

TONBRIDGE & MALLING BOROUGH COUNCIL



EXECUTIVE SERVICES

Chief Executive

Julie Beilby BSc (Hons) MBA

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West Malling (01732) 844522

To: MEMBERS OF THE COUNCIL

NB Background reports to items referred from Cabinet and Committees have been omitted from printed agenda packs.

Dear Sir/Madam

I hereby summon you to attend a meeting of the Tonbridge and Malling Borough Council which will be held in the Council Chamber, Gibson Drive, Kings Hill on Tuesday, 21st February, 2023 at 7.30 pm.

Information on how to observe the meeting will be published on the Council's website.

The following business is proposed to be transacted:-

1. Guidance on the Conduct of Meetings 5 - 6

PART 1 - PUBLIC

2. Apologies for absence 7 - 8

3. Declarations of interest

To declare any interests in respect of recommended items

4. Minutes 9 - 14

To confirm as a correct record the Minutes of the meeting of Council held on 25 October 2022

5. Mayor's Announcements

6. Questions from the public pursuant to Council Procedure Rule No 5.6 15 - 16

7. Questions from Members pursuant to Council Procedure Rule No 5.5 17 - 18

8. Leader's Announcements 19 - 20

Matters for Decision

9. Setting the Budget 2023-24 21 - 114
- Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council.
- In accordance with CPR 8.5 of the Constitution there will be a recorded vote for this item.
10. Setting the Council Tax 2023-24 115 - 126
- Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council.
- In accordance with CPR 8.5 of the Constitution there will be a recorded vote for this item.
11. Local Council Tax Reduction Scheme 127 - 132
- Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council.
- Annex 1 – Local Council Tax Reduction Scheme is attached as a supplement due to its size.
12. Capital Plan Review 2022-23 133 - 192
- Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council
13. Revenue Estimates 2023/24 193 - 344
- Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council
14. Auditor's Annual Report 345 - 378
- Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council
15. Risk Management 379 - 418
- Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council

16. Treasury Management Update and Treasury Management and Annual Investment Strategy for 2023-24 419 - 472

Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council

17. Household Recycling and Waste Service 473 - 482

Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council

18. Political Balance Arrangements for Committees 483 - 488

This report asks Members to determine the political balance arrangements for the Borough Council's committees, sub-committees, boards and panels following the resignation of Cllr Nick Stapleton of the Green Party.

Consequential changes to the composition of Committees, Boards and Panels/Groups are summarised in Annex 1

19. Motion submitted under Council Procedure Rule 5.27 489 - 490

To consider a Notice of Motion (23/001) proposed by Councillor F Hoskins, seconded by Councillor G Bridges, on behalf of the Liberal Democrat Group in relation to Save our Rivers.

20. Reports, Minutes and Recommendations 491 - 492

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

Matters for recommendation to the Council not dealt with as part of the Setting the Budget and Setting the Council Tax item are indicated below at items 21 to 23.

21. Update following Street Trading Consultation 493 - 534

Recommendation LA 22/32 of the Licensing and Appeals Committee of 29 November 2022.

22. Council Tax Premium changes for Empty Homes and Second Homes 535 - 544

Recommendation CB 23/3 of Cabinet of 10 January 2023

23. Localism Act - Pay Policy 545 - 554

Recommendation GP 23/4 of the General Purposes Committee of 25 January 2023

Matters for Information

24. Decisions Taken Under Urgency Provisions 555 - 556

The use of urgency provisions applies when a decision represents a departure from the Borough Council's adopted Budget and Policy Framework.

Details of a decision taken under urgency provisions in respect of tree safety budget provision are set out on Decision Notice D230006URG (attached).

25. Sealing of Documents

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

Matters for Consideration in Private

26. Exclusion of Press and Public

The Mayor 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 Decision

27. Agile Project 557 - 566

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

Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council.

JULIE BEILBY
Chief Executive
Monday, 13 February 2023

GUIDANCE ON HOW MEETINGS WILL BE CONDUCTED

- (1) All meetings of the Borough Council will be livestreamed to YouTube here, unless there is exempt or confidential business be discussed:

<https://www.youtube.com/channel/UCPp-IJISNgoF-ugSzxjAPfw/featured>
- (2) There are no fire drills planned during the time a meeting is being held. For the benefit of those in the meeting room, the fire alarm is a long continuous bell and the exits are via the doors used to enter the room. An officer on site will lead any evacuation.
- (3) Should you need this agenda or any of the reports in a different format, or have any other queries concerning the meeting, please contact Democratic Services on committee.services@tmbc.gov.uk in the first instance.

Attendance:

- Members of the Committee/Advisory Board are required to attend in person and be present in the meeting room. Only these Members are able to move/ second or amend motions, and vote.
- Other Members of the Council can join via MS Teams and can take part in any discussion and ask questions, when invited to do so by the Chairman, but cannot move/ second or amend motions or vote on any matters. Members participating remotely are reminded that this does not count towards their formal committee attendance.
- Occasionally, Members of the Committee/Advisory Board are unable to attend in person and may join via MS Teams in the same way as other Members. However, they are unable to move/ second or amend motions or vote on any matters if they are not present in the meeting room. As with other Members joining via MS Teams, this does not count towards their formal committee attendance.
- Officers can participate in person or online.
- Members of the public addressing an Area Planning Committee can participate in person or online. Please contact committee.services@tmbc.gov.uk for further information.

Before formal proceedings start there will be a sound check of Members/Officers in the room. This is done as a roll call and confirms attendance of voting Members.

Ground Rules:

The meeting will operate under the following ground rules:

- Members in the Chamber should indicate to speak in the usual way and use the fixed microphones in front of them. These need to be switched on when speaking or comments will not be heard by those participating online. Please switch off microphones when not speaking.
- If there any technical issues the meeting will be adjourned to try and rectify them. If this is not possible there are a number of options that can be taken to enable the meeting to continue. These will be explained if it becomes necessary.

For those Members participating online:

- please request to speak using the 'chat or hand raised function';
- please turn off cameras and microphones when not speaking;
- please do not use the 'chat function' for other matters as comments can be seen by all;
- Members may wish to blur the background on their camera using the facility on Microsoft teams.
- Please avoid distractions and general chat if not addressing the meeting
- Please remember to turn off or silence mobile phones

Voting:

Voting may be undertaken by way of a roll call and each Member should verbally respond For, Against, Abstain. The vote will be noted and announced by the Democratic Services Officer.

Alternatively, votes may be taken by general affirmation if it seems that there is agreement amongst Members. The Chairman will announce the outcome of the vote for those participating and viewing online.

Apologies for absence

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TONBRIDGE AND MALLING BOROUGH COUNCIL

COUNCIL MEETING

MINUTES

Tuesday, 25th October, 2022

At the meeting of the Tonbridge and Malling Borough Council held in the Civic Suite, Gibson Building, Kings Hill, West Malling on Tuesday, 25th October, 2022

Present: Her Worship the Mayor (Councillor Mrs S Bell), the Deputy Mayor (Councillor J R S Lark), Cllr Mrs J A Anderson, Cllr Mrs P A Bates, Cllr T Bishop, Cllr M D Boughton, Cllr P Boxall, Cllr V M C Branson, Cllr G C Bridge, Cllr C Brown, Cllr R I B Cannon, Cllr A E Clark, Cllr M A Coffin, Cllr D J Cooper, Cllr A Cope, Cllr D A S Davis, Cllr M O Davis, Cllr D Harman, Cllr P M Hickmott, Cllr M A J Hood, Cllr F A Hoskins, Cllr S A Hudson, Cllr D Keers, Cllr Mrs F A Kemp, Cllr A Kennedy, Cllr D W King, Cllr D Lettington, Cllr Mrs R F Lettington, Cllr B J Luker, Cllr P J Montague, Cllr Mrs A S Oakley, Cllr W E Palmer, Cllr M R Rhodes, Cllr H S Rogers, Cllr R V Roud, Cllr J L Sergison, Cllr T B Shaw, Cllr K B Tanner, Cllr Mrs M Tatton, Cllr M Taylor, Cllr Miss G E Thomas, Cllr D Thornewell and Cllr C J Williams

Apologies for absence were received from Councillors M C Base, R P Betts, J L Botten, R W Dalton, Mrs T Dean, N Foyle, S M Hammond, N J Heslop, A P J Keeley, N G Stapleton and F G Tombolis.

PART 1 - PUBLIC

C 22/65 DECLARATIONS OF INTEREST

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

C 22/66 MINUTES

RESOLVED: That the Minutes of the proceedings of the meeting of the Council held on 12 July 2022 be approved as a correct record and signed by the Mayor.

C 22/67 MAYOR'S ANNOUNCEMENTS

The Mayor advised that she had attended a number of engagements since the last meeting of Council and made particular reference to:

- The Requiem Eucharist for Her Late Majesty Queen Elizabeth II at Rochester Cathedral;
- Reading the Proclamation for King Charles III at Tonbridge Castle;
- Civic Memorial Service for Her Late Majesty Queen Elizabeth II at Tonbridge Church;
- Tonbridge Baptist Church's opening of the Friendly Bench;
- Cohesion Plus Annual Wrotham Festival of Light;

- St Katherine's School and Nursery TCS London Mini Marathon event;
- Hadlow Primary School's Celebration Tea and Awards Ceremony;
- St Peter's Church of England Primary School, Aylesford Harvest Festival;
- Local Amateur Musical Players Musical Theatre Show; and
- Snodland Town Council's Pump Track launch event.

With regard to the opening of the Pump Track in Snodland, the Mayor thanked the many organisations for the funding contributions which had helped in finalising this project.

Members were reminded that future civic and charity events included Remembrance Sunday Services and Parades on 13 November and a traditional Christmas Afternoon Tea at Bradbourne House on 29 November 2022.

The Mayor appreciated the opportunity during her term of office of meeting so many fantastic volunteers and organisations who provided a valuable service to residents and communities.

Finally, the Mayor thanked the Deputy Mayor for attending a number of events on her behalf.

C 22/68 QUESTIONS FROM THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO 5.6

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

C 22/69 QUESTIONS FROM MEMBERS PURSUANT TO COUNCIL PROCEDURE RULE NO 5.5

A question had been submitted by Councillor R Roud in accordance with Council Procedure Rule No. 5.5. A written response had been provided by the Cabinet Member for Housing. Both the question and answer had been tabled and circulated in advance of the meeting as set out in the Annex attached to the Minutes.

C 22/70 LEADER'S ANNOUNCEMENTS

The Leader reflected on the recent Conservative Party leadership elections, the stability enjoyed by the Borough Council and how this helped build confidence with residents. This was demonstrated by the way the Borough Council had led on the community response on the death of Her Late Majesty, Queen Elizabeth II. The Leader paid tribute to the work of all officers at the authority involved in Operation London Bridge, manning of condolence books at Kings Hill and Tonbridge Castle, raising and lowering flags as appropriate and organising the Proclamation.

The Borough Council continued to take a proactive role with partners in supporting vulnerable communities and had played a role in the 'friendly bench' in Tonbridge, the Pump Track in Snodland and play and seating areas in East Malling.

Investment opportunities across the Borough continued to be actively explored and the launch of the new Tonbridge Trade Park was welcomed. Reference

was also made to the Post Office in Tonbridge which continued to operate at Tonbridge Castle as a temporary measure.

Other points highlighted included:

- The recent consultation in respect of Tonbridge Castle;
- The pilot being undertaken by National Enforcement Solutions to address fly tipping and littering;
- The Local Plan Regulation 18 Consultation and the worthwhile attendance at local community and parish events by the Leader and Cabinet Member for Strategic Planning and Infrastructure to address concerns raised by residents;
- The impact of rising inflation and the support offered to vulnerable residents over the winter. Details of which were available on the Borough Council's website; and
- The Borough Council had supported approximately 840 households through the Warm Coats Scheme by distributing in the region of 1000 coats and 6 primary schools in deprived areas of the Borough had received £875 to distribute. The Leader thanked the Benefits and Welfare Manager and his team for their achievements in relation to this initiative.

Finally, the Leader was pleased to announce that the Borough Council's participation in the Social Housing Decarbonisation Fund demonstrator had won top honours at the Kent Housing Group Excellence Awards. This was a credit to the Housing Team who demonstrated excellence every single day with the support provided to those in need of a home. The Leader welcomed the recognition of the Housing Team and congratulated all those involved in the process.

The full Leaders Announcements were available on the Borough Council's [YouTube channel](#).

MATTERS FOR COUNCIL DECISION

C 22/71 POLITICAL BALANCE ARRANGEMENTS FOR COMMITTEES

Following the reinstatement of Cllr D Lettington as a member of the Conservative Group, consideration was given to political balance arrangements for the Borough Council's committees, sub-committees, boards and panels. The proposed composition of all committees, sub-committees, boards and panels that were required to be politically balanced were set out at 1.1.6 of the report.

As a result of the revised political balance allocations there were consequential changes to the Conservative Group composition of committees, sub-committees, boards and panels and these were summarised in Annex 1 to the report.

RESOLVED: That

- (1) the composition of all committees, sub-committees, boards and panels be approved in accordance with the table at paragraph 1.1.6 and the Monitoring Officer make any consequential changes to the Borough Council's Constitution in respect of political balance; and

- (2) the consequential changes to the Conservation Group composition of committees, sub-committees, boards and panels be approved as set out in Annex 1 to the report.

C 22/72 CHANGES TO CONSTITUTION

The Group Leaders were invited to nominate substitute Members for the Joint Transportation Board in accordance with the new rules approved by the Council in February 2022 and in accordance with Paragraph 2.1 of Schedule 1 to the agreement with Kent County Council which expressly allowed for the Borough Council to appoint substitute members.

This proposal would ensure that each group would be able to deal with unexpected short-term absences of Joint Transportation Board members.

RESOLVED: That

- (1) the appointment of up to 5 substitute members to the Joint Transportation Board, as nominated by Group Leaders in accordance with paragraph (ii) of the Rules (attached at Annex 1), be approved; and
- (2) details of these nominations be finalised with Democratic Services out of meeting

C 22/73 LOCAL CODE OF CORPORATE GOVERNANCE

Item AU 22/27 referred from Audit Committee of 25 July 2022

RESOLVED: That the amendments to the Local Code of Corporate Governance, as set out at Annex 1 to the report to the Audit Committee, be approved for adoption.

C 22/74 TREASURY MANAGEMENT UPDATE AND MID-YEAR REVIEW

Item AU 22/40 referred from Audit Committee of 26 September 2022.

Recommendation AU 22/28 from the Audit Committee of 25 July 2022 was attached for information.

RESOLVED: That

- (1) the action taken in respect of treasury management activity for the period April to August 2022 be endorsed; and
- (2) the existing parameters intended to limit the Borough Council's exposure to investment risks, as set out at Annex 5 to the report to the Audit Committee, be retained.

C 22/75 FINAL PROPOSALS FOR REVIEW OF POLLING DISTRICTS AND POLLING PLACES

Item GP 22/33 referred from General Purposes Committee of 3 October 2022

RESOLVED: That, subject to the ward changes being laid to law in Parliament in October 2022, the final proposals as detailed in the report to the General Purposes Committee, be approved.

C 22/76 FREEDOM OF INFORMATION - PUBLICATION SCHEME

Item GP 22/34 referred from General Purposes Committee of 3 October 2022

RESOLVED: That the updated Publication Scheme, at Annex 1 to the report to the General Purposes Committee, be adopted.

C 22/77 PLANNING ENFORCEMENT REVIEW

Item OS 22/32 (2) and (3) referred from Overview and Scrutiny Committee of 6 October 2022

RESOLVED: That

- (1) the budget growth required to fund staffing proposals in respect of planning enforcement be supported;
- (2) the hybrid proposal for staffing arrangements, as detailed in section 1.4.10 of the report to the Overview and Scrutiny Committee, be commended to General Purposes for approval*; and
- (3) an increase in fees charged for activity relating to traveller incursions on Parish/Town Council or Leisure Trust land (as set out in 1.4 of the report to the Overview and Scrutiny Committee) be considered as part of the budget setting process and the fees be regularly reviewed to ensure that realistic annual uplifts are applied.

***Referred to General Purposes Committee**

C 22/78 DECISION TAKEN UNDER URGENCY PROVISIONS - KENT BUSINESS RATES POOL

Members noted that decision D22009URG in respect of Kent Business Rates Pool had been taken under urgency provisions as it was a departure from the Borough Council's adopted Budget and Policy Framework and in accordance with paragraph 4 of the Budget and Policy Framework Procedure Rules.

C 22/79 SEALING OF DOCUMENTS

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

MATTERS FOR CONSIDERATION IN PRIVATE

C 22/80 EXCLUSION OF PRESS AND PUBLIC

The Chair moved, it was seconded and

RESOLVED: That as public discussion would disclose exempt information, the following matters be considered in private.

PART 2 - PRIVATE**C 22/81 COUNCILLOR ATTENDANCE AT MEETINGS**

(Reason: LGA 1972 – Sch 12A Paragraph 1 – Information relating to an individual)

Members were invited to approve the continued absence of a Member from meetings on ill health grounds for a further six months.

RESOLVED: That

- (1) the waiver of the 6-month attendance rule, as set out in s85 of the Local Government Act 1982, for Councillor Alan Keely be approved due to illness; and
- (2) the extension of the permitted non-attendance time period for Councillor Alan Keeley be approved for a further 6-month period until 27 April 2023.

The meeting ended at 8.20 pm

Agenda Item 6

Questions from the public pursuant to Council Procedure Rule No 5.6

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Agenda Item 7

Questions from Members pursuant to Council Procedure Rule No 5.5

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Leader's Announcements

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Agenda Item 9

Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council.

In accordance with CPR 8.5 of the Constitution there will be a recorded vote for this item.

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TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

14 February 2023

Report of the Chief Executive, Director of Finance and Transformation, Leader of the Council and Cabinet Member for Finance, Innovation and Property

Part 1- Public

Matters for Recommendation to Council

1 SETTING THE BUDGET 2023/24

Further to the meeting of the Overview and Scrutiny Committee earlier in the cycle, this report updates Cabinet on issues relating to the Medium Term Financial Strategy. It also takes Members through the necessary procedures in order to set the Budget for 2023/24.

Members are asked to note that at the time of writing this report, the final settlement has not been received. All figures contained in the report are based on the provisional settlement.

Dashboard/ Key Points

- Funding Gap, representing new savings that need to be identified and delivered, now projected at £1.7m over the medium term. In addition, commitment of saving £200,000 in relation to release of office accommodation needs to be delivered.
- Budget position categorised as RED on the Strategic Risk Register.
- Provisional local government finance settlement 2023/24 giving TMBC a Settlement Funding Assessment (core funding) is for 1 year. Includes allocation of £0.6m for New Homes Bonus; also includes a Funding Guarantee of £1.8m. The overall funding INCREASE on 2022/23 is £0.5m. Based on a government policy statement, 2024/25 is expected to follow a similar pattern; but will be confirmed next year. Beyond 2024/25 there is no indication of future core funding, including any replacement (or not) for NHB making financial planning difficult.
- Referendums principles mean that council tax can only rise by greater of 3% or £5. CPI for December 10.1%. Recommended 3% increase in TMBC element of council tax bill giving a council tax at Band D for 2023/24 of £231.23; a cash increase of £6.73 per annum.
- Two capital schemes to be added to Capital Plan in 2023/24.

1.1 Introduction and Foreword

- 1.1.1 At the Full Council meeting on 21 February, Members will determine both the Budget and the level of council tax for 2023/24. The detailed Estimates for 2023/24 prepared by your Officers in liaison with the Cabinet have been carefully considered by the Overview and Scrutiny Committee earlier in the cycle. Details are set out at paragraph 1.4 below.
- 1.1.2 Whilst the primary purpose of this report is for Cabinet to recommend the Budget and resultant level of council tax for 2023/24; as ever, **this one year cannot be viewed in isolation**. This budget sits within the context of our Medium Term Financial Strategy (MTFS) covering a ten-year period. Financial decisions made in respect of the year 2023/24 will have an impact across the MTFS and upon the required savings and transformation contributions the Council will need to achieve in order to 'balance its books' and we must not lose sight of the scale of this particular challenge. Ultimately, Members working with senior officers have a duty to ensure the Council's long term financial position is sustainable, and that 'short term' decisions do not jeopardise that longer term sustainability.
- 1.1.3 In addition, this year's budget setting process has had to incorporate the difficult task of estimating the extent and speed of the recovery of the Council's income and expenditure impacted by the Covid-19 pandemic and the impact of the prevailing economic conditions on the Council's finances.
- 1.1.4 This time last year the projected funding gap was put at £2,150,000 with an initial tranche of savings in the sum of £350,000 to be delivered by April 2023. During the course of the current year, as will be noted from paragraph 1.10.3 later in this report, that target of £350,000 has been achieved.
- 1.1.5 The adverse global economic conditions, amongst other things, has inevitably added to the uncertainty in the scale of the funding gap over the past twelve months and, as advised in the report to Overview & Scrutiny Committee, the latest projected funding gap is £1,700,000. Members should also note that it is necessary to add to this figure the value of any initiatives already built into the MTFS, **but not yet delivered**. In this respect, the scaling back of office accommodation in the sum of £200,000 needs to be added in, giving a figure of **£1,900,000** to be found and delivered over the medium term. **The MTFS including the latest project funding gap is discussed in more detail later in this report.**
- 1.1.6 The Localism Act requires a local authority to seek the approval of their electorate via a local referendum if it proposes to raise council tax above the threshold set by the Secretary of State. For the year 2023/24 and also assumed for the year 2024/25, a referendum will be triggered where council tax is increased by **more than 3% or £5, whichever is higher**.
- 1.1.7 This time last year the MTFS assumed a council tax increase of £5 representing a 2.2% increase in council tax. For the purposes of preparing the budget papers

and updating the MTFS an **increase of 3% in 2023/24 and 2024/25** has been assumed followed by the higher of 2% or £5 each year thereafter.

1.1.8 Attached at **[Annex 1]** for Members' information is a copy of the Referendums Principles setting out the level of council tax increase for 2023/24 above which the local authority would be required to seek approval of their electorate via a local referendum.

1.1.9 This report necessarily touches on a number of related areas (some of which are complex) that the Director of Finance and Transformation is required to draw to Members' attention in order to provide assurance and advice to aid decision making. The report is, therefore, broken down into sections dealing with the following areas:

- Local Government Finance Settlement
- Kent Business Rates Pool
- Revenue Estimates 2023/24
- Fees and Charges
- Capital Plan
- Treasury Management and Annual Investment Strategy
- Consultation with Non-Domestic (Business) Ratepayers
- Medium Term Financial Strategy Update
- Savings and Transformation Strategy
- Collection Fund Adjustments
- Special Expenses and Parish Council Precepts
- Robustness of the Estimates / Adequacy of the Reserves
- The Chartered Institute of Public Finance and Accountancy Financial Management Code and Financial Resilience Index
- Calculation of Borough Council's Tax Requirement

1.1.10 Recommendations are made, where appropriate, within each section of the report and **highlighted in blue**. In addition, for completeness, all recommendations are summarised at Section 1.21 of the report.

1.2 Local Government Finance Settlement

Settlement Funding Assessment (Core Funding)

- 1.2.1 On 19 December 2022, the Secretary of State for the Department for Levelling Up, Housing and Communities, Michael Gove MP, made a statement to Parliament on the provisional local government finance settlement for 2023/24. The consultation in respect of the provisional settlement closed on 16 January 2023 and at the time of writing, we have not received the final settlement. We do not, however, anticipate that the final settlement will be significantly different to the provisional settlement. The 2023/24 provisional local government finance settlement represents a holding position until the next Parliament, aiming at stability.
- 1.2.2 Again, the Settlement Funding Assessment (SFA) is for one year only (2023/24) and the Fair Funding Review deferred to a future date. This further prolongs the uncertainty over local government funding more generally and specifically how it shakes down to individual councils.
- 1.2.3 Our provisional SFA for the year 2023/24 as shown in the table below is £2,525,211, an uplift of 9.7% compared to the sum received in 2022/23. The Government is again funding what has been referred to as 'Negative RSG'.
- 1.2.4 However, it is important to stress that **funding in what is assumed the near future will be dependent on the outcome of the yet to be concluded Fair Funding Review.**

New Homes Bonus

- 1.2.5 No further legacy payments are due under the New Homes Bonus (NHB) scheme giving an allocation for the year 2023/24 only which in our case is £610,499.
- 1.2.6 The future of NHB or a replacement remains the subject of discussion, but at the very least will not continue in its current form leaving one of two options. Firstly, the scheme is withdrawn and not replaced; or alternatively it is replaced, but where the funding stream and sum awarded is much reduced (our working assumption and equating to a one-year only scheme).

Under-indexing of the Business Rates Multiplier

- 1.2.7 The payment for the under-indexing of the business rates multiplier is £406,754.

Services Grant

- 1.2.8 This was introduced last year albeit it was said as a one-off un-ringfenced grant allocation to support all services delivered by councils. Our provisional allocation for the year 2023/24 as shown in the table below is £89,412.

Funding Guarantee

1.2.9 The Lower Tier Services Grant and a proportion of the expired New Homes Bonus legacy payments have been repurposed to create a one-off funding guarantee to ensure that all authorities will see at least a 3% increase in their core spending power before any decision they make about council tax levels. The increase in core spending power as calculated by the government for TMBC is 5.1%.

1.2.10 It has been assumed from what has been said that the one-off funding guarantee applies to this Spending Review period, i.e. the years 2023/24 and 2024/25. Our provisional allocation for the year 2023/24 as shown in the table below is £1,765,688.

Total Grant Funding

1.2.11 Total grant funding for the year 2023/24 as shown in the table below is £5,397,564, a cash increase of £501,590 or 10.2% when compared to that received in 2022/23. The **increase after taking account of grants rolled into the local government finance settlement is 7.2%**.

	2022/23	2023/24	Cash Increase/ (Decrease)	
	£	£	£	%
Local Share of Business Rates (baseline)	2,302,118	2,525,211	223,093	9.7
Tariff Adjustment ('negative RSG')				
Settlement Funding Assessment	2,302,118	2,525,211	223,093	9.7
New Homes Bonus	1,193,947	610,499	(583,448)	(48.9)
Under-indexing of the Business Rates Multiplier	235,249	406,754	171,505	72.9
Lower Tier Services Grant	1,005,983	-	(1,005,983)	(100.0)
Services Grant	158,677	89,412	(69,265)	(43.7)
Funding Guarantee	-	1,765,688	1,765,688	-
Total Grant Funding	4,895,974	5,397,564	501,590	10.2

1.2.12 Of the twelve district councils in Kent, Tonbridge & Malling Borough Council receives the **lowest Settlement Funding Assessment** both in total and per head. A comparison of our Settlement Funding Assessment with those of other Kent district councils is provided at **[Annex 2]**. It should be noted, however, that Tonbridge & Malling Borough Council received a higher level of Funding Guarantee than some of the Kent Districts.

1.3 Kent Business Rates Pool

1.3.1 Adopting a risk based approach and considering the wider Kent position, it was decided previously that the Council should not be part of the formal Kent Business

Rates Pool from 2021/22 and to revisit the decision at a future date subject to the existence of business rates pools and its viability at that time.

- 1.3.2 The Panattoni development on the former Aylesford Newsprint site in particular led the Council to ask the current members of the Pool to consider a request to re-join the Kent Business Rates Pool from April 2023 which was subsequently approved by Pool members and the Secretary of State.
- 1.3.3 For budgeting purposes business rates income is expected to exceed the business rates baseline in 2023/24. As a member of the Kent Business Rates Pool for business rates retention scheme purposes, we are estimating that the increased business rates income to be retained will be circa £566,000, together with a growth fund element in the sum of circa £106,000 to be spent in liaison with Kent County Council.
- 1.3.4 Reforms to the Business Rates Retention Scheme / Business Rates have been deferred.

1.4 Revenue Estimates 2023/24

- 1.4.1 As mentioned in the Foreword, the draft Revenue Estimates for 2023/24 were presented to the Overview and Scrutiny Committee earlier in the cycle. The role of the Committee is to assist both the Cabinet and the Council in the development of its budget within the context of the Medium Term Financial Strategy and the Council's priorities. Whilst a number of questions were posed by Members at the meeting, the Revenue Estimates as presented were endorsed.
- 1.4.2 Adjustments made to the Revenue Estimates following the meeting of the Overview and Scrutiny Committee are detailed in the table below.

	Revised Estimate 2022/23 £	Original Estimate 2023/24 £
Summary Total reported to Overview and Scrutiny Committee on 26 January 2023	6,678,500	15,075,650
Tree Management – note 1	50,000	
Agile Project – note 2		130,000
Household Recycling and Waste Service – note 3	77,000	150,000
Budget Stabilisation Reserve	(77,000)	(150,000)
Current Summary Total	6,728,500	15,205,650

Notes:

1. As per Urgent Decision Notice D230006URG issued 20/01/23
2. See private report of Management Team elsewhere on this agenda
3. See joint report of DSSLTS and Cabinet Member for Technical & Waste Services elsewhere on this agenda

1.4.3 Cabinet is accordingly **RECOMMENDED** to endorse the Revenue Estimates as presented to the Overview and Scrutiny Committee earlier in the cycle, together with the subsequent adjustments detailed above and recommend to Council that they be adopted.

1.5 Fees and Charges

1.5.1 Proposals in respect of fees and charges for the year 2023/24 considered and approved at the Cabinet meeting on 8 November 2022 have been reflected in the Budget, together with the resolution of the Licensing and Appeals Committee at its meeting on 29 November 2022 in respect of licensing fees.

1.6 Capital Plan

1.6.1 The outcome of the Capital Plan Review process was considered by the Overview and Scrutiny Committee on 26 January.

1.6.2 Members' attention was drawn to the difficult financial landscape and the impact this has on the ability of the Council to invest in capital schemes. It was, however, also acknowledged that some capital projects can have a beneficial effect on the revenue position by either generating additional or new income, or alternatively producing cost savings in due course.

1.6.3 Members were reminded of 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). The criteria are:

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

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

1.6.5 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.

1.6.6 There is also an annual contribution to the revenue reserve for capital schemes to match the funding required for the replacement of existing assets (vehicles, plant and equipment) and recurring capital expenditure. The contribution in 2023/24 is £974,000.

1.6.7 There remains an annual capital allowance for all other capital expenditure not least in light of the difficult and challenging financial outlook. 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 £250,000** and it is proposed that the annual allowance continue to be set at that level.

- 1.6.8 It should be noted, based on current projections, that from 2029/30 the Council may need to borrow to fund such expenditure. This does not however, preclude a decision to borrow in order to fund in full or in part a capital investment opportunity that meets the Council's strategic priorities and objectives, achieves value for money and delivers a financial return. Each such opportunity to be considered on a case by case basis as appropriate.
- 1.6.9 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) amongst other Reserves could be used to fund in full or in part appropriate capital plan schemes.
- 1.6.10 The Overview and Scrutiny Committee endorsed the recommendations as detailed in the papers. The recommendations were:
- 1) Cabinet be asked to endorse the Capital Plan (List A) position at Annex 1 (O&S agenda) and summarised at **[Annex 3]**.
 - 2) The schemes listed in **[Annex 4]** are added to List C or deleted from List C as detailed.
 - 3) The schemes listed in **[Annex 5]** are selected for evaluation over the coming year. On this occasion, two schemes have been recommended both for Fast-Track evaluation. In addition, there are two schemes selected for evaluation in a previous Review that are yet to be evaluated / subject to further evaluation as follows: Tonbridge Racecourse Sportsground – Improvement Works Phase 3 and River Medway – Riverside Environmental Improvements, Tonbridge.
 - 4) The evaluated List C schemes are progressed in accordance with the recommendation shown in **[Annex 6]**. As explained in the O&S report and also the Annex, the scale of the Gibson East Refurbishment is such that it is to be seen as a standalone project outside of the capital plan review process and how it is proposed to be funded again set out in the O&S report and also the Annex.
 - 5) Cabinet be asked to endorse the Capital Strategy at Annex 4 (O&S agenda) for adoption by Council and publication on the Council's website.
- 1.6.11 Details of the evaluated schemes are summarised below.

Capital / revenue consequences of evaluated schemes			
	Capital Cost	Annual revenue / renewals cost	O&S Agenda Annex 3 Page
	£'000	£'000	
Corporate Services			
Gibson East Refurbishment	3,000		CP 31
De-carbonising the Council's Estate	225	11	CP 33
Total	3,225	11	

1.6.12 An updated summary of the Capital Plan incorporating the schemes listed in paragraph 1.6.11 is attached at **[Annex 7]**.

1.6.13 A funding statement based on **[Annex 7]** is attached at **[Annex 8]**. The main source of funding is the Revenue Reserve for Capital Schemes and the impact on the Revenue Reserve for Capital Schemes is illustrated in **[Annex 9]**.

1.6.14 Accordingly, it is **RECOMMENDED** that:

- 1) Cabinet endorse the existing Capital Plan (List A) position at Annex 1 (O&S agenda) and summarised at **[Annex 3]**.
- 2) Cabinet approves that the schemes listed in **[Annex 4]** are added to List C or deleted from List C as detailed.
- 3) Cabinet approves the selection of those schemes listed in **[Annex 5]** for evaluation over the coming year. On this occasion, two schemes have been recommended both for Fast-Track evaluation.
- 4) Cabinet approves the transfer of schemes detailed in **[Annex 6]** to List A.
- 5) Cabinet approves the updated Capital Plan (List A) as summarised in **[Annex 7]**.
- 6) Cabinet endorse the Capital Strategy as presented to the Overview and Scrutiny Committee on 26 January.

1.7 Treasury Management and Annual Investment Strategy

1.7.1 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).

- 1.7.2 The Prudential Code requires that the CIPFA Treasury Management Code of Practice is adopted and that a number of prudential indicators are set.
- 1.7.3 Updates to both the Prudential Code and Treasury Management Code were published by the Chartered Institute of Public Finance and Accountancy (CIPFA) in December 2021 and uphold a key principle that borrowing primarily for return on investment is not permissible.
- 1.7.4 The requirements of both the Prudential Code and Treasury Management Code published by CIPFA have been taken into account and reflected as appropriate in the annual review and update of the Capital Strategy and the Treasury Management and Annual Investment Strategy 2023/24.
- 1.7.5 The approval of the Treasury Management and Annual Investment Strategy and determination of the prudential indicators has to be made by Full Council, as do amendments to either the Strategy or indicators during the year.
- 1.7.6 The Prudential Code under the auspices of the Local Government Act 2003 and subsidiary regulations requires that a number of treasury management prudential indicators are set.
- 1) The capital financing requirement - the extent to which the authority needs to undertake external borrowing to support its capital programme.
 - 2) The operational boundary for external debt.
 - 3) The authorised limit for external debt.
 - 4) The actual external debt.
 - 5) The upper limit for fixed interest rate exposure.
 - 6) The upper limit for variable rate exposure.
 - 7) The upper limit for total principal sums invested for over 365 days.
 - 8) The maturity structure for new fixed rate borrowing during 2023/24.
- 1.7.7 A summary of the indicators appears in the table below.

Treasury Management Prudential Indicators					
Prudential Indicator	2021/22 Actual	2022/23 Revised Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
	£'000	£'000	£'000	£'000	£'000
The capital financing requirement	NIL	NIL	NIL	NIL	NIL

The operational boundary for external debt	NIL	4,000	4,000	4,000	4,000
The authorised limit for external debt	NIL	7,000	7,000	7,000	7,000
Actual external debt	NIL	NIL	NIL	NIL	NIL
The upper limit for fixed interest rate exposure >1 year at year end	NIL	It is anticipated that the net exposure will range between 0% to 60%			
The upper limit for variable rate exposure < 1 year at year end	22,131 40.0%	It is anticipated that the net exposure will range between 40% to 100%			
The upper limit for total principal sums invested for over 365 days at year end	9,250 16.7%	60% of funds			
The maturity structure for new fixed rate borrowing during 2023/24	Upper Limit		Lower Limit		
Under 12 months	100%		NIL		
Over 12 months	NIL		NIL		

A new Liability Benchmark indicator has been introduced in 2023/24. Whilst consideration has been given to the Liability Benchmark, this Council is debt free and therefore there is no debt maturity profile to report. The forecast net investment requirement for the next three years (excluding the liquidity allowance) is: 2023/24 £34.3m, 2024/25 £25.6m and 2025/26 £18.8m.

- 1.7.8 The capital financing requirement measures the amount of external borrowing that the Council expects to have to undertake in support of its capital programme. A nil figure indicates that no borrowing is required. As this Council is debt free and does not expect to have to borrow to support its capital programme over the period covered, this indicator is nil.
- 1.7.9 The operational boundary is designed to cover all day to day borrowing requirements. As this Council is debt free, borrowing is only undertaken on a short-term basis to cover cash flow management.
- 1.7.10 The authorised limit is intended to provide a degree of headroom above the operational boundary to cover unexpected and unusual borrowing requirements.
- 1.7.11 The other prudential indicators we are required to set are shown in the table below.

Prudential Indicators

1.	Ratio of actual and estimated financing costs to the net revenue stream	(Interest payable with respect to borrowing less interest and investment income) ÷ (government grants plus call on local taxpayers) x 100%.					
2021/22 actual	2022/23 estimated	2023/24 estimated	2024/25 estimated	2025/26 estimated	2026/27 estimated	2027/28 estimated	2028/29 estimated
-6.91%	-12.73%	-8.59%	-7.43%	-5.89%	-5.09%	-5.09%	-4.74%

2.	Actual and estimated capital expenditure	This indicator is based on the updated capital plan position. The figures are based on those shown in [Annex 8] .					
2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
actual	estimated	estimated	estimated	estimated	estimated	estimated	estimated
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2,251	4,515	8,227	2,636	1,776	1,824	1,999	2,503

1.7.12 We, therefore, **RECOMMEND** that for the financial year 2023/24 the prudential indicators listed in paragraphs 1.7.7 including the new liability benchmark indicator and 1.7.11 be recommended to Council for adoption.

1.7.13 A local authority has a statutory duty to “*determine for the current financial year an amount of minimum revenue provision that it considers to be prudent*” in relation to its capital expenditure. It would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred and so such expenditure is spread over several years so as to try and match the years over which such assets benefit the local community through their useful life.

1.7.14 The spreading of these costs is through what is termed an *annual minimum revenue provision*. **As the Council is debt free and, at least in the short term, does not expect to borrow to support its capital programme the minimum revenue provision is nil.** Guidance issued by the Government also recommends that a Minimum Revenue Provision Policy Statement be prepared. We propose to prepare such a Statement at a time when our capital expenditure plans cannot be met without recourse to borrowing. Based on current estimates, this is not anticipated to be before 2029/30.

1.7.15 Members are asked to **NOTE** that for the financial year 2023/24 our *annual minimum revenue provision* is nil subject to the comment at paragraph 1.6.8.

1.8 Consultation with Non-Domestic (Business) Ratepayers

1.8.1 Representatives of the Council’s Non-Domestic Ratepayers have been consulted in respect of the draft revenue budget and capital plan. 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. The deadline given for responses was 20 January 2023. **Cabinet is advised that no comments have been received.**

1.9 Medium Term Financial Strategy Update

1.9.1 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 for the forthcoming year and over the

strategy period. The aim of the MTFS is to give us a realistic and sustainable plan that reflects the Council's priorities.

- 1.9.2 The Strategy also sets out, based on current financial information, 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.
- 1.9.3 The MTFS sets out the high level objectives the Council wishes to fulfil over the agreed time span. These are:
- To achieve a **balanced revenue budget** that delivers the Council's priorities by the end of the strategy period.
 - To retain a **minimum of £3.0m** in the General Revenue Reserve by the end of the strategy period and **not to fall below £2.0m** at any time during the 10-year 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 £250,000 from the Council's own resources) and give priority to those schemes that generate income or reduce costs.
- 1.9.4 Members working with senior officers have a duty to ensure the Council's long term financial position is sustainable, and that 'short term' decisions do not jeopardise that longer term sustainability.
- 1.9.5 The budget for 2023/24 is, naturally, the starting point for updating the MTFS. Referring to paragraph 1.4.2, Members will note that the Summary Total for the 2023/24 Estimates is £15,205,650 and is used in the budget projections in the Medium Term Financial Strategy at **[Annex 10a]**.
- 1.9.6 When updating the MTFS we need to take into account the following (not exclusive) factors:

Prevailing Global Economic Conditions

- 1.9.7 The impact of current economic conditions on the Council's finances / financial assumptions in respect of inflation, interest rates, etc. and the scale of the impact over the medium term is uncertain and difficult to determine.
- 1.9.8 As a result of the current adverse economic conditions including the high cost of energy the Tonbridge and Malling Leisure Trust will require financial support from the Council in 2022/23. That support is estimated to be in the order of £750,000. For financial planning purposes it has been assumed a similar level of support will be required in 2023/24 to be funded from the Budget Stabilisation Reserve.

Covid-19 Pandemic

- 1.9.9 The full extent of the impact of the Covid-19 pandemic on the Council's finances continues to unwind. Much will depend on the extent and speed of the recovery, and societal changes brought about by the response to the pandemic.
- 1.9.10 It is **important to note** that in arriving at the latest projected funding gap it is assumed that:
- sources of income will in large part return to pre Covid-19 levels albeit the cost of living crisis could slow the speed of recovery – the question is will income return to the levels and in the timescale assumed?
 - The recent high homeless caseload and consequent significant and escalating increased cost of temporary accommodation will be pulled back to pre Covid-19 levels over the medium term – the question is will costs be pulled back to the extent and in the timescale assumed?
 - On the basis that the waste contract will be re-let at the end of the first “break-point” (i.e. in March 2027), it has already been assumed that the specification will be ‘scaled back’ in order to mitigate, in part, the anticipated significant increase in cost.

- 1.9.11 What is certain is we need to be prepared to take corrective action if and when required as the situation becomes clearer/unfolds.

Government Grant Funding (Settlement Funding Assessment + NHB + Other Grants)

- 1.9.12 **Funding in what is assumed the near future will be dependent** on the outcome of the yet to be concluded Fair Funding Review, and what is to happen to NHB and other grant income moving forward. Notwithstanding the continuing uncertainty and volatility surrounding local government finances with the increased risk of significant variations compared to projections, we still need to plan ahead as best we can.

- 1.9.13 In the latest iteration of the MTFS it is assumed government grant funding and increased business rates income to be retained will reduce from circa £5.96m in 2023/24 to £3.11m in 2027/28 before seeing a modest increase year on year thereafter. A cash decrease of £2.85m or 47.8%.
- 1.9.14 A hypothetical example of how the assumed overall government grant funding and increased business rates income of £3.11m in 2027/28 might be made up is business rates retention scheme (£2.51m) NHB/ replacement (£600,000).

Business Rates Retention Scheme

- 1.9.15 Reforms to the Business Rates Retention Scheme / Business Rates have been deferred.
- 1.9.16 However, the **question remains** as to what will our business rates baseline and baseline funding level be under a revamped Business Rates Retention Scheme and how this then compares to that reflected in the MTFS taking into account transfer of any new responsibilities?
- 1.9.17 For budgeting purposes business rates income is expected to exceed the business rates baseline in 2023/24. As a member of the Kent Business Rates Pool for business rates retention scheme purposes, we are estimating that the increased business rates income to be retained will be circa £566,000, together with a growth fund element in the sum of circa £106,000 to be spent in liaison with Kent County Council.

Council Tax Referendum Principles

- 1.9.18 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.
- 1.9.19 For the year 2023/24 and also assumed for the year 2024/25, a referendum will be triggered where council tax is increased by **more than 3% or £5, whichever is higher**. This time last year the MTFS assumed a council tax increase of £5 representing a 2.2% increase in council tax.
- 1.9.20 For the purposes of preparing the budget papers and updating the MTFS an **increase of 3% in 2023/24 and 2024/25** has been assumed followed by the higher of 2% or £5 each year thereafter.

Pension Fund Deficit

- 1.9.21 The pension fund deficit is forecast to be recovered within the 10-year period of this MTFS and in all significant respects is **why the projected funding gap is £1.7m and not in excess of £3.0m**. It should be noted that this does not mean a pension fund deficit will not reappear - as it could. This will be dependent on the future performance of the pension fund and in order to lessen the risk of that

occurring we are looking to establish a 'buffer'. What this would mean in practice is working towards a position where the pension fund is overfunded so that there is an element of headroom to manage the risk.

Waste Services Contract

- 1.9.22 The Waste Services Contract has a 'break-point' in 2027 and it has been assumed for financial planning purposes that one or both parties would not wish to extend the contract beyond the break-point. If not extended beyond the initial 8 year contract period, the likelihood is that we could see increased costs over those the Council is presently paying. Where this was proved to be the case there is an expectation that the first 'port of call' would be to revisit the specification with the aim of bringing the cost down preferably within budget or as close to the budget as possible (see also paragraph 1.9.10).

Climate Change Agenda

- 1.9.23 Climate Change agenda related costs are not reflected in the MTFS. There is a relatively small, earmarked reserve to fund until expended both a revenue budget and specific projects / initiatives in support of the Climate Change Strategy. As such one-off costs over the sum available and any ongoing costs would represent unbudgeted spend / budget growth and, in turn, increase the funding gap.

Funding Gap

- 1.9.24 As we know, the funding gap is not static and constantly changes in response to both internal and external factors.
- 1.9.25 It goes without saying that the Council's finances remain under severe pressure where at this stage in the budget process the latest projected funding gap stands at **£1,700,000**. Add to this those initiatives already built into the MTFS, **but not yet delivered**, the scaling back of office accommodation in the sum of £200,000 gives a figure of **£1,900,000** to be found and delivered over the medium term.
- 1.9.26 The difficult and challenging financial outlook necessarily demands a **pressing and concerted** focus of attention. Alongside this, the assumptions highlighted at paragraph 1.9.10 in relation to the recovery from the Covid-19 pandemic are in themselves challenging. Accordingly, matters relating to the medium term finances have been recorded as RED on the Strategic Risk Register which is reported to the Audit Committee on a regular basis, in order to ensure that this is visible and highlighted as a priority for the Council.

- 1.9.27 **[Annex 10a]** sets out the picture for the MTFS.

1.10 Savings and Transformation Strategy

- 1.10.1 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.

- 1.10.2 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.

Savings and Transformation Contributions

- 1.10.3 The Council set a savings target of £350,000 to be delivered by April 2023 and to date ongoing savings / increased income in the order of £355,000 have been identified, albeit other factors / decisions made giving a net figure of £285,000.

- 1.10.4 There are of course multiple factors that can take the savings target in either the right or wrong direction. A high level overview of the movement in the savings target when the budget was set in February 2022 and the latest projected funding gap of £1,900,000 is detailed below.

	£	£
Savings Target – Council February 2022		2,150,000
Bring Sites Recycling	42,000	
Planning Enforcement	25,000	
Sports Development & Youth Engagement	(30,000)	
Ring-Fenced Sums	(34,000)	
Fees & Charges	(50,000)	
Replacement of Uniform System	(50,000)	
Members Allowances	(60,000)	
Insurance	(60,000)	
Other (net)	(68,000)	(285,000)
Other Factors Impacting on MTFS		
Waste Services Contract Inflation	640,000	
Pay Award	340,000	
Price Inflation	310,000	
Waste Services Contract Retender	300,000	
IT Expenses	166,000	
Energy - Council Offices	100,000	
Tree Management	40,000	
Planning Application Income	(93,000)	
Garden Waste Income	(193,000)	
Council Tax Income	(222,000)	
Central Government Funding	(268,000)	
Pension Fund Deficit	(1,450,000)	
Other	165,000	(165,000)

Latest Projected Funding Gap		1,700,000
Initiatives Already Built into the MTFS		200,000
Total		1,900,000

1.10.5 As in previous iterations of the MTFS the latest projected funding gap can be broken down into tranches. The proposed number, scale and timing of requisite future savings and transformation contributions is given below.

- 1) Tranche 1 - £500,000 to be achieved by April 2024.
- 2) Tranche 2 - £600,000 to be achieved by April 2026.
- 3) Tranche 3 - £600,000 to be achieved by April 2028.

1.10.6 An updated copy of the STS, recommended by Management Team, including revised outline targets and timescales for each of the themes totalling £1,700,000 can be found at **[Annex 10b]**.

1.10.7 Breaking down the tranches in this way should, hopefully, allow time for the Fair Funding Review to be concluded and what is to happen to New Homes Bonus and other grant income to be decided in advance of Tranche 2 and, in turn, giving the opportunity to revisit the scale and timing of future tranches. **The focus of attention over the next 12 months must be to deliver the Tranche 1 savings target.**

1.10.8 Cabinet is **RECOMMENDED** to:

- 1) Note and endorse the updated MTFS **[Annex 10a]**.
- 2) Note and endorse the updated STS **[Annex 10b]** including the proposed scale and timing of each of the required savings and transformation contributions set out at paragraph 1.10.5.

1.10.9 Turning back to the specific budget year 2023/24. The budget for 2023/24 includes a contribution **to** the general revenue reserve of £1,356,800 and a Summary of the Revenue Estimates Booklet is attached at **[Annex 11]**.

1.11 Collection Fund Adjustments

1.11.1 As the billing authority for the area, this Council has responsibility for maintaining the 'collection fund' accounts into which council tax and business rates are paid.

1.11.2 Before we can finalise our calculations in respect of the tax requirements, we have to:

- Estimate the surplus / deficit on the collection fund for 2022/23 in respect of council tax and then share this between the major precepting authorities (including ourselves).
- Estimate the surplus / deficit on the collection fund for 2022/23 in respect of business rates and then share this between the relevant parties in accordance with the business rates retention scheme.

1.11.3 These are known as collection fund adjustments:

- The **surplus** on the collection fund for 2022/23 in respect of council tax is estimated to be £601,183. Our share, to be reflected in the 2023/24 Estimates is £85,040 [**Annex 12a**].
- The **surplus** on the collection fund for 2022/23 in respect of business rates is estimated to be £2,998,325. Our share, to be reflected in the 2023/24 Estimates is £1,199,330 [**Annex 12b**].

1.12 Special Expenses and Parish Council Precepts

1.12.1 A Special Expenses Scheme [**Annex 13a**] was introduced on the 1 April 2017 and following consultation public conveniences added to the Scheme with effect from 1 April 2022.

1.12.2 Details of the Special Expenses for 2023/24 are set out at [**Annex 13b**]. The basic amount of council tax of £210.71 plus the special expenses Band D charge, where applicable, gives the total Borough Council Band D charge for that area.

1.12.3 When publishing the Borough Council's level of council tax at Band D for "official" purposes in accordance with the prescribed methodology from the Department for Levelling Up, Housing and Communities (DLUHC), we are required to aggregate all expenditure (as if special expenses did not exist) and calculate a **notional** Band D figure. (This is so that the DLUHC can see that the referendum principles have been adhered to).

1.12.4 The resultant published (notional) council tax at Band D **for 2023/24 is £231.23**, being 3.0% higher than the published Band D council tax for 2022/23. As Members will note, no resident will actually pay this exact amount as the Borough Council's Band D – unless it is by coincidence.

1.12.5 Cabinet is requested to **ENDORSE** the special expenses calculated in accordance with the Special Expenses Scheme and set out at [**Annex 13b**].

1.12.6 Details of Parish Council precepts notified to the Borough Council are given at [**Annex 14**].

1.13 The Robustness of the Estimates and the Adequacy of the Reserves (Section 25 Statement)

- 1.13.1 The Council is required to have regard to the level of its balances and reserves before determining its council tax requirement. **[Annex 15]** sets out the projected general fund and general revenue reserve balances based on an increase of 3% to the notional council tax level.
- 1.13.2 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (in our case the Director of Finance and Transformation) to report to an authority, when making the statutory calculations required to determine its council tax, on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides.
- 1.13.3 What is required is the professional advice of the Director of Finance and Transformation on these two questions. This responsibility is discharged by way of a certified Statement.
- 1.13.4 The Director of Finance and Transformation advises that she is satisfied as to the robustness of the estimates and the adequacy of reserves on the understanding that the **required savings and transformation contributions based on latest projections in the sum of £1,700,000, together with the initiative already built into the MTFs, the scaling back of office accommodation in the sum of £200,000 are delivered in the timeframe assumed in the Medium Term Financial Strategy.**
- 1.13.5 The Statement referred to above is appended at **[Annex 16a]** which Members are recommended to read thoroughly in order to understand the assumptions and risks that are set out. Members will note that, overall, the Director of Finance and Transformation signifies that, in her professional opinion, **the estimates are robust and the level of reserves adequate.** Members are, however reminded, of the fact that the Council's medium term finances are still categorised as RED on the Strategic Risk Register and it is essential that addressing the funding gap and associated savings targets are progressed as a priority.
- 1.13.6 A schedule of the reserves held by the Council at 1 April 2022 and proposed utilisation of those reserves to 31 March 2024 is provided at **[Annex 16b]**. As this Council's Chief Finance Officer, the Director of Finance and Transformation has undertaken a review of the earmarked reserves held and is satisfied as to the position depicted and will revisit the position as part of the closedown process for 2022/23.
- 1.13.7 Members are **RECOMMENDED** to note and endorse the Statement **[Annex 16a]** provided by the Director of Finance and Transformation.

1.14 The Chartered Institute of Public Finance and Accountancy Financial Management Code and Financial Resilience Index

1.14.1 In October 2019, the Chartered Institute of Public Finance and Accountancy (CIPFA) published a Financial Management Code (FM Code) to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code is based on a series of principles supported by specific standards and statements of practice considered necessary to provide the strong foundation to:

- financially manage the short, medium and long-term finances
- manage financial resilience to meet unforeseen demands on services
- financially manage unexpected shocks in their financial circumstances.

1.14.2 The Code requires that a local authority **demonstrate that its processes satisfy the principles of good financial management** for an authority of its size, responsibilities and circumstances and sought to rely on the local exercise of professional judgement backed by appropriate reporting. None of this should be of particular concern as we believe good financial management is in all significant respects already embedded at Tonbridge and Malling.

1.14.3 Compliance will typically, but not always, be demonstrated by documenting compliance by way of a self-assessment. The outcome of such an assessment using a RAG rating was reported to the 26 July 2021 Audit Committee where a green rating was assigned to all but two, rated amber, of the seventeen Financial Management Standards.

1.14.4 In addition, the CIPFA Financial Resilience Index aims to provide a tool with a group of indicators able to illustrate the trajectory of an authority's financial position and resilience within the context of each authority's own comparator tier and nearest neighbour group. CIPFA has designed the index to provide reassurance and prompt challenge where it may be needed.

1.14.5 A review of the Financial Resilience Index published in January 2023 identified no particular concerns in addition to that already highlighted in the report. A copy of the Index is attached at **[Annex 16c]** for information.

1.15 Calculation of Borough Council's Tax Requirement

1.15.1 The Council is required to calculate:

- Its aggregate expenditure which, for this purpose, includes our share of any Collection Fund deficit and the Parish Council precepts.

- Its aggregate income which, for this purpose, includes our share of any Collection Fund surplus and the Local Government Finance Settlement (see paragraph 1.2).
- The amount by which the aggregate expenditure exceeds the aggregate income is to be its council tax requirement for the year.

1.15.2 Assuming Cabinet's concurrence with the recommendations set out in paragraph 1.10.8, the calculation is set out at **[Annex 17]**. It should be noted that, for this purpose, the Borough Council's council tax requirement includes the Parish Council precepts.

1.16 Legal Implications

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

1.16.2 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.

1.16.3 The Local Government Finance Act 2012 and regulations that followed introduced the current Business Rates Retention Scheme.

1.17 Financial and Value for Money Considerations

1.17.1 The scale of the financial challenge places financial sustainability at increased risk. The Council's medium term finances are shown as RED on the Council's Strategic Risk Register.

1.17.2 The uncertainty surrounding local government finances – the awaited outcome of the Fair Funding Review, what is to happen to NHB and other grant income, business rates reforms, in addition to the adverse impact of the current economic conditions and the Covid-19 pandemic continuing to unwind makes financial planning that much more difficult.

1.17.3 The 2023/24 provisional local government finance settlement represents a holding position until the next Parliament, aiming at stability. But the ruling out of a business rates reset, or a Fair Funding Review and the continuing uncertainty surrounding NHB means that the big questions about the future of the funding system remain unaddressed where three key questions remain.

- Firstly, what will our business rates baseline and baseline funding level be 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?
- Thirdly, over what time period will other grant income be 'in play' and how much might we expect to receive year on year in that period?

1.17.4 A further key question is, will the reductions in income and increased costs seen as a result of the pandemic return in large part to pre Covid-19 levels to the extent and in the timescale assumed?

1.17.5 In addition, the impact of current economic conditions on Council finances / financial assumptions in respect of inflation, interest rates, etc. and the scale of the impact over the medium term is uncertain and difficult to determine.

1.18 Risk Assessment

1.18.1 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.

1.18.2 The Medium Term Financial Strategy sets out the high level financial objectives the Council wishes to fulfil and underpins the budget setting process for the forthcoming year and over the Strategy period. As the Council's high level financial planning tool the Strategy needs to be reviewed and updated at least annually and in the current climate regularly reviewed by Management Team. In addition, not identifying and implementing the requisite savings and transformation contributions will put at risk the integrity of the MTFS.

1.18.3 The pandemic continues to have a significant adverse impact on the Council's finances and dependent on the extent and speed of the recovery further widen the funding gap.

1.18.4 The continuing uncertainty and volatility surrounding local government finances does not aid financial planning with the increased risk of significant variations compared to projections; and the consequent implications on the level of reserves held.

1.18.5 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.

- 1.18.6 The Waste Services Contract if not extended beyond the initial 8 year contract period could see increased costs over current levels. As mentioned at paragraph 1.9.10, however, it is important to note that forward planning already assumes a 'scaled-back' specification.
- 1.18.7 The Inter Authority Agreement with KCC as part of the Waste Services Contract may not be extended beyond the initial 8 year contract period with potential significant adverse budget implications, albeit this is considered unlikely.
- 1.18.8 The proceeds from the sale of Gibson West may not fully cover the cost of the Gibson East Refurbishment and or the sale takes longer than anticipated placing the Revenue Reserve for Capital Schemes under pressure and recourse to borrowing earlier than expected with consequent financial implications.
- 1.18.9 It is expected that the pension fund deficit will be recovered within the 10-year period of this MTFs. However, depending upon the performance of the fund, a deficit could 'reappear' at any time. To mitigate the risk of this and the impact it would have on the MTFs, we are working towards a position where the pension fund is overfunded so that there is an element of headroom.
- 1.18.10 Members are reminded that there are factors not reflected in the MTFs, e.g. Climate Change agenda related costs other than a relatively small, earmarked reserve and the cost of borrowing for new capital plan schemes when and if required.
- 1.18.11 Any increase in council tax above the relevant threshold, even by a fraction of a percentage point, would require a referendum to be held.

1.19 Equality Impact Assessment

- 1.19.1 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.

1.20 Policy Considerations

Budgetary and policy framework is relevant to all areas of the Council's business.

1.21 Recommendations

- 1.21.1 Cabinet is **RECOMMENDED** to:

- 1) Endorse the Revenue Estimates as presented to the Overview and Scrutiny Committee earlier in the cycle, together with the subsequent adjustments detailed at paragraph 1.4.2 and recommend to Council that they be adopted.
- 2) Update the Capital Plan as set out in paragraph 1.6.14 and recommend that Council adopt the Capital Plan accordingly.

- 3) Endorse the Capital Strategy as presented to the Overview and Scrutiny Committee earlier in the cycle and recommend to Council it be adopted.
- 4) Endorse the prudential indicators listed in paragraphs 1.7.7 including the new liability benchmark indicator and 1.7.11 and recommend to Council that they be adopted.
- 5) Note that for the financial year 2023/24 our *annual minimum revenue provision* is nil subject to the comment at paragraph 1.6.8.
- 6) Note and endorse the updated MTFS [**Annex 10a**].
- 7) Note and endorse the updated STS [**Annex 10b**] including the proposed scale and timing of each of the required savings and transformation contributions set out at paragraph 1.10.5.
- 8) Endorse the special expenses calculated in accordance with the Special Expenses Scheme and set out at [**Annex 13b**].
- 9) Note and endorse the Statement [**Annex 16a**] provided by the Director of Finance and Transformation as to the Robustness of the Estimates and the Adequacy of the Reserves (Section 25 Statement).

Background papers:

Nil

contact: Neil Lawley
Sharon Shelton

Julie Beilby
Chief Executive

Sharon Shelton
Director of Finance and Transformation

Matt Boughton
Leader of the Council

Martin Coffin
Cabinet Member for Finance, Innovation and Property

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The Referendums Relating to Council Tax Increases (Principles) (England) Report 2023/24

Legislative background

General

1. Under section 52ZB of the Local Government Finance Act 1992(a) (“the 1992 Act”) each billing authority and precepting authority must determine whether its relevant basic amount of council tax(b) for a financial year (“the year under consideration”) is excessive. In essence, the relevant basic amount of council tax for an authority is that authority’s average band D council tax but, in the case of a billing authority, excluding local precepts(c). If an authority’s relevant basic amount of council tax is excessive a referendum must be held in relation to that amount.
2. Under section 52ZC(d) of the 1992 Act the question of whether an authority’s relevant basic amount of council tax is excessive must be decided in accordance with a set of principles determined by the Secretary of State. A set of principles —
 - may contain one principle or two or more principles, and
 - must constitute or include a comparison between the authority’s relevant basic amount of council tax for the year under consideration and its relevant basic amount of council tax for the financial year immediately preceding the year under consideration(e).
3. In setting principles for the year under consideration the Secretary of State may determine categories of authority. If the Secretary of State does so the same principles must be determined for all authorities falling within the same category and if an authority does not fall within any of the categories its relevant basic amount of council tax is not capable of being excessive for the year under consideration(f).
4. If the Secretary of State does not determine categories of authority for the year under consideration, any principles determined for the year must be such that the same set is determined for all authorities(g).

(a) 1992 c.14. Section 52ZB was inserted into the 1992 Act by Schedule 5 to the Localism Act 2011 (c.20).

(b) The term “relevant basic amount of council tax” is defined in section 52ZX of the 1992 Act (inserted as above and amended by section 41(1) and (9) to (13) of the Local Audit and Accountability Act 2014 (c.2) and modified by S.I. 2017/611).

(c) A local precept may be issued to a billing authority by a local precepting authority (as defined in section 39(2) of the 1992 Act) or anticipated by a billing authority pursuant to the Billing Authorities (Anticipation of Precepts) Regulations 1992 S.I. 1992/3239, as amended by S.I. 1995/235 S.I. 2006/3395 and S.I. 2014/35.

(d) Section 52ZC was inserted into the 1992 Act by Schedule 5 to the Localism Act 2011 and is modified by S.I. 2017/611.

(e) Section 52ZC(2) and (3) of the 1992 Act.

(f) Section 52ZC(4) of the 1992 Act.

(g) Section 52ZC(5) of the 1992 Act.

5. The principles for a financial year must be set out in a report which must be laid before and approved by the House of Commons. If the report for a financial year is not approved on or before the date on which the local government finance report for the same year is approved by the House of Commons, no principles have effect for that year and accordingly no authority's relevant basic amount of council tax is capable of being excessive for that year(a).

The Greater London Authority

6. The Greater London Authority ("the GLA") calculates two different basic amounts of council tax for a financial year —
 - (a) an amount which applies to the City of London and which does not include any amount in respect of the Mayor's Office for Policing and Crime, and
 - (b) an amount which applies to all parts of Greater London other than the City of London and which includes an amount in respect of the Mayor's Office for Policing and Crime(b).
7. The GLA's relevant basic amount of council tax is defined by reference to these two amounts. In particular —
 - the relevant basic amount derived from the amount mentioned in paragraph 6(a) above is referred to in the 1992 Act as the GLA's unadjusted relevant basic amount of council tax, and
 - the relevant basic amount derived from the amount mentioned in paragraph 6(b) above is referred to in the 1992 Act as the GLA's adjusted relevant basic amount of council tax(c).
8. A principle that applies to the GLA, and that constitutes or includes a comparison between the GLA's relevant basic amount of council tax for the year under consideration and the financial year immediately preceding that year, may only provide for —
 - a comparison between unadjusted relevant basic amounts of council tax,
 - a comparison between adjusted relevant basic amounts of council tax, or
 - both(d).

(a) See generally section 52ZD of the 1992 Act, inserted as above.

(b) Sections 88(2) and 89(3) of the Greater London Authority Act 1999. Section 88(2) was substituted by section 77(1) and (3) of the Localism Act 2011 and section 89(4) (which is mentioned in section 89(3)) was substituted by section 77(1) and (7) of that Act. The Mayor's Office for Policing and Crime was established by section 3 of the Police Reform and Social Responsibility Act 2011.

(c) Section 52ZX(4) of the 1992 Act.

(d) Section 52ZC(6) of the 1992 Act.

An authority which has power to calculate its council tax under the Local Government (Structural Changes) (Finance) Regulations 2008

9. Where structural change occurs under the Local Government and Public Involvement in Health Act 2007, in order to equalise more equitably the council tax payable in the predecessor areas an authority is able to calculate its council tax under Part 4 (equalisation of council tax) of the Local Government (Structural Changes) (Finance) Regulations 2008 (“the 2008 regulations”)(a) for a transitional period.
10. If an authority has the power to calculate its council tax for a financial year under Part 4 of the 2008 Regulations, those Regulations modify the operation of the council tax referendums provisions in the 1992 Act in relation to that year. In particular, section 52ZC of the 1992 Act is modified to allow the authority to use different methods of comparison to determine whether its council tax increase is excessive in accordance with its preferred approach to equalisation. The modifications which apply also depend on how the financial year for which principles are being set relates to the date of the structural change(b).
11. In relation to the financial year 2023-24, Cumberland Council, North Yorkshire Council, Somerset Council, West Northamptonshire Council and Westmorland and Furness Council have the power to calculate their council tax under Part 4 of the 2008 Regulations. For West Northamptonshire Council, the modifications in Part 2 of Schedule 3 to the 2008 Regulations apply for 2023-24(c). For each of the other Councils, the modifications in Part 1 of that Schedule apply for 2023-24(d).

The Report

12. This Report is made by the Secretary of State for Levelling Up, Housing and Communities and laid before the House of Commons under section 52ZD(1) of the 1992 Act.
13. The Report applies to all billing authorities, major precepting authorities falling within section 39(1)(a), (aa) and (b) to (db) of the 1992 Act, the Greater Manchester Combined Authority(e) and the West Yorkshire Combined Authority(f). No principles are specified for local precepting authorities or other mayoral combined authorities.

Principles for the financial year beginning on 1st April 2023

-
- (a) S.I. 2008/3022, as amended by S.I. 2012/20 and S.I. 2018/1296.
 - (b) See regulation 15A of, and Schedule 3 to, the 2008 Regulations, as amended by S.I. 2018/1296. Different modifications apply for the first, second to seventh, and eighth years following the date of the structural change.
 - (c) See paragraphs 9 to 16 of that Schedule, as amended by S.I. 2018/1296.
 - (d) See paragraphs 1 to 8 of that Schedule, as amended by S.I. 2018/1296.
 - (e) The Greater Manchester Combined Authority was created by the Greater Manchester Combined Authority Order 2011, S.I. 2011/908.
 - (f) The West Yorkshire Combined Authority was created by the West Yorkshire Combined Authority Order 2014, S.I. 2014/864, which was amended by S.I. 2021/112.

14. The principles which apply for 2023-24 are set out in Annex A to this Report. If this Report is approved by resolution of the House of Commons the principles will have effect for that financial year.

Signed by authority of the Secretary of State for Levelling Up, Housing and Communities

[Date] 2023

Name
Minister of State
Department for Levelling Up, Housing and Communities

DRAFT

Principles for the financial year beginning on 1st April 2023

The set of principles determined by the Secretary of State under section 52ZC(1) of the Local Government Finance Act 1992 for the financial year beginning on 1st April 2023 is as follows:

Interpretation

1.—(1) In this set of principles—

“2022-23” means the financial year beginning on 1st April 2022;

“2023-24” means the financial year beginning on 1st April 2023;

“the 1992 Act” means the Local Government Finance Act 1992(a);

“the 2008 Regulations” means the Local Government (Structural Changes) (Finance) Regulations 2008(b);

“a fire and rescue authority” means an authority within the meaning of section 39(1)(d), (da) or (db) of the 1992 Act(c);

“the GLA” means the Greater London Authority;

“predecessor area” has the same meaning as in regulation 12(1) of the 2008 Regulations;

“a relevant local authority” means—

(a) an authority falling within section 1(4) of the Care Act 2014(d) (other than a unitarising authority or West Northamptonshire Council); and

(b) the Council of the Isles of Scilly;

“a shire district council” means a district council for an area for which there is a county council;

“a unitarising authority” means—

(a) Cumberland Council;

(b) North Yorkshire Council;

(c) Somerset Council;

(d) Westmorland and Furness Council.

(2) In this set of principles any reference to an authority is a reference to a billing authority, a major precepting authority falling within section 39(1)(a), (aa) and (b) to (db) of the 1992 Act, the Greater Manchester Combined Authority and the West Yorkshire Combined Authority.

(a) 1992 c.14.

(b) S.I. 2008/3022, as amended by S.I. 2012/20 and 2018/1296.

(c) Section 39(1) was amended by the Local Government (Wales) Act 1994 (c. 19), section 36(6); the Greater London Authority Act 1999 (c. 29), sections 82 and 423 and Part 1 of Schedule 34; the Local Government Act 2003 (c. 26), section 83(1); the Fire and Rescue Services Act 2004 (c. 21), section 53(1) and paragraph 81 of Schedule 1; the Civil Contingencies Act 2004 (c. 36), section 32(1) and paragraph 10(1) and (2) of Schedule 2; the Police Reform and Social Responsibility Act 2011 (c. 13), section 26(1) and (2); the Cities and Local Government Devolution Act 2016 (c. 1), section 5(1); the Policing and Crime Act 2017 (c. 3), section 6 and paragraph 71(1) and (2) of Schedule 1.

(d) 2014 c.23. The definition in section 1(4) of the Act covers (a) county councils in England; (b) district councils for an area in England for which there is no county council; (c) London borough councils, and (d) the Common Council of the City of London.

(3) Terms used in this set of principles which are also used in the 1992 Act have the same meanings as in that Act.

Categories of authority for 2023-24

2. For 2023-24, the Secretary of State determines that the following are categories of authority for the purposes of section 52ZC of the 1992 Act—

- (a) any relevant local authority(a);
- (b) West Northamptonshire Council;
- (c) any police and crime commissioner;
- (d) the Greater Manchester Combined Authority and the West Yorkshire Combined Authority(b);
- (e) any shire district council;
- (f) the GLA;
- (g) a unitarising authority; and
- (h) any fire and rescue authority.

Principles for 2023-24 for authorities belonging to the category mentioned in paragraph 2(a)

3. For 2023-24, the relevant basic amount of council tax of an authority which belongs to the category mentioned in paragraph 2(a) is excessive if the authority's relevant basic amount of council tax for 2023-24 is 5% (comprising 2% for expenditure on adult social care, and 3% for other expenditure), or more than 5%, greater than its relevant basic amount of council tax for 2022-23.

Principles for 2023-24 for West Northamptonshire Council

4.—(1) If West Northamptonshire Council calculates its basic amount of council tax for 2023-24 under section 31B(1) of the 1992 Act, the authority's relevant basic amount of council tax for 2023-24 is excessive if the amount mentioned in section 52ZC(3A)(a)(c) of the 1992 Act is 5% (comprising 2% for expenditure on adult social care and 3% for other expenditure), or more than 5%, greater than the amount mentioned in section 52ZC(3A)(b) of that Act.

(2) If West Northamptonshire Council calculates basic amounts of council tax for its predecessor areas for 2023-24 under Part 4 of the 2008 Regulations, the authority's relevant basic amount of council tax for that year is excessive if—

- (a) for any of West Northamptonshire Council's predecessor areas, the amount mentioned in section 52ZC(3C)(a) of the 1992 Act is 5% (comprising 2% for expenditure on adult social care, and 3% for other expenditure), or more than 5%, greater than the amount mentioned in section 52ZC(3C)(b); and

(a) The bodies that are within this category are set out, for information, in Annex B to this Report.
(b) Where the mayor of a combined authority exercises PCC functions Chapter 4ZA of Part 1 of the Local Government Finance Act 1992 is modified by paragraphs 7 to 10 of the Schedule to the Combined Authorities (Finance) Order 2017, S.I. 2017/611. For the definition of "PCC functions" see section 107F(3) of the Local Democracy, Economic Development and Construction Act 2009 (c. 20).
(c) For 2023-24, the modifications in paragraphs 9 to 16 of Schedule 3 to the 2008 Regulations (as amended by S.I. 2018/1296) apply to the 1992 Act in relation to West Northamptonshire Council. See paragraph 9 of that Schedule for modifications to section 52ZC of the 1992 Act.

- (b) the amount mentioned in section 52ZC(3F)(a) of the 1992 Act is 5% (comprising 2% for expenditure on adult social care, and 3% for other expenditure), or more than 5%, greater than the amount mentioned in section 52ZC(3F)(b).

Principles for 2023-24 for authorities belonging to the category mentioned in paragraph 2(c)

5. For 2023-24, the relevant basic amount of council tax of an authority which belongs to the category mentioned in paragraph 2(c) is excessive if the authority's relevant basic amount of council tax for 2023-24 is more than £15 greater than its relevant basic amount of council tax for 2022-23.

Principles for 2023-24 for authorities belonging to the category mentioned in paragraph 2(d)

6. For 2023-24, the PCC component relevant basic amount of council tax of the Greater Manchester Combined Authority or of the West Yorkshire Combined Authority is excessive if the authority's PCC component relevant basic amount of council tax for 2023-24 is more than £15 greater than its PCC component relevant basic amount of council tax for 2022-23.

Principles for 2023-24 for authorities belonging to the category mentioned in paragraph 2(e)

7. For 2023-24, the relevant basic amount of council tax of an authority which belongs to the category mentioned in paragraph 2(e) is excessive if the authority's relevant basic amount of council tax for 2023-24 is—

- (a) 3%, or more than 3%, greater than its relevant basic amount of council tax for 2022-23; and
- (b) more than £5 greater than its relevant basic amount of council tax for 2022-23.

Principles for 2023-24 for the GLA

8. For 2023-24, the GLA's relevant basic amount of council tax is excessive if—

- (a) the GLA's unadjusted relevant basic amount of council tax for 2023-24 is more than £23.55 greater than its unadjusted relevant basic amount of council tax for 2022-23; or
- (b) the GLA's adjusted relevant basic amount of council tax for 2023-24 is more than £38.55 greater than its adjusted relevant basic amount of council tax for 2022-23.

Principles for 2023-24 for authorities belonging to the category mentioned in paragraph 2(g)

9.—(1) If an authority which belongs to the category mentioned in paragraph 2(g) calculates its basic amount of council tax for 2023-24 under section 31B(1) of the 1992 Act, the authority's relevant basic amount of council tax for 2023-

24 is excessive if the amount mentioned in section 52ZC(3A)(a)(a) of the 1992 Act is 5% (comprising 2% for expenditure on adult social care and 3% for other expenditure), or more than 5%, greater than the amount mentioned in section 52ZC(3A)(b) of that Act.

(2) If such an authority calculates basic amounts of council tax for its predecessor areas for 2023-24 under Part 4 of the 2008 Regulations, the authority's relevant basic amount of council tax for that year is excessive if—

- (a) for any of the authority's predecessor areas, the amount mentioned in section 52ZC(3C)(a) of the 1992 Act is 5% (comprising 2% for expenditure on adult social care, and 3% for other expenditure), or more than 5%, greater than the amount mentioned in section 52ZC(3C)(b); and
- (b) the amount mentioned in section 52ZC(3D)(a) of the 1992 Act is 5% (comprising 2% for expenditure on adult social care, and 3% for other expenditure), or more than 5%, greater than the amount mentioned in section 52ZC(3D)(b).

Principles for 2023-24 for authorities belonging to the category mentioned in paragraph 2(h)

10. For 2023-24, the relevant basic amount of council tax of an authority which belongs to the category mentioned in paragraph 2(h) is excessive if the authority's relevant basic amount of council tax for 2023-24 is £5, or more than £5, greater than its relevant basic amount of council tax for 2022-23.

(a) For 2023-24, the modifications in paragraphs 1 to 8 of Schedule 3 to the 2008 Regulations (as amended by S.I. 2018/1296) apply to the 1992 Act in relation to an authority which belongs to the category mentioned in paragraph 2(g). See paragraph 1 of that Schedule for modifications to section 52ZC of the 1992 Act.

