and repair obligations.
- 1.8.7 Turning to the individual Estimates, particular issues to be drawn to Members attention are set out below:

### **Corporate Services**

- 1.8.8 Particular issues to be drawn to Members' attention:

- 1) Salary estimates reflect savings accruing during the first part of the year and part year effect of establishment changes. Forward estimate reflects the full year effect of establishment changes and a provision for pay inflation.
- 2) Legal Expenses budget for 2019/20 includes potential costs associated with planning applications in respect of 'strategic sites' prior to the adoption of the new Local Plan to be funded from an earmarked reserve.
- 3) Information Technology Services estimates reflect additional maintenance costs and increased software support costs of the IT infrastructure.
- 4) Payments to Members reflect the recommendations of the Joint Independent Remuneration Panel approved by Council in April 2017.

### **Chief Executive**

- 1.8.9 Particular issues to be drawn to Members' attention:

- 1) Conduct of Elections includes cost estimates for the May 2019 Borough Election funded from an earmarked reserve.
- 2) Economic Development and Regeneration budget includes funding from the 2018/19 Kent and Medway 100% Business Rates Retention Pilot to support economic initiatives.

### **Director of Central Services**

1.8.10 Particular issues to be drawn to Members' attention:

- 1) Tonbridge Castle Gatehouse includes provision to renew the lighting in the Great Hall in 2019/20.
- 2) Local land charges income reflects current and anticipated market demand.
- 3) Land review budget reflects the revised timetable in respect of the sale of the River Walk Offices.
- 4) Licensing income reflects current and anticipated demand.

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

1.8.11 Particular issues to be drawn to Members' attention:

- 1) Housing Benefits estimates reflect the linking of temporary accommodation costs recharged to clients to the Local Housing Allowance; and anticipated reduction in housing benefits expenditure as welfare reform measures accumulate.
- 2) Estimates also reflect a further reduction in the administration grant from the DWP and MHCLG in respect of housing benefits and council tax support.
- 3) Investment income includes further investment in one or more property funds.

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

1.8.12 Particular issues to be drawn to Members' attention:

- 1) Planning applications fee income for 2018/19 in respect of 'strategic sites' prior to the adoption of the new Local Plan to be transferred to an earmarked reserve to meet potential associated costs.
- 2) Planning Policy budget reflects costs associated with the preparation of the Local Plan to be funded from an earmarked reserve.
- 3) Housing Strategy budget reflects the appointment of consultants to undertake housing needs research in 2018/19 to be funded from an earmarked reserve.
- 4) Homelessness budget reflects both the additional staff and non-staff costs as a result of the Homelessness Reduction Act funded at least in the short term by government grant; linking of temporary accommodation costs recharged to clients to the Local Housing Allowance; and the purchase of temporary accommodation for homelessness purposes.

- 5) Increased spend and ongoing budgetary pressure in respect of Disabled Facilities Grants is such there is no funding available for the West Kent Hospital and Handyperson Scheme and secondment of occupational therapist beyond March 2019. The costs of the Scheme in 2019/20 only to be funded from an earmarked reserve (see paragraph 1.7.3).
- 6) Private Sector Housing Standards budget reflects the appointment of consultants to undertake a stock condition modelling exercise in 2019/20 to be funded from an earmarked reserve.
- 7) Environmental Protection budget reflects the appointment of consultants to update the Air Quality Action Plan.

### **Director of Street Scene, Leisure and Technical Services**

#### 1.8.13 Particular issues to be drawn to Members' attention:

- 1) Estimates reflect the outcome of the recent retendering of the waste services contract including a chargeable opt-in garden waste service and an inter-authority agreement with Kent County Council; and a one-off communication / marketing budget.
- 2) Larkfield Leisure Centre budget includes an estimate of the associated loss of income claim as a result of the proposed major programme of works funded in large part from the removal of 'negative RSG' in 2019/20.
- 3) Estimates reflect the outcome to date of the review of the grounds maintenance specification / maps; increased costs of tree works; and inspection / maintenance of bridges owned by the Council.
- 4) Youth Engagement, Sports Development and Events Management budgets reflect the outcome of the recent review of these service areas by the Overview and Scrutiny Committee.
- 5) Parking income reflects the intended use of the River Lawn car park as a compound during the construction of the proposed new Medical Centre in Tonbridge.
- 6) Estimates reflect the rescheduling of the Wouldham river wall capital plan scheme following external consultant's report on potential timing of works.

## **1.9 Revised Revenue Estimates 2018/19**

1.9.1 Overall, the draft 2018/19 Revised Estimates show an increase over the Original Estimates of £321,850 prior to making a contribution to/from the General Revenue Reserve.

1.9.2 The principal variations are given in the table below:-

<b>Description</b>	<b>DR £</b>	<b>CR £</b>	
Building Repairs Reserve	400,000		
New Waste Services Contract	179,650		
Trees	60,000		
Information Technology	45,350		
Land Charges Income	45,000		
Business Rates Retention Scheme	34,950		
Housing Benefits excluding Rent Rebates	32,250		
Advertising & Other Recruitment Costs	26,350		
1 - 4 River Walk	24,500		
Homelessness Bad Debt Provision	22,000		
Drainage Board Levies		29,200	
Investment Income		75,000	
Contributions from KCC		89,050	
Salaries & Contributions		347,450	
Other Net Changes		7,500	<b>DR</b>
<b>Total</b>	<b>870,050</b>	<b>548,200</b>	<b>321,850</b>

## 1.10 Revenue Estimates 2019/20

1.10.1 Overall, the draft 2019/20 Estimates show an increase over the 2018/19 Original Estimates of £450,368 prior to making a contribution to/from the General Revenue Reserve.

1.10.2 The principal variations are given in the table below:-

<b>Description</b>	<b>DR £</b>	<b>CR £</b>
TMLT Anticipated Loss of Income Claim	1,000,000	
Business Rates Retention Scheme Reserve	600,000	
Property Investment Fund Reserve	500,000	
Salaries & Contributions	280,800	
Information Technology	89,350	
Housing Benefits excluding Rent Rebates	52,250	
Building Repairs Reserve	50,000	
Benefits Administration Grant	20,350	
Land Charges Income	20,000	
Under-indexing Business Rates Multiplier		27,650
Car Park Income including Refunds		28,000
Temporary Accommodation		50,000
Business Rates Retention Scheme		50,740
Investment Income		106,000
New Homes Bonus		123,300
TMLT Reserve		200,000

Revenue Reserve for Capital Schemes		245,000	
Collection Fund Adjustments		658,792	
New Waste Services Contract		665,450	
Other Net Changes		7,450	<b>DR</b>
<b>Total</b>	<b>2,612,750</b>	<b>2,162,382</b>	<b>450,368</b>

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

## 1.11 Draft Capital Plan

1.11.1 A report elsewhere on this agenda seeks to advise Members of the way forward on the Capital Plan. The criteria established to guide the inclusion of new schemes to List C (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.

1.11.2 The Capital Plan review report recommends schemes for inclusion on List B, the short-list of schemes for possible inclusion in the Capital Plan. Members are reminded that the selection from List B, of schemes to be included in the Capital Plan (List A) – if any – will be made at Cabinet on the 14 February for endorsement by Council. With this in mind Members are advised that, other than loss of investment income and the estimated loss of income claim associated with the proposed major programme of works at Larkfield Leisure Centre, the revenue consequences of new capital schemes **have yet to be incorporated within the Estimates**.

1.11.3 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.

1.11.4 As a result there is an annual capital allowance for all other capital expenditure. Any 'bids' for capital schemes or discretionary capital grants are to be assessed in the context of the annual allowance. The annual capital allowance is currently set at £200,000. In 2019/20 and for one year only the annual allowance is £525,000 returning to £200,000 over the remainder of the capital plan review period 2020/21 to 2024/25. It should be noted, based on current projections, that from 2025/26 the Council may need to borrow to fund such expenditure.

1.11.5 In addition, the Invest to Save Reserve or Transformation Reserve (made up of specific grants received from government in respect of revenues and benefits functions) could be used to fund in full or in part appropriate capital plan schemes.

## 1.12 Consultation with Non-Domestic (Business) Ratepayers

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

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

## 1.13 Medium Term Financial Strategy Update

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

*Provisional Local Government Finance Settlement plus New Homes Bonus*

1.13.2 The provisional Local Government Finance Settlement for 2019/20 is not that dissimilar to that set out in the multi-year settlement **except** for the removal of 'negative RSG' which the government is to meet from their share of business rates income. In our case 'negative RSG' in 2019/20 was circa £998,000 which we would otherwise had to pay over and as such is clearly welcome, **albeit it should be remembered this is a "one-off" adjustment**. Funding beyond 2019/20 **dependent** on the outcome of the 2019 Spending Review and the Fair Funding Review.

1.13.3 The baseline below which New Homes Bonus (NHB) will not be paid is to be held at 0.4% for the year 2019/20 giving NHB of circa £3,457,000 (budget £2,998,000). Beyond 2019/20, NHB will continue to fall as changes made to the scheme work their way through the system and the recent above average housing delivery falls out of the calculation. It is estimated that by 2023/24 NHB could be around £1.8m assuming no further changes are made to the scheme. This is a dramatic change to the sums we have so far enjoyed and where NHB remains at **risk indefinitely**. It is our ambition to restructure the MTFs so it is not as reliant on NHB or its replacement particularly when read in conjunction with the paragraph below.

1.13.4 As mentioned at paragraph 1.3.6, recent comments reported in local government press that the Treasury do not see NHB as having worked could well see its demise from 2020/21; although in contrast the Secretary of State has sought to

'protect' NHB in 2019/20. For medium term financial planning purposes we have assumed there will continue to be some form of performance funding if NHB was withdrawn, but on a much reduced scale than that received in recent years via NHB.

#### *Business Rates Retention Scheme*

- 1.13.5 The ongoing impact of the Business Rates Retention Scheme and the proposal to move to an 'interim' 75% Retention Scheme in 2020/21 and an 'eventual' 100% Retention Scheme.
- 1.13.6 Members will recall the Kent and Medway bid for pilot status in respect of 100% business rates retention for the year 2018/19 was successful. Based on the estimates prepared during the bidding process, in terms of financial sustainability, a sum of circa £500,000 would come to Tonbridge and Malling in 2018/19 and an allocation of circa £1m to the West Kent Cluster (Sevenoaks, Tunbridge Wells and Tonbridge and Malling areas) towards supporting housing and commercial growth. Performance to date would suggest the sums set out above should be received, if not exceeded.
- 1.13.7 Beyond 2019/20, however, the **question remains** as to what will our business rates baseline and baseline funding level be under an 'interim' 75% and 'eventual' 100% Business Rates Retention Scheme and how this then compares to that reflected in the MTFS taking into account transfer of any new responsibilities?

#### *Council Tax Referendum Principles*

- 1.13.8 The MTFS sets out, not only the projected budgets for the period, but also the levels of council tax that are projected to be required to meet the Council's spending plans.
- 1.13.9 For the year 2019/20, a referendum will be triggered where council tax is increased by **3%, or more than 3% and more than £5**. This time last year the MTFS assumed a council tax increase of £5 representing a 2.5% increase in council tax.
- 1.13.10 For the purposes of preparing the budget papers and updating the MTFS an **increase of circa 3% in 2019/20** has been assumed followed by an **increase of £5 year on year** thereafter.

#### *2019 Spending Review and Fair Funding Review*

- 1.13.11 Beyond 2019/20, the 2019 Spending Review will determine the overall funding envelope for local government over the Spending Review period, the Fair Funding Review detailing how that funding is shaken down to individual councils and, in turn, business rates baselines and baseline funding levels. How we will fair at the end of that process is extremely difficult to predict at this stage. As Members can appreciate this period of 'limbo' does little to aid medium term financial planning

and it will be some time before the outcome of the above process is known. As a result the year 2019/20 could be seen as a **holding year**.

1.13.12 Notwithstanding that, we still need to plan ahead as best we can.

1.13.13 For medium term financial planning purposes, from 2020/21, it is assumed that **overall grant funding** whether that be baseline funding level, some element of growth performance, NHB or its replacement **will add up to around £2.4m**. For comparative purposes in 2010/11 overall grant funding was on or around £6.6m.

1.13.14 This is different to the £2.6m reported to Cabinet in October – Why? Despite statements regarding an end in sight for austerity, the Chancellor’s Budget in late October did nothing to suggest an ‘easing’ in the financial pressures to be faced over the medium term by district councils.

1.13.15 Clearly, if our overall grant funding is less than we had hoped (meeting the commitment made to address ‘negative RSG’, NHB is withdrawn and not replaced) the funding gap will be higher than that assumed. On the other hand, if our overall grant funding is more than we had hoped the funding gap will be lower than that assumed. To put this into context an outcome could be a funding gap of say £2.0m or no funding gap further underlining the risk of significant variances compared to projections.

1.13.16 If overall grant funding is in excess of £2.4m which at least in the early years we hope it could be, sums over and above this amount could be used to establish a ‘**stabilisation reserve**’ going forward to assist in meeting future saving and transformation contributions and or help manage risk. This will need to be revisited following the outcome of the 2019 Spending Review and Fair Funding Review.

#### *Waste Services Contract*

1.13.17 The outcome of the recent retendering of the waste services contract has caused us to consider the approach to take during and beyond the initial 8 year contract period.

1.13.18 For medium term financial planning purposes it is assumed the inflationary increase in the contract sum over and above CPI is negated by a gradual increase in both the charge and the take-up of the garden waste service; and any potential above inflationary uplift in year 9 is no more than 10%. It should also be noted that the inter-authority agreement with Kent County Council is subject to review beyond the initial 8 year contract period and it is assumed that this will continue in its current form beyond that date.

1.13.19 The MTFs will continue to be updated as we move through the 2019/20 budget cycle and as more information becomes available and in due course presented with the Budget report to Cabinet in February.

## 1.14 Savings and Transformation Strategy

1.14.1 Alongside the MTFS sits a Savings and Transformation Strategy (STS). The purpose of the Strategy is to provide structure, focus and direction in addressing the financial challenge faced by the Council. In so doing, it recognises that there is no one simple solution and as a result we will need to adopt a number of ways to deliver the required savings and transformation contributions within an agreed timescale.

1.14.2 A number of key themes have been identified, together with outline targets and timescales which will need to be revisited and aligned with the latest projected funding gap as part of the budget setting process. An updated version of the STS will be presented with the Budget report to Cabinet.

### *Savings and Transformation Contributions*

1.14.3 To recap, this year's savings and transformation contribution was set at £350,000 and to date **net savings in the order of £450,000 have been achieved** when looking across the ten-year period of the MTFS as summarised in the table below.

1.14.4 Factors that have contributed towards meeting this year's contribution most notably includes the new waste services contract (including introducing a charge for garden waste) and assumed uplift in the increase in the tax base year on year. Factors that have taken the funding gap in the 'wrong' direction include extending an increase in council tax of £5 each year to the end of the MTFS period, government grant support and widening shortfall between housing benefit payments and subsidy in the case of supported accommodation.

	£'000
Savings and Transformation Contributions Identified to Date	650
Other Factors Impacting on MTFS	(200)
<b>Net Savings and Transformation Contribution</b>	<b>450</b>

1.14.5 This time last year the projected funding gap was circa £1m and a year on, all other things being equal, was expected to be £650,000. **The latest projected 'outstanding' funding gap is £550,000** (£1,000,000 - £450,000). The number, scale and timing of requisite future savings and transformation contributions is the subject of consideration.