Local authorities for the following areas fall within the definition of “relevant local authority” in the *Principles for the financial year beginning on 1st April 2023*

(INNER LONDON)

City of London
Camden
Greenwich
Hackney
Hammersmith & Fulham

Islington
Kensington & Chelsea
Lambeth
Lewisham
Southwark

Tower Hamlets
Wandsworth
Westminster

(OUTER LONDON)

Barking & Dagenham
Barnet
Bexley
Brent
Bromley

Croydon
Ealing
Enfield
Haringey
Harrow

Havering
Hillingdon
Hounslow
Kingston-upon-Thames
Merton

Newham
Redbridge
Richmond-upon-Thames
Sutton
Waltham Forest

(GREATER MANCHESTER)

Bolton

Bury
Manchester
Oldham
Rochdale

Salford
Stockport
Tameside
Trafford
Wigan

(MERSEYSIDE)

Knowsley
Liverpool
St Helens
Sefton
Wirral

(SOUTH YORKSHIRE)

Barnsley
Doncaster
Rotherham
Sheffield

(TYNE AND WEAR)

Gateshead
Newcastle-upon-Tyne
North Tyneside
South Tyneside
Sunderland

(WEST MIDLANDS)

Birmingham
Coventry
Dudley
Sandwell
Solihull

Walsall
Wolverhampton

(WEST YORKSHIRE)

Bradford
Calderdale
Kirklees
Leeds
Wakefield

(COUNTY COUNCILS)

Cambridgeshire

Derbyshire
Devon
East Sussex
Essex

Gloucestershire
Hampshire
Hertfordshire
Kent
Lancashire

Leicestershire
Lincolnshire
Norfolk
Nottinghamshire
Oxfordshire

Staffordshire
Suffolk
Surrey
Warwickshire
West Sussex

Worcestershire

(UNITARY AUTHORITIES)
Bath & North East Somerset
Bedford
Blackburn with Darwen
Blackpool
Bournemouth, Christchurch and Poole

Bracknell Forest
Brighton & Hove
Bristol
Buckinghamshire
Central Bedfordshire

Cheshire East
Cheshire West and Chester
Cornwall

Darlington
Derby

Dorset
Durham
East Riding of Yorkshire
Halton
Hartlepool

Herefordshire
Isle of Wight Council
Isles of Scilly
Kingston-upon-Hull
Leicester

Luton
Medway
Middlesbrough
Milton Keynes
North East Lincolnshire

North Northamptonshire
North Lincolnshire
North Somerset
Northumberland
Nottingham

Peterborough
Plymouth
Portsmouth
Reading
Redcar & Cleveland

Rutland
Shropshire
South Gloucestershire
Southampton
Southend-on-Sea

Stockton-on-Tees
Stoke-on-Trent
Swindon
Telford & Wrekin
Thurrock

Torbay
Warrington
West Berkshire
Wiltshire
Windsor & Maidenhead

Wokingham
York

Local Government Finance Settlement 2023/24

	2023/24				
	Revenue Support Grant £	Business Rates Baseline £	Settlement Funding Assessment £	Estimated Population mid-2021	Per Head £
Ashford	270,928	2,985,315	3,256,243	133,178	24.45
Canterbury	193,943	4,862,759	5,056,702	156,554	32.30
Dartford	136,356	2,817,542	2,953,898	116,777	25.30
Dover	238,401	3,843,665	4,082,066	116,595	35.01
Folkestone and Hythe	212,326	3,872,229	4,084,555	110,056	37.11
Gravesham	112,967	3,075,762	3,188,729	106,838	29.85
Maidstone	228,222	3,381,818	3,610,040	176,712	20.43
Sevenoaks	185,941	2,390,475	2,576,416	120,841	21.32
Swale	317,356	4,450,862	4,768,218	152,223	31.32
Thanet	358,030	5,242,981	5,601,011	140,678	39.81
Tonbridge and Malling	137,323	2,387,888	2,525,211	132,386	19.07
Tunbridge Wells	177,007	2,463,549	2,640,556	115,681	22.83

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**Capital Plan: List A
Service Summary**

	Expenditure To 31/03/22	2022/23 Estimate inc Prior Year Slippage	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	Scheme Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Plan Schemes									
Planning, Housing & Environmental Health	1,554	56	30	30	30	30	30	30	1,790
Street Scene, Leisure & Technical Services	288	784	1,396	287	275	159	159	174	3,522
Corporate	15	12	105	0	0	0	0	0	132
Sub-total	1,857	852	1,531	317	305	189	189	204	5,444
Capital Renewals									
Planning, Housing & Environmental Health	n/a	0	0	13	0	0	0	0	13
Street Scene, Leisure & Technical Services	n/a	590	1,776	544	241	453	601	965	5,170
Corporate	n/a	125	525	322	150	102	129	254	1,607
Sub-total	n/a	715	2,301	879	391	555	730	1,219	6,790
Total	1,857	1,567	3,832	1,196	696	744	919	1,423	12,234

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Capital Plan Review 2022/23

Recommendations in respect of List C

	Annex 2 Page
Schemes to be added to List C	
Corporate Services	
Gibson East Refurbishment	CP 29
De-carbonising the Council's Estate	CP 30
Schemes to be deleted from List C	
Street Scene, Leisure and Technical Services	
Tonbridge Farm Sportsground – Provision of Toilets (provision met by alternative provider)	
Tonbridge Castle – Site Improvements (funded in full from Welcome Back Fund)	
Taddington Valley Woodland Management (classified as revenue expenditure)	

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Capital Plan Review 2022/23

Schemes selected for evaluation from List C

	Annex 2 Page
Corporate Services	
Gibson East Refurbishment (Fast-Track)	CP 29
De-carbonising the Council's Estate (Fast-Track) Carbon Descent Initiatives – Installation of solar PV at Tonbridge Swimming Pool Installation of LED lighting at Tonbridge Swimming Pool Installation of LED lighting at Larkfield Leisure Centre	CP 30

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Capital Plan Review 2022/23

Recommendations in respect of evaluated schemes

	Capital Cost	Estimated Annual Revenue/ Renewals Cost		Annex 3 Page
	£'000	£'000		
Corporate Services				
Gibson East Refurbishment	3,000		Transfer from List C to List B	CP 31
De-carbonising the Council's Estate	225	11	Transfer from List C to List B	CP 33
Total	3,225	11		
<p>The scale of the Gibson East Refurbishment is such that it is to be seen as a standalone project outside of the capital plan review process where it is proposed the estimated capital cost of £3.0m be funded in the first instance from the Revenue Reserve for Capital Schemes. Subsequently, the proceeds (capital receipt) from the sale of Gibson West are used to fund capital expenditure up to the value of the cost of the works to in effect reimburse the Reserve. This of course assumes our share of the sale proceeds will as a minimum cover the cost of the works. The opportunity to apply for grant funding for energy efficiency measures/ environmental improvements to the public estate will also be explored.</p> <p>In addition, a revenue budget in the current financial year is required in the sum of £50,000 to meet professional fees and survey costs to take forward the project funded from an earmarked reserve and where an ongoing revenue saving as a result of the scaling back of office accommodation of £200,000 has already been built into the Medium Term Financial Strategy.</p> <p>The estimated capital cost of the De-carbonising the Council's Estate capital plan scheme comprising of three carbon descent initiatives is to be met from the Climate Change Reserve.</p>				

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**Capital Plan: List A
Service Summary**

	Expenditure To 31/03/22	2022/23 Estimate inc Prior Year Slippage	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	Scheme Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Plan Schemes									
Planning, Housing & Environmental Health	1,554	56	30	30	30	30	30	30	1,790
Street Scene, Leisure & Technical Services	288	784	1,396	287	275	159	159	174	3,522
Corporate	15	12	3,330	0	0	0	0	0	3,357
Sub-total	1,857	852	4,756	317	305	189	189	204	8,669
Capital Renewals									
Planning, Housing & Environmental Health	n/a	0	0	13	0	0	0	0	13
Street Scene, Leisure & Technical Services	n/a	590	1,776	544	241	453	601	965	5,170
Corporate	n/a	125	525	322	150	102	129	254	1,607
Sub-total	n/a	715	2,301	879	391	555	730	1,219	6,790
Total	1,857	1,567	7,057	1,196	696	744	919	1,423	15,459

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Annex 8							
Capital Plan Review 2022/23: Funding the Draft Capital Plan							
	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
Capital Plan Schemes							
Capital Renewals	715	2,301	879	391	555	730	1,219
Other Recurring Expenditure (net of grants)	335	180	189	189	189	189	189
One-Off Schemes (net of grants & contributions)	517	4,576	128	116			15
Capital Plan Totals	1,567	7,057	1,196	696	744	919	1,423
Add back grants / contributions	2,948	1,170	1,440	1,080	1,080	1,080	1,080
Total to be funded	4,515	8,227	2,636	1,776	1,824	1,999	2,503
Funded from:							
Grants							
BCF (Disabled Facilities Grant)	1,946	1,040	1,040	1,040	1,040	1,040	1,040
Environment Agency TRSG Revetment	11						
Electric Vehicle Charging Points	80						
DEFRA Anti-idling Project	31						
UK Shared Prosperity Fund	45	90	360				
Developer Contributions Attributed to							
Temporary Accommodation	354						
Tonbridge Racecourse SG Rugby Pitch Drainage	8						
Leybourne Lakes Country Park Facility Improvements	393						
Tonbridge Farm Sportsground Improvements	40						
Capital and Other Receipts							
DFG Grant Repayments	10	10	10	10	10	10	10
Housing Assistance Grant Repayments	30	30	30	30	30	30	30
Capital Receipts							
Balance 1 April 2022	685						
Hadlow Toilets	77						
Disposal of Land at New Hythe Lane Gibson West	24				658	919	1,423
Balance met from Revenue Reserve for Capital Schemes	781	7,057	1,196	696	86	0	0
Total funding	4,515	8,227	2,636	1,776	1,824	1,999	2,503

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Capital Plan Review 2022/23: Revenue Reserve for Capital Schemes

	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
Balance at 1st April	6,825	7,342	1,779	1,598	1,929	2,883	3,935
Contribution from Revenue to meet Capital Renewals and other Annually Recurring Expenditure	908	974	1,015	1,027	1,040	1,052	1,065
Revenue contribution for new Capital Plan Schemes	250	250	250	250	250	250	250
Less assumed spend			(250)	(250)	(250)	(250)	(250)
Other Revenue & Earmarked Reserve Contributions							
Climate Change Reserve - LLC Photovoltaic Panels	140						
Business Rates Reserve - Shopfront Improvement Scheme		30					
Business Rates Reserve - West Kent Green Business Grants		15					
Climate Change Reserve - Carbon Descent Initiatives x 3		225					
Available for application	8,123	8,836	2,794	2,625	2,969	3,935	5,000
Amount applied to fund capital	(781)	(7,057)	(1,196)	(696)	(86)	0	0
Balance at 31st March	7,342	1,779	1,598	1,929	2,883	3,935	5,000

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Medium Term Financial Strategy

	Estimate	Projection								
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000	2031/32 £000	2032/33 £000
EXPENDITURE										
Employees	13,530	13,465	13,605	13,878	14,180	14,292	14,586	13,057	13,305	13,559
Transfer Payments	22,152	19,949	18,458	18,827	19,203	19,588	19,980	20,379	20,787	21,203
Other Expenditure	16,521	13,962	14,228	14,557	17,299	17,848	18,415	19,006	19,618	20,252
Capital Charges	3,062	3,184	3,248	3,313	3,379	3,447	3,516	3,586	3,658	3,731
Total Expenditure	55,265	50,560	49,539	50,575	54,061	55,175	56,497	56,028	57,368	58,745
INCOME										
Fees & Charges	(9,583)	(9,989)	(10,185)	(10,422)	(10,675)	(10,934)	(11,300)	(11,570)	(11,842)	(12,121)
Other Specific Grants & Miscellaneous	(23,731)	(20,768)	(18,920)	(19,296)	(19,680)	(20,072)	(20,471)	(20,878)	(21,294)	(21,718)
Investment Income	(1,458)	(1,229)	(946)	(842)	(839)	(805)	(817)	(795)	(878)	(887)
Total Income	(34,772)	(31,986)	(30,051)	(30,560)	(31,194)	(31,811)	(32,588)	(33,243)	(34,014)	(34,726)
Appropriations										
Capital Renewals	974	1,015	1,027	1,040	1,052	1,065	1,078	1,092	1,105	1,119
Provision for new Capital Schemes	250	250	250	250	250	250	0	0	0	0
Other Appropriations	(3,639)	(1,751)	(3,272)	(3,202)	(3,264)	(3,332)	(3,401)	(3,471)	(3,543)	(3,616)
SAVINGS & TRANSFORMATION TARGET	0	(500)	(510)	(520)	(531)	(541)	(552)	(563)	(574)	(586)
SAVINGS & TRANSFORMATION TARGET	0	0	0	(600)	(612)	(624)	(637)	(649)	(662)	(676)
SAVINGS & TRANSFORMATION TARGET	0	0	0	0	0	(600)	(612)	(624)	(637)	(649)
NET BUDGETED SPEND	18,078	17,588	16,983	16,983	19,762	19,582	19,785	18,570	19,043	19,611
FUNDING										
Revenue Reserves	(1,357)	(1,141)	323	(151)	2,678	2,007	1,718	(16)	(62)	(41)
Government Grant	5,964	6,022	3,540	3,583	3,108	3,152	3,198	3,245	3,293	3,342
Council Tax	12,187	12,707	13,120	13,551	13,976	14,423	14,869	15,341	15,812	16,310
Collection Fund Adjustment	1,284	0	0	0	0	0	0	0	0	0
Total Funding	18,078	17,588	16,983	16,983	19,762	19,582	19,785	18,570	19,043	19,611
Council Tax Level at Band D Increase on Previous Year	£231.23 3%	£238.16 3%	£243.16 £5.00	£248.16 £5.00	£253.16 £5.00	£258.22 2%	£263.38 2%	£268.64 2%	£274.01 2%	£279.49 2%
RESERVES BALANCE CARRIED FORWARD	9,535	10,676	10,353	10,504	7,826	5,819	4,101	4,117	4,179	4,220

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Savings & Transformation Strategy 2023/24 – 2032/33

INTRODUCTION

By way of context, since 2010/11 the Council has seen its Settlement Funding Assessment (core funding) decrease by some 62% or £4.1m (from £6.6m in 2010/11 to £2.5m in 2023/24).

The fall in core funding is, in part, negated by the grant award under the New Homes Bonus (NHB) scheme and other grant income. However, the future of NHB or a replacement remains the subject of discussion, but at the very least will not continue in its current form leaving one of two options. The scheme is withdrawn and not replaced or is replaced, but where the funding stream and sum awarded is much reduced (our working assumption). The future of other grant income more generally is also uncertain.

We are fortunate that we do not have to make all the required savings and transformation contributions in one year and can spread the challenge into ‘tranches’ as set out within the Council’s Medium Term Financial Strategy (MTFS). Nevertheless, the Council have acknowledged that we need to balance customer expectations with the need to make these savings and transformation contributions and achieve as much as possible in the earlier years to provide the best long-term financial sustainability.

In the latest iteration of the MTFS it is assumed government grant funding and increased business rates income to be retained will reduce from circa £5.96m in 2023/24 to £3.11m in 2027/28 before seeing a modest increase year on year thereafter and that the reductions in income and increased costs seen as a result of the pandemic in large part **will return** to pre Covid-19 levels in the short to medium term; where the latest projected funding gap between expenditure and income is **circa £1,700,000**. In updating this Strategy, it is noted that the ‘tranches’ assumed within the MTFS are: *Tranche 1* – £500,000 by April 2024; *Tranche 2* – £600,000 by April 2026; and *Tranche 3* – £600,000 by April 2028. **Plus** the initiative already built into the MTFS, scaling back of office accommodation in the sum of **£200,000** by April 2024.

OBJECTIVES

In developing this Strategy, the Council has set the following objectives:

1. To deliver sufficient savings and transformation contributions in order to bridge the funding gap identified in the MTFS, and to deliver as much as possible in the earlier years in order to minimise risk to the Council’s finances.
2. To direct resources in line with the principles of the Council’s Corporate Strategy.

3. To maintain the Council's reputation of good front line service provision.
4. To adopt a 'mixed' approach to addressing the funding gap through a series of 'themes'.
5. To be open to accept 'cultural' change/transformation in the ways we work and offer services to the public in order to release efficiencies and savings.
6. To engage, as appropriate, with stakeholders when determining how savings and transformation contributions will be achieved.

THE STRATEGY

It is recognised that there is no one simple solution to addressing the financial challenge faced. The Council will need to embrace transformation in a multitude of ways in order to deliver the savings and transformation contributions within an agreed timescale.

This Strategy sets out a measured structure and framework for delivering the necessary savings and transformation contributions through a series of 'themes'. Each theme has a deliverable target within a timeframe.

Whilst the framework includes some major areas where savings can be made without direct effect on services, by adopting this Strategy the Council has recognised that it may need to decide that some service areas should change/transform to accommodate saving requirements. That might mean doing things differently, with even greater efficiency – for example, with the help of new technology – and with increased income opportunities where circumstances allow this. It will in all likelihood also mean that services will simply need to be run with fewer resources, downsized or cease. All these approaches will require a shift in culture for the organisation so that we can be focused and flexible in the way in which we deliver services to our communities.

The Themes, Targets, and Timeframes for the Strategy are set out in the table below, and will be the subject of review at least annually.

Progress on identifying and implementing savings and transformational opportunities across the various themes will be regularly reported to and reviewed by Management Team and in-year update reports presented to Members as appropriate. The Council is committed to engagement with relevant stakeholders as proposals are brought forward.

Julie Beilby
Chief Executive

Sharon Shelton
Director of Finance and Transformation

Matt Boughton
Leader of the Council

Martin Coffin
Cabinet Member for Finance, Innovation and Property

Savings & Transformation Strategy 2023/24 - 2032/33

Savings and Transformation Contributions in Previous Years of STS £000	Theme	Indicative Years	Target £000	Savings and Transformation Contributions Identified after Setting of 2023/24 Budget £000	Balance of Target to be Achieved £000
844	Income Generation & Cost Recovery	2023 - 2028	250	0	250
621	In-Service Efficiencies	2023 - 2028	75	0	75
441	Service Change & Reduction	2023 - 2028	750	0	750
866	Contracts	2023 - 2028	50	0	50
270	Organisation Structure Change	2023 - 2028	250	0	250
433	Partnership Funding	2023 - 2028	25	0	25
313	Asset Management	2023 - 2028	300	0	300
3,788	TOTAL		1,700	0	1,700

Note: This Strategy will be updated on at least an annual basis to reflect challenges set out in the Medium Term Financial Strategy.

Savings & Transformation Strategy updated February 2023

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Cabinet 14 February 2023
General Fund Revenue Estimates 2023/24
SUMMARY

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
Corporate Services	3,523,550	3,630,600	4,187,150
Chief Executive	1,142,700	1,078,900	1,321,300
Director of Central Services	345,650	789,600	379,050
Director of Finance & Transformation	1,449,500	601,850	570,750
Director of Planning, Housing & Environmental Health	5,152,750	5,419,500	5,007,900
Director of Street Scene, Leisure & Technical Services	8,035,550	8,876,200	9,027,250
Sub Total	19,649,700	20,396,650	20,493,400
Capital Accounting Reversals			
Non-Current Asset Depreciation	(2,859,950)	(2,756,700)	(2,856,350)
Non-Current Asset Impairment	-	51,100	-
Contributions to / (from) Reserves			
Building Repairs Reserve			
Withdrawals to fund expenditure	(857,850)	(1,334,450)	(1,144,650)
Contribution to Reserve	750,000	750,000	750,000
Earmarked Reserves (see page S 2)			
Contributions from Reserves	(7,038,450)	(9,712,900)	(2,947,550)
Contributions to Reserves	496,500	995,150	2,495,150
Revenue Reserve for Capital Schemes			
Withdrawals to fund expenditure			
Non-Current Assets	(2,020,000)	(626,000)	(6,851,000)
Revenue Expenditure Funded from Capital	(530,000)	(155,000)	(206,000)
Other contributions to / (from) Reserve (net)	1,158,000	1,298,000	1,494,000
Capital Expenditure Charged to General Fund	2,020,000	626,000	6,851,000
Government Grants			
New Homes Bonus	(1,193,950)	(1,193,950)	(610,500)
Under-indexing Business Rates Multiplier	(189,100)	(235,250)	(406,750)
Lower Tier Services Grant	(1,052,100)	(1,006,000)	-
Services Grant	(158,700)	(158,650)	(89,400)
Funding Guarantee	-	-	(1,765,700)
Contributions from KCC	-	(209,500)	-
Sub Total	8,174,100	6,728,500	15,205,650
Revenue Support Grant	-	(350)	(137,300)
National Non-Domestic Rates			
Share of National Non-Domestic Rates	(20,174,231)	(20,174,231)	(25,455,018)
Tariff	21,310,255	21,310,255	25,854,000
Levy	-	178,787	-
Business Rates Pool	-	(3,600)	141,404
Small Business Rate Relief Grant	(1,053,869)	(1,139,198)	(1,025,828)
Business Rates Relief Measures	(2,220,897)	(1,293,671)	(2,462,491)
Supporting Small Business Grant	(8,198)	(6,701)	-
Transitional Relief Grant	(51,658)	(37,210)	-
Public Toilets Relief Grant	(7,751)	(7,180)	(5,576)
Collection Fund Adjustments			
Council Tax (Surplus) / Deficit	(157,731)	(157,731)	(85,040)
National Non-Domestic Rates (Surplus) / Deficit	5,814,879	5,814,879	(1,199,330)
Sub Total	11,624,899	11,212,549	10,830,471
Contribution to / (from) General Revenue Reserve	104,500	516,850	1,356,800
Balance to be met from Council Tax Payers	11,729,399	11,729,399	12,187,271

Cabinet 14 February 2023
General Fund Revenue Estimates 2023/24
EARMARKED RESERVES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
Contributions from Earmarked Reserves			
Asset Review Reserve	-	(60,000)	-
Budget Stabilisation Reserve	-	(919,100)	(900,000)
Business Rates Retention Scheme Reserve	(6,116,350)	(6,837,550)	(267,650)
Climate Change Reserve	(75,250)	(193,500)	(301,150)
Community Development Reserve	-	(5,550)	-
Democratic Representation Reserve	-	(11,650)	-
Domestic Abuse Act Reserve	-	(43,350)	(46,300)
Economic Development Reserve	-	(5,150)	-
Election Reserve	-	-	(157,850)
Homelessness Reserve	(203,650)	(777,250)	(780,300)
Housing Survey Reserve	-	(18,200)	-
Housing & Welfare Reform Reserve	-	-	(10,000)
Invest to Save Reserve	-	(104,500)	-
Peer Review Reserve	-	(12,850)	(22,450)
Planning Services Reserve	(633,200)	(654,150)	(449,350)
Road Closures Reserve	-	(7,350)	-
Transformation Reserve	(10,000)	(59,000)	(12,500)
Waste & Street Scene Initiatives Reserve	-	(3,750)	-
	(7,038,450)	(9,712,900)	(2,947,550)
Contributions to Earmarked Reserves			
Budget Stabilisation Reserve	-	-	1,200,000
Business Rates Retention Scheme Reserve	-	-	406,050
Domestic Abuse Act Reserve	-	67,600	71,350
Election Expenses Reserve	25,000	32,350	35,000
Homelessness Reserve	346,500	750,800	702,750
Planning Services Reserve	125,000	80,000	80,000
Transformation Reserve	-	64,400	-
	496,500	995,150	2,495,150

Tonbridge and Malling Borough Council
Estimate of Collection Fund Surplus / (Deficit) 2022/23 - Council Tax

	Estimate	
	£	£
<u>Income</u>		
Surplus / (Deficit) Brought Forward		940,537
Income from Council Tax Payers (Net of Discounts, CTR and Exemptions)		108,933,601
Total Income for the Year		109,874,138
<u>Expenditure</u>		
Precepts and Demands for 2022/23		
Kent County Council	76,345,362	
Police & Crime Commissioner for Kent	11,920,146	
Kent & Medway Fire & Rescue Authority	4,302,538	
Parishes	3,554,738	
Tonbridge & Malling Borough Council	11,729,399	107,852,183
Provision for Council Tax Non-Collection		305,000
Payment of Estimated Surplus for 2021/22		
Kent County Council	790,883	
Police & Crime Commissioner for Kent	122,420	
Kent & Medway Fire & Rescue Authority	44,738	
Tonbridge & Malling Borough Council	157,731	1,115,772
Total Expenditure for the Year		109,272,955
Estimated Surplus / (Deficit) for 2022/23		601,183

Allocation of Estimated Surplus / (Deficit) for 2022/23

	Precepts 2022/23		Surplus / (Deficit) 2023/24
	£	%	£
Kent County Council	76,345,362	70.79	425,584
Police & Crime Commissioner for Kent	11,920,146	11.05	66,662
Kent & Medway Fire & Rescue Authority	4,302,538	3.99	23,897
Tonbridge & Malling Borough Council	15,284,137	14.17	85,040
Total	107,852,183	100.00	601,183

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Tonbridge and Malling Borough Council
Estimate of Collection Fund Surplus / (Deficit) 2022/23 - Business Rates

	Estimate	
	£	£
<u>Income</u>		
Surplus / (Deficit) Brought Forward		(15,020,131)
Income from Business Rate Payers		55,006,898
Recovery of Estimated Deficit for 2021/22		
Kent County Council	1,308,347	
Kent & Medway Fire & Rescue Authority	145,373	
Tonbridge & Malling Borough Council	5,814,879	
Central Government	7,268,599	14,537,198
Total Income for the Year		54,523,965
<u>Expenditure</u>		
Demands for 2022/23 based upon NNDR 1 2022/23		
Kent County Council	4,539,202	
Kent & Medway Fire & Rescue Authority	504,356	
Tonbridge & Malling Borough Council	20,174,231	
Central Government	25,217,789	50,435,578
Allowance for Losses - Bad Debts		700,000
Allowance for Losses - Appeals		236,872
Cost of Collection Allowance		153,190
Total Expenditure for the Year		51,525,640
Estimated Surplus / (Deficit) for 2022/23		2,998,325
<u>Allocation of Estimated Surplus / (Deficit) for 2022/23</u>		
	Allocation	Surplus / (Deficit) 2023/24
	%	£
Kent County Council	9	269,849
Kent & Medway Fire & Rescue Authority	1	29,983
Tonbridge & Malling Borough Council	40	1,199,330
Central Government	50	1,499,163
Total	100	2,998,325

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TONBRIDGE & MALLING BOROUGH COUNCIL
SPECIAL EXPENSES ('LOCAL CHARGE') SCHEME

1. Introduction

- 1.1 The Provisions relating to “special expenses” are contained in the Local Government Finance Act 1992 at sections 34 and 35. These sections allow different amounts of council tax to be calculated for different parts of the district, depending on what if any “special items” relate to those parts. The legal background is set out in the Appendix.
- 1.2 In resolving to implement a Special Expenses Scheme, the Council revokes the Financial Arrangements with Parish Councils Scheme which was effective from 1 April 1992 made under s136 Local Government Act 1972 with effect from the same date (1 April 2017).

2. Objectives of the Scheme

- 2.1 The borough consists of 27 parished areas, and one unparished area. Parish councils exercise certain functions in their respective areas, which the Borough Council must exercise directly in the unparished area. These are known as concurrent functions.
- 2.2 The Council has historically awarded grants under s136 Local Government Act 1972 to parish councils in order to contribute towards the cost of concurrent functions. Due to significant financial pressures, the Council finds that it is unable to continue providing this level of financial support and must make savings.
- 2.3 The Council has resolved to adopt a Scheme of Special Expenses in order to provide a fairer system in terms of financial equity for taxpayers across the borough.

3. Function to be included in Scheme

- 3.1 Cabinet, at its meeting on 28 July 2016, recommended that the following concurrent functions are included in the Scheme:
- Closed churchyards
 - Open spaces, parks and play areas maintained by TMBC in parished areas; excluding Leybourne Lakes Country Park (strategic site)
 - Open spaces, play areas, parks and sportsgrounds in Tonbridge; excluding Castle Grounds and Haysden Country Park (strategic sites)
 - Support given to ‘Local’ Events
 - Allotments

3.2 In addition, at its meeting on 12 October 2021, Cabinet recommended that the following concurrent function is included in the Scheme:

- Public conveniences in Tonbridge in non-strategic sites (i.e. those located on Castle Street, Priory Road and those sited within Racecourse Sportsground)

3.3 Full Council endorsed the update to the Scheme at its meeting on 26 October 2021.

4. Calculation of Special Expenses

4.1 TMBC will calculate an average council tax across the whole of its area under section 31B of the Local Government Finance Act 1992. Included in that will be the amounts payable to parish councils under their precepts, plus the amounts TMBC will spend on performing functions which are performed in parts of its area by parish councils.

4.2 Under section 34 of the Local Government Finance Act 1992, TMBC must then deduct the total of any special items. For each part of its area, TMBC must then add back amounts for any relevant special items for that part of its area. The amount added back is calculated by dividing the special item (i.e. the authority's estimated cost of performing the function in that part of its area) by the tax base for the part of the area in which the authority performs the function.

4.3 Treating expenses as special expenses does not affect the overall amount that TMBC needs to raise through council tax, and does not, therefore, affect the average amount of council tax across the whole of the borough. It simply means that, compared with what would happen if the expenses were not treated by TMBC as special expenses, the council tax is:

- relatively lower for areas where the parish council performs the concurrent function, as it includes the parish's costs but not TMBC's costs of performing the function elsewhere; and
- relatively higher for areas where TMBC performs the concurrent function, as all TMBC's costs of performing the concurrent function must be met by taxpayers in the area where TMBC performs it.

5. Implementation

5.1 This (original) Scheme became effective from 1 April 2017, following resolution of Full Council on 1 November 2016. The update to the Scheme, adding the function at paragraph 3.2, as approved by Full Council on 26 October 2021 became effective on 1 April 2022.

5.2 The list of concurrent functions included within the Scheme will be reviewed from time to time and the Scheme updated as necessary.

February 2023

TONBRIDGE & MALLING BOROUGH COUNCIL
SPECIAL EXPENSES ('LOCAL CHARGE') SCHEME

LEGAL BACKGROUND

Section 34 of the Local Government Finance Act 1992, as amended by the Localism Act 2011, requires that certain items, which are referred to as 'special items', and which relate to a part only of a billing authority's area, be removed from the calculation of the overall basic amount of tax and added to that for the area concerned.

Section 35(1) defines these items as:

- Any precept issued to or anticipated by the authority which is, or is believed to be, applicable to a part of its area and was taken into account by it in making the calculation (or last calculation) in relation to the year under Section 31A(2) above (i.e. the parish precepts, as included in the calculation of the budget requirement).
- Any expenses which are its (the Council's) special expenses and were taken into account by it in making that calculation.

Section 35(2)(d) defines further 'Special Expenses' as:

“any expenses incurred by a billing authority in performing in a part of its area a function performed elsewhere in its area by the sub-treasurer of the Inner Temple, the under-treasurer of the Middle Temple, a parish or community council or the chairman of a parish meeting are the authority's special expenses unless a resolution of the authority to the contrary effect is in force”

In order for expenses incurred in performing any function of a district council to be special expenses the function must be carried out by the district in only part of its area, and the same function must be carried out in another part of the district by one or more parish councils. The detailed identification of concurrent functions is therefore essential for using this special expenses provision.

One of the reasons behind the special expenses regime is to allow a more equitable division of council expenses for council taxpayer funded services so that those receiving the benefit of certain services in a particular area are those who pay for them through their precept and do not pay twice for similar services carried out in any areas where there is not a parish or town council so as to avoid “double taxation” for the relevant services.

The power to charge special expenses is discretionary and in order for it to apply there must be a resolution of the billing authority in force. As the resolution has to refer to the matters which will be special expenses for these purposes the resolution will need to identify which function related activities will be included within the calculation.

Special Expenses must be applied consistently throughout a billing authority's area. There is no discretion to make selective application to some parts of the borough only.

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Special Expenses 2023/24

Special Expenses for 2022/23 £	Local Area	Public Conveniences £	Closed Church-yards £	Open Spaces, Parks & Play Areas £	Sports Grounds £	Local Events £	Allotments £	Special Expenses for 2023/24 £	Tax Base	Amount Per Band D Property £	Per property Variation %
867,390	Tonbridge	83,050	13,100	216,823	559,950	77,721	6,900	957,544	13,873.09	69.02	10.2
2,067	Addington			2,255				2,255	431.40	5.23	10.6
10,000	Aylesford			10,746				10,746	4,459.33	2.41	6.2
1,181	Birling			1,289				1,289	201.53	6.40	7.9
1,803	Borough Green			1,936				1,936	1,714.66	1.13	7.6
0	Burham							0	473.17	0.00	0.0
635	Ditton			693				693	1,795.57	0.39	11.4
27,113	E. Malling & Larkfield			29,404				29,404	5,076.55	5.79	7.6
723	East Peckham			790				790	1,332.52	0.59	7.3
0	Hadlow							0	1,569.35	0.00	0.0
0	Hildenborough							0	2,267.75	0.00	0.0
0	Ightham							0	1,131.15	0.00	0.0
0	Kings Hill							0	4,493.17	0.00	0.0
33,242	Leybourne			36,279				36,279	1,906.08	19.03	9.2
35	Mereworth			39				39	450.73	0.09	12.5
0	Offham							0	406.79	0.00	0.0
1,472	Platt			1,607				1,607	900.48	1.78	8.5
0	Plaxtol							0	593.67	0.00	0.0
0	Ryarsh							0	373.65	0.00	0.0
0	Shipbourne							0	277.48	0.00	0.0
23,026	Snodland			25,129				25,129	3,946.34	6.37	9.6
0	Stansted							0	287.85	0.00	0.0
0	Trottscliffe							0	286.43	0.00	0.0
2,295	Wateringbury			2,505				2,505	942.77	2.66	9.0
3,680	West Malling			464		3,685		4,149	1,222.75	3.39	7.6
0	West Peckham							0	181.50	0.00	0.0
5,369	Wouldham			5,755				5,755	1,135.18	5.07	4.1
1,084	Wrotham			1,183				1,183	975.35	1.21	8.0
981,115	Total	83,050	13,100	336,897	559,950	81,406	6,900	1,081,303	52,706.29		

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Parish Council Precepts 2023/24

Precept for 2022/23 £	Parish Council	Precept for 2023/24 £	Tax Base	Amount Per Band D Property £	Per Band D Variation %
23,000.00	Addington	23,000.00	431.40	53.31	1.4
271,685.00	Aylesford	289,856.45	4,459.33	65.00	5.3
11,016.00	Birling	11,658.00	201.53	57.85	4.6
237,958.00	Borough Green	237,958.00	1,714.66	138.78	0.5
27,917.49	Burham	27,917.49	473.17	59.00	(0.3)
273,201.00	Ditton	273,737.00	1,795.57	152.45	0.5
417,631.00	E. Malling & Larkfield	453,100.00	5,076.55	89.25	7.7
146,000.00	East Peckham	162,000.00	1,332.52	121.57	9.7
126,136.00	Hadlow	126,071.00	1,569.35	80.33	(1.1)
121,373.00	Hildenborough	132,296.00	2,267.75	58.34	6.5
127,350.00	Ightham	129,516.00	1,131.15	114.50	0.0
536,745.18	Kings Hill	552,847.00	4,493.17	123.04	(0.2)
199,772.00	Leybourne	221,533.00	1,906.08	116.22	11.0
36,200.00	Mereworth	39,000.00	450.73	86.53	6.0
23,519.26	Offham	25,440.65	406.79	62.54	7.5
78,000.00	Platt	82,000.00	900.48	91.06	4.6
52,985.00	Plaxtol	52,985.00	593.67	89.25	0.0
25,755.00	Ryarsh	28,360.00	373.65	75.90	10.1
12,175.00	Shipbourne	14,140.00	277.48	50.96	12.0
335,841.00	Snodland	334,255.00	3,946.34	84.70	0.0
17,780.00	Stansted	17,780.00	287.85	61.77	(2.4)
22,000.00	Trottscliffe	26,000.00	286.43	90.77	12.5
105,321.05	Wateringbury	125,214.00	942.77	132.82	18.7
132,633.72	West Malling	139,014.45	1,222.75	113.69	0.0
5,900.00	West Peckham	6,650.00	181.50	36.64	13.4
71,972.05	Wouldham	71,828.85	1,135.18	63.28	(3.0)
114,871.00	Wrotham	127,225.00	975.35	130.44	10.0
3,554,737.75	Total	3,731,382.89	38,833.20		

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GENERAL FUND WORKING BALANCE

	£
Balance at 1.4.2022	1,250,000
	<hr/>
Balance at 31.3.2024	1,250,000
	<hr/>

GENERAL REVENUE RESERVE

	£	£
Balance 1.4.2022		7,661,621
Budgeted to be transferred to the Reserve	104,500	
Decrease on Original Estimate	(412,350)	
	<hr/>	516,850
		<hr/>
Estimated Balance at 1.4.2023		8,178,471
Contribution to the Reserve 2023/24		1,356,800
		<hr/>
Estimated Balance at 31.3.2024		9,535,271

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'SECTION 25' STATEMENT
ON THE ROBUSTNESS OF THE ESTIMATES
AND THE ADEQUACY OF THE RESERVES

Introduction

This statement is given in respect of the 2023/24 Budget Setting Process for Tonbridge and Malling Borough Council. I acknowledge my responsibility for ensuring the robustness of the estimates and the adequacy of the reserves as part of this process. The budget has been prepared within the context of a Medium Term Financial Strategy (MTFS) spanning a ten-year period.

The MTFS sets out the high level financial objectives the Council wishes to fulfil over the agreed time span. This includes achieving a balanced revenue budget by the end of the strategy period and to retain a minimum of £3.0m in the General Revenue Reserve by the end of the strategy period and not to fall below £2.0m at any time during the 10-year period. The MTFS also sets out, based on current financial information, 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.

By way of context, since 2010/11 the Council has seen its Settlement Funding Assessment (core funding) decrease by some 62% or £4.1m (from £6.6m in 2010/11 to £2.5m in 2023/24).

The fall in core funding is, in part, negated by the grant award under the New Homes Bonus (NHB) scheme and other grant income. However, the future of NHB or a replacement remains the subject of discussion, but at the very least will not continue in its current form leaving one of two options. The scheme is withdrawn and not replaced or is replaced, but where the funding stream and sum awarded is much reduced (our working assumption). The future of other grant income more generally is also uncertain.

Dependent on the outcome of the yet to be concluded Fair Funding Review, what is to happen to NHB and other grant income moving forward, business rates reforms, the extent and speed of the recovery following the pandemic and the impact of the current adverse economic climate, there is a **risk** the funding gap could be more than is presently reflected in the MTFS.

In the latest iteration of the MTFS it is assumed government grant funding and increased business rates income to be retained will reduce from circa £5.96m in 2023/24 to £3.11m in 2027/28 before seeing a modest increase year on year thereafter and that the reductions in income and increased costs seen as a result of the pandemic in large part **will return** to pre Covid-19 levels in the short to medium term; where the latest projected funding gap between expenditure and income is **circa £1,700,000**. **Plus** the initiative already built into the MTFS, scaling back of office accommodation in the sum of **£200,000** by April 2024.

The difficult and challenging financial outlook demands a **pressing and concerted** focus of attention. Accordingly, matters relating to the medium term finances have been recorded as RED on the Strategic Risk Register in order to ensure that this is visible and highlighted as a priority for the Council.

Alongside the MTFs sits a Savings and Transformation Strategy. 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.

Robustness of Estimates

The aim of the Medium Term Financial Strategy is to give us a realistic and sustainable plan that reflects the Council's priorities and takes us into the future. It is a Strategy that is adopted by Members of the Council alongside the Budget to provide a forward looking context for the consideration of the budget year ahead. It also provides the Council's Corporate Management Team with a tool for strategic financial planning and decision making.

Underneath the Strategy sits detailed estimates formulated in conjunction with Service Managers who carry responsibility of delivering their area of service within budget provision. The estimates take into account past outturn, current spending plans and likely future demand levels / pressures.

Factors taken into account for the 2023/24 Budget Setting Process and in developing the Strategy are:

Corporate Strategy	The Council's financial plans should be in support of its strategic priorities and objectives set out in overview in the Corporate Strategy . The Strategy sets out Our Vision: <i>To continue to be a financially sustainable Council with strong leadership that delivers valued services, a commitment to delivering innovation and change to meet the needs of our Borough guided by our values and priorities: Achieving efficiency; Embracing effective partnership working; Valuing our environment and encouraging sustainable growth; and Innovation.</i> The current Corporate Strategy is the subject of review and public consultation with the intention to publish a revamped and refreshed Corporate Strategy in the near future.
Consultation with Non-Domestic Ratepayers	The Council consults representatives of its non-domestic ratepayers about its expenditure proposals who may make written representations if they deem it appropriate. No such representations have been received.
The level of funding from Central	Our Settlement Funding Assessment (SFA) for 2023/24 is £2,525,211. The Council also received a payment for

Government towards the costs of local services	the under-indexing of the business rates multiplier of £406,754, a Services Grant of £89,412 and a one-off funding guarantee in the sum of £1,765,688. It has been assumed in our financial planning that the one-off funding guarantee applies to this Spending Review period, the years 2023/24 and 2024/25.
New Homes Bonus	Our New Homes Bonus (NHB) for 2023/24 is £610,499. The future of NHB or a replacement remains the subject of discussion, but at the very least will not continue in its current form leaving one of two options. The scheme is withdrawn and not replaced or is replaced, but where the funding stream and sum awarded is much reduced (our working assumption).
Business Rates	For medium term financial planning purposes it is assumed retained business rates income will be above the baseline funding level under the current Business Rates Retention Scheme arrangements. If our actual income is less than the baseline set the authority will have to meet a share of that shortfall. The Council is a member of the Kent Business Rates Pool.
Overall Grant Funding	For medium term financial planning purposes, it is assumed government grant funding whether that be baseline funding level, some element of growth performance, NHB or its replacement or other grant income will reduce to £3.11m in 2027/28 before seeing a modest increase year on year thereafter. This will need to be revisited following the outcome of the Fair Funding Review, what happens to NHB and other grant income.
Covid-19 Pandemic	It is assumed that the reductions in income and increased costs seen as a result of the pandemic in large part will return to pre Covid-19 levels in the short to medium term including the current high homeless caseload and consequent significant and escalating cost of temporary accommodation. The extent and speed of the recovery will need to be closely monitored and to take corrective action if this is proved not to be the case.
Council Tax Base	The Council Tax Base for 2023/24 is 52,706.29 band D equivalents with an expectation that this will increase by 5,650 over the strategy period, or around 625 on average per year.
Local Referendums to Veto Excessive Council Tax Increases	The Secretary of State will determine a limit for council tax increases which for 2023/24 has been set at 3% or £5, whichever is higher. 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. Due regard has been taken of the guidelines issued by the Secretary of State. The MTFS reflects an increase in council tax of 3% in 2023/24 and 2024/25 followed by the higher of 2% or £5 each year thereafter.

The Prudential Code and its impact on Capital Planning	Tonbridge and Malling is a debt-free authority and projections suggest that recourse to borrowing to fund capital expenditure is unlikely before 2029/30. This does not however, preclude a decision to borrow in order to fund in full or in part a capital investment opportunity that meets the Council's strategic priorities and objectives, achieves value for money and delivers a financial return. Each such opportunity to be considered on a case by case basis as appropriate. A key objective of the Prudential Code is to ensure, within a clear framework, the capital investment plans of local authorities are affordable, prudent and sustainable.
The Council's Capital Strategy and Capital Plan	Other than funding for the replacement of our assets which deliver services as well as recurring capital expenditure, there is now an annual capital allowance for all other capital expenditure. Subject to review each year the maximum 'annual capital allowance' is to be set at £250,000 for the period 2023/24 to 2028/29.
Treasury Management	A Treasury Management and Annual Investment Strategy is adopted by the Council each year as required by the Local Government Act 2003 as part of the budget setting process. The Strategy sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. Updates to both the Prudential Code and Treasury Management Code were published by the Chartered Institute of Public Finance and Accountancy (CIPFA) in December 2021 and uphold a key principle that borrowing primarily for return on investment is not permissible. 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 and in preparing the Treasury Management and Annual Investment Strategy for 2023/24.
Interest Rates	Interest returns on the Council's 'core funds' have been set at 4.3% in 2023/24, 3.8% in 2024/25 and fluctuating between 3.0% and 2.75% thereafter. In setting these rates due regard has been taken of the interest rate forecasts of the Council's independent Treasury Adviser, Link Asset Services. To put this into context, 0.25 of a percentage point would currently generate investment income on our 'core funds' of about £55,000. Conversely, a dip in investment returns would have a negative impact on the Council's budget. The Council has chosen to retain a minimum of £3m in its General Revenue Reserve in order to deal with, amongst other things, interest rate volatility.
Property Investment Funds and Multi	The Council has taken the decision to invest in one or more property investment funds and more recently multi

Asset Diversified Income Funds	asset diversified income funds with further potential investment of funds in the future. In order to guard against downward fluctuations in asset values a Property Investment / Multi Asset Diversified Income Fund Reserve was established.
Adequacy of Reserves	At the beginning of 2023/24, we anticipate that the General Revenue Reserve balance will be £8.178m. The Adequacy of Reserves is discussed in more detail below.
Pay and Price Inflation	The estimates provide for pay inflation of 5% in 2023/24 and 2.5% in 2024/25 followed by 2% each year thereafter and general price inflation of 10% in 2023/24 and 4% in 2024/25 followed by 2% each year thereafter. Exceptions include energy and the waste services contract where different indices have been applied.
Fees and Charges	As has been the practice for a number of years now the objective has been to maximise income, subject to market conditions, opportunities and comparable charges elsewhere.
Emerging Growth Pressures and Priorities	The projections within the MTFs include all known and quantified priorities and growth pressures that we are aware of at the present time. New priorities and growth pressures will undoubtedly emerge over the period and in consequence, the Strategy will be updated at least annually.
Financial Management	The Council's financial information and reporting arrangements are sound and its end of year procedures in relation to budget under / overspends clear. Collection rates for council tax and NNDR remain good. Our external auditor (Grant Thornton UK LLP) following the 2022 audit concluded <i>the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. No significant weaknesses in arrangements identified, but improvement recommendations made.</i>
Insurance Arrangements and Business Continuity	Risks identified via the preparation of Service / Section Risk Registers have wherever possible been reduced to an acceptable level. Any remaining risk has been transferred to an external insurance provider. In addition, specific arrangements are in place to ensure the continuity of business in the event of both major and minor disruptions to services. As insurance premiums are reactive to the external perception of the risks faced by local authorities and to market pressures, both risks and excess levels are kept under constant review. The Council recognises that not all risks are financial; and takes into account all risks when making decisions.
Corporate Governance and Risk Management	The Council has adopted a Local Code of Corporate Governance based upon the requirements of the CIPFA/SOLACE Corporate Governance framework.

	This incorporates Risk Management and the Council is committed to a Risk Management Strategy involving the preparation of Risk Registers at both strategic and operational levels.
Equality Impact Assessments	Where there are deemed to be equality issues as a result of adjustments to revenue budgets a separate equality impact assessment has or will be undertaken at the appropriate time. In addition, an equality impact assessment is undertaken and reported to Members prior to commencement of a new capital plan scheme.
Partnership Working	The Council is working in partnership with other councils with the aim of not only delivering savings through joint working, but also to improve resilience and performance.
Government Led Issues	The outcome of the Fair Funding Review; the sustainability of the NHB scheme and what will follow; business rates reforms; Welfare Reform and cessation of the administration of housing benefits for working age claimants; the ongoing impact of the localisation of council tax support; the transfer of the Land Charges function to HM Land Registry; and proposals to devolve the setting of planning fees will impact on the Council's finances in-year and over the medium to longer term. The increased volatility and uncertainty attached to a number of these issues is such that financial planning is becoming increasingly difficult with the increased risk of significant variances compared to projections. As a result we will need to closely monitor the impact of these issues on the Council's finances.
Savings and Transformation Contributions	Latest projections point to a 'funding gap' between expenditure and income of circa £1,700,000 . Plus the initiative already built into the MTFS, the scaling back of office accommodation in the sum of £200,000 by April 2024. The difficult and challenging financial outlook demands a pressing and concerted focus of attention. Dependent on the outcome of the Fair Funding Review, the future of NHB and other grant income, business rates reforms, the extent and speed of the recovery following the pandemic and the impact of the current adverse economic climate, there is a risk the funding gap could be more than is presently reflected in the MTFS. In the coming months, options to deliver a further tranche(s) of the required savings and transformation contributions will need to be considered, agreed and actioned under the framework set out in the STS. In addition, the Management Team will continue to seek efficiency savings in the delivery of existing services.

These assumptions and changing circumstances will require the Strategy to be reviewed and updated at least annually.

Three key questions remain to be answered:

- Firstly, what will our business rates baseline and baseline funding level be 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?
- Thirdly, over what time period will other grant income be 'in play' and how much might we expect to receive year on year in that period?

A further key question is, will the reductions in income and increased costs seen as a result of the pandemic return in large part to pre Covid-19 levels to the extent and in the timescale assumed?

The answers to these questions are fundamental for the ongoing financial planning for this Council.

Particular reference has been made to the current adverse economic climate most notably inflation and temporary accommodation costs for homelessness purposes.

For planning purposes it has been assumed that the current high levels of inflation will over the next few years return to levels more akin to that assumed when the budget for the year 2022/23 was set in February 2022. If high levels of inflation persist beyond the period assumed this will have implications for the ongoing robustness of the estimates and the MTFS.

In terms of homelessness, the MTFS assumes that the recent significant increases in costs will be brought under control over the medium term, but if this can be addressed in an accelerated timescale this will relieve some of the pressure that is inevitably resting on the reserves.

Adequacy of Reserves

The minimum prudent level of reserves that the Council should maintain is a matter of judgement. It is the Council's safety net for unseen or other circumstances. The minimum level cannot be judged merely against the current risks facing the Council as these can and will change over time. The objective is to retain a minimum of £3.0m in the General Revenue Reserve by the end of the strategy period and not to fall below £2.0m at any time during the 10-year period; and given below are areas of operational and financial risk (not exhaustive) considered in determining the appropriate minimum level:-

- Global Pandemic
- Interest Rate volatility

- Income volatility
- Change to Government Grant including New Homes Bonus
- Identified savings not being delivered in the required timescales
- Localisation of council tax support
- Business rates retention scheme and associated volatility of income
- Local Plan / Planning Inquiries
- Partnership Working
- Climate Change
- Emergencies
- Economic and world recession
- Poor performance on Superannuation Fund
- Bankruptcy / liquidation of a major service partner
- Closure of a major trading area, e.g. leisure centre for uninsured works
- Cyber/data loss
- Problems with computer systems causing shortfall or halt in collection performance
- Government Legislation
- Ability to take advantage of opportunities
- Uninsured risks
- Recruitment and retention of staff and associated capacity issues

Clearly, the minimum General Revenue Reserve balance needs to and will be kept under regular review. The General Revenue Reserve balance at 31 March 2033, the end of the 10-year MTFs, is estimated to be £4.220m based on an increase in council tax of 3% for 2023/24 with the Council working to a balanced budget.

In addition, a number of Earmarked Reserves exist to cover items that will require short-term revenue expenditure in the near future.

The Revenue Reserve for Capital Schemes is established to finance future capital expenditure. A funding statement illustrates that recourse to borrowing to fund capital expenditure is unlikely before 2029/30 other than by exception on a case by case basis. The Revenue Reserve for Capital Schemes balance at 31 March 2029 is estimated to be £5.0m.

A schedule of the reserves held as at 1 April 2022 and proposed utilisation of those reserves to 31 March 2024 is provided in Annex 16b.

Balances held generate interest receipts which support, underpin and contribute towards meeting the objectives of the Strategy.

The Chartered Institute of Public Finance and Accountancy Financial Management Code and Financial Resilience Index

In October 2019 the Chartered Institute of Public Finance and Accountancy (CIPFA) published a Financial Management Code (FM Code) to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM code is based on a series of principles supported by specific standards and statements of practice considered necessary to provide the strong foundation to:

- financially manage the short, medium and long-term finances
- manage financial resilience to meet unforeseen demands on services
- financially manage unexpected shocks in their financial circumstances.

The Code requires that a local authority demonstrate that its processes satisfy the principles of good financial management for an authority of its size, responsibilities and circumstances and sought to rely on the local exercise of professional judgement backed by appropriate reporting.

Compliance will typically, but not always, be demonstrated by documenting compliance by way of a self-assessment. The outcome of such an assessment using a RAG rating was reported to the 26 July 2021 Audit Committee where a green rating was assigned to all but two, rated amber, of the seventeen Financial Management Standards.

In addition, the CIPFA Financial Resilience Index aims to provide a tool with a group of indicators able to illustrate the trajectory of an authority's financial position and resilience within the context of each authority's own comparator tier and nearest neighbour group. CIPFA has designed the index to provide reassurance and prompt challenge where it may be needed.

There are no particular concerns to draw to Members attention from a review of the Financial Resilience Index published in January 2023. A copy of the Index is attached at Annex 16c for information.

Opinion

I am of the opinion that the approach taken in developing the 2023/24 budget meets the requirements contained in the Local Government Act 2003 to ensure the robustness of the estimates and the adequacy of the reserves.

Signed: 

Date: 14 February 2023

Director of Finance and Transformation, BSc (Hons) FCPFA

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RESERVES ESTIMATE 2023/24

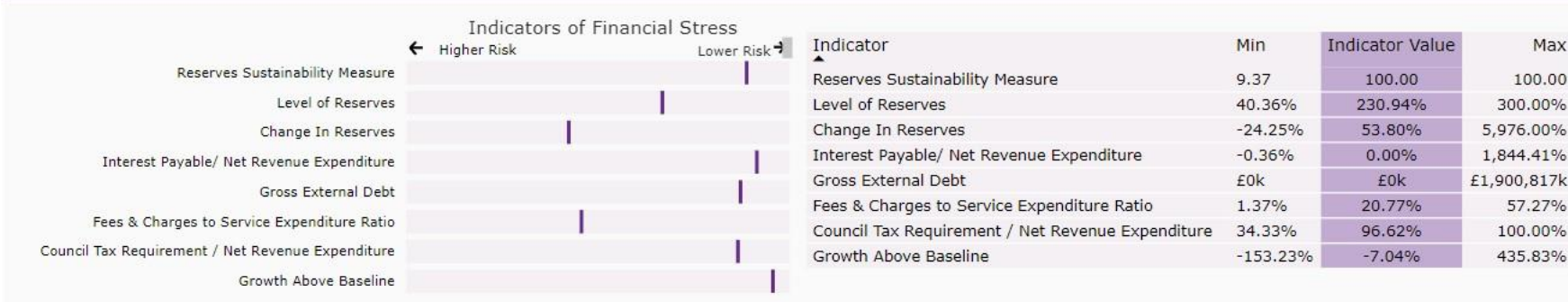
Description	Balance as at	Estimated Contribution		Estimated	Estimated Contribution		Estimated
	1 April 2022	From	To	Balance as at	From	To	Balance as at
	£	£	£	£	£	£	£
General Revenue Reserve	7,661,621		516,850	8,178,471		1,356,800	9,535,271
Revenue Reserve for Capital Schemes	6,825,015	(781,000)	1,298,000	7,342,015	(7,057,000)	1,494,000	1,779,015
Building Repairs Reserve	1,030,346	(1,334,450)	750,000	445,896	(1,144,650)	750,000	51,246
Property & Multi Asset Fund Reserve	3,250,000			3,250,000			3,250,000
Earmarked Reserves							
Democratic Representation	19,860	(11,650)		8,210			8,210
Special Projects	237,089	(78,150)	67,600	226,539	(68,750)	71,350	229,139
Planning Services	1,433,405	(654,150)	80,000	859,255	(449,350)	80,000	489,905
Homelessness Reduction	726,975	(777,250)	750,800	700,525	(780,300)	702,750	622,975
Election	173,846		32,350	206,196	(157,850)	35,000	83,346
Asset Review	89,163	(60,000)		29,163			29,163
Training	52,259			52,259			52,259
Road Closures	7,362	(7,350)		12			12
Community Development	5,559	(5,550)		9			9
Invest to Save	220,879	(104,500)		116,379			116,379
Economic Development	5,192	(5,150)		42			42
Housing & Welfare Reform	34,591			34,591	(10,000)		24,591
Tonbridge and Malling Leisure Trust	200,000			200,000			200,000
Housing Assistance	360,000			360,000			360,000
Business Rates Retention Scheme	7,269,000	(6,837,550)		431,450	(267,650)	406,050	569,850
Public Health	22,683			22,683			22,683
Transformation	251,591	(59,000)	64,400	256,991	(12,500)		244,491
Climate Change	779,920	(193,500)		586,420	(301,150)		285,270
Budget Stabilisation	3,000,000	(919,100)		2,080,900	(900,000)	1,200,000	2,380,900
	14,889,374	(9,712,900)	995,150	6,171,624	(2,947,550)	2,495,150	5,719,224
Total	33,656,356	(11,828,350)	3,560,000	25,388,006	(11,149,200)	6,095,950	20,334,756

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CIPFA Financial Resilience Index

Tier: Lower Authority: Tonbridge and Malling Comparator Group: Non Metropolitan Dis... Year: 2021-22

Results Breakdown



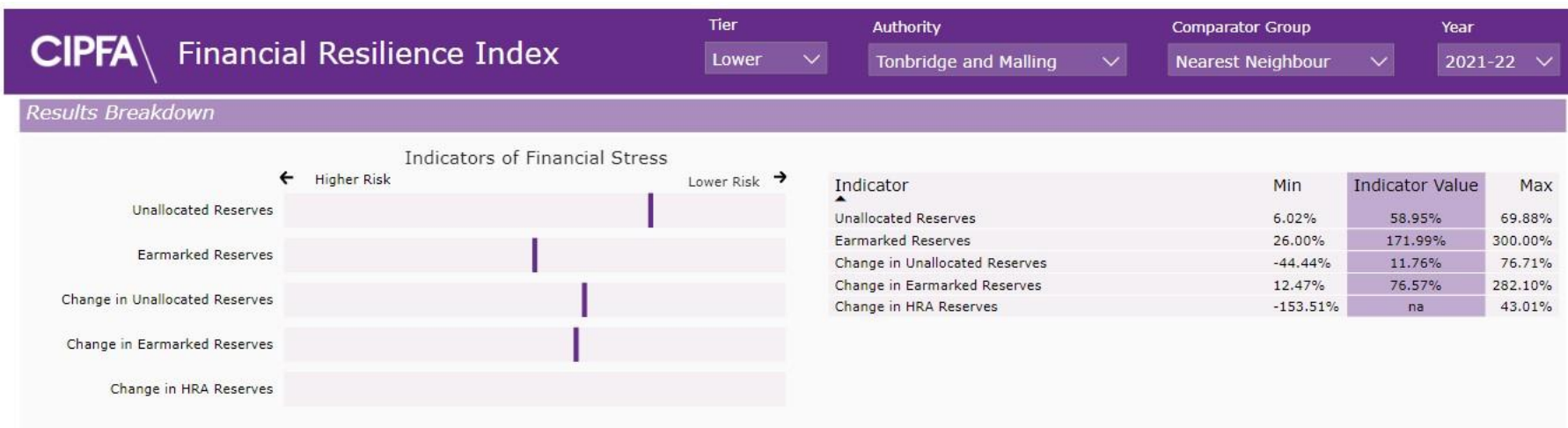
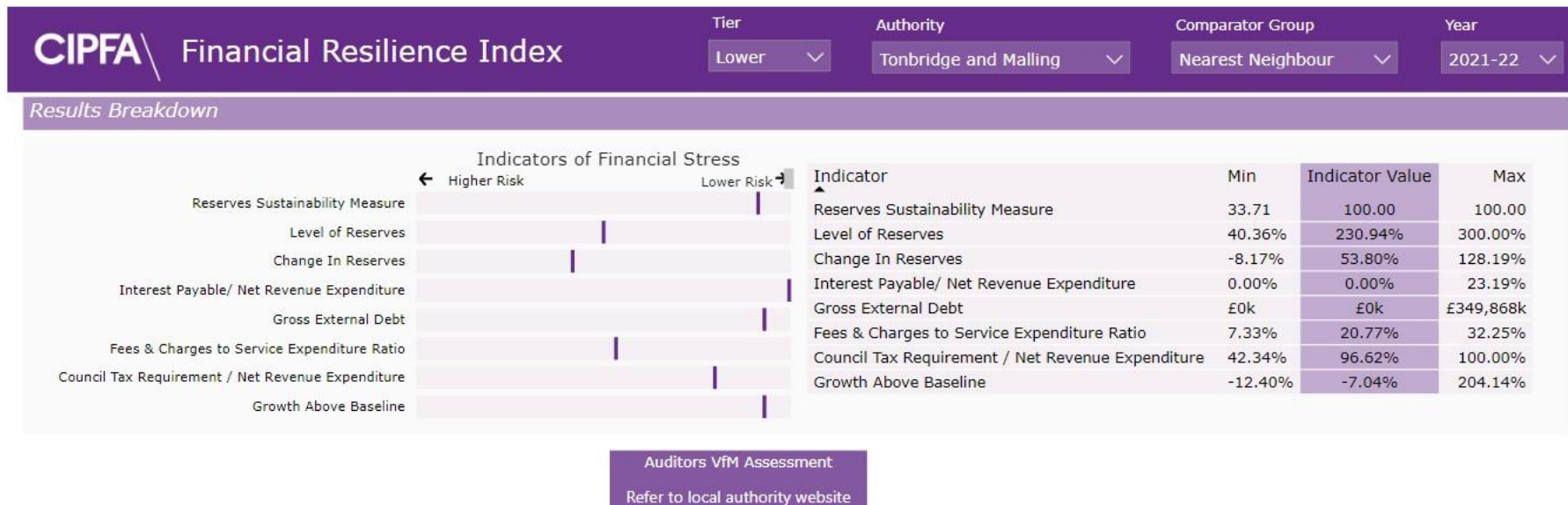
Auditors VFM Assessment
Refer to local authority website

CIPFA Financial Resilience Index

Tier: Lower Authority: Tonbridge and Malling Comparator Group: Non Metropolitan Dis... Year: 2021-22

Results Breakdown





Tonbridge & Malling Borough Council**Calculation of Council Tax Requirement for the year 2023/24 including sums required to meet Special Expenses and Parish Council Precepts**

That the following amounts be now calculated by the Council for the year 2023/24 in accordance with Section 31A of the Local Government Finance Act 1992:-

	£
(a) Aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) N.B. Includes Special Expenses and Parish Council Precepts	96,664,537
(b) Aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) N.B. Includes Local Government Finance Settlement	80,745,883

(c) Calculation under Section 31A (4), being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above	15,918,654

<u>Memorandum:-</u>	
	£
Borough Council	11,105,968
Special Expenses	1,081,303
Parish Council Precepts	3,731,383

Total	15,918,654

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Agenda Item 10

Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council.

In accordance with CPR 8.5 of the Constitution there will be a recorded vote for this item.

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TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

14 February 2023

Report of the Chief Executive, Director of Finance and Transformation, Leader of the Council and Cabinet Member for Finance, Innovation and Property

Part 1- Public

Matters for Recommendation to Council

1 SETTING THE COUNCIL TAX 2023/24

This report takes Cabinet through the process of setting the level of Council Tax for the financial year 2023/24 and seeks Cabinet's recommendations.

1.1 Introduction

- 1.1.1 The legislative framework for the setting of Council Tax is Chapter III of the Local Government Finance Act 1992. Section 30 requires that for each financial year and for each category of dwelling in its area, a billing authority shall set an amount of Council Tax.
- 1.1.2 The amount set will be the aggregate of the amount set by the billing authority under Sections 31A and 36 of the Act and the amounts set by major precepting authorities under Sections 42A, 42B and 45 to 47 of the Act.

1.2 Council Tax Base for 2023/24

- 1.2.1 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.
- 1.2.2 Attached at **[Annex 1]** is the council tax base for the financial year 2023/24 which has been determined by the Director of Finance and Transformation in accordance with her delegated authority (published under decision notice DFT 22-035, 15/12/2022). This shows that there are 52,706.29 Band D equivalent properties within the Borough compared to 52,246.97 in the year 2022/23 (an increase of 0.9%).
- 1.2.3 All precepting authorities have been notified of the tax base for 2023/24.

1.3 Amounts of Council Tax to be set by the Billing Authority

- 1.3.1 The process is that, having determined the billing authority's tax requirement, this sum is initially divided by the tax base to determine the overall level of tax, inclusive of special expenses and parish precepts.
- 1.3.2 The resultant figure represents an average charge within the Borough for both Borough and Parish Council requirements. As part of the statutory process, this average is recorded on the Council's council tax resolution, which we refer to later. As Cabinet is aware, however, the average charge does not apply to any of the areas within the Borough other than by coincidence. In order to calculate the levels of tax for each of the areas within the Borough, it is necessary to determine the basic level of Council Tax that will apply to the whole of the Borough, and then calculate the additional charges relating to particular areas. This process determines the tax for Band D properties in each of those areas.
- 1.3.3 The tax for the full range of Band A to H properties is then established by using the ratios for each of the Bands as they relate to Band D. The relevant statutory ratios are as follows:

Table 1 - Band Ratio Relative to Band D

Band	Ratio to Band D
A	6/9
B	7/9
C	8/9
D	9/9
E	11/9
F	13/9
G	15/9
H	18/9

- 1.3.4 The level of tax set by the major precepting authorities, Kent County Council, The Police & Crime Commissioner for Kent and the Kent & Medway Fire & Rescue Authority, is then added to establish the overall tax for each band in each part of the area.

1.4 Kent County Council / The Police & Crime Commissioner for Kent / Kent & Medway Fire & Rescue Authority Precepts

- 1.4.1 Kent County Council's Cabinet met on 26 January, at which a recommendation concerning its precept was made. The County Council's full Council meeting to confirm the precept is to be held on 9 February.
- 1.4.2 The Police & Crime Commissioner for Kent's precept and level of Council Tax is due to be considered at a meeting on 1 February and we await confirmation of the outcome.
- 1.4.3 The Kent & Medway Fire & Rescue Authority's precept and level of Council Tax is due to be agreed on the morning of 21 February.

1.5 Draft Resolution

- 1.5.1 Attached at **[Annex 2]** is a draft resolution which seeks to identify for Cabinet the processes which have to be undertaken to arrive at the levels of Council Tax applicable to each part of the Borough. The parts in bold type seek to explain each calculation.
- 1.5.2 The resolution itself, incorporating the Borough Council's budget and Parish Council precept information and council tax levels for all major precepting authorities, will be presented to the meeting of the Council on 21 February 2023.

1.6 Legal Implications

- 1.6.1 There are a number of legislative requirements to consider in setting the Budget which will be addressed as we move through the budget cycle.
- 1.6.2 The Localism Act introduced a requirement for council tax referendums to be held if an authority increases its relevant basic amount of council tax in excess of principles determined by the Secretary of State and approved by the House of Commons.

1.7 Financial and Value for Money Considerations

- 1.7.1 As set out above.

1.8 Risk Assessment

- 1.8.1 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 guidance on assumptions obtained where appropriate.

- 1.8.2 Under the provisions of the Localism Act, any increase in the relevant basic amount of council tax above the principles, however small, will require a referendum to be held which is a risk in itself.

1.9 Equality Impact Assessment

- 1.9.1 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.

1.10 Recommendations

- 1.10.1 Cabinet is asked to **note** the resolution, and **make recommendations to** Council as appropriate.

Background papers:

Nil

contact: Sharon Shelton
Neil Lawley

Julie Beilby
Chief Executive

Sharon Shelton
Director of Finance and Transformation

Matt Boughton
Leader of the Council

Martin Coffin
Cabinet Member for Finance, Innovation and Property

COUNCIL TAX - TAX BASE FOR 2023/24

Parish	Tax Base
	Band D Equivalents
ADDINGTON	431.40
AYLESFORD	4,459.33
BIRLING	201.53
BOROUGH GREEN	1,714.66
BURHAM	473.17
DITTON	1,795.57
EAST MALLING & LARKFIELD	5,076.55
EAST PECKHAM	1,332.52
HADLOW	1,569.35
HILDENBOROUGH	2,267.75
IGHTHAM	1,131.15
KINGS HILL	4,493.17
LEYBOURNE	1,906.08
MEREWORTH	450.73
OFFHAM	406.79
PLATT	900.48
PLAXTOL	593.67
RYARSH	373.65
SHIPBOURNE	277.48
SNODLAND	3,946.34
STANSTED	287.85
TROTTISCLIFFE	286.43
WATERINGBURY	942.77
WEST MALLING	1,222.75
WEST PECKHAM	181.50
WOULDHAM	1,135.18
WROTHAM	975.35
TONBRIDGE	13,873.09
TOTAL	52,706.29

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COUNCIL TAX**DRAFT RESOLUTION**

Blank version of the Council Tax Resolution (except for Band D equivalents). Explanatory text is provided in Bold Italics.

1. It be noted that on 21st February 2023 the Council calculated
- (a) the Council Tax Base 2023/24 for the whole Council area as 52,706.29 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")] and,
- (b) for dwellings in those parts of its area to which one or more special items (Special expenses and or a Parish precept) relates as follows:

Tonbridge	13,873.09
Addington	431.40
Aylesford	4,459.33
Birling	201.53
Borough Green	1,714.66
Burham	473.17
Ditton	1,795.57
East Malling & Larkfield	5,076.55
East Peckham	1,332.52
Hadlow	1,569.35
Hildenborough	2,267.75
Ightham	1,131.15
Kings Hill	4,493.17
Leybourne	1,906.08
Mereworth	450.73
Offham	406.79
Platt	900.48
Plaxtol	593.67
Ryarsh	373.65
Shipbourne	277.48
Snodland	3,946.34
Stansted	287.85
Trottscliffe	286.43
Wateringbury	942.77
West Malling	1,222.75
West Peckham	181.50
Wouldham	1,135.18
Wrotham	975.35

2. £ X,XXX,XXX being the Council Tax requirement for the Council's own purposes for 2023/24 (excluding Parish precepts).

Explanatory Notes

1(a) This figure represents the council tax base expressed in Band D equivalents for the whole Tonbridge and Malling area.

1(b) These figures represent the tax base expressed in Band D equivalents for Tonbridge and each Parish.

The tax base for the whole borough, Tonbridge and for each area (Parish) as determined by the Council's Chief Financial Officer.

2 This figure represents the amount of council tax required to support the Council's revenue budget for the year.

3. That the following amounts be calculated for the year 2023/24 in accordance with Sections 31 to 36 of the Act:

- (a) £ XX,XXX,XXX being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
- (b) £ XX,XXX,XXX being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £ XX,XXX,XXX being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
- (d) £ XXX.XX being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year including Parish precepts.
- (e) £ X,XXX,XXX being the aggregate amount of all special items (Special expenses and Parish precepts) referred to in Section 34(1) of the Act.
- (f) £ XXX.XX being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items relate (this is the Council Tax for General Expenses to which Special expenses and Parish precepts are added as applicable).

(g) <u>Part of the Council's area</u>	Band D £
Tonbridge	XXX.XX
Addington	XXX.XX
Aylesford	XXX.XX
Birling	XXX.XX
Borough Green	XXX.XX
Burham	XXX.XX
Ditton	XXX.XX
East Malling & Larkfield	XXX.XX
East Peckham	XXX.XX
Hadlow	XXX.XX
Hildenborough	XXX.XX
Ightham	XXX.XX
Kings Hill	XXX.XX
Leybourne	XXX.XX
Mereworth	XXX.XX
Offham	XXX.XX
Platt	XXX.XX
Plaxtol	XXX.XX
Ryarsh	XXX.XX
Shipbourne	XXX.XX
Snodland	XXX.XX
Stansted	XXX.XX
Trottscliffe	XXX.XX
Wateringbury	XXX.XX
West Malling	XXX.XX
West Peckham	XXX.XX
Wouldham	XXX.XX
Wrotham	XXX.XX

being the amounts given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items (Special expenses and Parish precepts) relate.

Explanatory Notes

3(a) The Council's gross expenditure including special expenses, parish precepts and any deficit on the Collection Funds brought forward.

3(b) The Council's gross income including the amount of NNDR and Revenue Support Grant the Council will receive, plus any surplus on the Collection Funds brought forward.

3(c) The council tax requirement including special expenses and parish precepts.

3(d) The council tax requirement including special expenses and parish precepts divided by the tax base from 1(a) to give the basic amount of Council Tax. (N.B. This is an average inclusive of special expenses and parish precepts for each part of the borough).

3(e) The total amount of all parish precepts and special expenses.

3(f) The amount of Council Tax excluding parish precepts and special expenses that applies to each part of the borough.

3(g) The amounts of Council Tax which are set for each part of the borough to meet both borough and parish requirements including special expenses.

(h)

Valuation Bands

<u>Part of the Council's area</u>	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Tonbridge	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Addington	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Aylesford	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Birling	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Borough Green	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Burham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Ditton	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
East Malling & Larkfield	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
East Peckham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Hadlow	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Hildenborough	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Ightham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Kings Hill	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Leybourne	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Mereworth	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Offham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Platt	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Plaxtol	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Ryarsh	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Shipbourne	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Snodland	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Stansted	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Trottscliffe	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Wateringbury	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
West Malling	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
West Peckham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Wouldham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Wrotham	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX

being the amounts given by multiplying the amounts at 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

Explanatory Notes

3(h) The amounts of Council Tax set for each part of the borough, to meet both borough and parish requirements including special expenses.

4. That it be noted that for the year 2023/24 The Police & Crime Commissioner for Kent, the Kent & Medway Fire & Rescue Authority and the Kent County Council have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

<u>Precepting Authority</u>	<u>Valuation Bands</u>							
	A £	B £	C £	D £	E £	F £	G £	H £
The Police & Crime Commissioner for Kent	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Kent & Medway Fire & Rescue Authority	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX
Kent County Council	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX	XXX.XX

5. That, having calculated the aggregate in each case of the amounts at 3(h) and 4. above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2023/24, for each of the categories of dwellings shown below:

<u>Part of the Council's area</u>	<u>Valuation Bands</u>							
	A £	B £	C £	D £	E £	F £	G £	H £
Tonbridge	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Addington	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Aylesford	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Birling	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Borough Green	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Burham	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Ditton	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
East Malling & Larkfield	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
East Peckham	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Hadlow	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Hildenborough	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Ightham	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Kings Hill	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Leybourne	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Mereworth	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Offham	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Platt	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Plaxtol	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Ryarsh	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Shipbourne	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Snodland	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Stansted	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Trottscliffe	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Wateringbury	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
West Malling	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
West Peckham	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Wouldham	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX
Wrotham	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX	X,XXX.XX

Explanatory Notes

- 4 **The Council Tax set by The Police & Crime Commissioner for Kent, Fire Authority and KCC for each band.**
- 5 **The total Council Tax the Borough Council sets for each band in each part of the borough, inclusive of the KCC, KMFRA, The Police & Crime Commissioner for Kent, borough and parish requirement.**

Agenda Item 11

Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council.

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TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

14 February 2023

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Recommendation to Council

1 LOCAL COUNCIL TAX REDUCTION SCHEME 2023/24

A report providing the proposed Tonbridge & Malling Borough Council Working Age Local Council Tax Reduction Scheme 2023/24, requesting Cabinet Members to approve and recommend the updated Scheme to Full Council.

1.1 Background

- 1.1.1 Each year Members should approve a Local Council Tax Reduction Scheme at Full Council prior to the beginning of the financial year the Scheme is to be effective. Schemes are in two parts for working age and pension age households.
- 1.1.2 Government sets a prescribed Scheme for pension age households, which through default becomes the annual Scheme. Government prescribes maximum help up to 100% of council tax liability, a minimum requirement of a pension age scheme.

1.2 2023/24 Working Age Scheme

- 1.2.1 For the 2023/24 working age Scheme, changes have been made to bring it in line with statutory prescribed requirements from Government national benefit rates. The Scheme has also been uplifted in line with new rates of National Living Wage (NLW) where the NLW is used as a factor in calculating income discount bands. The draft Scheme is attached at **Annex 1** and the income bands can be found at p103 of the Scheme.
- 1.2.2 From April 2024 the National Living Wage rises from £9.50 per hour to £10.42. This rise, around 9.7% was based on recommendation of the Low Pay Commission to Government. Were we to increase our local council tax reduction scheme income bands by a lower percentage or not at all this would effectively penalise those households earning NLW rates of pay. It would be a counter intuitive approach, when Government has introduced measures aimed at easing the impact of rising costs of living for households with low incomes.

1.3 Government funded Council Tax Support for 2023/24

- 1.3.1 Members are advised that in December 2022, Government announced a council tax support fund for 2023/24 to mitigate increases in council tax for low income households. Each household receiving local council tax reduction on 1 April 2023 will receive a further discount of £25, or less if the bill is lower after the application of council tax reduction.
- 1.3.2 When the council tax bills are produced for 2023/24 following ratification of the budget and levels of council tax at Full Council, the £25 discount will automatically be applied to relevant household bills.
- 1.3.3 Any residual balance of the grant allocation can be used to support households receiving help with council tax reduction at the discretion of the Council. Our recommended approach, subject to Member endorsement, would be to similarly help households who move on to council tax reduction within the financial year, not just those who are entitled at 1 April, and others with exceptional circumstances needing extra help. This additional discretionary help will only be up to the level of our grant.
- 1.3.4 It is my intention to bring forward a further report on this discretionary policy to the next meeting of the Cabinet on 7 March.

1.4 Legal Implications

- 1.4.1 A Scheme must be considered and agreed by 11th March prior to the financial year of operation.

1.5 Financial and Value for Money Considerations

- 1.5.1 Financial effectiveness and cost of the Scheme will be monitored during the coming year. Any changes to the Scheme requires public consultation and approval of Full Council. Changes made to the Scheme for 2023/24 aim to be cost neutral to the Council.

1.6 Risk Assessment

- 1.6.1 The draft 2023/24 Scheme sets out how the Council will operate its discretionary powers to reduce risk of legal challenge and provide greater equality in the application of the Scheme.

1.7 Policy Considerations

- 1.7.1 The Scheme will continue to operate in line with existing associated policies.

1.8 Equality Impact Assessment

- 1.8.1 Changes made in line with Government uprating of national rates.

1.9 Recommendation

1.9.1 Cabinet is requested to **RECOMMEND** the draft Local Council Tax Reduction Scheme for 2023/24 to Full Council.

Background papers:

Nil

contact: Sharon Shelton
Andrew Rosevear

Sharon Shelton
Director of Finance & Transformation

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Agenda Item 12

Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council.

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CAPITAL PLAN REVIEW 2022-23

Item OS 23/4 referred from Overview and Scrutiny Committee of 26 January 2023

The report of the Director of Finance and Transformation considered progress on the 2022/23 Capital Plan Review and requested endorsement of recommendations to the Cabinet. Members were reminded that any aspirations in respect of capital schemes needed to be set within the context of the difficult and challenging financial outlook.

Particular reference was made to proposals for List C which included the addition of 'fast track' schemes in respect of Gibson East Refurbishment and De-carbonising the Councils estate as outlined in 1.5.3 of the report. Funding arrangements for these schemes were set out in 1.7.3 to 1.7.6 and it was reported that the Gibson East Refurbishment should be seen as a standalone project, outside of the capital plan review process, due to its scale.

Members recognised the significant financial implications in respect of the Gibson East Refurbishment and were reassured that the costs, risks, works and valuations associated with the project would be carefully monitored.

RECOMMENDED: That

- (1) the Capital Plan (List A) position as set out in Annex 1 (attached to the report) be commended to Cabinet for endorsement;
- (2) List C be amended by Cabinet as detailed in 1.5.3 of the report and summarised above;
- (3) the schemes listed in 1.6.4 of the report be selected for evaluation including where recommended for Fast Track evaluation;
- (4) the transfer of the two schemes shown in 1.7.3 of the report from List C to List B be commended to Cabinet for endorsement; and
- (5) the Cabinet be invited to endorse the Capital Strategy (attached at Annex 4) for adoption by the Council and publication on the Council's website.

***Referred to Cabinet**

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TONBRIDGE & MALLING BOROUGH COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

26 January 2023

**Joint Report of the Director of Finance and Transformation and
Cabinet Member for Finance, Innovation and Property**

Part 1- Public

Matters for Recommendation to Cabinet

1 CAPITAL PLAN REVIEW 2022/23

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.**
- **Presents an updated Capital Strategy for endorsement.**

Members are reminded however, that any aspirations in respect of capital schemes need to be set within the context of the difficult and challenging financial outlook.

Dashboard / Key Points

- **Capital Plan is built on a “ladder” style basis:**
- **At the top – List A – sits the schemes that have received approval and have funding assigned (including the replacement of existing assets)**
- **List B - schemes have received in principle support but are awaiting funding to be assigned at an appropriate time**
- **List C is a list of potential schemes that have been identified for possible future adoption**
- **Funding can be found from the Capital Reserve (for which the annual capital allowance is £250,000); S106 sums (developer contributions); or external grants**
- **This year’s recommendations for schemes to be moved to the top of the ladder – List A – can be met from the capital allowance and/or other funding sources**

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.
- 1.1.5 Under the previous governance arrangements, the draft capital plan prepared by officers were initially considered, on behalf of Cabinet, by the Finance, Innovation and Property Advisory Board before being presented to this Committee.
- 1.1.6 Following the changes to governance arrangements early in 2022, the Cabinet now works alongside officers to prepare the draft capital plan. Accordingly, this report is now a joint report of the Director of Finance and Transformation and the Cabinet Member for Finance, Innovation and Property.

1.2 Capital Plan Funding

- 1.2.1 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.
- 1.2.2 There is also an annual contribution to the revenue reserve for capital schemes to match the funding required for the replacement of existing assets (vehicles, plant and equipment) and recurring capital expenditure. The contribution in 2023/24 is £974,000.
- 1.2.3 There remains an annual capital allowance for all other capital expenditure not least in light of the difficult and challenging financial outlook. 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 £250,000 and it is proposed that the annual allowance continue to be set at that level.

- 1.2.4 It should be noted, based on current projections, that from 2029/30 the Council may need to borrow to fund such expenditure. This does not however, preclude a decision to borrow in order to fund in full or in part a capital investment opportunity that meets the Council's strategic priorities and objectives, achieves value for money and delivers a financial return. Each such opportunity to be considered on a case by case basis as appropriate.
- 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) amongst other Reserves 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 Committee 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 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 21 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 or more 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 2022/23 Budget Book have been made:

- the outturn for 2021/22 has been taken into account and any slippage still required has been included in 2022/23;
- schemes included in the existing Budget Book which were completed in 2021/22 have been removed;
- in accordance with the policy of having a rolling six year Capital Plan (current year plus six) an additional year, 2028/29, 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 1.4.9 detail specific amendments to the Capital Plan (List A) approved by Council in February 2022.

1.4.3 The Cabinet Member for Environment and Climate Change approved the sum of £31,000 be added to the Capital Plan in respect of an anti-idling project at five schools across the borough grant funded by DEFRA. Cabinet Member Decision D220047MEM dated 13 May 2022.

1.4.4 Council in July 2022 approved the sum of £140,000 be added to the Capital Plan for the installation of PV system at Larkfield Leisure Centre funded from the Climate Change Reserve.

1.4.5 Cabinet in November 2022 approved the sum of £40,000 and £55,000 be added to the Capital Plan in 2023/24 and 2024/25 respectively to meet grant payments in respect of the UK Shared Prosperity Fund shopfront improvement and vacant unit scheme. Of this sum £65,000 is to be funded from UK Shared Prosperity Fund monies and £30,000 in 2023/24 from the Business Rates Retention Scheme Reserve.

1.4.6 A number of other UK Shared Prosperity Fund projects / initiatives covering the three-year period 2022/23 to 2024/25 have also been added to the Capital Plan as follows:

- Mobile CCTV £20,000

- Tonbridge Wayfinding £25,000
- Digital Information Boards £120,000
- Bus Shelter Green Roofs Pilot £30,000
- West Kent Green Business Grants £75,000
- Carbon Descent Plans £75,000
- Safer Sustainable Car Parks £100,000

1.4.7 A total sum of £445,000 of which £430,000 is to be funded from UK Shared Prosperity Fund monies and £15,000 in 2023/24 from the Business Rates Retention Scheme Reserve. Further details can be found in the report to Cabinet on 5 July 2022.

1.4.8 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 2022/23 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 £882,000 per annum (2022/23 - 2028/29).

1.4.9 Provision for recurring expenditure has also been extended by a further year (see table below).

Capital Plan (List A) recurring expenditure		
	2028/29 £'000	Annex 1 Page
Planning, Housing and Environmental Health		
Housing assistance (net)	30	CP 4
Street Scene, Leisure and Technical Services		
Recycling waste bins growth / replacement	31	CP 10
Refuse bins growth / replacement	61	CP 10
Garden waste bins growth / replacement	37	CP 10
Improvements to existing car parks rolling programme	30	CP 16
Total	189	

1.4.10 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 difficult and challenging financial outlook 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.

List C additions and deletions	
	Annex 2 Page
Schemes to be added to List C	
Corporate Services	
Gibson East Refurbishment	CP 29
De-carbonising the Council's Estate	CP 30
Schemes to be deleted from List C	
Street Scene, Leisure and Technical Services	
Tonbridge Farm Sportsground – Provision of Toilets (provision met by alternative provider)	
Tonbridge Castle – Site Improvements (funded in full from Welcome Back Fund)	
Taddington Valley Woodland Management (classified as revenue expenditure)	

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 both for Fast-Track evaluation.

- 1.6.4 In addition, there are two schemes selected for evaluation in a previous Review that are yet to be evaluated / subject to further evaluation as follows: Tonbridge Racecourse Sportsground – Improvement Works Phase 3 and River Medway – Riverside Environmental Improvements, Tonbridge.

Schemes selected for evaluation from List C	
	Annex 2 Page
Corporate Services	
Gibson East Refurbishment (Fast-Track)	CP 29
De-carbonising the Council's Estate (Fast-Track) Carbon Descent Initiatives – Installation of solar PV at Tonbridge Swimming Pool Installation of LED lighting at Tonbridge Swimming Pool Installation of LED lighting at Larkfield Leisure Centre	CP 30

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

1.7 Evaluation of List C Schemes

- 1.7.1 As part of the 2021/22 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.

Capital / revenue consequences of evaluated schemes			
	Capital Cost	Annual revenue / renewals cost	Annex 3 Page
	£'000	£'000	
Corporate Services			
Gibson East Refurbishment	3,000		CP 31
De-carbonising the Council's Estate	225	11	CP 33
Total	3,225	11	

- 1.7.4 The scale of the Gibson East Refurbishment is such that it is to be seen as a standalone project outside of the capital plan review process where it is proposed the estimated capital cost of £3.0m be funded in the first instance from the Revenue Reserve for Capital Schemes. Subsequently, the proceeds (capital receipt) from the sale of Gibson West are used to fund capital expenditure up to the value of the cost of the works to in effect reimburse the Reserve. This of course assumes our share of the sale proceeds will as a minimum cover the cost of the works. The opportunity to apply for grant funding for energy efficiency measures/ environmental improvements to the public estate will also be explored.
- 1.7.5 In addition, a revenue budget in the current financial year is required in the sum of £50,000 to meet professional fees and survey costs to take forward the project funded from an earmarked reserve and where an **ongoing revenue saving** as a result of the scaling back of office accommodation of £200,000 has **already** been built into the Medium Term Financial Strategy.
- 1.7.6 The estimated capital cost of the De-carbonising the Council's Estate capital plan scheme comprising three carbon descent initiatives is to be met from the Climate Change Reserve.
- 1.7.7 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.
- 1.7.8 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.
- 1.7.9 It is **RECOMMENDED** that Cabinet be asked to endorse the transfer of the two schemes shown in paragraph 1.7.3 from List C to List B.

1.8 Capital Strategy

- 1.8.1 Updates to both the Prudential Code and Treasury Management Code were published by the Chartered Institute of Public Finance and Accountancy (CIPFA) in December 2021 and uphold a key principle that borrowing primarily for return on investment is not permissible.
- 1.8.2 The requirements of both the Treasury Management and Prudential Codes of Practice published by CIPFA 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 strategic priorities and objectives, focuses on value for money.

1.11 Risk Assessment

- 1.11.1 The proceeds from the sale of Gibson West may not fully cover the cost of the Gibson East Refurbishment and or the sale takes longer than anticipated placing the Revenue Reserve for Capital Schemes under pressure and recourse to borrowing earlier than expected with consequent financial implications.
- 1.11.2 Financial implications of new schemes to be considered by Cabinet at the February budget meeting.
- 1.11.3 Failure to endorse a satisfactory Capital Strategy may lead to a capital programme which does not fully support the Council's strategic priorities and 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 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 including where recommended for Fast-Track evaluation.
- 1.13.4 It is **RECOMMENDED** that Cabinet be asked to endorse the transfer of the two schemes shown in paragraph 1.7.3 from List C to List B.
- 1.13.5 It is **RECOMMENDED** that Cabinet be invited to endorse the Capital Strategy as attached at **[Annex 4]** for adoption by Council and publication on the Council's website.