1.14.6 But as mentioned at paragraph 1.13.15, the funding gap could be say £2.0m or no funding gap dependent on the outcome of the 2019 Spending Review and the Fair Funding Review further underlining the risk of significant variances compared to projections.

## **1.15 Legal Implications**

- 1.15.1 There are a number of legislative requirements to consider in setting the Budget which will be addressed as we move through the budget cycle.
- 1.15.2 The Localism Act gives local communities the power to veto excessive council tax increases. The Secretary of State will determine a limit for council tax increases which has to be approved by the House of Commons. If an authority proposes to raise council tax above this limit they will have to hold a referendum to get approval for this from local voters who will be asked to approve or veto the rise.

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

- 1.16.1 The 2019/20 provisional settlement is relatively positive for TMBC, which is welcome news. However, as I have said, this is a standalone “holding year” and two key questions remain. Firstly, what will our business rates baseline and baseline funding level be under an ‘interim’ 75% and ‘eventual’ 100% Business Rates Retention scheme, and how will this compare to that reflected in the MTFS taking into account transfer of any new responsibilities? Secondly, what is the extent to which NHB will feature in future government grant funding and if replaced what level of funding would we receive in its place?
- 1.16.2 Beyond 2019/20, the 2019 Spending Review will determine the overall funding envelope for local government, the Fair Funding Review detailing how that funding is shaken down to individual councils and, in turn, business rates baselines and baseline funding levels. How we will fair at the end of that process is extremely difficult to predict at this stage. It is worth repeating that this does little to aid medium term financial planning and it will be some time before the outcome of the above process is known.
- 1.16.3 Furthermore, the impact of current economic conditions on Council finances / financial assumptions in respect of inflation, interest rates, income levels, etc. and the scale of the impact over the medium term is uncertain and difficult to determine.

## **1.17 Risk Assessment**

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

- 1.17.2 The Medium Term Financial Strategy sets out the high level financial objectives the Council wishes to fulfil and underpins the budget setting process for the forthcoming year and over the Strategy period. As the Council's high level financial planning tool the Strategy needs to be reviewed and updated at least annually and in the current climate the Savings and Transformation Strategy regularly reviewed by Management Team. In addition, not identifying and implementing the requisite savings and transformation contributions will put at risk the integrity of the MTFS.
- 1.17.3 The continuing uncertainty and volatility surrounding local government finances and more recently Brexit make financial planning that more difficult with the increased risk of significant variances compared to projections; and the consequent implications on the level of reserves held.
- 1.17.4 The projected figures for New Homes Bonus or its replacement are at risk of further revision downwards which would, in turn, increase the required savings and transformation contributions.
- 1.17.5 The Inter Authority Agreement with KCC as part of the Waste Services Contract may not be extended beyond the initial 8 year contract period, albeit this is considered unlikely. The Waste Services Contract also may not be extended beyond the initial 8 year contract period which could then have an adverse financial impact in years 9 and 10 of the Medium Term Financial Strategy dependent on the resulting financial consequences.
- 1.17.6 Members are reminded that there are factors not reflected in the MTFS, e.g. the cost of borrowing for new capital plan schemes when and if required.
- 1.17.7 Any increase in council tax above the relevant threshold, even by a fraction of a percentage point, would require a referendum to be held.

## **1.18 Equality Impact Assessment**

- 1.18.1 Where there is a perceived impact on end users an equality impact assessment has been carried out and as further savings and transformation options emerge, further equality impact assessments will need to be carried out as appropriate.

## **1.19 Recommendations**

- 1.19.1 The Advisory Board is asked to:

- 1) Note and endorse the proposed increase in the minimum General Revenue Reserve balance from £2.0m to £3.0m.
- 2) Note the draft response to the provisional local government finance settlement 2019/20 as set out in **[Annex 1]**, and to be updated as appropriate in liaison with the Cabinet Member for Finance, Innovation and Property;

- 3) Agree that delegated authority be given to the Director of Finance and Transformation in liaison with the Cabinet Member for Finance, Innovation and Property to respond to the two further papers published alongside the provisional settlement as detailed at paragraph 1.3.10.
- 4) Recommend to Cabinet that the Overview and Scrutiny Committee be asked to review the service areas, Disabled Facilities Grants, Public Health and Community Safety Partnership as detailed at paragraph 1.7.
- 5) Consider the draft Revenue Estimates contained in the Booklet and make such recommendations, as it considers appropriate, to Cabinet for its special meeting on 14 February.
- 6) Recommend to Cabinet that the Savings and Transformation Strategy is updated to reflect the latest projected 'outstanding' funding gap as part of the budget setting process.

Background papers:

Nil

contact: Sharon Shelton  
Neil Lawley

Sharon Shelton  
Director of Finance and Transformation

## The 2019-20 Provisional Local Government Finance Settlement Consultation (DRAFT)

*Preamble – to be written*

### Summary of Questions and Responses

**Question 1: Do you agree with the methodology for allocating Revenue Support Grant in 2019-20?**

Agree.

**Question 2: Do you agree with the Government's proposed approach to allocating £410 million un-ringfenced funding for adult and children's social care according to the existing Adult Social Care Relative Needs Formula?**

Not applicable.

**Question 3: Do you agree with the Government's proposal to fund the New Homes Bonus in 2019-20 with the planned £900 million from Revenue Support Grant, with any additional funding being secured from departmental budgets?**

Agree.

**Question 4: Do you agree with the Government's proposed approach to paying £81 million Rural Services Delivery Grant in 2019-20 to the upper quartile of local authorities based on the super-sparsity indicator?**

Not applicable.

**Question 5: The Government intends to distribute £180m of the levy account surplus. Do you agree with the proposal to make this distribution on the basis of each authority's 2013-14 Settlement Funding Assessment?**

Agree.

**Question 6: What are your views on the council tax referendum principles proposed by the Government for 2019-20?**

Remain of the view that council tax increases should be a local decision, but if that is not an option support the council tax referendum principles proposed.

**Question 7: What are your views on the Government's approach to tariffs and top-ups in 2019-20?**

Support the approach to tariffs and top-ups in 2019-20.

**Question 8: Do you have any comments on the impact of the 2019-20 local government finance settlement on those who share a protected characteristic, and on the draft equality statement published alongside this consultation document? Please provide supporting evidence.**

No comments.

## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

09 January 2019

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

#### Part 1- Public

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

#### 1 CAPITAL PLAN REVIEW 2018/19

##### 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 current financial climate.

<p><b>NOTE: ANNEXES 1 to 3 TO THIS REPORT ARE CONTAINED IN A SEPARATE BOOKLET CIRCULATED WITH THE AGENDA</b></p>
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#### 1.1 Introduction

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

1.1.2 The criteria established to guide the inclusion of new 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 fully aware of the significant financial challenge faced by the Council as a result of the Government's ongoing budget deficit reduction programme which has resulted in reductions in the financial support it can offer to local government. Despite statements regarding an end in sight for austerity, the Chancellor's Budget in late October did nothing to suggest an 'easing' in the financial pressures to be faced over the medium term by district councils.
- 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. The annual capital allowance is currently set at £200,000. In 2019/20 and for one year only the annual allowance is £525,000 (paragraph 1.7.4 refers) returning to £200,000 over the remainder of the capital plan review period 2020/21 to 2024/25. It should be noted, based on current projections, that from 2025/26 the Council may need to borrow to fund such expenditure.
- 1.2.5 In addition, the Invest to Save Reserve or Transformation Reserve (made up of specific grants received from government in respect of revenues and benefits functions) could be used to fund in full or in part appropriate 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 22 January will also consider the overall Capital Plan position and make recommendations as appropriate to Cabinet on 14 February. Cabinet on 14 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 19 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.

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

1.4.1 Attached at **[Annex 1]** is the existing Capital Plan (List A) in budget book format along with explanatory notes. The following routine adjustments to the 2018/19 Budget Book have been made:

- the outturn for 2017/18 has been taken into account and any slippage still required has been included in 2018/19;
- schemes included in the existing Budget Book which were completed in 2017/18 have been removed;
- in accordance with the policy of having a rolling six year Capital Plan (current year plus six) an additional year, 2024/25, 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 1.4.11 detail specific amendments to the Capital Plan (List A) approved by Council in February 2018.
- 1.4.3 Cabinet in March 2018 followed by Council in April 2018 approved the purchase of an automated software solution for General Data Protection Regulation purposes. The capital cost of £66,000 to be funded from the Invest to Save Reserve.
- 1.4.4 Cabinet in March 2018 followed by Council in April 2018 approved the sum of up to £1.6m be added to the Capital Plan for the purchase of property for temporary accommodation purposes funded from section 106 monies.
- 1.4.5 The Director of Street Scene, Leisure and Technical Services approved a virement in the sum of £8,000 from the Drainage Improvement Programme capital plan scheme to Tonbridge Rugby Club Drainage Improvements capital plan scheme. The scheme is to be rescheduled to 2019/20 to enable further monitoring of water levels over the winter period and the budget reduced by £9,000 to £16,000.
- 1.4.6 The revenue funded pilot in support of the West Kent Hospital Discharge Scheme and Occupational Therapist has led to much higher demand for disabled facility adaptations than originally anticipated. As a consequence, expenditure on adaptations in 2018/19 has been increased by £541,000 to £1,341,000. This increase is funded in full from prior year grant underspends, from grant allocated within the Capital Plan to future years and from additional funds announced in the Chancellor's October Budget. However, continuation of the pilot and the ability to fund increased demand going forward will be dependent on the level of Government support. Plan figures for 2019/20 and beyond are, therefore, subject to amendment.
- 1.4.7 The Larkfield Leisure Centre: Ventilation and Boiler Replacement capital plan scheme is to be deferred to 2019/20 and the budget increased by £445,000 to £950,000 following a detailed assessment by consultant heating and ventilation engineers and is to form part of a major programme of works in 2019/20. The increase is to be met from the expected better than budgeted performance in respect of the Kent and Medway 100% Business Rates Retention Pilot and a review of earmarked reserves.
- 1.4.8 The Tonbridge Racecourse Sportsground Riverside Revetment Works capital plan scheme is to be rescheduled to 2019/20 and the budget increased by £105,000 to £225,000 following unsuccessful outcome of tender exercise and cost review by the Building and Facilities Manager in liaison with external consultant. The increase is to be met from the revenue reserve for capital schemes.

- 1.4.9 The Wouldham River Wall capital plan scheme is to be split into two parts. Remedial works to the path to be undertaken this year at an estimated cost of £25,000. Budgetary provision of £1.1m is to be made for the more substantive strengthening / rebuilding works in 2023/24 following external consultant's report on potential timing of works.
- 1.4.10 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 2018/19 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 £810,000 per annum (2018/19 - 2024/25) compared to £845,000 per annum (2017/18 - 2023/24).
- 1.4.11 Provision for recurring expenditure has also been extended by a further year (see table below) and updated to reflect the new waste services contract provision which rises steadily to £37,000 over the period 2020/21 to 2024/25.

<b>Capital Plan (List A) recurring expenditure</b>		
	<b>2024/25 £'000</b>	<b>Annex 1 Page</b>
<b>Planning, Housing and Environmental Health</b>		
Housing disabled facilities grants (net)	125	CP 4
Housing assistance (net)	30	CP 4
<b>Street Scene, Leisure and Technical Services</b>		
Green waste bins growth / replacement	31	CP 8
Refuse bins growth / replacement	61	CP 8
New waste services contract	37	CP 8
Improvements to existing car parks rolling programme	30	CP 14
<b>Corporate</b>		
General IT developments	30	CP 22
<b>Total</b>	<b>344</b>	

- 1.4.12 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 1]**.

It is **RECOMMENDED** that Cabinet be asked to endorse the Capital Plan (List A) position as shown in **[Annex 1]**.

## 1.5 List C Update

1.5.1 As a result of the undoubtedly difficult financial landscape the focus has to be 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 2]**. 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 2 Page</b>
<b>Schemes to be added to List C</b>	
<b>Planning, Housing and Environmental Health</b>	
Air Quality Monitoring Equipment	CP 27

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 2]** 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, two schemes have been recommended and for Fast-Track evaluation.

1.6.4 In addition, there are four 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, 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 2 Page</b>
<b>Planning, Housing and Environmental Health</b>	
Air Quality Monitoring Equipment (Fast-Track)	CP 27
<b>Street Scene, Leisure and Technical Services</b>	
Larkfield Leisure Centre: Pool Hall Roof (Fast-Track)	CP 28

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 schemes recommended for Fast-Track evaluation.

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

1.7.1 As part of the 2017/18 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 3]** 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 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  £'000</b>	<b>Annual revenue / renewals cost £'000</b>	<b>Annex 3 Page</b>
<b>Planning, Housing and Environmental Health</b>			
Air Quality Monitoring Equipment	20	5	CP 35
<b>Street Scene, Leisure and Technical Services</b>			
Larkfield Leisure Centre: Pool Hall Roof	450	18	CP 37

Tonbridge Racecourse Sportsground – Swimming Pool Bridge	120	2	CP 39
<b>Total</b>	<b>590</b>	<b>25</b>	

- 1.7.4 After taking into account funding available by way of developer contributions, the estimated capital cost exceeds the standard annual capital allowance of £200,000 by £325,000. This can be met from 2019/20 New Homes Bonus funding above that anticipated.
- 1.7.5 Members are also asked to note that the Larkfield Leisure Centre: Pool Hall Roof, if approved, will form part of a major programme of works in 2019/20 over a six month period at a cost estimate of circa £1.65m comprising the pool hall roof, ventilation refurbishment, boiler replacement and space frame painting. A very early estimate of the associated loss of income claim is circa £1.0m to be funded in large part from the removal of ‘negative RSG’ in 2019/20 (see Revenue Estimates report elsewhere on this agenda). The intention is to procure this work including the design elements through the Scape Minor Works Framework, Kier Construction Ltd. being the framework contractor. This is a national procurement framework which the public sector can utilise to deliver large schemes and which the Council has experience of using.
- 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 and the estimated loss of income claim associated with the proposed major programme of works at Larkfield Leisure Centre 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 14 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 1.7.3 from List C to List B; and approve the use of the Scape Minor Works Framework, Kier Construction Ltd. being the framework contractor, as set out at paragraph 1.7.5 to procure the planned major programme of works at Larkfield Leisure Centre.

## 1.8 Capital Strategy

- 1.8.1 Updated Treasury Management and Prudential Codes of Practice were published by the Chartered Institute of Public Finance and Accountancy (CIPFA) in December 2017. The focus of both updates is to ensure the risks associated with investment in ‘**non-financial assets** which are held primarily for financial returns’

are properly evaluated, reported, subject to scrutiny and managed over time. Non-financial assets will include the purchase of property to rent, shares and loans in subsidiaries or other outsourcing structures such as IT or building services providers. Full Council noted the new requirements and adopted new clauses to be added to our own Policies when it met on 30 October 2018.

- 1.8.2 The requirements of the updated Codes of Practice have been taken into account and reflected as appropriate in the annual review and update of the Capital Strategy attached at **[Annex 4]**. 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 CIPFA – “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.”
- 1.8.4 It is **RECOMMENDED** that Cabinet be invited to endorse the Capital Strategy as attached at **[Annex 4]** for adoption by Council and publication on the Council's website.