Background papers:

Nil

contact: Donna Riley
Neil Lawley

Sharon Shelton
Director of Finance and Transformation

Capital Plan: List A Service Summary									
	Expenditure To 31/03/22	2022/23 Estimate inc Prior Year Slippage	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	Scheme Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Plan Schemes									
Planning, Housing & Environmental Health	1,554	56	30	30	30	30	30	30	1,790
Street Scene, Leisure & Technical Services	288	784	1,396	287	275	159	159	174	3,522
Corporate	15	12	105	0	0	0	0	0	132
Sub-total	1,857	852	1,531	317	305	189	189	204	5,444
Capital Renewals									
Planning, Housing & Environmental Health	n/a	0	0	13	0	0	0	0	13
Street Scene, Leisure & Technical Services	n/a	590	1,776	544	241	453	601	965	5,170
Corporate	n/a	125	525	322	150	102	129	254	1,607
Sub-total	n/a	715	2,301	879	391	555	730	1,219	6,790
Total	1,857	1,567	3,832	1,196	696	744	919	1,423	12,234

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Capital Plan: List A
Planning, Housing and Environmental Health

	Expenditure To 31/03/22	2022/23 Estimate inc Prior Year Slippage	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	Scheme Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Plan Schemes									
Housing	1,554	46	30	30	30	30	30	30	1,780
Environmental Health	0	10	0	0	0	0	0	0	10
Sub-total	1,554	56	30	30	30	30	30	30	1,790
Capital Renewals	n/a	0	0	13	0	0	0	0	13
Total Planning, Housing and Environmental Health	1,554	56	30	43	30	30	30	30	1,803

Capital Plan: List A										
Planning, Housing and Environmental Health										
	Code	Expenditure To 31/03/22	2022/23 Estimate inc Prior Year Slippage	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	Scheme Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Housing										
(a) Disabled Facility Grants										
(i) Mandatory Grants Less repayments	P03AC	n/a	1,956 (10)	1,050 (10)	1,050 (10)	1,050 (10)	1,050 (10)	1,050 (10)	1,050 (10)	8,256 (70)
(ii) Discretionary Grants	P03AT	n/a								
(iii) Government Grant		n/a	(1,946)	(1,040)	(1,040)	(1,040)	(1,040)	(1,040)	(1,040)	(8,186)
Sub-total		n/a	0	0	0	0	0	0	0	0
(b) Housing Assistance Less repayments	P03AD	n/a	60 (30)	60 (30)	60 (30)	60 (30)	60 (30)	60 (30)	60 (30)	420 (210)
Sub-total		n/a	30	30	30	30	30	30	30	210
(c) Temporary Accommodation										
(i) 4 Dwellings, Pembury Road, Tonbridge Less Developer Contributions	P03AX	2,060 (506)	150 (354)							2,210 (860)
Sub-total		1,554	(204)	0	0	0	0	0	0	1,350
(ii) Ground Floor Unit, High Street, Tonbridge Sub-total	P03AY	0	10	0	0	0	0	0	0	10
		0	10	0	0	0	0	0	0	10
(iii) Freehold, 47 High Street, Tonbridge Sub-total	P03AZ	0	210	0	0	0	0	0	0	210
		0	210	0	0	0	0	0	0	210
Total Housing to Summary		1,554	46	30	30	30	30	30	30	1,780

**Capital Plan: List A
Planning, Housing and Environmental Health**

	Justification	Scheme notes
<p>Housing (a) Disabled Facility Grants</p>	<p><i>Former Corp't Aims & Priorities</i></p>	<p>Given the level of budget available this year which includes prior year slippage and the forthcoming review of the housing assistance programme, it is likely that a reprofiling exercise will be undertaken. Funding continues to be made available from the Better Care Fund to enable qualifying residents to apply for grants to help with adaptation costs.</p>
<p>(b) Housing Assistance</p>	<p><i>Former Corp't Aims & Priorities</i></p>	<p>Budget reviewed by Communities & Housing Advisory Board, July 2016. Gross budget provision reduced from £90,000 to £60,000 per annum. An earmarked reserve has been established to meet any shortfall in assumed grant repayments.</p>

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	Justification	Scheme notes
(c) Temporary Accommodation (i) (ii) (iii)	Cost Saving Cost Saving Cost Saving	Purchase and conversion of Pembury Road properties for temporary accommodation purposes. Scheme approved by Council in October 2020 to acquire ground floor accommodation at 47 High Street, Tonbridge to provide office accommodation and a CCTV monitoring capability relating to the Council owned flats in the adjoining properties. The Leader of the Council and Chairman of Overview and Scrutiny Committee, under urgency provisions agreed the purchase of the freehold of 47 High Street, Tonbridge. The purchase of the freehold has now been completed.

**Capital Plan: List A
Planning, Housing and Environmental Health**

	Code	Expenditure To 31/03/22	2022/23 Estimate inc Prior Year Slippage	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	Scheme Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Environmental Health										
(a) Air Quality Monitoring Station	P02EN		10							10
Sub-total			10							10
(b) Anti-idling Campaign Project Government Grant	P02EM		31 (31)							31 (37)
Sub-total			0							(6)
Total Environmental Health to Summary		0	10	0	0	0	0	0	0	4
Capital Renewals										
(c) Environmental Protection Provision for Inflation	P02EBCR01 P02EZ	n/a n/a			12 1					12 1
Total Capital Renewals to Summary		n/a	0	0	13	0	0	0	0	13

**Capital Plan: List A
Planning, Housing and Environmental Health**

	Justification	Scheme notes
<p>Environmental Health</p> <p>(a) Air Quality Monitoring Station</p> <p>(b) Anti-idling Campaign Project</p> <p>Capital Renewals</p> <p>(c) Environmental Protection</p>	<p>Statutory requirement, Health & Safety</p> <p>Statutory requirement, Health & Safety</p> <p><i>Former Corp't Aims & Priorities</i></p>	<p>Provision relates to the purchase of an additional Nitrogen Dioxide monitor. This will enable continuous monitoring of air quality at two locations across the borough at any one time in line with the agreed Air Quality Action Plan (AQAP).</p> <p>Provision relates to the purchase of five mobile sensors to record indicative levels of Nitrogen Dioxide and Particulates at participating schools. This will enable monitoring of air quality associated with school traffic, specifically where car engines remain in an idling position. This project is in line with the agreed Air Quality Action Plan (AQAP).</p> <p>Provisions relate to the replacement of noise and gas pollution monitoring equipment.</p>

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Capital Plan: List A
Street Scene, Leisure & Technical Services

	Expenditure To 31/03/22	2022/23 Estimate inc Prior Year Slippage	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	Scheme Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Plan Schemes									
Street Scene	n/a	275	120	129	129	129	129	129	1,040
Leisure									
Larkfield Leisure Centre	0	140	0	0	0	0	0	0	140
Sports Grounds	33	177	0	0	0	0	0	0	210
Open Spaces	124	0	0	0	0	0	0	0	124
Other Leisure Schemes	103	0	15	0	0	0	0	15	133
Technical Services									
Car Parking	0	30	30	30	30	30	30	30	210
Electrical Vehicle Charging Points	3	37	0	0	0	0	0	0	40
Land Drainage / Flood Defence	25	125	1,231	128	116	0	0	0	1,625
Sub-total	288	784	1,396	287	275	159	159	174	3,522
Capital Renewals	n/a	590	1,776	544	241	453	601	965	5,170
Total Street Scene, Leisure & Technical Services	288	1,374	3,172	831	516	612	760	1,139	8,692

**Capital Plan: List A
Street Scene, Leisure & Technical Services**

	Code	Expenditure To 31/03/22	2022/23 Estimate inc Prior Year Slippage	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	Scheme Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Street Scene										
(a) Green Waste Bins Growth / Replacement	P02BC	n/a	160	31	31	31	31	31	31	346
(b) Refuse Bins Growth / Replacement	P02DA	n/a	75	61	61	61	61	61	61	441
(c) Garden Waste Bin Replacement	P02CF	n/a	40	28	37	37	37	37	37	253
Total Street Scene to Summary		n/a	275	120	129	129	129	129	129	1,040
Larkfield Leisure Centre										
(d) PV System	P05LR	n/a	140							140
Total Larkfield Leisure Centre to Summary		n/a	140	0	0	0	0	0	0	140

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**Capital Plan: List A
Street Scene, Leisure & Technical Services**

	Justification	Scheme notes
<p>Street Scene</p> <p>(a) Green Waste Bins Growth / Replacement</p> <p>(b) Refuse Bins Growth / Replacement</p> <p>(c) Garden Waste Bin Replacement</p> <p>Larkfield Leisure Centre</p> <p>(c) PV System</p>	<p><i>Former Corp't Aims & Priorities</i></p> <p>Reduce Expenditure & Income Generation</p> <p>Climate Change & Cost Savings</p>	<p>The recycling and refuse provisions cater for growth in the number of properties served and the replacement of existing collection bins and boxes. The 2022/23 revised estimates include the agreed roll out programme to flats, a requirement to pre-order due to protracted lead in times and increased costs. The ongoing annual budget requirement to be the subject of review in 2023/24.</p> <p>Provision for replacement of garden waste containers.</p> <p>Installation of PV system (solar panels) to the sports hall roof at Larkfield Leisure Centre. This will allow the site to produce some of it's electricity demand from an on-site renewable source, resulting in annual savings to energy costs.</p>

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Capital Plan: List A
Street Scene, Leisure & Technical Services

	Code	Expenditure To 31/03/22	2022/23 Estimate inc Prior Year Slippage	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	Scheme Total
Sports Grounds										
(a) Racecourse Sportsground Riverside Revetment Less Grants	P05DD	50 (17)	175 (11)							225 (28)
Sub-total		33	164	0	0	0	0	0	0	197
(b) Racecourse Sportsground Rugby Pitch Drainage Less Developer Contributions	P05DE	10 (10)	21 (8)							31 (18)
Sub-total		0	13	0	0	0	0	0	0	13
(c) Tonbridge Farm Sportsground Site Improvements Less Developer Contributions	P05DF		40 (40)							40 (40)
Sub-total		0	0	0	0	0	0	0	0	0
Total Sports Grounds to Summary		33	177	0	0	0	0	0	0	210

Capital Plan: List A
Street Scene, Leisure & Technical Services

	Justification	Scheme notes
<p>Sports Grounds</p> <p>(a) Racecourse Sportsground Riverside Revetment</p> <p>(b) Racecourse Sportsground Rugby Pitch Drainage</p> <p>(c) Tonbridge Farm Sportsground Site Improvements</p>	<p>Health & Safety</p> <p>External Funding</p> <p>External Funding</p>	<p>Replace sections of the existing wooden revetment which is failing and causing erosion of the riverbank at Tonbridge Racecourse Sportsground. Scheme is part funded by a grant from the Environment Agency. Phase 1 complete. Phase 2 currently in design for delivery later this financial year.</p> <p>To improve drainage to the rugby pitches at Tonbridge Racecourse Sportsground that are currently subject to regular flooding to maintain and enhance their use. Funded from developer contributions and a virement of £8,000 from the Land Drainage Improvement Programme. Gross budget, approved February 2020, increased by £10,000 to £26,000 offset in full by grant from Sport England. Further funding of £5,000 required to meet cost of EA flood risk assessment and compensation as required in the planning application.</p> <p>To enhance and provide additional facilities at Tonbridge Farm Sportsground including the installation of a new outdoor gym and an additional piece of toddler play equipment. Funded in full from developer contributions.</p>

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Capital Plan: List A
Street Scene, Leisure & Technical Services

	Code	Expenditure To 31/03/22	2022/23 Estimate inc Prior Year Slippage	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	Scheme Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Open Spaces										
(a) Leybourne Lakes Country Park Path Improvements Less Grants & Developer Contributions	P05FH	74 (22)								74 (22)
Sub-total		52	0	0	0	0	0	0	0	52
(b) Leybourne Lakes Country Park Facility Improvements	P05FF	544	393							937
Less Developer Contributions		(472)	(393)							(865)
Sub-total		72	0	0	0	0	0	0	0	72
Total Open Spaces to Summary		124	0	0	0	0	0	0	0	124
Other Leisure Schemes										
(c) Tonbridge Cemetery / Closed Churchyards Memorial Safety	P05KV	106		15					15	136
Less Developer Contributions		(3)								(3)
Sub-total		103	0	15	0	0	0	0	15	133
Total Other Leisure Schemes to Summary		103	0	15	0	0	0	0	15	133

Capital Plan: List A
Street Scene, Leisure & Technical Services

	Justification	Scheme notes
<p>Open Spaces</p> <p>(a) Leybourne Lakes Country Park Path Improvements</p> <p>(b) Leybourne Lakes Country Park Facility Improvements</p> <p>Other Leisure Schemes</p> <p>(c) Tonbridge Cemetery / Closed Churchyards Memorial Safety</p>	<p>External Funding</p> <p>External Funding</p> <p><i>Former Corp't Aims & Priorities</i></p>	<p>Due to increased usage of the Country Park, including the popular weekly Parkrun, resurfacing of the path around the main lake is required on health and safety grounds, and in order to maintain good access for the public including making it accessible for less able users. It was originally hoped the scheme could be funded in full from grants and/or developer contributions. Works now completed. Further pathworks around the lake were funded by KCC public rights of way and have also been completed.</p> <p>To build a purpose built lakeside facility to provide year round catering and a centre for watersports. The facility would meet an identified customer need and would be income generating. The project will help support the long term sustainability of the Leisure Trust. Costs to be met from developer contributions and a £64,000 contribution from the Council's Climate Change Reserve, together with a virement of £8,000 from LLCP path improvement works capital plan scheme. Scheme now complete and operational.</p> <p>Provision based on Local Government Ombudsman's recommendation to inspect every five years.</p>

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Capital Plan: List A Street Scene, Leisure & Technical Services										
	Code	Expenditure To 31/03/22	2022/23 Estimate inc Prior Year Slippage	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	Scheme Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Car Parking										
(a) Existing Car Parks Improvement Programme	P01AB	n/a	30	30	30	30	30	30	30	210
Total Car Parking to Summary		0	30	30	30	30	30	30	30	210
Transportation										
(b) Electrical Vehicle Charging Points Less grant and contributions	P01EA	3	117 (80)							120 (80)
Total Transportation to Summary		3	37	0	0	0	0	0	0	40
Land Drainage / Flood Defence										
(c) Wouldham River Wall	P01HS	25		1,100						1,125
(d) Leigh Flood Storage Area	P01HV		125	131	128	116				500
Total Land Drainage/Flood Defence to Summary		25	125	1,231	128	116	0	0	0	1,625

Capital Plan: List A Street Scene, Leisure & Technical Services		
	Justification	Scheme notes
<p>Car Parking</p> <p>(a) Existing Car Parks Improvement Programme</p> <p>Transportation</p> <p>(b) Electrical Vehicle Charging Points</p> <p>Land Drainage / Flood Defence</p> <p>(c) Wouldham River Wall</p> <p>(d) Leigh Flood Storage Area</p>	<p><i>Former Corp't Aims & Priorities</i></p> <p><i>Former Corp't Aims & Priorities</i></p> <p><i>Former Corp't Aims & Priorities</i></p> <p><i>Former Corp't Aims & Priorities</i></p>	<p>An annual provision for capital investment in the Council's off-street car parks to ensure that their condition is adequate for health & safety, legislation, the needs of our customers and income generation. A condition survey of the car parks has been progressed to determine a future work programme.</p> <p>Provision to progress phases 1 and 2 of programme to install Electric Vehicle charging points in Council owned car parks across the borough. Procurement progressed using framework and KCC countywide tender exercise. Installation of phase 1 nearing completion.</p> <p>Strengthening / rebuilding to address movement detected in the retaining wall between the public open space and the River Medway. Budget increased by £300,000 to £1,000,000, as part of the 2015/16 Capital Plan Review, reflecting a re-evaluation of scheme costs by the consultant Quantity Surveyor. Movement in the wall is being monitored by an external consultant over the next 5 years to determine requirement for works. Funding rescheduled to 2023/24 in liaison with local Members and the Parish Council. Funding may need to be brought forward if monitoring identifies significant changes in movement levels of the wall. Budget increased by £125,000 to maintain the purchasing power of the reprogrammed scheme. Health and safety related path repairs were undertaken in 2018/19.</p> <p>Contribution to an Environment Agency project to improve the Leigh Flood Storage Area. Project aims to provide additional flood protection and reduce the risk of flooding to local households and business premises and a range of community and leisure facilities, including those in the ownership of the Council, particularly in central Tonbridge. Scheme approved by Cabinet September 2016.</p>

Capital Plan: List A
Street Scene, Leisure & Technical Services

	Code	Expenditure To 31/03/22	2022/23 Estimate inc Prior Year Slippage	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	Scheme Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Renewals										
Sports Grounds & Open Spaces Less grant and contributions	P05KGBC05	n/a n/a	70	888	173	44	140	143	170	1,628
			70	888	173	44	140	143	170	1,628
Technical Services:										
(a) CCTV	P01BA	n/a	37	35	35	35	35	41	35	253
(b) Car Parking	P01JF	n/a	4	20	40	9	18	141	0	232
			111	943	248	88	193	325	205	2,113
Provision for Inflation		n/a	0	9	7	4	14	30	24	88
Sub-total			111	952	255	92	207	355	229	2,201
Leisure Centres:										
(c) Angel Centre	P05KGBC01	n/a	56	393	127	58	68	34	302	1,038
(d) Larkfield Leisure Centre	P05KGBC02	n/a	191	462	106	63	76	65	399	1,362
(e) Tonbridge Swimming Pool	P05KGBC04	n/a	220	164	65	37	61	109	95	751
(f) Poult Wood Golf Clubhouse	P05KGBC03	n/a	104	26	16	15	28	32	16	237
Course	P05KGBC07	n/a	18	0	7	4	35	5	62	131
Grounds Maintenance	P05KGBC06	n/a	50	43	54	12	38	55	7	259
			639	1,088	375	189	306	300	881	3,778
Provision for Inflation	P05KZ	n/a	0	11	11	10	22	28	101	183
Savings Target (assumes 25%)		n/a	(160)	(275)	(97)	(50)	(82)	(82)	(246)	(992)
Sub-total			479	824	289	149	246	246	736	2,969
Total Capital Renewals to Summary		n/a	590	1,776	544	241	453	601	965	5,170

**Capital Plan: List A
Street Scene, Leisure & Technical Services**

	Justification	Scheme notes
<p>Capital Renewals</p> <p>Street Scene - Recycling Initiatives</p> <p>Sports Grounds & Open Spaces</p> <p>Technical Services: (a) CCTV (b) Car Parking</p> <p>Leisure Centres: (c) Angel Centre (d) Larkfield Leisure Centre (e) Tonbridge Swimming Pool (f) Poulton Wood Golf Course</p> <p>Savings target</p>	<p align="center"><i>Former Corp't Aims & Priorities</i></p>	<p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p align="center">}</p> <p>Provision for the replacement of life expired assets (primarily children's play equipment and sports / other equipment) used at leisure facilities. Provisions reviewed annually.</p> <p>Following the Overview and Scrutiny Committee review of capitals renewals (September 2014) savings target increased from 20% to 25% for 2015/16 and embedded in the detailed estimates thereafter by increasing estimated useful life for scheduled items. However, no changes were made to the Leisure Centre renewals schedules (expended by TMLT) so the 25% savings target is retained throughout the plan period.</p>

Capital Plan: List A Corporate									
	Expenditure To 31/03/22	2022/23 Estimate inc Prior Year Slippage	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	Scheme Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Plan Schemes									
Land and Property	10	0	60	0	0	0	0	0	70
Information Technology Initiatives	5	12	0	0	0	0	0	0	17
Other Schemes	0	0	45	0	0	0	0	0	45
Sub-total	15	12	105	0	0	0	0	0	132
Capital Renewals	n/a	125	525	322	150	102	129	254	1,607
Total Corporate	15	137	630	322	150	102	129	254	1,739

Capital Plan: List A Corporate										
	Code	Expenditure To 31/03/22	2022/23 Estimate inc Prior Year Slippage	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	Scheme Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Land and Property										
(a) Tonbridge Castle Offices: Re-tile Roof	P06AA	10		60						70
Total Land and Property to Summary		10	0	60	0	0	0	0	0	70
Information Technology Initiatives										
(b) Revenues and Benefits IT Digital Solution	P06EW	5	12							17
Total Information Technology Initiatives to Summary		5	12	0	0	0	0	0	0	17
Other Schemes										
(c) UK Shared Prosperity Fund Projects/Initiatives	P06FN									
Mobile CCTV	FN10	n/a	20							20
Tonbridge Wayfinding	FN20	n/a	25							25
Digital Information Boards	FN30	n/a		40	80					120
Shopfront and Vacant Unit Improvements	FN40	n/a		40	55					95
Bus Shelter Green Roofs Pilot	FN50	n/a		30						30
West Kent Green Business Grants	FN60	n/a		25	50					75
Carbon Descent Plans	FN70	n/a			75					75
Safer Sustainable Car Parks	FN80	n/a			100					100
Less Grants	FN90	n/a	(45)	(90)	(360)					(495)
Total Other Schemes to Summary		0	0	45	0	0	0	0	0	45

Capital Plan: List A Corporate		
	Justification	Scheme notes
<p>Land and Property (a) Tonbridge Castle Offices : Re-tile roof</p> <p>Information Technology Initiatives (b) Revenues and Benefits IT Digital Solution</p> <p>Other Schemes (c) UK Shared Prosperity Fund Projects/Initiatives</p>	<p><i>Former Corp't Aims & Priorities</i></p> <p>Cost Saving</p> <p>External Funding</p>	<p>Retiling of roof to protect asset. Condition has not materially worsened. Bulk of the budget has been deferred to 2022/23. Spend to 31/3/16 relates to re-roofing works associated with the Tonbridge Castle Reception enhancement project carried out a number of years ago.</p> <p>IT digital solution which all staff in the service can readily access and improvements to online presentation of information and 24/7 access for tax payers at an estimated cost of £65,000. Key elements of this project have now been progressed through revenue initiatives reducing the capital requirement by £45,000. In 2022/23 the address database will be extended to include national postcode dataset to streamline customer access to landlords living outside of the borough, as well as planning agents, License holders(Taxi) who reside outside the borough. The scheme is expected to complete in 2022/23.</p> <p>Projects/Initiatives to be funded in large part from the UK Shared Prosperity Fund Grant Award and the balance from the Kent and Medway 100% Business Rates Retention Pilot Reserve. Further details can be found in the report to Cabinet on 5 July 2022.</p>

Capital Plan: List A Corporate										
	Code	Expenditure To 31/03/22	2022/23 Estimate inc Prior Year Slippage	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	Scheme Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Renewals	P06FA									
(a) General										
Departmental Administration	GR01	n/a	4	1		7	1			13
Council Offices	GR02	n/a		26				3		29
Print Unit	GR03	n/a		105	78			15		198
Tonbridge Christmas Lighting	GR09	n/a				38				38
Elections	GR10	n/a		11						11
Sub-total		n/a	4	143	78	45	1	18	0	289
Information Technology	P06FB	n/a	121	377	235	98	94	100	228	1,253
Desktop Hardware	FB10									
Mobile Hardware	FB20									
Computer Suite	FB30									
Other Hardware	FB40									
Network	FB50									
Corporate Software	FB60									
Operational Software	FB70									
User Software	FB80									
Sub-total		n/a	121	377	235	98	94	100	228	1,253
Provision for Inflation	P06FZ	n/a	0	5	9	7	7	11	26	65
Total Capital Renewals to Summary		n/a	125	525	322	150	102	129	254	1,607

**Capital Plan: List A
Corporate**

	Justification	Scheme notes
<p>Capital Renewals</p> <p>(a) General</p> <p> Departmental Admin</p> <p>Page 170</p> <p> Council Offices</p> <p> Print Unit</p> <p> Tonbridge Christmas Lighting</p> <p> Elections</p> <p>(b) Information Technology</p>	<p><i>Former Corp't Aims & Priorities</i></p> <p>}</p> <p>}</p> <p>}</p> <p>}</p> <p>}</p> <p>}</p> <p>}</p> <p>}</p> <p>}</p> <p>}</p>	<p>}</p> <p>}</p> <p>}</p> <p>}</p> <p>}</p> <p>}</p> <p>} Provision for the renewal of life-expired or obsolete equipment. Subject to annual review.</p> <p>}</p> <p>}</p> <p>}</p> <p>}</p> <p>See sub-headings for type of equipment covered by renewals provisions. Full replacement, significant upgrades and new systems are identified as capital plan schemes in their own right.</p>

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000			
Service	Scheme Title	Recommended for Evaluation	Cost Band
New / Existing Scheme	Details of Scheme / Comments	✓ = Yes X = No A/S = Already Selected	and Justification
Street Scene, Leisure & Technical Services Existing Scheme	<p>Leisure Centres: Angel Leisure Centre - Facility Refurbishment</p> <p>Scheme identified by Leisure Trust in its Business Plan, prior to Covid-19 pandemic, to develop and refurbish the Angel Leisure Centre facilities. Options under consideration by the Trust include facilities such as soft play, indoor climbing, party rooms and enhanced fitness and dance studio provision. All were subject to a full site survey, design/build proposals and the Council's strategic approach to its assets in the town centre. Funding was to be on a partnership basis with the Trust due to the Council's building and maintenance responsibilities within the Management Agreement. Determining the future of the Angel Centre has been identified as a priority within the work to date on the Tonbridge Town Centre Asset Review.</p> <p>Retain on List C for evaluation within the context of the Tonbridge Town Centre Asset Review.</p>	X	Band E External funding Income generating

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000			
Service	Scheme Title	Recommended for Evaluation	Cost Band
New / Existing Scheme	Details of Scheme / Comments	✓ = Yes X = No A/S = Already Selected	and Justification
Street Scene, Leisure & Technical Services Existing Scheme	<p>Sports Grounds: Tonbridge Racecourse Sportsground – Improvement Works Phase 3</p> <p>Previous improvements have been made at the site in accordance with the Site Management Plan. Phase 3 improvements aim to enhance existing provision and bring forward new facilities for the public. Proposals include the potential extension of the Skate Park and Outdoor Gym, improvements to paths and improvements to drainage. Potential for developer contributions and other external funding opportunities.</p> <p>Scheme recommended for evaluation as part of the 2019/20 Capital Plan Review.</p> <p>Evaluation deferred to 2023/24 due to lack of developer contributions/external funding.</p>	A/S	Band C External funding
Street Scene, Leisure & Technical Services Existing Scheme	<p>Open Spaces: Haysden Country Park – Site Improvements Phase 2</p> <p>Additional site improvements have been identified within the Management Plan for the site including path improvements, play area improvements and replacement of the existing building facility. Park has seen a significant increase in use during the pandemic. Potential funding from developer contributions.</p> <p>Retain on List C.</p>	X	Band C Health & Safety External funding Income generating

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000			
Service	Scheme Title	Recommended for Evaluation	Cost Band
New / Existing Scheme	Details of Scheme / Comments	✓ = Yes X = No A/S = Already Selected	and Justification
Street Scene, Leisure & Technical Services Existing Scheme	Open Spaces: Holly Hill Path Improvements Improvements to path network at Holly Hill Public Open Space. Scheme subject to funding from developer contributions. Retain on List C.	X	Band A External funding Health & Safety
Street Scene, Leisure & Technical Services Existing Scheme	Environmental Improvements: River Medway Riverside Environmental Improvements, Tonbridge Proposal for new riverside environmental improvements including lighting along sections of the River Medway in Tonbridge. Section 1, from Town Lock to Cannon Lane; Section 2, from the Big Bridge to Tonbridge Swimming Pool and Section 3 along River Walk and through River Lawn. Brought forward following residents and Member requests to improve security of pedestrian access to the town centre. Scheme introduced and selected for evaluation in the 2015/16 Capital Plan Review. £42,000 has currently been secured through developer contributions and further opportunities for developer contributions may be forthcoming. An external consultant's report has been received and will be used to inform the evaluation. Evaluation deferred to 2023/24.	A/S	Band D Former Corporate Aims & Priorities

Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000			
Service	Scheme Title	Recommended for Evaluation	Cost Band
New / Existing Scheme	Details of Scheme / Comments	✓ = Yes X = No A/S = Already Selected	and Justification
Street Scene, Leisure & Technical Services	<p>Swanmead Sportsground: Flood Alleviation Works</p> <p>Works required to address existing and potentially increasing issues with flooding on site. Works proposed to ensure future continuing use and support current income from pitch hire. To be progressed subject to the identification of external funding. Project identified in liaison with the Tonbridge Sports Association. Scheme will also consider the potential of additional on-site parking.</p> <p>Retain on List C.</p>	X	Band A External Funding

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Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000			
Service	Scheme Title	Recommended for Evaluation	Cost Band
New / Existing Scheme	Details of Scheme / Comments	✓ = Yes X = No A/S = Already Selected	and Justification
Property Services New Scheme	Gibson East Refurbishment As part of the Council's savings target, a £200,000 saving from 1 April 2024 associated with the reduction in its office accommodation has been factored into the Medium Term Financial Strategy. Cabinet have asked officers to investigate the option to relocate all Council staff operating at Kings Hill into the Gibson East building. In order to achieve the target the building will need to undergo a refurbishment including re-configuration of internal spaces, installing lower carbon technologies (such as heat pumps and solar panels) as well as generally updating the building. Recommended for "Fast Track" evaluation – see Annex 3	✓	Band E Justification - Facilitating a saving to be made on the Council's operational costs
	Revenue budget needed for evaluation:	Revenue funding of £50,000 will need to be made available in the 2022/23 financial year to meet the initial costs of fees and surveys.	



Schedule of List C Schemes

Cost Bands: A = £5,000 to £25,000 B= £26,000 to £50,000 C= £51,000 to £100,000 D= £101,000 to £200,000 E= Greater than £200,000			
Service	Scheme Title	Recommended for Evaluation	Cost Band
New / Existing Scheme	Details of Scheme / Comments	✓ = Yes X = No A/S = Already Selected	and Justification
Property Services New Scheme	<p>De-carbonising the Council's Estate</p> <p>The Council have declared a climate emergency and have an aspiration to become carbon neutral by 2030.</p> <p>To achieve that aspiration in terms of the Council's own estate, investment will be needed in renewable technologies. De-carbonising surveys will be required for each building, which will set out the options available, likely costs and the potential carbon reductions. These options will be presented to Members and their views sought on what schemes should be prioritised. Project specific capital evaluations will then be brought forward for consideration.</p> <p>In each case external funding opportunities will be explored.</p> <p>Capital Plan Scheme comprising of three Carbon Descent Initiatives have been recommended for "Fast Track" evaluation - see Annex 3</p>	✓	Band E Justification – Reducing the Council's carbon footprint in line with the Council's 2030 net zero aspiration
	<p>Revenue budget needed for evaluation:</p> <p>Revenue funding will be required for the de-carbonising surveys, which will need to be added to existing revenue budgets</p>		



CAPITAL PLAN LIST C – EVALUATIONS

Project		Central Services: Gibson East Refurbishment	
1	Specification:		
	(i)	Purpose of the scheme	To refurbishment Gibson East to allow all Council Kings Hill based staff to be located there, facilitating the disposal of Gibson West
	(ii)	Relevance to National / Council's Objectives	(a) National: Climate Change (b) Council: Climate Change – providing more on-site renewable technology (c) Financial: Reducing the Council's operational costs
	(iii)	Targets for judging success	(a) Staff being able to operate from Gibson East to allow the disposal of Gibson West (b) Reduced running costs of Gibson East
2	<p>Description of Project / Design Issues: As part of the Council's savings target, a £200,000 saving from 01/04/2024 associated with the reduction in its office accommodation has been factored into the Medium Term Financial Strategy (MTFS). Cabinet have asked officers to investigate the option to relocate all Council staff operating at Kings Hill into the Gibson East building, facilitating the disposal of Gibson West. In order to achieve this the building will need to undergo a refurbishment, including re-configuration of internal spaces, installing lower carbon technologies (such as heat pumps and solar panels) as well as an overall update to the building.</p> <p>Refurbishment work will need to be completed prior to the disposal of Gibson West therefore the Council will need to forward fund the cost of the works. Provided that an agreement is reached with Kent County Council for the release of the restrictive covenants on the site, and on the assumption the capital receipt realised from the sale of Gibson West is no less than the proposed cost of the refurbishment, the proposed works can be offset.</p>		
3	<p>Milestones / Risks: Confirmation of the Council's space requirements Completion of the design phase Procurement exercise for works Works period All staff relocated into Gibson East</p>		
4	<p>Consultation: Consultation has taken place with the relevant Cabinet Member and internal officers.</p>		
5	<p>Capital Cost: £3,000,000 to be met from the Revenue Reserve for Capital Schemes.</p>		

CAPITAL PLAN LIST C – EVALUATIONS

6	Profiling of Expenditure					
	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)
		£3,000,000				
7	Capital Renewals Impact: None.					
8	Revenue Impact: Depending on the final scope of the refurbishment, it is hoped the ongoing running costs of Gibson East will be lowered through reduced use of utilities. An estimated £200,000 of annual revenue savings have been factored into the MTFs as a result of the intended scaling back of office accommodation. Opportunity cost associated with not receiving interest payments on £3,000,000 would be £120,000 per annum.					
9	Partnership Funding: The Council will explore opportunities to fund any carbon reducing works via government grant schemes, such as the Public Sector Decarbonisation Scheme, although it should be noted these grant schemes have been hugely over-subscribed in recent times.					
10	Project Monitoring / Post Implementation Review: Director responsible: Adrian Stanfield Progress reported to: Finance, Regeneration & Property Scrutiny Select Committee / Cabinet Post Implementation review to be carried out twelve months after completion					
11	Screening for equality impacts:					
	Question			Answer	Explanation of impacts	
	a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?			No		
	b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?			N/A		
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?			N/A			
12	Recommendation: Transfer from List C to List B.					

CAPITAL PLAN LIST C – EVALUATIONS

Project		Central Services: Carbon Reduction Measures at Larkfield Leisure Centre and Tonbridge Swimming Pool	
1	Specification:		
	(i)	Purpose of the scheme	To undertake schemes which will result in the reduction of CO2 emissions, to include: <ul style="list-style-type: none"> - Installation of solar PV at Tonbridge Swimming Pool - Installation of LED lighting at Tonbridge Swimming Pool - Installation of LED lighting at Larkfield Leisure Centre
	(ii)	Relevance to National / Council's Objectives	(a) National: Climate Change (b) Council: Climate Change – providing more on-site renewable technology Financial – to reduce the operating costs of the Council's leisure facilities
	(iii)	Targets for judging success	(a) Reduction in CO2 emissions from Larkfield Leisure Centre and Tonbridge Swimming Pool (b) Reduced operating costs at Larkfield Leisure Centre and Tonbridge Swimming Pool
2	Description of Project / Design Issues: As part of the Council's Climate Change Strategy and aspiration to become carbon neutral by 2030, carbon descent reports were commissioned for two Council buildings which had the largest current carbon footprint, Larkfield Leisure Centre, and Tonbridge Swimming Pool. The reports have now been received and while some of the recommendations contained within the reports require some further consideration and assessment, there are three schemes which appear to be relatively simple to implement in the short term, those being the installation of solar panels at Tonbridge Swimming Pool and the installation of LED lighting at both Tonbridge Swimming Pool and Larkfield Leisure Centre. Due to the current very high cost of electricity, it is proposed these three schemes are fast tracked and implemented as soon as practically possible so both reductions in cost and in associated CO2 emissions can be realised.		
3	Milestones / Risks Completion of design periods Letting the contracts for the works Completion of the works		
4	Consultation: Consultation has taken place with the relevant Cabinet Member and internal officers.		

CAPITAL PLAN LIST C – EVALUATIONS

5	Capital Cost £225,000 to be met from the Climate Change Reserve					
6	Profiling of Expenditure					
	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)
		£225,000				
7	Capital Renewals Impact: None.					
8	<p>Revenue Impact: For the solar PV installation at Tonbridge Pool, the carbon descent report suggests an annual revenue saving, which the Leisure Trust would benefit from, would be in the region of £26,800 per annum, assuming 194 panels can be installed. There would be an additional cost for a servicing and maintenance agreement, anticipated to be in the region of £2,000 per annum which would be funded from the Council's Building Repairs Reserve Expenditure Plan (BRREP).</p> <p>For the LED scheme at Tonbridge Pool, the carbon descent plan suggests an annual revenue saving, which the Leisure Trust would benefit from, would be in the region of £6,360 per annum.</p> <p>For the LED scheme at Larkfield Leisure Centre, the carbon descent plan suggests an annual revenue saving, which the Leisure Trust would benefit from, would be in the region of £4,624 per annum.</p> <p>Opportunity cost associated with not receiving interest payments on £225,000 would be £9,000 per annum based on a 4% rate of return.</p>					
9	Partnership Funding: The Council will explore opportunities to fund any carbon reducing works via government grant schemes, such as the Public Sector Decarbonisation Scheme, although it should be noted these grant schemes have been hugely over-subscribed in recent times and if the Council wanted to proceed with the schemes as soon as possible the likelihood is there will not be a current funding round operating.					
10	Project Monitoring / Post Implementation Review: Director responsible: Adrian Stanfield Progress reported to: Finance, Regeneration & Property Scrutiny Select Committee / Cabinet Post Implementation review to be carried out twelve months after completion					
11	Screening for equality impacts:					
	Question			Answer	Explanation of impacts	

CAPITAL PLAN LIST C – EVALUATIONS

		a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	
		b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	N/A	
		c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?	N/A	
	12	Recommendation: Transfer from List C to List B.		

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TONBRIDGE AND MALLING BOROUGH COUNCIL

Capital Strategy

1 Introduction

- 1.1 The purpose of the Capital Strategy is to document the principles and framework that underpin the Council's capital investment and expenditure proposals. The Strategy is drawn up under the framework provided by the Local Government Act 2003 and its associated regulations.
- 1.2 The principal aim of the Capital Strategy is to provide a context for a programme of capital investment (known as the Capital Plan) that will assist in the achievement of the Council's strategic priorities and objectives. The Capital Plan is published in the Council's [budget book](#) and available on the Council's website.
- 1.3 The component elements of the Capital Strategy comprise:
- A statement of the financial context within which the Council needs to determine its approach to capital investment (Section 2).
 - A description of the legislative framework and 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 2022/23	£14.09 million
Government Grant / Business rates excluding New Homes Bonus 2022/23	£3.5 million
Borough Council Band D Charge 2022/23	£224.50
Capital Plan 2022/23 to 2027/28 (Gross expenditure)	£14.35 million
Fixed Assets at 31 March 2022	£89.48 million
Debt Outstanding at 31 March 2022	Nil
Revenue Reserve for Capital Schemes at 31 March 2022	£6.83 million

- 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 **2022/23** 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. **£9.3m, has been invested into externally managed property and multi asset funds in order to increase the financial income to the Council.**
- 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 There is also an annual contribution to the revenue reserve for capital schemes** to match the funding required for the replacement of existing assets (vehicles, plant and equipment) as well as recurring capital expenditure. **The contribution in 2023/24 is £974,000.**
- 2.8 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 £250,000 *per annum*. Based on current projections the Council may need to borrow to fund such expenditure from **2029/30 onwards**. Priority is afforded to schemes that meet legislative requirements, address health & safety concerns, generate income or reduce the Council's revenue costs.
- 2.9 This does not, however, preclude a decision to borrow *at any time* in order to fund in full or in part *capital investment if deemed appropriate*.

3 Legislative Framework and its associated regulations

- 3.1 The legislative framework is set out by the Local Government Act 2003 and its subsidiary regulations. This framework provides for a prudential system based

on borrowing limits set by each individual local authority. Under this system, local authorities must have regard to affordability, prudence and sustainability and must follow the “Prudential Code for Capital Finance in Local Authorities” published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

- 3.2 The Prudential Code requires that the CIPFA Treasury Management Code of Practice is adopted and that a number of prudential indicators are set.
- 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 currently the subject of review and any revisions required to the Capital Strategy to be considered in due course.
- 4.3 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.
- 4.4 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, economic regeneration 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 Community 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 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. The Economic Development strategy sets out broader economic development priorities. 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 currently out to consultation on the first draft of the Local Plan (Regulation 18) which covers the period between 2021 to 2040. At this stage, the plan identifies key "issues" relating to the borough. This includes identifying potential "Spatial Strategy Options" and "Strategic Priorities" and inviting representation on these matters.
- 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 the Housing Strategy the key priorities are:
- Taking a sustainable approach to housing.
 - Improving housing options and opportunities.
 - Delivering the homes our residents need in the places they are needed.
 - Working in partnership.
- 5.14 **Use of the Council's Assets.** Maintenance of an Asset Management Plan and performance measures for the use of Council owned assets to ensure optimum returns and early release of redundant assets in support of strategic investment priorities and to attract inward investment. An updated Asset Management Plan, covering a four year period, *was approved* by Members in January 2020.

- 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 along with the Digital Strategy 2019 to 2023 has set the direction of travel for the transformation programme.

6 Partnerships

- 6.1 **West Kent Partnership.** The Council is a founding member of the West Kent Partnership, (<https://westkentpartnership.org.uk/>) 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). A Number of strategic priorities have benefited from the Local Growth Fund.
- 6.2 **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.
- 6.3 **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.
- 6.4 **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 government schemes monies to fund local projects which support

our local economy. TMBC has a key role in identifying and promoting priorities for economic regeneration.

- 6.5 **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.
- 6.6 **Community Regeneration Partnerships.** The Council has entered into partnerships which have made a genuine difference to the local community with clear and tangible outcomes.
- 6.7 **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.
- 6.8 **Tonbridge Central Area Action Plan.** The Plan provides the ambition for Tonbridge Town Centre and 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 reviewed by the Overview and Scrutiny Committee which will advise the budget meeting of Cabinet of those schemes deemed suitable to progress to be included on List B. 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 Overview and Scrutiny Committee.
- 7.10 The Overview and Scrutiny Committee 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 regular monitoring reports are presented to Members.

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 Scrutiny Select Committee. Lessons learnt inform future capital programme decision making and are part of a system of continuous improvement.

Strategy updated: December **2022**

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Agenda Item 13

Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council.

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REVENUE ESTIMATES 2023-24

Item OS 23/5 referred from Overview and Scrutiny Committee of 26 January 2023

The report of the Director of Finance and Transformation and the Cabinet Member for Finance, Innovation and Property referred to the responsibility of the Cabinet under the Constitution for formulating initial draft proposals in respect of the Budget. Reference was made to the role of the Overview and Scrutiny Committee in assisting the Cabinet and the Council in preparation of the Budget for 2023/24 within the context of the Medium Term Financial Strategy (MTFS) and the Council's priorities.

Attention was drawn to the difficulties experienced within the budget setting process of incorporating an estimate of the scale of the ongoing impact of the pandemic and, more recently, the conflict in Ukraine and its impact on global economic conditions both next year and over the medium term. Other financial pressures included the overall salary bill, IT infrastructure and increasing energy costs. These had been mitigated in part by the good performance of investment and business rates income.

Members welcomed the better than anticipated provisional local government finance settlement for 2023/24 which included an allocation for New Homes Bonus and a Funding Guarantee for 2023/24 of £1.8m. The overall funding increase on 2022/23, taking into account other grants rolled in, was £502,000 (7.2%). However, beyond 2024/25 there was no indication in respect of core funding and uncertainty remained about the future of New Homes Bonus, the Fair Funding Review and Business Rates Retention which made financial planning difficult.

Particular reference was made to the referendum principles in respect of Council Tax increases and for the purposes of preparing the budget papers and updating the MTFS an increase of 3% (or £5 whichever was higher) had been assumed for 2023/24 and 2024/25.

The projected funding gap within the MTFS had been remodelled based on the provisional financial settlement and was now in the region of £1.7M plus £200,000 to be delivered from office accommodation. Members were advised that good progress had been made on achieving the savings target set previously of £350,000 to be delivered by April 2023. However, it was increasingly challenging to identify/deliver savings going forward and the financial position remained difficult.

It was indicated that the pension fund deficit was forecast to be recovered within the 10-year period of this MTFS. This did not mean that a deficit would not reappear as it was dependent upon the future performance of the pension fund. How the risk of that happening might be lessened was subject to consideration.

RECOMMENDED: That



- (1) the draft Revenue Estimates (attached at Annex 1) be endorsed for consideration by Cabinet at its special meeting on 14 February 2023; and
- (2) the Savings and Transformation Strategy be updated to reflect the latest projected funding gap as part of the budget setting process.

***Referred to Cabinet**

TONBRIDGE & MALLING BOROUGH COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

26 January 2023

**Joint Report of the Director of Finance and Transformation and
Cabinet Member for Finance, Innovation and Property**

Part 1- Public

Matters for Recommendation to Cabinet

1 REVENUE ESTIMATES 2023/24

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 Committee is to assist both the Cabinet and the Council in the preparation of the Budget for 2023/24 within the context of the Medium Term Financial Strategy and the Council's priorities. This year's budget setting process has had to incorporate the difficult task of estimating the ongoing impact of the pandemic and more recently the conflict in Ukraine and its impact on global economic conditions both next year and over the medium term.

Dashboard/ Key Points

- **Provisional local government finance settlement 2023/24 is better than expected and gives TMBC a Settlement Funding Assessment (core funding) for 1 year, although indication is that 2024/25 will be 'similar'. Includes allocation of £0.6m for New Homes Bonus; also includes a Funding Guarantee for 2023/24 of £1.8m. The overall funding INCREASE on 2022/23, taking into account other grants rolled in, is £502,000 (7.2%).**
- **Beyond 2024/25, no indication of future core funding, including any replacement (or not) for NHB making planning difficult.**
- **Council Tax referendum principles for district councils mean that council tax can only rise by up to 3% or £5, whichever is greater. By way of context, CPI inflation index for November is 10.7%.**
- **Funding Gap within the MTFs reworked based on the provisional Settlement and now iro £1.7m plus £200k to be delivered from office accommodation. Budget position currently categorised as RED on the Strategic Risk Register.**

1.1 Introduction

- 1.1.1 The Cabinet is responsible for formulating initial draft proposals in respect of the Budget for 2023/24.
- 1.1.2 Under the previous governance arrangements, the draft Estimates prepared by officers were initially considered, on behalf of Cabinet, by the Finance, Innovation and Property Advisory Board before being presented to this Committee.
- 1.1.3 Following the changes to governance arrangements early in 2022, the Cabinet now works alongside officers to prepare the draft Estimates. Accordingly, this report presenting the draft Estimates is now a joint report of the Director of Finance and Transformation and the Cabinet Member for Finance, Innovation and Property.
- 1.1.4 Under the Budget and Policy Framework, one of the responsibilities of this Committee is to scrutinise the draft Estimates and, where appropriate, make recommendations back to Cabinet.
- 1.1.5 This report is, therefore, intended as the basis for recommendations from this Committee to the Cabinet.
- 1.1.6 A special meeting of the Cabinet is scheduled for the 14 February to consider the recommendations of this Committee and, in addition, take into account the Council's final grant settlement.
- 1.1.7 At that special meeting on the 14 February, the Cabinet will need to formulate its final proposals in respect of the Budget for 2023/24 and the council tax to be levied in respect of the Borough Council. The Full Council will meet on the 21 February to approve the Budget and set the Council Tax. The Full Council may adopt or amend the Cabinet's proposals.
- 1.1.8 The role of this Committee is to consider both the Revised Estimates for 2022/23 and the Estimates for 2023/24 [**Annex 1**] 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 £3.0m** in the General Revenue Reserve by the end of the strategy period and **not to fall below £2.0m** at any time during the 10-year 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 (STS) 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 £250,000 from the Council's own resources) and give priority to those schemes that generate income or reduce costs.

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

1.2.3 This time last year the projected funding gap was put at £2,150,000. The adverse global economic conditions, amongst other things, adding to the uncertainty in the scale of the funding gap over the past twelve months where the latest projected funding gap is £1,700,000. Add to this those initiatives already built into the MTFs, **but not yet delivered**, the scaling back of office accommodation in the sum of £200,000 giving a figure of **£1,900,000** to be found and delivered over the medium term.

1.2.4 The MTFs will need to be updated and rolled forward as part of the 2023/24 budget setting process. Further information about this including the **latest projected funding gap** is discussed later in this report at paragraph 1.11.

1.3 Provisional Local Government Finance Settlement

Settlement Funding Assessment (Core Funding)

1.3.1 On 19 December 2022, the Secretary of State for the Department for Levelling Up, Housing and Communities, Michael Gove MP, made a statement to Parliament on the provisional local government finance settlement for 2023/24. The provisional figures are expected to be confirmed in January / February 2023.

- 1.3.2 Again, the Settlement Funding Assessment (SFA) is for one year only (2023/24) and the Fair Funding Review deferred to a future date. This further prolonging the uncertainty over local government funding more generally and specifically how it shakes down to individual councils.
- 1.3.3 Our provisional SFA for the year 2023/24 as shown in the table below is £2,525,211, an uplift of 9.7% compared to the sum received in 2022/23. The Government again funding what has been referred to as 'Negative RSG'.
- 1.3.4 However, it is important to stress that **funding in what is assumed the near future will be dependent** on the outcome of the yet to be concluded Fair Funding Review.

New Homes Bonus

- 1.3.5 No further legacy payments are due under the New Homes Bonus (NHB) scheme giving an allocation for the year 2023/24 only which in our case is £610,499.
- 1.3.6 The future of NHB or a replacement remains the subject of discussion, but at the very least will not continue in its current form leaving one of two options. Firstly, the scheme is withdrawn and not replaced; or alternatively it is replaced, but where the funding stream and sum awarded is much reduced (our working assumption and equating to a one-year only scheme).

Under-indexing of the Business Rates Multiplier

- 1.3.7 The payment for the under-indexing of the business rates multiplier is £406,754.

Services Grant

- 1.3.8 This was introduced last year albeit it was said as a one-off un-ringfenced grant allocation to support all services delivered by councils. Our provisional allocation for the year 2023/24 as shown in the table below is £89,412.

Funding Guarantee

- 1.3.9 The Lower Tier Services Grant and a proportion of the expired New Homes Bonus legacy payments have been repurposed to create a one-off funding guarantee to ensure that all authorities will see at least a 3% increase in their core spending power before any decision they make about council tax levels. The increase in core spending power as calculated by the government is 5.1%.
- 1.3.10 It has been assumed from what has been said that the one-off funding guarantee applies to this Spending Review period, the years 2023/24 and 2024/25. Our provisional allocation for the year 2023/24 as shown in the table below is £1,765,688.

Total Grant Funding

1.3.11 Total grant funding for the year 2023/24 as shown in the table below is £5,397,564, a cash increase of £501,590 or 10.2% when compared to that received in 2022/23. The increase after taking account of grants rolled into the local government finance settlement is 7.2%.

	2022/23	2023/24	Cash Increase/ (Decrease)	
	£	£	£	%
Local Share of Business Rates (baseline)	2,302,118	2,525,211	223,093	9.7
Tariff Adjustment ('negative RSG')				
Settlement Funding Assessment	2,302,118	2,525,211	223,093	9.7
New Homes Bonus	1,193,947	610,499	(583,448)	(48.9)
Under-indexing of the Business Rates Multiplier	235,249	406,754	171,505	72.9
Lower Tier Services Grant	1,005,983	-	(1,005,983)	(100.0)
Services Grant	158,677	89,412	(69,265)	(43.7)
Funding Guarantee	-	1,765,688	1,765,688	-
Total Grant Funding	4,895,974	5,397,564	501,590	10.2

1.3.12 The provisional local government finance settlement 2023/24 is subject to consultation. The return date for responses to the consultation is 16 January 2023. The response to be agreed by the Cabinet Member for Finance, Innovation and Property prior to submission. The consultation paper can be found at the following link:

[Provisional local government finance settlement 2023 to 2024: consultation - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/provisional-local-government-finance-settlement-2023-to-2024)

1.4 Kent Business Rates Pool

1.4.1 Adopting a risk based approach and considering the wider Kent position it was decided that the Council should not be part of the formal Kent Business Rates Pool from 2021/22 and to revisit the decision at a future date subject to the existence of business rates pools and its viability at that time.

1.4.2 The Panattoni development on the former Aylesford Newsprint site in particular led the Council to ask the current members of the Pool to consider a request to re-join the Kent Business Rates Pool from April 2023 which was subsequently approved.

1.4.3 Reforms to the Business Rates Retention Scheme / Business Rates have been deferred.

1.5 Local Referendums to Veto Excessive Council Tax Increases

- 1.5.1 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.
- 1.5.2 For the year 2023/24 and also assumed for the year 2024/25, a referendum will be triggered where council tax is increased by **more than 3% or £5, whichever is higher**.
- 1.5.3 Referendum principles currently do not apply to town and parish councils.

1.6 Specific Issues

- 1.6.1 This year's budget setting process has had to incorporate the difficult task of estimating the ongoing impact of the pandemic and more recently the conflict in Ukraine and its impact on global economic conditions both next year and over the medium term.
- 1.6.2 The estimates assume the homeless caseload will continue to reduce and, in turn, cost of temporary accommodation.
- 1.6.3 The 2023/24 estimates include a further reduction in the grant award under the New Homes Bonus scheme equating to a one-year only scheme.
- 1.6.4 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.
- 1.6.5 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. 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.
- 1.6.6 Recommendations regarding fees and charges are made during this cycle of meetings and reflected in the revenue estimates.
- 1.6.7 Other than loss of investment income the revenue estimates do not take account of the revenue consequences of new capital schemes. 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.

- 1.6.8 The annual contribution to the Revenue Reserve for Capital Schemes excluding capital renewals is to continue to be set at £250,000 and rolled forward one year to 2028/29.
- 1.6.9 The annual contribution to the Building Repairs Reserve to meet ongoing maintenance and repair obligations is to remain at £750,000.
- 1.6.10 A large revenue project (circa £150,000) to 'back scan' paper records and to facilitate the rationalisation of office accommodation is included in the draft IT Estimates for 2023/24.
- 1.6.11 More detailed explanatory notes in respect of the revenue estimates can be found in the attached Revenue Estimates Booklet.

1.7 Revised Revenue Estimates 2022/23

- 1.7.1 Overall, the draft 2022/23 Revised Estimates show a decrease over the Original Estimates of £462,350 prior to making a contribution to/from the General Revenue Reserve. The principal variations are given in the table below:-

Description	DR £	CR £	
Business Rates Retention Scheme	282,450		
Salaries & Contributions	229,950		
Information Technology	125,000		
Energy	113,000		
Homelessness (exc. Salaries & Overheads)	85,800		
Advertising & Other Recruitment Costs	76,800		
Waste Services	57,450		
Planning Applications & Appeals	49,000		
Lower Tier Services / Services Grant	46,150		
Major Income Streams	41,050		
Tree Management	40,000		
S.106 Agreement Monitoring Income		35,000	
Parking Services Rental Income		39,050	
Housing Benefits Transfer Payments		41,400	
Summons Costs Recovered		50,000	
Insurance Contract		51,200	
Payment to Principals / Ticket Refunds		84,000	
Refugee Assistance Grant Allocation		117,250	
New Burdens Grant		122,300	
Contributions from KCC		209,500	
Temporary Accommodation		229,000	
Investment Income		554,800	
Other Net Changes		75,500	CR
Total	1,146,650	1,609,000	462,350

1.8 Revenue Estimates 2023/24

1.8.1 Overall, the draft 2023/24 Estimates show a decrease over the 2022/23 Original Estimates of £924,428 prior to making a contribution to/from the General Revenue Reserve. The principal variations are given in the table below:-

Description	DR £	CR £	
Budget Stabilisation Reserve	1,200,000		
Salaries & Contributions	761,400		
Waste Services	628,850		
Information Technology	256,850		
DLUHC Council Tax Support Admin. Grant	93,000		
Grounds Maintenance Contract	77,800		
Council Tax (Surplus) / Deficit	72,691		
Energy	65,000		
Business Rates	64,150		
Superannuation Backfunding	50,000		
Transfers in Lieu of Interest	40,800		
Tree Management	40,000		
Parking Services Maintenance of Grounds	36,000		
S.106 Agreement Monitoring Income		38,500	
Payments to Members		39,300	
Insurance Contract		46,350	
Refugee Assistance Grant Allocation		48,800	
Housing Benefits Transfer Payments		58,400	
General Government Grants inc. NHB		60,850	
Revenue Support Grant		137,300	
Temporary Accommodation		468,000	
Major Income Streams		624,000	
Investment Income		1,060,900	
Business Rates Retention Scheme		1,757,969	
Other Net Changes	29,400		CR
Total	3,415,941	4,340,369	924,428

1.8.2 Undoubtedly 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.

1.9 Draft Capital Plan

1.9.1 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.

- 1.9.2 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.
- 1.9.3 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.
- 1.9.4 There is also an annual contribution to the revenue reserve for capital schemes to match the funding required for the replacement of existing assets (vehicles, plant and equipment) and recurring capital expenditure. The contribution in 2023/24 is £974,000.
- 1.9.5 There remains an annual capital allowance for all other capital expenditure not least in light of the difficult and challenging financial outlook. 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 £250,000 and it is proposed that the annual allowance continue to be set at that level.
- 1.9.6 It should be noted, based on current projections, that from 2029/30 the Council may need to borrow to fund such expenditure. This does not however, preclude a decision to borrow in order to fund in full or in part a capital investment opportunity that meets the Council’s strategic priorities and objectives, achieves value for money and delivers a financial return. Each such opportunity to be considered on a case by case basis as appropriate.
- 1.9.7 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) amongst other Reserves could be used to fund in full or in part appropriate capital plan schemes.

1.10 Consultation with Non-Domestic (Business) Ratepayers

- 1.10.1 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.

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

1.11 Medium Term Financial Strategy Update

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

Prevailing Global Economic Conditions

- 1.11.2 The impact of current economic conditions on the Council's finances / financial assumptions in respect of inflation, interest rates, etc. and the scale of the impact over the medium term is uncertain and difficult to determine.
- 1.11.3 As a result of the current adverse economic conditions including the high cost of energy the Tonbridge and Malling Leisure Trust will require financial support from the Council in 2022/23. That support is estimated to be in the order of £750,000. For financial planning purposes it has been assumed a similar level of support will be required in 2023/24. To be funded from the Budget Stabilisation Reserve.

Covid-19 Pandemic

- 1.11.4 The full extent of the impact of the Covid-19 pandemic on the Council's finances continues to unwind. Much will depend on the extent and speed of the recovery, and societal changes brought about by the response to the pandemic.
- 1.11.5 It is **important to note** that in arriving at the latest projected funding gap it is assumed that:
- sources of income will in large part return to pre Covid-19 levels albeit the cost of living crisis could slow the speed of recovery – the question is will income return to the levels and in the timescale assumed?
 - the high homeless caseload and consequent significant and escalating increased cost of temporary accommodation will be pulled back to pre Covid-19 levels over the medium term – the question is will costs be pulled back to the extent and in the timescale assumed?
 - On the basis that the waste contract will be re-let at the end of the first “break-point” (i.e. in March 2027), it has already been assumed that the specification will be ‘pulled back’ in order to mitigate, in part, the anticipated significant increase in cost.

- 1.11.6 What is certain is we need to be prepared to take corrective action if and when required as the situation becomes clearer/unfolds.

Government Grant Funding (Settlement Funding Assessment + NHB + Other Grants)

- 1.11.7 **Funding in what is assumed the near future will be dependent** on the outcome of the yet to be concluded Fair Funding Review, and what is to happen to NHB and other grant income moving forward. Notwithstanding the continuing uncertainty and volatility surrounding local government finances with the increased risk of significant variations compared to projections, we still need to plan ahead as best we can.

- 1.11.8 In the latest iteration of the MTFS it is assumed government grant funding and increased business rates income to be retained will reduce from circa £5.96m in 2023/24 to £3.11m in 2027/28 before seeing a modest increase year on year thereafter. A cash decrease of £2.85m or 47.8%.

- 1.11.9 A hypothetical example of how the assumed overall government grant funding and increased business rates income of £3.11m in 2027/28 might be made up is business rates retention scheme (£2.51m) NHB/ replacement (£600,000).

Business Rates Retention Scheme

- 1.11.10 Reforms to the Business Rates Retention Scheme / Business Rates have been deferred.

- 1.11.11 However, the **question remains** as to what will our business rates baseline and baseline funding level be under a revamped 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

- 1.11.12 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.

- 1.11.13 For the year 2023/24 and also assumed for the year 2024/25, a referendum will be triggered where council tax is increased by **more than 3% or £5, whichever is higher**. This time last year the MTFS assumed a council tax increase of £5 representing a 2.2% increase in council tax.

- 1.11.14 For the purposes of preparing the budget papers and updating the MTFS an **increase of 3% in 2023/24 and 2024/25** has been assumed followed by the higher of 2% or £5 each year thereafter.

Pension Fund Deficit

1.11.15 The pension fund deficit is forecast to be recovered within the 10-year period of this MTFs and in all significant respects is **why the projected funding gap is £1.7m and not in excess of £3.0m**. It should be noted that this does not mean a pension fund deficit will not reappear, it could, dependent on the future performance of the pension fund and to lessen the risk of that occurring are looking to establish a 'buffer'.

Waste Services Contract

1.11.16 The Waste Services Contract if not extended beyond the initial 8 year contract period could see increased costs over that assumed. Where this was proved to be the case there is an expectation that the first 'port of call' would be to revisit the specification with the aim of bringing the cost down preferably within budget or as close to the budget as possible (see also paragraph 1.11.5).

Climate Change Agenda

1.11.17 Climate Change agenda related costs are not reflected in the MTFs. There is a relatively small earmarked reserve to fund until expended both a revenue budget and specific projects / initiatives in support of the Climate Change Strategy. As such one-off costs over the sum available and any ongoing costs would represent unbudgeted spend / budget growth and, in turn, increase the funding gap.

Funding Gap

1.11.18 As we know, the funding gap is not static and constantly changes in response to both internal and external factors.

1.11.19 It goes without saying that the Council's finances remain under severe pressure where at this stage in the budget process the latest projected funding gap stands at **£1,700,000**. Add to this those initiatives already built into the MTFs, **but not yet delivered**, the scaling back of office accommodation in the sum of £200,000 gives a figure of **£1,900,000** to be found and delivered over the medium term. The difficult and challenging financial outlook demanding a **pressing and concerted** focus of attention. **Not forgetting**, amongst other things, the assumptions highlighted at paragraph 1.11.5 which are in themselves challenging.

1.11.20 The MTFs will continue to be updated as we move through the 2023/24 budget cycle and as more information becomes available and in due course presented with the Budget report to Cabinet in February.

1.12 Savings and Transformation Strategy

1.12.1 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.

- 1.12.2 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

- 1.12.3 The Council set a savings target of £350,000 to be delivered by April 2023 and to date ongoing savings / increased income in the order of £355,000 have been identified, albeit other factors / decisions made giving a net figure of £285,000.
- 1.12.4 There are of course multiple factors that can take the savings target in either the right or wrong direction. A high level overview of the movement in the savings target when the budget was set in February 2022 and the latest projected funding gap of £1,900,000 is detailed below.

	£	£
Savings Target – Council February 2022		2,150,000
Bring Sites Recycling	42,000	
Planning Enforcement	25,000	
Sports Development & Youth Engagement	(30,000)	
Ring-Fenced Sums	(34,000)	
Fees & Charges	(50,000)	
Replacement of Uniform System	(50,000)	
Members Allowances	(60,000)	
Insurance	(60,000)	
Other (net)	(68,000)	(285,000)
Other Factors Impacting on MTFS		
Waste Services Contract Inflation	640,000	
Pay Award	340,000	
Price Inflation	310,000	
Waste Services Contract Retender	300,000	
IT Expenses	166,000	
Energy - Council Offices	100,000	
Tree Management	40,000	
Planning Application Income	(93,000)	
Garden Waste Income	(193,000)	
Council Tax Income	(222,000)	
Central Government Funding	(268,000)	
Pension Fund Deficit	(1,450,000)	
Other	165,000	(165,000)

Latest Projected Funding Gap		1,700,000
Initiatives Already Built into the MTFS		200,000
Total		1,900,000

1.13 Legal Implications

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

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

1.13.3 The Local Government Finance Act 2012 and regulations that followed introduced the current Business Rates Retention Scheme.

1.14 Financial and Value for Money Considerations

1.14.1 The scale of the financial challenge places financial sustainability at increased risk.

1.14.2 The uncertainty surrounding local government finances – the awaited outcome of the Fair Funding Review, what is to happen to NHB and other grant income, business rates reforms, in addition to the adverse impact of the current economic conditions and the Covid-19 pandemic continuing to unwind makes financial planning that much more difficult.

1.14.3 The 2023/24 provisional local government finance settlement represents a holding position until the next Parliament, aiming at stability. But the ruling out of a business rates reset, or a Fair Funding Review and the continuing uncertainty surrounding NHB means that the big questions about the future of the funding system remain unaddressed where three key questions remain.

- Firstly, what will our business rates baseline and baseline funding level be 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?
- Thirdly, over what time period will other grant income be ‘in play’ and how much might we expect to receive year on year in that period?

- 1.14.4 A further key question is, will the reductions in income and increased costs seen as a result of the pandemic return in large part to pre Covid-19 levels to the extent and in the timescale assumed?
- 1.14.5 In addition, the impact of current economic conditions on Council finances / financial assumptions in respect of inflation, interest rates, etc. and the scale of the impact over the medium term is uncertain and difficult to determine.

1.15 Risk Assessment

- 1.15.1 The Local Government Act 2003 requires the Chief Financial Officer, when calculating the Council Tax Requirement, to report on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. Consideration will and is given to the risks associated with any budget setting process where various financial and other assumptions have to be made. To mitigate the risks detailed estimates are formulated in conjunction with Services taking into account past outturn, current spending plans and likely future demand levels / pressures and external advice on assumptions obtained where appropriate.
- 1.15.2 The Medium Term Financial Strategy sets out the high level financial objectives the Council wishes to fulfil and underpins the budget setting process for the forthcoming year and over the Strategy period. As the Council's high level financial planning tool the Strategy needs to be reviewed and updated at least annually and in the current climate regularly reviewed by Management Team. In addition, not identifying and implementing the requisite savings and transformation contributions will put at risk the integrity of the MTFS.
- 1.15.3 The pandemic continues to have a significant adverse impact on the Council's finances and dependent on the extent and speed of the recovery further widen the funding gap.
- 1.15.4 The continuing uncertainty and volatility surrounding local government finances does not aid financial planning with the increased risk of significant variations compared to projections; and the consequent implications on the level of reserves held.
- 1.15.5 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.
- 1.15.6 The Waste Services Contract if not extended beyond the initial 8 year contract period could see increased costs over that assumed. As mentioned at paragraph 1.11.5, however, it is important to note that forward planning already assumes a reduced specification.

1.15.7 The Inter Authority Agreement with KCC as part of the Waste Services Contract may not be extended beyond the initial 8 year contract period with potential significant adverse budget implications, albeit this is considered unlikely.

1.15.8 Members are reminded that there are factors not reflected in the MTFs, e.g. Climate Change agenda related costs other than a relatively small earmarked reserve and the cost of borrowing for new capital plan schemes when and if required.

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

1.16 Equality Impact Assessment

1.16.1 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.

1.17 Policy Considerations

1.17.1 Budgetary and policy framework is relevant to all areas of the Council's business.

1.18 Recommendations

1.18.1 The Committee is asked to:

- 1) Consider the draft Revenue Estimates attached at **[Annex 1]** and make such recommendations, as it considers appropriate, to Cabinet for its special meeting on 14 February.
- 2) Recommend to Cabinet that the Savings and Transformation Strategy is updated to reflect the latest projected funding gap as part of the budget setting process.

Background papers:

Nil

contact: Neil Lawley
Sharon Shelton

Sharon Shelton
Director of Finance and Transformation

Martin Coffin
Cabinet Member for Finance, Innovation
and Property

- Due to its size the Estimates Booklet (Annex 1) is attached as a supplement

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Draft Revenue Estimates

2023/24



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Director of Street Scene, Leisure & Technical Services	SSLTS 1 - SSLTS 38

Overview and Scrutiny Committee 26 January 2023

General Fund Revenue Estimates 2023/24

SUMMARY

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
Corporate Services	3,523,550	3,630,600	4,057,150
Chief Executive	1,142,700	1,078,900	1,321,300
Director of Central Services	345,650	789,600	379,050
Director of Finance & Transformation	1,449,500	601,850	570,750
Director of Planning, Housing & Environmental Health	5,152,750	5,419,500	5,007,900
Director of Street Scene, Leisure & Technical Services	8,035,550	8,749,200	8,877,250
Sub Total	19,649,700	20,269,650	20,213,400
Capital Accounting Reversals			
Non-Current Asset Depreciation	(2,859,950)	(2,756,700)	(2,856,350)
Non-Current Asset Impairment	-	51,100	-
Contributions to / (from) Reserves			
Building Repairs Reserve			
Withdrawals to fund expenditure	(857,850)	(1,334,450)	(1,144,650)
Contribution to Reserve	750,000	750,000	750,000
Earmarked Reserves (see page S 2)			
Contributions from Reserves	(7,038,450)	(9,635,900)	(2,797,550)
Contributions to Reserves	496,500	995,150	2,495,150
Revenue Reserve for Capital Schemes			
Withdrawals to fund expenditure			
Non-Current Assets	(2,020,000)	(626,000) #	(3,626,000) #
Revenue Expenditure Funded from Capital	(530,000)	(155,000) #	(206,000) #
Other contributions to / (from) Reserve (net)	1,158,000	1,298,000	1,494,000
Capital Expenditure Charged to General Fund	2,020,000	626,000 #	3,626,000 #
Government Grants			
New Homes Bonus	(1,193,950)	(1,193,950)	(610,500)
Under-indexing Business Rates Multiplier	(189,100)	(235,250)	(406,750)
Lower Tier Services Grant	(1,052,100)	(1,006,000)	-
Services Grant	(158,700)	(158,650)	(89,400)
Funding Guarantee	-	-	(1,765,700)
Contributions from KCC	-	(209,500)	-
Sub Total	8,174,100	6,678,500	15,075,650
Revenue Support Grant	-	(350)	(137,300)
National Non-Domestic Rates			
Share of National Non-Domestic Rates	(20,174,231)	(20,174,231)	(25,455,018)
Tariff	21,310,255	21,310,255	25,854,000
Levy	-	178,787	-
Business Rates Pool	-	(3,600)	141,404
Small Business Rate Relief Grant	(1,053,869)	(1,139,198)	(1,025,828)
Business Rates Relief Measures	(2,220,897)	(1,293,671)	(2,462,491)
Supporting Small Business Grant	(8,198)	(6,701)	-
Transitional Relief Grant	(51,658)	(37,210)	-
Public Toilets Relief Grant	(7,751)	(7,180)	(5,576)
Collection Fund Adjustments			
Council Tax (Surplus) / Deficit	(157,731)	(157,731)	(85,040)
National Non-Domestic Rates (Surplus) / Deficit	5,814,879	5,814,879	(1,199,330)
Sub Total	11,624,899	11,162,549	10,700,471
Contribution to / (from) General Revenue Reserve	104,500	566,850	1,486,800
Balance to be met from Council Tax Payers	11,729,399	11,729,399	12,187,271

Based on the Capital Plan (List A) position as reported to Overview and Scrutiny Committee on 26 January 2023. The figures will need to be amended to reflect the impact of any new schemes added to the Plan.

Overview and Scrutiny Committee 26 January 2023

General Fund Revenue Estimates 2023/24

EARMARKED RESERVES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
Contributions from Earmarked Reserves			
Asset Review Reserve	-	(60,000)	-
Budget Stabilisation Reserve	-	(842,100)	(750,000)
Business Rates Retention Scheme Reserve	(6,116,350)	(6,837,550)	(267,650)
Climate Change Reserve	(75,250)	(193,500)	(301,150)
Community Development Reserve	-	(5,550)	-
Democratic Representation Reserve	-	(11,650)	-
Domestic Abuse Act Reserve	-	(43,350)	(46,300)
Economic Development Reserve	-	(5,150)	-
Election Reserve	-	-	(157,850)
Homelessness Reserve	(203,650)	(777,250)	(780,300)
Housing Survey Reserve	-	(18,200)	-
Housing & Welfare Reform Reserve	-	-	(10,000)
Invest to Save Reserve	-	(104,500)	-
Peer Review Reserve	-	(12,850)	(22,450)
Planning Services Reserve	(633,200)	(654,150)	(449,350)
Road Closures Reserve	-	(7,350)	-
Transformation Reserve	(10,000)	(59,000)	(12,500)
Waste & Street Scene Initiatives Reserve	-	(3,750)	-
	(7,038,450)	(9,635,900)	(2,797,550)
Contributions to Earmarked Reserves			
Budget Stabilisation Reserve	-	-	1,200,000
Business Rates Retention Scheme Reserve	-	-	406,050
Domestic Abuse Act Reserve	-	67,600	71,350
Election Expenses Reserve	25,000	32,350	35,000
Homelessness Reserve	346,500	750,800	702,750
Planning Services Reserve	125,000	80,000	80,000
Transformation Reserve	-	64,400	-
	496,500	995,150	2,495,150

CORPORATE SERVICES

SUMMARY

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
1 SALARIES AND ONCOSTS	12,940,950	13,472,300	13,854,900
2 OVERHEAD EXPENSES	4,477,150	4,905,950	5,108,500
3 RECHARGES TO SERVICE BUDGETS	(15,845,050)	(16,701,800)	(16,871,150)
	<hr/>	<hr/>	<hr/>
NON DISTRIBUTED COSTS	1,573,050	1,676,450	2,092,250
4 DEMOCRATIC REPRESENTATION	1,363,700	1,364,850	1,358,200
5 CORPORATE MANAGEMENT	586,800	589,300	606,700
	<hr/>	<hr/>	<hr/>
	3,523,550	3,630,600	4,057,150
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	19.66	19.16	19.26

CORPORATE SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
1 <u>SALARIES AND ONCOSTS</u>			
(a) <u>Salaries</u>			
Salaries (see analysis on page CS 16)	8,822,850	9,330,950 a)	9,355,050 b)
Employers' National Insurance Contributions	934,300	884,850 a)	941,200 b)
Employers' Superannuation Contributions	1,523,150	1,526,200	1,866,000 b)
Superannuation Backfunding Lump Sum	1,380,000	1,380,000	1,430,000 c)
Staff Turnover Saving	(120,000)	(70,000) d)	(120,000)
Apprenticeship Scheme / Levy	46,600	38,300 e)	51,600
Ring-fenced sums (Establishment Reviews)	39,850	-	6,350 f)
	<hr/>	<hr/>	<hr/>
	12,626,750	13,090,300	13,530,200
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	234.67	236.70	238.50
(b) <u>Termination Payments</u>			
Additional Annual Pension Contributions	218,000	209,000 g)	228,000 g)
	<hr/>	<hr/>	<hr/>
	218,000	209,000	228,000
	<hr/>	<hr/>	<hr/>
(c) <u>Recruitment & Training</u>			
Advertising & Other Recruitment Costs	7,500	84,300 h)	8,000
Training - Course Fees & Expenses	80,000	80,000	80,000
Health Screening & Miscellaneous	5,500	5,500	5,500
Employee Support Scheme	3,200	3,200	3,200
	<hr/>	<hr/>	<hr/>
	96,200	173,000	96,700
	<hr/>	<hr/>	<hr/>
	12,940,950	13,472,300	13,854,900
	<hr/>	<hr/>	<hr/>

CORPORATE SERVICES

SALARIES

- a) Revised estimate reflects establishment changes, increased use of temporary staff, and the reversal of the additional National Insurance levy payment part way through the year.
- b) Forward estimate reflects the full year effect of establishment changes approved during the current financial year, together with provision for a pay award.
- c) Annual uplift in respect of superannuation back funding payment.
- d) Revised estimate reflects projected savings arising from staff turnover for the remainder of the financial year.
- e) Provision for apprentices for remainder of year.
- f) Ring-fenced sums following establishment reviews retained for future operational adjustments in Revenues & Benefits (£6,350).

TERMINATION PAYMENTS

- g) Reflects anticipated level of retirement allowances payable in the current and next financial year.

RECRUITMENT & TRAINING

- h) Additional recruitment expenditure to fill a number of vacant posts currently covered by temporary staffing arrangements.

CORPORATE SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE £	REVISED ESTIMATE £	ESTIMATE £
2 <u>OVERHEAD EXPENSES</u>			
(a) <u>COUNCIL OFFICES</u>			
Employees			
Salaries	164,500	147,300 a)	176,250
Premises Related Expenses			
Maintenance of Grounds	4,150	2,000	4,150
Energy Costs :			
Electricity	100,000	165,000 b)	132,000 b)
Gas	27,000	75,000 b)	60,000 b)
Rates	317,600	319,950	352,250 c)
Water Services :			
Water Charges (metered)	11,250	9,000	11,250
Sewerage & Environmental Services	12,250	10,000	12,250
Fixture & Fittings	3,000	2,000	3,000
Cleaning & Domestic Supplies	6,000	6,000	6,000
Insurance	26,450	16,200 d)	15,250 d)
Repairs expenditure	109,150	93,700 e)	138,900 e)
Supplies & Services			
Equipment, Furniture & Materials	1,350	1,350	1,350
Clothing, Uniforms & Laundry	4,250	4,200	4,250
Trade Refuse Charges	9,100	9,400	9,700
Security / Cleaning	10,500	32,850 f)	11,000
Miscellaneous Services	7,300	6,400	7,000
Licences	1,500	1,950	-
Third Party Payments			
Ground Maintenance Contract	2,050	2,100	2,300
	<hr/>	<hr/>	<hr/>
	817,400	904,400	946,900
	<hr/>	<hr/>	<hr/>
Less Income			
Solemnization of Marriages	(15,000)	(6,000) g)	(6,000)
Hire of Tonbridge Council Chamber	(15,000)	(21,000) h)	(21,000)
Police Accommodation Licence Fee	(30,950)	(30,950)	(30,950)
Rent - Gibson Building	(7,300)	(7,300)	(7,300)
Rent - Tonbridge Castle	(18,700)	(18,700)	(18,700)
	<hr/>	<hr/>	<hr/>
	(86,950)	(83,950)	(83,950)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	730,450	820,450	862,950
Central, Departmental & Technical Support Services			
Central Salaries & Administration	31,700	33,150	33,800
Information Technology Expenses	2,550	2,500	2,500
Departmental Administrative Expenses	34,600	35,200	35,500
Depreciation & Impairment			
Non-Current Asset Depreciation	147,400	121,550 i)	119,350
	<hr/>	<hr/>	<hr/>
	946,700	1,012,850	1,054,100
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	6.16	5.71	6.19

CORPORATE SERVICES

COUNCIL OFFICES

- a) Savings arising from vacant posts within Caretaking section. Forward estimate reflects full establishment and provision for a pay award.
- b) Reflects the impact of rising energy prices and an expectation that prices will reduce in 2023/24.
- c) Assumes NNDR "multiplier" will increase by 10.1% from April 2023.
- d) Reflects the outcome of the retender of the insurance contract.
- e) Relining of one of the gutters on Gibson West building (£15k) has been deferred. Forward estimate also includes provision for additional legislative maintenance work.
- f) External cleansing contractor employed at Tonbridge Castle offset in part by vacant post within Caretaking section.
- g) Reflects projected level of wedding income for Tonbridge Castle Council Chamber.
- h) Increased income can largely be attributed to the monthly Artisan Market.
- i) Reflects the revaluation of council offices as at 31 March 2022.

CORPORATE SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
2 <u>OVERHEAD EXPENSES-Continued</u>			
(b) <u>PRINTING SECTION & MULTI FUNCTION DEVICES</u>			
Employees			
Salaries	84,700	59,750 a)	67,650
Supplies & Services			
Purchases	1,000	1,000	1,000
Print Room Maintenance & Copy Charges	20,000	10,000 b)	15,000 b)
Multi Function Device Copy Charges	7,000	3,000	3,000
Multi Function Device Leasing Charges	6,000	11,700 c)	6,000
Paper	15,000	10,000	11,000
	<hr/>	<hr/>	<hr/>
	133,700	95,450	103,650
	<hr/>	<hr/>	<hr/>
Less Income			
Sales	(15,000)	(15,000)	(15,000)
Recharges to non M&A Service Budgets	(14,000)	(10,000)	(14,000)
	<hr/>	<hr/>	<hr/>
	(29,000)	(25,000)	(29,000)
	<hr/>	<hr/>	<hr/>
Sub-total	104,700	70,450	74,650
Central, Departmental & Technical Support Services			
Office Accommodation	35,650	39,750	40,300
Central Salaries & Administration	7,800	9,300	9,800
Information Technology Expenses	10,750	11,500	11,500
Departmental Administrative Expenses	10,300	9,500	9,500
Depreciation & Impairment			
Non-Current Asset Depreciation	15,400	10,600 d)	25,600 d)
	<hr/>	<hr/>	<hr/>
	184,600	151,100	171,350
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	2.71	2.27	2.27

a) Reflects establishment changes in Printing Section.

b) Reduced usage followed by increased printing costs in respect of the Borough Election in 2023/24.

c) Payments under current lease arrangements end 2022/23.

d) Revised estimate reflects a reassessment of anticipated life of some print room equipment. Forward estimate includes replacement of print room collator and folder machine.

CORPORATE SERVICES

	2022/23	2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE
	£	£
		ESTIMATE
		£
2 <u>OVERHEAD EXPENSES-Continued</u>		
(c) <u>CUSTOMER SERVICES</u>		
Employees		
Salaries	307,400	320,700 a)
Supplies & Services		
Purchases	650	650
Stationery	50	50
Postage	350	-
Mobile Telephones	250	200
Office Security	36,000	36,000
	<hr/>	<hr/>
	344,700	357,600
Less Income		
Tonbridge Gateway Agreement / Licence	(130,000)	(149,000) b)
Gateway Partner Receipts	(4,000)	(500) c)
	<hr/>	<hr/>
<u>Sub-total</u>	210,700	208,100
Central, Departmental & Technical Support Services		
Central Salaries & Administration	18,050	19,450
Information Technology Expenses	4,350	4,350
Departmental Administrative Expenses	178,200	189,100 a)
	<hr/>	<hr/>
	411,300	421,000
	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	11.51	11.28
		11.49

- a) Additional temporary staff resources to assist with increased calls arising from the Council Tax Energy Rebate Schemes.
- b) Reflects current assessment of contribution due from Kent County Council.
- c) Reduction in income as partners not using space at Tonbridge Gateway for face to face meetings.

CORPORATE SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE £	REVISED ESTIMATE £	ESTIMATE £
2 <u>OVERHEAD EXPENSES-Continued</u>			
(d) <u>GENERAL ADMINISTRATION</u>			
Employees			
Salaries	4,800	4,050	5,100
Supplies & Services			
Insurance	104,550	93,400 a)	99,400 a)
Copyright Licence	2,100	2,200	2,400
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	111,450	99,650	106,900
Central, Departmental & Technical Support Services			
Central Salaries & Administration	1,200	3,950	4,200
Departmental Administrative Expenses	750	600	600
	<hr/>	<hr/>	<hr/>
	113,400	104,200	111,700
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	0.19	0.21	0.23

a) Reflects the outcome of the retender of the insurance contract.