## **1.9 Legal Implications**

- 1.9.1 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 14 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 1]**.
- 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 schemes 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 1.7.3 from List C to List B; and approve the use of the Scape Minor Works Framework, Kier Construction Ltd. being the framework contractor, as set out at paragraph 1.7.5 to procure the planned major programme of works at Larkfield Leisure Centre.
- 1.13.5 It is **RECOMMENDED** that Cabinet be invited to endorse the Capital Strategy as attached at **[Annex 4]** for adoption by Council and publication on the Council's website.

Background papers:

Nil

contact: Michael Withey  
Neil Lawley

Sharon Shelton  
Director of Finance and Transformation

## 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>2018/19</b>	<b>£13.00 million</b>
Government Grant / Business rates excluding New Homes Bonus <b>2018/19</b>	<b>£2.21 million</b>
Borough Council Band D Charge <b>2018/19</b>	<b>£203.42</b>
Capital Plan <b>2018/19 to 2023/24</b> (Gross expenditure)	<b>£13.13 million</b>
Fixed Assets at 31 March <b>2018</b>	<b>£84.08 million</b>
Debt Outstanding at 31 March <b>2018</b>	<b>Nil</b>
Revenue Reserve for Capital Schemes at <b>31 March 2018</b>	<b>£6.81 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 **2018/19** 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 **only** be used to repay debt or finance new capital expenditure. The Council's assets are reviewed on a regular basis to identify the potential for alternative use or disposal. **To assist with the Council's savings and transformation agenda Members agreed, Council February 2017 and 2018, that amounts (revenue resources) equivalent to the disposal proceeds from existing assets and other windfalls may be invested in externally managed property funds. Thus far £6.25m, excluding existing cash balances, has been earmarked for property fund investment.**
- 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. **The latest review is likely to see the annual capital allowance set at £525,000 in 2019/20 returning to £200,000 over the remainder of the Capital Plan Review period; and** based on current projections, that from **2025/26** the Council may need to borrow to fund such expenditure. 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 2017 Edition” 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 2017 edition of the Code on 30 October 2018.***
- 3.3** ***The objectives of the Prudential Code are to ensure, within a clear framework, that the capital expenditure plans are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the Council. The Prudential Code requires authorities to look at capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decisions are being made with sufficient regard to the long run financing implications and potential risks to the authority. Effective financial planning, option appraisal, risk management and governance processes are essential in achieving a prudent approach to capital expenditure, investment and debt.***
- 3.4 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 [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, 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. ***Additional funding from the Business Rates Retention Pilot has been earmarked for economic development within the Borough.*** 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 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. ***The IT Strategy 2018 to 2022 has set the direction of travel for transformation projects which includes the introduction of a complementary Digital Strategy, a Website Development Plan and the signing of the Local Digital Declaration.***

## 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. ***Finance for these initiatives will come in part from the Business Rates Retention Pilot (a partnership comprising all Kent Authorities).***
- 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.
  - **Identification of milestones and risks to aid project management and decision making.**
  - 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.
  - **An equality impact assessment.**
- 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 2018**

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## TONBRIDGE & MALLING BOROUGH COUNCIL

### FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

09 January 2019

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

#### Part 1- Public

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

#### 1 REVENUES AND BENEFITS UPDATE REPORT

A report detailing recent developments in respect of council tax, business rates, council tax reduction and housing benefits. The report further makes recommendations to Full Council that schemes for Retail Discount and Council Tax Reduction for 2019/20 be adopted, that the 'Class C' council tax discount is amended from 1 April 2019 and finally that the long term empty premium of 100% is adopted from 1 April 2019.

#### 1.1 Class C Empty Property Discount and Long Term Empty Homes Premium

1.1.1 At the 17 September 2018 meeting of this Board it was recommended (and subsequently agreed by Cabinet on 10 October 2018) that:

- the Class C empty property discount be removed with effect from 1 April 2019 for a trial period of one year with a report back on any implications; and,
- delegated authority be granted to the Director of Finance and Transformation in liaison with the Cabinet Member for Finance, Innovation and Property to apply a long term empty homes premium of 100% from April 2019 if Regulations allow.

1.1.2 The Regulations have now achieved Royal Assent and the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 came into force on 1 November 2018.

1.1.3 Cabinet's decision has been taken on board, with the agreement of the Cabinet Member for Finance, Innovation and Property, when setting the taxbase for 2019/20.

1.1.4 Members are now asked to **recommend** to Full Council that:

- 1) the change to the Class C discount is implemented from 1 April 2019; and a report is submitted during 2019/20 regarding any implications;

- 2) The long term empty homes premium of 100% is applied from 1 April 2019.

## **1.2 Collection of council tax and business rates**

- 1.2.1 As at 30 November 2018, the collection rate for council tax stood at 74.44%. For the same period in the year 2017/18, the collection rate was 74.39%.
- 1.2.2 As at 30 November 2018, the collection rate for business rates stood at 75.95%. For the same period in the year 2017/18, the collection rate was 76.07%.
- 1.2.3 I shall update Members, as to the collection rates for 2018/19, as at 31 December 2018, for both council tax and business rates, on the evening of the meeting.
- 1.2.4 In respect of the working age customers receiving a council tax reduction (CTR), approximately 97% of the council tax due for 2013/14 has been paid, with 95% for 2014/15, 94% for 2015/16, 91% for 2016/17 and 86% for 2017/18.
- 1.2.5 For the current financial year, approximately 60% has been paid compared to 59% for the comparative period in the previous financial year. We are continuing to monitor this closely as collection rates can fluctuate throughout the year.
- 1.2.6 I am also pleased to advise that the number of recovery notices issued this financial year is still lower than last year, with approximately 25% fewer notices being sent compared to 2017/18 - see **[ANNEX 1]**.

## **1.3 2018 Autumn Budget**

- 1.3.1 A package of business rates measures were announced to recognise that changing consumer behaviour presents a significant challenge for retailers in our town centres:
- A one third discount for retail property with a rateable value below £51,000 for two years;
  - Intention to legislate to grant a 100% relief from business rates for all standalone public toilets;
  - Extension of the £1,500 business rates discount for local newspapers' office space in 2019/20.
- 1.3.2 The definition of retail properties will follow that adopted from the previous retail relief scheme in 2014/15 and 2015/16. At the time of writing this report, MHCLG guidance on the operation of the new relief scheme had just been issued and work was under way to identify the eligible businesses.
- 1.3.3 The relief will have effect for 2019/20 and 2020/21 with State aid rules applying in the normal way.

- 1.3.4 The council is required to adopt a local scheme and determine in each individual case, when having regard to the guidance, to grant relief under section 47 of the Local Government Finance Act 1988.
- 1.3.5 The Council will be compensated for the cost of granting the relief through a Section 31 grant from Government and in accordance with the New Burdens doctrine, MHCLG will conduct an assessment of the expected reasonable additional costs of new software and staffing/administration with relevant stakeholders shortly. Full details of funding for these costs will be released following this assessment.
- 1.3.6 Members are asked to recommend to Full Council to adopt a local scheme for the retail discount to be awarded in line with the discretionary relief policy and MHCLG guidance. The scheme will be made available to Members at Full Council. Members are also asked to recommend that delegated authority be given to myself to grant relief in accordance with the adopted scheme, subject to any disputed entitlement to relief being referred to this Advisory Board.

#### **1.4 Council Tax Base for the year 2019/20**

- 1.4.1 I attach, at **[ANNEXES 2 and 3]**, the council tax base for the financial year 2019/20. This shows that there are 50,820.61 Band D equivalent properties within the Borough.
- 1.4.2 Members should note that, compared to the tax base for the year 2018/19 (49,924.51 Band D equivalent properties), there has been an increase of approx. 1.8% in the overall tax base for the Borough.
- 1.4.3 This increase is a combination of fewer taxpayers claiming Council Tax Reduction, growth in the number of new properties and the forthcoming changes to the empty property discount/premium.
- 1.4.4 The Council is required to set its tax base for the forthcoming financial year, and notify it to the major precepting authorities, during the period 1 December to 31 January. Members will recall that, at the time of reporting the tax base for the year 2005/06, they agreed to give me delegated authority to calculate the tax base for subsequent years.

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

- 1.5.1 The average number of days to assess new benefit claims between April and December was 12.3, while it has taken an average of 2.2 days to deal with changes in circumstances.
- 1.5.2 At the recent national AGM of the Northgate revenues & benefits software user group, a director of Northgate Public Services gave a presentation which included a slide listing the top 20 performing Councils across the UK, based on data from the DWP over the last year. I am pleased to report that Tonbridge & Malling

Borough Council ranked third out of the 391 councils. There were no other Kent councils in the top 20.

- 1.5.3 The number of households assisted by housing benefit has dropped slightly to 6,187. Of these, 65% are working age. The number claiming a council tax reduction remains at around 6,689, 58% being working age.
- 1.5.4 The balance in the discretionary housing payment (DHP) fund stands at £32,000 at the time of writing my report. The annual budget is £236,000 for the financial year. This year has seen a reduction of £48,000 in Government grant and a higher demand placed on the fund by our residents as welfare reform measures take greater hold. The normal judicious use of the fund has been further strained this year, with many awards being made to resolve acute and immediate issues rather than alleviating ongoing financial difficulties. So far, we have made 133 single payments to clear rent arrears or assist with rent in advance to enable households to move.
- 1.5.5 All of these payments have been made with the purpose of preventing homelessness either through securing new homes or removing the threat of eviction. Several payments have been made the same day as an application to prevent enforcement agents continuing with evictions. Applications for DHP may come directly from residents, via the Council's housing service or identified through our benefits service.
- 1.5.6 In total 320 awards have been made so far and 100 applications refused. Ongoing, weekly awards are generally made with conditions stipulating that continued payments rely on the applicant engaging with services such as debt counselling, money advice, housing advice, engagement with jobcentres etc. to encourage applicants to help themselves. It is made clear that, in all but a very few cases, reliance on DHP is not a sustainable solution.

## **1.6 Universal Credit**

- 1.6.1 On 21 November 2018, universal credit (UC) was rolled out across the Borough. It is now in operation throughout the whole of England under the management of the DWP.
- 1.6.2 UC replaces housing benefit, jobseekers allowance, income support, employment & support allowance, working tax credits and child tax credits, all known as legacy benefits. It is a working age benefit, meaning pensioners will continue to get state pensions and benefits, including housing benefit, when they reach pension age.
- 1.6.3 Residents in temporary 'homeless' accommodation and supported accommodation will not have housing costs paid through UC but will need to apply for housing benefit for help.
- 1.6.4 Families with more than two children will not be able to claim UC but continue to claim legacy benefits. This anomaly is due to be removed from 1 February 2019.

- 1.6.5 At this point in time, the easiest way to explain who claims UC is, with the exceptions above, 'anyone who would previously have made a new claim for one or more of the legacy benefits'. However, some changes in circumstances for claimants receiving legacy benefits will trigger the need to make a new claim for UC. **[ANNEX 4]** is a briefing sheet to help our staff with advice.
- 1.6.6 The expectation, based on experience from other Councils, is that the number of households receiving housing benefit in the Borough will fall by around 400 over the next year, with most of those relying on UC as a replacement for financial support.
- 1.6.7 Discretionary housing payments can be awarded to top up and assist residents receiving UC providing the award includes an element for housing costs.
- 1.6.8 Citizens Advice operate a drop-in support service at the Gateway in Tonbridge, Monday to Friday, 1pm - 4pm to assist anyone with UC difficulties.
- 1.6.9 Claims for UC do not automatically constitute a claim for council tax reduction. When claiming housing benefit, a claimant could use a single form as a joint claim for housing benefit and council tax reduction. When claiming UC, it is necessary to make a separate claim to the Council for council tax reduction. This has potential to cause delays in administration and duplication for the claimant.

## **1.7 Local Council Tax Reduction Scheme**

- 1.7.1 The Council's local council tax reduction scheme (LCTRS), which replaced council tax benefit from 1 April 2013, has been updated and aligned with national benefit rates each year in accordance with prescribed requirements from Government and in line with benefit rates and allowances provided in the annual uprating circular published by the DWP. It is proposed that the Council's local council tax reduction scheme for 2019/20 will be based on the 2018/19 scheme with amendments for prescribed requirements and uprating.
- 1.7.2 In addition to the above amendments, to simplify claiming and administration of LCTRS, it is proposed that the scheme be amended to allow a claim for UC to be treated as the intention to claim council tax reduction from the date of the UC claim. That information can be obtained via the Department for Work and Pensions (DWP) Data Hub. A claim made in this way would of course be subject to all other rules around entitlement as a claim made directly to the Council.
- 1.7.3 At the time of writing this report full details are not available from Government to update our scheme for 2019/20 however, amendments will be contained to those outlined above and the scheme will be presented to Full Council in February 2019.
- 1.7.4 Members are asked to recommend to Full Council the approval of the Tonbridge & Malling Borough Council Local Council Tax Reduction Scheme 2019/20 to be effective from 1 April 2019.

1.7.5 The local council tax reduction scheme for 2020/21 is currently being reviewed by a group of officers acting on behalf of Kent. The aim is to simplify and reduce the cost of administration of the scheme by moving away from a means tested reduction to a banded scheme more aligned to council tax than benefits. Further details will follow when more information is available, but it is expected that we will need to go out to public consultation during Summer 2019 with proposals for a new scheme.

## **1.8 Legal Implications**

1.8.1 The local council tax reduction scheme for 2019/20 must be approved by Full Council by 11 March 2019.

## **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.

## **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 at this point.

## **1.12 Policy Considerations**

1.12.1 Community

1.12.2 Customer Contact

## **1.13 Summary of Recommendations**

1.13.1 Members are now asked to **RECOMMEND** to Full Council:

- 1) That the change to the Class C discount is implemented from 1 April 2019; and a report is submitted during 2019/20 regarding any implications;
- 2) That the long term empty homes premium of 100% is applied from 1 April 2019;
- 3) To adopt a local scheme for the retail discount to be awarded in line with the discretionary relief policy and MHCLG guidance from 1 April 2019 and for the scheme to be made available at the Full Council meeting;

- 4) That delegated authority be given to the Director of Finance and Transformation to grant relief in accordance with the adopted retail discount scheme, subject to any disputed entitlement to relief being referred to this Advisory Board; and
- 5) The Tonbridge & Malling Borough Council Local Council Tax Reduction Scheme 2019/20, to be made available at the Full Council meeting, to be effective from 1 April 2019.