CORPORATE SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
2 <u>OVERHEAD EXPENSES-Continued</u>			
(e) <u>DEPARTMENTAL ADMINISTRATION</u>			
Staff Transport Related Expenses			
Car & Travelling Allowances	182,600	165,950 a)	166,650 a)
Supplies & Services			
Equipment, Furniture & Materials	10,400	10,650	10,650
Office Equipment - Maintenance	2,350	1,450	1,450
Protective Clothing	450	850	850
First Aid Supplies	250	250	250
Stationery	4,250	4,500	4,500
Reference Books & Publications	27,350	26,550	26,650
Legal Expenses	50,000	50,000	50,000
Contracted Services	1,700	191,600 b)	200,800 b)
Consultancy	-	7,500 c)	-
Health & Safety	6,950	6,250	6,250
Postage	14,450	13,850	14,000
Telephones - Calls	3,500	100 d)	100 d)
Telephones - Other Costs	32,500	5,600 d)	5,700 d)
Mobile Telephones	6,800	5,600	5,700
Subsistence Allowances	50	-	-
Professional Membership Fees	16,750	16,200	16,300
Subscriptions to Organisations	22,700	23,450	24,400
Other Expenses (Counter Fraud)	1,450	700	700
Data Protection Act Registration	3,000	3,000	3,000
	<hr/>	<hr/>	<hr/>
	387,500	534,050	537,950
	<hr/>	<hr/>	<hr/>
Less Income			
Recovery of Court Costs	(5,000)	(5,000)	(5,000)
Customer & Client Receipts	(5,000)	(5,000)	(5,000)
Partnership Receipts	(9,200)	(9,200)	(9,850)
	<hr/>	<hr/>	<hr/>
	(19,200)	(19,200)	(19,850)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	368,300	514,850	518,100
	<hr/>	<hr/>	<hr/>
Depreciation & Impairment			
Non-Current Asset Depreciation	11,150	1,900 e)	2,700 e)
	<hr/>	<hr/>	<hr/>
	379,450	516,750	520,800
	<hr/>	<hr/>	<hr/>

- a) Lower level of mileage claims, fewer essential users and ending of leased car arrangements.
- b) Includes the fee payable to KCC for the provision of internal audit and counter fraud services.
- c) Use of consultant to undertake a communications audit funded from an earmarked reserve.
- d) Costs now part of IT Services budget on change in telephony system.
- e) Telephony related capital renewals provision no longer required.

CORPORATE SERVICES

	2022/23	2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE
	£	£
		ESTIMATE
		£
2 OVERHEAD EXPENSES-Continued		
(f) <u>DRINKS MACHINES</u>		
Income		
Customer & Client Receipts	(50)	-
Central, Departmental & Technical Support Services		
Central Salaries & Administration	150	-
Depreciation & Impairment		
Non-Current Asset Depreciation	550	- a)
	<hr/>	<hr/>
	650	-
	<hr/>	<hr/>
Full Time Equivalent Number of Staff	0.00	0.00
(including Support Service Staff)		0.00

a) Residual depreciation charge moved to Departmental Administration budget.

CORPORATE SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE £	REVISED ESTIMATE £	ESTIMATE £
2 <u>OVERHEAD EXPENSES-Continued</u>			
(g) <u>INFORMATION TECHNOLOGY SERVICES</u>			
Employees			
Salaries	1,079,650	1,074,500	1,166,950 a)
Transport Related Expenses			
Public Transport	1,000	500	500
Supplies & Services			
Equipment - Purchases	10,000	13,000	13,000
Equipment - Maintenance	55,000	33,100 b)	33,100
Printing Consumables	1,500	1,500	1,500
Insurance	6,800	6,300	6,000
Professional Services / Consultancy	8,300	114,600 c)	165,000 c)
Other Expenses	7,250	7,000	7,000
Software Support, Hire & Maintenance	749,000	923,200 d)	869,800 d)
Telephone leased lines and modems	15,000	22,300 e)	22,300
Kent Connects	20,000	20,000	20,000
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	1,953,500	2,216,000	2,305,150
Central, Departmental & Technical Support Services			
Office Accommodation	106,800	116,800	122,000
Central Salaries & Administration	67,250	68,150	77,000
Departmental Administrative Expenses	106,050	99,650	102,550
Depreciation & Impairment			
Non-Current Asset Depreciation	207,450	199,450	216,950
	<hr/>	<hr/>	<hr/>
	2,441,050	2,700,050	2,823,650
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	23.01	22.93	23.54

- a) Reflects full establishment and provision for a pay award.
- b) Maintenance costs for both ancillary and computer equipment reduced following move to 'cloud' based services.
- c) Revised estimate includes the one-off implementation and training costs in respect of the replacement of the Uniform System funded from an earmarked reserve. The forward estimate includes the back scanning project to rationalise office space and facilitate the scaling back of office accommodation.
- d) Reflects current anticipated costs of the IT infrastructure.
- e) Reflects mobile telephone related costs charged to IT Services.

CORPORATE SERVICES

	2022/23	2023/24	
	ORIGINAL ESTIMATE	REVISED ESTIMATE	
	£	£	
		ESTIMATE	
		£	
3 <u>SALARIES & OVERHEADS</u>			
Salaries & Oncosts	12,940,950	13,472,300	13,854,900
Overheads			
(a) Council Offices	946,700	1,012,850	1,054,100
(b) Printing & Multi Function Devices	184,600	151,100	171,350
(c) Customer Services	411,300	421,000	426,900
(d) Administration - General	113,400	104,200	111,700
(e) Administration - Departmental	379,450	516,750	520,800
(f) Drinks Machines	650	-	-
(g) Information Technology Services	2,441,050	2,700,050	2,823,650
	<hr/>	<hr/>	<hr/>
	17,418,100	18,378,250	18,963,400
Less Recharge to :	<hr/>	<hr/>	<hr/>
Planning, Housing & Environmental Health	(5,427,550)	(5,963,300)	(5,878,400)
Street Scene, Leisure & Technical	(2,875,850)	(2,968,500)	(2,964,300)
Central Services	(1,172,500)	(1,250,600)	(1,302,900)
Finance & Transformation	(2,062,300)	(2,097,400)	(2,105,300)
Corporate Services	(1,430,450)	(1,449,800)	(1,483,800)
Chief Executive	(618,550)	(722,300)	(732,900)
Other Services	(650)	(650)	(700)
Holding Accounts	(2,257,200)	(2,249,250)	(2,402,850)
	<hr/>	<hr/>	<hr/>
	(15,845,050)	(16,701,800)	(16,871,150)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	1,573,050	1,676,450	2,092,250
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	1,573,050	1,676,450	2,092,250
	<hr/>	<hr/>	<hr/>

CORPORATE SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE £	REVISED ESTIMATE £	ESTIMATE £
4 <u>DEMOCRATIC REPRESENTATION & MANAGEMENT</u>			
(a) <u>DEMOCRATIC ADMINISTRATION</u>			
Employees			
# Salaries	335,200	356,150 a)	353,400
Premises Related Expenses			
Accommodation Expenses (Forum/Area1)	7,000	500	- b)
Supplies & Services			
Members' Meeting Expenses	4,000	4,000	4,000
Subscriptions	18,400	22,600	24,200
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	364,600	383,250	381,600
Central, Departmental & Technical Support Services			
Accommodation & Printing Services	41,400	38,450	40,950
# Central Salaries & Administration	231,450	223,050	234,550
Information Technology Expenses	12,100	16,050	15,700
# Departmental Administrative Expenses	124,650	127,200	129,700
	<hr/>	<hr/>	<hr/>
	774,200	788,000	802,500
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	10.98	10.48	10.63

Memorandum

Service Salary & Overhead Allocations to Democratic Administration

Administration & Property Services	274,500	250,700	265,050
Chief Executives' Service	48,100	59,800	62,800
Environmental Health & Hsg Services	25,950	34,000	34,350
Financial Services	80,000	83,350	87,900
Legal Services	14,300	15,350	15,250
Planning Services	124,750	142,900	129,150
Street Scene & Leisure Services	104,900	101,000	103,700
Technical Services	18,800	19,300	19,450
	<hr/>	<hr/>	<hr/>
	691,300	706,400	717,650
	<hr/>	<hr/>	<hr/>

a) Includes increased cost of Planning Development Management Section arising from additional temporary staffing costs, and reassessment of staff allocations from Corporate Services team.

b) Cessation of holding of Council meetings at the Angel Centre, Tonbridge.

CORPORATE SERVICES

	2022/23	2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE
	£	£
(b) <u>PAYMENTS TO MEMBERS</u>		ESTIMATE
		£
Transport Related Expenses		
Members' Travel & Subsistence	2,100	1,500
		2,100
Supplies and Services		
Basic Allowance	285,050	278,900 a)
Special Responsibility Allowance	130,200	121,400 a)
Mayors' and Deputy Mayors' Allowance	7,500	7,500
Members' National Insurance	7,500	9,200
Carers' Allowance	50	50
	<hr/>	<hr/>
<u>Sub-total</u>	432,400	418,550
		393,100
Central, Departmental & Technical Support Services		
Central Salaries & Administration	17,600	17,850
Information Technology Expenses	1,050	1,400
	<hr/>	<hr/>
	451,050	437,800
	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	0.31	0.30
		0.30

- a) Includes the decision taken by Members that the basic and special responsibility allowances in 2022/23 be frozen at the current rate and change in governance arrangements.
- b) Reflects a reduction in the number of basic allowances payable from May 2023, following the review by the Boundary Commission. Estimates also include provision for an increase in Members allowances in 2023/24.

CORPORATE SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
(c) <u>MAYORAL & OTHER MEMBER SUPPORT (INC. MEMBER TRAINING)</u>			
Employees			
Salaries	1,700	1,700	1,800
Transport Related Expenses			
Mayors' Transport Allowance	10,000	8,000	10,000
Supplies and Services			
Stationery	100	100	100
Insurance	250	150	150
Civic Hospitality	5,000	5,000	5,000
Mobile Telephones	150	150	150
Other Expenses	1,500	2,000	1,500
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	18,700	17,100	18,700
Central, Departmental & Technical Support Services			
Central Salaries & Administration	87,950	88,650	90,950
Information Technology Expenses	31,400	32,850	32,850
Departmental Administrative Expenses	400	450	450
	<hr/>	<hr/>	<hr/>
	138,450	139,050	142,950
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	1.80	1.79	1.80
 <u>SUMMARY</u>			
(a) DEMOCRATIC ADMINISTRATION	774,200	788,000	802,500
(b) PAYMENTS TO MEMBERS	451,050	437,800	412,750
(c) MAYORAL & OTHER MEMBER SUPPORT INC. MEMBER TRAINING	138,450	139,050	142,950
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	1,363,700	1,364,850	1,358,200
	<hr/>	<hr/>	<hr/>

CORPORATE SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
5 <u>CORPORATE MANAGEMENT</u>			
(a) <u>CORPORATE POLICY</u>			
Employees			
# Salaries	75,000	80,450 a)	82,900
Central, Departmental & Technical Support Services			
# Central Salaries & Administration	361,100	344,450 b)	354,750
# Departmental Administrative Expenses	20,900	22,300	22,450
	457,000	447,200	460,100
Full Time Equivalent Number of Staff (including Support Service Staff)	5.34	5.26	5.19
(b) <u>PUBLIC ACCOUNTABILITY</u>			
Supplies and Services			
Professional Fees	900	1,300	900
Advertising	250	250	250
External Audit Fees	58,250	59,900	59,900
	59,400	61,450	61,050
Less Income			
Government Grant	(18,150)	(18,150)	(18,150)
	41,250	43,300	42,900
Central, Departmental & Technical Support Services			
Central Salaries & Administration	88,500	98,750 c)	103,650
Information Technology Expenses	50	50	50
	129,800	142,100	146,600
Full Time Equivalent Number of Staff (including Support Service Staff)	1.23	1.33	1.34
<u>SUMMARY</u>			
(a) CORPORATE POLICY	457,000	447,200	460,100
(b) PUBLIC ACCOUNTABILITY	129,800	142,100	146,600
	586,800	589,300	606,700
<u>TO SUMMARY</u>			

CORPORATE SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE £	REVISED ESTIMATE £	ESTIMATE £
Memorandum			
# Service Allocations to Corporate Policy			
Admin & Property Services	61,250	62,550	64,050
Chief Executives' Service	170,950	162,750	165,200
Environmental Health & Housing Services	12,950	16,850	17,050
Financial Services	127,650	117,750	124,050
Legal	1,300	1,400	1,400
Planning Services	54,950	57,800	60,050
Street Scene & Leisure Services	27,950	28,100	28,300
	<hr/>	<hr/>	<hr/>
	457,000	447,200	460,100
	<hr/>	<hr/>	<hr/>

CORPORATE POLICY

- a) Reflects increased staff allocation costs from Housing Needs Section, and Planning Development Management Section arising from additional temporary staffing costs.
- b) Reassessment of allocations from Chief Executive and Financial Services Management.

PUBLIC ACCOUNTABILITY

- c) Reassessment of allocations from Financial Services Management.

EMPLOYEES - SALARIES

SERVICE ANALYSIS OF EXPENDITURE

	Basic Salaries	Overtime	Temporary Staff	Total Salaries	Council Contributions Nat. Ins.	Supern.	Total Salaries & Oncosts
	£	£	£	£	£	£	£
<u>2022/23 ESTIMATE</u>							
Original Estimate	8,549,600	18,100	255,150	8,822,850	934,300	1,523,150	11,280,300
Revised Estimate	8,454,100	59,350	817,500	9,330,950	884,850	1,526,200	11,742,000
<u>2023/24 ESTIMATE</u>							
Service							
Administration & Property	736,350	10,850	-	747,200	71,500	151,100	969,800
Environmental Health & Housing	1,374,700	-	-	1,374,700	136,200	276,850	1,787,750
Executive	475,950	2,000	13,000	490,950	53,650	93,100	637,700
Finance	1,367,250	3,000	-	1,370,250	140,150	267,850	1,778,250
Information Technology	896,300	-	-	896,300	98,550	175,450	1,170,300
Legal	505,500	1,850	-	507,350	52,750	103,700	663,800
Personnel	438,100	2,400	4,000	444,500	33,800	90,650	568,950
Planning	1,886,950	-	4,200	1,891,150	198,400	382,950	2,472,500
Street Scene & Leisure	1,043,600	-	-	1,043,600	104,200	213,800	1,361,600
Technical	588,500	550	-	589,050	52,000	110,550	751,600
	9,313,200	20,650	21,200	9,355,050	941,200	1,866,000	12,162,250

CHIEF EXECUTIVE

SUMMARY

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
1 COMMUNITY DEVELOPMENT	72,800	39,450	40,350
2 SAFEGUARDING	-	23,850	24,850
3 ELECTIONS	385,700	354,200	574,550
4 GRANTS & PAYMENTS	122,350	125,150	136,100
5 CLIMATE CHANGE	124,800	91,050	125,100
6 ECONOMIC DEVELOPMENT & REGENER'N	437,050	352,600	263,750
7 UK SHARED PROSPERITY FUND	-	82,150	145,700
8 REFUGEE ASSISTANCE	-	10,450	10,900
	<hr/>	<hr/>	<hr/>
	1,142,700	1,078,900	1,321,300
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	9.62	11.32	10.75

CHIEF EXECUTIVE

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
1 <u>COMMUNITY DEVELOPMENT</u>			
Employees			
Salaries	34,150	23,400 a)	24,150
Supplies & Services			
Community Development Partnership	15,000	3,000 b)	-
Safeguarding Children Board	1,500	-	-
	<hr/>	<hr/>	<hr/>
	50,650	26,400	24,150
Less Income			
Contributions from Other Bodies	-	(3,000) b)	-
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	50,650	23,400	24,150
Central, Departmental & Technical Support Services			
Central Salaries & Administration	8,900	6,350	6,600
Departmental Administrative Expenses	13,250	9,700 a)	9,600
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	72,800	39,450	40,350
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	0.86	0.64	0.61
2 <u>SAFEGUARDING</u>			
Employees			
Salaries	-	12,800 a)	13,650
Supplies & Services			
Safeguarding Children Board	-	1,500	1,500
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	-	14,300	15,150
Central, Departmental & Technical Support Services			
Central Salaries & Administration	-	5,100 a)	5,300
Departmental Administrative Expenses	-	4,450 a)	4,400
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	-	23,850	24,850
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	0.00	0.34	0.34

a) Reflects re-distribution of staff allocations from Chief Executive and Corporate Services staff sections to new Safeguarding budget.

b) Reflects transfer of community development partnership budget to Grants & Payments and Men's Mental Health Project funded from external grant.

CHIEF EXECUTIVE

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
3 ELECTIONS			
(a) ELECTORAL REGISTRATION			
Employees			
Salaries	115,900	101,650 a)	122,800
Supplies & Services			
Equipment & Materials - Purchases	1,000	1,000	1,000
Maintenance	750	400	500
Printing	5,000	6,000	6,000
Stationery	3,500	4,000	4,000
Reference Books & Publications	1,600	-	-
Electronic Elector Registration Responses	7,000	7,500	7,500
Postages	41,000	41,000	41,000
	<hr/>	<hr/>	<hr/>
	175,750	161,550	182,800
Less Income			
Sale of Registers	(3,000)	(3,000)	(3,000)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	172,750	158,550	179,800
Central, Departmental & Technical Support Services			
Central Salaries & Administration	14,000	15,300	13,650
Information Technology Expenses	26,050	34,650 b)	33,900
Departmental Administrative Expenses	47,200	42,900 a)	48,700
Depreciation & Impairment			
Non-Current Asset Depreciation	-	-	1,850
	<hr/>	<hr/>	<hr/>
	260,000	251,400	277,900
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	3.29	3.02	3.29

a) Revised estimate reflects re-distribution of staff resources to support Ukrainian Refugees (see page CE 8).

b) Reflects increased cost of the IT infrastructure (see page CS 9).

CHIEF EXECUTIVE

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
(b) <u>CONDUCT OF ELECTIONS</u>			
Employees			
Salaries	51,900	40,250 a)	55,000
Premises Related Expenses			
Rent	-	-	20,000 b)
Supplies & Services			
Equipment & Materials - Purchases	-	9,000 b)	5,000 b)
Printing	-	1,000 b)	20,000 b)
Stationery	-	4,000 b)	-
Polling Fees (Staff)	-	-	65,000 b)
Postage	-	-	80,000 b)
	<hr/>	<hr/>	<hr/>
	51,900	54,250	245,000
Less Income			
Government Grant	-	(21,350 b)	(32,150 b)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	51,900	32,900	212,850
Central, Departmental & Technical Support Services			
Central Salaries & Administration	41,200	37,700	47,100 c)
Information Technology Expenses	11,450	15,250	14,900
Departmental Administrative Expenses	21,150	16,950 a)	21,800
	<hr/>	<hr/>	<hr/>
	125,700	102,800	296,650
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	1.94	1.64	1.97
 <u>ELECTIONS</u>			
<u>SUMMARY</u>			
(a) ELECTORAL REGISTRATION	260,000	251,400	277,900
(b) CONDUCT OF ELECTIONS	125,700	102,800	296,650
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	385,700	354,200	574,550
	<hr/>	<hr/>	<hr/>

CHIEF EXECUTIVE

CONDUCT OF ELECTIONS

- a) Revised estimate reflects re-distribution of staff resources to support Ukrainian Refugees (see page CE 8).
- b) Costs attributable to Borough elections to be held in May 2023 and the introduction of Voter Identification to be met from an earmarked reserve and government grant.
- c) Re-distribution of staff allocations from Chief Executive.

CHIEF EXECUTIVE

	2022/23		2023/24
	ORIGINAL ESTIMATE £	REVISED ESTIMATE £	ESTIMATE £
4 GRANTS & PAYMENTS			
Supplies & Services			
Grants to Citizens Advice Bureaux	95,000	95,000	95,000
Grants to Other Charitable & Voluntary Org.	19,500	32,900 a)	32,900
Household Support Grants	-	566,200 b)	-
Coats for Kids / Boiler Scheme	-	43,750 b)	-
Tonbridge Historic Society Accommodation	2,000	2,000	2,000
	116,500	739,850	129,900
Less Income			
Contributions from Other Bodies	-	(632,950) b)	-
	<u>Sub-total</u>	106,900	129,900
Central, Departmental and Technical Support Services			
Central Salaries & Administration	5,850	18,250 c)	6,200
	<u>TO SUMMARY</u>	125,150	136,100
Full Time Equivalent Number of Staff (including Support Service Staff)	0.08	0.30	0.08
5 CLIMATE CHANGE			
Employees			
Salaries	61,600	53,500 d)	64,700
Supplies & Services			
Initiatives	31,000	10,000 e)	30,000 e)
	<u>Sub-total</u>	63,500	94,700
Central, Departmental and Technical Support Services			
Central Salaries & Administration	9,750	7,200	7,500
Departmental Administrative Expenses	22,450	20,350 d)	22,900
	<u>TO SUMMARY</u>	91,050	125,100
Full Time Equivalent Number of Staff (including Support Service Staff)	1.43	1.32	1.44

CHIEF EXECUTIVE

GRANTS & PAYMENTS

- a) Includes transfer of the community development partnership budget from Community Development.
- b) Reflects payments anticipated to be made to pensioners and community groups to provide support to vulnerable and low income households and a Coats for Kids / Boiler Scheme and associated grant allocation.
- c) Re-distribution of staff resources associated with additional grant funding schemes.

CLIMATE CHANGE

- d) Revised estimate reflects re-distribution of staff resources from Corporate Services staff section.
- e) Initiatives in support of the Climate Change Strategy funded from an earmarked reserve.

CHIEF EXECUTIVE

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
6 <u>ECONOMIC DEVELOPMENT & REGENERATION</u>			
Employees			
Salaries	96,650	41,200 a)	35,150
Supplies & Services			
Economic Development Expenses	3,250	8,400 b)	3,250
Business Growth Programme	10,000	10,000	10,000
Economic Development & Reg'n Initiatives	286,050	265,000 c)	194,450 c)
Re-opening High Streets Safely / Welcome Back Fund	-	850	-
Visit Kent	4,000	4,200	4,400
	<hr/>	<hr/>	<hr/>
	399,950	329,650	247,250
Less Income			
Government Grant - Covid 19 Welcome Back Funding	-	3,450	-
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	399,950	333,100	247,250
Central, Departmental & Technical Support Services			
Central Salaries & Administration	4,700	4,800	4,950
Information Technology Expenses	150	200	200
Departmental Administrative Expenses	32,250	14,500 a)	11,350
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	437,050	352,600	263,750
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	2.02	0.99	0.77

a) Reflects re-distribution of staff resources to the UK Shared Prosperity Fund scheme (see page CE 7).

b) Increase reflects costs associated with the Commonwealth Games baton relay funded from an earmarked reserve.

c) Support for economic development and regeneration initiatives funded from the Kent and Medway 100% Business Rates Retention Pilot reserve and or the Kent Business Rates Pool reserve.

CHIEF EXECUTIVE

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
7 <u>UK SHARED PROSPERITY FUND</u>			
Employees			
Salaries	-	49,300 a)	73,650 a)
Supplies & Services			
Initiatives	-	88,000 b)	109,450 b)
Capital Grants & Contributions (RECS)	-	25,000 b)	95,000 b)
	-----	-----	-----
	-	162,300	278,100
Less Income			
Government Grant	-	(74,000) b)	(107,450) b)
Capital Grants Received (RECS)	-	(25,000) b)	(50,000) b)
	-----	-----	-----
<u>Sub-total</u>	-	63,300	120,650
Central, Departmental & Technical Support Services			
Central Salaries & Administration	-	1,550	1,850
Departmental Administrative Expenses	-	17,300 a)	23,200 a)
	-----	-----	-----
<u>TO SUMMARY</u>	-	82,150	145,700
	-----	-----	-----
Full Time Equivalent Number of Staff (including Support Service Staff)	0.00	1.11	1.44

- a) Reflects re-distribution of staff resources primarily from Corporate Services staff section. Forward estimate includes staff allocations from other staff sections to assist with the delivery of schemes.
- b) Reflects the projects / initiatives to be funded in large part from the UK Shared Prosperity Fund grant award and the balance from the Kent and Medway 100% Business Rates Retention Pilot reserve. Further details can be found in the report to Cabinet on 5 July 2022.

DIRECTOR OF CENTRAL SERVICES

SUMMARY

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
1 TONBRIDGE CASTLE GATEHOUSE	39,000	89,350	25,500
2 COMMUNITY SAFETY	174,050	156,450	163,050
3 MEDIA & COMMUNICATIONS	247,650	269,750	315,150
4 LOCAL LAND CHARGES	(25,000)	11,200	(7,600)
5 INDUSTRIAL ESTATE	(71,200)	(70,700)	(70,700)
6 COMMERCIAL PROPERTY	(169,000)	106,950	(186,950)
7 VALE RISE DEPOT	-	-	-
8 LAND REVIEW	78,250	131,100	76,500
9 LICENCES	71,900	95,500	64,100
	345,650	789,600	379,050
Full Time Equivalent Number of Staff (including Support Service Staff)	20.66	22.06	22.18

DIRECTOR OF CENTRAL SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
1 <u>TONBRIDGE CASTLE GATEHOUSE</u>			
Employees			
Salaries	11,050	11,500	11,850
Premises Related Expenses			
Building Repairs Expenditure	5,350	57,400 a)	3,150
Rates	250	250	250
Premises Insurance	14,600	9,350	9,000
Supplies & Services			
Purchases - Equipment & Materials	1,000	1,000	1,000
Purchases - Exhibits	2,000	2,000	2,000
Maintenance - General	4,500	4,500	4,500
Leasing Charges	-	5,800 b)	4,500
Streamline Service	800	800	800
Marketing	7,000	7,000	- c)
Subscriptions	250	250	250
	<hr/>	<hr/>	<hr/>
	46,800	99,850	37,300
Less Income			
Fees & Charges			
Weddings / Hire of Gatehouse	(3,000)	(3,000)	(4,000)
Commission	(750)	(600)	(600)
Tonbridge Castle Attraction	(25,000)	(30,000)	(30,000)
Profit / Loss on Stock Sales	(3,500)	(5,000)	(6,000)
	<hr/>	<hr/>	<hr/>
	(32,250)	(38,600)	(40,600)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	14,550	61,250	(3,300)
Central, Departmental & Technical Support Services			
Central Salaries & Administration	17,100	20,150	21,000
Information Technology Expenses	950	1,250	1,200
Departmental Administrative Expenses	6,200	6,550	6,450
Depreciation & Impairment			
Non-Current Asset Depreciation	200	150	150
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	39,000	89,350	25,500
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	0.69	0.74	0.76

DIRECTOR OF CENTRAL SERVICES

TONBRIDGE CASTLE GATEHOUSE

- a) Renewal of lighting in the Great Hall deferred to 2022/23.
- b) Replacement audio tour devices leased rather than purchased outright.
- c) Transferred to Media & Communications budget.

DIRECTOR OF CENTRAL SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE £	REVISED ESTIMATE £	ESTIMATE £
2 <u>COMMUNITY SAFETY</u>			
Employees			
Salaries	103,450	139,100 a)	147,850 a)
Supplies & Services			
Community Safety Initiatives	14,100	24,100 b)	24,100 b)
	<hr/>	<hr/>	<hr/>
	117,550	163,200	171,950
Less Income			
Government Grant	(9,600)	(34,250) b)	(36,150) b)
Contributions from Other Bodies	-	(33,350) b)	(35,200) b)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	107,950	95,600	100,600
Central, Departmental & Technical Support Services			
Central Salaries & Administration	17,700	6,300 c)	6,650
Information Technology Expenses	-	50	50
Departmental Administrative Expenses	48,400	54,500 a)	55,750
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	174,050	156,450	163,050
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	3.08	3.82	3.84
3 <u>MEDIA & COMMUNICATIONS</u>			
Employees			
Salaries	163,150	175,000 d)	199,800 d)
Supplies & Services			
Media & Communications	7,000	7,000	26,550 e)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	170,150	182,000	226,350
Central, Departmental & Technical Support Services			
Central Salaries & Administration	7,850	8,750	8,700
Information Technology Expenses	3,800	5,050	4,950
Departmental Administrative Expenses	65,850	73,950 d)	75,150 d)
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	247,650	269,750	315,150
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	4.19	4.83	4.83

DIRECTOR OF CENTRAL SERVICES

COMMUNITY SAFETY

- a) Includes cost of fixed term Domestic Abuse Coordinator post.
- b) Grant allocations following the Domestic Abuse Act for both this Council and Tunbridge Wells Borough Council combined to fund the appointment of a joint Domestic Abuse Coordinator for a fixed period and related initiatives.
- c) Reassessment of staff allocations from Corporate Services Section.

MEDIA & COMMUNICATIONS

- d) Reassessment of staff allocations from Street Scene & Leisure Services. Forward estimate includes full year cost of fixed term Internal Communications Officer post.
- e) Reflects consolidation of a number of service related marketing / publicity and promotion budgets.

DIRECTOR OF CENTRAL SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE £	REVISED ESTIMATE £	ESTIMATE £
4 LOCAL LAND CHARGES			
Employees			
Salaries	121,000	129,000 a)	127,000
Supplies & Services			
Insurance	1,950	2,150	2,250
Kent Highways	7,000	6,000	7,000
	<hr/>	<hr/>	<hr/>
	129,950	137,150	136,250
	<hr/>	<hr/>	<hr/>
Less Income			
Fees & Charges	(250,000)	(230,000) b)	(250,000) b)
	<hr/>	<hr/>	<hr/>
	(250,000)	(230,000)	(250,000)
	<hr/>	<hr/>	<hr/>
Sub-total	(120,050)	(92,850)	(113,750)
Central, Departmental & Technical Support Services			
Central Salaries & Administration	19,350	20,900	23,100
Information Technology Expenses	21,350	28,450 c)	27,850
Departmental Administrative Expenses	54,350	54,700	55,200
	<hr/>	<hr/>	<hr/>
TO SUMMARY	(25,000)	11,200	(7,600)
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	3.86	3.83	3.87

Memorandum

Surplus from above	(25,000)	11,200	(7,600)
Share of:			
Democratic Administration	20,300	20,450	21,000
Corporate Management	8,750	8,800	9,050
Non Distributed Costs	24,150	23,650	24,950
	<hr/>	<hr/>	<hr/>
Deficit (Surplus) for Trading Purposes	28,200	64,100	47,400

a) Additional temporary staff requirement to cover maternity leave.

b) Reflects anticipated market demand for property searches, together with an increase in fees from April 2023.

c) Increased cost of IT infrastructure (see page CS 9).

DIRECTOR OF CENTRAL SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
5 <u>INDUSTRIAL ESTATE</u>			
Employees			
Salaries	1,250	1,400	1,200
	<hr/>	<hr/>	<hr/>
	1,250	1,400	1,200
Less Income			
Rents	(75,950)	(75,950)	(75,950)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	(74,700)	(74,550)	(74,750)
Central, Departmental and Technical Support Services			
Central Salaries & Administration	2,550	2,550	2,700
Information Technology Expenses	50	50	50
Departmental Administrative Expenses	900	1,250	1,300
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	(71,200)	(70,700)	(70,700)
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	0.08	0.08	0.08

DIRECTOR OF CENTRAL SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
6 COMMERCIAL PROPERTY			
Employees			
Salaries	4,450	4,750	4,550
Premises Related Expenses			
Insurance	600	500	950
Rates	1,000	4,950	1,100
Repairs Expenditure	87,100	368,800 a)	87,600 b)
	<hr/>	<hr/>	<hr/>
	93,150	379,000	94,200
	<hr/>	<hr/>	<hr/>
Less Income			
Rents - Land	(5,500)	(8,100)	(5,500)
- Shops & Maisonettes	(240,050)	(250,200) c)	(260,200) c)
- Offices	(35,000)	(35,000)	(37,000)
	<hr/>	<hr/>	<hr/>
	(280,550)	(293,300)	(302,700)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	(187,400)	85,700	(208,500)
Central, Departmental and Technical Support Services			
Central Salaries & Administration	13,900	14,650	14,750
Information Technology Expenses	350	450	450
Departmental Administrative Expenses	3,500	5,500	5,700
Depreciation & Impairment			
Non-Current Asset Depreciation	650	650	650
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	(169,000)	106,950	(186,950)
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	0.29	0.33	0.33

a) Includes the estimated cost of £275,000 in respect of walkway repairs at Martin Square and Twisden Road for which the Council is liable under the terms of the lease agreement with Clarion Homes.

b) Includes renewal of the flat roof at 2-4 Twisden Road.

c) Reflects rental income in respect of 47 High Street, Tonbridge and the unit at 29 Martin Square which was vacant or subject to a rent free period for most of 2022/23.

DIRECTOR OF CENTRAL SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
7 VALE RISE DEPOT			
Employees			
Salaries	4,700	4,850	4,750
Premises Related Expenses			
Premises Insurance	200	100	100
Rates	14,400	14,350	15,850
Repairs Expenditure	2,000	2,000	2,000
	<hr/>	<hr/>	<hr/>
	21,300	21,300	22,700
Less Recharges to Other Services	(36,700)	(36,650)	(38,100)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	(15,400)	(15,350)	(15,400)
Central, Departmental and Technical Support Services			
Central Salaries & Administration	800	800	850
Departmental Administrative Expenses	2,150	2,350	2,350
Depreciation & Impairment			
Non-Current Asset Depreciation	12,450	12,200	12,200
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	-	-	-
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	0.11	0.12	0.12

DIRECTOR OF CENTRAL SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE £	REVISED ESTIMATE £	ESTIMATE £
8 LAND REVIEW			
Employees			
Salaries	34,300	30,850	28,300 a)
Premises Related Expenses			
Depot	2,000	1,950	1,900
Estate Management	1,000	6,000 b)	1,000
Insurance	200	500	250
Repairs Expenditure	14,600	14,600	12,600
Supplies & Services			
Professional Fees	5,000	5,000	5,000
Asset Review	-	50,000 c)	-
	<hr/>	<hr/>	<hr/>
	57,100	108,900	49,050
	<hr/>	<hr/>	<hr/>
Less Income			
Fees & Charges - General	(1,000)	(5,000)	(1,000)
Castle Lodge Rent	(7,000)	(7,000)	(7,000)
Wayleaves	(500)	(500)	(500)
	<hr/>	<hr/>	<hr/>
	(8,500)	(12,500)	(8,500)
	<hr/>	<hr/>	<hr/>
Sub-total	48,600	96,400	40,550
Central, Departmental and Technical Support Services			
Central Salaries & Administration	2,650	2,650	2,750
Information Technology Expenses	150	200	200
Departmental Administrative Expenses	26,850	31,850	33,000 a)
	<hr/>	<hr/>	<hr/>
TO SUMMARY	78,250	131,100	76,500
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	0.97	1.01	1.02

a) Redistributed staff allocations from Building & Facilities Management Section.

b) Costs in respect of public conveniences closed at the end of March 2021 whilst awaiting the next step, e.g. disposal, alternative use.

c) Professional fees and survey costs to take forward the Gibson East Refurbishment project funded from an earmarked reserve.

DIRECTOR OF CENTRAL SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE £	REVISED ESTIMATE £	ESTIMATE £
9 LICENCES			
(a) FEE PAYING			
Employees			
Salaries	243,800	240,150	250,650
Premises Related Expenses			
Rents	100	100	100
Supplies & Services			
Purchases - Equipment & Materials	7,000	7,000	7,000
Professional Fees	15,000	10,000 a)	10,000 a)
Advertising	200	350	350
	<hr/>	<hr/>	<hr/>
	266,100	257,600	268,100
	<hr/>	<hr/>	<hr/>
Less Income			
Licence Fees			
Animal Licensing	-	(7,450) b)	(10,000) b)
Animal Boarding Establishments	(6,800)	- b)	- b)
Dog Breeding	(3,650)	- b)	- b)
Selling Animals as Pets	(2,500)	- b)	- b)
Hackney Carriages & Private Hire	(225,000)	(210,000) c)	(245,000) d)
Hiring Out Horses	(3,000)	- b)	- b)
Alcohol & Entertainment - Premises	(93,000)	(94,750)	(94,000)
Acupuncture / Tattooing / Ear Piercing	(1,750)	(1,750)	(1,750)
Pleasure Boats & Boatmen	(350)	(550)	(550)
Street Trading	-	-	(15,000) e)
Pavement Licences	(300)	(300)	(1,000)
Alcohol & Entertainment - Personal	(2,500)	(2,500)	(2,500)
Sex Establishments/Sexual Entertainment	(600)	(2,000)	(2,000)
Dangerous Wild Animals	(800)	(300)	-
Gambling	(7,000)	(6,950)	(7,000)
Scrap Metal Dealers	(550)	(2,200)	(2,000)
Zoo Licences	(1,000)	-	-
Investigations: New Animal Licences	(14,000)	- b)	- b)
Contributions from Other Bodies			
Government Grant	-	(4,450)	-
	<hr/>	<hr/>	<hr/>
	(362,800)	(333,200)	(380,800)
	<hr/>	<hr/>	<hr/>
Sub-total	(96,700)	(75,600)	(112,700)
Central, Departmental & Technical Support Services			
Central Salaries & Administration	15,250	15,600	16,150
Information Technology Expenses	7,400	9,850	9,600
Departmental Administrative Expenses	98,800	98,650	102,000
	<hr/>	<hr/>	<hr/>
	24,750	48,500	15,050
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	6.57	6.49	6.51

DIRECTOR OF CENTRAL SERVICES

	2022/23		2023/24
	ORIGINAL ESTIMATE £	REVISED ESTIMATE £	ESTIMATE £
(b) <u>NON FEE PAYING</u>			
Employees			
Salaries	31,750	31,400	32,950
Central, Departmental & Technical Support Services			
Central Salaries & Administration	2,150	2,250	2,350
Departmental Administrative Expenses	13,250	13,350	13,750
	<hr/>	<hr/>	<hr/>
	47,150	47,000	49,050
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	0.82	0.81	0.82
 <u>LICENCES</u>			
<u>SUMMARY</u>			
(a) FEE PAYING	24,750	48,500	15,050
(b) NON FEE PAYING	47,150	47,000	49,050
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	71,900	95,500	64,100
	<hr/>	<hr/>	<hr/>

LICENCES - FEE PAYING / NON FEE PAYING

- a) Provision for Licensing Appeals held at court.
- b) Consolidation of budgets under one heading.
- c) Economic conditions have resulted in a reduction in renewals and new applications.
- d) Reflects anticipated increased demand and proposed increase in fees from April 2023 approved by the Licensing and Appeals Committee on 29 November 2022.
- e) Introduction of a new street trading policy anticipated to start from April 2023. Projected level of income reflects identified traders and anticipated level of take up.

DIRECTOR OF FINANCE & TRANSFORMATION

SUMMARY

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
1 HOUSING BENEFITS	387,350	176,800	380,200
2 LOCAL REVENUE & NNDR COLLECTION	611,550	493,700	587,100
3 COUNCIL TAX SUPPORT	155,550	138,600	291,700
4 TREASURY MANAGEMENT & BANKING	(261,300)	(778,300)	(1,273,600)
5 DRAINAGE BOARDS SPECIAL LEVIES	461,300	461,300	484,350
6 LIASION, SUPPORT & ADVICE	90,000	95,300	88,800
7 STREET NAMING & NUMBERING	50	11,950	7,200
	<hr/>	<hr/>	<hr/>
ANNUAL ESTIMATES	1,444,500	599,350	565,750
8 CONTRIBUTIONS TO PROVISIONS	5,000	-	5,000
9 ITEMS FUNDED FROM RESERVES	-	2,500	-
	<hr/>	<hr/>	<hr/>
	1,449,500	601,850	570,750
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	36.56	34.48	34.81

DIRECTOR OF FINANCE & TRANSFORMATION

	2022/23		2023/24
	ORIGINAL ESTIMATE £	REVISED ESTIMATE £	ESTIMATE £
1 HOUSING BENEFITS			
Employees			
Salaries	201,900	217,350 a)	219,350
Supplies & Services			
Stationery	200	200	200
Reference Books & Publications	1,200	1,350	1,500
Legal Fees	200	-	-
Bailiffs Commission	200	-	-
Audit Fee	17,000	18,400	18,400
Postages	3,000	3,000	3,000
Subscriptions	450	450	500
Compensation Scheme	100	100	100
Other Expenses	-	12,800 b)	-
Standard Self Isolation Payments	-	1,500	-
Discretionary Self Isolation Payments	-	1,500	-
Housing Benefits			
Rent Allowances	23,845,500	22,795,000 c)	21,495,000 d)
Non HRA Rent Rebates	900,000	850,000 c)	650,000 d)
Local Scheme	66,500	66,500 c)	66,500 d)
Discretionary Housing Payments	200,000	269,750 c)	150,000 d)
Overpayments	(225,000)	(560,000) c)	(300,000) d)
Contribution to Bad Debt Provision	-	360,000 c)	90,000 d)
	<hr/>	<hr/>	<hr/>
	25,011,250	24,037,900	22,394,550
	<hr/>	<hr/>	<hr/>
Less Income			
Government Grant	-	(77,200) e)	-
Government Grant - Covid 19			
Standard Self Isolation Payments	-	(2,000)	-
Discretionary Self Isolation Payments	-	(1,500)	-
New Burdens Grant	-	(122,300) f)	-
Government Grant - Energy Rebate Scheme	-	(111,050) g)	-
Rent Allowance Subsidy	(23,740,000)	(22,720,000) c)	(21,410,000) d)
Non HRA Rent Rebate Subsidy	(746,000)	(730,000) c)	(550,000) d)
Local Scheme Subsidy	(45,000)	(46,900) c)	(43,900) d)
Discretionary Housing Payment Contribution	(200,000)	(158,700) c)	(150,000) d)
Administration Grant	(185,250)	(185,250)	(166,750) h)
	<hr/>	<hr/>	<hr/>
	(24,916,250)	(24,154,900)	(22,320,650)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	95,000	(117,000)	73,900
Central, Departmental & Technical Support Services			
Central Salaries & Administration	115,800	116,000	121,000
Information Technology Expenses	46,050	61,300 i)	59,900
Departmental Administrative Expenses	130,500	116,500 j)	125,400 j)
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	387,350	176,800	380,200
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	9.25	8.94	9.23

DIRECTOR OF FINANCE & TRANSFORMATION

HOUSING BENEFITS

- a) Additional temporary staffing requirement partly offset by a redistribution of staff support to assist with the Household Grant Funding scheme.
- b) Upgrades to the Revenues & Benefits IT system funded by government grant.
- c) Revised estimates reflect current levels of benefit payments and subsidy due, together with a reassessment of the bad debts provision on overpayments, having regard to the age and size of the debt and level of write-offs. Overall the budget is £41,400 less than the 2022/23 original estimate.
- d) Reflects anticipated reduction in rent allowances as existing working age housing benefits claimants move onto Universal Credit. Overall the budget is £58,400 less than the 2022/23 original estimate.
- e) Grants awarded to assist with the administrative costs of implementing welfare reform and other changes. £12,800 has been used on upgrades to the IT system - see note b). The balance is transferred to an earmarked reserve for use on transformation initiatives.
- f) New Burdens Grant received to meet the cost of administering the Self Isolation Payments Scheme.
- g) Some of the energy rebate grant from DLUHC has been used to assist households with energy related costs via the Discretionary Housing Payments scheme.
- h) Anticipated reduction in the Administration Grant to be awarded by the DWP in 2023/24.
- i) Reflects increased cost of the IT infrastructure (see page CS 9).
- j) Reflects a reassessment of Financial Management staff allocations. Forward estimate includes an increase in printing costs attributable to Revenue & Benefits staff section.

DIRECTOR OF FINANCE & TRANSFORMATION

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
2 LOCAL REVENUE & NNDR COLLECTION			
Employees			
Salaries	410,650	382,700 a)	390,250
Supplies & Services			
Equipment, Furniture & Materials - Purchases	500	500	500
Direct Debit / Bank Charges	2,500	2,500	2,000
Court Fees	3,000	3,000	3,000
Debt Recovery Fees	10,000	5,000	10,000
Other Expenses	24,750	41,400 b)	15,400
Stationery	4,800	4,800	5,000
Reference Books & Publications	400	400	400
Bar Code Payment Charges	2,800	2,800	2,000
Tracing Services	14,000	14,400	15,100
Advertising	400	400	400
Postages	50,500	55,500 c)	58,000 c)
Compensation Scheme	100	100	100
	<hr/>	<hr/>	<hr/>
	524,400	513,500	502,150
	<hr/>	<hr/>	<hr/>
Less Income			
Government Grant			
- Allowances for Cost of NNDR Collection	(156,400)	(153,200)	(153,200)
- Other	-	(19,750) d)	-
Government Grant - Covid 19			
- New Burdens Grant	-	(12,400) e)	-
Summons Costs Recovered	(250,000)	(300,000) f)	(250,000)
Civil Penalty	(3,000)	(3,000)	(3,000)
Contributions from Other Bodies	(18,100)	(20,000)	(20,000)
	<hr/>	<hr/>	<hr/>
	(427,500)	(508,350)	(426,200)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	96,900	5,150	75,950
Central, Departmental & Technical Support Services			
Central Salaries & Administration	146,350	148,900	155,850
Information Technology Expenses	95,500	127,100 g)	124,200
Departmental Administrative Expenses	272,800	212,550 h)	231,100 h)
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	611,550	493,700	587,100
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	16.63	14.41	15.02

DIRECTOR OF FINANCE & TRANSFORMATION

LOCAL REVENUE & NNDR COLLECTION

- a) Reflects redistribution of staff allocations to Homelessness budget heading. Revised estimate also reflects the redistribution of staff resources to support the Council Tax Energy Rebate Schemes, offset in part by additional temporary staffing costs.
- b) Includes purchase of a software management tool funded from an earmarked reserve, and Kent Intelligence Network performance related payments.
- c) Includes provision for a price increase, increase in property numbers and potential higher level of recovery action.
- d) New Burdens Grant received to meet the cost of delivering the council tax family annexe discount.
- e) New Burdens Grant received to meet the cost of business rates relief measures.
- f) Reflects continuing impact of reintroduction of court hearings and current economic climate.
- g) Reflects increased cost of the IT infrastructure (see page CS 9).
- h) Reflects reassessment of Financial Management staff allocations, and redistribution of Revenue and Benefits support to Homelessness budget heading. Forward estimate includes an increase in printing costs attributable to Revenue & Benefits staff section.

DIRECTOR OF FINANCE & TRANSFORMATION

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
3 <u>COUNCIL TAX SUPPORT</u>			
Employees			
Salaries	218,650	254,650 a)	232,300 a)
Supplies & Services			
Stationery	-	1,650 b)	-
Postages	200	4,000 b)	-
Council Tax Support Scheme	-	4,500 c)	14,500 c)
LCTS Grant (Discretionary) via KCC	-	14,950 d)	-
Energy Rebate Scheme (Main)	-	4,993,350 e)	-
Energy Rebate Scheme (Discretionary)	-	154,050 e)	-
Council Tax Support Fund	-	-	171,950 f)
Transfer Payments			
Benefits	-	(750)	-
	<hr/>	<hr/>	<hr/>
	218,850	5,426,400	418,750
	<hr/>	<hr/>	<hr/>
Less Income			
Government Grant			
Administration			
- Dept. for Work and Pensions	(70,350)	(70,350)	(63,300) g)
- Dept. for Levelling Up, Housing and Communities	(93,000)	(117,200) h)	- h)
LCTS Grant via KCC	-	(14,950) d)	-
Government Grant - Energy Rebate Scheme			
Energy Rebate Grant	-	(5,147,400) e)	-
New Burdens Grant	-	(55,650) i)	-
Council Tax Support Fund	-	-	(171,950) f)
Contributions from Other Bodies	(136,700)	(136,700)	(136,700)
	<hr/>	<hr/>	<hr/>
	(300,050)	(5,542,250)	(371,950)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	(81,200)	(115,850)	46,800
Central, Departmental & Technical Support Services			
Central Salaries & Administration	53,850	62,850	58,350
Information Technology Expenses	37,650	50,150 j)	49,000
Departmental Administrative Expenses	145,250	141,450	137,550
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	155,550	138,600	291,700
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	7.97	8.41	7.87

DIRECTOR OF FINANCE & TRANSFORMATION

COUNCIL TAX SUPPORT

- a) Revised estimate reflects redistribution of staff resources to support the Council Tax Energy Rebate Schemes. Forward estimate includes provision for a pay award.
- b) Costs associated with the Council Tax Energy Rebate Schemes.
- c) Development of an in-house modelling solution deferred to a future date, in the interim cost funded from an earmarked reserve and a possible public consultation on changes to the Council Tax Support scheme in 2023/24, also funded from an earmarked reserve.
- d) Balance of prior year support for low income households funded via Kent County Council.
- e) Payments made under the Council Tax Energy Rebate Schemes and associated grant.
- f) Anticipated Council Tax Support Fund payments and associated grant.
- g) Anticipated reduction in the Administration Grant to be awarded by the DWP from 2023/24.
- h) Administration Grant awarded by the DLUHC for the year 2022/23 higher than anticipated. Grant to be consolidated into the Local Government Finance Settlement from 2023/24.
- i) New Burdens Grant received for administering the Council Tax Energy Rebate Schemes.
- j) Reflects increased cost of the IT infrastructure (see page CS 9).

DIRECTOR OF FINANCE & TRANSFORMATION

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
4 <u>TREASURY MANAGEMENT & BANKING ARRANGEMENTS</u>			
Employees			
Salaries	31,950	31,850	33,500
Supplies & Services			
Treasury Advisor & Dealing Fees	11,000	11,000	12,100
Credit / Debit Card Charges	42,000	46,000	46,000
Bank Charges	21,350	20,000	20,000
Transfers in Lieu of Interest	1,200	35,000 a)	42,000 a)
	<hr/>	<hr/>	<hr/>
	107,500	143,850	153,600
	<hr/>	<hr/>	<hr/>
Less Income			
Interest on:			
Cash Flow Investments	(10,850)	(218,000) b)	(526,000) b)
Core Cash Investments	(57,000)	(410,900) b)	(599,000) b)
Property Fund Investments	(172,000)	(170,000)	(180,000) c)
Multi Asset Income Fund Investments	(157,250)	(153,000)	(153,000)
	<hr/>	<hr/>	<hr/>
	(397,100)	(951,900)	(1,458,000)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	(289,600)	(808,050)	(1,304,400)
Central, Departmental & Technical Support Services			
Central Salaries & Administration	10,850	11,500	11,950
Information Technology Expenses	650	900	900
Departmental Administrative Expenses	16,800	17,350	17,950
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	(261,300)	(778,300)	(1,273,600)
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	0.91	0.90	0.91

DIRECTOR OF FINANCE & TRANSFORMATION

TREASURY MANAGEMENT & BANKING ARRANGEMENTS

- a) Reflects recent receipt of developer contributions and an assumption as to when sums will be released / paid out.
- b) Reflects estimated impact of recent and anticipated further interest rate rises.
- c) Assumes an increase in the return to be achieved.

DIRECTOR OF FINANCE & TRANSFORMATION

	2022/23		2023/24
	ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
	£	£	£
5 <u>DRAINAGE BOARDS SPECIAL LEVIES</u>			
Payments to Drainage Boards	461,000	461,000	484,050 a)
Central, Departmental & Technical Support Services			
Central Salaries & Administration	300	300	300
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	461,300	461,300	484,350
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	0.00	0.00	0.00
6 <u>LIAISON, SUPPORT & ADVICE</u>			
Employees			
Salaries	45,000	49,600	47,150
Central, Departmental & Technical Support Services			
Central Salaries & Administration	28,800	29,450	25,350
Departmental Administrative Expenses	16,200	16,250	16,300
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	90,000	95,300	88,800
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	1.22	1.24	1.18
7 <u>STREET NAMING & NUMBERING</u>			
Income			
Street / House Naming & Numbering	(36,750)	(36,750)	(40,450)
Central, Departmental & Technical Support Services			
Central Salaries & Administration	750	750	800
Information Technology Expenses	36,050	47,950 b)	46,850
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	50	11,950	7,200
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	0.58	0.58	0.60

a) Reflects actual levies payable.

b) Reflects increased cost of the IT infrastructure (see page CS 9).

DIRECTOR OF FINANCE & TRANSFORMATION

	2022/23		2023/24
	ORIGINAL ESTIMATE		ESTIMATE
	£		£
8 <u>CONTRIBUTIONS TO PROVISIONS</u>			
General Bad Debts Provision	5,000	- a)	5,000
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	5,000	-	5,000
	<hr/>	<hr/>	<hr/>
9 <u>ITEMS FUNDED FROM RESERVES</u>			
Aldermen / Freedom Ceremonies / Other	-	2,500 b)	-
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	-	2,500	-
	<hr/>	<hr/>	<hr/>

a) Bad debt provision in respect of a company that went into administration not required on payment of debt in 2022/23.

b) Costs associated with the proclamation of the King funded from an earmarked reserve.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

SUMMARY

	2022/23 ESTIMATE		2023/24
	ORIGINAL	REVISED	ESTIMATE
	£	£	£
1. DEVELOPMENT MANAGEMENT	788,850	1,262,950	973,100
2. CONSERVATION	72,650	104,250	94,650
3. BUILDING CONTROL	26,900	36,450	8,250
4. PLANNING POLICY	1,314,050	1,168,300	1,230,700
5. HOUSING STRATEGY & ENABLING ROLE	264,600	381,450	362,400
6. HOMELESSNESS	1,206,550	1,075,350	898,600
7. HOUSING ADVICE & PREVENTION	180,550	239,700	241,100
8. HOME SAFETY	4,050	3,850	4,050
9. PRIVATE SECTOR HOUSING RENEWAL	297,650	292,150	307,550
10. PRIVATE SECTOR HOUSING STANDARDS	95,600	96,200	99,650
11. PUBLIC HEALTH ACT 1984	7,900	7,750	7,850
12. ENVIRONMENTAL PROTECTION ACT - PART 1	34,600	34,600	35,950
13. ENVIRONMENTAL PROTECTION	339,200	316,350	326,450
14. FOOD & SAFETY	379,700	343,450	354,100
15. PUBLIC HEALTH	139,900	56,700	63,500
	5,152,750	5,419,500	5,007,900
Full Time Equivalent Number of Staff (including Support Service Staff)	94.29	94.52	96.92

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

1. DEVELOPMENT MANAGEMENT

Employees

Salaries

1,156,600 1,547,150 **a)** 1,278,150 **b)**

Supplies & Services

Professional Fees

9,000 9,000 9,000

Planning Enforcement Fund

30,000 36,350 **c)** -

Application & Appeals

21,000 70,000 **d)** 25,000

Advertising

13,100 13,100 13,100

1,229,700 1,675,600 1,325,250

Less Income

Fees & Charges

Planning Applications

(940,000) (940,000) **e)** (850,000) **f)**

Pre-Planning Advice

(78,050) (73,000) **g)** (86,000) **g)**

Planning Performance Agreements

(50,000) (40,000) **h)** (52,000) **i)**

Viability Assessments

(9,100) (9,100) (9,100)

s.106 Agreement Monitoring

- (35,000) **j)** (38,500) **i)**

(1,077,150) (1,097,100) (1,035,600)

Sub-total

152,550 578,500 289,650

Central, Departmental & Technical Support Services

Central Salaries & Administration

118,800 124,650 124,950

Information Technology Expenses

72,550 96,600 **k)** 94,400 **k)**

Departmental Administrative Expenses

444,950 463,200 464,100

TO SUMMARY

788,850 1,262,950 973,100

Full Time Equivalent Number of Staff

(including Support Service Staff)

30.66 31.72 32.11

DEVELOPMENT MANAGEMENT

- a) Reflects use of agency staff to fill vacant posts due to difficulties in recruiting.
- b) New staff structure within Planning Services as approved by General Purposes Committee on 18 July 2022, plus provision for a pay award.
- c) Project to tackle illegal development funded from government grant received in 2019/20.
- d) Reflects increased spend on consultancy support and advice on the more complex applications and use of third party to undertake general planning application processing work.
- e) Planning application levels continue to be high and income is expected to be on / above budget despite Bushey Wood application being received in 2021/22, a year earlier than anticipated.
- f) Estimated future planning application fee income level.
- g) Demand for pre-application advice has reduced and increasing staff pressures has limited the ability to promote this work. Includes proposed increase in fees from December 2022 and April 2023 as approved by Cabinet on 8 November 2022.
- h) Reduced uptake potentially linked to staff resource issues.
- i) Includes proposed increase in fees from April 2023 approved by Cabinet on 8 November 2022.
- j) New fee introduced as part of the Planning Obligations Protocol as reported to Planning and Transportation Advisory Board on 11 November 2020.
- k) Increased cost of IT infrastructure - see page CS 9.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

2. CONSERVATION

Employees

Salaries

45,300 59,900 **a)** 50,250

Supplies & Services

Archaeological Advice

7,900 8,100 8,100

Third Party Payments

Conservation

- 15,400 **b)** 15,400 **b)**

Sub-total

53,200 83,400 73,750

Central, Departmental & Technical Support Services

Central Salaries & Administration

1,500 1,600 1,600

Information Technology Expenses

50 50 50

Departmental Administrative Expenses

17,900 19,200 19,250

TO SUMMARY

72,650 104,250 94,650

Full Time Equivalent Number of Staff
(including Support Service Staff)

1.15 1.21 1.23

- a) Reflects use of agency staff to fill vacant posts due to difficulties in recruiting.
- b) Service previously carried out in-house outsourced to Tunbridge Wells Borough Council as reported to General Purposes Committee on 18 July 2022.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

3. BUILDING CONTROL

Employees

Salaries

291,250

291,750

307,800 a)

Supplies & Services

Professional Fees

-

14,000 b)

13,000 b)

Subscriptions

2,150

2,150

2,350

Competent Persons Scheme

-

4,000 c)

4,000 c)

293,400

311,900

327,150

Less Income

Fees & Charges

Building Regulations

(423,000)

(440,000) d)

(484,000) e)

Sub-total

(129,600)

(128,100)

(156,850)

Central, Departmental & Technical Support Services

Central Salaries & Administration

13,100

13,300

13,800

Information Technology Expenses

21,050

28,000 f)

27,400 f)

Departmental Administrative Expenses

122,350

123,250

123,900

TO SUMMARY

26,900

36,450

8,250

Full Time Equivalent Number of Staff
(including Support Service Staff)

7.50

7.34

7.38

- a) Includes, amongst other things, provision for a pay award.
- b) Reflects use of a third party contractor to carry out structural checking for large developments following cessation of partnership. Costs unknown when revised building control establishment was reported to General Purposes Committee on 23 March 2021. Revised estimate includes access audit for Council buildings.
- c) Use of a third party contractor to carry out Competent Person checks on contractors. Costs unknown when revised building control establishment was reported to General Purposes Committee on 23 March 2021.
- d) Building regulation work continues to grow post Covid-19.
- e) Includes proposed increase in fees from April 2023 approved by Cabinet on 8 November 2022.
- f) Increased cost of IT infrastructure - see page CS 9.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

4. PLANNING POLICY

(a) DEVELOPMENT OF LOCAL PLAN

Employees

Salaries

354,600 283,000 **a)** 330,300 **b)**

Supplies & Services

Development of Local Plan

441,600 350,000 **c)** 350,000 **c)**

Sub-total

796,200 633,000 680,300

Central, Departmental & Technical Support Services

Central Salaries & Administration

15,750 16,700 16,750

Information Technology Expenses

400 550 500

Departmental Administrative Expenses

91,250 91,400 97,950 **b)**

903,600 741,650 795,500

Full Time Equivalent Number of Staff
(including Support Service Staff)

6.50 6.07 6.63

- a)** Reflects vacant Planning Policy Manager and Principal Planning Officer posts.
- b)** New staff structure within Planning Services as approved by General Purposes Committee on 18 July 2022, plus provision for a pay award.
- c)** Anticipated third party costs in respect of the review, revision and resubmission of the Local Plan funded from an earmarked reserve.
- d)** Increased cost of IT infrastructure - see page CS 9.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

4. PLANNING POLICY (continued)

(b) PLANNING POLICY

Employees

Salaries

243,500

242,300

291,600 a)

Supplies & Services

Transport Policy Consultancy

15,000

5,000 b)

5,000 b)

Borough Green Gardens

45,500

75,500 c)

25,000 c)

AONB Management

4,450

4,450

4,450

Local Wildlife Sites Register Update

3,550

3,550

3,550

Sub-total

312,000

330,800

329,600

Central, Departmental & Technical Support Services

Central Salaries & Administration

16,750

11,650

14,950

Information Technology Expenses

1,900

2,550

2,500

Departmental Administrative Expenses

79,800

81,650

88,150 a)

410,450

426,650

435,200

Full Time Equivalent Number of Staff
(including Support Service Staff)

5.88

5.54

6.15

PLANNING POLICY

(a) DEVELOPMENT OF LOCAL PLAN

903,600

741,650

795,500

(b) PLANNING POLICY

410,450

426,650

435,200

TO SUMMARY

1,314,050

1,168,300

1,230,700

- a) New staff structure within Planning Services as approved by General Purposes Committee on 18 July 2022, plus provision for a pay award.
- b) Reduced need linked with updates to Local Plan including transport issues.
- c) Anticipated third party costs in respect of the Borough Green Gardens project funded from government grant received in previous years.
- d) Increased cost of IT infrastructure - see page CS 9.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

**5. HOUSING STRATEGY
& ENABLING ROLE**

(a) HOUSING STRATEGY

Employees

Salaries

2022/23 ESTIMATE		2023/24 ESTIMATE
ORIGINAL	REVISED	ESTIMATE
£	£	£
63,900	86,350 a)	86,250 a)
Supplies & Services		
Professional Fees		
-	18,200 b)	-
Publicity & Promotion		
100	100	-
Support for External Agencies		
3,500	3,500	3,500
<hr/>		
67,500	108,150	89,750
Sub-total		
Central, Departmental & Technical Support Services		
Central Salaries & Administration		
3,900	6,150	4,100
Information Technology Expenses		
450	600	600
Departmental Administrative Expenses		
20,800	26,050 a)	26,900 a)
<hr/>		
92,650	140,950	121,350
<hr/>		
Full Time Equivalent Number of Staff (including Support Service Staff)	1.59	2.08
		2.14

Supplies & Services

Professional Fees

Publicity & Promotion

Support for External Agencies

Sub-total

Central, Departmental & Technical Support Services

Central Salaries & Administration

Information Technology Expenses

Departmental Administrative Expenses

Full Time Equivalent Number of Staff
(including Support Service Staff)

- a)** Increase reflects additional fixed term posts employed to seek to reduce escalating temporary accommodation costs, as reported to General Purposes Committee on 22 March 2022. Funded in full from additional Homelessness Prevention Grant.
- b)** Reflects completion of housing needs research project which commenced in 2018 funded from an earmarked reserve.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

**5. HOUSING STRATEGY
& ENABLING ROLE (continued)**

(b) HOUSING REGISTER

Employees

Salaries

118,200

171,800 a)

170,050 a)

Third Party Payments

Choice Based Lettings

6,550

7,950

7,950

Sub-total

124,750

179,750

178,000

**Central, Departmental & Technical
Support Services**

Central Salaries & Administration

5,350

5,600

5,950

Information Technology Expenses

1,300

1,750

1,700

Departmental Administrative Expenses

40,550

53,400 a)

55,400 a)

171,950

240,500

241,050

Full Time Equivalent Number of Staff
(including Support Service Staff)

3.09

4.24

4.43

HOUSING STRATEGY & ENABLING ROLE

(a) HOUSING STRATEGY

92,650

140,950

121,350

(b) HOUSING REGISTER

171,950

240,500

241,050

TO SUMMARY

264,600

381,450

362,400

- a) Increase reflects additional fixed term posts employed to seek to reduce escalating temporary accommodation costs, as reported to General Purposes Committee on 22 March 2022. Funded in full from additional Homelessness Prevention Grant.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

6. HOMELESSNESS

Employees

Salaries	305,300	350,850 a)	362,950 b)
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Premises Related Expenses

Repairs & Maintenance to Buildings	5,500	27,000 c)	13,500 c)
Service Charge	-	(25,150) d)	-
Maintenance of Grounds	-	1,000	5,000
Electricity	350	11,500 e)	15,100 c)
Gas	-	1,000	5,000 c)
Rent	-	(8,000) d)	-
Rates	1,000	-	1,000
Council Tax	1,000	9,950 f)	9,000 f)
Water Charges (Metered)	-	750	-
Fixtures & Fittings	1,000	2,000	5,100
Premises Insurance	1,500	2,200	2,650

Transport Related Expenses

Parking	-	3,000 g)	3,000 g)
Public Transport	200	200	200

Supplies & Services

Purchases - Equipment & Materials	1,000	1,500	5,500
Maintenance - General	1,200	-	1,200
Professional Fees	26,250	27,250	26,250
Rough Sleeping Initiative	-	333,000 h)	340,650 h)
Temporary Accommodation	2,000,000	1,515,000 i)	1,000,000 j)
Storage of Furniture, Transport, etc.	500	500	500
Rent Deposits / Rent in Advance - Payments	33,550	33,550	33,550
Telephones & Broadband	-	450	700
Contain Outbreak Management Fund	-	43,550 k)	-
Homelessness Reduction Initiatives	25,000	50,000 l)	72,000 l)
Contribution to Bad Debt Provision	30,000	50,000 m)	30,000 m)

Third Party Payments

Property Management	-	29,100 n)	69,800 n)
Medical Assessments	100	100	100

Carried Forward

2,433,450	2,460,300	2,002,750
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HOMELESSNESS

- a) Increase reflects additional fixed term posts employed to seek to reduce escalating temporary accommodation costs, as reported to General Purposes Committee on 22 March 2022. Funded in full from additional Homelessness Prevention Grant.
- b) Includes, amongst other things, provision for a pay award.
- c) Revised estimate includes specific repair costs in respect of 47 High Street. Assumes that the four Pembury Road properties will be converted to HMO's providing 15 units of accommodation. See report to Housing and Planning Scrutiny Select Committee on 6 December 2022.
- d) On the purchase of the freehold of 47 High Street, Tonbridge the Council received £33,150 in respect of the service charge and ground rent paid in advance when the six flats were purchased in 2018.
- e) Payment of energy costs for the six leased units at Union Street, Maidstone.
- f) Increase reflects assumed council tax liability in respect of Pembury Road.
- g) The Council is to provide car park season tickets to households placed in Council owned units in Tonbridge where relevant.
- h) The Council has been awarded Rough Sleeping Initiatives Grant of £983,500 for the three-year period 2022/23 to 2024/25. This will allow the Council to continue to fund its partnership work with Look Ahead and Porchlight to tackle rough sleeping.
- i) As reported to Communities and Housing Advisory Board on 15 February 2022, the Council engaged external consultants to review the Council's approach to Temporary Accommodation. The implementation of the recommendations coming from the review, including employing additional temporary staff has seen TA caseload fall from a peak of 159 in October 2021 to 95 at the end of September 2022. Revised estimates assume that caseload will continue to fall reaching 80 by the end of March 2023. Also that the four Pembury Road properties owned by the Council will provide 8 units of accommodation from November 2022.
- j) Assumes an average caseload of 80 of which 21 in Council owned accommodation (47 High Street and Pembury Road); 9 Clarion properties; and the remaining 50 in private nightly paid accommodation.
- k) Payments to landlords to clear historic rent arrears to allow homeless households to move from temporary accommodation into permanent social/private accommodation. Funded in full from Contain Outbreak Management Fund (COMF) distributed by Kent Housing Group - see note r).
- l) Estimates increased to implement outcome of review of TA (see note i) above). Funded in full from Homelessness Prevention Grant.
- m) Reassessment of the bad debts provision on recharges to clients, having regard to the age and size of the debt and level of write-offs.
- n) The Council has contracted the YMCA to manage two of the Pembury Road properties for a temporary period of twelve months commencing November 2022. The same contract rate has been assumed for all four Pembury Road properties as a result of economies of scale and a longer contract period or alternative solution.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

6. HOMELESSNESS (continued)

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
<u>Brought Forward</u>	2,433,450	2,460,300	2,002,750
Less Income			
Government Grant	(382,700)	(787,000) o)	(738,950) p)
Rent Deposits/Rent in Advance - Recharges	(33,550)	(33,550)	(33,550)
Customer & Client Receipts - Accommodation	(1,040,000)	(790,000) i)	(520,000) j)
Customer & Client Receipts - Service Charge	(23,000)	(17,000) i)	(11,000) j)
Rent of Temporary Accommodation	(48,000)	(60,100) q)	(138,600) q)
Contribution from Other Bodies	-	(63,300) r)	(30,000) r)
	<hr/>	<hr/>	<hr/>
	(1,527,250)	(1,750,950)	(1,472,100)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	906,200	709,350	530,650
Central, Departmental & Technical Support Services			
Central Salaries & Administration	104,450	182,100 s)	182,300 s)
Information Technology Expenses	13,200	17,600	17,200
Departmental Administrative Expenses	106,950	113,950 a)	116,100 b)
Depreciation & Impairment			
Non-Current Asset Depreciation	75,750	52,350 t)	52,350 t)
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	1,206,550	1,075,350	898,600
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	9.81	11.82	12.03

Memorandum

Cost of temporary accommodation including net deficit on non-HRA rent rebates reflected in the Housing Benefits budget on page FT 2.

Temporary Accommodation	2,000,000	1,515,000	1,000,000
Customer & Client Receipts - Accommodation	(1,040,000)	(790,000)	(520,000)
Customer & Client Receipts - Service Charge	(23,000)	(17,000)	(11,000)
Non HRA Rent Rebates	900,000	850,000	650,000
Non HRA Rent Rebate Subsidy	(746,000)	(730,000)	(550,000)
	<hr/>	<hr/>	<hr/>
Total including non-HRA rent rebates	1,091,000	828,000	569,000
	<hr/>	<hr/>	<hr/>

HOMELESSNESS (continued)

- o)** Reflects Homelessness Prevention Grant (£392,300), Rough Sleeping Initiatives Grant (£333,000) and Homelessness Prevention Grant Winter Top-Up (£61,700).
- p)** Reflects Homelessness Prevention Grant (£398,300) and Rough Sleeping Initiatives Grant (£340,650).
- q)** Assumes that two of the Pembury Road properties will provide 8 units of accommodation from November 2022 and that all four Pembury Road properties will provide 15 units of accommodation from April 2023.
- r)** Revised estimate reflects £53,300 COMF funding from Kent Housing Group (see note k) and £10,000 from Kent County Council towards the employment of a temporary Project Officer – Homelessness and Income Maximisation. Forward estimate reflects funding of £30,000 from KCC in respect of the Project Officer.
- s)** Increased support from Revenues and Benefits Section on homelessness matters.
- t)** Works to 145 & 147 Pembury Road completed. Works to 149 & 151 Pembury Road yet to start.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

7. HOUSING ADVICE & PREVENTION

Employees

Salaries

119,550

165,800 a)

165,550 a)

**Central, Departmental & Technical
Support Services**

Central Salaries & Administration

14,900

15,500

15,550

Information Technology Expenses

4,850

6,500

6,350

Departmental Administrative Expenses

41,250

51,900 a)

53,650 a)

TO SUMMARY

180,550

239,700

241,100

Full Time Equivalent Number of Staff
(including Support Service Staff)

3.39

4.35

4.52

- a) Increase reflects additional fixed term posts employed to seek to reduce escalating temporary accommodation costs, as reported to General Purposes Committee on 22 March 2022. Funded in full from additional Homelessness Prevention Grant.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

8. HOME SAFETY

Employees
Salaries

**Central, Departmental & Technical
Support Services**

Central Salaries & Administration
Departmental Administrative Expenses

TO SUMMARY

Full Time Equivalent Number of Staff
(including Support Service Staff)

	2022/23 ESTIMATE		2023/24
	ORIGINAL	REVISED	ESTIMATE
	£	£	£
	2,550	2,450	2,650
	550	550	550
	950	850	850
	<hr/>	<hr/>	<hr/>
	4,050	3,850	4,050
	<hr/>	<hr/>	<hr/>
	0.08	0.07	0.07

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

**9. PRIVATE SECTOR
HOUSING RENEWAL**

Employees

	2022/23 ESTIMATE ORIGINAL £	REVISED £	2023/24 ESTIMATE £
Salaries	183,000	181,100	193,700 a)
Supplies & Services			
Purchases - Equipment & Materials	250	50	50
Professional Fees	250	250	250
Better Care Fund Initiatives			
Housing & Health Co-ordinator (Pembury)	11,500	11,500	11,500
Housing & Health Co-ordinator (Maidstone)	32,100	32,100	32,100
Handy Person Service (Pembury)	29,400	29,400	29,400
Handy Person Service (Boroughwide)	17,000	17,000	17,000
Energy Efficiency Initiatives	4,000	1,000	4,000
Capital Grants & Contributions (RECS)	1,110,000	2,016,000 b)	1,110,000
	<hr/>	<hr/>	<hr/>
	1,387,500	2,288,400	1,398,000
	<hr/>	<hr/>	<hr/>
Less Income			
Government Grant - Better Care Fund	(90,000)	(90,000)	(90,000)
Fees & Charges	(4,000)	(1,000)	(4,000)
Fixed Penalty Notices	-	(2,250)	-
Capital Grants Received (RECS)	(1,080,000)	(1,986,000) b)	(1,080,000)
	<hr/>	<hr/>	<hr/>
	(1,174,000)	(2,079,250)	(1,174,000)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	213,500	209,150	224,000
Central, Departmental & Technical Support Services			
Central Salaries & Administration	10,000	10,100	10,550
Information Technology Expenses	7,850	10,450	10,200
Departmental Administrative Expenses	66,300	62,450	62,800
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	297,650	292,150	307,550
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	4.94	4.61	4.64

a) Includes, amongst other things, provision for a pay award.

b) Increase reflects underspends in previous years rolled forward to 2022/23.
(See Capital Plan page CP4).

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

10. PRIVATE SECTOR
HOUSING STANDARDS

Employees

Salaries

65,900

66,200

70,650

Supplies & Services

Other Expenses

5,250

6,450

6,450

71,150

72,650

77,100

Less Income

Houses in Multiple Occupation /
Caravan Site Licences

(3,250)

(4,100)

(5,200)

Sub-total

67,900

68,550

71,900

**Central, Departmental & Technical
Support Services**

Central Salaries & Administration

1,550

1,550

1,600

Information Technology Expenses

3,050

4,050

3,950

Departmental Administrative Expenses

23,100

22,050

22,200

TO SUMMARY

95,600

96,200

99,650

Full Time Equivalent Number of Staff
(including Support Service Staff)

1.69

1.60

1.61

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

11. PUBLIC HEALTH ACT 1984

Employees

Salaries

1,700

1,650

1,750

Third Party Payments

Funeral Expenses

5,000

5,000

5,000

Sub-total

6,700

6,650

6,750

**Central, Departmental & Technical
Support Services**

Central Salaries & Administration

550

550

550

Departmental Administrative Expenses

650

550

550

TO SUMMARY

7,900

7,750

7,850

Full Time Equivalent Number of Staff
(including Support Service Staff)

0.05

0.05

0.05

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

12. ENVIRONMENTAL PROTECTION ACT - PART 1

Employees

Salaries

2022/23 ESTIMATE		2023/24 ESTIMATE
ORIGINAL	REVISED	ESTIMATE
£	£	£
28,100	26,600	27,950
(9,750)	(9,300)	(9,300)
18,350	17,300	18,650
Central, Departmental & Technical Support Services		
1,350	1,350	1,400
4,400	5,900	5,750
10,500	10,050	10,150
34,600	34,600	35,950
0.75	0.71	0.71

Less Income

Fees & Charges

Sub-total

Central, Departmental & Technical Support Services

Central Salaries & Administration

Information Technology Expenses

Departmental Administrative Expenses

TO SUMMARY

Full Time Equivalent Number of Staff

(including Support Service Staff)

Memorandum

Full cost of Local Authority Pollution Prevention Control (LAPPC) and Local Authority Integrated Pollution Prevention and Control (LA-IPPC) duties under Pollution Prevention and Control (PPC) Regulations 2000 :-

Total from above

Share of:

Democratic Administration

Corporate Management

Non Distributed Costs

Full Cost of LAPPC / LA-IPPC

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

13. ENVIRONMENTAL PROTECTION

Employees

Salaries	207,000	190,000 a)	199,450 b)
----------	---------	------------	------------

Supplies & Services

Purchases - Equipment & Materials	1,000	500	500
Maintenance - Calibration of Instruments	2,000	2,000	2,000
Miscellaneous Insurance	950	550	500

Third Party Payments

Water Sampling	500	500	500
General	1,000	1,000	1,000
Air Quality	11,750	17,100 c)	11,750
Contaminated Land - Site Inspections	2,000	2,000	2,000

<hr/>	226,200	213,650	217,700
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Less Income

Government Grant	-	(5,350) c)	-
Fees & Charges			
Water Sampling	(750)	(800)	(950)
Provision of Information	(1,000)	(1,100)	(1,250)

<hr/>	(1,750)	(7,250)	(2,200)
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Sub-total

<hr/>	224,450	206,400	215,500
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Central, Departmental & Technical Support Services

Central Salaries & Administration	17,800	18,600	18,950
Information Technology Expenses	8,950	11,900	11,600
Departmental Administrative Expenses	82,150	73,650 a)	74,550 a)

Depreciation & Impairment

Non-Current Asset Depreciation	5,850	5,800	5,850
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TO SUMMARY

<hr/>	339,200	316,350	326,450
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Full Time Equivalent Number of Staff

(including Support Service Staff)	5.40	4.81	4.84
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- a) Reduced hours being worked by Scientific Officer.
- b) Includes, amongst other things, provision for a pay award.
- c) Anti-idling project at five schools across the borough grant funded by the Department for Environment, Food and Rural Affairs. See Cabinet Member Decision D220047MEM dated 13 May 2022.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

14. FOOD & SAFETY

(a) GENERAL

Employees

Salaries

2022/23 ESTIMATE		2023/24 ESTIMATE
ORIGINAL	REVISED	ESTIMATE
£	£	£
111,100	97,350 a)	103,100 b)
Supplies & Services		
Protective Clothing	150	150
Health General	500	500
Miscellaneous Insurance	550	600
<hr/>		
<u>Sub-total</u>	112,300	98,550
Central, Departmental & Technical Support Services		
Central Salaries & Administration	10,100	10,550
Information Technology Expenses	8,650	11,550
Departmental Administrative Expenses	54,600	42,600 a)
<hr/>		
	185,650	163,250
<hr/>		
Full Time Equivalent Number of Staff (including Support Service Staff)	3.18	2.55
		2.58

Supplies & Services

Protective Clothing

Health General

Miscellaneous Insurance

Sub-total

Central, Departmental & Technical Support Services

Central Salaries & Administration

Information Technology Expenses

Departmental Administrative Expenses

185,650 **163,250** **169,850**

Full Time Equivalent Number of Staff
(including Support Service Staff)

3.18 2.55 2.58

a) Reassessment of support required from the Administration Section.

b) Includes, amongst other things, provision for a pay award.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

14. FOOD & SAFETY (continued)

(b) FOOD SAFETY

Employees

Salaries

123,100 112,250 **a)** 118,950 **b)**

Supplies & Services

Health General

400 400 400

Other Expenses

500 500 500

Third Party Payments

Food Sampling

200 100 200

124,200 113,250 120,050

Less Income

Food Hygiene Rating Systems Re-inspections

(350) (700) (850)

Court Costs

(500) - -

Fees & Charges

Food Inspection

(1,500) (1,600) (1,900)

Training Courses

(3,000) - **c)** (3,000)

(5,350) (2,300) (5,750)

Sub-total

118,850 110,950 114,300

Central, Departmental & Technical Support Services

Central Salaries & Administration

7,950 8,450 8,550

Information Technology Expenses

8,800 11,700 11,400

Departmental Administrative Expenses

58,450 49,100 **a)** 50,000 **a)**

194,050 180,200 184,250

Full Time Equivalent Number of Staff

(including Support Service Staff)

3.35 2.85 2.89

FOOD & SAFETY

(a) GENERAL

185,650 163,250 169,850

(b) FOOD SAFETY

194,050 180,200 184,250

TO SUMMARY

379,700 343,450 354,100

FOOD & SAFETY - FOOD SAFETY

- a) Reassessment of support required from the Administration Section.
- b) Includes, amongst other things, provision for a pay award.
- c) Training courses postponed due to staff resources being directed towards catch-up inspections post Covid-19.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
15. <u>PUBLIC HEALTH</u>			
(a) <u>HEALTHY LIVING</u>			
Employees			
Salaries	144,900	102,150 a)	107,600 b)
Supplies & Services			
Healthy Living Initiatives	18,000	18,000	18,000
	<hr/>	<hr/>	<hr/>
	162,900	120,150	125,600
Less Income			
Public Health Funding	(120,700)	(124,100)	(124,100)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	42,200	(3,950)	1,500
Central, Departmental & Technical Support Services			
Central Salaries & Administration	2,100	2,150	2,200
Information Technology Expenses	250	350	350
Departmental Administrative Expenses	73,400	42,550 a)	43,050 a)
	<hr/>	<hr/>	<hr/>
	117,950	41,100	47,100
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	5.04	2.73	2.74

- a) Decrease reflects changes to the Healthy Living team establishment approved by General Purposes Committee on 31 January 2022.
- b) Includes, amongst other things, provision for a pay award.

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

15. PUBLIC HEALTH (continued)

(b) GENERAL

Employees

Salaries

17,600

12,450 a)

13,200 a)

**Central, Departmental & Technical
Support Services**

Departmental Administrative Expenses

4,350

3,150

3,200

21,950

15,600

16,400

Full Time Equivalent Number of Staff
(including Support Service Staff)

0.24

0.17

0.17

PUBLIC HEALTH

(a) HEALTHY LIVING

117,950

41,100

47,100

(b) GENERAL

21,950

15,600

16,400

TO SUMMARY

139,900

56,700

63,500

a) Reassessment of time spent on general public health activities by the Director of Planning, Housing and Environmental Health.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

SUMMARY

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
1. REFUSE COLLECTION	1,499,850	1,550,650	1,694,750
2. RECYCLING	1,057,650	945,900	824,450
3. STREET SCENE	1,113,050	1,135,650	1,231,950
4. PUBLIC CONVENIENCES	137,100	204,300	137,750
5. PEST CONTROL	22,150	25,650	26,000
6. TONBRIDGE & MALLING LEISURE TRUST	143,000	898,450	905,250
7. LARKFIELD LEISURE CENTRE	988,600	1,194,450	1,208,450
8. ANGEL CENTRE	488,400	483,150	484,100
9. TONBRIDGE SWIMMING POOL	678,250	736,450	700,550
10. POULT WOOD GOLF CENTRE	199,500	185,050	187,800
11. SPORTS GROUNDS	642,150	495,400	719,950
12. PLEASURE GROUNDS & OPEN SPACES	767,450	851,350	865,400
13. ALLOTMENTS	7,350	7,450	7,200
14. CHURCHYARDS	11,800	12,450	13,100
15. TONBRIDGE CEMETERY	29,550	39,750	25,750
16. YOUTH PARTNERSHIPS	57,300	35,750	-
17. SPORTS PARTNERSHIPS	64,950	46,200	-
18. EVENTS DEVELOPMENT	104,350	126,250	126,650
19. LEISURE STRATEGY	99,600	85,500	88,050
20. CHRISTMAS LIGHTING	46,500	52,450	46,900
21. PARKING SERVICES	(1,068,300)	(920,900)	(987,600)
22. TRANSPORTATION	148,800	149,050	151,750
23. SECURITY SERVICES MANAGEMENT (CCTV)	61,850	64,500	69,750
24. BOROUGH DRAINAGE & LAND DRAINAGE RELATED WORK	568,200	191,400	200,650
25. CIVIL CONTINGENCIES	166,450	152,900	148,650
	8,035,550	8,749,200	8,877,250
Full Time Equivalent Number of Staff (Including Support Service Staff)	53.84	55.17	53.30

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
1. <u>REFUSE COLLECTION</u>			
Employees			
Salaries	156,150	165,200 a)	159,950
Premises Related Expenses			
Vale Rise Depot Recharge	32,900	32,650	33,000
Supplies & Services			
Purchases - Equipment & Materials	3,000	3,000	3,000
Publicity & Promotion	2,000	2,000	- b)
Emergency Arrangements	50	50	50
Information Leaflets	1,000	1,000	- b)
Other Expenses	20,000	20,000	2,000 c)
Third Party Payments			
Residual Waste Collection	1,255,000	1,287,000 d)	1,470,000 e)
Commercial Waste Collection	500	500	500
	<hr/>	<hr/>	<hr/>
	1,470,600	1,511,400	1,668,500
	<hr/>	<hr/>	<hr/>
Less Income			
Fees & Charges			
Bulky Waste Collection	(135,000)	(136,000)	(147,000) f)
Additional Collections	(200)	(100)	(100)
Commercial Waste Collection	(500)	(500)	(500)
	<hr/>	<hr/>	<hr/>
	(135,700)	(136,600)	(147,600)
	<hr/>	<hr/>	<hr/>
	<u>Sub-total</u>		
	1,334,900	1,374,800	1,520,900
Central, Departmental & Technical Support Services			
Central Salaries & Administration	13,350	20,450 g)	21,250 g)
Information Technology Expenses	5,800	7,700	7,550
Departmental Administrative Expenses	87,700	89,300	88,650
Depreciation & Impairment			
Non-Current Asset Depreciation	58,100	58,400	56,400
	<hr/>	<hr/>	<hr/>
	<u>TO SUMMARY</u>		
	1,499,850	1,550,650	1,694,750
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	4.82	5.02	4.80

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

REFUSE COLLECTION

- a) Increase reflects extension of temporary Waste Contract Officer post to December 2022 to support roll-out of new service to flats.
- b) Transferred to Media & Communications budget - see page CEN 3.
- c) 2022/23 estimates include provision for legal costs assumed not required in 2023/24.
- d) Increase reflects waste collections on two additional bank holidays in 2022, review of property numbers and higher than anticipated inflationary increase in April 2022; partly off-set by permanent cessation of Saturday Bulky Refuse Freighter service as approved by Cabinet on 7 September 2022.
- e) Assumes 16.3% increase for inflation and fuel prices from April 2023 plus provision for waste collection from new housing developments (additional 500 properties per annum).
- f) Includes proposed increase in fees from April 2023 approved by Cabinet on 8 November 2022.
- g) Increase reflects senior Finance staff input on waste contract matters.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

2. RECYCLING

Employees

Salaries

184,100 205,050 **a)** 202,400 **b)**

Premises Related Expenses

Recycling Centres - Servicing

4,000 20,500 **c)** 7,000 **c)**

Rates

1,000 1,000 1,100

Transport Related Expenses

Glass Collection

12,550 23,300 **d)** 25,650 **e)**

Supplies & Services

Purchases - Equipment & Materials

2,000 2,000 2,000

Direct Debit / Bank Charges

200 200 200

Credit / Debit Card Charges

4,000 4,000 4,000

Publicity & Promotion

7,450 7,450 - **f)**

Contribution to Kent Resource Partnership

15,000 15,000 15,000

Other Expenses

1,300 1,300 1,300

Third Party Payments

Kerbside Waste Collection

Dry Recycling

998,000 1,053,000 **g)** 1,206,000 **h)**

Food Recycling

381,000 408,000 **g)** 468,000 **h)**

Garden Waste Recycling

414,000 461,000 **i)** 433,000 **h)**

Bring Sites Waste Collection

Cardboard Recycling

- 14,450 **d)** 15,900 **e)**

Plastic Recycling

28,450 55,800 **d)** 47,450 **j)**

Paper Recycling

5,850 8,650 **d)** 9,500 **e)**

Mixed Dry Recycling

49,800 - **d)** - **d)**

Carried Forward

2,108,700 2,280,700 2,438,500

RECYCLING

- a) Increase reflects extension of temporary Waste Contract Officer post to December 2022 to support roll-out of new service to flats.
- b) Increased support from the Administration Section and provision for a pay award.
- c) Increased levels of cleansing required at bring sites and one-off cost of removing banks from non-strategic sites (£10,000).
- d) Contrary to plans envisaged when the new kerbside waste collection was introduced in 2019, the Council will continue to provide separate recycling facilities for cardboard, glass, paper and plastic at bring sites, rather than mixed recycling and collected by different contractors to the kerbside waste contractor. Increased cost £42,000.
- e) Assumes 10.1% increase for inflation (CPI).
- f) Transferred to Media & Communications budget - see page CEN 3.
- g) Increase reflects waste collections on two additional bank holidays in 2022, review of property numbers and higher than anticipated inflationary increase in April 2022.
- h) Assumes 16.3% increase for inflation and fuel prices from April 2023 plus provision for waste collection from new housing developments (additional 500 properties per annum).
- i) Increase reflects one-off payment to contractor for re-instatement of the garden waste service (see Emergency Decision D220006URG); waste collections on two additional bank holidays in 2022; review of property numbers; and higher than anticipated inflationary increase in April 2022. The cost of the re-instatement (£92,100) is to be funded from the Budget Stabilisation Reserve.
- j) Reflects removal of plastics recycling banks at the Angel car park.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

2. RECYCLING (continued)

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
<u>Brought Forward</u>	2,108,700	2,280,700	2,438,500
Less Income			
Garden Waste Collection	(700,000)	(900,000) k)	(1,240,000) l)
Textile Recycling	(6,000)	(6,000)	(6,000)
Performance Payment	(570,000)	(686,000) m)	(628,000) m)
	<hr/>	<hr/>	<hr/>
	(1,276,000)	(1,592,000)	(1,874,000)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	832,700	688,700	564,500
Central, Departmental & Technical Support Services			
Central Salaries & Administration	12,850	13,450	13,850
Information Technology Expenses	25,400	33,850 n)	33,050 n)
Departmental Administrative Expenses	95,450	106,300 a)	106,450
Depreciation & Impairment			
Non-Current Asset Depreciation	91,250	103,600	106,600
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	1,057,650	945,900	824,450
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	5.56	6.17	5.98

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

RECYCLING (continued)

- k)** Reflects a 90% take-up of renewals post suspension, a low and steady level of new subscriptions and an in-year increase in fees from January 2023 approved by Cabinet on 8 November 2022.
- l)** Assumes no further attrition on renewals, a low and steady level of new subscriptions and includes proposed increase in fees from April 2023 approved by Cabinet on 8 November 2022.
- m)** Reflects anticipated recycling performance payment based on current tonnages. Revised estimate includes payment in respect of prior year.
- n)** Increased cost of IT infrastructure - see page CS 9.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

3. STREET SCENE

Employees

Salaries

2022/23 ESTIMATE		2023/24 ESTIMATE
ORIGINAL	REVISED	ESTIMATE
£	£	£
123,100	132,700 a)	129,650 b)

Supplies & Services

Purchases - Equipment & Materials

10,000	15,000	10,000
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Abatement Initiatives (Self Help)

15,000	10,000	15,000
--------	--------	--------

Dog Bin Emptying

11,000	11,350	13,200
--------	--------	--------

Graffiti Removal

4,000	1,000	1,000
-------	-------	-------

Dog Warden

68,500	92,000 c)	75,400 d)
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Emergency Arrangements

50	50	50
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Third Party Payments

Amenity & Street Cleansing

823,000	806,000 e)	921,000 f)
---------	------------	------------

1,054,650	1,068,100	1,165,300
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Less Income

Fees & Charges

Stray Dogs Redemption Fees

(4,150)	(4,150)	(4,550)
---------	---------	---------

Fixed Penalty Notices

(3,000)	- g)	- g)
---------	------	------

Clearance Costs and Contributions from Other Bodies

(6,800)	(6,800)	(6,800)
---------	---------	---------

(13,950)	(10,950)	(11,350)
----------	----------	----------

Sub-total

1,040,700	1,057,150	1,153,950
-----------	-----------	-----------

Central, Departmental & Technical Support Services

Central Salaries & Administration

9,150	9,350	9,700
-------	-------	-------

Information Technology Expenses

4,200	5,600	5,500
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Departmental Administrative Expenses

59,000	63,550 a)	62,800
--------	-----------	--------

TO SUMMARY

1,113,050	1,135,650	1,231,950
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Full Time Equivalent Number of Staff
(including Support Service Staff)

3.45	3.72	3.55
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DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

STREET SCENE

- a) Increased support from the Administration Section.
- b) Includes, amongst other things, provision for a pay award.
- c) Increase in stray/abandoned dogs not being claimed. Likely linked to post Covid-19 and financial hardship.
- d) Assumes return to historic levels of stray/abandoned dogs, off-set by a 10.1% increase for inflation (CPI).
- e) Lower than anticipated "ad-hoc" street cleansing works required.
- f) Assumes 16.3% increase for inflation and fuel prices from April 2023 plus provision for cleansing of new housing developments.
- g) The Council will not receive Fixed Penalty Notices income following the outsourcing of the enforcement function. See Cabinet Member Decision D220071MEM dated 10 August 2022.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
4. <u>PUBLIC CONVENIENCES</u>			
Employees			
Salaries	20,150	11,850 a)	11,500 a)
Premises Related Expenses			
Building Repairs Expenditure	10,800	47,350 b)	11,300
Electricity	6,500	1,000 c)	6,500
Water Charges (Metered)	5,700	5,700	5,700
Sewerage & Environmental Services	8,500	5,000	5,000
Premises Insurance	2,300	1,400	1,200
Supplies & Services			
Contribution to Other Bodies	-	9,000 d)	-
Third Party Payments			
Public Conveniences Cleansing	25,500	54,800 e)	28,100 f)
	<hr/>	<hr/>	<hr/>
	79,450	136,100	69,300
Less Income			
Fees & Charges			
Radar Keys	(50)	(50)	(50)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	79,400	136,050	69,250
Central, Departmental & Technical Support Services			
Central Salaries & Administration	5,950	6,600	6,900
Information Technology Expenses	400	500	500
Departmental Administrative Expenses	11,400	6,450 a)	6,400 a)
Depreciation & Impairment			
Non-Current Asset Depreciation	39,950	54,700 g)	54,700 g)
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	137,100	204,300	137,750
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	0.68	0.45	0.43

PUBLIC CONVENIENCES

- a) Reduced officer and management support due to reduction in number of sites.
- b) Aylesford public convenience conversion (£25,000) slipped from 2021/22 to 2022/23.
- c) Reflects refunds on previous year's bills.
- d) Payment to Wrotham Parish Council on handover of the public conveniences.
- e) Delay to renewal of public conveniences cleansing contract has led to increased costs.
- f) Assumes new contract starts in April 2023.
- g) Increase attributable to West Malling public conveniences remaining open.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

5. PEST CONTROL

Employees

Salaries

8,550

9,550

9,750

Financial Hardship Subsidy

1,000

1,000

1,000

Sub-total

9,550

10,550

10,750

Central, Departmental & Technical Support Services

Central Salaries & Administration

2,300

2,300

2,450

Information Technology Expenses

5,500

7,350

7,200

Departmental Administrative Expenses

4,800

5,450

5,600

TO SUMMARY

22,150

25,650

26,000

Full Time Equivalent Number of Staff
(including Support Service Staff)

0.37

0.40

0.41

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24 ESTIMATE
	ORIGINAL £	REVISED £	£
6. <u>TONBRIDGE & MALLING LEISURE TRUST</u>			
Employees			
Salaries	45,150	47,450	49,600
Third Party Payments			
Employers' Superannuation Costs	64,500	64,500	67,700
General	-	750,000 a)	750,000 a)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	109,650	861,950	867,300
Central, Departmental & Technical Support Services			
Central Salaries & Administration	12,550	14,750	15,450
Information Technology Expenses	50	50	50
Departmental Administrative Expenses	20,750	21,700	22,450
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	143,000	898,450	905,250
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	1.32	1.41	1.42

- a) As a result of the current adverse economic conditions including the high cost of energy the Tonbridge and Malling Leisure Trust will require financial support from the Council in 2022/23. For financial planning purposes it has been assumed a similar level of support will be required in 2023/24. To be funded from the Budget Stabilisation Reserve.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

7. LARKFIELD LEISURE CENTRE

Employees

Salaries

1,150

1,200

1,250

Premises Related Expenses

Building Repairs Expenditure

130,650

325,950 a)

350,900 b)

Premises Insurance

29,100

18,700 c)

17,050 c)

Third Party Payments

General

-

-

15,000 d)

Sub-total

160,900

345,850

384,200

Central, Departmental & Technical Support Services

Central Salaries & Administration

16,550

19,150

20,000

Information Technology Expenses

150

200

200

Departmental Administrative Expenses

450

450

450

Depreciation & Impairment

Non-Current Asset Depreciation

810,550

828,800

803,600

TO SUMMARY

988,600

1,194,450

1,208,450

Full Time Equivalent Number of Staff

(Including Support Service Staff)

0.26

0.32

0.32

- a) Includes servicing of plant and equipment (£95,100), sports hall roof re-felting (£90,000), window/door repairs (£25,000), plant renewals (£20,000), BMS system maintenance/upgrade (£16,900), fitness pool roof repairs (£15,000) and legionella works (£12,100).
- b) Includes servicing of plant and equipment (£162,500), sports hall stores retaining wall replacement (£40,000), top toilet refurbishment (£40,000), window/door repairs (£20,000), fitness pool roof repairs (£15,000) and IEE testing (£12,000).
- c) Reflects the outcome of the retender of the insurance contract.
- d) Reflects extension of maintenance agreement in respect of fitness equipment.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
8. <u>ANGEL CENTRE</u>			
Employees			
Salaries	3,200	3,050	3,300
Premises Related Expenses			
Building Repairs Expenditure	124,050	146,050 a)	149,050 b)
Premises Insurance	14,200	10,000 c)	9,900 c)
Third Party Payments			
General	-	20,000 d)	-
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	141,450	179,100	162,250
Central, Departmental & Technical Support Services			
Central Salaries & Administration	6,800	9,600	10,100
Information Technology Expenses	150	150	150
Departmental Administrative Expenses	800	850	900
Depreciation & Impairment			
Non-Current Asset Depreciation	339,200	293,450 e)	310,700 f)
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	488,400	483,150	484,100
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.19	0.24	0.24

a) Includes gym flat roof renewal (£47,000), servicing of plant and equipment (£48,400), ventilation control panel replacement (£15,000) and duct cleaning (£10,000).

b) Includes servicing of plant and equipment (£98,700) and changing room works (£30,000).

c) Reflects the outcome of the retender of the insurance contract.

d) Reflects extension of maintenance agreement in respect of fitness equipment.

e) Reflects the outcome of the revaluation undertaken at the end of 2021/22 and deferral of capital renewals.

f) Reflects the outcome of the revaluation undertaken at the end of 2021/22 and anticipated capital renewals.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

9. TONBRIDGE SWIMMING POOL

Employees

Salaries

3,200

3,050

3,300

Premises Related Expenses

Building Repairs Expenditure

165,300

212,900 a)

169,450 b)

Premises Insurance

22,150

16,750 c)

16,600 c)

Sub-total

190,650

232,700

189,350

Central, Departmental & Technical Support Services

Central Salaries & Administration

12,000

14,550

15,250

Information Technology Expenses

150

200

200

Departmental Administrative Expenses

800

850

850

Depreciation & Impairment

Non-Current Asset Depreciation

474,650

488,150

494,900

TO SUMMARY

678,250

736,450

700,550

Full Time Equivalent Number of Staff

(Including Support Service Staff)

0.26

0.32

0.32

- a) Includes disinfection system replacement (£60,000), servicing of plant and equipment (£40,800), BMS system maintenance/upgrade (£40,200), carbon descent report (£11,000), duct cleaning (£10,000), plant renewals (£10,000) and pool tile repairs (£10,000).
- b) Includes repair of glulam beams (£50,000), servicing of plant and equipment (£38,000), pool control panel renewals (£20,000), plant renewals (£10,000) and pool tile repairs (£10,000).
- c) Reflects the outcome of the retender of the insurance contract.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
10. <u>POULT WOOD GOLF CENTRE</u>			
Employees			
Salaries	1,500	1,550	1,550
Premises Related Expenses			
Building Repairs Expenditure	20,250	32,000 a)	29,200 b)
Maintenance of Grounds	950	1,000	1,150
Premises Insurance	5,550	3,650	3,550
Transport Related Expenses			
Transport Insurance	6,150	6,850	7,800
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	34,400	45,050	43,250
Central, Departmental & Technical Support Services			
Central Salaries & Administration	8,150	10,050	10,500
Information Technology Expenses	100	100	100
Departmental Administrative Expenses	600	700	700
Depreciation & Impairment			
Non-Current Asset Depreciation	156,250	129,150 c)	133,250 c)
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	199,500	185,050	187,800
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.15	0.20	0.20

a) Includes servicing of plant and equipment (£19,800).

b) Includes servicing of plant and equipment (£13,100) and showers refurbishment (£7,000).

c) Reflects the outcome of the revaluation undertaken at the end of 2021/22.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
11. <u>SPORTS GROUNDS</u>			
Employees			
Salaries	42,950	45,950	47,400
Premises Related Expenses			
Building Repairs Expenditure	171,750	12,050 a)	180,500 a)
Maintenance of Grounds	20,650	20,650	21,050
Premises Insurance	2,650	2,000	2,150
Transport Related Expenses			
Repairs & Maintenance	200	150	150
Licences	150	150	150
Petrol / Oil	750	850	850
Car Allowances	400	200	200
Transport Insurance	200	250	300
Supplies & Services			
Clothing, Uniform & Laundry	150	150	150
Stationery	50	100	100
Professional Fees	-	4,900 b)	-
Gates / Security	3,650	4,150	4,550
Honoraria	1,100	1,100	1,100
Postages	50	50	50
Telephones	100	100	100
Licences	100	100	100
Third Party Payments			
Grounds Maintenance Contract	256,400	265,050 c)	286,800 c)
	<hr/>	<hr/>	<hr/>
	501,300	357,950	545,700
Less Income			
Rents			
Rents	(16,250)	(14,400) d)	(14,550) d)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	485,050	343,550	531,150
Central, Departmental & Technical Support Services			
Central Salaries & Administration	12,750	13,500	14,150
Information Technology Expenses	500	650	650
Departmental Administrative Expenses	20,400	22,250	22,950
Depreciation & Impairment			
Non-Current Asset Depreciation	123,450	115,450	151,050 e)
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	642,150	495,400	719,950
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	1.41	1.51	1.51

SPORTS GROUNDS

- a) Replacement of Tonbridge Farm Pavilion roof (£160,000) slipped from 2022/23 to 2023/24.
- b) An external consultant has been commissioned to undertake an initial options review for the retender of the Council's Grounds Maintenance Contract. The work is to be funded from the Invest to Save Reserve. See Cabinet Member Decision D220073MEM dated 3 August 2022.
- c) Assumes 10.1% increase for inflation in January 2023 and an increase of 3% in January 2024.
- d) No longer receiving income from outdoor gym company for using Tonbridge Racecourse Sportsground.
- e) Includes the refurbishment of Tonbridge Farm and Tonbridge Racecourse play areas.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
12. PLEASURE GROUNDS & OPEN SPACES			
(a) TONBRIDGE CASTLE GROUNDS			
Employees			
Salaries	17,950	19,300	20,100
Premises Related Expenses			
Maintenance of Grounds	4,500	4,500	4,500
Electricity	800	800	800
Rates	1,300	1,250	1,400
Premises Insurance	50	50	50
Supplies & Services			
Purchases - Equipment & Materials	10,000	10,000	10,000
Licences	300	300	300
Third Party Payments			
Grounds Maintenance Contract	89,200	91,800 a)	99,300 a)
Tonbridge Hanging Baskets	5,000	5,000	5,000
	<hr/>	<hr/>	<hr/>
	129,100	133,000	141,450
	<hr/>	<hr/>	<hr/>
Less Income			
Fees & Charges - Mooring Fees	(300)	(300)	(300)
Rents			
Rights over Water	(2,100)	(2,200)	(2,500)
	<hr/>	<hr/>	<hr/>
	(2,400)	(2,500)	(2,800)
	<hr/>	<hr/>	<hr/>
	126,700	130,500	138,650
	<hr/>	<hr/>	<hr/>
Central, Departmental & Technical Support Services			
Central Salaries & Administration	2,700	2,700	2,800
Information Technology Expenses	200	300	300
Departmental Administrative Expenses	7,800	8,900	9,150
Depreciation & Impairment			
Non-Current Asset Depreciation	11,650	8,300	14,600
	<hr/>	<hr/>	<hr/>
	149,050	150,700	165,500
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.55	0.60	0.61

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

PLEASURE GROUNDS & OPEN SPACES - TONBRIDGE CASTLE GROUNDS

- a) Assumes 10.1% increase for inflation in January 2023 and an increase of 3% in January 2024.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

**12. PLEASURE GROUNDS & OPEN SPACES
(continued)**

(b) HAYSDEN COUNTRY PARK

Employees

Salaries	39,300	41,050	42,500
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Premises Related Expenses

Building Repairs Expenditure	5,700	6,400	3,100
Maintenance of Grounds	9,250	9,250	9,250
Electricity	1,500	1,500	1,500
Water Charges (Metered)	50	5,500 a)	3,000 a)
Sewerage & Environmental Services	1,150	2,300	2,300
Cleaning & Domestic Supplies	7,000	15,300 b)	7,700 c)
Premises Insurance	350	200	150

Supplies & Services

Purchases - Equipment & Materials	2,850	2,850	2,850
Maintenance - General	2,300	2,500	2,500
Clothing, Uniforms & Laundry	50	50	50
Cash Collection	1,550	1,550	1,750
Trade Refuse Charges	650	700	750
Dog Bin Emptying	300	300	350
Gates / Security	8,500	7,300	8,200
Rodent Control	350	650	650
Litter Collection	5,800	5,850	6,850
Advertising	700	700	-

Third Party Payments

Grounds Maintenance Contract	27,150	27,800 d)	30,050 d)
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Carried Forward

114,500	131,750	123,500
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- a) Move from unmetered to metered water supply. Revised estimate includes backdated payments in respect of prior years.
- b) Delay to renewal of public conveniences cleansing contract has led to increased costs - see page SSLTS 6.
- c) Assumes new contract starts in April 2023.
- d) Assumes 10.1% increase for inflation in January 2023 and an increase of 3% in January 2024.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
12. PLEASURE GROUNDS & OPEN SPACES			
<u>(continued)</u>			
(b) HAYSDEN COUNTRY PARK (continued)			
<u>Brought Forward</u>	114,500	131,750	123,500
Less Income			
Fees & Charges			
Car Parking Fees	(78,000)	(67,000) e)	(73,500) f)
Car Park Season Tickets	(17,000)	(14,000) e)	(15,500) f)
Educational Visits	(350)	-	-
Rents			
Rights over Water	(5,350)	(5,450)	(5,600)
Miscellaneous Concessions	(8,200)	(9,400)	(10,450)
	<hr/>	<hr/>	<hr/>
	(108,900)	(95,850)	(105,050)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	5,600	35,900	18,450
Central, Departmental & Technical Support Services			
Central Salaries & Administration	2,700	2,700	2,800
Information Technology Expenses	1,100	1,450	1,400
Departmental Administrative Expenses	18,300	19,250	19,850
Depreciation & Impairment			
Non-Current Asset Depreciation	34,000	31,750	33,100
	<hr/>	<hr/>	<hr/>
	61,700	91,050	75,600
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (Including Support Service Staff)	1.18	1.22	1.23

e) Usage levels have reduced post Covid-19.

f) Includes proposed increase in fees from April 2023 approved by Cabinet on 8 November 2022.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

12. PLEASURE GROUNDS & OPEN SPACES
(continued)

(c) OPEN SPACES
& AMENITY AREAS BOROUGH - WIDE

Employees

Salaries	78,600	80,800	83,650
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Premises Related Expenses

Maintenance of Grounds	27,400	27,400	27,400
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Maintenance of Play Equipment	7,500	7,500	7,500
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Bridge Maintenance	30,000	30,000	15,000 a)
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Electricity	3,100	3,100	3,100
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Premises Insurance	2,100	2,250	2,550
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Supplies & Services

Purchases - Equipment & Materials	800	800	800
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Dog Bin Emptying	150	150	150
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Rodent Control	150	250	250
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Miscellaneous Insurance	150	100	100
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Telephones	150	150	150
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Third Party Payments

Grounds Maintenance Contract	146,150	156,150 b)	169,050 b)
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Carried Forward

296,250	308,650	309,700
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a) Assumed ongoing budget required for maintenance of Council owned bridges.

b) Assumes 10.1% increase for inflation in January 2023 and an increase of 3% in January 2024, together with a variation order commencing April 2022 for additional works at Vale Road, Tonbridge; Avenue du Puy, Tonbridge; and Roman Close, Bluebell Hill.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
12. PLEASURE GROUNDS & OPEN SPACES <u>(continued)</u>			
(c) <u>OPEN SPACES</u> <u>& AMENITY AREAS BOROUGH - WIDE</u> <u>(continued)</u>			
<u>Brought Forward</u>	296,250	308,650	309,700
Less Income			
Developer Contributions	(2,200)	(2,300)	(2,500)
Rents			
Land	(18,250)	(21,400)	(23,200)
Wayleave Agreement	(1,250)	(1,250)	(1,250)
	<hr/>	<hr/>	<hr/>
	(21,700)	(24,950)	(26,950)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	274,550	283,700	282,750
Central, Departmental & Technical Support Services			
Central Salaries & Administration	6,450	7,400	7,700
Information Technology Expenses	900	1,150	1,150
Departmental Administrative Expenses	37,100	37,500	38,800
Depreciation & Impairment			
Non-Current Asset Depreciation	34,800	24,750	41,500
	<hr/>	<hr/>	<hr/>
	353,800	354,500	371,900
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (Including Support Service Staff)	2.23	2.29	2.30

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

12. PLEASURE GROUNDS & OPEN SPACES
(continued)

(d) PATROLLING

Employees

Salaries	5,800	6,500	6,750
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Transport Related Expenses

Repairs & Maintenance	200	150	150
Licences	150	150	150
Petrol / Oil	750	850	850
Transport Insurance	200	250	300

Supplies & Services

Clothing, Uniform & Laundry	150	150	150
Gates / Security	3,650	4,100	4,500
Telephones	50	50	50

Sub-total

10,950	12,200	12,900
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Central, Departmental & Technical Support Services

Central Salaries & Administration	1,300	1,300	1,350
Information Technology Expenses	100	100	100
Departmental Administrative Expenses	2,700	3,200	3,300

15,050	16,800	17,650
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Full Time Equivalent Number of Staff
(Including Support Service Staff)

0.18	0.21	0.21
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DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
12. PLEASURE GROUNDS & OPEN SPACES			
<u>(continued)</u>			
(e) <u>COUNTRYSIDE / WOODLAND</u>			
<u>MANAGEMENT</u>			
Employees			
Salaries	15,550	17,050	17,600
Premises Related Expenses			
Maintenance of Grounds	8,000	8,000	8,000
Tree Planting Schemes	2,300	2,300	2,300
Supplies & Services			
Purchases - Equipment & Materials	300	300	300
Health & Safety - Trees	40,000	80,000 a)	80,000 a)
Miscellaneous Insurance	50	50	50
Third Party Payments			
Medway Valley Countryside Partnership	9,000	9,000	9,000
	<hr/>	<hr/>	<hr/>
	75,200	116,700	117,250
Less Income			
Partnership Funding	-	(500)	-
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	75,200	116,200	117,250
Central, Departmental & Technical			
Support Services			
Central Salaries & Administration	6,450	6,500	6,800
Information Technology Expenses	900	1,200	1,200
Departmental Administrative Expenses	7,350	8,400	8,650
	<hr/>	<hr/>	<hr/>
	89,900	132,300	133,900
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff	0.55	0.60	0.61
(Including Support Service Staff)			

- a) Reflects current spend required in respect of tree management. Tree management policy to be reviewed to determine if costs can be contained if not reduced.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

**12. PLEASURE GROUNDS & OPEN SPACES
(continued)**

(f) LEYBOURNE LAKES COUNTRY PARK

Employees

Salaries	7,850	8,900	9,300
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Premises Related Expenses

Building Repairs Expenditure	3,650	4,050	5,200
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Maintenance of Grounds	-	5,300 a)	- b)
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Sewerage & Environmental Services	-	(50)	-
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Premises Insurance	650	600	800
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Transport Related Expenses

Transport Insurance	400	500	600
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Supplies & Services

Maintenance - General	-	1,300 c)	- b)
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Cash Collection	-	1,000 c)	- b)
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Telephones	-	50	-
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Third Party Payments

Management Fee	5,000	5,000	- d)
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Carried Forward

17,550	26,650	15,900
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- a) Reflects works to play area (£4,300) funded from developer contributions and a contribution from Tonbridge and Malling Leisure Trust (TMLT); and car park lining work (£1,000).
- b) Assumes TMLT will take over management of car park from April 2023.
- c) Costs associated with car park ticket machines.
- d) Anticipated management fee due to TMLT from Year 3 onwards as reported to Communities and Housing Advisory Board on 20 July 2021.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

**12. PLEASURE GROUNDS & OPEN SPACES
(continued)**

**(f) LEYBOURNE LAKES COUNTRY PARK
(continued)**

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
<u>Brought Forward</u>	17,550	26,650	15,900
Less Income			
Contributions from Other Bodies	-	(4,100) e)	-
Developer Contributions	-	(3,100) f)	-
	<hr/>	<hr/>	<hr/>
	-	(7,200)	-
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	17,550	19,450	15,900
Central, Departmental & Technical Support Services			
Central Salaries & Administration	5,000	5,000	5,250
Information Technology Expenses	1,000	1,350	1,300
Departmental Administrative Expenses	2,750	3,600	3,700
Depreciation & Impairment			
Non-Current Asset Depreciation	71,650	76,600	74,700
	<hr/>	<hr/>	<hr/>
	97,950	106,000	100,850
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.27	0.31	0.31

PLEASURE GROUNDS & OPEN SPACES

(a) TONBRIDGE CASTLE GROUNDS	149,050	150,700	165,500
(b) HAYSDEN COUNTRY PARK	61,700	91,050	75,600
(c) OPEN SPACES & AMENITY AREAS	353,800	354,500	371,900
(d) PATROLLING	15,050	16,800	17,650
(e) COUNTRYSIDE / WOODLAND MANAGE'T	89,900	132,300	133,900
(f) LEYBOURNE LAKES COUNTRY PARK	97,950	106,000	100,850
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	767,450	851,350	865,400
	<hr/>	<hr/>	<hr/>

e) Reflects contributions from TMLT towards parking enforcement (£2,900) and play area works (£1,200).

f) Developer contributions used to fund play area works.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
13. ALLOTMENTS			
Employees			
Salaries	550	650	700
Premises Related Expenses			
Drainage Rates	50	50	50
Premises Insurance	100	50	50
Third Party Payments			
Management Fee to T.A.G.A.	5,100	5,100	5,100
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	5,800	5,850	5,900
Central, Departmental & Technical Support Services			
Central Salaries & Administration	350	350	350
Departmental Administrative Expenses	250	300	300
Depreciation & Impairment			
Non-Current Asset Depreciation	950	950	650
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	7,350	7,450	7,200
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.02	0.02	0.02

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
14. CHURCHYARDS			
Employees			
Salaries	3,150	3,200	3,300
Premises Related Expenses			
Maintenance of Grounds	1,800	1,800	1,800
Third Party Payments			
Grounds Maintenance Contract	4,500	5,150 a)	5,600 a)
	<hr/>	<hr/>	<hr/>
	9,450	10,150	10,700
Less Income			
Contributions from Other Bodies	(50)	(50)	(50)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	9,400	10,100	10,650
Central, Departmental & Technical Support Services			
Central Salaries & Administration	950	950	1,000
Information Technology Expenses	100	100	100
Departmental Administrative Expenses	1,350	1,300	1,350
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	11,800	12,450	13,100
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.09	0.09	0.09

a) Assumes 10.1% increase for inflation in January 2023 and an increase of 3% in January 2024.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
15. <u>TONBRIDGE CEMETERY</u>			
Employees			
Salaries	27,200	28,800	29,750
Premises Related Expenses			
Building Repairs Expenditure	7,500	11,200 a)	1,700
Maintenance of Grounds	5,600	5,600	5,600
Electricity	3,000	3,000	3,000
Rates	9,900	9,850	10,850
Water Charges (Metered)	250	250	250
Sewerage & Environmental Services	250	250	250
Premises Insurance	850	550	500
Supplies & Services			
Purchases - Equipment & Materials	2,050	2,050	2,050
Third Party Payments			
Grounds Maintenance Contract	60,100	66,200 b)	70,500 b)
	<hr/>	<hr/>	<hr/>
	116,700	127,750	124,450
	<hr/>	<hr/>	<hr/>
Less Income			
Fees & Charges			
Graves - Exclusive Right of Burial	(41,600)	(41,600)	(45,100)
Interments	(49,150)	(49,150)	(53,350)
Memorials - Erection	(6,600)	(6,600)	(7,150)
Memorials - Inscription	(2,850)	(2,850)	(3,100)
Register Search	(1,900)	(1,900)	(2,050)
Memorial Garden - Lease of Tablet / Vault	(23,800)	(23,800)	(25,800)
Memorial Garden - Plaque / Inscription	(2,650)	(2,650)	(2,850)
Use of Chapel	(1,900)	(1,900)	(2,050)
	<hr/>	<hr/>	<hr/>
	(130,450)	(130,450)	(141,450) c)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	(13,750)	(2,700)	(17,000)
Central, Departmental & Technical Support Services			
Central Salaries & Administration	6,500	4,700	4,850
Information Technology Expenses	750	1,000	1,000
Departmental Administrative Expenses	12,300	13,300	13,700
Depreciation & Impairment			
Non-Current Asset Depreciation	23,750	23,450	23,200
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	29,550	39,750	25,750
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.85	0.88	0.88

TONBRIDGE CEMETERY

- a) Includes internal decoration (£6,000).
- b) Assumes 10.1% increase for inflation in January 2023 and an increase of 3% in January 2024.
- c) Includes proposed increase in fees from April 2023 as approved by Cabinet on 8 November 2022.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
16. <u>YOUTH PARTNERSHIPS</u>			
Employees			
Salaries	31,000	15,450 a)	-
Supplies & Services			
Leisure Pass Subsidy	3,000	3,000	- b)
Marketing	1,000	1,000	-
Youth Development Initiatives	2,000	2,000	-
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	37,000	21,450	-
Central, Departmental & Technical Support Services			
Central Salaries & Administration	4,150	4,250	-
Information Technology Expenses	2,250	2,950	-
Departmental Administrative Expenses	13,900	7,100 a)	-
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	57,300	35,750	-
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.89	0.49	-

Forward estimates reflect the cessation of youth engagement services, with the exception of the Leisure Pass scheme, as resolved by Cabinet on 8 November 2022.

- a) Re-allocation of resources by the Events and Partnerships Section from Youth Partnerships to Events Development - see page SSLTS 28.
- b) Leisure Pass Subsidy budget shown under Leisure Strategy (page SSLTS 29).

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
17. <u>SPORTS PARTNERSHIPS</u>			
Employees			
Salaries	41,500	28,400 a)	-
Supplies & Services			
Sports Development Programme	3,000	3,000	-
	<hr/>	<hr/>	<hr/>
	44,500	31,400	-
Less Income			
Contributions from Other Bodies	(500)	(500)	-
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	44,000	30,900	-
Central, Departmental & Technical Support Services			
Central Salaries & Administration	1,600	1,550	-
Information Technology Expenses	300	400	-
Departmental Administrative Expenses	19,050	13,350 a)	-
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	64,950	46,200	-
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (Including Support Service Staff)	1.12	0.77	-

Forward estimates reflect the cessation of sports development services as resolved by Cabinet on 8 November 2022.

- a) Re-allocation of resources by the Events and Partnerships Section from Sports Partnerships to Events Development - see page SSLTS 28.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
18. <u>EVENTS DEVELOPMENT</u>			
Employees			
Salaries	54,400	77,500 a)	81,100 a)
Supplies & Services			
Events Support	22,000	22,000	22,000
Marketing	4,000	4,000	4,000
Licences	1,000	1,000	1,000
	<hr/>	<hr/>	<hr/>
	81,400	104,500	108,100
	<hr/>	<hr/>	<hr/>
Less Income			
Events Income	(35,000)	(46,000) b)	(50,600) c)
Marketing Income	-	(3,000) d)	(3,300) c)
	<hr/>	<hr/>	<hr/>
	(35,000)	(49,000)	(53,900)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	46,400	55,500	54,200
Central, Departmental & Technical Support Services			
Central Salaries & Administration	33,600	35,050	35,650
Information Technology Expenses	500	700	650
Departmental Administrative Expenses	23,850	35,000 a)	36,150 a)
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	104,350	126,250	126,650
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (Including Support Service Staff)	2.11	2.70	2.72

EVENTS DEVELOPMENT

- a) Re-allocation of resources by the Events and Partnerships Section from partnership work to Events Development.
- b) Reflects new charging policy for use of Council owned land introduced in January 2022, and additional events. See report to Communities and Environment Scrutiny Select Committee on 19 October 2022.
- c) Includes proposed increase in fees from April 2023 as approved by Cabinet on 8 November 2022.
- d) New charge introduced for use of Council owned bill boards.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

19. LEISURE STRATEGY

Employees

Salaries

64,250

56,850 a)

56,400 a)

Supplies & Services

Children's Holiday Activities - Leisure Pass
Subsidy

-

-

3,000 b)

Market Research / Audit Programme

4,250

4,250

4,250

Community Group Funding

8,000

5,000

5,000

Sub-total

76,500

66,100

68,650

**Central, Departmental & Technical
Support Services**

Central Salaries & Administration

1,150

1,300

1,250

Information Technology Expenses

-

-

50

Departmental Administrative Expenses

21,950

18,100 a)

18,100 a)

TO SUMMARY

99,600

85,500

88,050

Full Time Equivalent Number of Staff
(Including Support Service Staff)

1.28

1.07

1.04

Analysis of Salaries:-

Leisure Planning / Policy

£

31,800

£

31,700

£

30,850

Market Research

1,750

1,750

1,800

Liaison with Outside Bodies

30,700

23,400

23,750

64,250

56,850

56,400

- a) Re-allocation of resources by the Events and Partnerships Section from Leisure Strategy to Events Development - see page SSLTS 28.
- b) Budget transferred from Youth Partnerships (page SSLTS 26).

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
20. <u>CHRISTMAS LIGHTING</u>			
Employees			
Salaries	6,100	6,100	6,350
Supplies & Services			
Christmas Lighting	32,000	38,000 a)	32,000
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	38,100	44,100	38,350
Central, Departmental & Technical Support Services			
Central Salaries & Administration	1,100	1,100	1,200
Information Technology Expenses	150	250	250
Departmental Administrative Expenses	2,700	2,550	2,650
Depreciation & Impairment			
Non-Current Asset Depreciation	4,450	4,450	4,450
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	46,500	52,450	46,900
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	0.15	0.15	0.15

a) Reflects increased costs in relation to the Tonbridge Christmas lights display.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

21. PARKING SERVICES

(a) OFF-STREET

Employees

Salaries

232,400 223,900 **a)** 240,150 **b)**

Premises Related Expenses

Maintenance of Grounds

224,000 226,000 260,000 **c)**

Repairs & Maintenance

30,000 30,000 30,000

Winter Maintenance

10,000 10,000 10,000

Electricity

2,300 2,500 2,700

Rates

267,700 265,200 294,500 **d)**

Premises Insurance

2,750 1,850 1,700

Transport Related Expenses

Repairs & Maintenance

1,200 3,000 1,200

Licences

450 450 450

Petrol / Oil

3,500 3,500 3,500

Transport Insurance

800 1,000 1,200

Supplies & Services

Purchases - Equipment & Materials

2,000 2,000 2,000

Maintenance - General

25,000 30,000 **e)** 30,000 **e)**

Uniforms

750 750 750

Stationery

10,000 7,500 7,500

Professional Fees

- 10,000 **f)** -

Cash Collection

65,000 65,000 71,500 **g)**

Payment to Principals / Ticket Refunds

451,000 367,000 **h)** 451,000 **i)**

Advertising

500 500 500

Adjudication & Enforcement Services

6,000 6,000 6,000

Security Services Mgt. Recharge (CCTV)

167,300 174,350 188,500 **j)**

Carried Forward

1,502,650 1,430,500 1,603,150

PARKING SERVICES - OFF-STREET

- a) Management savings arising from vacant Civil Enforcement Officer posts.
- b) Includes, amongst other things, provision for a pay award.
- c) Increase for inflation in line with contract conditions.
- d) Assumes NNDR "multiplier" will increase by 10% from April 2023.
- e) Additional repairs required to maintain parking meters.
- f) External consultants have been appointed to undertake an updated parking study for Tonbridge to be funded from the Asset Review Reserve. See Cabinet Member Decision D220104MEM dated 9 November 2022.
- g) Assumes 10% increase for inflation.
- h) Economic conditions have resulted in a reduction in usage of Council car parks and consequently a reduction in the number of refunds issued by retailers.
- i) Assumes usage and refunds will return to expected levels in 2023/24.
- j) Reflects allowance for inflation and replacement of CCTV cameras - see page SSLTS 36.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

21. PARKING SERVICES (continued)

(a) OFF-STREET (continued)

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
<u>Brought Forward</u>	1,502,650	1,430,500	1,603,150
Less Income			
Fees & Charges			
Car Park Season Tickets	(167,000)	(100,000) k)	(167,000) l)
Short Stay Parking	(1,800,000)	(1,600,000) m)	(1,800,000) l)
Long Stay Parking	(645,000)	(580,000) m)	(635,000) l)
Penalty Charge Notices	(105,000)	(125,000) n)	(125,000) n)
General	(32,000)	(32,650)	(32,650)
Management of Angel / Botany Car Parks	(104,800)	(106,200)	(116,900) o)
Rent	(9,400)	(48,450) p)	(11,200)
	<hr/>	<hr/>	<hr/>
	(2,863,200)	(2,592,300)	(2,887,750)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	(1,360,550)	(1,161,800)	(1,284,600)
Central, Departmental & Technical Support Services			
Central Salaries & Administration	27,150	27,350	28,450
Information Technology Expenses	30,200	40,200 q)	39,300 q)
Departmental Administrative Expenses	74,050	78,150	80,050
Depreciation & Impairment			
Non-Current Asset Depreciation	94,650	86,000	86,000
Non-Current Asset Impairment	-	(51,100) r)	-
	<hr/>	<hr/>	<hr/>
	(1,134,500)	(981,200)	(1,050,800)
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	7.88	7.97	7.92

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

PARKING SERVICES - OFF-STREET (continued)

- k)** A Tonbridge business which previously purchased season tickets for its employees has been granted a lease for exclusive use of the Sovereign Way East Car Park (see note p below). In addition, economic conditions have resulted in a reduction in season ticket purchases.
- l)** Assumes usage will mostly return to expected levels in 2023/24, together with balance of additional estimated income generated by the fee increases which came into effect in July 2022.
- m)** Economic conditions have resulted in a reduction in usage of Council car parks.
- n)** Reduced staff turnover has resulted in increased levels of penalty charge notices being issued.
- o)** Assumes 10.1% increase for inflation.
- p)** Increase reflects rental income from a Tonbridge business having exclusive use of the Sovereign Way East Car Park (see note k above).
- q)** Increased cost of IT infrastructure - see page CS 9.
- r)** Reversal of prior years impairment.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

21. PARKING SERVICES (continued)

(b) ON-STREET

Employees

Salaries	315,900	303,800 a)	326,350 b)
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Premises Related Expenses

Repairs & Maintenance	15,000	15,000	15,000
Car Parking Action Plans	15,000	15,000	15,000

Transport Related Expenses

Repairs & Maintenance	1,500	3,600	1,500
Licences	350	350	350
Petrol / Oil	3,500	3,500	3,500
Transport Insurance	1,250	1,550	1,800

Supplies & Services

Purchases - Equipment & Materials	1,950	1,950	1,950
Maintenance - General	5,200	12,500 c)	12,500 c)
Uniforms	1,500	1,500	1,500
Stationery	500	500	500
Cash Collection	1,500	1,500	1,650
Advertising	1,000	1,500	1,500
Adjudication & Enforcement Services	6,100	6,100	6,100

<hr/>	370,250	368,350	389,200
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Less Income

Fees & Charges

Business Parking Permits	(30,000)	(26,000) d)	(31,000) e)
Residents Parking Permits	(145,000)	(139,000) d)	(145,000) e)
Visitors Parking Permits	(25,000)	(29,000) d)	(29,000) e)
Dispensations	(19,000)	(12,000) d)	(19,000) e)
On-street Parking	(44,000)	(66,000) d)	(68,000) e)
Penalty Charge Notices	(185,000)	(195,000) f)	(195,000) f)

<hr/>	(448,000)	(467,000)	(487,000)
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Sub-total Carried Forward

<hr/>	(77,750)	(98,650)	(97,800)
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DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

21. PARKING SERVICES (continued)

(b) ON-STREET (continued)

<u>Sub-total Brought Forward</u>	(77,750)	(98,650)	(97,800)
Central, Departmental & Technical Support Services			
Central Salaries & Administration	18,550	18,850	19,700
Information Technology Expenses	22,550	30,050 g)	29,350 g)
Departmental Administrative Expenses	97,400	104,600	107,150
Depreciation & Impairment			
Non-Current Asset Depreciation	5,450	5,450	4,800
	<hr/>	<hr/>	<hr/>
	66,200	60,300	63,200
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	10.46	10.63	10.53

	2022/23 ESTIMATE		2023/24 ESTIMATE
	ORIGINAL £	REVISED £	£
	(77,750)	(98,650)	(97,800)
Central, Departmental & Technical Support Services			
Central Salaries & Administration	18,550	18,850	19,700
Information Technology Expenses	22,550	30,050 g)	29,350 g)
Departmental Administrative Expenses	97,400	104,600	107,150
Depreciation & Impairment			
Non-Current Asset Depreciation	5,450	5,450	4,800
	<hr/>	<hr/>	<hr/>
	66,200	60,300	63,200
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	10.46	10.63	10.53

PARKING SERVICES

- (a) OFF-STREET**
(b) ON-STREET

TO SUMMARY

	(1,134,500)	(981,200)	(1,050,800)
	66,200	60,300	63,200
	<hr/>	<hr/>	<hr/>
	(1,068,300)	(920,900)	(987,600)
	<hr/>	<hr/>	<hr/>

- a) Management savings arising from vacant Civil Enforcement Officer posts.
- b) Includes, amongst other things, provision for a pay award.
- c) Increased maintenance contract costs.
- d) Economic conditions have resulted in an overall reduction in purchases of parking permits.
- e) Assumes parking permit purchases will mostly return to expected levels in 2023/24, together with balance of estimated additional income generated by the fee increases which came into effect in July 2022.
- f) Reduced staff turnover has resulted in increased levels of penalty charge notices being issued.
- g) Increased cost of IT infrastructure - see page CS 9.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

22. TRANSPORTATION

Employees

Salaries	82,800	83,000	85,200
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Premises Related Expenses

Repairs, Alterations & Maintenance	17,000	17,000	17,000
Electricity	500	500	500
Vale Rise Depot Recharge	1,800	1,850	1,800
Premises Insurance	100	50	50

Supplies & Services

Purchases - Equipment & Materials	5,000	5,000	5,000
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Sub-total

107,200	107,400	109,550
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Central, Departmental & Technical Support Services

Central Salaries & Administration	6,900	7,050	7,300
Information Technology Expenses	1,950	2,550	2,550
Departmental Administrative Expenses	31,500	30,800	32,050

Depreciation & Impairment

Non-Current Asset Depreciation	1,250	1,250	300
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TO SUMMARY

148,800	149,050	151,750
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Full Time Equivalent Number of Staff
(including Support Service Staff)

1.94	1.93	1.94
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TRANSPORTATION

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DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
23. SECURITY SERVICES MANAGEMENT			
Employees			
Salaries	29,200	29,550	30,550
Premises Related Expenses			
Electricity	450	450	450
Supplies & Services			
Purchases - Equipment & Materials	1,500	1,500	1,500
Maintenance - General	12,000	12,000	12,000
Miscellaneous Insurance	3,550	2,450	2,350
Third Party Payments			
CCTV Monitoring Station	156,000	156,000	167,000 a)
	<hr/>	<hr/>	<hr/>
	202,700	201,950	213,850
Less Income			
Recharge to Parking Services	(167,300)	(174,350)	(188,500)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	35,400	27,600	25,350
Central, Departmental & Technical Support Services			
Central Salaries & Administration	4,950	5,000	5,200
Information Technology Expenses	750	1,000	1,000
Departmental Administrative Expenses	13,750	13,600	14,100
Depreciation & Impairment			
Non-Current Asset Depreciation	7,000	17,300 b)	24,100 b)
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	61,850	64,500	69,750
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	0.77	0.78	0.78

a) Increase reflects allowance for inflation.

b) Reflects replacement of CCTV cameras.

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

**24. BOROUGH DRAINAGE
& LAND DRAINAGE RELATED WORK**

Employees

Salaries	39,300	39,350	40,650
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Supplies & Services

Purchases - Equipment & Materials	750	750	750
Professional Fees	4,950	5,400	5,400
Capital Grants & Contributions (RECS)	500,000	125,000 a)	131,000 a)

Third Party Payments

Contract Payments	2,100	2,100	2,100
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Sub-total

547,100	172,600	179,900
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**Central, Departmental & Technical
Support Services**

Central Salaries & Administration	1,800	1,850	1,900
Information Technology Expenses	550	700	700
Departmental Administrative Expenses	18,650	16,150	18,050

Depreciation & Impairment

Non-Current Asset Depreciation	100	100	100
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TO SUMMARY

568,200	191,400	200,650
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Full Time Equivalent Number of Staff
(including Support Service Staff)

0.94	0.89	0.93
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- a) Reprofiting of contribution towards the Environment Agency's Leigh Flood Storage Area Improvement project. (See Capital Plan page CP 16).

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
25. CIVIL CONTINGENCIES			
Employees			
Salaries	65,900	66,100	68,000
Supplies & Services			
Purchases - Equipment & Materials	500	500	500
Provision of Sandbags	500	500	500
Out of Hours Call Service	15,450	8,800 a)	- a)
Other Expenses	250	250	250
Contribution to Kent Resilience Forum	17,150	14,600	17,150
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	99,750	90,750	86,400
Central, Departmental & Technical Support Services			
Central Salaries & Administration	34,950	34,550	31,500
Information Technology Expenses	150	200	200
Departmental Administrative Expenses	31,600	27,400	30,550
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	166,450	152,900	148,650
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	1.91	1.81	1.85

- a) From November 2022 the Council's out of hours service will be managed by Tunbridge Wells Borough Council as part of the CCTV monitoring contract at no additional cost.

Agenda Item 14

Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council.

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AUDITS ANNUAL REPORT

Item AU 23/4 referred from Audit Committee of 16 January 2023

The report of the Management Team introduced the Auditors Annual Report (attached at Annex 1) prepared by Grant Thornton UK LLP in respect of the Borough Council's overall arrangements for securing economy, efficiency and effectiveness in the use of resources.

No significant weaknesses in arrangements had been identified but a number of improvements had been recommended to the risk management process and the performance management framework. These were detailed in 1.2.4 and 1.2.5 of the report.

RECOMMENDED: That

- (1) the Auditor's Annual Report (attached at Annex 1) for 2021/22 be approved; and
- (2) the management comments to the improvement recommendations (detailed in 1.2.4 and 1.2.5) be noted and endorsed.

***Referred to Cabinet**

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TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

16 January 2023

Report of the Management Team

Part 1- Public

Matters for Recommendation to Cabinet

1 AUDITOR'S ANNUAL REPORT

Our external auditors (Grant Thornton UK LLP) are required to satisfy themselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report on the same to those charged with governance - which for this purpose is the Audit Committee – followed by Cabinet and Full Council.

1.1 Introduction

1.1.1 The auditor is required to report on the Authority's overall arrangements for securing economy, efficiency and effectiveness in its use of resources, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

1.1.2 Auditors are required to report their commentary on the Authority's arrangements under specified criteria. The criteria are financial sustainability, governance and improving economy, efficiency and effectiveness.

1.2 Auditor's Annual Report

1.2.1 A copy of the Auditors Annual Report is attached at **[Annex 1]**. The Engagement Lead and or their representative will be at the meeting to present the report and to answer questions.

1.2.2 No significant weaknesses in arrangements were identified, but a number of improvement recommendations are made. For ease of reference the improvement recommendations made under each criteria and the management comment (*italics*) are set out below.

Financial sustainability

1.2.3 No improvement recommendations made under this criteria.

Governance

1.2.4 Consideration should be given to the following improvements to the risk management process:

- Consider providing additional information within the Strategic Risk Register, including direction of travel, sources of risk and assurance, and dates of last and next review.

Consideration to be given to providing additional information in the Strategic Risk Register from April 2023.

- Develop a training module for all staff to raise awareness of risk across the organisation.

Appropriate training for staff in order to raise awareness of risk across the organisation to be considered after the May 2023 election.

Improving economy, efficiency and effectiveness

1.2.5 The Council should consider the following improvements to its performance management framework:

- Report a suite of key performance indicators to Cabinet every six months.

Management Team in liaison with Cabinet to consider how this might best be achieved.

- Re-introduce the benchmarking practices used pre-pandemic to see how other councils provide services, with a view to introducing best practice and value for money.

Benchmarking can be resource intensive, that is not to say benchmarking is not a useful tool, adding insight and value when used in the right context and will continue to look for opportunities to benchmark where and when it is determined it will be beneficial to do so when undertaking a review of a specific service area(s).

- The Procurement Strategy should be refreshed, informed by the National Procurement Strategy toolkit.

The nature, scale and size of procurement activity is relatively constant year on year. However, do acknowledge the need to revisit the Strategy when other more pressing priorities and work pressures allow and in recognition of the new procurement regime due to be implemented in 2023.

1.3 Legal Implications

- 1.3.1 The Council's external auditor is required under s20(1)c) of the Local Audit and Accountability Act 2014 to satisfy themselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 1.3.2 The Code of Audit Practice issued by the National Audit Office in 2020 requires us (Grant Thornton UK LLP) to report to you our commentary relating to proper arrangements.

1.4 Financial and Value for Money Considerations

As set out in the Auditor's Annual Report.

1.5 Risk Assessment

- 1.5.1 As set out in the Auditor's Annual Report.

1.6 Equality Impact Assessment

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

1.7 Policy Considerations

- 1.7.1 Business Continuity/Resilience

1.8 Recommendations

- 1.8.1 Members are **RECOMMENDED** to:

- 1) Approve the Auditor's Annual Report [**Annex 1**] for 2021/22.
- 2) Note and endorse the management comments to the improvement recommendations made.

Background papers:

Nil

contact: Paul Worden
Neil Lawley

Sharon Shelton

Director of Finance and Transformation on behalf of the Management Team

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Auditor's Annual Report on Tonbridge & Malling Borough Council

page 353

For the period 2021-22

December 2022



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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Executive summary



Value for money arrangements and key recommendations

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors are required to report their commentary on the Council's arrangements under specified criteria and 2021-22 is the second year that we have reported our findings in this way. As part of our work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our conclusions are summarised in the table below.

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Criteria	Risk assessment	2020-21 Auditor judgment	2021-22 Auditor judgment	Direction of travel
Financial sustainability	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made.	No significant weaknesses in arrangements or improvement recommendation made.	↑
Governance	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made.	No significant weaknesses in arrangements identified, but improvement recommendation made.	↔
Improving economy, efficiency and effectiveness	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made.	No significant weaknesses in arrangements identified, but improvement recommendation made.	↔

- Dark Purple Significant weaknesses in arrangements identified and key recommendations made
- Blue No significant weaknesses in arrangements identified, improvement recommendations made
- Light Purple No significant weaknesses identified or improvement recommendations made

Executive summary

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Financial sustainability

Despite the ongoing uncertainty in local government funding, the Council has managed to return favourable financial results. We are now reaching a time when the additional challenges of the current financial environment will need difficult decisions to be made if this position is to be maintained. We believe the Council has the tools to deliver financial sustainability and we have not identified any risks of significant weakness in respect of the Council's arrangements for financial sustainability. Our findings are set out in further detail on pages 7 to 9.



Governance

Our work this year has focussed on developing a detailed understanding of the governance arrangements in place at the Council. Overall, we found no evidence of significant weaknesses in the Council's arrangements for ensuring that it makes informed decisions and properly manages its risks. Our findings are set out in further detail on pages 10-13.



Improving economy, efficiency and effectiveness

Tonbridge and Malling Borough Council has in place a robust framework to ensure effective delivery of services and priorities. We found no evidence of significant weaknesses in the Council's arrangements for ensuring that it makes informed decisions and properly manages its risks. Our findings are set out in further detail on pages 14-16.



Opinion on the financial statements and use of auditor's powers

We bring the following matters to your attention:

Opinion on the financial statements

Auditors are required to express an opinion on the financial statements that states whether the accounts: present a true and fair view of the Council's financial position; and have been prepared in accordance with the CIPFA/LASAAC Code of Practice on local authority accounting in the United Kingdom 2021-22.

We have completed our audit of your 2021-22 financial statements and issued an unqualified audit opinion on 29 September 2022, following the Audit Committee meeting on 26 September 2022. Our findings are set out in further detail on page 19.

Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly.

We did not issue any statutory recommendations in 2021-22.

Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue any public interest report in 2021-22.

Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We did not make any application to the Court in 2021-22.

Advisory notice

Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure;
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- is about to enter an item of account, the entry of which is unlawful.

We did not issue any advisory notice in 2021-22.

Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We did not apply for any judicial review in 2021-22.

Securing economy, efficiency and effectiveness in the Council's use of resources

All councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Council's responsibilities are set out in Appendix A.

Councils report on their arrangements, and the effectiveness of these arrangements as part of their Annual Governance Statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



Financial Sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Council makes decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on the Council's arrangements in each of these three areas, is set out on pages 7 to 16. Further detail on how we approached our work is included in Appendix B.

Financial sustainability



We considered how the Council:

- identifies all the significant financial pressures that are relevant to its short and medium term plans and builds them into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

How the Council ensures that it identifies all the significant financial pressures that are relevant to its short and medium term plans and builds them into its plans

The Covid-19 pandemic has been the largest peace-time emergency seen in this country since WWII. The knock-on effects to local government finance have meant shortfalls in income due to cessation of services and reduction in collection of both council tax and business rates. There has also been a loss of commercial income in such areas as commercial rents. While Government grants have covered part of the general shortfall, councils have been dealing with increased financial uncertainty. During 2021-22 we moved out of the cycle of lockdowns and other restrictions, and the after effects of the pandemic continue to make finances challenging for local authorities.

2021-22 brought another one-year settlement from Government making it difficult to undertake any longer term planning with any certainty. When setting the 2021-22 budget in February 2021 the Council identified a budget gap over the five years of the Medium Term Financial Strategy (MTFS) of £0.475m, increasing to £2.35m upon review in February 2022. If savings and additional income are not identified to address the budget gap it will need to be covered through use of General Fund reserves.

For council tax the Council currently assumes a £5 per annum increase, or 2.3% for Band D properties. This is typically achieved and in line with other similar councils, and therefore not unreasonable. Furthermore, a return to business rate pooling, using the existing baseline, will enable the Council to retain a share in the proceeds of business rates growth.

The Council has a Savings & Transformation Strategy which is reported alongside the MTFS. The actual net spend for 2021-22 of £14.96m was £2.14m less than the original budget set by the Council in February 2021. Whilst this was due in part to receiving additional Covid funding from Central Government, with an element of savings included. In planning the 2022-23 budget a budget gap of £2m over the next three years was identified. Officers and Members are aware there cannot be a reliance on use of reserves to fund budget deficits going forward, and after the May 2023 elections some difficult decisions about continuation of some discretionary services will need to be made. Assumptions used in setting the budget are clearly stated in budget papers and appear reasonable.

The final 2021-22 outturn for the General Fund was a small underspend which allowed larger than expected contributions to be made to reserves. This is good performance given the income losses incurred by the Council, and is due in part to receipt of significant levels of Government grants but also due to strong budgetary control. This outcome will have positive benefits for the Council's financial resilience in 2022-23 and beyond. A balanced budget was set for 2022-23 in February 2022 however it does expect a reliance on reserves and achievement of savings.

The future financing of local government is still unclear. A planned Government long term spending review was postponed from 2020, due to the pandemic, and the current local government settlement only covers the 2022-23 financial year. The date of the long term review, whilst announced in the October 2021 budget statement, is yet to be confirmed.

Financial sustainability

Whilst longer term planning is problematic with a high level of uncertainty over future Government funding, the Council appropriately plans over the medium term and has a MTFS over a ten-year period from 2021-22. Given the uncertainty of the financial regime, the Council's plan has been drawn up on prudent assumptions on future income streams. The Council has considered the financial pressures brought about by the pandemic and has also looked at long term pressures on funding streams such as council tax, business rates and the Government funding settlement. Lack of information on future funding is a national issue but we have seen pre-pandemic that the Council has a sensible approach to financial planning and budget management.

Financial plans are discussed at Council, Cabinet and Finance Innovation & Property Advisory Board (FIP) – replaced by Finance, Regeneration & Property Scrutiny Committee from May 2022. The Council has a history of transparency in financial matters, however financial plans are not discussed with wider stakeholders through an annual consultation exercise, we are informed this has happened in the past but there are no plans at present to reinstate this process.

How the body plans to bridge its funding gaps and identifies achievable savings

The Council prepares a Savings & Transformation Strategy, the purpose of which is to provide structure, focus and direction in addressing the financial challenges faced by the Council. The Strategy was reviewed during 2021-22 to reflect changes in financial circumstances. The revised Strategy identified that over the next four years a total of £2.14m will need to be delivered in savings or transformation contributions. A challenging target.

The final annual budget is approved by Council each February. Savings delivery is monitored at Cabinet as part of the regular MTFS report, the last update being provided to Cabinet in November 2022. The Council has a history of delivering on savings and to budget.

As part of the 2021-22 budget setting process budgets were reviewed and changes made to adjust for pressures, new initiatives, expected cost increases and income changes. The Council has a healthy reserves position (£36m of usable reserves at 31 March 2022). Plans to use reserves to fund budget deficits in the short term to fund budget deficits is not of immediate concern but must be monitored closely.

The Council has been prudent in its funding assumptions and setting of the council tax base, with the expectation that Collection Fund balances will be better than planned which will reduce the need to draw on reserves.

While savings potential has been affected by the effects of the pandemic, the Council has a history of successful savings delivery. In 2021-22 savings of £0.365m were delivered against a target of £0.1m. The Savings & Transformation Strategy sets out the plan for the Council to deliver savings in 4 tranches: tranche 1 £0.35m to be delivered by April 2023; tranche 2 £0.5m to be delivered by April 2024; tranche 3 £0.65m to be delivered by April 2025; and tranche 4 £0.65m to be delivered by April 2028. Another £0.2m relates to initiatives already built into the MTFS.

How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

We found a robust financial planning process in place which ties in with the Council's corporate objectives. There is extensive internal consultation to ensure the annual budget meets the needs of the services provided, ensuring that key services remain funded. We found no evidence of the need to curtail services to support short term funding deficiencies. The Workforce Strategy, last updated in 2022, ties in with corporate plans and the budget.

The Council has the necessary resources for financial management including a financial system able to provide timely financial information, the necessary financial skills, experience and capacity in the finance team and budget holders in the services, and clearly defined responsibilities for budget management. Corporate Management and Members challenge performance, holding budget holders to account, and making decisive interventions where and when necessary. The finance team is well-established with significant experience of managing the Council's finances. We feel the Council has a positive financial culture and an appropriate 'tone from the top' set by the Chief Executive – the ongoing management of the Council's financial position over recent years is evidence of this. In challenging times it will be vitally important the strong financial culture of the Council is maintained.

Budget holders receive monthly budget reports. The onus is on budget holders to flag issues with finance rather than regular meetings being held. Any variances of £5k and above must be reported to the Director of Finance and Transformation. Finance carries out independent review of significant elements of the budget such as salaries and income to maintain oversight of the financial position.

The understanding of drivers of risk in the budget is strong, and variances from budget are understood. However, there remain fluctuations in variances to budget which may indicate further work is required, either to arrive at more accurate assumptions / a better understanding of cost pressures, or to ensure budgetary adherence is improved by budget holders. Some variance will be inevitable due to the demand-led nature of some services. The Covid-19 pandemic has made it more difficult to predict future costs and demand as the Council has experienced a 'difficult-to-predict-and-plan-for' year. However, in emerging from the pandemic, a return to the norms of budgetary monitoring and financial discipline will be required to ensure financial success. It will be equally critical to ensure that budget holders, and the Council as a whole, on signing up to future budgets, are held to account for any future failure to deliver the budgets agreed to. The Council will also need to be cognisant, early on, of pressures to budgets, with effective early warning systems to identify risks and ensure corrective action is taken. It is equally critical for there to be effective monitoring and assessment arrangements in place to understand whether future budgetary overspends are the result of unavoidable/unforeseeable cost pressures, or deficiencies in budgetary and financial discipline within directorates. Previous experience has indicated to us that the Council is well equipped to deal with the challenges ahead.

Financial sustainability

The Council has a Capital Plan and has adopted a Capital Strategy and capital planning process which are regularly reviewed to reflect changing circumstances. In addition to funding for the replacement of assets which deliver services and recurring capital expenditure, there is now 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 capital allowance. Priority is given to those schemes that generate income or reduce costs. The annual capital allowance is currently set at £0.25m. The capital programme largely consists of maintenance and improvement items and contains no major schemes. The capital programme is overseen by Cabinet, while projects are subject to a detailed appraisal and approval process.

The current Corporate Strategy covers the period 2020-2023 with the following areas of focus:

- Achieving efficiency
- Embracing effective partnership working and funding
- Valuing our environment and encouraging sustainable growth
- Innovation

Page 56
How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system

In the June 2002 update of the Workforce Strategy, the strategy was reviewed to reflect the demands of the 'new normal'. As a sector, local government is facing a recruitment and retention challenge. The need for future workforce planning to ensure the Council has the appropriate staff, with the right skills, at the right time to deliver sustainable Council services is clear.

A Treasury Management & Annual Investment Strategy and Capital Plan are in place. The Treasury Management & Annual Investment Strategy is produced with assistance from external advisors Link Asset Services, to ensure risk is managed. The Treasury Management & Annual Investment Strategy is approved at Council annually. There is an appropriate balance between mitigating risk and optimising opportunities, and the Council has set out the appropriate level of reserves to maintain, as well as the opportunity cost of holding reserves.

The budget process is managed by the finance team who ensure nothing is done 'in silo', factoring in all possible impacts on other areas. Due to the size of the Council the management team contained and there is nothing which could be done without the leadership having awareness. There is evidence that services collaborate and appear to understand the wider position of the Council as a whole, and not just their own departments. The budget has been balanced over recent years, demonstrating how each departments work towards the Council's targets as a collective. We understand that underspent budgets are redeployed, which would suggest services do not spend their budgets simply to protect future allocations.

How the body identifies and manages risks to financial resilience, such as unplanned changes in demand and assumptions underlying its plans

2021-22 has continued to bring financial management challenges of dealing with the pandemic, including the ongoing changing profile of demands on Council services.

Within its Corporate Risk Register the Council has identified the risk of not balancing the budget – it is noted that the latest Strategic Risk Register indicates this as a 'red' risk. Ways in which the Council is managing this risk include the regular budget monitoring and scrutiny, the Savings & Transformation Strategy, the MTFs and use of reserves. A list of financial risks is included in budget papers sent to Members when setting the Council's annual budget.

Any changes in Government policy/funding are reflected in financial plans as soon as the Council becomes aware of them. Should the Government cut funding for a specific service, the Head of Service would need to review the service to identify how that funding could be replaced, or the service reduced accordingly. The budget risk process is a managed process, ensuring no surprises. Links within the Council to CIPFA also ensure knowledge on local government financial matters are up to date. The Council does not receive any 'special' funding from Central Government, all funding is consistent across councils of its type, therefore a change to funding will also impact all similar councils.

As the Council emerges from the pandemic, and the 'new normal' is established – crucially, a normal which once again comes with financial constraints – the Council should assess what Covid working patterns and service arrangements should continue in the post-pandemic world. Our work indicates the Council will face growing financial challenges in future years and we will monitor the Council's response in those years.

We found no evidence or indication of significant risks to your financial sustainability. As such, no further risk-based work has been undertaken in this area.

Governance



We considered how the Council:

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- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information (including non-financial information); supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/Audit Committee
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour (such as gifts and hospitality or declaration/conflicts of interests) and where it procures and commissions services.

How the body monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

Governance is the system by which an organisation is controlled and operates, and is the mechanism by which it and its staff are held to account. It works from Council meetings to the front line. Ethics, risk management, compliance, internal control and best practice are all elements of governance. Effective governance requires both clear and unambiguous structures and processes, and effective working of people within these frameworks. Effective governance also requires an open culture that promotes transparency, a willingness to learn and improve and no fear to speak the truth. Robust risk management, along with good governance and strong financial management form cornerstones of effective internal control.

The Annual Governance Statement for 2021-22 notes “*Risk management practices are embedded within the organisation through the annual service and strategic planning processes, which is used to develop the Council’s vision and objectives. This ensures that risks to the achievement of the Council’s objectives are identified and managed appropriately. Risks identified are scored on the basis of their likelihood and impact and existing controls and required actions to further mitigate risks are captured in risk registers and a risk management escalation process in place. The framework sets out the responsibility of officers leading on areas with partnership arrangements to ensure that the partner has an adequate risk management strategy and sufficient insurance cover to protect the interests of the Council*”.

The Council’s risk management processes were reviewed by Internal Audit in July 2021, with ‘adequate’ assurance provided. The report recommended, inter alia, that management should review the Strategic Risk Register prior to its submission to Audit Committee, that risk management training should be organised for all levels of staff on risk management, and risk registers should be updated in real time. These matters have been subsequently addressed, apart from risk management training which has been held over until after the elections in May 2023.

Based on our review of your risk management processes we also see scope for small improvements in risk management processes. The Risk Management Policy was approved in January 2021 and there is separate guidance to staff on the risk management process. Roles and responsibilities are clearly defined and the guidance describes the process for identifying, assessing, evaluating, escalating, allocating and monitoring risk.

The Council’s Strategic Risk Register is reported regularly to the Audit Committee and Cabinet. It was last reported to Audit Committee in September 2022. The Strategic Risk Register contains 19 risks which is close to our expected range of risk (5 to 15 risks) to allow adequate review of those threats to Council objectives. Risks are scored and the risk register contains six ‘red’ risks relating to finance, elections, Brexit, the Local Plan, and the waste/recycling contract.

The risk register format is clear showing current and target risk scores, lead officers, consequences, current mitigations and actions required. The Strategic Risk Register does not document a number of potential factors including direction of travel, sources of risk and assurance, and dates of last next review – refer to Improvement Recommendation 1 (page 13).

Governance

The Council should consider developing the information provided to Members and Senior Management regarding risk and this can be linked to the three lines of defence model advocated by the Institute of Internal Auditors. This model provides a framework for internal control with the first line of defence being management, the second line of defence being those involved in risk management and compliance, and the third line being internal audit.

We understand Members and officers have received training on risk in the past. The Council could strengthen its risk management framework further by developing a full training programme for all levels of staff, in tandem with the new Risk Management Policy – refer to Improvement Recommendation 1 (page 13). This would provide greater clarity of the relationship between all the risk registers used across the Council, covering strategic, operational, project and partnership risk. All these areas should align wherever they are reported to ensure that there is a clear golden thread of risks that runs up and down the organisation.

The Internal Audit Service was transferred completely to Kent County Council from 1 October 2021 – internal audit was previously provided in-house. Since May 2015, the Fraud Manager, Audit & Assurance Manager and Chief Audit Executive posts had been secured by way of a shared management arrangement with Kent County Council with the rest of the internal audit team being in-house. These officers transferred under TUPE to Kent County Council from October 2021. From review of reports and Audit Committee papers there looks to be an adequate and effective internal audit service in place that challenges management and provides appropriate recommendations for improvement to the Council. The Audit Committee receives regular updates on the annual internal audit programme progress and key findings of reports issued. Internal audit issued one ‘no assurance’ report during 2021-22 in relation to GDPR and document retention.

The Audit Committee is required to consider the effectiveness of internal audit on an annual basis. This review is based upon evidence produced and the view of the management team. A report was submitted to the Audit Committee in July 2021 reporting that management’s opinion on the effectiveness of internal audit was ‘good’. Members considered the findings of this review and endorsed the opinion that the effectiveness of internal audit was ‘good’. The Public Sector Internal Audit Standards (PSIAS) require an independent external quality assessment (EQA) to be undertaken at least every five years. At its meeting in July 2021 the Audit Committee received a report on the outcome of the EQA undertaken in February and March 2021, together with the improvement plan developed in response to the recommendations raised in the assessment. The Head of Audit opinion statement for 2021-22 states *“In my capacity as the Chief Audit Executive, with responsibility for the provision of Internal Audit services to the Council, it is my opinion that Tonbridge and Malling Borough Council’s framework of governance, risk management and control adequately contributed to the proper, economic, efficient and effective use of resources in achieving the Council’s objectives during 2021-22”*.

Counter fraud services are also provided by Kent County Council. The Counter Fraud Team assisted the Council’s participation in all of the Government-led counter fraud initiatives and undertook pro-active exercises designed to protect valuable council tax and business rate

revenue collection. Counter fraud operations are underpinned by a Member and Officer Code of Conduct (both updated in 2022) and a Whistleblowing Policy (dated 2022). The Anti-Fraud, Bribery & Corruption Policy was last updated in January 2022.

The annual work plans for internal audit are currently approved and overseen by the Audit Committee. From our attendance at Audit Committee, we consider it to robustly review the work of internal audit, providing appropriate challenge.

How the body approaches and carries out its annual budget setting process

The Government’s financial landscape has made this a unique year for local government financial planning. As detailed in the ‘Financial sustainability’ section the Council has a robust approach to financial planning and assumptions made appear reasonable. While future funding is unclear, the Council’s MTFS is based on prudent assumptions about future income streams. Our previous knowledge of the Council informs us that arrangements are in place with the Council to model the uncertainties in the system, notwithstanding the factors that are outside the Council’s control. We understand that the MTFS is a living document, constantly updated following discussions across the Council and new information provided by Government.

Budgets are discussed with budget holders, senior leadership and Members prior to approval at Council level. The budget process starts in August with a finance review of staffing. Budget working papers are circulated to budget holders in September and work their way to the management team for approval in November. When the settlement is received in December required adjustments are made and the budget goes to Members through January and February going through Cabinet to Council for approval. Investments and borrowings are included within the financial plan, but the effects were minimal given the rates of return on investments during 2021-22.

How the body ensures effective processes and systems are in place to ensure budgetary control

During 2021-22 the budget is reviewed quarterly by FIP. The accompanying reports and information supporting the budget identify issues which will impact the expected outturn as and when they arise, including reasons for variances. There is good analysis of risks posed to the achievement of the budget within these reports. Forecasts are subject to a high level of challenge and scrutiny from FIP. The budget monitoring report analyses individual service trends and extrapolates the impact on the outturn position. As part of budget monitoring and control arrangements officers confirm monthly that budgetary control has been undertaken within their service areas, and at the same time highlight any areas they wish to bring to the attention of the Director of Finance and Transformation. In addition, the accountancy section monitors budgetary performance across the whole range of services during the year.

Governance

The financial measurement and tracking carried out by the Council is very much about the data available, factoring time pressures given demands of Government reporting requirements and the lack of clarity around financial planning currently. None of this is an indication of a significant weakness – this is a district council with no major investments, no significant capital plans and no unique challenges. Its remit is to provide services to residents and stay financially viable. We consider the Council's budget management arrangements to be robust and have found no areas of concern during our work.

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency

From document review and discussions with staff, we believe the Council's decision-making processes are open, transparent and strong and we have no evidence that reactive or unlawful decisions have been made. It is evident that sufficient information is provided to Members and they are able to challenge and hold Senior Management to account appropriately. The Council is engaged and provides appropriate levels of scrutiny to external and internal audit. There is no evidence of serious or pervasive weaknesses in the Councils financial accounts processes which would give rise to material errors in draft financial statements, failure to meet statutory reporting deadlines and/or a modified opinion on the financial statements.

A new Leader of the Council was recently designated following the stepping down of the previous incumbent in July 2021 after many years in the role. We have no concerns in relation to risks related to high turnover of Members which can lead to inadequate understanding of the organisation and poor decision-making. The importance of maintaining a strong financial culture is vital and this seems to be the case for the Council.

Financial and operational activity is well-planned with no need for reactive actions or short term remedies. Even during the height of the pandemic the Council's responses were deliberate and well thought-out.

The waste and recycling contract is highlighted as a 'red risk' on the Corporate Risk Register. A new contractor (Urbaser) was appointed in March 2019, jointly with Tunbridge Wells Borough Council, and new service delivery arrangements commenced in September 2019. The risk register states that contract performance has been unsatisfactory in terms of missed collections and uncompleted rounds. The service was affected by the pandemic and the national shortage of HGV drivers. It was agreed with the contractor to suspend garden waste collections for a period to allow for focus to improve the recycling and general waste collection service. This has also had a knock-on effect on the street cleansing service. The update to the Community and Environment Scrutiny Select Committee in October 2022 indicated there had been improvement in services with completion of scheduled collections improving from 84.3% in the period April to August 2021 to 96.3% for April to August 2022 and complaints falling from 503 to 148 over the same periods.

In late 2020 the Planning Inspector made a preliminary decision that there had been a failure of the Duty to Cooperate on the part of the Council with its Local Plan. The Council objected and wrote to the Inspector in January 2021. Despite the Council's arguments to the contrary, the Inspector's response subsequently confirmed their initial decision and invited the Council to either withdraw the Local Plan or request a Final Report from the Inspectors. The Council responded inviting them to prepare their Final Report. The Inspector's Final Report with a covering note from the Planning Inspectorate were duly issued the report sets out the Inspector's justification for reaching the conclusion that there was a failure of the Duty to Cooperate in respect of unmet housing need in Sevenoaks.

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour

Various internal and external mechanisms are used to ensure the Council meets the necessary standards and legislative requirements. Our work has not uncovered any non-compliance with the Constitution, statutory requirements or expected standards of behaviour. We have not been made aware of any data breaches at the Council.

The Council has Codes of Conduct for both officers and Members. The Members' Code is founded upon Nolan Principles of public life and was reviewed on a Kent-wide basis in 2021-22, with the Council adopting the amended Kent Members' Code in April 2022. The Members' Code is enforced, where necessary, through the Council's Joint Standard Committee. The Officer's Code is enforced, where necessary, through disciplinary procedures.

Members interests are published on the Council website. There is an opportunity for Members to declare interests at every meeting as a set agenda item. Related party transactions are required to be declared as part of year end closure of accounts and sent to all Members and senior officers for their completion. There is a Member protocol on gifts benefits and hospitality. The gifts and hospitality register is retained by the Monitoring Officer and is available for inspection on request. Officers are advised on the rules relating to gifts and hospitality and registering of interests but there is no register of gifts and hospitality for officers or a formal annual declaration of interests. While we found no evidence of adverse outcomes of interests, gifts or hospitality not being declared, the Council may wish to introduce these measures in the interests of transparency.

We found no evidence or indication of significant risks to your governance arrangements. As such, no further risk-based work has been undertaken in this area.

Improvement recommendation



Governance

Recommendation 1

- Consideration should be given to the following improvements to the risk management process:
- Consider providing additional information within the Strategic Risk Register, including direction of travel, sources of risk and assurance, and dates of last and next review.
 - Develop a training module for all staff to raise awareness of risk across the organisation.

Why/Impact

Further development of risk management techniques will help embed management of risk in the organisation leading to better decision-making.

Auditor judgement

While robust risk management processes are in place, some small enhancements are possible to reflect best practice.

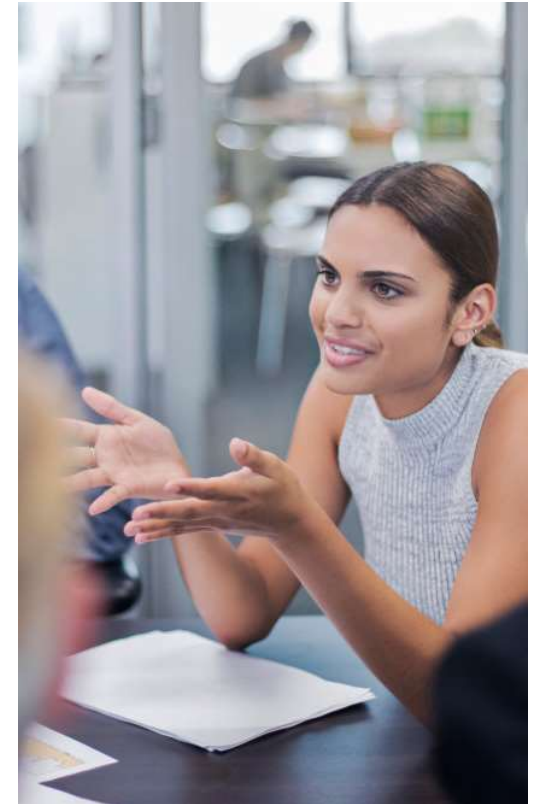
Summary findings

The Strategic Risk Register format is clear showing current and target risk score, lead officer, consequences, current mitigations and actions required. The risk register does not document a number of potential factors which would be in line with best practice.