Background papers:

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

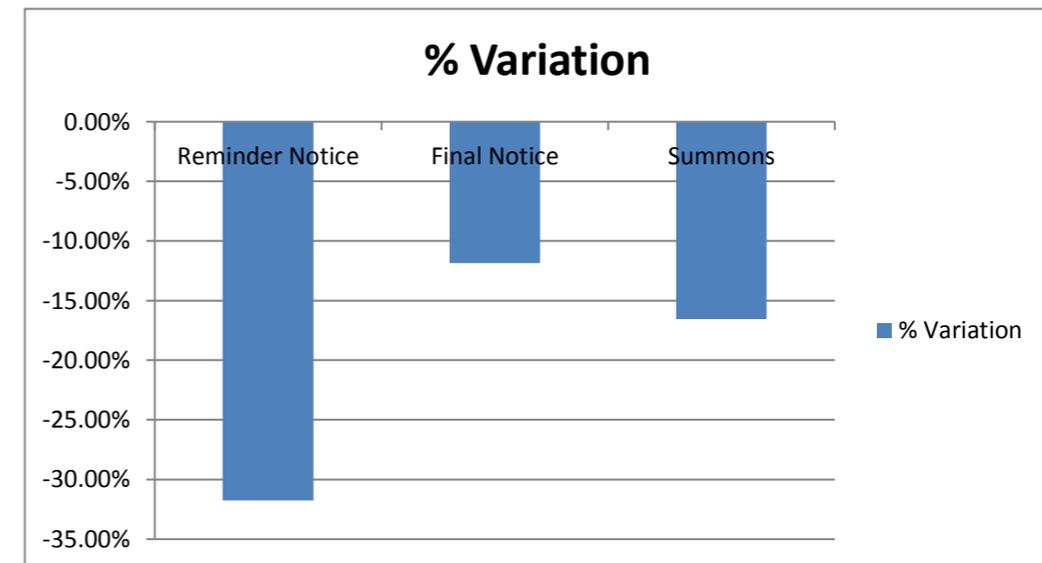
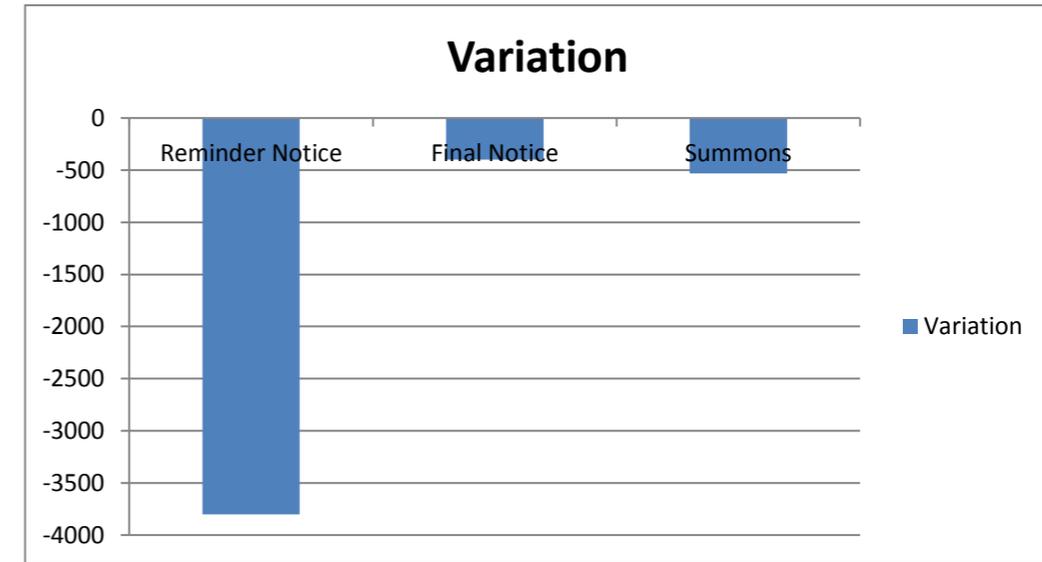
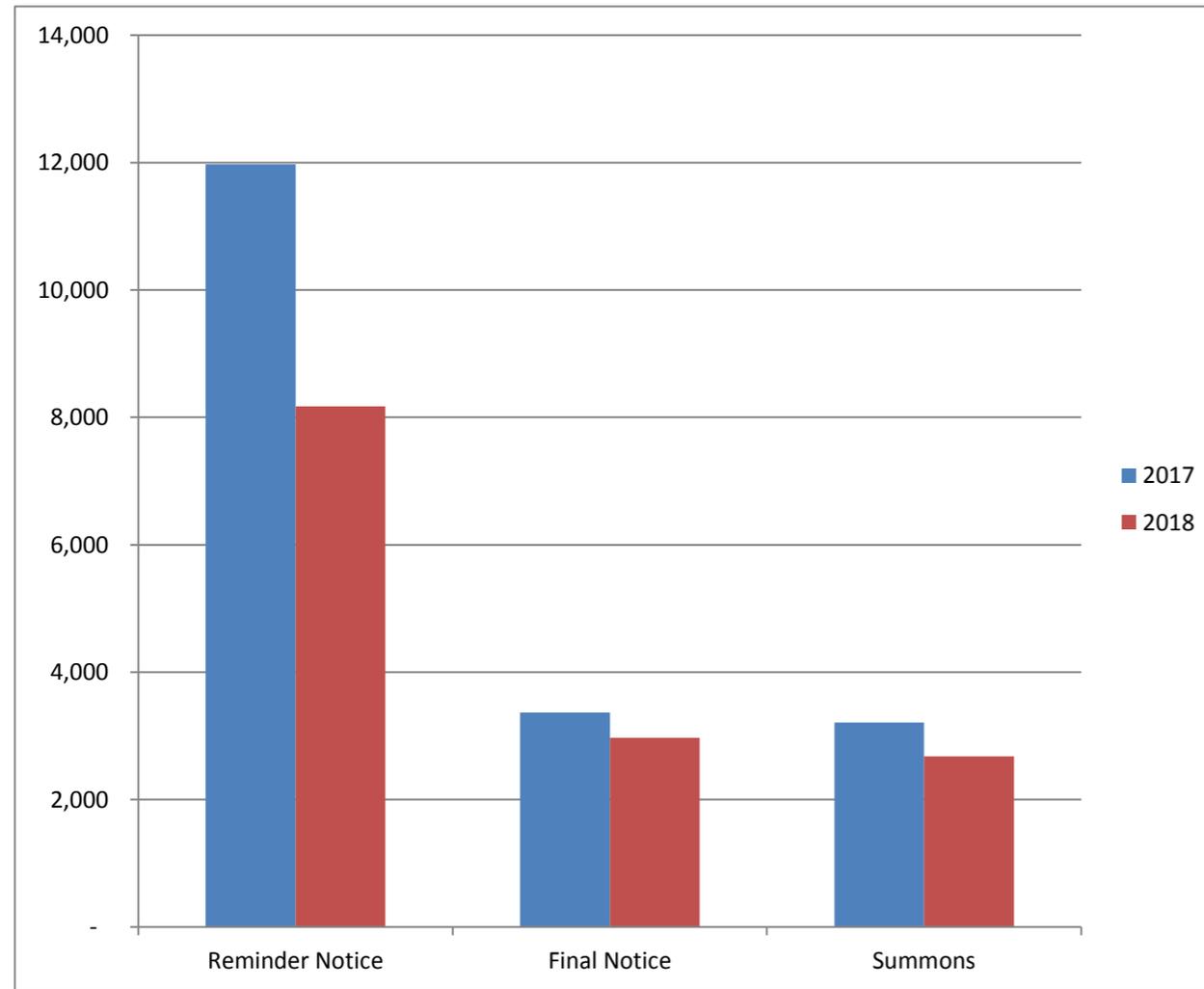
contact: Glen Pritchard  
01732 876146  
Andrew Rosevear  
01732 876143

Sharon Shelton  
Director of Finance and Transformation

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	Reminder Notice	Final Notice	Summons	Total
2017	11,973	3,367	3,207	18,547
2018	8,172	2,968	2,676	13,816
<b>Variation</b>	<b>-3801</b>	<b>-399</b>	<b>-531</b>	<b>-4731</b>
<b>% Variation</b>	<b>-31.75%</b>	<b>-11.85%</b>	<b>-16.56%</b>	<b>-25.51%</b>

**ANNEX 1**



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**Tax Base 2019/2020 - Analysis of Properties**