The Council could strengthen its risk management framework further by developing a full training programme for all levels of staff, in tandem with the new Risk Management Policy. This would provide greater clarity of the relationship between all the risk registers used across the Council.

Management comments

- Consideration to be given to providing additional information in the Strategic Risk Register from April 2023.*
- Appropriate training for staff in order to raise awareness of risk across the organisation to be considered after the May 2023 election.*



The range of recommendations that external auditors can make is explained in Appendix C.

Improving economy, efficiency and effectiveness



We considered how the Council:

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- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives
- where it commissions or procures services assesses whether it is realising the expected benefits.

How financial and performance information has been used to assess performance to identify areas for improvement

Local government will face yet more challenge as it moves from the Covid response stage to the task of supporting long term economic and social recovery along with the cost-of-living crisis and significant levels of inflation.

Since we reported last year on a lack of a suite of performance measures reported to Members, such a set has been developed and is reported quarterly across the scrutiny select committees as is relevant to their remit. While we understand the publication of all committee agendas and minutes are distributed to all members allowing them to assess the impacts of the key performance indicators (KPIs), we would still like to see a summary of KPIs regularly reported formally to Cabinet to give a holistic review of performance across the Council – refer to Improvement Recommendation 2 (page 16).

The Council has a Data Quality Policy, last reviewed in September 2020. The Policy sets out the Council's data quality standards, roles and responsibilities for data quality and the Council's expectations in regard to system and processes.

How the body evaluates the services it provides to assess performance and identify areas for improvement

The Corporate Strategy is used by officers to deliver services and to inform their recommendations to service

committees. Councillors use the Corporate Strategy to inform their decisions also. The current Strategy runs until 2023. In June 2020 Cabinet agreed an addendum to the Corporate Strategy to provide a strategic framework for the Council's Covid recovery plan, underpinned by three themes of Review, Re-orientation and Recovery. A further 12-month addendum was adopted in July 2021.

Benchmarking has been used to assess performance in the past but with focus on dealing with the pandemic over the last two years understandably resources have not been available to focus on service improvement. In 2021-22 initial focus on reinstating a system for performance management has been to embed a set of performance indicators and we understand the introduction of wider benchmarking is envisaged as a later stage in the process. We would suggest, especially given the need for significant efficiencies in the medium term, a return to understanding how other councils provide services, with a view to introducing best practice and providing value for money – refer to Improvement Recommendation 2 (page 16).

How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified

Partnerships, and in particular shared services, have been seen as a cost effective and efficient way to provide services by the Council for a number of years. Partnerships have been entered into with neighbouring councils in Kent to provide key services such as refuse collection, building control and internal audit. The Council is flexible in its

Improving economy, efficiency and effectiveness

approach, working in partnership when it is efficient and economical to do so, and reverting to direct provision, should circumstances call for that. The Council's leisure facilities are run by the Tonbridge and Malling Leisure Trust. The Council also works with other agencies to co-ordinate and improve services and value for money.

The Council is transparent about its dealing with significant partners except where commercial sensitivity precludes this. We are not aware of any significant financial loss or failure to deliver expected efficiency/performance improvements through our review of the Council's significant partnerships.

Where the body commissions or procures services, how the body assesses whether it is realising the expected benefits

Procurement supports services across the Council, delivering front line and back-office services. The Council has a Procurement Strategy, last approved in 2017. The Strategy covers partnering, e-procurement, procurement with small to medium size enterprises and the voluntary sector, and sustainable procurement. Given recent events, the adoption of a revised Corporate Strategy in 2020, and the introduction of the National Procurement Strategy for Local Government in England in 2018, we feel the document is in need of review – refer to Improvement Recommendation 2 (page 16). It should be noted that the National Procurement Strategy provides a toolkit for the Council to assess its progress against the themes and objectives within the Strategy which would be useful to consider when updating the document.

The Council has a legal duty to secure value for money in commissioning and procuring its requirements, and to continually improve the quality in everything the public sees and expects from it. Central Government policy seeks to ensure that all commissioning and procurement activity should be based on obtaining value for money. This is defined as considering the optimum combination of whole life cost and the quality necessary to meet the customer's requirements, in conjunction with relevant legislation and the Council's Constitution (particularly the Financial Procedure Rules and Contract Procedure Rules).

We found no evidence or indication of significant risks to your economy, effectiveness and efficiency arrangements. As such, no further risk-based work has been undertaken in this area.

Improvement recommendation



Improving economy, efficiency and effectiveness

Recommendation 2

The Council should consider the following improvements to its performance management framework:

- a) Report a suite of key performance indicators to Cabinet every six months.
- b) Re-introduce the benchmarking practices used pre-pandemic to see how other councils provide services, with a view to introducing best practice and providing value for money.
- c) The Procurement Strategy should be refreshed, informed by the National Procurement Strategy toolkit.

Why/Impact

The Council needs to identify efficiencies in the medium term to form a realistic savings plan.

Auditor judgement

Further embedding performance review across the organisation will help to ensure efficient and effective use of resources and the delivery of corporate objectives.

Summary findings

The Council has developed a set of KPIs but do not report a KPI summary regularly to Cabinet.

Benchmarking service delivery has not taken place since pre-pandemic.

The Procurement Strategy was last updated in 2017.

Management comments

- a) *Management Team in liaison with Cabinet to consider how this might best be achieved.*
- b) *Benchmarking can be resource intensive, that is not to say benchmarking is not a useful tool, adding insight and value when used in the right context and will continue to look for opportunities to benchmark where and when it is determined it will be beneficial to do so when undertaking a review of a specific service area(s).*
- c) *The nature, scale and size of procurement activity is relatively constant year on year. However, do acknowledge the need to revisit the Strategy when other more pressing priorities and work pressures allow and in recognition of the new procurement regime due to be implemented in 2023.*



The range of recommendations that external auditors can make is explained in Appendix C.

Follow-up of previous recommendations

	Recommendation	Type of recommendation	Date raised	Progress to date - management comment	Addressed?	Further action required?
1	Consideration should be given to making a clear distinction between statutory and discretionary spending in the budgetary information provided to members and published on the web.	Improvement	December 2021	Work is still ongoing and is a subject matter for the Overview and Scrutiny Work programme.	No	Yes
	Consideration should be given to completing an annual public consultation exercise when preparing the budget.	Improvement	December 2021	This is still under review.	No	Yes
	The Human Resources Strategy should be updated to tie in to the latest corporate plan and budget as well undertaking a workforce review.	Improvement	December 2021	Our Corporate Strategy has been redrafted and is about to go out for Public Consultation in the next few weeks, once it has been approved greater links to this document will be made via other strategies such as the Workforce Strategy which is also currently under review.	No	Yes
4	A risk training programme should be implemented for all staff levels based on the new risk management policy	Improvement	December 2021	The Council's Risk Management Strategy is published annually to staff via a system called NetConstant this requires officers to enter their password to acknowledge that they have read the policy document, at present no other training has been given due to other pressures. A further improvement recommendation has been raised.	No	Yes - a further improvement recommendation has been raised, refer to Improvement Recommendation 1b.

Follow-up of previous recommendations

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
5	The Council should formally identify their key performance indicators and develop a system of monitoring performance and annual reporting against this suite.	Improvement	December 2021	A suite of performance indicators is now in place and reported quarterly to relevant scrutiny committees. There is no formal reporting of key performance indicators to Cabinet.	No	Yes – a further improvement recommendation has been raised, refer to Improvement Recommendation 2a.
	The Council should re-introduce the benchmarking practices used pre-pandemic looking to see how other councils provide services with a view to introducing best practice and providing value for money.	Improvement	December 2021	This is still under review.	No	Yes – a further improvement recommendation has been raised, refer to Improvement Recommendation 2b.
7	Consideration should be given reviewing and updating the Procurement Strategy.	Improvement	December 2021	This is still under review.	No	Yes – a further improvement recommendation has been raised, refer to Improvement Recommendation 2c.

Opinion on the financial statements



Audit opinion on the financial statements

We gave an unqualified opinion or we qualified the opinion on the Council's financial statements on 29 September 2022.

Other opinion/key findings

We had no significant unadjusted findings in relation to the other information produced by the Council, including the Narrative Report or Annual Governance Statement.

Audit Findings Report (AFR)

More detailed findings can be found in our AFR, which was published and reported to the Council's Audit Committee on 26 September 2022.

Issues arising from the accounts:

All adjusted misstatements identified for the Council's 2021-22 financial statements are disclosed in the 2021-22 AFR, Appendix C. There were no unadjusted misstatements.

Preparation of the accounts

The Council provided draft accounts in line with the national deadline. The quality of the draft financial statements and the supporting working papers continue to be of a good standard.

Whole of Government Accounts

To support the audit of the Whole of Government Accounts (WGA), we are required to review and report on the WGA return prepared by the Council. This work includes performing specified procedures under group audit instructions issued by the National Audit Office.

The Council is below the required threshold set for WGA procedures.

Grant Thornton provides an independent opinion on whether the accounts are:

- True and fair;
- Prepared in accordance with relevant accounting standards; and
- Prepared in accordance with relevant UK legislation.



Appendices

Appendix A – Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

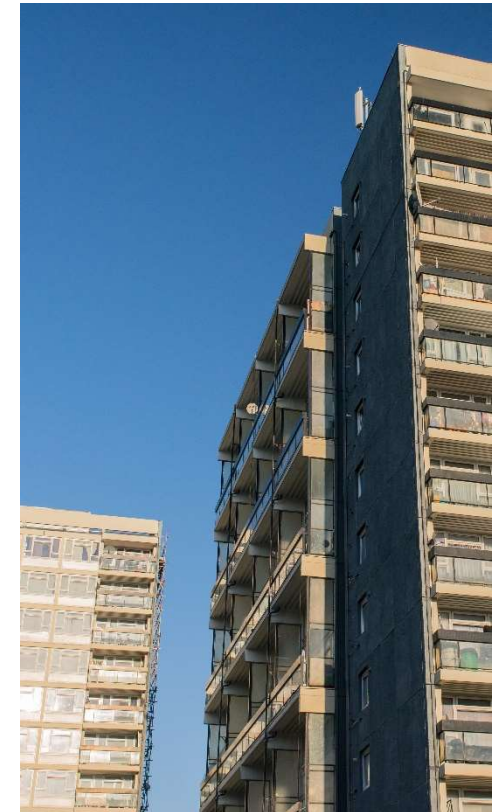
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) or equivalent is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by Government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B – Risks of significant weaknesses, our procedures and findings

As part of our planning and assessment work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. We identified no such risks.

Appendix C – An explanatory note on recommendations

A range of different recommendations can be raised by the Council’s auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.	No	N/A
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Council. We have defined these recommendations as ‘key recommendations’.	No	N/A
Improvement	These recommendations, if implemented should improve the arrangements in place at the Council, but are not a result of identifying significant weaknesses in the Council’s arrangements.	Yes	Pages 13 and 16

Appendix D – Sources of evidence



Staff involved

- Julie Beilby – Chief Executive
- Sharon Shelton – Director of Finance and Transformation
- Neil Lawley – Chief Financial Services Officer
- Paul Worden – Financial Services Manager
- Jeremy Whitaker – Economic Regeneration Manager



Key Documents Reviewed

- Annual Governance Statement
- Annual Head of Internal Audit opinion
- Anti-Fraud, Bribery & Corruption Policy
- Capital Plan & Strategy
- Corporate Plan
- Council's Constitution
- Corporate Risk Register
- Data Quality Policy
- Internal Audit Plan
- Local Code of Corporate Governance
- Medium Term Financial Strategy
- Member Code of Conduct
- Officer Code of Conduct
- Procurement Strategy
- Review of effectiveness of Internal Audit
- Risk Management Policy
- Savings & Transformation Strategy
- Strategic Risk Register
- Treasury Management & Annual Investment Strategy
- Whistleblowing Policy
- Workforce Strategy
- Audit Committee Papers
- Cabinet papers

Appendix E – Key acronyms and abbreviations

The following acronyms and abbreviations have been used within this report:

AGS	Annual Governance Statement
CIPFA	Chartered Institute of Public Finance & Accounts
EQA	External Quality Assessment
FIP	Finance, Innovation & Property Advisory Board (replaced in May 2022 by Finance, Regeneration & Property Scrutiny Select Committee)
ICT	Information & Communications Technology
KPI	Key Performance Indicator
M-TFS	Medium term Financial Strategy
NAO	National Audit Office
NNDR	National Non-Domestic Rates
PSIAS	Public Sector Internal Audit Standards



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Agenda Item 15

Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council.

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RISK MANAGEMENT

Item AU 23/5 referred from Audit Committee of 16 January 2023

Members reviewed the Risk Management Strategy and accompanying Risk Management Guidance attached at Annexes 1 and 2 respectively.

The report of the Management Team also provided an update on the risk management process and the Strategic Risk Register (attached at Annex 3). Two additional risks had been added to the Register since the last review in September 2022. These related to the implementation of the Agile software system covering Planning, Housing and Environment Health and Local Elections in May 2023. The implementation of Agile had been identified as a red risk due to the potential costs of renewing the existing software in the event of a delayed start date.

RECOMMENDED: That

- (1) the Risk Management Strategy and accompanying Risk Management Guidance be commended to the Cabinet for adoption by the Council; and
- (2) the updates to the Strategic Risk Register since the last iteration be noted with particular emphasis on those risks categorised as Red.

*** Referred to Cabinet**

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TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

16 January 2023

Report of the Management Team

Part 1- Public

Matters for Recommendation to Cabinet

1 RISK MANAGEMENT

The report asks Members to review the Risk Management Strategy and accompanying Risk Management Guidance and to recommend to Cabinet its adoption by Full Council.

The report also provides an update on the risk management process and the Strategic Risk Register.

1.1 Introduction

1.1.1 The Risk Management Strategy sets out the Council's risk management objectives and details the roles and responsibilities of officers, Members and the Council's partners in the identification, evaluation and cost-effective control of risks.

1.1.2 The Council's risk management arrangements are designed to ensure that risks are reduced to an acceptable level or, where reasonable, eliminated thereby safeguarding the Council's assets, employees and customers and the delivery of services to the local community. Examples of risk include budget deficit, cyber/data loss, environmental and reputational.

1.1.3 The Council endeavours to pursue a forward-looking and dynamic approach to delivering services to the local community and will not be averse to taking a degree of commercial risk. However, it will always exercise a prudent approach to risk taking and decisions will be made within the parameters of the Council's internal control arrangements, i.e. Constitution, Procedural Rules, etc. These arrangements will serve to ensure that the Council does not expose itself to risks above an acceptable level.

1.2 Review of the Risk Management Strategy

1.2.1 As part of arrangements in place to ensure risk management maintains a high profile within the Council, the Strategy and accompanying Guidance is subject to annual review and endorsement through the Audit Committee, Cabinet and Council.

- 1.2.2 This latest review of the Risk Management Strategy and the accompanying Risk Management Guidance found that no changes were required at this time.
- 1.2.3 A copy of the Risk Management Strategy and accompanying Risk Management Guidance is attached at **[Annex 1]** and **[Annex 2]** respectively.

1.3 Risk Management Escalation Process

- 1.3.1 Effectively risks are assessed/scored in terms of their likelihood/impact.
- 1.3.2 Any risk evaluated as 'High Risk' (score of 15 or above) will be deemed by the Council to be beyond 'risk tolerance' and to have exceeded its 'risk appetite' and will be escalated immediately. Such risks should be added to the service's risk register and discussed at the earliest opportunity within the Service Management Team (SMT) to inform a decision as to whether this should be escalated to Management Team by the respective Service Director. Management Team should then consider whether the risk is significant enough for inclusion in the Strategic Risk Register and action this if relevant. A record should be maintained of risks discussed at both SMTs and Management Team and the outcome of those discussions.
- 1.3.3 Similarly risks identified as "Medium Risk" may be escalated to the appropriate SMT for advice and to ensure they are kept fully aware of the current risks being faced. Risks determined as "Low Risk" should be managed within the service team. It is recommended that SMTs consider periodic review or moderation processes for Service Risk Registers to ensure they are happy with the scores risks have been given and confirm whether there are 'Medium' or 'Low' risks they wish to consider further.

1.4 Strategic Risk Register

- 1.4.1 The Strategic Risk Register (SRR) is considered to be a 'live' document and is updated, as often as is required, by the Management Team. An update of the current strategic risks and how they are being managed as at the time of writing is appended at **[Annex 3]**.
- 1.4.2 As reported to earlier meetings the Covid-19 pandemic and measures taken in response resulted in a number of risks on the Strategic Risk Register being re-categorised as **RED** and, in some cases, exacerbated by high inflation and the conflict in Ukraine.
- 1.4.3 For completeness the risks categorised as **RED** at the time of the September meeting is given below and these remain red.
- 1) **Financial position/budget deficit**
 - 2) **Economic Uncertainty and Impact of EU Transition (severely impacted by Coronavirus Pandemic and Inflation/ Conflict in Ukraine)**

- 3) Corporate Strategy and Savings and Transformation Strategy
- 4) Waste Services
- 5) Local Plan
- 6) Organisational Development including recruitment and retention/skills mix
- 7) Introduction of voter identification for the next election

1.4.4 Two additional risks have been added to the register since the last review in September. Firstly the implementation of the Agile software system covering Planning, Housing, Environmental Health and the second being the re-introduction of Election to the register in light of the Borough and Parish Elections taking place in May 2023. The implementation of Agile has been identified as red risk due to the potential costs of renewing the existing software in the event of a delayed start date.

1.4.5 On the September publication of the Register Homes for Ukraine was considered to be an amber risk but was left unscored. The revised scoring undertaken now places this as a red risk due to the lack of larger privately rented accommodation available in the event of larger household placements breaking down.

1.4.6 Members are asked to note the updates in red font since the last iteration of the Register.

1.5 Ongoing Risks and Risks Identified by Service Management Teams and Management Team

1.5.1 To give Members some reassurance as to the effectiveness of risk management outcomes from the risk management escalation process are reported to the meetings of this Committee unless that is there is something that needs to be brought to Members' attention in the interim.

1.5.2 A schedule of ongoing risks and risks identified by Service Management Teams and Management Team since the last report to this Committee in September is appended at **[Annex 4]**.

1.6 Legal Implications

1.6.1 There is a Health and Safety requirement for effective risk management to be in place and the Strategy supports this requirement.

1.6.2 There is also a requirement in the Accounts and Audit Regulations that accounting control systems must include measures to ensure that risk is appropriately managed.

1.7 Financial and Value for Money Considerations

- 1.7.1 Financial issues may arise in mitigating risk which will be managed within existing budget resources or reported to Members if this is not possible.
- 1.7.2 Effective risk management arrangements make a positive contribution to ensuring value for money is provided in the delivery of services.

1.8 Risk Assessment

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

1.9 Equality Impact Assessment

- 1.9.1 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.

1.10 Policy Considerations

- 1.10.1 Risk management is relevant to all areas of the Council's business.

1.11 Recommendations

- 1.11.1 Members are asked to:

- 1) **REVIEW** the Risk Management Strategy and accompanying Risk Management Guidance and, subject to any amendments required, **RECOMMEND** to Cabinet its adoption by Full Council.
- 2) **NOTE** the updates to the Strategic Risk Register since the last iteration with particular emphasis on those risks categorised as **RED**.

Background papers:

contact: Sharon Shelton

Nil

Sharon Shelton

Director of Finance and Transformation on behalf of the Management Team

RISK MANAGEMENT STRATEGY



January 2023

1. Introduction

- 1.1. The risk management strategy of Tonbridge and Malling Borough Council (the Council) is to adopt best practices in the identification, evaluation, and cost-effective control of risks. This is intended to ensure that risks are reduced to an acceptable level or, where reasonable eliminated, thereby safeguarding the Council's assets, employees and customers and the delivery of services to the local community.
- 1.2. The Council endeavours to pursue a forward-looking and dynamic approach to delivering services to the local community and will not be averse to taking a degree of commercial risk. However, it will always exercise a prudent approach to risk taking and decisions will be made within the parameters of the Council's internal control arrangements, i.e. Constitution, Procedural Rules, etc. These arrangements will serve to ensure that the Council does not expose itself to risks above an acceptable level.

2. Mandate and commitment

- 2.1. This strategy is supported and endorsed by the Management Team and Members of the Audit Committee who will ensure that:
 - The risk management objectives are aligned with the objectives and strategies of the Council
 - The Council's culture and risk management strategy are aligned
 - The necessary resources are allocated to risk management
 - There is a commitment to embedding risk management throughout the organisation, making it a part of everyday service delivery and decision making
 - The framework for managing risk continues to remain appropriate

3. Applicability

- 3.1. This strategy applies to the whole of the Council's core functions. Where the Council enters into partnerships the principles of risk management established by this strategy and supporting guidance should be considered as best practice and applied where possible. We would also expect that our significant contractors have risk management arrangements at a similar level, and this should be established and monitored through procurement processes and contract management arrangements.

4. Objectives

- 4.1. The risk management objectives of the Council are to:
 - Embed risk management into the culture of the Council
 - Apply best practice to manage risk using a balanced, practical and effective approach
 - Manage risks in line with its risk appetite, and thereby enable it to achieve its objectives more effectively

- Integrate the identification and management of risk into policy and operational decisions, anticipating and responding proactively to social, environmental and legislative changes and directives that may impact on delivery of our objectives
- Eliminate or reduce the impact, disruption and loss from current and emerging events
- Harness risk management to identify opportunities that current and emerging events may present and maximise benefits and outcomes
- Ensure effective intelligence sharing and collaboration between risk management disciplines across all Council activities
- Ensure fraud risks are proactively considered and embedded into the organisation's risk management arrangements
- Benefit from consolidating ongoing learning and experience through the collation and sharing of risk knowledge; demonstrate a consistent approach to the management of risks when embarking on significant change activity
- Ensure sound and transparent risk management arrangements are operated in partnership and commissioner / provider situations, underpinned by a culture that supports collaboration and the development of trust, ensuring clear effective lines of communication and the management of relationships.

4.2. The delivery of this strategy is the collective responsibility of officers, Service Management Teams, Management Team, the Council's partners and Members, with delivery being assured by the Management Team.

5. Roles and responsibilities

- 5.1. Responsibility for risk management runs throughout the Council; everyone has a role to play. Managers and staff that are accountable for achieving an objective are accountable for managing the risks to achieving it. To ensure that risk management is successful, the roles and responsibilities of key groups and individuals must be clearly identified, see table at 5.3 below.
- 5.2. Other officer groups' deal with related risk specialisms such as Health and Safety; Treasury Management; Emergency Resilience and Business Continuity; Insurance; Information Security; Anti-fraud, bribery and corruption, etc. These groups are linked into the governance arrangements of the Council so that their work is co-ordinated within the Council's overall risk management framework.
- 5.3. In order to support Members and Officers with their responsibilities, risk management guidance is available.

Group or Individual	Responsibilities
Full Council / Cabinet	Approval of the Risk Management Strategy will be witnessed by the signature of the Leader of the Council.
Audit Committee	The Chairman of the Audit Committee will take a lead role in promoting the application of sound risk management practices across the Council. Training will be provided periodically for all Audit Committee members.

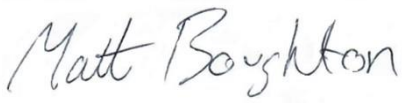
	<p>The Audit Committee will consider the Risk Management process as part of the assurance evidence in support of any Corporate Governance Statement.</p> <p>The Audit Committee will provide independent assurance of the adequacy of the risk management framework and will monitor the effective development and operation of risk management in the Council.</p>
Committees	<p>Responsibility for considering risk when making decisions on behalf of the Council.</p> <p>Promote and demonstrate the behaviours and values that support well-informed and considered risk taking, while maintaining accountability.</p> <p>Encourage open and frank conversations about risks, ensuring appropriate reporting and escalation as required.</p>
Advisory Boards	<p>Promote and demonstrate the behaviours and values that support well-informed and considered risk taking, while maintaining accountability.</p> <p>Encourage open and frank conversations about risks, ensuring appropriate reporting and escalation as required.</p>
Chief Executive	<p>Responsibility for the overall monitoring of strategic risks across the Council, including the endorsement of priorities and management action. Responsible for ensuring that risk management resources are appropriate.</p> <p>Also responsible for counter-signing the Risk Management Strategy.</p>
Section 151 Officer	<p>Active involvement in all material business decisions to ensure immediate and longer term financial implications, opportunities and risks are fully considered.</p>
Management Team (MT)	<p>To ensure the Council manages risks effectively and actively consider, own and manage key strategic risks affecting the Council through the Strategic Risk Register.</p> <p>Keep the Council's risk management framework under regular review and approve and monitor delivery of the annual risk work programme.</p> <p>Promote and demonstrate the behaviours and values that support well-informed and considered risk taking, while maintaining accountability.</p> <p>Encourage open and frank conversations about risks, ensuring appropriate reporting and escalation as required.</p> <p>Delegate the development and delivery of appropriate training to support the implementation of this policy for Members and Officers.</p>
Service Management Teams (SMT)	<p>Responsibility for the effective management of risk within the directorate, including risk escalation and reporting to the Management Team as appropriate.</p> <p>Briefing sessions will be provided on an as and when basis to senior management.</p>
Internal Audit	<p>Assesses the effectiveness of the risk management framework and the control environment in mitigating risk.</p> <p>Review and challenge risk management arrangements through its audit and fraud prevention activities.</p>

All elected Members and staff	Identify risks and contribute to their management as appropriate. Report inefficient, unnecessary or unworkable controls. Report loss events or near-miss incidents to management.
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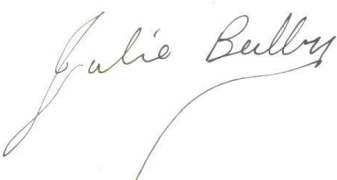
6. Review of this strategy

- 6.1. It is the responsibility of the Audit Committee to: ‘On behalf of the Council ensure that Risk Management and Internal Control systems are in place that are adequate for purpose, and are effectively and efficiently operated.’ Internal Audit will support their role in assuring its effectiveness and adequacy.
- 6.2. Information from Internal Audit and from other sources will be used to inform recommended changes to the strategy and framework at least annually. Any changes will be presented to the Audit Committee for approval before publication. The Strategy was last reviewed in January 2023 and will be reviewed next in January 2024.

7. Approval

Signed:  Print Name: Matt Boughton

Date: 21 February 2023 Position: Leader of the Council

Signed:  Print Name: Julie Beilby

Date: 21 February 2023 Position: Chief Executive

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TONBRIDGE AND MALLING BOROUGH COUNCIL
RISK MANAGEMENT GUIDANCE

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TONBRIDGE AND MALLING BOROUGH COUNCIL
RISK MANAGEMENT GUIDANCE

1. Introduction

- 1.1. Tonbridge and Malling Borough Council (the Council) has an approved Risk Management Strategy (the Strategy) and this guidance should be read in conjunction with this Strategy. The aim of this guidance is two-fold; to specify how the Council will deliver its objectives as outlined in the Strategy, and provide guidance on how to effectively manage risk.

2. Achieving strategy objectives

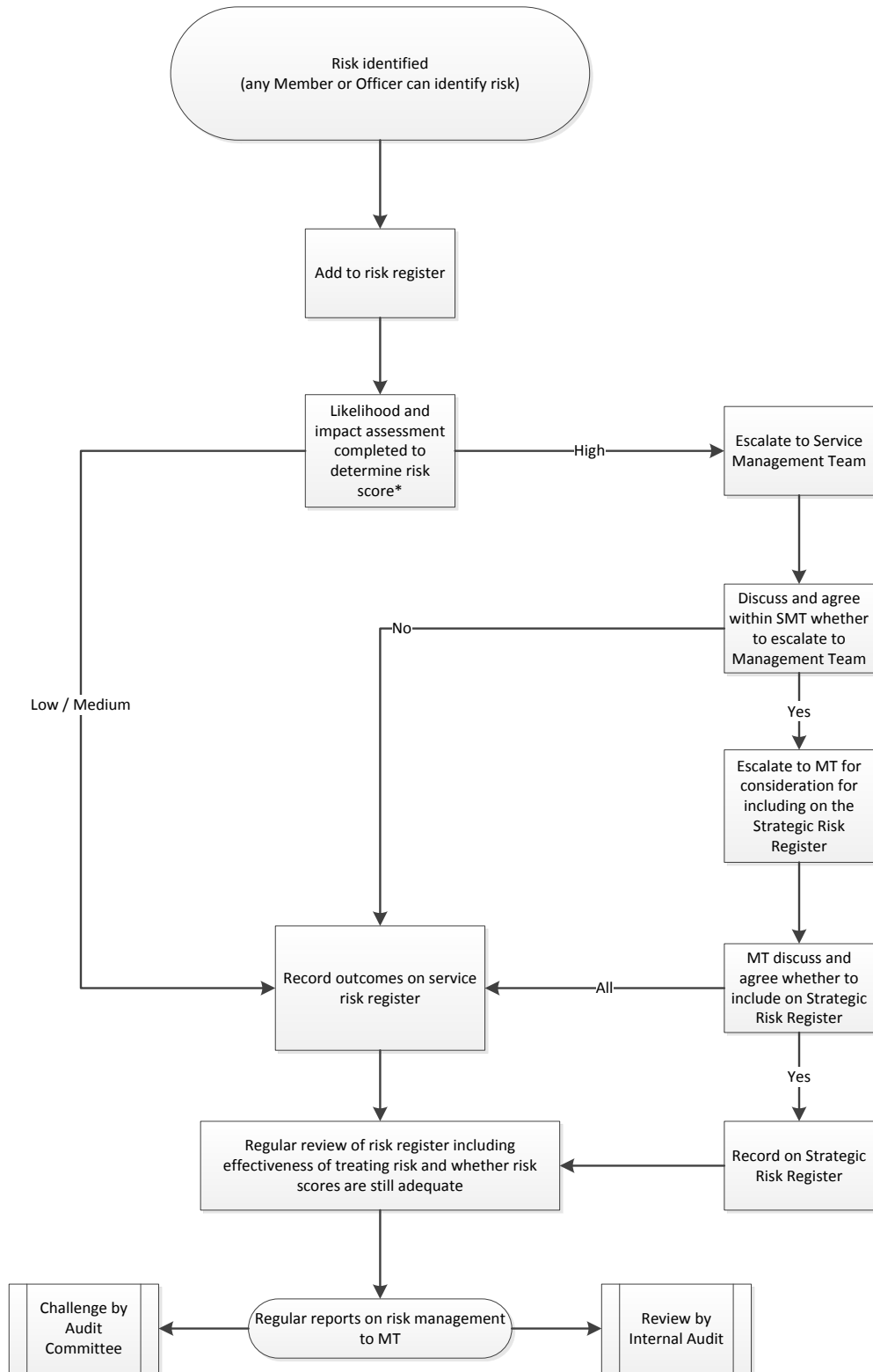
- 2.1. The Council shall achieve its objectives, as outlined in the Strategy, through:
- Integrating effective risk management practices into the Council's management, decision making and planning activities.
 - Maintaining common links between business planning, performance and risk management.
 - Maintaining the frequency and effectiveness of monitoring of key risks.
 - Providing a mix of risk management training, awareness sessions and support for both Members and Officers of the Council.
 - Ensuring links between audit planning and risk management processes to enable assurance on the effectiveness of risk management across the Council.
 - Subjecting the Council's risk framework and practice to annual review to determine the effectiveness of arrangements and level of risk maturity.
 - Ensuring risk management arrangements are embedded within transformation activity.
 - Providing continuous challenge and quality assurance to all elements of the risk management process.
 - Focusing on robust monitoring of mitigating actions to ensure that risks, once identified and assessed, are appropriately managed.
 - Working collaboratively with partners and providers (both internal and external) to develop effective risk ownership and risk sharing arrangements; striking a proportionate balance of oversight of risks of providers / partners without being over-constrictive.
 - Providing guidance on identifying, assessing, managing and reporting on risk, including escalation of risks.

3. Risk management at a glance

- 3.1. The following process flow visually demonstrates the risk management process.

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RISK MANAGEMENT GUIDANCE



* A risk assessment form is available at appendix B which can be used to help this part of the process

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RISK MANAGEMENT GUIDANCE

4. Identifying risks

- 4.1. Risk is something that might happen, which if it materialises will affect us in some way or other. A risk is a combination of 'likelihood' and 'impact', that is; how likely the risk is to happen and if it did how much would it affect us. As soon as a risk is identified it should be recorded on the Risk Register, see Appendix A. This Register should be continually updated to demonstrate assessment, evaluation, treatment and ongoing review.
- 4.2. Before we can evaluate the level of risk associated with an activity we have to determine what is most likely to trigger the risk or initiate its occurrence and assess what the consequences may be if it did occur, i.e. identify the risk event.
- 4.3. Risk assessment looks to determine the key triggers and causes and the likely consequences and impact. Once these are established we can use the assessment to gauge the likelihood of occurrence and impact of the consequences to determine the severity or level of risk.

5. Assessing risks

- 5.1. Identified risks need to be assessed so that they may be evaluated to determine their severity and to present an overall picture of the extent of the combined risks on the achievement of the objectives. The Council recognises 3 levels of risk:

LOW	MEDIUM	HIGH
1 – 4	5 – 12	15 – 24

- 5.2. The scoring of risks will be carried out using a Likelihood & Impact matrix, see table below with accompanying definitions.

Likelihood ↕	Almost inevitable	6	6 Medium	12 Medium	18 High	24 High
	Very likely	5	5 Medium	10 medium	15 High	20 High
	Likely	4	4 Low	8 Medium	12 Medium	16 High
	Unlikely	3	3 Low	6 Medium	9 Medium	12 Medium
	Very Unlikely	2	2 Low	4 Low	6 Medium	8 Medium
	Almost impossible	1	1 Low	2 Low	3 Low	4 Low
			1	2	3	4
Impact ↗			Negligible	Marginal	Significant	Critical

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- 5.3. Each risk identified and recorded may be broken down into its component parts using a Risk Assessment Form – see Appendix B.
- 5.4. The source/cause, risk event and consequences should be listed, together with any controls or actions and their owners. Such controls and actions are used to mitigate the risk level and should be described in a clear and specific manner to enable stakeholders to gain sufficient understanding of them.
- 5.5. Risk assessments should be used to assess the level of risk associated with the objective and inform the process for refreshing risk registers. In some cases, where the details of risks are clear, key risk information can be entered straight onto risk registers.
- 5.6. Key project and partnership risks should be included within this process as they will have their sources of origin in business objectives.

6. Evaluating risks

- 6.1. From the information collated and recorded when assessing the risk it should be possible to estimate and distinguish how likely the risk is to happen – Almost inevitable, very likely, likely, unlikely, very unlikely, almost impossible. Similarly, from the information collated and recorded it should be possible to distinguish the level of impact the risk would have if the risk occurred now – negligible, marginal, significant or critical.

For example:

- A risk with an “unlikely” likelihood (3) and “critical” impact (4) would equate to a “Medium” risk level with a score of 12 (3 x 4).
 - A risk that is judged to be “likely” (4) and have a “negligible” impact (1) would equate to a “Low” risk level with a score of 4 (4 x 1).
- 6.2. When determining the risk rating, bear in mind that it is not an exact science. Without significant historical data or mathematical prediction it is, for the most part, a subjective but important estimate. Appendix C provides a couple of guides to help you to estimate likelihood and impact.
 - 6.3. For reference, the initial result of an evaluation is known as the ‘inherent risk’, which refers to the exposure arising from a specific risk *before* any action has been taken to manage it. Due to the fact that determining the inherent risk can seem a rather theoretical exercise, there is not a requirement to include this as part of the risk assessment process. The focus is instead on assessing the current level of risk, taking controls in place into account, and setting a realistic target level of risk that you would wish to manage the risk down to.

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7. Escalating risks

- 7.1. It is not uncommon for risks to have knock-on effects for other activities across a risk perspective or in another risk perspective, for example a risk in one operational (perspective) area may be a source of risk to another; similarly a high level risk in a project perspective may need to be highlighted and considered at a strategic perspective.
- 7.2. It is essential that we understand risks and their potential to have knock-on effects. It is equally important that we set out clear rules for escalation of risks.
- 7.3. Any risk evaluated as 'High Risk' (score of 15 or above) will be deemed by the Council to be beyond 'risk tolerance' and to have exceeded its 'risk appetite' and will be escalated immediately. Such risks should be added to the service's risk register and discussed at the earliest opportunity within the Service Management Team (SMT) to inform a decision as to whether this should be escalated to Management Team (MT) by the respective Service Director. Management Team should then consider whether the risk is significant enough for inclusion in the Strategic Risk Register and action this if relevant. A record should be maintained of all 'High' risks discussed at SMTs and MT and the outcome of those discussions.
- 7.4. Similarly risks identified as "Medium Risk" may be escalated to the appropriate Service Management for advice and to ensure they are kept fully aware of the current risks being faced. Risks determined as "Low Risk" should be managed within the service team. It is recommended that SMTs consider periodic review or moderation processes for Service Risk Registers to ensure they are happy with the scores risks have been given and confirm whether there are 'Medium' or 'Low' risks they wish to consider further.
- 7.5. Where 'High' risks are identified in Project and Programme Risk Registers the Project / Programme Manager must check its impact on the relevant division or directorate risk registers.
- 7.6. The target residual rating for a risk is expected to be 'Medium' or lower. In the event that this is not deemed realistic in the short to medium term, this shall be discussed as part of the escalation process, and this position regularly reviewed with the ultimate aim of bringing the level of risk to a tolerable level.
- 7.7. There may be rare occasions where a risk is deemed to be well within risk appetite and therefore could be seen as over-controlled. In this instance a target level of risk could be set that is higher than the current level, as long as it remains within risk appetite.

8. Proximity of risk

- 8.1. Some risks identified may pose an immediate risk whereas others may not be a risk for several months or even years. Establishing risk 'proximity' adds an

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additional dimension especially when planning and prioritising resources to deal with risk actions.

8.2. Proximity may be categorised as follows:

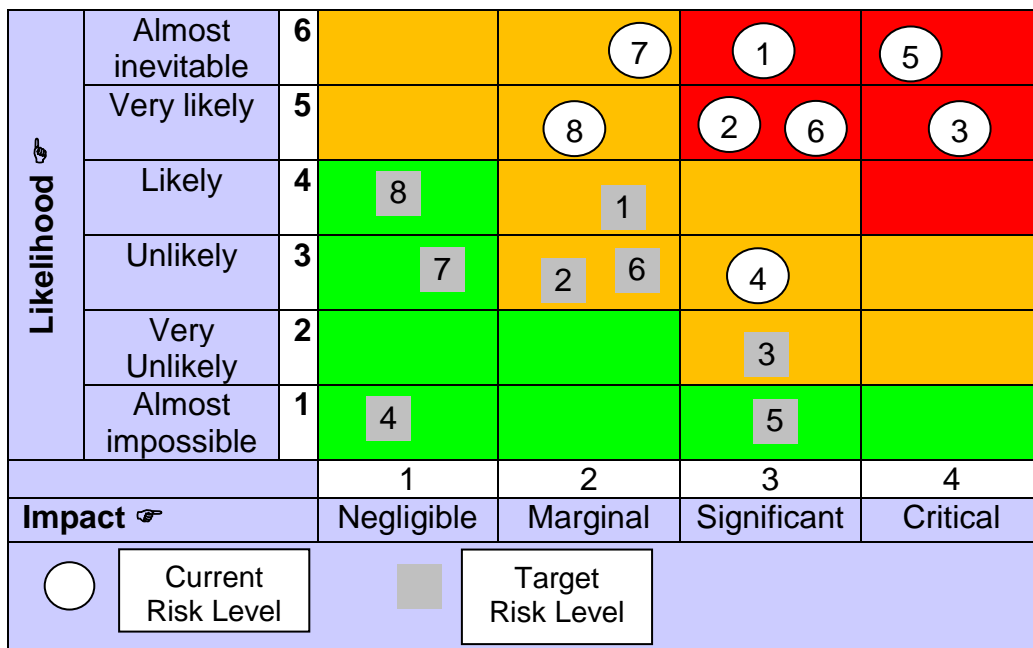
- Immediate – Risk likely to occur / most severe within the next 6 months
- Medium Term - Risk likely to occur / most severe between 6 to 12 months
- Long Term - Risk likely to occur / most severe 12 months plus

9. Summary risk profile

9.1. A summary risk profile is a simple mechanism to increase the visibility of risks. It is a graphical representation of information normally found on an existing risk register.

9.2. It provides a powerful visual snapshot of the collective risk associated with the activity. The summary risk profile makes use of the chart in figure 1 above to plot each of the risks identified. The example below gives an example of a completed Summary Risk Profile.

9.3. Example - Completed Summary Risk Profile



9.4. In the example, the risk numbers (in white circles) are plotted to show their current risk levels for a series of 8 risks. It suggests that the activity is fairly high risk overall.

9.5. Again, in the example, the risk numbers (in grey squares) are plotted to show the target risk levels for the series of 8 risks. These show the effect that the risk controls and actions should have on the risks if they were successfully applied and completed.

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9.6. Overall it demonstrates how an activity that carries a degree of high risk and potential failure could be made more acceptable. On a cautionary note, the effort and resources to be expended on managing the risk need to be re-factored into plans to ensure the activity in question remains a viable one.

10. Allocating risks and determining actions

10.1. All risks, no matter how they are assessed, should be allocated an owner. The owner shall be responsible for managing the risk to ensure it is appropriately treated. The level of risk will determine who the owner should be:

- High Risk – Service Management Team / Management Team
- Medium Risk – Service Management Team
- Low Risk – Service Manager

10.2. Once a risk has been identified, assessed and evaluated, it's important that actions are determined to treat the risk. The extent of any actions will be driven by a number of factors including the overall risk score, risk appetite and desired risk score. All actions should be documented on the Risk Assessment Form.

11. Monitoring Risks

11.1. Risks should be continuously monitored, as unmanaged risks can prevent the Council from achieving its objectives. The extent of monitoring will be driven by the risk rating. For example a risk assessed as High would require more frequent monitoring than a risk assessed as Low.

**TONBRIDGE AND MALLING BOROUGH COUNCIL
RISK MANAGEMENT GUIDANCE**

Appendix A - Risk Register

Area _____

No	Risk Title	Consequences	Date identified	Likelihood Score	Impact score	Overall inherent risk score	Risk Assessment form completed?	Desired risk score	Mitigating actions to achieve desired risk score	Links to Corporate Objectives / Directorate Business Plans	Risk Owner	Review Date

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Appendix B - Risk Assessment Form

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SECTION 1 – RISK											
Risk Owner:				Service:				Directorate:			
Risk Event:				Source/ cause:				Consequences:			
Likelihood F				Almost inevitable	6	6 Medium	12 Medium	18 High	24 High	Likelihood score: Impact score: Overall risk score: Accepted?* * If yes, provide rationale. * If no, go to Section 2.	
				Very likely	5	5 Medium	10 medium	15 High	20 High		
				Likely	4	4 Low	8 Medium	12 Medium	16 High		
				Unlikely	3	3 Low	6 Medium	9 Medium	12 Medium		
				Very Unlikely	2	2 Low	4 Low	6 Medium	8 Medium		
				Almost impossible	1	1 Low	2 Low	3 Low	4 Low		
						1	2	3	4		
				Impact <input type="checkbox"/>		Negligible	Marginal	Significant	Critical		
SECTION 2 – CONTROLS/ MITIGATING ACTIONS (copy this section for each control/ action)											
Control/ Action Owner:				Service:				Directorate:			
Control/ Action:				Dependencies:				Key Dates: <ul style="list-style-type: none"> ● Implementation: ● Review date: ● Reporting intervals: 			

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Appendix C - Determining Likelihood and Impact

	Likelihood	Example – winter weather
Almost Inevitable	<ul style="list-style-type: none"> Is expected to happen 	<ul style="list-style-type: none"> Rain
Very Likely	<ul style="list-style-type: none"> More likely to happen than not 	<ul style="list-style-type: none"> Strong winds
Likely	<ul style="list-style-type: none"> Strong possibility it will happen 	<ul style="list-style-type: none"> Snow
Unlikely	<ul style="list-style-type: none"> This could happen 	<ul style="list-style-type: none"> Flooding
Very Unlikely	<ul style="list-style-type: none"> There is a remote possibility this could happen 	<ul style="list-style-type: none"> Hurricane
Almost Impossible	<ul style="list-style-type: none"> Once in a lifetime occurrence 	<ul style="list-style-type: none"> Thames freezes over

	Impact*	Example
Critical	<ul style="list-style-type: none"> Unacceptable level of loss or damage 	<ul style="list-style-type: none"> Significant material financial loss e.g. impacts statutory service delivery/going concern status Loss of life or permanent/ debilitating damage National media coverage, judicial review, government intervention
Significant	<ul style="list-style-type: none"> Considerable level of loss or damage 	<ul style="list-style-type: none"> Material financial loss e.g. impacts non-statutory service delivery, risk of redundancies Major injury Local media coverage, government interest
Marginal	<ul style="list-style-type: none"> Limited loss or damage 	<ul style="list-style-type: none"> Some financial loss but manageable impact on service delivery Minor injury Limited social media interest
Negligible	<ul style="list-style-type: none"> Tolerable level of loss or damage 	<ul style="list-style-type: none"> No or very minimal financial loss Minor ‘trips and slips’ No media interest

*Impact should always be considered in terms of financial loss, harm to a person or people and the Council’s reputation and should link to Tonbridge and Malling Borough Council’s risk appetite.

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No	Risk Title	Risk Type	Consequences	Date identified	Likelihood Score	Impact score	Overall risk score	Current Mitigation	Desired Likelihood Score	Desired Impact score	Desired risk score	Actions required to ensure mitigation remains	Links to Corporate Objectives / Strategies	Lead on behalf of Management Team	Review Date
1	Safeguarding and PREVENT	S, R	<p>Significant impact should a child, young person or adults at risk come to harm, including radicalisation and child sex exploitation, and TMBC are unable to demonstrate appropriate processes were in place.</p> <p>Coronavirus has increased support to vulnerable individuals.</p>	01/04/2017	3	4	12	<p>The responsibility for safeguarding is with the Chief Executive, rather than an individual service and a review implemented.</p> <p>Audit Review undertaken, identifying areas of weakness to be address, progress to date with positive direction noted.</p> <p>Training delivered to all Hackney Carriage and Private Hire Drivers.</p> <p>Secure Database in place, with secure access, for recording of safeguarding concerns and referrals onto other agencies</p> <p>Community Hub telephone contact line remains available and support can be re-established for any urgent need or in the event of further lockdowns and/or tighter restrictions.</p>	3	4	12	<p>Continue to refer Safeguarding concerns to appropriate agencies where necessary and also raise with partners at the weekly CSU meetings.</p> <p>Undertake actions from the latest Safeguarding Audit and update Safeguarding Policy.</p>	Safeguarding Policy	Chief Executive	As required
2	Financial position/budget deficit	F, R	<p>Financially unstable organisation. Failure to deliver a balanced budget, detrimental impact on quality of service, increased intervention.</p> <p>Failure to maximise New Homes Bonus (for as long as it exists).</p> <p>Coronavirus pandemic had significant economic implications for the Council, businesses and residents.</p> <p>Current economic climate due to escalating inflation has significant economic implications for the Council, businesses and residents</p>	01/04/2017	4	4	16	<p>The Council provides an annual statement (as a minimum) on the following areas;</p> <p>Treasury Management and Investment Strategy.</p> <p>Robustness of estimates and adequacy of reserves.</p> <p>Effective monitoring control procedures.</p> <p>Savings and Transformation Strategy (STS) reviewed and updated.</p> <p>Unqualified Audit and Value for Money Opinion contained with Annual Audit Letter.</p> <p>Medium Term Financial Strategy (MTFS) updated and shared regularly with Cabinet to keep members aware of current financial situation.</p> <p>Business Rates income monitored. Decision taken with partners for TMBC to re-join the Kent pool for 2023/24 - awaiting confirmation from Secretary of State that this has been approved.</p> <p>Local government finance settlement for 23/24 expected later December - policy statement has been issued by government setting out the parameters. Higher level of funding expected for 23/24, subject to detail being received, and Negative RSG expected to be eliminated for 2024. After Limited Review approved by Council MTFS and STS updated and approved during Budget Setting Feb 2022/23. Since then, Cabinet have been updated on potential best and worst case scenarios. Once provisional settlement received, MTFS will be updated again and savings targets set out.</p> <p>Ethos is essential spend, introduced during pandemic, continues</p> <p>Regular returns submitted to MHCLG as required to assist with roll out of government grants. For example National Leisure Funding application submitted and £250,000 awarded.</p> <p>Regular reports to Cabinet on latest position re budget and funding gap. Conflict in Ukraine has increased energy prices further. Report to Cabinet - June, July, October 2022</p> <p>Energy prices liability under cost sharing agreement with Leisure Trust being managed - funding provided from Budget Stabilisation Reserve</p>	3	3	9	<p>Areas of potential savings yet to be identified and prioritised, with commitment to delivery of those selected.</p> <p>Commissioning of service reviews via MT to identify potential areas of transformation and savings.</p> <p>Review of key strategic assets to be completed, including office accommodation.</p> <p>O&S Committee establish work programme to continue to identify potential savings.</p> <p>Continued to provide regular reports to Cabinet and work to identify potential sources of saving/income generation. Report to Finance, Regeneration and Property Select Committee in November 2022 regarding MTFS</p> <p>Continued tight rein on essential spend only to protect Council finances.</p> <p>Fair Funding Review awaited, as is Business Rates Retention Review. Noted via Policy statement December 2022 that fair Funding or Business Rates reset will not be in the next 2 years. Respond to consultations when available.</p> <p>Three key financial risks were highlighted to Members: namely Waste, Homelessness and Local Plan. All three have significant financial implications for the Council in different ways. Consultants were engaged in respect of Homelessness to find ways of reducing cost and finding more efficient ways of delivering the mandatory function. Discussions with Waste contractor continue with regards to performance and garden waste. Resubmission of local plan has been reported to Members and decisions made about way forward. The additional costs were factored into budget reports from 22/23.</p> <p>Report to Cabinet June and July 2022 with potential implications as the impact of conflict in Ukraine unwinds in terms of energy and price inflation in UK. Use of reserves likely over Medium Term in order to support revenue budget but it is imperative that savings are identified and delivered. Cabinet report in November 2022 on progress with savings. An indicative update of the MTFS was presented to Cabinet on 4 October 2022 to set the scene for the Budget Cycle. Financial Planning & Control reports now being presented to the FRP Select committee. In addition, the Select Committee reviewed MTFS and savings position at its meeting in November 22.</p>	Vision- to be a financially sustainable Council. Taking a business-like approach.	Director of Finance and Transformation	Feb-23

No	Risk Title	Risk Type	Consequences	Date identified	Likelihood Score	Impact score	Overall risk score	Current Mitigation	Desired Likelihood Score	Desired Impact score	Desired risk score	Actions required to ensure mitigation remains	Links to Corporate Objectives / Strategies	Lead on behalf of Management Team	Review Date
3	Economic Stability and Impact of EU Transition	F	<p>Financial impact and effect on the economy as well as uncertainty around current EU legislation, i.e. what replaces it, could have a significant financial impact and lead to legislative changes impacting on finance and resources. A number of key threats to business continuity including: border delays and congestion impacts on the Kent road network creating difficulties for local businesses, TMBC staff and potential air quality issues; loss of KCC staff e.g. welfare/social services support; potential loss of TMBC waste contract workforce, general increase in costs as imports become restricted.</p> <p>Coronavirus pandemic has significant economic implications for businesses and residents.</p> <p>Current high rates of inflation likely to have wider impact on community and businesses</p>	01/04/2017	4	4	16	<p>Kent-wide working to understand, plan for and react to pressures.</p> <p>Regular review of;</p> <p>MTFS reflecting economic factors</p> <p>Treasury Management and Investment strategies.</p> <p>Working with Kent Resilience Forum since outbreak of pandemic on day to day basis, managing both pandemic and EU transition impacts.</p> <p>All staff equipped to be able to work from home and deliver public services. Staff working under transitional working arrangements until Sept 2022 when future of office space/working arrangements will be determined</p> <p>Delivery of Household Support funds in liaison with KCC</p> <p>Council to made energy rebate payments to eligible residents in 22/23 on behalf of government - scheme now complete including discretionary scheme</p>	3	4	12	<p>Council continuing to work with Kent Resilience forum and County Partnership groups including Strategic and Tactical Co-ordinating Groups.</p> <p>Keep Business Impact assessments under review.</p> <p>Business continuity planning updated to ensure smooth running of services to public, including expansion of remote working initiatives with Laptop access to Council IT infrastructure.</p> <p>IT staff continuing to support staff working from home. Transitional working arrangements commenced Sept 2021 as agreed by Members. Longer term approach to remote working to be considered by Members Sept 2022. New arrangements came into place from 1 December 2022</p> <p>Household Support Fund tranche 3 being approved by Cabinet December 2022 to allow payment to relevant parties from December - March</p>	N/A - external risk.	Chief Executive / Director of Finance and Transformation/ Management Team	Feb-23
4	Corporate Strategy and Savings and Transformation Strategy	F, R, S	<p>Failure to meet objectives and/or make savings, including those arising from the planned West Kent Waste Partnership. Impact on quality of service, budget overspends, salami slicing, etc. staff motivation impacted and increased risk of fraud or error.</p> <p>Coronavirus pandemic has significant economic implications for the Council, businesses and residents.</p>	01/04/2017	4	4	16	<p>STS reviewed and updated in line with review of MTFS. With regular reports to update MT and Members</p> <p>Following the Peer Challenge Review (PCR), a draft Corporate Strategy has been produced and has benefited from staff consultation in November 2022. The strategy is going to Cabinet on 14 December 2022 and will go out to public consultation in Winter 2022/23. One of the recommendations of the PCR was the need to be more externally focussed and to balance this with financial requirements.</p> <p>Businesses - all Covid-19 grant schemes and Welcome Back Fund initiatives were successfully completed by the end of March 2022.</p> <p>Budget report to Cabinet Feb 22 included update of MTFS and STS. Approved Feb 22. During Budget setting Feb 22, Members reminded of the need to firstly deliver on the already identified savings initiatives within the timescales set in the MTFS. MTFS being updated further to reflect current inflationary pressures which are potentially widening the funding gap. Further reports made to Cabinet. Budget for 23/24 underway</p>	3	3	9	<p>Areas of potential savings to be formally identified and prioritised, with commitment to delivery of those selected.</p> <p>Commissioning of in service reviews via MT to identify potential areas of transformation and savings.</p> <p>Strategic asset management review to deliver new income .</p> <p>O&S programme to be supported in order to deliver savings to contribute to STS.</p> <p>Delivery of the savings targets is PARAMOUNT for the financial stability of the Council. Cabinet c report in November 22 with progress on delivery of savings, and Cabinet received an indicative update of MTFS in October 22. Essential spend ethos remains. Policy statement from central government December 2022 gives indication about funding levels for 23/24 and to a lesser extent 24/25. Provisional settlement with figures for TMBC due late December 2022</p>	The current Corporate Strategy - to be a financially sustainable Council focusing on ensuring good value for money, continuously reviewing how our services are provided and funded, focusing our available resources where they will have most beneficial impact, and maximising commercial opportunities. Taking a business-like approach.	Chief Executive / Director of Finance and Transformation/ Management Team	Feb-23

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5	Local Plan	F, R	Lack of sound legal footing for Plan through inadequacies in evidence base, legal advice or process, including duty to cooperate. Leading to widespread public concern, or risk of failure at Examination. External factors or widespread planning reforms leading to delays to timetable, reputational risks around plan-making and impacts on development management processes through protracted period with no up-to-date plan. Absence of corporate or external co-ordination leading to a lack of infrastructure to support future development.	01/04/2017	4	4	16	Members are regularly updated via informal email updates and reports to the Housing & Planning Scrutiny Select Committee Member approval received for revised Local Development Scheme in March 2022 Draft Reg 18 at HPSSC and Cabinet for endorsement/approval in early Sept 2022 HPSSC with recommendation to Cabinet in December 2022 Proposed informal engagement with members on emerging spatial strategy in Spring 2023	3	3	9	Regular review of Government policy announcements that may impact on delivery, including housing standard methodology and WMS relating to Planning Ongoing engagement with Counsel Ongoing engagement with Members Regular analysis of budget position Regular analysis of programme - within Policy team on a weekly basis, reporting to Head of Planning/DPHEH bi-weekly.	Local Plan assists in economic growth, delivering the supply of future housing and addressing affordability. Procedures set by National Government	Director of Planning, Housing and Environmental Health	Mar-23
6	Organisational development inc. staff recruitment and retention/skills mix. Impact of loss of capacity caused by recruitment difficulties upon delivery of corporate objectives. Increase in rate of inflation and consequent pressure on level of pay award.	F, R, S	Lack of resources or the right skills to deliver required outcomes, loss of key professionals/senior officers due to pay constraints and pressures, reduced staff morale and quality of work, leading to financial loss, reputational damage and detrimental impact on staff wellbeing.	01/04/2017	4	4	16	Review of staff resources and skills via service reviews. Organisational structure reviews are part of S&TS to achieve efficiency, coordinated service delivery and reflect changing legislative and policy requirements and priorities.	3	4	12	Succession planning along with Development of further skills and expertise through strategies such as shared services and specialist Commissioning. Engagement of external consultants and specialists where required. Resilience and rationalisation of existing structures. Recruitment and retention strategy to be reviewed by MT. Pay award for 2022/23 2%. National Award yet to be determined. Increase in level of inflation and other national budgetary pressures are likely to increase calls for higher pay award (12.5% pay claim from Unison Dec 2022). Structural reviews approved by Members on an ongoing basis. HR staff recruited with specialist experience in recruitment. This was demonstrated with a revised methodology for the recruitment of the DPEHH and Head of IT. Transitional arrangements to encourage development opportunities where appropriate. Workforce Strategy approved by General Purposes Committee in June 2022	HR Strategy Savings and Transformation Strategy	Director of Central Services and Deputy Chief Executive/ Chief Executive	Mar-23
7	Health and Safety	F, R, S	Significant reputational impact should a service user, officer, member or contractor come to harm and TMBC are unable to demonstrate appropriate processes were in place.	01/04/2017	3	4	12	Lone working policy and service based practices to be continuously monitored. Health and Safety considered by management at weekly SMT meetings. Staff involvement with Health & Safety Group Ongoing review undertaken to react to potential key risk areas. Organisational learning and response to national events. Incident and near miss reporting. Coronavirus information being given to staff regularly based on public health advice and guidance and, where appropriate, Risk Assessments to be shared with staff and Union.	2	3	6	Embedding and dissemination of good practice through staff briefings. Corporate Health and Safety Group (chaired by DPHEH) identifying cross organisational issues with feedback to Management Team and Health and Safety Officer. All services have reviewed all their Health & Safety local Procedures in particular Lone working and service specific risk assessments. Staff survey on H&W completed spring 2021, results reviewed and a future survey will be incorporated into general staff survey approach Corporate Health & Safety Policies and procedures are up to date and reviewed regularly which all staff can access. Continuing focus on risk assessment process including reviews as a result of Coronavirus pandemic. Further staff wellbeing survey to focus on working at home and wellbeing.	Staff wellbeing and customer care underpin the Council's fundamental service and corporate objectives	Director of Planning, Housing and Environmental Health	Mar-23

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8	Compliance with legislation inc. new GDPR requirements	F, R	Failure to meet legislative requirements or statutory obligations may result in loss of personal data, financial penalties and/or damage to the Council's reputation.	01/04/2017	5	4	20	<p>The Council has a nominated Data Protection Officer.</p> <p>Assessment of Legal implications included within all reports to Members. GDPR requirements are addressed by two officer groups, Information Governance Group and Procurement OSG, which includes Legal representation.</p> <p>CPD and Professional Monitoring offered to all staff</p> <p>The Council has undertaken both Corporate Governance and GPDR reviews / audits.</p> <p>Legal Services give sign off of key corporate projects</p> <p>Election Bill Changes are implemented and all guidance is published.</p> <p>Ward Boundary changes are implemented.</p>	4	4	16	<p>The Council continues to disseminate new legislative requirements to both Officers and Members.</p> <p>Officers ensure that professional update training is undertaken. Members received GDPR training in July 2018, with all officers completing e-learning on GDPR by May 2018.</p> <p>Revised constitution approved by Members in July 2019. Further amendments submitted since that date to Council as and when required. Governance changes approved in April 2022 led to further revisions to Constitution.</p> <p>Additional GDPR and Cyber Awareness Training undertaken by all staff and members, completion date of October 2019.</p> <p>Ensure all staff are up to date with changes and members of the public are informed so no one is disenfranchised.</p> <p>Legislation for Voter ID went through Parliament in November 2022. Legislation has been passed but guidance is not been finalised yet, should be here by end of January 23. The new online portal is not yet complete and due to go live 16th January 2023 for the May 2023 Elections. Lots of communication being sent down as well as changes to the Elections System.</p> <p>Use module to install all changes to the system to ensure Elections system is updated before May 2023 Elections. Plan to republish 1st February</p>		Director of Central Services and Deputy Chief Executive	As required

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9	Cyber Security	F, R	Loss of data and legislative breach, leading to financial penalties and reputational impact.	01/04/2017	3	4	12	<p>The Council has; Information Security Policy deployed via Policy Management System.</p> <p>Implemented network security measures including access controls.</p> <p>Considered cyber insurance.</p> <p>Established an Information Governance Group.</p> <p>Appointed a Member Cyber Champion.</p> <p>Rolled out Cyber awareness training to all staff and Members via eLearning.</p> <p>Deployed 'Next generation' Palo Alto firewall technology for improved visibility and control.</p> <p>Deployed software solution to identify potential confidential data held on file servers.</p> <p>Deployed DLP software at email egress point.</p> <p>Implemented secure email in accordance with NCSC guidelines.</p> <p>Maintained dual level firewall security with the KPSN gateway being primary and the Council's own firewalls secondary.</p> <p>Implemented Solarwinds Security Event Manager.</p> <p>1 member of IT team obtained Certified Information Systems Security Professional (CISSP) qualification October 2020.</p> <p>Implemented cloud backup and DR facilities to improve resilience; and embedded cyber security into DR and BCP processes.</p> <p>Continued to monitor Cybersecurity alerts via LGA Cyber Security email; through membership of NLAWARP and CISP; and attending information sharing events such as Kent Connects Information Security Group.</p> <p>Cloud based web and email filtering has been deployed to improve availability and resilience.</p> <p>Completed firewall ruleset review following migration to Cloud to ensure our configuration is in line with best practice guidelines.</p> <p>Carried out phishing simulation exercise as first phase of awareness training for staff and members, to highlight areas of risk and to identify training needs. Subsequent online training sent out to all staff and members.</p> <p>Carried out phishing training quiz for all staff as second phase of phishing awareness campaign. Quiz was extended to Members although take-up has not been as successful. Further training to be targeted.</p> <p>Developed and deployed wallpaper/ lock screen to all TMBC laptops and PCs, with cyber security reminder to further reduce risk by increasing awareness.</p> <p>Head of IT appointed Senior Information Risk Owner (SIRO) from October 22. This role has responsibility for information and data risk and protection.</p> <p>Obtained Cyber Essentials accreditation in November 2022, demonstrating that our technical controls are designed to defend against the most common cyber threats.</p>	3	3	9	<p>The Council has; Prioritised the resources (both financial and staff) to ensure relevant updates and security mitigations are carried out in a timely manner.</p> <p>Scheduled annual IT Health Check (ITHC), quarterly PCI scans, and monthly vulnerability scans, feeding into remediation plans. July 2022 PCI scan passed. Investigating and resolving detected security issues from latest ITHC 8/8/22 - 12/8/22. Next ITHC August 2023.</p> <p>Regular email messages are sent out to all staff and Members on cyber security vigilance.</p> <p>Continuing to investigate emerging threats and cyber alerts, communicating with 3rd party suppliers to check compliance/obtain security updates and implementing mitigations as required to reduce likelihood of compromise.</p> <p>Training for IT staff on security aspects of Cloud environment is underway.</p> <p>Investigating further improvements to DR capability with specific regard to recovery from cyber incidents.</p> <p>Ensuring new staff have been invited to undertake training cyber security training. Further training and audits will follow to ensure the Council is as aware and prepared as possible to respond to potential cyber attacks.</p> <p>Evaluating NCSC approved cyber security training for Members. Anticipated deployment in Q4.</p> <p>NCSC approved cyber security training has been evaluated and will be rolled out to all staff via the Council's new LMS system Q3/Q4.</p> <p>Following a phishing simulation exercise, that took place as the third phase of our phishing awareness campaign, a further and more in-depth phishing training package will be deployed to all staff to highlight specific risks and increase staff awareness.</p> <p>Continued ongoing development training to ensure that knowledge is kept up to date.</p> <p>We are currently working towards Cyber Essentials Plus accreditation to independently verify the Council's cyber defences and highlight areas for improvement.</p>	IT Strategy	Director of Finance and Transformation	Feb-23

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10	IT Infrastructure	F, R	Failure to adequately invest resulting in inability to keep pace with technological change, leading to systems that are not fit for purpose to meet organisational need.	01/04/2017	3	4	12	<p>IT Strategy has been reviewed, updated and extended to 2023 (previously 2018-2022) with linkage to MTFS and Savings and Transformation and Digital Strategy.</p> <p>Invest to save opportunities and funding identified and projects have been initiated.</p> <p>Digital Strategy - developed and approved by Members in July 2019.</p> <p>Replacement of legacy business systems and greater use of digital alternatives (cloud based) projects have been initiated.</p> <p>Disaster Recovery solution (cloud based) has been implemented.</p> <p>All staff are able to work remotely via laptops and secure 'always-on' VPN.</p> <p>iPads and required software rolled out to Councillors, MT Members, Senior Management and in-field Staff.</p> <p>Data quality policy has been introduced to ensure improvement and efficiency can be achieved.</p> <p>Introduced Microsoft Teams for virtual meetings for members and staff.</p> <p>Implemented hybrid media conferencing solutions for on-site and remote workers.</p> <p>Multi-factor authentication solution enabled for remote access to O365 to improve security and business continuity.</p> <p>Migrated Telephony to the Cloud to improve business continuity and functionality.</p> <p>Multi-media Cloud based Contact Centre management solution implemented to improve functionality, availability and business continuity.</p> <p>Migrated production environment from on-premises to Cloud to improve and sustain business continuity and service availability.</p> <p>New CMS solution and website implemented to improve digital engagement for residents and businesses.</p> <p>Implemented cross-region Cloud backups for the new Cloud production environment to improve resilience.</p> <p>Implemented 'My TMBC' mobile app facilities to enable proactive and responsive engagement with residents and businesses in parallel with the Council's new website.</p> <p>Implemented corporate/enterprise document management system.</p> <p>VPN migrated to Cloud and Multi-factor authentication implemented for remote access over VPN to improve security and business continuity.</p> <p>All staff migrated to Office 365 to improve flexibility and reliability.</p>	3	4	12	<p>Active engagement of Officer and Member Groups in the implementation of digital agenda and changes to the Website format and content.</p> <p>Mobile working solution for in-field workers currently being developed and undergoing field testing.</p> <p>Further development of corporate/enterprise document management system and expansion in usage across the Council is being planned.</p> <p>Further development of the multi-media Cloud Contact Centre solution, to exploit state of the art technology and features to improve customer experience in line with current industry standards, is expected to commence in Q4 with AI bots for switchboard automation automation. Following a review of backup processes and Disaster Recovery arrangements for Cloud production environment, evaluation of potential solutions and a POC, procurement of an immutable backup solution is underway to improve resilience to cyber-attack.</p> <p>Varonis 365 POC for GDPR requirements taking place in Q3.</p> <p>Review of wired and wireless network infrastructure, in line with planned Gibson Building accommodation changes, has commenced.</p> <p>Planning migration from Server 2012 R2 in line with EOL notification. To be completed by end of Q2 2023/24.</p> <p>MFD equipment and associated print management software procurement is in progress in Q3/4.</p> <p>Implementation of Agile Applications cloud based solution as a replacement for IDOX DMS, Uniform and TLC is underway to provide a cost-effective and modern service delivery platform.</p> <p>Review of end user IT equipment is underway to inform future device policy.</p>	IT Strategy	Director of Finance and Transformation	Feb-23

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11	Business Continuity and Emergency Planning	F, R, S	Failure to provide statutory service or meet residents' needs resulting in additional costs, risk of harm and reputational impact. Impact/pressures on services and resources. Failure to ensure proper safeguards to prevent or to respond adequately to a significant disaster/event e.g. terrorist attack at a large scale public event or fire.	updated January				The Council has in place; Business Continuity Plan. Corporate Business Continuity Risk Register Emergency Plans Disaster Recovery Plans Inter-Authority Agreements Mutual Aid Agreement Partnership agreement with Kent Resilience Team. Emergency Planning Support Officer. Duty Emergency Coordinator System and Duty Officer System introduced to provide greater resilience. Covid Secure rest centre plan has been developed	3	4	12	Emergency planning documentation undergoing constant review and key aspects exercised on an annual basis. Increase % of staff trained in roles identified in the Emergency Plan Training organised by Kent Resilience Team . Business Continuity working group established to review and update existing Plan. Updated plan to be considered by Management Team and tested by a training exercise. Duty Officer rota in place to support Duty Emergency Coordinators out of hours. All staff fully trained before commencing duties. Out of Hours Manual reviewed and regularly updated. DSSLTS sits on Kent Resilience Forum Strategic Board. Actions taken in response to the Covid 19 pandemic will be reviewed and lessons learnt for the future. Any approved changes will be reflected in the Corporate Business Continuity Plan. Business Continuity Group including all members of Management Team meets twice weekly to oversee and coordinate response to pandemic. Annual Emergency planning review to be reported to Management Team. Pandemic response dealt with as emergency through Kent Resilience Forum. Reports regularly presented to Cabinet. More detailed reports covering Review Reorientation and Recovery presented to relevant Advisory Boards. Training courses are being delivered in a Covid safe manner for roles within the Emergency Plan. Recruitment into roles in the Emergency Plan is ongoing. Emergency Planning Officer's hours increased to full time during pandemic. Virtual Emergency Management systems are being developed to allow a virtualised Emergency Control Room and data handling.	Business continuity underpins the delivery of the Council's essential services	Director of Street Scene, Leisure & Technical Services	Feb-23
12	Devolution	F, R, S	Uncertainty about future operating models and changes / opportunities in responsibilities or service provision leading to financial pressures, impact on quality of services, reputational damage.	01/04/2017				Continual scanning of national / regional and Kent wide agenda by CE / Corporate Services manager. Participation in county wide debate via Joint Kent Chief Execs and Kent Leaders meetings. Update DEC 18 - County wide devolution discussions have been formally ceased. Horizon scanning and continued participation in Kent Leaders and CE meetings is ongoing. County Deal discussions are invited and Kent Leaders are giving preliminary considerations albeit that there is no agreed view at this stage.	3	3	9	White Paper on Devolution is to be published in the Autumn. Analysis of this will be a priority action. This is now replaced by the anticipated "Levelling Up" prospectus in 2022	External risk/national issue	Chief Executive	As required
13	Partnerships inc. shared services	F, R, S	Reliance on partners to deliver key services, including private sector companies. Could include specific partnership or shared service models such as the Leisure Trust and risks around service delivery and impact on staff morale / retention if base moves from TMBC . Potential resistance to shared services / partnerships impacting on ability to deliver Savings & Transformation Strategy. Private sector partnerships failing having consequences for service delivery. Coronavirus pandemic has significant economic implications for the Council, businesses and residents.	01/04/2017				Regular liaison meetings with partners. Partnership Agreements in place and reviewed as appropriate. Good communication with staff. Officers maintain awareness of issues relating to private sector partners and plans formulated for service delivery in the event of failure via business continuity. Contractors and partners are impacted by the pandemic. The Council is liaising and supporting major partners to ensure that key services can continue. Discussions with TMLT on a weekly basis. Budget established to support during lockdown and reopening under social distancing/Covid conditions. Partnership work and liaison with key voluntary sector groups will continue via the Local Strategic Partnership meetings and community development meetings in priority wards.	3	3	9	New Waste Services Contract in partnership with Urbaser, TWBC and KCC commenced 1st March 2019. Formal Inter Authority Agreement and Partnership Agreement in place. Ground Maintenance Contract extended in light of good performance of contractor. KCC will be undertaking Audit and Fraud function from 1 October 2021 on a newly agreed delegated functions arrangement. As previously report to Audit Committee and Cabinet, this arrangement will provide greater resilience and breadth of experience/knowledge. The Council is working within guidance issued by Cabinet Office "Guidance on responsible contractual behaviour in the performance and enforcement of contracts impacted by the Covid-19 emergency " and Procurement Policy Notes to support contractors and suppliers. The Council will continue to administer the grants to key voluntary sector bodies, with progress to be reported annually to CHAB. Additional Government grants as a result of the response to the pandemic (Emergency Assistance Grant and Covid Winter Grant) will be promoted to local voluntary sector organisations and applications for funding will be agreed via FIPAB.	Savings and Transformation Strategy	Chief Executive	As required

No	Risk Title	Risk Type	Consequences	Date identified	Likelihood Score	Impact score	Overall risk score	Current Mitigation	Desired Likelihood Score	Desired Impact score	Desired risk score	Actions required to ensure mitigation remains	Links to Corporate Objectives / Strategies	Lead on behalf of Management Team	Review Date
14	Welfare reform inc. Housing need	F, R, S	<p>Safeguarding impact on TMBC residents due to reduction in benefits, introduction of UC and increase in applications for DHP, etc. Failure to adequately understand and meet housing needs and return unsuitable properties to use leading to increase in homelessness or occupation of unsuitable homes. Financial impact of increased emergency accommodation and failure to maximise new homes bonus.</p> <p>Coronavirus pandemic has significant economic implications for the Council, businesses and residents.</p> <p>Ukrainian refugee temporary resettlement program - We are awaiting full guidance on Local Authority responsibilities. Kent Resilience Forum are acting as lead.</p>	01/04/2017	4	3	12	<p>Cross sector working (e.g. welfare reform group) to identify issues and solution.</p> <p>Providing advice to residents on welfare and housing issues, or signposting to relevant providers.</p> <p>Working with partners to identify land and funding opportunities. Working with Registered Provider Partners to ensure needs of residents are being met.</p> <p>Working with owners to bring long term empty properties back into use.</p> <p>New initiatives for Temporary Accommodation, including purchase of flats and properties to be converted.</p> <p>commissioned consultancy work in respect of Homelessness function (TA)</p> <p>Concessionary charges for key services. EQIA assessment of key decisions included in all Board reports.</p> <p>HRA implications assessed and GPC agreed new posts to deliver service which have been recruited to. Universal Credit rolled out Nov 18 for Tonbridge & Maidstone Job Centres. Signposting now to UC rather than HB for new working age claimants. CTR Scheme approved for 22/23 . Hardship policy updated to allow for the "up to £50" contribution by KCC for working age CTR claimants in 21/22. Further £40 granted to working age CTR Dec 21 Household Support fund tranche allocated by KCC Dec 22 Members considered report on Energy Rebate Scheme 2022 on 15 March 2022. payments made New housing panel in place to work alongside RPs in considering best use of available properties. TMBC joined British Red Cross as a partner for severe hardship cases Council Tax (Energy Rebate) scheme complete</p>	3	3	9	<p>Improved working with TA providers leading to more guarantees of available accommodation and developing a TA Procurement Strategy</p> <p>Improved working with main housing provider to identify trends/specific cases across borough to jointly agree approach to preventing homelessness using housing provider mechanisms, DHP payments and homeless prevention funding where needed.</p> <p>New temporary accommodation purchased in Pembury Rd. HMO refit works concluding and looking at management options for late 2022</p> <p>Continue to facilitate Welfare Reform group and widen participation from external partners so as to ensure best support for those affected by welfare reforms in T&M. work with Kent councils collaboratively to ensure grants and support targeted to those most in need</p> <p>Complete delivery of energy rebate scheme payments -mandatory and discretionary schemes virtually complete as at end August 2022</p> <p>Response to consultant's report on homelessness - to be presented to Member Q1 of 2022</p> <p>policy for household support fund to be developed</p> <p>Refresh local CTR scheme for 22/23.</p> <p>Complete delivery of energy rebate scheme payments</p> <p>Deliver District responsibilities of Ukrainian resettlement scheme.</p> <p>Deliver latest Household support fund in liaison with KCC,</p>	Promoting Fairness - acting transparently at all times and being accountable for what we do, and promoting equality of opportunities. Embracing Effective Partnership Working - achieving more by working and engaging effectively with a wide range of local partners from the private, public, voluntary and community sectors.	Director of Finance and Transformation/ Director of Planning, Housing and Environmental Health	Feb-23
15	Political factors including stability of political leadership and decision making	F, R	Decisions required to achieve objectives including corporate strategy and savings and transformation may not be made and therefore required savings not achieved.	01/04/2017	3	3	9	<p>Significant focus on temporary accommodation and in borough provision as well as framework agreement with private providers.</p> <p>Close liaison with Leader, Deputy Leader and Cabinet in developing the Savings & Transformation Strategy.</p> <p>Clear and comprehensive reports to support Members in making appropriate decisions to support the S&TS.</p>	3	3	9	Member briefings and training sessions.	Underpins delivery of overall strategy and Savings and Transformation.	Chief Executive	As required

No	Risk Title	Risk Type	Consequences	Date identified	Likelihood Score	Impact score	Overall risk score	Current Mitigation	Desired Likelihood Score	Desired Impact score	Desired risk score	Actions required to ensure mitigation remains	Links to Corporate Objectives / Strategies	Lead on behalf of Management Team	Review Date
16	Flooding	F, R, S	Impact on resources to support emergency planning, financial impact due to damage, loss of resources, etc. Residents and staff put at risk of harm. Impact on key flood risk areas - Tonbridge, Hildenborough, East Peckham and Aylesford.	01/04/2017	3	4	12	Working with partners through the Medway Flood Partnership (including EA/KCC/LEP) to secure funding and implement flood defence schemes which will reduce risk of future flooding, including LEHES and property resilience works at East Peckham. Assistance provided to Parish/Town Council's to help develop local Flood Plans. Team of Volunteer Flood Wardens in place.	3	4	12	Work with partner organisations via Kent Resilience Forum continuing. Council represented on key County Partnership Groups overseeing EU Transition implications including Strategic Coordinating Group. Council Officers dial into Severe Weather Advisory Group meetings. Regular attendance at KRF training sessions. Ongoing support for Tonbridge Flood Group. Funding allocated in Council's Capital Plan to support works to Leigh Flood storage area which will be completed by 2025. £20,000 from Business Rates Retention Pilot Reserve approved for Natural Flood Management Schemes in the Borough (Leybourne Lakes and Ightham Mote)	Emergency Plan Civil Contingencies Act 2004 Kent Emergency Response Framework West Kent Partnership and Medway Catchment Partnership	Director of Street Scene, Leisure & Technical Services	Feb-23
17	Homes for Ukraine Scheme	F, R, S	Districts are required to undertake home assessments for potential host households to support Ukrainian refugees fleeing the conflict. Increased workload expected as likelihood of breakdown in housing arrangements as we have reached the 6 month mark. Requests for rematches are increasing and there is a risk of homelessness and duty to place in T.A. therefore work needs to be undertaken to facilitate rematches and/or support into private rented sector.	01/09/2022	4	4	16	Some reserve host families have been identified but larger families pose a bigger risk	3	4	12	Additional support into Private Rented Sector.		Chief Executive	As required
18	Waste/ Recycling Contract	F, R, S	Failure to provide new service and deliver described outcomes in accordance with contract timescales and health and safety obligations. Significant reputational risk. Risk of challenge from tenderers. Failure to achieve financial targets for garden Coronavirus pandemic has significant economic implications for businesses and residents. Future sustainability of contract.	01/07/2018	4	4	16	Partnership arrangement with TWBC, with allocation of key tasks. Internal Project Group reporting regularly to MT and Members. Joint Member meeting established with TW's to guide strategic approach External advice sought from specialists on key decisions including Legal. New inter authority agreement with KCC encourages improved recycling performance and shares risks and rewards. IT, Communications and Operations identified as crucial work streams and individual working groups established to manage and implement these work areas. Waste services have been affected by pandemic and national HGV shortage. Agreed with contractor to temporarily ceasing collection of garden waste, Saturday freighter and bulky waste booking system for a period of time to allow focus on recycling and general waste. Garden Waste and bulky booking has resumed. With regard to garden waste collections, residents will have subscriptions extended to compensate. New GW subscriptions were reinstated on 4.04.22. Street cleansing was not suspended but has been impacted as other services have taken priority. Full roll out of service to flats postponed and now being implemented on a phased basis across the borough.	3	3	9	Continuation of Partnership working with TW's and monitoring through established Steering Group. Continuation of Member working group to steer strategic approach. Contract monitoring and the firm use of remedies to improve performance including the contractual default procedure. CE's continuing to meet with Urbaser to discuss future sustainability of the contract. Monitor and phase roll out to flats and any impact of other frontline collections. Reports on progress submitted to appropriate meetings/committees	Delivery of cost effective service to meet customer needs.	Director of Street Scene, Leisure & Technical Services	Jan-23
19	Implementation of Agile system	F, S	If Agile system is not configured and ready to 'go live' before 31 March 2023, there is a business continuity and/or financial risk, as the Council may have to negotiate with existing provider to ensure service provision can continue in several front line areas of the Council (most of PHEH, Land Charges, GIS and Licencing) Significant level of concern from staff about implementation process results in a lack of confidence in implementation, which will adversely impact service delivery and record keeping	01/11/2022	4	4	16	Programme of liaison meetings with Agile in place including Board and weekly catch ups Internal meetings with staff, managed by IT Project Coordinator Issues log in use Issues escalated to Agile management	2	2	4	Further escalation of issues to Agile CEO Weekly review of project plan and considerations of service impacts required to meet go live programme - to be reported into MT on a regular basis	Digital Strategy	Director of Planning, Housing and Environmental Health	Jan-23

No	Risk Title	Risk Type	Consequences	Date identified	Likelihood Score	Impact score	Overall risk score	Current Mitigation	Desired Likelihood Score	Desired Impact score	Desired risk score	Actions required to ensure mitigation remains	Links to Corporate Objectives / Strategies	Lead on behalf of Management Team	Review Date
20	Elections	R	Failure to comply with legislation, miscounts and significant reputational impact.	14/12/22	3	5	15	<p>Ensure experienced staff are in place, corporate team reviewing activity and monitoring progress.</p> <p>Local and Parish Elections are being held May 2023. High risk due to changes being introduced from Elections Bill. Possible problems with staffing and the new Voter ID portal.</p>	2	4	8	<p>Broadening of staff skills and experience to build resilience.</p> <p>Discussions on core staffing for Elections and use of more IT modules to reduce workload and progress digital transformation</p> <p>MT horizon scanning on any increased chance of snap General Election. RO and DRO's assessing risks. Risk has diminished at the moment.</p>	Statutory requirement	Chief Executive	May-23

Ongoing Risks and Risks Identified by Service Management Teams and Management Team

		Risk Identified	Background	Removed or ongoing	Reason for removal / ongoing
Page 415 Chief Executive and Central Services Finance and Transformation	Larkfield Leisure Centre	All showers are currently open. Last set of samples in August came back all clear bar one reading, which is to be resampled.	Ongoing	Ongoing. Following negative sampling results, biocide levels are being decreased and the effects monitored. If positive samples occur then it may result in a financial risk in terms of having to undertake further works on site	
	Homes For Ukraine Scheme	Moved to Strategic Risk Register	Ongoing.	Need to keep under review to ensure that changes in office accommodation deliver value for money and deliver identified savings.	
	Gibson Building	Cabinet agreed in Sept 2022 that the main offices of the Council should remain located at Kings Hill and that Officers should investigate the feasibility of progressing option 4 set out in the report.	Ongoing.	Cost implication, which is unknown at present and also possible impact on staffing levels, with staff not waiting to work due to increased responsibility.	
	Elections	Introduction of Elections Bill changes, including Voter ID	Ongoing.	Increased work load to implement changes and more complex for running future Parliamentary elections, due to sharing constituencies with other authorities.	
	Elections	Changes to Ward and Parliamentary boundaries	Ongoing.		
	IT Security (formerly COCO Compliance)	Review of IT Infrastructure identified several areas of weakness for IT standards compliance	Ongoing	Number of risk removed, expected that remaining risks, once removed, will allow full compliance.	
	Economic Stability	Economic issues surrounding Council Finances	Ongoing	Part of Strategic Risk Register.	
Supported Accommodation	Change in KCC approach for care need could have impact on ability to recover Housing Benefit Subsidy	Ongoing	Meetings arranged to assess full impact to district councils		

Ongoing Risks and Risks Identified by Service Management Teams and Management Team

	Risk Identified	Background	Removed or ongoing	Reason for removal / ongoing
Page 416 Planning, Housing and Environmental Health	Temporary Accommodation (TA)	Heightened use of TA over and above likely levels for TMBC resulting in high caseloads and financial pressures.	Ongoing	TA consultancy review completed, actions being implemented (reported to Members in Feb 2022). Budget tracking process agreed for 2022/23.
	Temporary Accommodation (TA)	Personal injury claims	Ongoing	Updated inspection regime being developed by officers.
	Food & Safety	Increased risk of food complaints/poisoning. Additional resources to manage backlog of inspections.	Ongoing	During the Covid-19 crisis the ceasing/reduction in the food hygiene inspection regime may result in food safety issues. There will also be a backlog of food safety inspections due to restrictions on visiting/businesses closed. Agreed catch up programme in place utilising COMF funding.
	Increased number of planning appeals/inquiries	Application determination timescales not being met, more speculative development, creates reputational risks and increases likelihood of appeals.	Ongoing	Volume and complexity of applications coming forward in parallel with local plan progression and given current uncertainties in timescales for adoption. MT agreed agency planning funding for short term. Head of Planning conducting service review summer 2022
	Local Plan	Risk of delay to adopting the Plan if the Council's challenge of the LP Inspector's Final Decision remains unresolved for an extended period of time.	Ongoing	Regulation 18 to be presented to Members in September 2022 for approval for consultation

Ongoing Risks and Risks Identified by Service Management Teams and Management Team

		Risk Identified	Background	Removed or ongoing	Reason for removal / ongoing
Page 417	Street Scene, Leisure and Technical Services	Legionella	Problem identified in LLC Dry change showers.	Ongoing	See issues covered under Central Services.
		Bridge inspections	Bridges on Council owned land identified as service risk. Internal Officer Group established and bridge audit progressed. Identified as Service Pressure Aspiration. Revenue budget approved to inspect and repair bridges over 2 years and annual inspections to be progressed.	Ongoing	Second year programme of work currently being progressed. Further survey undertaken and report to be analysed.
		Bluebell Hill Car Park	Ongoing anti-social behaviour	Completed	Gate installed and locked over the weekend to restrict access to the site. Longer term review of asset required.
		Utilities costs	Significant energy price increases at leisure centres will result in financial cost to the Council under the risk sharing agreement in the Management Agreement with the Trust.	Ongoing	Trust providing regular updates via Strategic/Service Fee meetings - cost of swim charges increased to help contribute to additional cost, energy saving initiatives being investigated and central government being lobbied.
		Tonbridge Swimming Pool / Larkfield Leisure Centre	Low supply of chemicals for treating pools available across Europe. May lead to closures.	Ongoing	Trust exploring all opportunities to secure supply. Alternative means of cleansing being investigated by Property Services.
		Tonbridge Castle	Resident complaint regarding resurfacing material for path not being suitable for wheelchair access.	Ongoing	Risk assessment undertaken. Loose stone cleared. Additional coat of bonding applied to path. DDA audit being undertaken.

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Agenda Item 16

Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council.

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TREASURY MANAGEMENT UPDATE AND TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY FOR 2023-24

Item AU 23/6 referred from Audit Committee of 16 January 2023

The report of the Director of Finance and Transformation provided details of investments undertaken and return achieved in the first nine months of the current financial year and introduced the Treasury Management and Annual Investment Strategy 2023/24 (attached at Annex 5).

In addition, the report made reference to non-treasury management practices and the required procedures to ensure compliance with the Treasury Management and Prudential Codes of Practice and Statutory Guidance on Local Government Investments.

RECOMMENDED: That

- (1) the treasury management position as at 31 December 2022 be noted; and
- (2) the Treasury Management and Annual Investment Strategy 2023/23 (attached as Annex 5) be adopted.

***Referred to Cabinet**

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TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

16 January 2023

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Recommendation to Cabinet - Council Decision

1 TREASURY MANAGEMENT UPDATE AND TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY FOR 2023/24

The report provides details of investments undertaken and return achieved in the first nine months of the current financial year and an introduction to the 2023/24 Treasury Management and Annual Investment Strategy. Members are invited to recommend adoption of the Strategy to Cabinet.

1.1 Introduction

1.1.1 The Local Government Act 2003 requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are 'affordable, prudent and sustainable'.

1.1.2 The Act also requires the Council to set out its Treasury Management Strategy for borrowing and to prepare an Annual Investment Strategy. The latter sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

1.2 Interest Rate Forecast

1.2.1 Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, the UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022. Link's forecast used in the 2022/23 Investment Strategy assumed economic conditions would steadily climb, reaching 1.25% over the next three years.

1.2.2 Since the approval of the 2022/23 Strategy was published last February the conflict in Ukraine and the subsequent impact on the global economic conditions has contributed towards soaring inflation. The MPC has acted to bring inflation under control by way of increasing the interest rates several times in as many meetings. Although we are expecting to see interest rate continue to rise in the

coming months, it is expected to peak at 4.5% compared to the previously forecasted rate of between 5% - 6%.

- 1.2.3 CPI inflation peaked at 11.1% in October and although it remains elevated, it is expected to come down. However, this does not take into account the further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household so there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.
- 1.2.4 UK unemployment rate is at a 48-year low of 3.6%, and this despite a net migration increase of circa 500k. The fact is that with many economic participants registered as long-term sick, the UK labour force has shrunk by circa 500k in the year to June. Without an increase in the labour force participation rate, it will be difficult for the UK economy to grow its way to prosperity. Average wage increases are running at over 6% is likely to give the MPC concern that wage inflation will prove just as difficult to manage as the major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine.
- 1.2.5 Link's latest Bank Rate forecast, updated in December 2022, is included in **[Annex 5]** and anticipates the Bank Rate peaking at 4.50% in 2023/24 before reducing to 2.50% by March 2026.

1.3 Investment Performance

- 1.3.1 The Council's investments are derived from cash flow surpluses, core cash balances and other long term cash balances.
- 1.3.2 Cash flow surpluses are available on a temporary basis and the amount mainly dependent on the timing of council tax and business rates collected and their payment to precept authorities and government. Less significant cash flows relate to receipt of grants, payments to housing benefit recipients, suppliers and staff. Cash flow surpluses build up during the course of a financial year and are spent by financial year end. Thus far in 2022/23 cash flow surpluses have averaged £22.4m.
- 1.3.3 The Authority also has £30m of core cash balances. These funds are for the most part available to invest for more than one year, albeit a proportion is usually transferred to cash flow towards the end of the financial year to top-up daily cash balances. Core cash includes the Council's capital and revenue reserves which are being consumed over time to meet capital expenditure and 'buy time' to enable the authority to deliver its revenue savings targets.
- 1.3.4 Cash flow and core cash balances also includes some £10m to meet business rate appeals of which £3m are expected to be resolved in 2022/23 and the remainder in future years.
- 1.3.5 Long term investment comprises £5m in property fund investments.

- 1.3.6 Medium term investment comprises £4.25m in diversified income fund investments.
- 1.3.7 A full list of investments held on 30 November 2022 is provided at **[Annex 1]** and a copy of our lending list of 28 November 2022 is provided at **[Annex 2]**. The table below provides a summary of funds invested and income earned at the end of November.

	Funds invested on 30 November 2022	Average duration to maturity	Weighted average rate of return	SONIA benchmark (average)	Interest / dividends earned	Gross annualised return
	£m	Days	%	1 April to 30 November 2022	1 April to 30 November 2022	%
				%	£	
Cash flow	31.91	7	1.31	1.55	277,590	2.92
Core cash	30.00	121	1.81	2.11	288,360	3.03
Sub-total	61.91	62	1.52	1.79	565,950	2.97
Long term	5.00				86,200	3.45
Medium term	4.25				126,600	4.47
Total	71.16				778,750	3.63

Table 1

Property funds pay dividends quarterly. The return quoted above is based on dividends received for the period April to September 2022.

- 1.3.8 **Cash flow and core cash investments.** Whilst the SONIA benchmark exceeds the authority's performance it should be noted where we are in relation to the investment cycle. SONIA is forward looking versus the authority figures which are based on interest earned to date. The result of which shows the authority is at the point in the cycle where we are behind the curve. However, once Bank Rates stabilise and start to come down, it is expected that we will remain ahead of the curve for longer. At this point our figures will show an outperformance of the benchmark. The benchmarking data provided in Annex 3 shows the authority's performance is above average when compared to other authorities of similar size.
- 1.3.9 Interest earned of £565,950 to the end of November is £520,700 above the original budget estimate for the same period. The increases in Bank Rates have been taken into consideration and updated figures have been included in the revised budget.
- 1.3.10 The Council takes advantage of Link's benchmarking service which enables performance to be gauged against Link's other local authority clients. An extract from the latest benchmarking data is provided in the form of a scatter graph at **[Annex 3]**. The graph shows the return (vertical scale) vs. the credit / duration risk (horizontal scale) associated with an authority's investments. As at 30

September 2022 the Council's return at 2.07% (purple diamond) was above the local authority average. Based on the Council's exposure to credit / duration risk that return was in-line with Link's predicted return (between the upper and lower boundary indicated by the diagonal lines). The Council's risk exposure was consistent with the local authority average.

- 1.3.11 Only cash flow and core cash returns form part of the benchmarking data. The additional return the Council makes from its property fund investments is not included. The data also excludes any short term borrowing costs authorities may have incurred to meet payment obligations. To address the cash flow uncertainties that Covid-19 has generated this Council has maintained much higher levels of daily liquidity than would otherwise have been the case. As a consequence no borrowing costs have been incurred to date and none are anticipated during the remainder of 2022/23.
- 1.3.12 **Long term investment.** The availability of cash balances over the longer term (10 years) and the suitability of different types of long term investment (equities, bonds and commercial property) was explored in the report to Audit Committee, January 2017. Of the alternatives, investment in property funds was considered best suited to meet the Council's more immediate funding need: a sustainable, stable income stream.
- 1.3.13 £3m was invested in property investment funds during 2017/18 and a further £2m invested during 2018/19. Investment was spread across three funds to ensure, as far as is possible, stability of annual income and capital growth over time. Additional property fund investments could be made in the future as resources become available from asset disposals and other windfalls.
- 1.3.14 During the period 1 April 2022 to 30 September 2022 the £5m investment in property funds generated dividends of £86,200 which represents an annualised return of 3.4% (3.1% in 2021/22). Income from property funds is expected to be in line with the budget for the financial year as a whole.
- 1.3.15 Property funds issue and redeem primary units at a buy and sell price with the difference between the two prices reflecting the costs associated with buying and selling property (legal and other fees, stamp duty etc.). The price spread varies from fund to fund but is typically in the region of 8% (6% on entry to a fund and 2% on exit). Where units are traded on a secondary market the impact of the spread can be reduced and delays in the purchase / redemption of units avoided.

1.3.16 Sale values at the end of November vs initial purchase prices are as follows:

Property fund	Purchase price	Sale value at date of purchase	Sale value 30 November 2022	30 November 22 sale value above (below) purchase price (c-a) £
(Primary = units in the fund purchased from the fund manager. Secondary = units purchased from another investor at a discount. Date = first month the investment attracted dividends)	a	b	C	
	£	£	£	
LAPF (Primary, July 2017)	1,000,000	922,200	967,700	(32,300)
Lothbury (Primary, July 2017)	1,000,000	927,700	875,000	(125,000)
Hermes (Secondary, Oct 2017)	1,000,000	939,000	974,800	(25,200)
LAPF (Primary, June 2018)	1,000,000	922,200	927,900	(72,100)
Lothbury (Secondary, July 2018)	1,000,000	973,000	858,200	(141,800)
Total change in principal	5,000,000	4,684,100	4,603,600	(396,400)
				Total dividends received to September 2022
				827,300
				Net benefit since inception
				430,900

Table 2

1.3.17 Since inception, the Council has received dividends from its property fund investments totalling £827,300. It was previously reported that there were no indicators that the market would contract in the short term. Since then there has been a decline in the capital value of the property funds against the original purchase price as we entered a recession. The property funds continue to distribute dividends of which we have received £86,200 for the first six months of the year.

1.3.18 Members are reminded that higher yielding investments (e.g. property, equities) have the potential to fluctuate in value, both up and down. It is this feature which makes them unsuitable for short term investment where certainty over value at maturity is a key criteria. The Council's property fund investments are not required to meet day to day spending commitments and will only be realised should a higher yielding opportunity be identified.

1.3.19 **Medium term investment.** In recent years multi asset (diversified income) funds have grown in popularity. The rationale for adopting such a fund was explored in the Audit Committee report of January 2018 and their use for medium-term investment reaffirmed in the January 2021 Audit Committee report which introduced the multi asset funds into the 2021/22 Annual Investment Strategy.

- 1.3.20 Like property funds, multi asset funds aim to generate returns over and above inflation and thus preserve spending power. The March 2020 cut in bank rate and its impact on the level of investment income in the early years of our MTFs provided added impetus to progress such an investment and provide some mitigation against a “low Bank Rate for longer”.
- 1.3.21 A total of £4.25m was invested in 2021/22 between three funds chosen from the rigorous selection process, Fidelity Multi Asset Income Fund, Ninety-One Diversified Income Fund and Aegon Diversified Monthly Income Fund. It is expected that each fund will deliver a return in excess of 3% per annum and preserve capital over the five-year duration of the investment. Funds invested included the proceeds from the sale of Riverwalk offices. Additional multi asset fund investments could be made in the future as resources become available from asset disposals and other windfalls.
- 1.3.22 During the period April 2022 to November 2022 the £4.25m investment in multi asset funds generated dividends of £126,600 which represents an annualised return of 4.47%.
- 1.3.23 **Treasury management function.** Income and expenditure estimates attributed to the Treasury Management function are provided at **[Annex 4]**. This shows the aggregate staff resource applied to treasury management is less than one full time equivalent and that income exceeds costs by a significant margin. Income in future years forms part of the Council’s medium term financial strategy. Expenditure is expected to rise in-line with inflation.

1.4 Annual Investment Strategy for 2023/24

- 1.4.1 The Council’s treasury advisor anticipates bank rate rising next year and holding for three quarters before falling back to 2.50% over the next three years in order to counter the high levels of inflation we are currently experiencing and to promote the UK’s economic growth. The expectation is we will close the current financial year at 4.25% seeing two further rate rises in the final quarter of 2022/23.
- 1.4.2 The UK unemployment rate fell to a 48-year low of 3.6% and without an increase in the labour force participation rate, it is difficult to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at over 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia’s invasion of Ukraine.
- 1.4.3 Globally, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one, if not more, quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

- 1.4.4 The returns on our **property fund investments**, though representing only 7.03% of 2022/23 investment portfolio, are likely to generate some 12.3% of next years' income. The property fund investments are long term (10 year) investments. As a consequence of the high entry / exit costs (circa 8%) and potential for significant volatility in capital values, our strategy limits exposure to property funds from existing resources to 20% of expected long term balances, circa £3m per fund.
- 1.4.5 The returns on our **diversified income fund investments**, though representing only 5.97% of 2022/23 investment portfolio, are likely to generate some 10.4% of next years' income. The diversified income fund investments are medium term (5 year) investments. As a consequence of the potential for significant volatility in capital values, our strategy limits exposure to diversified income funds from existing resources to 20% of expected long term balances, circa £3m per fund.
- 1.4.6 Diversified income fund investment typically implies a 5 year commitment to negate volatility in capital values over the life of the investment.
- 1.4.7 The changes to the 2023/24 strategy include the new Liability Benchmark [**Annex 5, Appendix 2**] and the exclusion of the UK Sovereign Rating, [**Annex 5, 10.1**] which will be revisited at the Mid-Year Review. The treasury team continuously monitor the market for potential investment which may align with the Council's strategic plans, and which would provide additional revenue streams.
- 1.4.8 **Risk parameters.** The Strategy sets out the parameters that limit the Council's exposure to investment risks by requiring overnight and term deposits to be placed with highly credit rated institutions and that those investments are diversified across a range of counterparties. The 2023/24 Annual Investment Strategy [**Annex 5**] adopts the same risk parameters as currently approved. In summary these are:
- 100% of funds can be invested in the UK. Exposure to non-UK institutions is restricted to no more than 20% of funds per sovereign.
 - Non-UK counterparties must be regulated by a sovereign rated AA- or higher as recognised by each of the three main rating agencies (Fitch, Moody's or Standard & Poor's).
 - Investment in UK institutions is normally subject to the UK sovereign being rated A- or higher by each of the three main rating agencies. However the UK Sovereign debt rating has been placed on Negative Outlook by the three major rating agencies and it is possible the UK Sovereign debt rating will be downgraded. Accordingly, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK and to be revisited at the Mid-Year Review. The UK currently receives a rating of AA- from Fitch, AA3 from Moody's and AA from Standard and Poor's.
 - Exposure to individual counterparties / groups of related counterparty must not exceed 20% of funds or 10% of funds if a housing association.

- In selecting suitable counterparties for overnight deposits and deposits up to 2 years in duration (3 years with a local authority), the Council has adopted Link's credit worthiness methodology. The methodology combines the output from all three credit rating agencies including credit watches / outlooks and credit default swap data to assign a durational band to a financial institution (100 days, 6 months, 1 year, 5 years, etc.). At the time of placing an investment the financial institution must be assigned a durational band of at least 100 days (based on credit ratings alone). Other than for UK nationalised institutions this broadly equates to a minimum long term credit rating of Fitch A- (high) and a short term credit rating of Fitch F1 (highest).
- Investment in UK nationalised banks is subject to the bank having a minimum long term credit rating of Fitch BBB (good) and a short term credit rating of Fitch F2 (good). The Royal Bank of Scotland and National Westminster Bank are currently rated Fitch A+, F1.
- The duration of an investment in a foreign bank must not exceed Link's post CDS recommendation. For UK financial institutions Link's duration recommendation can be enhanced by up to 6 months subject to the combined duration (Link recommendation plus the enhancement) not exceeding 12 months. The Council's Treasury Management Practices have been modified to ensure that where duration is being enhanced by more than 3 months the bank's CDS must be below the average for all other banks at the time the investment is placed.
- Money Market funds will be AAA rated and exposure limited to no more than 20% per fund. LVNAV (low volatility) or VNAV (variable net asset value) funds may be used as an alternative to CNAV (constant net asset value) funds.
- Enhanced cash and Government liquidity funds will be AAA rated and ultra-short duration bond funds rated AA or higher. Exposure is limited to no more than 10% of investment balances per fund and 20% to all such funds.
- Exposure to non-credit rated property funds is limited to no more than 20% (£3m) of expected long term cash balances. No limit applies where invested funds are derived from or in anticipation of new resources e.g. proceeds from selling existing property.
- Exposure to non-credit rated diversified income (multi-asset) funds and or short dated bond funds is limited to no more than 20% (£3m) of expected long term cash balances per fund and across all such funds.
- The strategy also limits the type of instrument (e.g. fixed term deposits, certificates of deposit, commercial paper, floating rate notes, treasury bills, etc.) that can be used and establishes a maximum investment duration for Gilts of 5 years, 3 years for deposits with local authorities and 2 years for all other types of investment other than investment in property funds, diversified income funds and short dated bond funds.

- The strategy includes prudential indicators for borrowing. Whilst there is no expectation that the Council will need to borrow to fund its capital expenditure proposals prior to 2029/30, borrowing on a temporary basis may be required to meet payment obligations. Borrowing limits are expressed as the operational limit (£4m) and authorised limit (£7m). Our largest monthly outflows relate to business rates and precept payments circa £5m each. Whilst those payments tend to fall on different days of the month that is not always the case. The limits are a precautionary measure to allow borrowing on a short term basis should the need arise. In recent years the Council's cash flows have been managed in such a way that no overdraft fees or temporary borrowing costs have arisen.

1.4.9 The 2023/24 Strategy [**Annex 5**] reflects the current economic environment, Link Asset Services' latest interest rate forecast and incorporates the risk parameters summarised in paragraph 1.4.8.

1.5 Non-treasury Management Practices

- 1.5.1 The authority is currently debt free, and no borrowing is forecast to meet the Council's capital expenditure proposals prior to 2029/30. This does not however, preclude a decision to borrow in order to fund in full or in part an investment opportunity that meets the Council's strategic priorities and objectives, achieves value for money and delivers a financial return. Each such opportunity to be considered on a case by case basis as appropriate.
- 1.5.2 At present the Council has no material non-treasury investments, e.g. expenditure on loans or the acquisition of non-financial assets (property) intended to generate a profit. The report to Audit Committee 20 January 2020 made reference to procedures that would need to be adopted to ensure compliance with the Chartered Institute of Public Finance & Accountancy's Treasury Management and Prudential Codes of Practice 2017 and the 2018 Statutory Guidance on Local Government Investments relating to non-treasury investments. Accordingly, a practice note was prepared and endorsed at the Audit Committee meeting in January 2021 and is attached at [**Annex 6**] for information.

1.6 Legal Implications

- 1.6.1 Under Section 151 of the Local Government Act 1972, the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management.
- 1.6.2 This report fulfils the requirements of the Chartered Institute of Public Finance & Accountancy's Treasury Management and Prudential Codes of Practice 2017 and the 2018 Statutory Guidance on Local Government Investments. Please note, both Codes have been updated in December 2021 and have been taken into account in the 2023/24 Treasury Management and Annual Investment Strategy.

1.7 Financial and Value for Money Considerations

- 1.7.1 The Bank Rate is currently 3.0%. Link's current forecast (December 2022) anticipates Bank Rate rising to 4.50% by June 2023 and holding for three quarters before falling back to 2.50% over the next three years to March 2026.
- 1.7.2 Following the interest rates increases over the past several months the investment income at the end of November 2022 (month eight of the financial year) from cash flow surpluses and core cash investments exceeds the original budget for the same period by £520,700. Income from property funds at the end of September is in line with the original budget for the same period. Investment income from multi-asset funds has generated £126,600 of income, and is some £22,000 in excess of the original budget. Investment income for the year as a whole is expected to exceed the original budget by circa £560,000.
- 1.7.3 Performance is monitored against a benchmark return and against other local authorities in Kent and the broader local authority pool via Link's benchmarking service.
- 1.7.4 Whilst the annual income stream from a property fund exhibits stability (circa 4% per annum net of management fees) capital values rise and fall with the cyclical nature of economic activity. During a downturn in the economy capital values may fall significantly. The duration of a property fund investment may need to be extended to avoid crystalizing a loss and as a consequence the investment's duration cannot be determined with certainty.
- 1.7.5 Buying and selling property involves significant costs making property unsuitable for short term investment. Buying and selling costs are reflected in the entry fees (circa 6%) and exit fees (circa 2%) a property fund will charge unit holders. These fees are expected to be recouped overtime through capital appreciation.
- 1.7.6 The money being applied to property fund investment from existing resources is expected to be available in perpetuity. Nevertheless, the Council's cash balances will continue to be monitored and due regard had to the potential for a fund to delay payment of redemption requests by up to 12 months. Funds will seek to minimise their own cash balances in favour of holding property and therefore manage redemption requests for the benefit of all fund participants. The Council is only likely to seek redemption to pursue a higher yielding income opportunity should one be identified.
- 1.7.7 Diversified income funds aim to limit risk by spreading investment across a broad range of asset classes (equities, bonds, property and cash). Nevertheless, the principal sum invested may fall as a consequence of adverse economic or market events.
- 1.7.8 Short term bond values are linked to interest rate expectations and long term bond values are linked to inflation expectations. Funds aim to minimise the risk of issuer default by investing in a broad spread of issuers and across different

sectors and geographic regions. Nevertheless, the principal sum invested may fall as a consequence of adverse economic or market events.

1.8 Risk Assessment

- 1.8.1 Link Asset Services are employed to provide advice on the content of the Treasury Management and Annual Investment Strategy and this, coupled with a regular audit of treasury activities ensures that the requirements of the Strategy and the Treasury Policy Statement adopted by this Council are complied with.
- 1.8.2 Credit ratings remain a key tool in assessing risk. It is recognised that their use should be supplemented with sovereign ratings and market intelligence. Appropriate sovereign, group and counterparty limits are established to ensure an appropriate level of diversification.
- 1.8.3 In the light of these safeguards and stringent Treasury Management Procedures it is considered that any risks to the authority implicit in the 2023/24 Strategy have been minimised.

1.9 Equality Impact Assessment

- 1.9.1 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.

1.10 Recommendations

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

- 1) Note the treasury management position as at 31 December 2022.
- 2) Adopts the Treasury Management and Annual Investment Strategy for 2023/24 set out at **[Annex 5]**.

Background papers:

contact: Donna Riley

Link Asset Services: Interest rate forecast (December 2022), economic commentary and benchmarking data.

Sharon Shelton
Director of Finance and Transformation

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Tonbridge and Malling Borough Council - Investment summary 30 November 2022

Counterparty / type of investment	Sovereign	Fitch long term	Fitch short term	Link suggested post CDS duration limit	Investment						Cash Flow surpluses £	Core Cash balances £	Medium term investment balances £	Long term investment balances £
					Start date	End date	Duration at start	Amount invested £	Return %	Proportion of total %				
Banks, Building Societies & Other Financials														
Barclays Bank : 95 day notice account	UK	A+	F1	100 days	23/07/2019	TBD	95 Days	3,000,000 3,000,000	3.05	4.22%				
Bank of Montreal : Certificate of Deposit	Canada	AA-	F1+	1 year	18/11/2022	17/11/2023	1 Year	2,000,000 2,000,000	4.85	2.81%				
Goldman Sachs : Certificate of Deposit	UK	A+	F1	6 months	29/09/2022	29/06/2023	9 Months	2,000,000 2,000,000	5.15	2.81%				
HSBC Bank : 31 day notice account	UK	AA-	F1+	1 year	02/12/2019	TBD	31 Days	6,000,000 6,000,000	3.00	8.43%	6,000,000			
Lloyds Bank : Certificate of Deposit Certificate of Deposit	UK	A+	F1	6 months	07/07/2022 16/08/2022	06/01/2023 16/12/2022	6 Months 4 Months	3,000,000 3,000,000	1.99 2.18	8.43%			3,000,000 3,000,000	
National Westminster Bank : Deposit account Certificate of Deposit	UK	A+	F1	1 year	30/11/2022 15/12/2021	01/12/2022 15/12/2022	Overnight 1 Year	50,000 2,000,000	0.01 0.56	2.88%	50,000			2,000,000
Nordea Bank : Fixed term deposit	Finland	AA-	F1+	1 year	29/07/2022	30/01/2023	6 Months	2,000,000 2,000,000	2.45	2.81%				2,000,000
Royal Bank of Canada : Certificate of Deposit	Canada	AA-	F1+	1 year	03/10/2022	03/10/2023	1 Year	3,000,000 3,000,000	5.30	4.22%				3,000,000
Santander UK Bank : Fixed term deposit Certificate of Deposit	UK	A+	F1	6 months	18/11/2022 12/10/2022	20/02/2023 02/02/2023	3 Months 3 Months	2,000,000 2,000,000	3.35 3.60	5.62%				2,000,000 2,000,000
Toronto Dominion Bank : Fixed term deposit Certificate of Deposit Certificate of Deposit	Canada	AA-	F1+	1 year	23/03/2022 11/07/2022 11/07/2022	23/03/2023 12/12/2022 07/07/2023	1 year 5 Months 1 year	2,000,000 2,000,000 2,000,000	1.86 2.08 2.84	8.43%				2,000,000 2,000,000 2,000,000
Money Market Funds														
Blackrock MMF - shares/units held	N/A	AAA	mmf (Eq)	5 years	30/11/2022	01/12/2022	Overnight	8,000,000	2.92	11.24%	8,000,000			
BNP Paribas MMF - shares/units held	N/A	AAA	mmf (Eq)	5 years	30/11/2022	01/12/2022	Overnight	7,279,000	2.90	10.23%	7,279,000			
CCLA PSDF MMF - shares/units held	N/A	AAA	mmf	5 years	30/11/2022	01/12/2022	Overnight	0	2.89		-			
DWS Deutsche MMF - shares/units held	N/A	AAA	mmf	5 years	30/11/2022	01/12/2022	Overnight	2,590,000	2.99	3.64%	2,590,000			
Federated MMF - shares/units held	N/A	AAA	mmf	5 years	30/11/2022	01/12/2022	Overnight	0	2.91		-			
Morgan Stanley MMF - shares/units held	N/A	AAA	mmf	5 years	30/11/2022	01/12/2022	Overnight	8,000,000	2.87	11.24%	8,000,000			
Property Funds														
Hermes Property Unit Trust : Property fund units	N/A	N/A	N/A	N/A	29/09/2017	N/A	N/A	1,000,000 1,000,000	3.54	1.41%				1,000,000
Local Authorities' Property Fund : Property fund units Property fund units	N/A	N/A	N/A	N/A	29/06/2017 30/05/2018	N/A N/A	N/A N/A	1,000,000 1,000,000	4.07 4.16	2.81%				1,000,000 1,000,000
Lothbury Property Trust : Property fund units Property fund units	N/A	N/A	N/A	N/A	06/07/2017 02/07/2018	N/A N/A	N/A N/A	1,000,000 1,000,000	2.90 2.80	2.81%				1,000,000 1,000,000
Multi Asset Funds														
Aegon Multi Asset fund units	N/A	N/A	N/A	N/A	29/07/2021	N/A	N/A	1,750,000 1,750,000		2.46%				1,750,000
Fidelity Multi Asset fund units	N/A	N/A	N/A	N/A	12/08/2021	N/A	N/A	1,000,000 1,000,000		1.41%				1,000,000
Ninety One Multi Asset fund units	N/A	N/A	N/A	N/A	12/08/2021	N/A	N/A	1,500,000 1,500,000		2.11%				1,500,000
Total invested								71,169,000		100.00%	31,919,000	30,000,000	4,250,000	5,000,000

Number of investments	29	Average investment value £		2,454,000	
Number of counter parties	22	Average counter party investment £		3,235,000	
Group exposures:		Core £	Cash £	Combined £	%
Royal Bank of Scotland + National Westminster (UK Nationalised MAX 20%)		2,000,000	50,000	2,050,000	2.88
Bank of Scotland + Lloyds (MAX 20%)		3,000,000	-	3,000,000	4.22
				£	%
Property Funds Total				5,000,000	7.03
Multi Asset Funds Total				4,250,000	5.97

Total non-specified investments should be less than 60% of Investment balances 13.00%

Notes:
Property fund returns are based on dividends distributed from the start of each investment. Capital appreciation / depreciation is recorded elsewhere. Last update June 2022.

End date for notice accounts to be determined (TBD)

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Tonbridge and Malling Borough Council Lending List

Checked against Link's "Suggested Credit List" dated 25/11/22
Minimum investment criteria is Link's green duration band (100 days). Entry point broadly equates to Fitch A-, F1 unless UK nationalised.

Counterparty	Sovereign	Sovereign rating [1]	Fitch long term	Fitch short term	UK classification	Exposure limit	Link duration based on [2]	
							Credit ratings	Post CDS
UK Banks, Building Societies and other Financial Institutions :								
Bank of Scotland (Group limit BOS & Lloyds £7m)	UK	AA-	A+	F1	Ring-fenced	£7m	6 months	6 months
Barclays Bank (Group Limit Barclays and Barclays UK £7m)	UK	AA-	A+	F1	Non-RF	£7m	6 months	100 days
Barclays Bank UK (Group Limit Barclays and Barclays UK £7m)	UK	AA-	A+	F1	Ring-fenced	£7m	6 months	6 months
Close Brothers Ltd	UK	AA-	A-	F2	Exempt	£7m	6 months	6 months
Goldman Sachs International Bank	UK	AA-	A+	F1	Exempt	£7m	6 months	100 days
Handelsbanken Plc (Group Limit with Svenska Handelsbanken AB £7m)	UK	AA-	AA	F1+	Exempt	£7m	1 year	1 year
HSBC UK Bank	UK	AA-	AA-	F1+	Ring-fenced	£7m	1 year	1 year
Lloyds Bank (Group limit BOS & Lloyds £7m)	UK	AA-	A+	F1	Ring-fenced	£7m	6 months	6 months
Santander UK	UK	AA-	A+	F1	Ring-fenced	£7m	6 months	6 months
Standard Chartered Bank	UK	AA-	A+	F1	Exempt	£7m	6 months	6 months
Coventry Building Society	UK	AA-	A-	F1	Exempt	£7m	6 months	6 months
Nationwide Building Society	UK	AA-	A	F1	Exempt	£7m	6 months	6 months
Skipton Building Society	UK	AA-	A-	F1	Exempt	£7m	6 months	6 months
National Westminster Bank (Group limit Nat West and RBS £7m). UK Nationalised.	UK	AA-	A+	F1	Ring-fenced	£7m	1 year	1 year
The Royal Bank of Scotland (Group limit Nat West and RBS £7m). UK Nationalised.	UK	AA-	A+	F1	Ring-fenced	£7m	1 year	1 year
UK Debt Management Office including Treasury Bills	UK	AA-	n/a	n/a	n/a	No limit	5 years	5 years
UK Treasury Sovereign Bonds (Gilts)	UK	AA-	n/a	n/a	n/a	£16m/£8m	5 years	5 years
UK Local Authority (per authority)	UK	AA-	n/a	n/a	n/a	£7m	5 years	5 years

Non-UK Banks :

Bank of Montreal	Canada	AA+	AA-	F1+	n/a	£7m	1 year	1 year
Toronto Dominion Bank	Canada	AA+	AA-	F1+	n/a	£7m	1 year	1 year
Royal Bank of Canada	Canada	AA+	AA-	F1+	n/a	£7m	1 year	1 year
Nordea Bank Abp	Finland	AA+	AA-	F1+	n/a	£7m	1 year	1 year
Rabobank (Cooperatieve Rabobank U.A.)	Netherlands	AAA	A+	F1	n/a	£7m	1 year	1 year
ING Bank	Netherlands	AAA	AA-	F1+	n/a	£7m	1 year	1 year
Development Bank of Singapore	Singapore	AAA	AA-	F1+	n/a	£7m	1 year	1 year
Svenska Handelsbanken AB (Group Limit with Handelsbanken Plc £7m)	Sweden	AAA	AA	F1+	n/a	£7m	1 year	1 year

[1] Reflects the lowest of the three rating agencies views (Fitch, Moody's and Standard and Poor's). Strategy requires non-UK sovereigns to be rated at least AA- and the UK rated at least A-. Non-UK sovereign limit of 20% or £7m per sovereign.

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

Money Market Funds (Minimum investment criteria AAA) :

Fund Name	Moody	Fitch	S&P	Exposure Limit	Link credit worthiness
Blackrock Institutional Cash Series - Sterling Liquidity	AAA	-	AAA	£8m	5 years
BNP Paribas InstiCash - GBP	-	-	AAA	£8m	5 years
CCLA Public Sector Deposit Fund	-	AAA	-	£8m	5 years
DWS Deutsche Global Liquidity - Deutsche Managed Sterling	AAA	AAA	AAA	£8m	5 years
Federated Cash Management - Short Term Sterling Prime	-	AAA	AAA	£8m	5 years
Insight - Sterling Liquidity (Group limit IL & ILP of £7m)	-	AAA	AAA	£8m	5 years
Morgan Stanley Liquidity - Sterling	AAA	AAA	AAA	£8m	5 years

Enhanced Cash Funds (Minimum investment criteria AAA) :

Fund Name	Moody	Fitch	S&P	Exposure Limit	Link credit worthiness
Insight - Sterling Liquidity Plus (Group limit IL & ILP £7m)	-	AAA	AA+	£3.5m	5 years

Approved by Director of Finance and Transformation

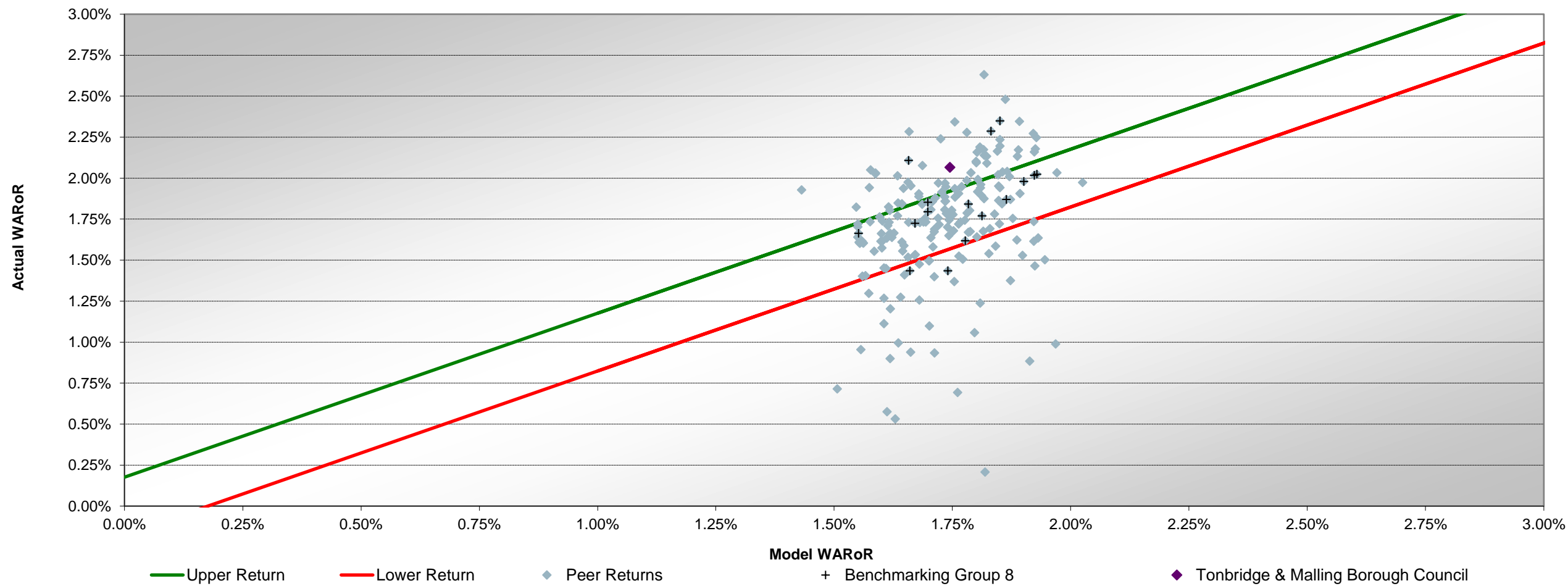
Goldman Sachs post CDS duration changed from 6 months to 100 days

06 December 2022

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Tonbridge & Malling Borough Council

Population Returns against Model Returns



	Actual WARoR	Model WARoR	Difference	Lower Bound	Upper Bound	Performance
Tonbridge & Malling Borough Council	2.07%	1.75%	0.32%	1.57%	1.92%	Above

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Extract from O&S estimates presentation - January 2023. Costs attributed to banking arrangements and transfers in lieu of interest are excluded.

DIRECTOR OF FINANCE & TRANSFORMATION

	2022/23		2023/24
	ORIGINAL ESTIMATE £	REVISED ESTIMATE £	ESTIMATE £
4 <u>TREASURY MANAGEMENT</u>			
Employees			
Salaries	31,950	31,850	33,500
Supplies & Services			
Treasury Advisor & Dealing Fees	11,000	11,000	12,100
	<hr/>	<hr/>	<hr/>
	42,950	42,850	45,600
Less Income			
Interest on:			
Cash Flow Investments	(10,850)	(218,000) b)	(526,000) b)
Core Cash Investments	(57,000)	(410,900) b)	(599,000) b)
Medium Term Investments	157,250	(153,000)	(153,000)
Long Term Investments	(172,000)	(170,000)	(180,000) c)
	<hr/>	<hr/>	<hr/>
	(397,100)	(951,900)	(1,458,000)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	(354,150)	(909,050)	(1,412,400)
	<hr/>	<hr/>	<hr/>
Central, Departmental & Technical Support Services			
Central Salaries & Administration	10,850	11,500	11,950
Information Technology Expenses	650	900	900
Departmental Administrative Expenses	16,800	17,350	17,950
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	(325,850)	(879,300)	(1,381,600)
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (Including Support Service Staff)	0.91	0.90	0.91

- b) Reflects estimated impact of recent and anticipated further interest rate rises.
c) Assumes an increase in the return to be achieved.

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Treasury Management and Annual Investment Strategy 2023/24

1 Introduction

1.1 Treasury management is defined as:
'The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks'.

1.2 The strategy covers:

- Statutory and regulatory requirements
- Balanced budget requirement
- Prudential and treasury Indicators
- Borrowing requirement
- Current treasury position
- Prospects for interest rates
- Investment policy
- Creditworthiness policy
- Country, counterparty and group exposure limits
- Cash flow and core fund investment
- Medium and long term investment
- Year end investment report
- Policy on use of external service providers.

2 Statutory and regulatory requirements

2.1 The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the Chartered Institute of Public Finance (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

2.2 The Act requires the Council to set out its Treasury Management Strategy for borrowing and to prepare an Annual Investment Strategy which sets out the Council's policies for managing its investments and for giving priority to the **security** and **liquidity** of those investments.

- 2.3 The Department for Levelling Up Housing and Communities, (DLUHC) issued revised Statutory Guidance on Local Government Investments (2018 Edition). CIPFA amended the Prudential Code for Capital Finance in Local Authorities (2017 Edition) and the Treasury Management in the Public Services: Code of Practice and Cross Sectorial Guidance Notes (2017 Edition). In December 2021 CIPFA published updates to the Treasury Management Code which has been taken into account in the 2023/24 Strategy.
- 2.4 Historically the scope of the statutory guidance and CIPFA codes was limited to the investment of an authority's cash surpluses and the management of borrowing undertaken to support its capital expenditure plans. The updated statutory guidance and codes broaden that scope to include expenditure on loans and the acquisition of non-financial assets (property) intended to generate a profit. The Council has not engaged in any commercial investments and has no material non-treasury investments.
- 2.5 The Council formally adopted the revised CIPFA Treasury Management Code of Practice (2017 Edition) on 30 October 2018 and in December 2021 CIPFA published updates to the Treasury Management Code. The primary requirements of the Code are as follows:
- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
 - Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
 - Receipt by the full Council of an Annual Treasury Management Strategy, including the Annual Investment Strategy, for the year ahead; a mid-year Review Report; and an Annual Report (stewardship report) covering activities during the previous year.
 - Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 - Delegation by the Council of the role of scrutiny of the Treasury Management Strategy and policies to a specific named body. For this Council, the delegated body is the Audit Committee.

- 2.6 The scheme of delegation and role of the Section 151 officer that give effect to these requirements are set out at **[Appendix 1]**.

3 Balanced budget requirement

3.1 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from:

- increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
- any increases in running costs from new capital projects are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

4 Prudential and treasury indicators

4.1 It is a statutory duty under Section 3 of the Act and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the 'Affordable Borrowing Limit'. In England and Wales the Authorised Limit represents the legislative limit specified in the Act.

4.2 The Council must have regard to the Prudential Code when setting the 'Authorised Limit', which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax levels is 'acceptable'.

4.3 Whilst termed an 'Affordable Borrowing Limit', the capital plans to be considered for inclusion may incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The 'Authorised Limit' is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.

4.4 Prudential and Treasury Indicators relevant to setting an integrated treasury management strategy are set out in **[Appendix 2]**.

5 Borrowing requirement

5.1 Other than for cash flow purposes and then within the limits set out at **[Appendix 2]** borrowing will not be necessary. All capital expenditure prior to 2029/30 is expected to be funded from the Revenue Reserve

for Capital Schemes, grants, developer contributions and capital receipts arising from the sale of assets. This does not however, preclude a decision to borrow in order to fund in full or in part a capital investment opportunity that meets the Council's strategic priorities and objectives, achieves value for money and delivers a financial return. Each such opportunity to be considered on a case by case basis as appropriate.

- 5.2 The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

6 Current treasury position

- 6.1 The Council is debt free and as such the overall treasury position at 30 November 2022 comprised only investments. On that date the Council's cash flow and core fund investments totaled £61.9m and was invested in a mix of money market funds, bank notice accounts and time deposits with banks and building societies. The average duration to maturity of the portfolio was 62 days with a weighted average rate of return 2.97%. Returns in future years are expected to improve as Bank Rate increases are implemented. Income from investments forms part of the Council's ten-year medium term financial strategy (MTFS). An updated MTFS will be presented to Council in February 2023.
- 6.2 The Council held £5m in externally managed property fund investments at 30 November 2022. The property funds are expected to generate a stable income of 3.6% in 2023/24 and this level should continue in future years. Overtime, the rise in the value of each property funds' assets (capital appreciation) is expected to negate fund entry and exit costs.
- 6.3 The Council also held £4.25m in externally managed multi asset fund investments at 30 November 2022. The multi asset funds are expected to generate income of 3.6% in 2023/24 rising to 4% in future years. There are no exit costs associated with multi asset funds.
- 6.4 At present the Council has no material non-treasury investments (e.g. directly owned commercial property, shares in subsidiaries or loans to third parties). The procedures, practices and governance arrangements to enable the Council to meet the requirements of the Chartered Institute of Public Finance & Accountancy's Treasury Management and Prudential Codes of Practice 2017 and the 2018 Statutory Guidance on Local Government Investments relating to non-treasury investments are referred to in the reports to Audit Committee 1 October 2018 and 20 January 2020. The Audit Committee report of 18 January 2021 was

endorsed by Council approving appropriate Non-treasury Management Practices.

7 Prospects for interest rates

7.1 The Council has appointed Link Asset Services as treasury advisor to the Council and part of their service is to assist the Council to formulate a view on interest rates. Link's current interest rate forecast is provided at **[Appendix 3]**. Link's expectation for Bank Rate, for each financial year ending March, are:

- 2023/ 2024 4.00%
- 2024/ 2025 3.00%
- 2025/ 2026 2.50%

7.2 The forecast may be overly optimistic (downside risks) dependent on:

- Labour and supply shortages prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).
- Bank of England acts too quickly, or too far, over the next year years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than currently anticipated.
- UK / EU trade arrangements if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- Geopolitical risk, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

7.3 The forecast may be overly pessimistic (upside risk) dependent on:

- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project or even necessitates a further series of increases in Bank Rate.
- The Government acts too quickly to cut taxes and/or increases expenditure in light of the cost-of-living squeeze.
- The pound weakens because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.

- Longer term US treasury yields rise strongly and pull gilt yields up higher than currently forecast.
- Projected gilt issuance, inclusive of natural maturities and QT, could be too much for the markets to comfortably digest without higher yields consequently.

7.4 Link's more detailed view of the current economic background is included at **[Appendix 4]**.

8 Investment policy

8.1 The Council's investment policy has regard to the DLUHC's Guidance on Local Government Investments and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes. The Council's investment priorities will be security first, liquidity second, and then yield.

8.2 In accordance with the above guidance from the DLUHC and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

8.3 Ratings are not the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment also takes account of information that reflects the opinion of the markets. To this end the Council engages with its advisors to maintain a monitor on market pricing such as 'credit default swaps' and overlay that information on top of the credit ratings.

8.4 Other information sources used includes the financial press, share price and other information relating to the banking sector in order to establish a robust scrutiny process on the suitability of potential investment counterparties.

8.5 Investment instruments identified for use are listed in **[Appendix 5]** under 'specified' and 'non-specified' investment categories. Counterparty limits are detailed in section 10 below.

9 Creditworthiness policy

9.1 The creditworthiness service provided by Link has been progressively enhanced over the last few years and now employs a sophisticated

modelling approach using credit ratings from each of the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings are supplemented using the following overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings; and
- Sovereign ratings to select counterparties from only the most creditworthy countries.

9.2 This modelling approach combines credit ratings, and any assigned credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour coded bands are also used by the Council to inform the duration of an investment and are therefore referred to as durational bands. The Council is satisfied that this service now gives a much improved level of security for its investments.

9.3 The selection of counterparties with a high level of creditworthiness is achieved by selecting institutions down to a minimum durational band within Link's weekly credit list of potential counterparties (worldwide). Subject to an appropriate sovereign and counterparty rating the Council uses counterparties within the following durational bands:

Yellow/Pink	5 years
Purple	2 years
Blue	1 year (UK nationalised Banks)
Orange	1 year
Red	6 months
Green	100 Days

9.4 The Council does not use the approach suggested by CIPFA of using the lowest rating from all three rating agencies to determine creditworthy counterparties. Moody's tends to be more aggressive in giving low ratings than the other two agencies and adopting the CIPFA approach may leave the Council with too few banks on its approved lending list. The Link creditworthiness service uses a wider array of information than just primary ratings and in combination with a risk weighted scoring system undue preponderance is not given to any one agency's ratings.

- 9.5 All credit ratings are reviewed weekly and monitored on a daily basis. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.
- If a downgrade results in the counterparty no longer meeting the Council's minimum criteria its use for new investment is withdrawn immediately.
 - In addition to the use of credit ratings the Council is advised of movements in Credit Default Swap data against the iTraxx European Financials benchmark and other market data on a daily basis. Extreme market movements may result in a scaling back of the duration assessment or removal from the Councils lending list altogether.
- 9.6 Sole reliance is not placed on the use of the Link service. In addition the Council uses market information including information on any external support for banks to assist the decision making process.

10 Country, counterparty and group exposure limits

- 10.1 The UK Sovereign debt rating has been placed on Negative Outlook by the three major rating agencies and it is possible the UK Sovereign debt rating will be downgraded. Accordingly, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK and to be revisited at the Mid-Year Review.
- 10.2 The Council has determined that it will only use approved counterparties from the UK. Counterparties from other countries will be subject to a minimum sovereign credit rating of AA-. The minimum will be the lowest rating determined by Fitch, Moody's and Standard and Poor's. The list of countries that qualify using this credit criteria as at the date of this report are shown in **[Appendix 6]**. The list will be amended in accordance with this policy should ratings change.
- 10.3 Avoidance of a concentration of investments in too few counterparties or countries is a key to effective diversification and in this regard the limits set out below are thought to achieve a prudent balance between risk and practicality.

Country, Counterparty and Group exposure	Maximum Proportion of Portfolio
UK regulated institutions subject to UK Sovereign rating of A- or higher and the institution limits detailed below.	100%
Non-UK regulated institutions as an amount per sovereign rated AA- or higher and subject to the institution limits detailed below.	20%
Group of related institutions.	20%
Each financial institution rated Fitch A-, F1 or higher (green excluding CDS using Link's credit methodology) or each local authority.	20%
Each UK nationalised bank rated Fitch BBB, F2 or higher (green excluding CDS using Link's credit methodology).	20%
Each AAA rated multilateral / supranational bank.	20%
Each AAA rated CNAV, LVNAV or VNAV money market fund.	20%
Each AA or higher rated enhanced cash fund / government liquidity fund / gilt fund / ultra-short dated bond fund subject to a maximum 20% exposure to all such funds.	10%
Each housing association rated Fitch A- or higher and 20% for all housing association investment.	10%
Non-specified investments over 1 year duration.	60%
Each non-rated property fund used for long term investment subject to a maximum £3m (20% of expected long term balances) per fund and across all such funds. No cash limit applies to new resources made available from, or in anticipation of, the sale of existing property assets or other windfalls.	N/A
Each non-rated diversified income (multi-asset) fund and or short dated bond fund used for medium term investment subject to a maximum £3m (20% of expected long term balances) per fund and across all such funds. No cash limit applies to new resources made available from, or in anticipation of, the sale of existing property assets or other windfalls.	N/A

10.4 Cash flow balances vary depending on the timing of receipts and payments during the month and from month to month. The investment limits identified in paragraph 10.2 will be based on an estimate of the expected average daily cash flow balance at the start of the financial year augmented by core cash and other balances. Counterparty investments will be managed to ensure compliance with the limits at

the start and end of each financial year when balances available for investment will be at a low point.

11 Cash flow and core fund investment

11.1 Funds available for investment are split between cash flow and core cash. Cash flow funds are generated from the collection of council tax, business rates and other income streams. They are consumed during the financial year to meet payments to precept authorities and government (NNDR contributions) and to meet service delivery costs (benefit payments, staff salaries and suppliers in general). The consumption of cash flow funds during the course of a financial year places a natural limit on the maximum duration of investments (up to one year). Core funds comprise monies set aside in the Council's revenue and capital reserves and are generally available to invest for durations in excess of one year.

11.2 **Cash flow investments.** The average daily cash flow balance throughout 2023/24 is expected to be £12.5m with a proportion available for longer than three months. Cash flow investments will be made with reference to cash flow requirements (liquidity) and the outlook for short-term interest rates i.e. rates for investments up to 12 months. Liquidity will be maintained by using bank deposit accounts and money markets funds. Where duration can be tolerated, additional yield will be generated by utilising term deposits with banks and building societies and enhanced cash and government liquidity funds. Investment in ultra-short dated bond funds will also be considered. Cash balances available for more than 3 months may be transferred to the core fund portfolio if a better overall return for the Council can be achieved by doing so.

11.3 In compiling the Council's estimates for 2023/24 a return on cash flow investments of 4.18% has been assumed.

11.4 **Core fund investments.** Historically the Council's core funds have been managed by an external fund manager. All core funds were returned to the Council for in-house management during 2014/15. The core fund balance is diminishing as a proportion is consumed each year (approximately £2m per annum) to support the Council's revenue budget and capital expenditure plans. The average core fund balance during 2023/24 is expected to be £13.3m.

11.5 The Council will avoid locking into longer term deals while investment rates continue their current low levels unless attractive rates are available with counterparties of particularly high creditworthiness which

make longer term deals worthwhile and are within the risk parameters set by the Council.

- 11.6 In compiling the Council's estimates for 2023/24 a return on core fund investments of 4.28% has been assumed. Subject to the credit quality and exposure limits outlined in paragraph 10.2, liquidity and yield will be achieved by a mix of investments using predominantly fixed term deposits and certificates of deposit. Notice accounts, enhanced cash and government liquidity funds and ultra-short dated bond funds will also be used if these offer favourable returns relative to term deposits. Investment with housing associations and other local authorities will also be considered.

12 Medium and long term investment

- 12.1 The strategy includes provision (paragraph 10.2 and detailed in Appendix 5) to undertake medium term investment in either short dated bond funds and or diversified income funds (a mix of cash, bonds, equity and property) through externally managed collective investment schemes. Investment in such schemes typically implies a three to five year commitment to recoup entry and exit fees and mitigate the potential for a fall in the value of assets under management.
- 12.2 A detailed evaluation of a funds asset quality, market risk, redemption constraints, management and governance arrangements will be undertaken in advance of any investment taking place. Support to identify and select the most appropriate fund(s) will be sought from the Council's treasury advisor. Any sums invested will be reported at regular intervals with income received and changes in capital value separately identified. The strategy places an upper limit on exposure to such funds of 20% of expected long term cash balances, circa £3m.
- 12.3 The strategy includes provision (paragraph 10.2 and detailed in Appendix 5) to undertake long term investment in property through an externally managed collective investment scheme (fund). Investment in such schemes typically implies a 10 year commitment to recoup entry and exit fees. To mitigate the risk that capital values may fall due to changes in economic activity, investment duration cannot be determined with certainty at the time the investment commences. As a consequence any cash balances applied to such an investment must be available for the long term and there must be flexibility over the timing of redemption(s) in the future. Sums invested will be reported at regular intervals with income received and changes in capital value separately identified. The strategy places an upper limit on exposure to such funds from existing resources of 20% of expected long term cash

balances, circa £3m. No limit applies to new resources made available from the sale of existing assets or other windfalls.

13 Year end investment report

13.1 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

14 Policy on the use of external service providers

14.1 The Council uses Link Asset Services as its external treasury management advisors.

14.2 The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers.

14.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

**Financial Services
January 2023**

Appendices

1. Treasury management scheme of delegation
2. Prudential and treasury indicators
3. Interest rate forecasts
4. Economic background provided by Link Asset Services
5. Credit and counterparty risk management (TMP1)
6. Approved countries for investments

Appendix 1 Treasury management scheme of delegation

Full Council

- Budget approval.
- Approval of treasury management policy.
- Approval of the annual treasury management and investment strategy.
- Approval of amendments to the Council's adopted clauses, treasury management policy and annual treasury management and investment strategy.
- Approval of the treasury management outturn and mid-year reports.

Cabinet

- Budget consideration.
- Approval of the division of responsibilities.
- Approval of the selection of external service providers and agreeing terms of appointment.
- Acting on recommendations in connection with monitoring reports.

Audit Committee

- Reviewing the annual treasury management and investment strategy and making recommendations to Cabinet and Council.
- Receive reports on treasury activity at regular intervals during the year and making recommendations to Cabinet.
- Reviewing treasury management policy, practices and procedures and making recommendations to Cabinet and Council.

Finance, Regeneration and Property Select Scrutiny Committee

- Receiving budgetary control reports at regular intervals that include treasury management performance.

The S151 (responsible) officer

- Recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance.
- Submitting regular treasury management policy reports.
- Submitting budgets and budget variations.
- Receiving and reviewing management information reports.
- Reviewing the performance of the treasury management function.
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.
- Prepare and maintain effective treasury management practices (TMPs).
- Ensuring the adequacy of internal audit, and liaising with external audit.
- Recommending the appointment of external service providers.
- Preparation of a Capital Strategy and for ensuring the strategy is sustainable, affordable and prudent in the long term and that due diligence has been carried out to support each investment decision and those decisions are in accordance with the risk appetite of the authority.

Appendix 2 Prudential and treasury indicators

The prudential indicators relating to capital expenditure cannot be set until the capital programme is finally determined and will as a consequence be reported as part of the Setting the Budget for 2023/24 report that is to be submitted to Cabinet on 14 February 2023.

The treasury management indicators are as set out in the table below:

TREASURY MANAGEMENT INDICATORS	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Authorised Limit for external debt :					
borrowing	nil	7,000	7,000	7,000	7,000
other long term liabilities	nil	nil	nil	nil	nil
TOTAL	nil	7,000	7,000	7,000	7,000
Operational Boundary for external debt:-					
borrowing	nil	4,000	4,000	4,000	4,000
other long term liabilities	nil	nil	nil	nil	nil
TOTAL	nil	4,000	4,000	4,000	4,000
Actual external debt	nil	nil	nil	nil	nil
Upper limit for fixed interest rate exposure > 1 year at year end	nil	It is anticipated that exposure will range between 0% to 60%			
Upper limit for variable rate exposure < 1 year at year end	22,131 (40%)	It is anticipated that exposure will range between 40% to 100%			
Upper limit for total principal sums invested for over 365 days at year end	9,250 (16.7%)	60% of funds			

Maturity structure of fixed rate borrowing during 2022/23 – 2025/26	upper limit	lower limit
under 12 months	100 %	0 %
Over 12 months	0 %	0 %

A new Liability Benchmark indicator has been introduced in 2023/24. Whilst consideration has been given to the Liability Benchmark, this Council is debt free and therefore there is no debt maturity profile to report. The forecast net investment requirement for the next three years (excluding the liquidity allowance) is: 2023/24 £34.3m, 2024/25 £25.6m and 2025/26 £18.8m.

Appendix 3 Interest rate forecasts – December 2022

Link Group Interest Rate View 19.12.22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 mth ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 mth ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 mth ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20
Bank Rate													
Link	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
Capital Economics	3.50	4.50	4.50	4.50	4.50	4.25	4.00	3.50	--	--	--	--	--
5yr PWLB Rate													
Link	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
Capital Economics	4.10	4.00	3.80	3.70	3.50	3.50	3.40	3.30	--	--	--	--	--
10yr PWLB Rate													
Link	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
Capital Economics	4.10	4.00	3.80	3.70	3.60	3.50	3.40	3.40	--	--	--	--	--
25yr PWLB Rate													
Link	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
Capital Economics	4.60	4.40	4.20	4.00	3.80	3.80	3.70	3.60	--	--	--	--	--
50yr PWLB Rate													
Link	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20
Capital Economics	4.20	4.10	4.00	3.90	3.80	3.80	3.70	3.60	--	--	--	--	--

Appendix 4 Economic background based on text provided by Link Asset Services

- 1 **UK.** Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, the UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.
- 2 Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	UK	Eurozone	US
Bank Rate	3.5%	2.0%	4.25%-4.50%
GDP	-0.2%q/q Q3 (2.4%/y/y)	+0.2%q/q Q3 (2.1%/y/y)	2.6% Q3 Annualised
Inflation	10.7%/y/y (Nov)	10.1%/y/y (Nov)	7.1%/y/y (Nov)
Unemployment Rate	3.7% (Oct)	6.5% (Oct)	3.7% (Nov)

- 3 Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q. This was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. CPI inflation has picked up to what is expected to be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.
- 4 The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of circa 500k. The fact is that with many economic participants registered as long-term sick, the UK labour force has shrunk by circa 500k in the year to June. Without an increase in the labour force participation rate, it will be difficult for the UK economy to grow its way to prosperity. Average wage increases are running at over 6% is likely to give the MPC concern that wage inflation will prove just as difficult to manage as the major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.
- 5 Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3.5% in December and the market expects Bank Rate to hit 4.5% by May 2023.

- 6 Globally, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one, if not more, quarters of GDP contraction.
- 7 In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.
- 8 The pound has strengthened, recovering from a record low of £1.035, to £1.22. Notwithstanding the pound's better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.
- 9 **Central Bank Concerns.** In December, the Fed decided to push up US rates by 0.5% to a range of 4.25% to 4.5%, whilst the MPC followed by raising Bank Rate from 3% to 3.5%, in line with market expectations. EZ rates have also increased to 2% with further tightening in the pipeline.
- 10 The sentiment expressed in the press conferences in the US and the UK were very different. In the US, Fed Chair, Jerome Powell, stated that rates will be elevated and stay higher for longer than markets had expected. Governor Bailey, here in the UK, said the opposite and explained that the two economies are positioned very differently so you should not, therefore, expect the same policy or messaging.
- 11 Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.5% - 4.75%, caution is advised as the Bank of England Quarterly Monetary Policy Reports have carried a dovish message over the course of the last year, only for the Bank to have to play catch-up as the inflationary data has proven stronger than expected.
- 12 The Bank's central message that GDP will fall for eight quarters starting with Q3 2022 may prove to be a little pessimistic. Households have accumulated excess savings of circa £160bn through the Covid lockdowns which may provide a spending buffer for the economy. Ultimately, however, it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening / tightening in the interest rate outlook in the US may also have an effect.

Appendix 5 Credit and counterparty risk management (TMP1)

All specified and non-specified Investments will be:

Subject to the sovereign, counterparty and group exposure limits identified in the Annual Investment Strategy (Section 10).

Subject to the duration limit **where applicable** suggested by Link (+6 months for UK institutions) at the time each investment is placed.

Subject to a maximum of 60% of funds being held in non-specified investments at any one time.

Sterling denominated.

Specified Investments (maturities up to 1 year):

investment	Minimum Credit Criteria
UK Debt Management Agency Deposit Facility	UK Sovereign A-
Term deposits - UK local authorities	UK Sovereign A-
Term deposits - UK nationalised banks	UK Sovereign A- Counterparty BBB, F2 or Green excluding CDS
Term deposits – all other banks and building societies	UK Sovereign A- / Non-UK Sovereign AA- Counterparty A-, F1 or Green excluding CDS
Certificates of deposit - UK nationalised banks	UK Sovereign A- Counterparty BBB, F2 or Green excluding CDS
Certificates of deposit – all other banks and building societies	UK Sovereign A- / Non-UK Sovereign AA- Counterparty A-, F1, or Green excluding CDS
UK Treasury Bills	UK Sovereign A-
UK Government Gilts	UK Sovereign A-
Bonds issued by multi-lateral development banks	AAA
Sovereign bond issues (other than the UK Gov't)	AAA
Money market funds (CNAV, LVNAV or VNAV)	AAA
Enhanced cash / Government liquidity / Ultra-short dated bond funds	AA

Non-specified Investments (maturities in excess of 1 year and any maturity if not included above):

Investment	Minimum Credit Criteria	Max duration to maturity
Fixed term deposits with variable rate and variable maturities (structured deposits) - UK nationalised banks	UK Sovereign A- Counterparty BBB,F2 (Green)	2 years
Fixed term deposits with variable rate and variable maturities (structured deposits) - banks and building societies	UK sovereign A- / Non-UK Sovereign AA- Counterparty A-, F1 (Green)	2 years
Term deposits - local authorities	UK Sovereign A-	3 years
Term deposits - UK nationalised banks	UK Sovereign A- Counterparty BBB,F2 (Green)	2 years
Term deposits - banks, building societies	UK Sovereign A- / Non-UK Sovereign AA- Counterparty A-, F1 (Green)	2 years
Term deposits – housing associations	UK Sovereign A- Counterparty A-	2 years
Certificates of deposit - UK nationalised banks	UK Sovereign A- Counterparty BBB,F2 (Green)	2 years
Certificates of deposit - banks and building societies	UK Sovereign A- / Non-UK Sovereign AA- Counterparty A-, F1 (Green)	2 years
Commercial paper - UK nationalised banks	UK Sovereign A- Counterparty BBB,F2 (Green)	2 years
Commercial paper - banks and building societies	UK Sovereign A- / Non-UK Sovereign AA- Counterparty A-, F1 (Green)	2 years
Floating rate notes issued by multilateral development banks	AAA	2 years
Bonds issued by multilateral development banks	AAA	2 years
Sovereign bonds (other than the UK Government)	AAA	2 years
UK Government Gilts	UK Sovereign A-	5 years
Property funds	N/A	N/A
Diversified income and or short dated bond funds	N/A	N/A

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

Appendix 6 Approved countries for investments

Each financial institution must meet the minimum credit criteria specified in the Annual Investment Strategy (Section 10). For non-UK regulated institutions the institutions sovereign must be rated AA- or higher by each of the three rating agencies - Fitch, Moody's and Standard and Poor's.

This list will be reviewed and amended if appropriate on a weekly basis by the Director of Finance and Transformation.

As of 19 December 2022 sovereigns meeting the above requirement which also (except for Hong Kong and Luxembourg) have banks operating in sterling markets with credit ratings of green or above on the Link Asset Services' Credit Worthiness List were:

AAA	Australia Denmark Germany Netherlands Norway Singapore Sweden Switzerland
AA+	Canada Finland USA
AA	Abu Dhabi (UAE) France
AA-	Belgium Qatar UK

At 19 December 2022 the UK received a credit rating of AA-

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Non-treasury Management Practices

1 Introduction

- 1.1 The Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries, and investment property portfolios.
- 1.2 The Council will ensure that all its investments are covered in a capital strategy, investment strategy or equivalent, and will set out, where relevant, the Council's risk appetite and specific policies and arrangements for non-treasury investments. It is recognised that the risk appetite for these activities may differ from that for treasury management.
- 1.3 The Council will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and the organisation's risk exposure.
- 1.4 The Council recognises that many of the principles underlying treasury management practices will apply to non-treasury investments as they do to treasury investments. However, some aspects are likely to differ significantly.
- 1.5 It is recognised that the Council may make investments for policy reasons outside of normal treasury activity, and these may include:
 - Service investments – these are held clearly and explicitly in the course of the provision, and for the purposes of, operational services, including regeneration
 - Commercial investments – these are undertaken for mainly financial reasons. They may include:
 - Investments as part of business structures, such as loans to and shares in subsidiaries.
 - Investments explicitly taken out with the aim of making a financial surplus for the council and include commercial properties
- 1.6 The investment practices for non-treasury investments detailed below will be complied with by all officers and agencies responsible for such investments. These practices will evolve over time and will be subject to annual review.

2 Risk management (NTMP 1)

- 2.1 Investment of the Council's cash surpluses and reserves is governed by the CIPFA Treasury Management Code of practice and DLUHC Statutory Guidance. These require authorities to prioritise security and liquidity over yield. Compliance aims to protect the value of sums invested and ensure funds are available to spend as spending commitments arise. Investment in equity, bonds or property are likely to fail the security and liquidity tests and are therefore considered inappropriate for short term cash surplus and reserve fund management purposes.
- 2.2 Commercial property covers a broad range of property uses and types including, retail outlets, office accommodation, warehouses, industrial units, and residential accommodation.
- 2.3 Risks associated with commercial property ownership include:
- Close correlation between value and changes in **GDP**. Values fall significantly in a downturn. Values rise when the economy is growing.
 - Property is **illiquid** both in terms of transaction times and price transparency.
 - **Tenant covenant strength** will impact on ability to meet rental payments, lease renewal, exercise break clauses and CVA.
 - **Valuations** are not a guarantee of sale price and may be subject to investor confidence / sentiment.
 - **Stock, sector, and geographic** risk will all impact on the value of a particular property.
 - Subject to **environmental risk** such as flooding and land contamination.
 - **Interest rate** changes not only affect the cost of borrowing but also bond / equity prices which may impact on the relative attractiveness of property.
 - Changes in **legislation and regulation** e.g. energy efficiency may involve additional cost to the investor.
 - Changes in **taxation** (stamp duty / SDLT) may affect value.
- 2.4 Risks will be explored in the property acquisition business case and through regular monitoring of the property market post acquisition. Nevertheless, risk will persist.
- 2.5 A risk assessment is provided at **[Appendix 1]**.

3 Decision making, governance and organisation (NTMP 2)

- 3.1 Any new commercial property investment will be subject to a business case that meets HM Treasury Green Book standards. The report seeking Capital Plan budget provision will follow the normal budget approval process (O&S, Cabinet and Council).
- 3.2 Day to day management of commercial property investments is delegated to the Director of Central Services (DCS). The DCS will undertake that management using in-house resources or appoint specialist external agents where appropriate. Functions include:
- Collection of rent & service charges
 - Establishing lease terms
 - Advertising vacant units
 - Negotiating tenant lease agreements
 - Monitoring the commercial property market
 - Undertaking annual property revaluations
- 3.3 New lease agreements will be certified, without delegation, by the DCS. Any rent free periods and other tenant inducements will be reported under the reporting arrangements detailed in NTMP 4.
- 3.4 The Director of Finance and Transformation will undertake a periodic reconciliation of income and expenditure. Internal audit, subject to a risk assessment, will review commercial property activity.

4 Performance management (NTMP 3)

- 4.1 Baseline performance requirements for commercial properties will be drawn from the business case submitted as part of property purchase approval. Gross income, service costs and tenant arrears will be monitored against baseline on a quarterly basis. Variation from a pre-determined tolerance level will trigger a report to the Council's Management Team and, if appropriate, will be escalated in accordance with NTMP 4.
- 4.2 Performance of the Council's commercial property function and that of any associated external support will be monitored and reviewed annually to ensure best practice and value for money are being achieved.

5 Reporting and management information (NTMP 4)

- 5.1 An information report setting out the performance of the Council's commercial property investments will be prepared by the Director of

Central Services and submitted to Members. Reports will be subject to prior consideration by the Council's Management Team.

- 5.2 Reports will include:
- A commentary on commercial property market conditions
 - Gross income against budget
 - Income performance against benchmark
 - Operating costs
 - Changes in occupancy
 - Changes to existing lease agreements / new lease agreements
 - Tenant arrears
 - Market value (to be reported annually).
- 5.3 Commercial property investment performance against budget will also be incorporated in the financial planning & control reports submitted to members.
- 5.3 Any extraordinary issues that are likely to generate a change in budget requirement will be subject to endorsement by Cabinet and approval by Council.

6 Training and qualifications (NTMP 5)

- 6.1 Members and officers involved in the property investments decision making process need to have appropriate capacity, skills, and information to enable them to take informed decisions as to whether to enter into a specific property investment.
- 6.2 The Councils employs qualified property, legal and finance officers to manage activity and provide advice within their respective disciplines. Specialist external advisors will be engaged where appropriate. Member training will be provided in-house or by external agents when required.

Property Investment – Risk Register

Risk	Risk Areas	Likelihood 1(low) 6(High)	Impact 1(low) 4(High)	Total Score	Controls
Downturn in property market	Capital value and income potential reduce for purchased assets.	4	4	16	Continued monitoring of markets. Sale of Assets at a benchmarked threshold. Annual Valuation.
Upturn in property market	Purchase cost of potential assets increases.	4	3	12	Continued monitoring of markets. Adjusting purchase criteria to reflect market movement. Consider sales of assets for capital gain. Annual Valuation.
Increase in interest rates (borrowing)	Cost of borrowing where adopted increases with detrimental impact on income.	4	3	12	Ensure most competitive rate achieved if borrowing, fixed term if possible. Consider increased use of reserves to ensure loan to value ratios are acceptable.
Increase in interest rates (investment)	Lower rate of return when compared to other potential investments	4	3	12	Consider revising income return criteria upwards. Consider disposal of assets for re-investment.
Available opportunities	Market opportunities meeting investment criteria not available.	4	3	12	Identify opportunities early and move swiftly to acquire.
Changes in Tenant demand	Certain types of property may become less favorable with tenants.	3	3	9	Consider alternative use at acquisition. Construct a varied portfolio by use.

Risk	Risk Areas	Likelihood 1(low) 6(High)	Impact 1(low) 4(High)	Total Score	Controls
Obsolescence of Asset	Physical obsolesce in terms of building fabric and fit out.	3	3	9	Ensure full repairing and insuring leases are in place via pre-purchase due diligence. Have building surveys undertaken to establish condition of building.
Tenant default	Loss of rental income, increased costs incurred.	3	3	9	Undertake financial due diligence of tenants pre-purchase, obtain the best possible tenant covenants. Look for guarantors or cash deposits where covenants are considered weak. Consider multi-tenanted properties in order to diversify risk. Ensure robust credit control procedures in place. Monitor tenant company performance.
Void periods	Loss of rental income, holding costs incurred – rates, utilities etc. Costs of re-letting.	3	3	9	Monitoring tenancies as described above. Move quickly to appoint letting agents should a “void” period appear likely. Act expediently in concluding legal process of letting.
Government Legislation - Energy Performance (Minimum Energy Efficiency Standards, MEES)	From 1 April 2018 it is illegal for a landlord to grant a new letting of a commercial property that has an EPC of below E.	4	3	12	Undertake appropriate pre purchase due diligence to establish what the EPC rating of a property is and purchase accordingly. Identify if opportunities exist to increase the EPC rating appropriately.
Illiquidity of Property Assets	Asset identified for disposal to raise capital receipt or for reinvestment.	4	4	16	Ensure that assets are kept “sale ready” in terms of documentation and information.

Risk	Risk Areas	Likelihood 1(low) 6(High)	Impact 1(low) 4(High)	Total Score	Controls
Staff Resources	Lack of suitably professionally qualified staff.	3	3	9	Ensure that appropriately professionally qualified staff, with experience in Property Investment, are available to act on the Council's behalf.
Residential Properties – generally all of the above plus greater landlord input, more management intensive	Residential Properties generally require a more active landlord involvement, maintaining the structure and services of a property – maintenance costs and management costs are therefore higher.	4	3	12	Ensure that increased holding costs are factored into purchase valuations. Appoint external professionals to manage landlord and tenant processes. Ensure that tenant deposits are taken.

Assessing risks

Identified risks need to be assessed so that they may be evaluated to determine their severity and to present an overall picture of the extent of the combined risks on the achievement of the objectives. The Council recognises 3 levels of risk:

LOW	MEDIUM	HIGH
1 – 4	5 – 12	15 – 24

The scoring of risks will be carried out using a Likelihood & Impact matrix, see table below with accompanying definitions.

Likelihood	Almost inevitable	6	6 Medium	12 Medium	18 High	24 High
	Very likely	5	5 Medium	10 medium	15 High	20 High
	Likely	4	4 Low	8 Medium	12 Medium	16 High
	Unlikely	3	3 Low	6 Medium	9 Medium	12 Medium
	Very Unlikely	2	2 Low	4 Low	6 Medium	8 Medium
	Almost impossible	1	1 Low	2 Low	3 Low	4 Low
			1	2	3	4
Impact □			Negligible	Marginal	Significant	Critical

Agenda Item 17

Due to the timescale and print deadlines, the recommendations of the meeting of Cabinet held on 14 February 2023 will be circulated to Members in advance of the meeting of Council.

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TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

14 February 2023

Report of the Director of Street Scene, Leisure & Technical Services and Cabinet Member for Technical & Waste Services

Part 1- Public

Matters for Recommendation to Council

1 HOUSEHOLD RECYCLING AND WASTE SERVICE

Summary

The report outlines opportunities to maintain and improve service provision in relation to the Council's Waste Services Collection Contract, which is provided in Partnership with Tunbridge Wells Borough Council. The report advises on a proposed extension to previously agreed support for a further 5 month period in relation to the recent and ongoing impacts of HGV market conditions and support for a proposed Phase 2 of re-rounding. Members of the Communities and Environment Scrutiny Select Committee have also been advised on the proposals below at their meeting on the 8 February 2023 to seek any recommendations or observations they may have to Cabinet; a verbal update will be provided at the meeting.

1.1 Introduction and Background

1.1.1 In 2018 the Council jointly awarded a contract with Tunbridge Wells Borough Council (TWBC) to Urbaser Ltd and Urbaser SA for street cleansing and the collection of household waste and recycling. The contract commenced in March 2019 with an 8-year term.

1.1.2 This report considers two areas in relation to the operation of the contract. The first relates to the time limited provision of limited financial assistance previously agreed by the councils for the period May to October 2022 (inclusive). The second sets out a proposal from Urbaser to undertake changes to the current food, recycling and refuse collection rounds and the introduction of a new fleet of collection vehicles during 2023.

1.2 Provision of Limited Financial Assistance By Way of Additional Payments

1.2.1 In response to the HGV driver shortage, Urbaser proposed the introduction of an enhanced pay rate for its HGV drivers working in the joint contract to reflect the pressures in the employment market. The aim of the enhanced pay rate was to improve the recruitment and retention of drivers, ensuring that sufficient drivers

were available and aid the reinstatement of suspended garden waste service in early 2022.

- 1.2.2 A proposal was put forward for the additional unexpected staffing costs to be shared between the two councils and Urbaser. This proposal was approved under a Cabinet Member Decision Notice and a six-month agreement to make additional payments to provide limited financial assistance between May and October 2022 (inclusive) was put in place.
- 1.2.3 As a result, the recruitment and retention of drivers has improved. There is now a higher proportion of directly employed drivers and a reduced reliance on temporary agency staff. The same is also the case for loaders and this has led to an increase in consistency of staff on collection rounds.
- 1.2.4 The pressures, however, continue to exist in the HGV driver market with wage settlement running ahead of inflation and market conditions have not improved. In response, Urbaser has asked for this support to continue for the remaining years of the contract, reviewed on an annual basis. The two councils acknowledge that pressures remain in the driver market and that the position since the first period of financial assistance (May to October 2022) were agreed has not significantly altered.
- 1.2.5 The annual contract sum is subject to a contractual annual indexation each April calculated using the RPI and DERV indices from the preceding October. The estimated indexation from 1 April 2023 is 16.3% and the councils' view is that this level of indexation takes into account the increased wage costs currently being experienced and that this, together with future annual indexation, removes any need to continue to provide this support beyond April 2023. In recognition of the ongoing exceptional circumstances during 2022/23 the two councils are minded to agree to an extension of the previously approved additional payments but only until 31 March 2023, conditional upon the contractor continuing to provide agreed and satisfactory evidence. The value of these monthly payments for TMBC is a maximum of £15,356 giving an additional cost from November 2022 to March 2023 (inclusive) of £76,780. As with the initial supplemental payment, this cost can be funded from the Budget Stabilisation Reserve to protect the garden waste income stream. The Revised Estimates for 2022/23 being considered by Cabinet on 14 February have been updated accordingly.
- 1.2.6 The councils have received confidential and privileged legal advice and have concluded that the proposed limited extension of financial support by way of these additional payments, is permitted under the Public Contracts Regulations 2015. The payments are made in order to address unexpected additional costs to Urbaser caused by unexpected changes in market conditions and are only paid upon satisfactory evidence of those costs being provided to the councils.
- 1.2.7 The councils will publish an appropriate procurement notice (a Voluntary Ex-Ante Transparency Notice - a VEAT Notice) in the Official Journal of the European

Union and the Find a Tender Service. Any agreement for the proposed further payments will not be entered in to until the expiry of period and absence of a challenge.