**ANNEX 2**

<b>BAND</b>	<b>Disab A</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>Total</b>
Total Properties	-	1,737	3,950	15,624	13,607	9,176	5,198	4,751	424	54,467
Exempt Properties	-	97	70	133	130	91	44	25	8	598
PCLC100 (Empty)	-	11	22	47	29	10	7	3	-	129
PCLD100 (Uninhabitable)	-	3	-	15	13	18	11	6	1	67
Disabled Relief Additions	4	9	47	91	58	25	39	8	-	281
Disabled Relief Reductions	-	4	9	47	91	58	25	39	8	281
PCLB0 2nd Homes	-	35	29	46	51	30	20	28	8	247
PCLC0 LTE	-	47	70	253	134	75	41	32	2	654
Premium	-	10	42	41	14	9	10	9	1	136
25% Discounts	1	1,112	2,150	5,514	3,608	1,980	799	549	24	15,737
50% Discounts	-	7	4	7	7	8	7	13	3	56
CTR discounts	-	459.29	816.96	1,797.92	784.80	201.95	55.02	18.96	0.72	4,135.62
Properties with full charge	3	420	1,601	9,612	9,588	6,922	4,273	4,055	369	36,843
Total properties (adjusted)	3.75	911.21	2,603.54	12,381.08	11,754.70	8,342.05	4,908.73	4,535.29	399.78	45,840.13
Growth adjustment	-	25.00	113.00	127.00	162.00	115.00	21.00	3.00	-	566.00
Net Total	3.75	936.21	2,716.54	12,508.08	11,916.70	8,457.05	4,929.73	4,538.29	399.78	46,406.13
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	-
Band D Equivalents	2.08	624.14	2,112.86	11,118.29	11,916.70	10,336.39	7,120.72	7,563.82	799.56	51,594.56
Less 1.5% Losses	0.04	9.37	31.67	166.79	178.72	155.04	106.83	113.48	12.01	773.95
<b>Tax Base</b>	<b>2.04</b>	<b>614.77</b>	<b>2,081.19</b>	<b>10,951.50</b>	<b>11,737.98</b>	<b>10,181.35</b>	<b>7,013.89</b>	<b>7,450.34</b>	<b>787.55</b>	<b>50,820.61</b>

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<b>PARISH</b>	<b>TOTAL TAXBASE</b>
HADLOW	1,509.52
HILDENBOROUGH	2,193.06
ADDINGTON	417.35
AYLESFORD	4,344.26
BIRLING	200.87
BOROUGH GREEN	1,675.76
BURHAM	449.89
DITTON	1,796.93
IGHTHAM	1,111.90
LEYBOURNE	1,961.37
EAST MALLING & LARKFIELD	5,022.68
WEST MALLING	1,125.37
MEREWORTH	436.54
OFFHAM	386.46
EAST PECKHAM	1,290.12
WEST PECKHAM	179.03
PLATT	892.91
PLAXTOL	595.33
RYARSH	392.08
SHIPBOURNE	263.98
SNODLAND	3,720.03
STANSTED	265.47
TROTTISCLIFFE	269.31
WATERINGBURY	896.65
WOULDHAM	699.02
WROTHAM	920.59
KINGS HILL	4,029.94
TONBRIDGE	13,774.19
<b>TOTAL</b>	<b>50,820.61</b>

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## Universal Credit and Housing Benefit - Which benefit to claim?

### Is the person / couple pension age?

As of 21 November 2018 when Universal Credit is fully rolled out in our Borough, a man or woman is pension age if their birthday is before 6 December 1953. If it falls on or after this date then check table below

Couples who are mixed pension age and working age have a choice to claim UC or Pension Credit until January 2019. From a date in January 2019 a mixed age couple will be treated as working age and claim UC until both become pension age

**YES** – claim housing benefit and pension credits

**No** – claim universal credit **unless**

**The household has more than 2 children** (this will not apply from a date in 2019 to be announced)

(Child benefit paid to claimant/partner for more than 2 children)

**YES** – claim housing benefit and legacy benefits (ie IS/JSA/ESA/tax credits)

**and/or**

### The person/household lives in supported accommodation

The landlord will be a registered charity or housing association and the tenancy will include some degree of support for the tenant or family.

**YES** – claim housing benefit for housing costs and universal credit for living costs

### The person/household lives in 'homeless' temporary accommodation

The person/household will have been placed in the accommodation by the Council's housing team and the Council will be the landlord.

**YES** – claim housing benefit for housing costs and universal credit for living costs

Increase in State Pension age from 65 to 66 for men and women

Date of birth	Date State Pension age reached
6 December 1953 – 5 January 1954	6 March 2019
6 January 1954 – 5 February 1954	6 May 2019
6 February 1954 – 5 March 1954	6 July 2019
6 March 1954 – 5 April 1954	6 September 2019
6 April 1954 – 5 May 1954	6 November 2019
6 May 1954 – 5 June 1954	6 January 2020
6 June 1954 – 5 July 1954	6 March 2020
6 July 1954 – 5 August 1954	6 May 2020
6 August 1954 – 5 September 1954	6 July 2020
6 September 1954 – 5 October 1954	6 September 2020
6 October 1954 – 5 April 1960	66th birthday

**REMEMBER – If the household pays council tax then council tax reduction still needs to be claimed from the Council**

**If assistance is required in claiming UC then personal support is available by 'drop-in' at the Maidstone Jobcentre or with Citizens Advice at the Council's Gateway Office in Tonbridge**

## Changes in Circumstances, already on Benefits

### Some changes trigger a need to claim Universal Credit

Change in employment status	
On IB-JSA/IS/IR-ESA and start or increase hours to satisfy WTC amount (to 16,24 or 30 hours)	Claim UC
Start work but not enough to satisfy WTC	Choice to stay on existing benefit or claim UC
On WTC and hours fall below 16	Claim UC
On IR-ESA doing permitted work and work becomes permanent, hours increase over 16 or other reason for not satisfying permitted work rules	Claim UC
On CTC only and start work to satisfy WTC rules	Remain on CTC and claim WTC
On WTC and increase hours	Choice to stay on existing benefit or claim UC
On WTC and becomes sick	Claim UC
Change in family circumstances	
On IS/IR-ESA/ IB-JSA/HB and household become responsible for a first child	Claim UC
On WTC only and household become responsible for a first child	Choice to stay on existing benefit or claim UC
Lone parent on IS and youngest child turns 5	Claim UC unless another reason to stay on IS
On IB-JSA and baby due within 11 weeks	Claim UC
Partner leaving / joining household	
New couple claiming TC separately	Claim UC
Lone parent on IS becomes couple	Claim UC
Single person under pension age on benefit becomes a couple with person of pension age	Claim UC
Carers	
Satisfies carer's allowance rules which means a new 'legacy benefit' claim	Claim UC
On IS and stops being a carer	Claim UC
Tax Credits (see also Change in employment status above)	
TC renewal	Choice to stay on existing benefit or claim UC
On TC and change does not lead to a claim for a new 'legacy benefit' eg lower income	Choice to stay on existing benefit or claim UC
Sickness	
On IR-ESA and fails Work Capability Assessment	Claim UC
On IB-JSA and becomes sick	Claim UC
Moving	
HB claimant moves into Borough from outside	Claim UC
HB claimant moves within Borough	Choice to stay on existing benefit or claim UC
Other	
On IB-JSA and attends jury service	Claim UC
On IS and ceases full time education	Claim UC
On contribution based JSA or ESA and ends	Claim UC

### When moving from HB to UC, HB will continue to be paid or 'run-on' for 2 weeks

#### Abbreviations

CTC	Child Tax Credit	IB-JSA	Income Based Jobseekers Allowance
ESA	Employment Support Allowance	UC	Universal Credit
HB	Housing Benefit	IR-ESA	Income Related ESA
TC	Tax Credits	WTC	Work Tax Credits

# Agenda Item 12

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

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# Agenda Item 13

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

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

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of the Local Government Act 1972.

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# Agenda Item 15

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

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