1.3 Re-rounding and Re-fleeting

- 1.3.1 Members will be aware that Urbaser has already reviewed and implemented the re-rounding of the Garden Waste Service in November 2022 (Phase 1). This was undertaken to re-balance the number of properties per round to reflect the changes in subscription numbers and new housing developments. The changes also allowed for the creation of dedicated collections crews to be based at the Tonbridge and Tunbridge Wells depots and serve the respective council areas. The crews now have an improved familiarity with the area improving service provision for residents.
- 1.3.2 Apart from the recent suspension of the garden waste service due to the implications of the adverse weather in December and the usual catch-up arrangements following the Christmas and New Year period, the introduction of the new rounds has gone to plan. The full benefits are expected to be seen during the main growing season.
- 1.3.3 Urbaser has now approached the two councils with a request to consider the implementation of a second phase of re-rounding that will involve changes to food, recycling and refuse collections. This Phase 2 also contains a proposal to replace the existing vehicle fleet with brand new vehicles of different configuration to fully optimise the efficiencies from re-rounding.
- 1.3.4 Currently, although on recycling week, separate vehicles are deployed to collect food waste, some food waste is collected on the same vehicles as the refuse. The proposed new fleet configuration will introduce an entirely separate food waste collection vehicles to service all properties that currently have a food waste collection. There would then be dedicated vehicles for both recycling and refuse collections. All of these materials will still be collected on the same day, but residents may see a change in their collection day and/or week of collection. If the proposal is approved, it would be implemented in Tonbridge & Malling in July 2023 following a communication campaign to inform residents of the specific changes to their collections.
- 1.3.5 Combining the rebalancing of the collection rounds with the vehicle re-fleeting will enable the optimisation of the collection service, taking into account actual and projected property growth, the changes in waste composition, volume and weight from changing habits and the expected new legislation and guidance, including the forthcoming change requiring the collection of food waste from all properties.
- 1.3.6 The re-rounding and re-fleeting will enable a more efficient use of resources to meet the changing demands on the service, reducing travel distances and vehicle down time and improving the stability of the service.

- 1.3.7 To realise the maximum efficiencies from the re-rounding and re-fleeting will require the early lease termination of a number of the current vehicles. Urbaser has requested that the two councils assist with the implementation costs of the Phase 2 proposals and is seeking a contribution towards the early lease termination costs associated with a number of the existing fleet. The total cost of termination will be in the region of £775,000 and following discussions with Urbaser, the contribution that has been sought from the councils is set at a maximum of £150k per council. Any agreed payment would be made in the 2023/24 financial year, and the draft budget for 2023/24 being considered by Cabinet at its meeting on 14 February has been updated accordingly. As this is a one-off, designed to stabilise the waste contract and service delivery, it is being proposed to Cabinet that the additional cost is also funded from the Budget Stabilisation reserve.
- 1.3.8 Urbaser is proposing to lease circa 44 new vehicles, subject to finalising the requirements of the new rounds, and has requested our consent for the lease to be 8 years. This is the accepted industry norm for the lifecycle of a new vehicle, but this approach will result in the vehicle leases expiring beyond the end of the existing service contract. Entering into a lease of this length will result in lower monthly vehicle costs to Urbaser to offset against the cost of implementing the Phase 2 changes. This proposal will also contribute to long-term cost certainty (to the benefit of both councils and their populations) by securing a fleet of vehicles for use for 4 years from April 2027 by the next service provider(s) of their recycling and waste collection service at a known monthly cost. This benefit would also be achieved if the service was brought in-house by one, or both, of the councils, allowing a transition period with the key assets in place and not being exposed to the need to compete with established service providers for new vehicles in a congested market during the start-up period.
- 1.3.9 Planning for the next vehicle change in 2031 will also allow the electric vehicle market to have matured further and give the councils time to investigate and implement the enhancements necessary for the associated power network infrastructure.
- 1.3.10 The engines of the new fleet will meet the most recent Euro VI emissions standards, and, unlike the existing fleet, they will be capable of running on the biofuel HVO (hydrotreated vegetable oil) the use of which can significantly reduce the carbon dioxide emissions in comparison to diesel. The option of using HVO can be considered in 2027. In the meantime, the re-rounding is expected to reduce vehicle mileage and emissions and other opportunities to reduce emissions, such as the use of electric bin lifts on the vehicles are being explored.
- 1.3.11 The 8-year lease length will require the councils to enter into an appropriate contract variation to provide a binding commitment that the vehicle lease(s) will be transferred either to the council(s) or to the new service provider(s) from April 2027. The two councils will also need to enter in to binding agreement to confirm which vehicles each council will take responsibility for from April 2027.

- 1.3.12 The councils have received confidential privileged legal advice and have concluded that the above proposal is permitted under the Public Contracts Regulations 2015.
- 1.3.13 The councils consider that the proposal does not amount to a substantial modification of the contract. It does not alter the scope or nature of the contract but brings about efficiencies and service improvements to the benefit of the councils and the populations they serve.
- 1.3.14 The proposed contribution to the vehicle termination costs does not alter the economic balance of the contract in favour of the incumbent. The changes will benefit the councils during the remainder of the contract with improved performance and a response to new legislation. The longer-term vehicle lease agreements will also be beneficial to the Council when the current contract expires as part of any option to provide the service in house or re-procure as a partnership or individually.
- 1.3.15 The re-fleeting and re-rounding proposals do not fundamentally change the character of the service, nor the contract originally procured, retaining the collection of the same material streams as set out in the contract specification.
- 1.3.16 As above, and as part of their commitments to transparency, the councils will publish an appropriate procurement notice (a Voluntary Ex-Ante Transparency Notice - a VEAT Notice) in the Official Journal of the European Union and the Find a Tender Service

1.4 Summary

- 1.4.1 The recommendation is to accept both aspects of the proposal detailed above. This will meet both objectives of ensuring the retention of necessary staff in light of continuing difficulties in the HGV driver market and bringing about long-term cost certainty and efficiencies as detailed above.

1.5 Legal Implications

- 1.5.1 The councils have received confidential privileged legal advice and have concluded that the above proposals are permitted under the Public Contracts Regulations 2015.
- 1.5.2 The councils will publish an appropriate procurement notice (a Voluntary Ex-Ante Transparency Notice - a VEAT Notice) in the Official Journal of the European Union and the Find a Tender Service in respect to all proposals above. Any agreement for the proposed further payments will not be entered in to until the expiry of period and absence of a challenge.

1.6 Financial and Value for Money Considerations

- 1.6.1 The Council's draft Estimates for 2022/23 (revised) and 2023/24 being considered by Cabinet on 14 February have been updated to reflect these recommendations.

1.7 Risk Assessment

- 1.7.1 Rejecting the proposal for additional payments would risk staff not being retained until April 2023 (when increased staffing costs will be reflected by indexation in the contract). This would present an unacceptable risk of service(s) having to be cut or suspended (as happened previously with the Garden Waste service) and is likely to require the provision of higher levels of support to re-recruit and retain staff.
- 1.7.2 Rejecting the proposal relating to vehicle leases would mean that the councils will not secure the benefits of a new fleet of vehicles with the long-term cost certainty or the beneficial effect on the next contract, however this is provided, that this will bring.
- 1.7.3 The proposal for the councils to take on responsibility for the new fleet of vehicles from April 2027 presents an element of risk. At the time of considering this proposal the configurations of the new vehicles are industry standard and the expectation is that they will meet the needs of the service for the long-term foreseeable future.
- 1.7.4 The vehicles will be maintained by the supplier under the lease contract, and it is in all parties' interests to ensure that they are suitably maintained. The councils will carry out regular monitoring of maintenance records during the remainder of the current service contract. The current contractor has committed to an annual review of each vehicles' condition; provision of annual service & maintenance records; and an annual review of mileage. In addition, each vehicle will be subject to a full condition survey in the run up to the next service procurement exercise and at the handover of the vehicles in March 2027.
- 1.7.5 From March 2027, the liabilities for the lease costs and associated maintenance costs will be borne by the new contractor should the Council decide to go out to procurement for the services by a third party for 2027 onwards. Should the Council decide to bring the services in-house, the Council would bear this liability. In both cases these costs would have to be borne by either party anyway as part of future service provision.
- 1.7.6 There are operational risks associated with the effective implementation of the new collection rounds. A project team is in place with membership from Urbaser, Tunbridge Wells BC and this Council. A separate TMBC team will be re-established, involving representatives from the Communications and IT teams together with the operational representatives.

1.8 Equality Impact Assessment

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

1.9 Policy Considerations

1.9.1 Climate Change, Community and Procurement

1.10 Recommendations

1.10.1 Cabinet is requested to RECOMMEND to Council:

- 1) that Council gives authority to the Director of Street Scene, Leisure and Technical Services to extend, for the period November 2022 to March 2023, the provision of limited financial assistance to Urbaser Ltd and Urbaser SA in respect of the contract originally procured and that the value of this (£77,000) be reflected in the Revised Estimates for 2022/23 and funded from the Budget Stabilisation Reserve;
- 2) that Council approves a one-off contribution to Urbaser Ltd of up to £150,000 towards the costs of terminating a number of existing collection vehicle leases to facilitate the provision of a new fleet of collection vehicles in 2023/24 and that the value of this be reflected in the Estimates for 2023/24 and be funded from the Budget Stabilisation Reserve;
- 3) that Council gives authority to the Director of Street Scene, Leisure and Technical Services in consultation with Director of Finance and Transformation and Director of Central Services to complete all necessary negotiations, legal processes and legal documentation to enter into an agreement with Urbaser Ltd to allow for the transfer of the new vehicle lease(s) to the Council in conjunction with Tunbridge Wells Borough Council or to the organisation(s) contracted to provide the two councils' household waste collection service on the expiry of the current joint recycling and waste collection and street cleansing contract;
- 4) that Council gives authority to the Director of Street Scene, Leisure and Technical Services in consultation with the Director of Finance and Transformation and the Director of Central Services to complete all necessary negotiations, legal processes and legal documentation and enter into an agreement with Tunbridge Wells Borough Council to share the liability for the new vehicle fleet from the end of the current joint recycling and waste collection and street cleansing contract; and
- 5) that Council notes that a Voluntary Ex-Ante Transparency Notice will be published containing details of the proposed changes set out in recommendation 1,2 and 3 to cover the items highlighted above.

The Director of Street Scene, Leisure & Technical Services 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 Lanes

Nil

Councillor Piers Montague
Cabinet Member for Technical & Waste Services

Robert Styles
Director of Street Scene, Leisure & Technical Services

TONBRIDGE & MALLING BOROUGH COUNCIL

COUNCIL

21 February 2023

Report of the Director of Central Services and Deputy Chief Executive

Part 1- Public

Matters For Decision

1 POLITICAL BALANCE ARRANGEMENTS FOR COMMITTEES

This report asks Members to determine the political balance arrangements for the Borough Council's committees, sub-committees, boards and panels following the resignation of Cllr Nick Stapleton of the Green Party.

1.1.1 Under section 15 of the Local Government and Housing Act 1989 (duty to allocate seats to political groups) and the Local Government (Committees and Political Groups) Regulations 1990, the Council is required to review the composition of any of its committees and sub-committees to which those provisions apply at the annual meeting of the Council and after any election.

1.1.2 The number of seats held by each of the political parties is as follows:

Group	Total	%
Conservative	37	69.81
Liberal Democratic	9	16.98
Green	3	5.66
Independent Alliance (Kent)	3	5.66
Ungrouped (Cllr Hickmott)*	1	1.89
Total	53	100

*note that for the purposes of the 1989 Act & 1990 Regulations Labour is not a political group at Tonbridge & Malling Borough Council, having less than 2 elected members. Cllr Hickmott is therefore an independent councillor for the purposes of calculating political balance. Members are also asked to note that the seat vacated by the resignation of Cllr Stapleton is not included in the total figures as the legislation applies only to persons who are for the time being members of the authority.

1.1.3 The Council is required to determine the composition of its committees to reflect this political balance and to ensure that:

- (a) not all the seats on the committee to which appointments are made are allocated to the same political group;

(b) the majority of seats on the committee is allocated to a particular political group if the number of persons belonging to that group is a majority of the authority's membership;

(c) subject to (a) and (b), the total number of seats allocated to a particular political group reflects that group's proportion of the membership of the authority;

(d) subject to (a) and (c) the number of seats on each committee allocated to a particular group reflects that proportion of the membership of the authority.

1.1.4 The duty on the Council is to give effect to the above principles **so far as reasonably practicable**. This recognises that there cannot be an exact application of the rules.

1.1.5 The political group composition of the Council has been calculated as follows (based upon 128 seats in total and reflecting the duty set out at 1.1.4 above):

	Conservative Group	Liberal Democrat	Green	Independent Alliance Kent	Ungrouped	Total Seats
No. of seats	89 (+1)	22 (+1)	7 (-3)	7 (-)	3 (+1)	128
%	69.81%	16.98%	5.66%	5.66%	1.89%	100%

1.1.6 The table below shows the number of committees of various sizes which need to be politically balanced and the way in which the total number of available seats might be allocated to reflect the proportions on the Council as a whole. In consequence, it is suggested that those committees requiring to be politically balance be composed as follows. The numbers shown in brackets represent changes from the existing committee seat numbers.

Committee	Size	Con	Lib Dem	Ind All	Green	Ungrouped
Overview and Scrutiny	18	13(+1)	3	1	1(-1)	0
Licensing and Appeals	15	10	3	1	1	0
Communities and Environment Scrutiny Select Committee	15	10	2	1	1(-1)	1(+1)
Finance, Regeneration and Property Scrutiny Select Committee	15	11	3	0	1	0

Housing and Planning Scrutiny Select Committee	15	10	3	1	1	0
General Purposes	14	10	2	1	1	0
Joint Standards	13	9	2(+1)	1	1	0(-1)
Audit	9	6	1	1(+1)	0(-1)	1
JECC	9	6	2	0(-1)	0	1(+1)
Housing Association Liaison Panel	5	4	1	0	0	0
Total Number of Seats	128	89	22	7	7	3
Total Number of Seats Allocated						128

1.1.7 As a result of the revised political balance allocation there are consequential changes to the composition of Committees, Boards and Panels/Groups. These are summarised in Annex 1 to the report.

1.2 Legal Implications

1.2.1 The Council is required to review the composition of its committees in accordance with the Local Government and Housing Act 1989 (duty to allocate seats to political groups) and the Local Government (Committees and Political Groups) Regulations 1990.

1.3 Financial and Value for Money Considerations

1.3.1 Not applicable

1.4 Risk Assessment

1.4.1 Not applicable

1.5 Equality Impact Assessment

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

1.6 Policy Considerations

1.6.1 Not applicable

1.7 Recommendations

1.7.1 RECOMMENDED that the composition of all committees, sub-committees and boards be approved in accordance with the table at paragraph 1.1.5 and the Monitoring Officer make any consequential amendments to the Council's constitution in respect of political balance.

Background papers:

Nil

contact: Allison Parris
Principal Democratic Services
Officer

Adrian Stanfield
Director of Central Services and Deputy Chief Executive

Changes to Committee Appointments – February 2023

Consequential changes to the composition of Committees, Boards and Panels/Groups arising from the revised political balance are set out below:

(1) Overview and Scrutiny Committee:

- 1 seat to Conservative Group to be filled by Cllr N Foyle who replaces Cllr A Cope (Green)
- Cllr G Thomas replaces Cllr D Cooper as substitute

(2) Joint Standards Committee:

- 1 seat to Liberal Democratic Group to be filled by **TO BE CONFIRMED**

(3) Communities and Environment SSC:

- 1 seat to Labour Group to be filled by Cllr P Hickmott who replaces 1 Green Councillor – **TO BE CONFIRMED**

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Notice of Motion submitted pursuant to Council Procedure Rule No. 5.27

To consider the following Notice of Motion proposed by Councillor F Hoskins, seconded by Councillor G Bridges, on behalf of the Liberal Democrat Group in relation to Save our Rivers:

This Council notes that:

- (1) Every river in England is now polluted beyond legal limits;
- (2) The Environment Agency rated only 14% of rivers as 'Good' in 2019.
 - This chemical pollution is mostly caused by sewage discharges from water companies and the run-offs of nutrients from farms.
 - 36% of English rivers have been damaged by water companies.
 - Southern Water released 184 spills in the river Medway and its tributaries in the Tonbridge area during 2021.
 - Government funding to the Environment Agency to monitor river quality and regulate farms and water companies has dropped 75% since 2010/11.
 - In 2020 just 3.6% of pollution complaints made to the Agency resulted in penalties.
 - Farms are now almost never inspected, water quality is rarely tested, and water companies can pump raw sewage into rivers with virtual impunity.
 - In addition, tyre particles, metals from brake pads, and hydrocarbons from vehicle emissions wash off road surfaces and into rivers introducing potentially carcinogenic material into the water supply.
 - Phosphates are naturally occurring minerals found in human waste and can lead to dramatic growth in algae and can deplete oxygen levels when they are dumped in our rivers.
 - The latest targets approved on January 26th of 80% reduction of phosphates in rivers by 2038 allows water companies to continue dumping for another 15 years
 - Our River Medway and its tributaries in Tonbridge are particularly threatened by further sewage discharges.

This Council believes that the UK Government should commit to:

- Restoring Environment Agency budgets to deliver the necessary oversight.
- Increasing inspection regularity of water companies and farms, and rigorously prosecuting offenders through the Environmental Audit Committee and Ofwat.
- Funding local and highways authorities to introduce systems to prevent road pollutants from entering our water courses.
- Setting more ambitious targets for water companies to improve storm overflows.

Council resolves to request the Chief Executive write to:

- The Secretary of State for Environment, Food and Rural Affairs calling for the Government to make these commitments.
- The Chairperson of the Parliamentary Environmental Audit Committee to advocate for greater enforcement of existing regulatory powers.
- The Chief Executive of Southern water calling for urgent action to address the impact of waste-water discharges on our local rivers.
- The Regional Director of the National Farmers' Union requesting clarification on the action being taken locally by farmers to prevent nutrient run-off.
- The charities River Action and The Rivers Trust expressing this Council's support for their campaign to restore the health of Britain's rivers.

Local MPs Tom Tugendhat and Tracey Crouch to be copied into this correspondence and asked for their support.

Schedule OCTOBER - FEBRUARY

The Minutes from meetings of the Cabinet and Committees held since the last meeting of Council are set out in the Minute Book.

Any recommendations for Council arising from these Minutes are identified in the Minute Book by an arrow and for ease of reference the relevant page and referral numbers are identified (in bold) in the Schedule set out below:

Meeting	Page Nos in Minute Book	Recs to Council/ Chairman
11 October 2022: Finance, Regeneration and Property SSC <ul style="list-style-type: none"> • Minute Numbers: FRP 22/9-15 	5-8	Cllr R Cannon
19 October 2022: Communities and Environment SSC <ul style="list-style-type: none"> • Minute Numbers: CE 22/7-15 	9-14	Cllr S Hudson
25 October 2022: Council <ul style="list-style-type: none"> • Minute Numbers: C22/65-81 	15-20	N/A
8 November 2022: Cabinet <ul style="list-style-type: none"> • Minute Numbers: CB 22/93-106 	21-28	Cllr M Boughton
10 November 2022: Area 3 Planning Committee <ul style="list-style-type: none"> • Minute Numbers: AP3 22/18-22 	29-30	Cllr D Cooper
15 November 2022: Finance, Regeneration and Property SSC <ul style="list-style-type: none"> • Minute Numbers: FRP 22/16-21 	31-34	Cllr R Cannon
17 November 2022: Overview and Scrutiny Committee <ul style="list-style-type: none"> • Minute Numbers: OS 22-37-45 	35-40	Cllr A Oakley
23 November 2022: General Purposes Committee (Extraordinary) <ul style="list-style-type: none"> • Minute Numbers: GP 22/37-42 	41-44	Cllr M Rhodes
29 November 2022: Licensing and Appeals Committee <ul style="list-style-type: none"> • Minute Numbers: LA 22/29-35 	45-46	LA 22/32 Cllr C Brown
1 December 2022: Area 1 Planning Committee <ul style="list-style-type: none"> • Minute Numbers: AP1 22/27-32 	47-54	Cllr D King

Meeting	Page Nos in Minute Book	Recs to Council/ Chairman
6 December 2022: Housing and Planning SSC <ul style="list-style-type: none"> Minute Numbers HP 22/15-23 	55-60	Cllr J Botten
14 December 2022: Cabinet (Extraordinary) <ul style="list-style-type: none"> Minute Numbers: CB 22/107-114 	61-64	Cllr M Boughton
2023:		
10 January 2023: Cabinet <ul style="list-style-type: none"> Minute Numbers: CB 23/1-8 	65-68	CB 23/3 Cllr M Boughton
16 January 2023: Audit Committee <ul style="list-style-type: none"> Minute Numbers: AU 23/1-10 	69-72	AU 23/4; AU 23/5; AU 23/6 Cllr A Kemp
25 January 2023: General Purposes Committee <ul style="list-style-type: none"> Minute Numbers: GP 23/1-9 	73-76	GP 23/4 Cllr M Rhodes
26 January 2023: Overview and Scrutiny Committee <ul style="list-style-type: none"> Minute Numbers: OS 23/1-11 	77-82	OS 23/4; OS 23/5; OS 23/6 Cllr A Oakley
Decisions Taken by the Executive (Cabinet, Cabinet Member or Urgent)		
Decision Notices: <ul style="list-style-type: none"> D220095CAB – D220103CAB D220104MEM – D220109MEM D220110MEM – D220114MEM D220115CAB – D220118CAB D230001MEM – D230003MEM D230004CAB – D230005CAB D230006URG D230007MEM D230008MEM D230009MEM 	85-142	

UPDATE FOLLOWING STREET TRADING CONSULTATION

Item LA 22/32 referred from Licensing and Appeals Committee of 29 November 2022

The report of the Director of Central Services and Deputy Chief Executive provided an update following the Street Trading Consultation which ran from 13 October 2022 until 9 November 2022. The Licensing Department received no comments during the 28 consultation period.

The second draft of the proposed Street Trading Policy was attached at Annex 1, the draft proposed application form at Annex 2 and the Assistants and Employee application form at Annex 3.

During discussion, Members requested that there be clarity regarding the sale of used vehicles on the public highway and officers noted a number of corrections.

RECOMMENDED: that the second draft policy for the introduction of Street Trading consents be approved subject to clarity regarding the sale of used vehicles on the public highway.

***Referred to Council**

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TONBRIDGE & MALLING BOROUGH COUNCIL

LICENSING & APPEALS COMMITTEE

29 November 2022

Report of the Director of Central Services and Deputy Chief Executive

Part 1 - Public

Delegated

1 UPDATE FOLLOWING STREET TRADING CONSULTATION

1.1 Introduction

- 1.1.1 At a meeting of the Licensing & Appeal committee on 27th September 2022, members determined to continue with the re-designation of the borough in respect of the councils Street Trading provisions.
- 1.1.2 Following this meeting, the Licensing Department published the Resolution of the re-designation in a local newspaper and on the council's website. This consultation period ran from 13th October 2022 for 28 days until 9th November 2022.
- 1.1.3 During the 28 day consultation, the Licensing department received no comments.
- 1.1.4 Below is the updated timeline for the introduction of the new Street Trading provisions:

ACTION	DATE	
10-week public consultation COMPLETED	Start 20.06.2022* End 29.08.2022*	The DRAFT policy will be shared with – <ul style="list-style-type: none">• Ward Members• Parish & Town Councils• Kent County Council Highways;• Environmental Health;• Economic Development;• Property Services• Planning;• Kent Police;• Kent Fire and Rescue;• Trading Standards;• Current Traders (list supplied by the councils Food Safety Team)

Review consultation responses COMPLETED	W/C 05.09.2022*	The responses will be reviewed by: <ul style="list-style-type: none">• Head of Service for Licensing, Community Safety & Customer Services• Licensing Officers
Licensing & Appeals Committee COMPLETED	27.09.2022*	<ul style="list-style-type: none">• L&A committee to approve the policy following the public consultation prior to the resolution
Publish Resolution with consultation COMPLETED	Start 10.10.2022 * End 07.11.2022	The council must publish a notice containing the DRAFT resolution with a 28-day consultation period.
Review resolution consultations COMPLETED	W/C 07.11.2022*	The responses will be reviewed by: <ul style="list-style-type: none">• Head of Service for Licensing, Community Safety & Customer Services• Licensing Officers
Licensing & Appeals Committee	29.11.2022*	<ul style="list-style-type: none">• L&A committee to approve the resolution consultation responses
Full Council	21.02.2023*	<ul style="list-style-type: none">• Full Council approval prior to publishing the final resolution
Publish 1 st Notice	01.03.2023*	The first notice must be published no later than 28 days before the date specified in the resolution for the new designation coming into force.
Publish 2 nd Notice	08.03.2023*	The second notice must be published within one week of the first public notice.
Resolution and new policy will come into force	01.04.2023*	Subject to all other actions being approved.
*All dates are subject to approval at each stage.		

- 1.1.5 Following this period of consultation, we have now created the second draft of the proposed Street Trading Policy which can be seen at **ANNEX 1**.
- 1.1.6 Within this policy we have updated the Overview section to make it clearer what is in, and out of scope, following both members comments and comments received from the first public consultation. Whilst it is impossible to include every eventuality or every type of business, it is hoped this gives a clearer view as to what businesses will require a Street Trading consent and those which will not.
- 1.1.7 Additionally, at **ANNEX 2** is a draft copy of the proposed application form. This application form gives members an idea of the requirements for the application process.
- 1.1.8 At **ANNEX 3** is a copy of the Assistants and Employee application form, this is to be used by applicants wishing to add assistants and employees to their business.

1.2 Legal Implications

- 1.2.1 The statutory regime for designating streets for the purposes of street trading and the granting of street trading consents and related matters is set out in Schedule 4 to the Local Government (Miscellaneous Provisions) Act 1982. There is no statutory requirement to have a licensing policy for street trading.
- 1.2.2 However, it is considered best practice and also a modern, effective policy document will ensure that the trade and public alike will have a document that fully explains the elements of the regulatory process. This will include the principles to be applied when considering applications for street trading, the application process itself and the grounds for objection, refusal, the hearings procedure and the grounds for appeal.

1.3 Financial and Value for Money Considerations

- 1.3.1 By approving this new policy for street trading, the council will have greater scope to collect licence application fees for those seeking to trade within the Borough.
- 1.3.2 The re-designation of streets requires two further newspaper adverts to be published.

1.4 Risk Assessment

- 1.4.1 The introduction of a policy should provide a transparent and consistent basis for decision making. This in turn should reduce the risks of decisions being challenged in the Courts

1.5 Equality Impact Assessment

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

1.6 Policy Considerations

1.6.1 None at the present time.

1.7 Recommendations

1.7.1 Members are RECOMMENDED to approve the second draft policy for the introduction of Street Trading consents prior to the policy being finalised following any suggested changes at this meeting.

contact: Katie Shipman
6027

Adrian Stanfield
Director of Central Services and Deputy Chief Executive



www.tmbc.gov.uk

Tonbridge & Malling Borough Council

Street Trading Policy

November 2022 V2

DRAFT

Licensing Contact Details

street.trading@tmbc.gov.uk

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1. Overview

- 1.1. In 2009, Tonbridge and Malling Borough Council adopted provisions contained in the Local Government (Miscellaneous Provisions) Act 1982 relating to Street Trading and as a result trading in certain streets (or parts thereof) within the Borough was either allowed, with the written consent of the Council, or prohibited.
- 1.2. In 2022, the Council sought to re-designate the borough to increase the councils reach with regards to issuing Street Trading Consents.
- 1.3. This policy is designed to cover a wide range of applications so it can be as inclusive as possible whilst also outlining what is both in and out of scope under the re-designation.
- 1.4. The table below gives an overview of the types of application that will require a street trading consent and those that will likely not:

Activities In Scope	Activities out of scope
Food & Drink sellers trading on the Highway	Markets trading at market venues
Food & Drink sellers trading on Private Land	Farmers Markets
Food & Drink sellers trading on Council Owned Land	School Fates and Fairs
Roadside fruit sellers	Church Fates and Fairs
Roadside flower sellers	Christmas Light events
Christmas tree sellers (except those trading in garden centres/yards etc)	Music Events (Festivals)
Non-itinerant ice cream seller (stopping in one location for a period of time)	Pedlars, Roundsmen & News vendors
Selling goods outside a shop if the goods are not the same as those on offer inside the shop	Charities and organisations handing out leaflets
Charities and organisations selling goods <i>may</i> require consent	Sales of articles by householders on their own land (vehicles, plants, household goods)
Placing cars for sale on any public road or land	Charity collections – although these will require a street collection permit
This is not an exhaustive list, and all applications will be reviewed individually and judged on its own merit.	

2. Purpose of this policy

- 2.1. The purpose of this policy is to provide a framework for applicants looking to gain consent to trade within the borough. It will set out the decision-making criteria so applicants know what is expected of them and it will provide guidance to Council officers who are responsible for administering and enforcing the street trading regime.
- 2.2. This policy will help shape the street trading environment, ensuring it remains sensitive to the needs of the residents, provides the public with good quality choice and compliments those premises-based businesses already trading in the borough.
- 2.3. Public safety will be considered with each application as well as the prevention of crime, disorder, and nuisance.

3. What is Street Trading

- 3.1. Schedule 4 of the Local Government (Miscellaneous Provisions) Act 1982 gives local authorities the power to allow or prohibit street trading within their administrative areas; across the whole of it or just in certain parts.
- 3.2. The Local Government (Miscellaneous Provisions) Act 1982 (from here on referred to as 'the Act') defines 'street trading' as being 'the selling or exposing or offering for sale of any article (including a living thing) in a street.
- 3.3. It defines a 'street' as being:
 - a) Any road, footway, beach, or other area to which the public have access without payment; and
 - b) A service area as defined in Section 329 of the Highways Act 1989 ('An area of land adjoining, or in the vicinity of, a special road, being an area in which there are, or are to be, provided service stations or other buildings or facilities to be used in connection with the use of the special road')
- 3.4. When determining what constitutes a street, council officers will use the following as a test –
 - If members of the public have unrestricted access to the area to look at goods offered for sale without having to pay a fee, the area will be considered a street.
- 3.5. Anyone wishing to trade in a street within Tonbridge & Malling will be required to apply for consent.
- 3.6. The council does not hold a list of suitable street trading locations. Applicants should have regard to this policy and the requirements contain within to identify suitable locations.

4. Exemptions

- 4.1. The Act states that the following activities are not 'street trading' and therefore would not require consent:
- (a) trading by a person acting as a pedlar under the authority of a pedlars certificate granted under the Pedlars Act 1871;
 - (b) anything done in a market or fair the right to hold which was acquired by virtue of a grant (including presumed grant) or acquired or established by an enactment or order;
 - (c) trading in a trunk road picnic area provided by the Secretary of State under section 112 of the Highways Act 1980;
 - (d) trading as a news vendor i.e. the sale, exposure or offer for sale of newspapers or periodicals, except from a stall or receptacle that exceeds the dimensions set out in schedule 4 of the Act;
 - (e) trading which:
 - i) is carried on at premises used as a petrol filling station; or
 - ii) is carried on at premises used as a shop or in a street adjoining premises so used as part of the business of the shop (such business must not obstruct the highway or payment area);
 - (f) selling things, or offering or exposing them for sale, as a roundsman;
 - (g) the use for trading under Part VIIA of the Highways Act 1980 of an object or structure placed on, or in or over a highway;
 - (h) the operation of facilities for recreation or refreshment under Part VIIA of the Highways Act 1980;
 - (i) the doing of anything authorised by regulations made under section 5 of the Police, Factories etc. (Miscellaneous Provisions) Act 1916 i.e. the collection of money or selling of articles for the benefit of a charity or other similar cause.

Pedlars

- 4.2. A pedlar is defined in law as being 'any hawker, pedlar, petty chapman, tinker, caster of metals or other person who, without any horse or other beast bearing or drawing burden, travels and trades on foot and goes from town to town or to other men's houses, carrying to sell or exposing for sale any goods, wares, or merchandise, or procuring orders for goods, wares, or merchandise immediately to be delivered. So in practice, a pedlar is someone who sells items on the move and sells items as he/she travels.
- 4.3. Established case law has set out other criteria which helps to further differentiate pedlars from street traders. These are that:
- a pedlar cannot travel to a location to trade, they must trade when they travel.

- a pedlar must only travel and trade on foot.
- a pedlar must not unnecessarily linger if they put their goods down or stop for a reason other than to sell their goods.
 - if a pedlar uses a trolley or cart to help transport their goods, it must be small and easily moved.
 - a pedlar must only sell goods when approached by members of the public.

4.4. A person who does not meet all of the above criteria must be treated as a street trader (and will require consent to trade in the Council area).

4.5. A person who intends to trade as a pedlar requires a pedlar certificate. Further information on how to apply for a pedlar certificate can be found here: <https://www.gov.uk/pedlars-certificate>

Roundsman

4.6. Although the Act does not define what a roundsman is, there is legal precedent in case law, specifically the case of *Kempin t/a British Bulldog Ice Cream V Brighton and Hove Council*, where Lord Justice Latham ruled that a roundsman was someone who delivered pre-ordered goods within a locality.

Local Exemptions

4.7. Tonbridge & Malling also exclude the following from needing to apply for Consent –

- Itinerant traders: someone who trades from a vehicle which goes from place to place, remaining in any one location in the course of trading for periods of 15 minutes or less and does not return to the same location or within 200m, on the same day. Common examples are ice cream vans and sandwich vendors. Whilst itinerant traders are exempt from street trading, they must still get permission from the Council if they intend to trade on Council owned land, such as parks and open spaces. See below for further details.
- Non commercial events: events that are community-based and run for non-commercial purposes, such as a fete or school fund raising activity. Where any of the profit of the trading is retained by the trader for private gain, and not passed to the organisers of the event for use in, or by, the community concerned then the activity is not exempt from needing a consent.
- Shopping malls etc: traders that are set up within covered shopping malls, centres, arcades or similar.
- Working farms: goods from working farms sold at the premises where they were produced.
- Residential properties: unwanted household items or produce, such as homegrown fruit and vegetables, eggs, preserves e.g. jam etc.

- Travelling fairs and circuses: traders as part of an established travelling fair or circus.
- Used vehicles: where a vehicle is legally parked and advertised for sale.

5. Locations and Permissions

- 5.1. When deciding where to trade, you must consider which permissions you may need.
- 5.2. Any person wishing to trade on Council owned land must get permission to do so before applying for a street trading consent.
- 5.3. Any person wishing to trade on privately owned land should get permission before applying for a street trading consent. The permission must be submitted as part of your application, it should be in writing and contain the contact details for the landowner in case the Council wishes to confirm the permission is legitimate.

6. Trading on Council owned land

- 6.1. Any person wishing to trade on Council owned land must get permission to do so before applying for a street trading consent. This is the case with Council owned parks and open spaces. A copy of the council's public open spaces policy can be found [here](#).
- 6.2. Any form of trading on Council owned land, including itinerant traders and others which might be exempt, all require permission.
- 6.3. Even those forms of trading which have been deemed exempt from a street trading consent will still need permission from the Council if they wish to trade on Council owned land. Please contact property.services@tmbc.gov.uk for further information or to ask about trading in a specific area owned by the Council.
- 6.4. Additional pitch fees may be required to gain permission for trading on council owned land. These fees are in addition to the consent application fees.
- 6.5. Once permission has been granted, you should include the details of the permission as part of your application. We would expect to see the confirmation in writing/email from a member of Tonbridge & Malling council staff. Officers will not contact other departments on your behalf and all permissions should be in place before you submit your street trading application.

7. Trading in Multiple Locations

- 7.1. Applicants may wish to apply for multiple locations on one consent.
- 7.2. These locations must be defined on the application form and the days and times of trading in each location must be specified.
- 7.3. When determining the application, the Council will need full details for each location including a map/plan of the area, the appropriate permissions to trade (if necessary) and any other information that is important for each location.

- 7.4. The Council can choose to refuse some locations or days and times for specific locations if it is deemed necessary. For example, if a trader applied for a late-night licence in a residential area, this may cause a nuisance to residents.

8. Markets & Events

- 8.1. The following annual events within the Borough are exempt from requiring a Street Trading consent:
- Tonbridge Christmas Lights
 - West Malling Christmas Lights
 - Borough Green Christmas Lights
 - Tonbridge Farmers Market
 - West Malling Farmers Market
- 8.2. This is not an exhaustive lists and Event organisers can apply to have their events exempted from the requirements of a Street Trading consent. Requests should be made in writing to street.trading@tmbc.gov.uk All requests will be judged on their own merit.

9. Additional Legislation Requirements

Licensing Act 2003

- 9.1. The supply of alcohol and the provision of late-night refreshment (food and drink supplied between the hours of 23:00 and 05:00) are 'licensable activities' under the terms of the Licensing Act 2003.
- 9.2. Where a person's street trading involves selling alcohol or provision of late night refreshment, they will need a premises licence or temporary event notice (TEN) issued in accordance with the Licensing Act 2003, as well as a street trading consent. More information on both can be found on the Council website.
- 9.3. The Council may decide to refuse to grant a street trading consent or revoke one which has been granted, where the applicant or consent holder cannot demonstrate that a premises licence or TEN is in place or has been applied for.

Food business registration

- 9.4. Where a person's street trading involves selling food and/or drink, they must register as a food business with the Council where their business is based or where their vehicle/stall is stored overnight, as well as holding a street trading consent.
- 9.5. All businesses selling food and/or drinks are advised to display their current food hygiene rating.
- 9.6. The Council expects traders to maintain good standards of hygiene. Traders who sell food and or/drink will, as a condition of their consent, be required to achieve and maintain a minimum food hygiene rating of 3 or above. The Council may decide to refuse to grant a street trading consent or revoke one which has been granted, where the applicant or consent holder has a

rating of less than 3. A business may be able to continue trading whilst they work to improve their standards but only in exceptional circumstances. This would be at Licensing Officers discretion in consultation with the Councils Environmental Health team.

Planning

- 9.7. In some cases, planning permission may be required in addition to a street trading consent.
- 9.8. A person intending to apply for a street trading consent should always check to see if they need planning permission before making their application.
- 9.9. The Council may revoke a consent in the event of the holder being in breach of planning legislation.

10. Suitability of applicants

- 10.1. A person can only be granted consent if they are aged 17 years or older.
- 10.2. When determining an application for the grant or renewal of a street trading consent the council will consider all relevant information relating to the suitability of the applicant to hold such a consent including:
 - Whether the applicant has any unspent convictions under the Rehabilitation of Offenders Act 1974.
 - Refusal or neglect in paying fees due to the council in relation to a street trading consent.
- 10.3. Where the criminal conviction certificate provided by the applicant shows current offences (i.e. those that are unspent under the Rehabilitation of Offenders Act 1974, the Council will consider the following:
 - whether the conviction is relevant;
 - the seriousness of the offence;
 - the length of time since the offence occurred;
 - whether there is a pattern of offending behaviour;
 - whether that person's circumstances have changed since the offence occurred;
 - the circumstances surrounding the offence and the explanation offered by that person.

11. The Application Process

- 11.1. The council will only accept and validate applications in the prescribed format.
- 11.2. The application form can be found on the **council's website** (insert link once published)
- 11.3. The application form should be fully completed and emailed to street.trading@tmbc.gov.uk
- 11.4. Part of the application form requires you to accurately describe the articles you wish to sell. These articles will become a condition of your consent should it be granted. If you change the articles you sell, this could breach the consent and result in the consent being revoked.

- 11.5. If you wish to change the articles at a later date, you are able to submit a variation to the consent, however you will not be guaranteed these articles will be approved if they are unsuitable.

Assistants and Employees

- 11.6. As part of the application, you will be required to supply the details of all assistants and employees who work at any consent location(s) when the consent holder is not present. The application form can be found on the [councils website](#) (insert link once published).
- 11.7. Any assistant working alone at a consent location must be a minimum of 17 years old and have a sound understanding of the conditions outlined on the consent document.
- 11.8. You will need to complete their details on the Assistants and Employees application form and supply the following:
- A Basic DBS check (no more than one month old). This check must be renewed every 3 years.
 - A photograph of the assistant/employee.
- 11.9. Further assistants can be added throughout the consent by submitting the Assistants and Employee application and supporting documentation. The fee to add assistants is shown [here](#). (insert link to fee's)

Supporting Documentation

- 11.10. For your application to be validated, you must email the supporting documentation to street.trading@tmhc.gov.uk You can either send it on the same email as the application form or on a separate email.
- 11.11. The following supporting documentation is required –
- A map and/or plan of the location with the trading position clearly marked (further detail below), preferably to scale. If you are applying to trade as Mobile in more than one location, please use markers (for example, location 1, 2 or 3).
 - The applicant should mark on the plan/map the exact position of the van, stall etc. they intend to use in the location, with measurements. If the van, stall etc. includes an awning, canopy or hatch that will extend out, this must be indicated on the plan. The applicant should also indicate the orientation of the stall, so that it is clear where customers will stand to be served.
 - Officers will need to identify any neighbouring properties who may be affected, so it may be necessary for the applicant to submit a series of plans and/or maps of varying sizes and scales. Road names should also be included, where appropriate.

- As well as showing the positioning of the van, stall etc. the applicant must include on the plan, any furniture, containers e.g. bins or signage that they intend to use.
- If the plan(s) accompanying the application do not indicate the proposed pitch accurately enough, the application will be rejected.
- Photographs which clearly show the vehicle, stall etc. to be used, including its actual design/artwork. Or in the case of a unit which is under construction, a detailed illustration.
- Planning permission (if necessary) or proof of permission given by any Landowner if trading off the Highway
- Proof of public liability insurance (minimum £5million).
- A copy of the current food registration or proof that a food registration has been applied for (if you intend to sell food and/or drinks)
- A Basic DBS certificate, no more than 1 month old. This check must be renewed every 3 years.
- A photograph of the applicant holder.

12. Fees

12.1. The fee for your application will be determined by:

- The length of consent applied for (single day, a week, a month, or a year)
- The location(s) you wish to trade
- The size of the pitch required

A full list of fees can be found on the [council's website](#). (insert link to fee's)

12.2. Fee's will be paid in two parts.

- Part A is the application fee and must be paid to validate and process the application
- Part B is paid once the application has been granted following a successful consultation period. The part B fee must be paid in order for the consent document to be issued. Failure to make the part B fee will result in the consent being revoked.

12.3. The fee can be paid via XXXXXX (to be confirmed)

12.4. Incomplete applications will not be processed or validated, and the applicant will be informed by email. If you are unable meet all the requirements, your application will be rejected, and your fee will be refunded minus an admin fee as outlined in our fee chart.

12.5. Applications that remain outstanding with no contact will automatically be withdrawn after a period of six months.

12.6. There are no refunds for withdrawn applications.

13. Consultation

13.1. The consultation period for the application is determined by the type of application. For a one-year consent, the consultation period is 28 days. For a one month, week or day consent, the consultation period is 14 days.

13.2. The relevant consultation period will start the day after the council receives a valid application.

- 13.3. Once the council has validated the application, it will consult with the following –
- Kent County Council Highways;
 - Environmental Health;
 - Economic Development;
 - Property Services
 - Planning;
 - Kent Police;
 - Kent Fire and Rescue;
 - Trading Standards;
 - The Parish Council for the location of the proposed consent;
 - Town Council (where appropriate);
 - The Ward Member for the location of the proposed consent;
 - The Kent County Council Member for the location of the proposed consent
- 13.4. As well as the consultees listed above, any interested party may request to see a copy of the application (redacted where necessary).
- 13.5. Consultees will receive details of the application, including maps and plans via email.
- 13.6. Consultees or interested parties may submit comments or objections against, or in favour of the application during the consultation period. These comments or objections should be relevant to the criteria outlined in section 12. The Council will consider responses from the consultees and any other interested party when determining the application.

14. Advertising your application

- 14.1. The applicant must display a notice prominently at the proposed trading location(s) for the entire consultation period to publicise the application.
- 14.2. The notice must be printed on A4 white paper and state the following:
- The applicant's name.
 - The proposed days and hours of trading.
 - A description of the articles it is proposed to sell.
 - That representations against the application must be submitted to the Council by email to street.trading@tmbc.gov.uk
 - The date by which representations must be made (the end of the consultation period).
- 14.3. A template for this public notice can be found [here](#). (insert link to notice on web page)
- 14.4. Applicants must ensure the notice is adequately fixed or erected and are encouraged to laminate it, so that it can withstand wet and windy weather. A check of the notice will be carried out by an officer during the consultation period.
- 14.5. If the application is not advertised properly, the consultation period may be extended.

15. Decision making criteria

15.1. Applications for a street trading consent will be determined by the relevant Licensing Officer, under delegated powers, using the criteria listed below. Each case will be assessed on its own merits and individual circumstances, where appropriate, may be taken into consideration. When determining the application, we will look at the following criteria:

- **Suitability of location**

The location of the proposed trading activity should not present a substantial risk to the public in terms of road safety, obstruction and fire hazard. The term 'public' refers to both customers and other members of the public using the street. The pitch should also not conflict with any Traffic Orders, such as waiting restrictions. The applicant must also ensure they have adequate access to toilet facilities. As well as the suitability of the location, the council will also assess the likely, unreasonable burden on other agencies. The street trading activity should not present a risk to good public order.

- **Suitability of applicant**

As detailed in section 10, the suitability of applicants will be assessed before a licence is granted.

- **Suitability of goods on offer**

The existence of shops and businesses operating in the immediate area will be considered, if appropriate, to avoid, amongst other things, unfair economic advantage.

- **Does the application satisfy a need in the area?**

In areas where there are no other traders, does this proposed application satisfy a need? For example, on an industrial estate where there are no other food outlets, a trader offering both hot and cold food and beverages could be suitable.

- **Does the application support local community needs?**

In some locations, traders wishing to sell fresh, local produce could be a great support for the community. However, if there are already a number of established businesses, selling similar items, granting consent to a street trader could have a negative impact on the community.

- **Could the application if granted, present a significant risk of nuisance to residents and businesses in the area?**

The council will seek to ensure there is no nuisance caused by noise, fumes, smells, or light pollution.

- **Does the appearance of any vehicle or stall compliment the visual amenity of the location?**

Photographs of any vehicle or stall must be included with the application so the council can ensure its appearance is suitable for the location.

- **Is the business environmentally sustainable?**

As the council moves towards carbon neutrality, consideration will be given to the environmental sustainability of the business. The use of local produce and products will be encouraged.

16. Refusal of an application

- 16.1. When the Council refuses an application for consent, the applicant will be notified in writing (normally email) and given the reasons for the refusal.
- 16.2. There is no right of appeal against a decision to refuse to grant or renew a street trading consent.
- 16.3. The Act entitles the applicant to a partial refund for the application fee in the event it is refused. The Council will take two payments for applications. A part A fee to validate and process the application and a part B fee to grant the application (see section 12 of this policy for further details). For any application which is refused, the applicant will not need to pay the part B fee.

17. Consent Conditions

- 17.1. Where a consent is granted, the applicant will be issued with a consent document which will contain:
 - Their name, being the holder of the consent and person legally responsible.
 - The address and/or description of the location where they are permitted to trade.
 - A individual consent number.- uniform ref number
 - A photograph of the van, vehicle, stall etc they can use, if applicable.
 - The names of all consent holders, assistants and employees authorised to work at the consent location(s).
 - The dates the consent starts and ends (expires).
- 17.2. Consents will be issued for the length that has been applied for unless it is deemed appropriate to grant it for a shorter term, having considered the individual merits of the application.
- 17.3. All consents are subject to certain, standard conditions as outlined in **ANNEX A**. Each consent will have conditions that specify:
 - The location(s) that the holder can trade from.
 - The permitted trading days and times.
 - The items that can be sold.
- 17.4. The Council may decide to add additional conditions when granting a consent, where it is deemed appropriate having considered the individual merits of the application.
- 17.5. Failing to comply with any conditions can lead to revocation of the consent.

18. Transferring a street trading consent

- 18.1. There is no provision for transferring a street trading consent in the Act.

- 18.2. If the holder of a consent wishes to sell or give up their business, the new owner must apply for a new consent. The former owner should surrender their consent when they wish to cease trading.
- 18.3. If a new consent is to be applied for, the former owner should notify the council of their intent to cease trading so that a new application can be considered and if granted, can take effect once the former consent is surrendered. The council will not allow the two owners to trade at the same time, in the same location.
- 18.4. Any application will be subject to the same process as a new application and the full 28 day consultation period.

19. Varying a consent

- 19.1. The Act gives the council the power to vary the conditions attached to a consent at any time.
- 19.2. Should the holder of a consent wish to change any of the conditions on their consent, they can, at any time, submit a written request to vary the consent. This would be required where the consent holder wishes to:
 - Change the operating days and/or times.
 - Trade from a different stall, vehicle etc.
 - Start selling something new i.e. articles not currently listed on the consent.
- 19.3. A fee will apply to the variation.
- 19.4. The Council will determine a request to vary a condition or conditions in the same way it would consider a new application, by carrying out a 28-day consultation and making a decision based on the criteria listed in this policy.
- 19.5. The consultation period may be reduced from 28 days to 14 days if the variation is minor. Requests to change conditions which restrict the items that can be sold or the stall, vehicle etc. will generally be considered to be a minor variation.
- 19.6. Changes to trading locations or the addition of additional trading locations will require a new application.

20. Renewing a consent

- 20.1. The holders of one year street trading consents will receive a renewal notification (via email) approximately two months before the consent is due to expire.
- 20.2. Holders of shorter consents (one month, week or day) will not receive renewal notifications and should submit new applications as and when required.
- 20.3. Consent holders are able to apply to renew their consent with exactly the same terms as before i.e. for another year and with the same conditions attached.

- 20.4. If consent holders wish to vary the conditions at the same time as renewing the consent, they will be required to complete the 28 day consultation period and should therefore submit the renewal application and updated supporting documentation in advance to prevent one consent lapsing before the renewed (amended) consent is granted.
- 20.5. Renewal applications should be submitted no less than four weeks before the expiry date of the consent to ensure a new consent is issued in good time.
- 20.6. If a renewal application is not submitted before or on the expiry date of the consent, the consent will lapse, and a new application would then be required.

21. Surrendering a consent

- 21.1. The holder of a consent may, at any time, surrender it if it is no longer required. The original consent document must be returned to the council and the holder of the consent should formally surrender the consent in writing (or by email).

22. Enforcement, non-compliance and revocation of consents

- 22.1. The Council has a duty to carry out enforcement where it becomes aware of or receives allegations which concern unauthorised trading (trading in a street without first obtaining a consent) or non-compliance with street trading consents that have been granted.
- 22.2. Consent holders who are found to be non-compliant with related regulations, such as food and hygiene, trading standards or the Licensing Act, may have their consent revoked.
- 22.3. All enforcement and compliance activity will be carried out in accordance with the councils enforcement policy which can be found [here](#).
- 22.4. Under paragraph 10 of schedule 10 of the Act, a person commits an offence if they:
- Trade in a street without first obtaining a street trading consent.
 - Have a street trading consent and breach a condition of it, or trade from a stall, vehicle etc. that they have not been given permission to trade from.
- 22.5. A person who is found guilty and convicted of this offence can receive a fine of up to £1,000.
- 22.6. Other than prosecution, the Council may decide it appropriate to take one of the following actions:
- Verbal warning.
 - Written warning.
 - Vary the conditions attached to a consent to, for instance, change the operating days or hours.
 - Revoke a consent.
- 22.7. The Act gives the Council the power to revoke or vary the conditions attached to a consent at any time, to which there is no right of appeal.

- 22.8. Council Officers who are authorised to carry out enforcement and compliance activities carry photographic ID, Council issued identity cards and authorisations which they will produce, if requested.

23. Fee setting

- 23.1. The Act allows the council to set its own fees, with the aim being to cover all costs incurred by the council.
- 23.2. Street Trading consent fees are reviewed on an annual basis and any changes come into effect on 1st April.

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Annex A

Standard consent conditions

General

1. Trading must only take place between hours specified on the consent.
2. The consent holder must only trade at the location(s) identified on the consent.
3. The consent holder must ensure they have written permission from the respective landowner to occupy the area.
4. The consent holder must only trade from the van / vehicle / stall / barrow / cart specified on the consent.
5. The consent holder must only sell the articles (items) specified on the consent.
6. Counterfeit articles must not be sold.
7. The consent must be displayed prominently at the trading location(s), during the course of trading, so that it is clearly visible to the public.
8. The consent holder and any assistants employed by them, must treat the public (including other street traders) fairly and with courtesy at all times.
9. The consent holder and any assistants employed by them, must not obstruct any officer of the council and should comply with any reasonable requests.
10. The consent holder must ensure that their business/activity is conducted in a way that does not:
 - a) Cause a nuisance to residents and businesses nearby.
 - b) Cause an obstruction to the vehicles or pedestrians in the street or adjacent streets.
 - c) Endanger the public, themselves or any assistant they employ.
 - d) Obstruct the emergency services.
11. The consent holder must ensure that the trading area and immediate vicinity remains clean and tidy. This includes providing sufficient suitable containers e.g. bins, for refuse and waste that the trading activity generates. Such refuse containers must be kept as clean as is reasonably possible and be emptied on a regular basis to prevent accumulations of refuse and/or attracting pests.

12. The consent holder must ensure that the refuse and waste containers they provide are removed at the end of the consent period (daily) and are not emptied into public bins. All waste should be disposed of responsibly.
13. The consent holder must ensure that they and any assistants employed by them have adequate access to proper toilet facilities.
14. All 'A' boards, waste containers, furniture and signs to be displayed must have prior permission
15. The consent holder must not cause or allow to be caused, any damage to the street surface, street furniture, lighting and landscaping within the permitted area and will be responsible for the making good of any such damage.
16. Consent holders must pay for all services and utilities used during the course of the consent at any location. This includes but is not limited to electricity, water and gas.
17. Fire hydrants, manholes and other street furniture must not be obstructed.
18. The consent holder must, at all times, have in place public liability insurance cover with a minimum liability of £5million.
19. All electrical cables must be safely covered if they run along the ground, or suspended properly with support, to minimise the risk of harm to the public.

Annex B

Relevant Convictions when determining the suitability of an applicant for street trading consent

1. Dishonesty

A street trading consent will not be granted unless 4 years have lapsed since a conviction for an offence that involves dishonesty, for example theft or fraud, or completion of any sentence imposed whichever is the later.

2. Violence

If an applicant has been convicted for an offence for violence which involves loss of life, a street trading consent will not be granted.

In other cases a street trading consent will not be granted unless 10 years have lapsed since a conviction for an offence relating to violence or completion of any sentence imposed whichever is the later.

3. Drugs

A street trading consent will not be granted unless 10 years have lapsed since a conviction relating to the supply or importation of drugs or completion of any sentence imposed whichever is the later.

A Street trading consent will not be granted unless 5 years have lapsed since a conviction for an offence relating to the possession of drugs or completion of any sentence imposed whichever is the later.

4. Sexual and Indecency Offences

A street trading consent will not be granted where there are convictions for rape, indecent assault, any sexual offence involving children, any conviction for an offence under the Sexual Offences Act 2003, or for indecent exposure.

5. Exploitation

A street trading consent will not be granted if there are convictions relation to exploitation of another individual. This will include slavery, child sexual exploitation and grooming.

6. Motoring Convictions

In most cases, motoring offences are unlikely to be relevant when considering a street trading consent application. However, there may be instances where the offences are of a very serious nature or may be relevant to the type of street trading activity. In those cases a street trading consent will not be granted unless 5 years have lapsed since any such convictions or completion of any sentence imposed whichever is the later.

7. Street Trading Legislation

The Council takes a serious view on applicants who have been convicted of street trading offences under Schedule 4 of the Local Government (Miscellaneous Provisions) Act 1982. In particular, a street trading consent will not be granted unless 2 years have lapsed since any offence under the 1982 Act or if there is more than one conviction unless 5 years have lapsed.

8. Formal Cautions and Fixed Penalty Notices

For the purposes of these guidelines, the Council will treat Formal Cautions issued in accordance with Home Office guidance and fixed penalty notices as though they were a conviction before the courts.

9. Existing Consent Holders Convicted of An Offence

The Council may consider revoking the consent if the consent holder is convicted of an offence and in particular there will be concern if the offence fall into one of the categories detailed above.

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Tonbridge & Malling Borough Council Street Trading Consent Application

Part 1 – Applicants details

This application must be completed by an individual

Name of Applicant	
Name of Applicants Business or Trading Name	
Applicants Business Address (where business is registered)	
Registered Business Number (if applicable)	
Applicants Home Address (If different from the business address)	
Applicants Email Address	
Applicants Contact Number	
Applicants Date of Birth	
Applicants Place of Birth	
Applicants National Insurance Number	

Part 2 – Company Details

You must provide details of all COMPANY DIRECTORS and the SECRETARY (if the applicant is a company), all PARTNERS (if it is a partnership), OFFICE BEARERS (if it is a club or association), all OWNERS of the business or premises and all MANAGERS of the business or organisation, including day-to-day MANAGERS OF THE PREMISES.

Please provide details below and continue on a separate sheet if there are more individuals to name.

Additional Applicant 1

Full Name
Position within the Business
Address
Contact Email Address & Telephone Number

Additional Applicant 2

Full Name
Position within the Business
Address
Contact Email Address & Telephone Number

Part 3 – The Application

Please select the type of application you are applying for –

New	
Renewal	
Variation	

What do you want to trade? Please give full details below of the items you wish to sell.

--

Does this include selling Food & Drink?

Yes	
No	

If Yes, please provide details of your Food registration.

Registered Trading Name	
Applicant Named on this registration	
Local Authority who the business is registered with	
Date of last inspection	
Current Hygiene Rating	

Where are the goods stored when not on sale?

--

Are you applying for Mobile or a Stationary Pitch?

Mobile	
Stationary	

Part 4 - Where and when do you want to Trade?

Please complete all days that you wish to trade and leave BLANK the days you do not. Please complete the time in 24 hours clock showing the start end of the trading time. If your application is successful, you will be granted 30 minutes set up and 30 minutes close down time additional to the times applied for.

With regards to the location, please specify the Road Name and Town/Village/Area. As part of this application, you must submit a plan and photographs showing each location. If you are applying to trade as Mobile in more than one location, please use markers (for example, location 1, 2 or 3).

Monday

Times (from and until)	
Location	

Tuesday

Times (from and until)	
Location	

Wednesday

Times (from and until)	
Location	

Thursday

Times (from and until)	
Location	

Friday

Times (from and until)	
Location	

Saturday

Times (from and until)	
Location	

Sunday

Times (from and until)	
Location	

Part 5 - Details of your Vehicle, Stall or Container

Will you be using a Vehicle to Trade from?

As part of the application, you will be required to provide photographs of the vehicle.

Yes	
No	

If yes, please complete the details below

Vehicle Make	
Vehicle Model	
Vehicle Colour	
Vehicle Registration Number	
Dimensions of the Vehicle and area needed	

If you are not using a vehicle, please explain what you will be using and how your items will be displayed.

As part of the application, you will be required to provide photographs of the planned set up of your items.

Dimensions and the area needed

As well as the vehicle or set up described, do you need to include any other items for consideration with this application? If yes, please provide the number of items and documentation showing images and sizes/dimensions. You should also include a plan of where the additional items will be placed in relation to the vehicle or stall.

Tables and/or Chairs	
Awning/ Umbrellas	
Advertising Boards (other than those attached to the vehicle or stall/container)	
Waste receptacles	
Generators (other than those attached to the vehicle or stall/container)	

Is there anything not listed above that you would like to be considered as part of your application?

Part 6 – Public Liability Insurance

Please provide details of your public liability insurance, you will also need to submit a copy of your insurance certificate as part of this application.

Insurance Provider	
Policy Number	
Period of Cover	
Amount of Cover	

Part 7 – Previous Applications

Have you, or any person named in or associated with this application, previously applied for a similar licence or registration? (Check all that apply).

No	
Yes - Granted	
If granted, by which authority?	
Yes – Granted and Revoked	
Yes – Refused	

If Revoked or Refused, please give details for the reason and the Local Authority who Revoked or refused the application

--

Part 8 – Previous Convictions

Have you, or any person named in or associated with this application, been convicted of any relevant crime or offence?

For a full list of relevant convictions, please refer to our Policy (**Annex B**)

Yes	
No	

If yes, please give full details below, if necessary, please continue on a separate sheet.

Name of person who received the conviction	
Position in the business	
Details of Convictions, Cautions, Reprimands and Warnings, giving details of dates.	
Date of Offence	
Outcome/Sentence/Fine imposed	

As part of your application, you are required to submit a Basic DBS certificate, no more than one month old. The Certificate can be applied for through the gov.uk website

[Request a basic DBS check - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Part 9 - Additional Information

If you wish to provide any additional information in support of your application, please do so here.

Part 10 – Assistants & Employees

You must supply the details of all assistants and employees who work at any/all consent location(s) when the consent holder is not present.

Please complete the Assistant & Employees application form and submit it with their supporting documentation with this application form.

Part 11 - Checklist

Before submitting your application, please take time to check you have all the required documents for this application. Failure to supply any of the below will result in your application being invalid.

This completed application form (incomplete applications will be automatically rejected)	
A photograph of yourself (if you will be working at the location(s) so we can issue you an ID badge) This should be taken against a plain, light background and emailed to us.	
Location Map(s)	
Photographs of Location(s)	
Photographs of your Vehicle, Stall or Container	
Images of any extra items at the site	
A plan of where any additional items will be placed	
Copy of your Public Liability Insurance	
The original basic DBS certificate (<u>please do not send via email</u> , we require the original certificate to be sent to: Licensing Dept, TMBC, Gibson Building, Gibson Drive, Kings Hill, Kent ME19 4LZ)	
Assistants & Employees Application Form and supporting documentation	
Signed declaration at Part 12	
Part A Fee	

Part 12 - The Declaration

I / we declare that:

1. All answers given on this form are true.
2. I/we authorise the Council to make enquiries of any person's etc named on this form.
3. We must protect the public funds we handle, by signing this form you give us permission to use the information you have provided on this form to detect and prevent fraud. We may also share this information, for the same purposes, with other organisations which handle public funds.
4. I/we had read and understood the Street Trading policy and are familiar with the requirements and conditions.
5. No refund on withdrawn applications.
6. All applicants must sign this form.

Applicants Name	
Applicants Signature	
Date	

Applicants Name	
Applicants Signature	
Date	

Applicants Name	
Applicants Signature	
Date	



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Tonbridge & Malling Borough Council Street Trading Consent Application

Part 1 – Assistance & Employee details - Please complete a separate form for each individual

Name of Business or Trading Name the assistant will be working for	
Applicants Full Name	
Current consent number (if applicable)	
Assistant or Employees Full Name	
Assistant or Employees Home Address	
Assistant or Employees Email Address	
Assistant or Employees Contact Number	
Assistant or Employees Date of Birth	
Assistant or Employees Place of Birth	
Assistant or Employees National Insurance Number	

Part 2 – Assistant or Employees role

Will the assistant or employee be working alone at the location(s)?

Yes	
No	
On some occasions	

Regardless of whether they will be working alone, will you ensure the assistant or employee is fully aware of the conditions of the consent and provide them with the appropriate training?

Yes	
No	

What kind of training will be provided for assistants and employees?

--

Please provide details of the assistant or employees day-to-day role and duties

--

Part 3 – Previous Convictions

Does the assistant or employee have any previous relevant convictions?

For a full list of relevant convictions, please refer to our Policy (**Annex B**)

Yes	
No	

If yes, please give full details below, if necessary, please continue on a separate sheet.

Name of person who received the conviction	
Position in the business	
Details of Convictions, Cautions, Reprimands and Warnings, giving details of dates.	
Date of Offence	
Outcome/Sentence/Fine imposed	

As part of this application, you are required to submit a Basic DBS certificate, no more than one month old. The Certificate can be applied for through the gov.uk website

[Request a basic DBS check - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Part 4 - Checklist

Before submitting this application, please take time to check you have all the required documents. Failure to supply any of the below will result in your application being invalid.

This completed application form (incomplete applications will be automatically rejected)	
Photograph of the assistant or employee (This should be taken against a plain, light background and emailed to us).	
The original basic DBS certificate (please do not send via email , we require the original certificate to be sent to: Licensing Dept, TMBC, Gibson Building, Gibson Drive, Kings Hill, Kent ME19 4LZ)	
Signed declaration at Part 5	
Fee to add additional assistants or employees	

Part 5 - The Declaration

To be signed by the assistant or employee

I declare that:

1. All answers given on this form are true.
2. I authorise the Council to make enquiries of any person's etc named on this form.
3. We must protect the public funds we handle, by signing this form you give us permission to use the information you have provided on this form to detect and prevent fraud. We may also share this information, for the same purposes, with other organisations which handle public funds.
4. I had read and understood the Street Trading policy and are familiar with the requirements and conditions.
5. No refund on withdrawn applications.
6. The photograph included is a true likeness of myself.

Assistant or Employees Name	
Assistant or Employees Signature	
Date	

To be signed by the applicant

I declare that:

7. All answers given on this form are true.
8. We must protect the public funds we handle, by signing this form you give us permission to use the information you have provided on this form to detect and prevent fraud. We may also share this information, for the same purposes, with other organisations which handle public funds.
9. No refund on withdrawn applications.
10. The photograph included is a true likeness of the assistant or employee.

Applicants Name	
Applicants Signature	
Date	

COUNCIL TAX PREMIUM CHANGES FOR EMPTY HOMES AND SECOND HOMES

Item CB 23/3 referred from Cabinet of 10 January 2023

The report of the Director of Finance and Transformation sought Cabinet's recommendations on proposed changes to Council Tax premium charges. A supplementary report clarified the proposed changes to Council Tax premium charges for empty properties.

RECOMMENDED: That

- (1) the amendments to Council Tax empty home premiums from the 2024/25 financial year onwards, be adopted by the Council, subject to the bill being enacted and guidance being published by Central Government; and
- (2) a Council Tax premium be introduced to second homes from the 2024/25 financial year onwards, subject to the bill being enacted and guidance being published by Central Government.

***Referred to Council**

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TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

10 January 2023

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Recommendation to Council

1 COUNCIL TAX PREMIUM CHANGES FOR EMPTY HOMES AND SECOND HOMES

This report seeks Cabinet's recommendations on proposed changes to Council Tax premium charges.

1.1 Background

- 1.1.1 On 19 February 2019, Council resolved to adopt a 100% Council Tax premium from the 2019/20 financial year onwards for properties that have been empty for 2 years or longer.
- 1.1.2 On 18 February 2020, Council resolved to adopt, from the 2020/21 financial year onwards, a 200% Council Tax premium for properties that have been empty for at least 5 years; and from the 2021/22 financial year onwards, a 300% Council Tax premium for properties that have been empty for at least 10 years.
- 1.1.3 Latest figures show that there are currently 66 properties attracting a 100% premium, 72 properties attracting a 200% premium and 16 properties attracting a 300% premium.
- 1.1.4 In the Levelling-up and Regeneration Bill dated May 2022 Government announced an amendment to the Long Term empty dwellings (England) legislation providing Councils discretion to apply a premium of up to 100% of the Council Tax charge on those properties that have been empty for more than two years to be amended to apply to properties that have been empty for one year plus rather than two. This provision was introduced by Central Government as a tool to assist local authorities in the drive to bring empty properties back into use.
- 1.1.5 **This bill is still awaiting Royal Assent.** All recommendations are subject to the bill being enacted and guidance being published by Central Government.
- 1.1.6 The Levelling-up and Regeneration Bill also introduced new legislation relating to 'dwellings occupied periodically (England)'. This relates to properties that are classed as 'second homes'. This provides councils with the discretion to apply a premium of no more than 100% to qualifying properties.

The conditions of this criteria are:

- a) There is no resident of the dwelling, and
- b) The dwelling is substantially furnished.

1.1.7 Latest figures show that there are currently 215 properties classified as second homes.

1.2 Empty Homes Amendment

1.2.1 Amendments will allow councils to introduce the premium for empty homes a year earlier than existing agreements.

Introduction date	Existing premiums	Premiums that can be applied
1 April 2023	100% premium for properties empty 2 years +	100% premium for properties empty 1 years +

1.2.2 Regulations allow a billing authority to vary or revoke a determination in respect of an empty home premium for a financial year, but only before the beginning of the year.

1.2.3 The amendment can therefore have an impact for the financial year beginning on or after 1 April 2023 and it does not matter if the start date of the property being empty is before this comes into force.

1.2.4 It is expected that by reducing the time a property is empty, the premium will allow local authorities to strengthen the incentive for owners of empty homes to bring them back into use.

1.2.5 No public consultation is required to introduce this change.

1.2.6 Liable parties will be able to appeal via standard Council Tax appeal routes if they disagree with the applying of a premium on an account based upon facts of an individual case, for example, they state that the property is not empty. The principle of a premium will not be open to appeal.

1.2.7 Taxpayers affected by the reduced empty period will be notified prior to the new charge coming into force so they can decide to sell or let the property before they are impacted by the change.

1.3 Second Homes Amendment

1.3.1 Under existing legislation, properties classed as second homes have a full charge (100%) and there are no discounts or premiums in place.

- 1.3.2 By introducing a premium on these properties, it is expected that properties that are not in constant use may be encouraged to be brought back into use for local residents. It would also remove potential loopholes regarding empty homes where an owner could furnish a property to remove it from the list as being classed as an empty home to avoid the premiums that this can attract.
- 1.3.3 There is no minimum timeframe on this premium, and if the premium is agreed, any property classed as a second home would attract the premium with effect from 1 April 2024.
- 1.3.4 Taxpayers affected by the additional premium will be notified prior to the 1 April 2024 so they can decide what to do with their property before they are impacted by the change.
- 1.3.5 It is recognised that some taxpayers may request their properties to be treated as Non-Domestic due to letting legislation to avoid a premium (e.g. holiday lets). This will be monitored by the Council and cases investigated as appropriate.
- 1.3.6 All recommendations are subject to the bill being enacted and guidance being published by Central Government.

1.4 Summary

- 1.4.1 The Council has long held the objective of doing all it can to bring homes into use for the benefit of local residents. If the legislation is passed in due course, it would enable further premiums of council tax to be levied which might encourage the sale or even private rental of properties.
- 1.4.2 Unfortunately, if the Council wishes to introduce these premiums (should the legislation be passed), a decision would need to be made before the end of March 2023. As it is a Council decision, this effectively means by the Council meeting in February 2023.
- 1.4.3 Having discussed the matter with the Cabinet Member for Finance, Innovation and Property, it was agreed that the matter should be presented to Cabinet for discussion in January. Nationally, some councils have made the decision to implement the new premiums subject to the legislation being passed.
- 1.4.4 Whilst not a matter for this report, I should also flag up that we have an outstanding commitment to review our local Council Tax reduction Scheme in the early part of 2023/24 (with any changes coming into force in April 2024, if applicable). Dependent upon how this review goes and what decisions Members ultimately make, if there are costs associated with any changes it is possible that they could be negated by the implementation of the premiums.

1.5 Legal Implications

- 1.5.1 A full Council resolution is required to introduce the amendments detailing exemptions and agreements of introduction dates and premium amounts.
- 1.5.2 In respect of the Empty Home amendment, this just needs a decision before the financial year to which the decision relates as set out in S11B(5) of the Local Government Finance Act 1992.
- 1.5.3 As mentioned in the report, the amended premium charge can therefore be implemented from 1 April 2023.
- 1.5.4 In respect of the Second Homes amendment, the premium charge for second homes can only be implemented with at least one year's notice. This means a final decision must be passed by 31 March 2023 to be able to introduce any changes from 1 April 2024.
- 1.5.5 As mentioned in the report, the Levelling Up and Regeneration Bill (which is still awaiting Royal Assent) will allow councils to introduce a new discretionary council tax premium on second homes of up to 100% and amend existing long term empty council tax premiums. The Council will only be able to implement the changes once the Bill has been enacted and been published by Central Government.

1.6 Financial and Value for Money Considerations

- 1.6.1 The table below illustrates the estimated financial impact the additional properties that would be impacted if both amendments were introduced in April 2023; it is too early to provide details on second homes for April 2024 at this current time and these figures are for illustration purposes. Please note these figures are based on the TMBC element of the 2022/23 Council Tax rate.
- 1.6.2 It should also be noted that the additional premiums might have the effect of encouraging owners to bring them back into use. As Members are aware one of the Council's priorities is to "*promote a continuing supply of homes in the borough, including affordable homes across all tenures, and work to prevent homelessness*". Bringing empty homes back into use is an important element of this and therefore Members should note that if this is successful, the full extent of the additional income might not be realised.

Projection of premium changes based on latest figures

	Properties	CTax Base value	100% premium charge value	Additional charge value
Empty Homes	227	£50,000	£50,000	£50,000
Second Homes	215	£51,000	£51,000	£51,000

1.6.3 Indicative rates above are based on 100% collection. The Council is aware that not all cases will yield 100% collection in year. In year collection at the end of November 2022 is currently 74.7%, approximately 0.5% higher than in 2021/22. The end of year target for overall collection of Council Tax in 2022/23 is 98%.

1.7 Risk Assessment

1.7.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
1) Additional income to TMBC is not fully realised due to the impact of the current economic climate on collection rates.	High	Medium	Collection to be closely monitored.
2) Adverse reaction from owners of empty properties having their council tax doubled during a cost of living crisis	Medium	High	Consider implementing the change from April 2024 to give owners more notice of the amendment

1.8 Equality Impact Assessment

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

1.9 Policy Considerations

1.9.1 Communications. Publication of the decision must be made with 21 days of the decision as stated in the report.

1.9.2 Community

1.10 Recommendations

1.10.1 Cabinet is asked to **CONSIDER** whether they would wish to:

- 1) recommend to Full Council to adopt the amendments to Council Tax empty home premiums from the 2023/24 financial year onwards as demonstrated in para 1.2.1 (or from the 2024/25 financial year onwards as demonstrated in para 1.7.1) subject to the bill being enacted and guidance being published by Central Government;
- 2) recommend to Full Council to introduce a Council Tax premium to second homes from the 2024/25 financial year onwards subject to the bill being enacted and guidance being published by Central Government.

Background papers:

Levelling-up and Regeneration bill (Points 72-73)

<https://bills.parliament.uk/bills/3155>

contact: Glen Pritchard
Sharon Shelton

Sharon Shelton
Director of Finance and Transformation

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

10 January 2023

Supplementary Report of the Director of Finance and Transformation

Part 1- Public

Matters for Recommendation to Council

1 COUNCIL TAX PREMIUM CHANGES FOR EMPTY HOMES AND SECOND HOMES

This supplementary report clarifies the proposed changes to Council Tax premium charges for empty properties.

1.1 Empty Homes Amendment

1.1.1 Clause 72 of the Levelling-up and Regeneration Bill makes amendment to Section 11B of the Local Government Finance Act 1992, effective for financial years beginning on or after **1 April 2024**.

1.1.2 Therefore, if Members wish to introduce this amendment, it has to be from 1 April 2024, not 1 April 2023 as specified in part 1.2 of the original report.

1.1.3 Recommendations in the original report have therefore been redrafted below.

1.2 Recommendations

1.2.1 Cabinet is asked to **CONSIDER** whether they would wish to:

- 1) recommend to Full Council to adopt the amendments to Council Tax empty home premiums from the 2024/25 financial year onwards subject to the bill being enacted and guidance being published by Central Government;
- 2) recommend to Full Council to introduce a Council Tax premium to second homes from the 2024/25 financial year onwards subject to the bill being enacted and guidance being published by Central Government.

Background papers:

Levelling-up and Regeneration bill (Points 72-73)

<https://bills.parliament.uk/bills/3155>

Sharon Shelton

Director of Finance and Transformation

contact: Glen Pritchard
Sharon Shelton

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LOCALISM ACT – PAY POLICY

Item GP 23/4 referred from General Purposes Committee of 25 January 2023

The report of the Director of Central Services summarised the requirements of the Localism Act and presented an updated Pay Policy Statement for 2023/24 as set out in Annex 1 to the report.

Members noted that as there had not been any changes in the Councils remuneration policy, the substantive content of the updated Pay Policy Statement in Annex 1 was identical to the Council's first Pay Policy Statement (adopted by the Council on 16 February 2012).

RECOMMENDED: That the Pay Policy set out in Annex 1 be commended for adoption at the Council meeting on 21 February 2023.



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TONBRIDGE & MALLING BOROUGH COUNCIL

GENERAL PURPOSES COMMITTEE

25 January 2023

Report of the Director of Central Services

Part 1- Public

Matters for Recommendation to Council

1 LOCALISM ACT – PAY POLICY

1.1 Contents of the Pay Policy

1.1.1 Section 38(1) of the Localism Act 2011 requires English and Welsh local authorities to review their pay policy statement for each financial year. This report summarises the requirements of the Act and presents an updated Pay Policy Statement for 2023/24 in Annex 1. Members will note that as there have not been any changes in the Council’s remuneration policy, the substantive content of the updated Pay Policy Statement in Annex 1 is identical to the Council’s first Pay Policy Statement (adopted by the Council on 16 February 2012).

1.1.2 The title “chief officer” includes both statutory and non-statutory chief officers and their deputies. Therefore, within the Pay Policy Statement set out in Annex 1, the information about the remuneration of chief officers pertains to the Establishment on 1 April 2022 and therefore includes the posts of the Chief Executive, the Council’s four Directors as well as the senior officers that are directly accountable to these “chief officers”.

1.1.3 The Act’s definition of remuneration includes pay, charges, fees, allowances, benefits in kind, enhancement of pension entitlements and termination payments. All of these elements have been covered in the pay policy statement attached in **Annex 1**.

1.1.4 In order to provide a holistic and transparent context for the remuneration of chief officers and their deputies, the pay policy in Annex 1 provides an overview of the pay elements for all Council employees.

1.2 Legal Implications

1.2.1 The policy set out in Annex 1 contains all of the elements of a statutory pay policy as stipulated in section 38 (1) of the Localism Act 2011.

1.2.2 The attached pay policy is also compliant with Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation)

(England & Wales) Regulations 2006 and the Local Government Pension Scheme (Administration) Regulations 2008 & 2014.

- 1.2.3 The definition of the terms “chief officer” and “deputy chief officer” is in accordance with section 2 of the Local Government and Housing Act 1989.

1.3 Financial and Value for Money Considerations

- 1.3.1 As set out in Section A of the attached Pay Policy, the Council’s approach to setting a pay multiple is broadly calculated on a base salary multiple of 7.5 to 8 being the gap between the remuneration of the lowest and the most highly paid employees and is enshrined within the Council’s locally determined job benchmarking evaluation scheme. Such an approach places an emphasis on cash reward as the corner stone of the Council’s pay policy, and ensures that pay is based on job requirements.

1.4 Risk Assessment

- 1.4.1 The Council is legally obliged to comply with the Localism Act’s requirement to have reviewed the Pay Policy Statement by 31 March 2023.

1.5 Equality Impact assessment

- 1.5.1 The recommendation to adopt the Pay Policy Statement in Annex 1 ensures parity in the evaluation of the grade attaching to posts, and therefore mitigates against discrimination against those in protected characteristic groups.

1.6 Recommendation

- 1.6.1 It is recommended that this committee commends the pay policy in Annex 1 to this report for adoption at the Council meeting on 21 February 2023.

Background papers:

contact: Mathew Brooks
Head of HR & Development

Nil

Adrian Stanfield, Director of Central Services & Deputy Chief Executive

Pay Policy Statement 2023/24

Introduction

When determining remuneration levels, the Council is mindful of the requirement to balance the needs of managing scarce public resources with the need to secure and retain high-quality employees. The Council aligns its reward strategy with organisational needs by an emphasis on cash rewards, and ensuring that pay is determined by job requirements. The Council aims to operate a consistent and equitable organisation-wide reward system by placing the responsibility for remuneration decisions with a committee of elected councillors, the General Purposes Committee, and the responsibility for administering the pay policy within the Council's Human Resources team.

Section 38 (1) of the Localism Act 2011 requires the council to prepare an annual pay policy statement for 2023/24. The Act specifies that the following must be included in the pay policy statement:

- the level and elements of remuneration for each chief officer
- the policy on the remuneration of chief officers on recruitment
- increases and additions to their remuneration including performance related pay, bonuses, charges, fees, allowances, benefits in kind and termination payments
- a definition of the "lowest paid employees" and the policy on the remuneration of this group
- the policy on the relationship between the remuneration of its chief officers and other officers
- the policy on re-employing someone who has been made redundant.

This statement will be published on the Council's website.

Section 1 – Remuneration of statutory and non-statutory Chief Officers and Deputy Chief Officers

The term "chief officer" within The Localism Act includes both statutory and non-statutory chief officers, and their deputies. The actual remuneration for these roles is available on the Council's website <https://www.tmbc.gov.uk/council/council-works-constitution/2>

The salary scales for the statutory and non-statutory Chief Officers and Deputy Chief Officers in post on 1 April 2022 is set out below.

No of chief officers	Grade	% of M2 benchmark	Pay Point Range
12 (1 of whom work part time)	M7	51.0%	131-134
9 (1 of whom work part time)	M6	56.0%	141- 144
4	M5	61.0%	147 - 150
6	M4	70.0%	151- 154
3	M2a	97.5%	181- 184
1	M2	100%	186-189
1	M1	125.0%	191- 194

Fee for acting as the Returning Officer

Tonbridge & Malling Borough Council is required to appoint a Returning Officer by virtue of section 35 of the Representation of the People Act 1983. In Tonbridge & Malling, the Chief Executive has been appointed as the Returning Officer. This is a personal appointment, separate from their other duties. In this capacity they are the Returning Officer for UK Parliamentary elections and elections to the Borough Council and to Parish Councils within this Borough.

The Returning Officer fee is payable for the substantial additional duties undertaken, and leadership required of the Returning Officer in planning, delivering and undertaking the elections, and recognises the personal nature and personal responsibility of the role of the Returning Officer.

For Borough and Parish Council elections, the Returning Officer fee is calculated in accordance with an agreed Kent Scale of Fees. For National, and Police & Crime Commissioner elections the fee rate is set by central government.

Section 2 – Remuneration of the lowest paid employees

In compliance with Section 38 of the Localism Act, for the purposes of this statement the “lowest paid employee” has been defined as those who are engaged as cleaners. On 1 April 2022 employees in these posts received a full time annual salary equivalent of approximately £18,381.

Section 3 – Decision on pay

The pay of all council employees (including chief officers) is determined by the evaluated grade of the post. The pay band for most jobs within the council (including chief officers) is very narrow, based on 3 or 4 incremental points.

Progression through the pay band is based on length of service, subject to the achievement of expected performance standards, and thus recognises development in a role over time based on the accumulation of experience and knowledge.

It is anticipated that during 2022/23 the total number of permanent and fixed term contract staff on the Council's payroll will be approximately 250 in any one month.

The Council has not adopted the national local government job evaluation or grading schemes but has developed a locally negotiated framework that more closely reflects its own requirements. Within this framework there are two remuneration "families". The first has been developed for the Council's professional and senior managerial cohorts, and includes chief officers. The second is for supervisory, technical and clerical staff.

All staff (including chief officers) are appointed to the organisation at the bottom of the grade, unless there are exceptional circumstances based on business need.

Annual Pay Award

The salary of all council employees (including chief officers) may increase annually by an annual pay award which is locally determined taking into consideration:

- "caps" on public sector pay rates set by the Government
- the council's ability to pay
- inflation levels
- the "going rate" of pay awards in neighbouring authorities and nationally
- recruitment and retention levels.

Section 4 – Pay structure and pay relationships.

The Code of Recommended Practice for Local Authorities on Data Transparency September 2011 requires that there is a process established to monitor the rate of growth of senior earnings compared to all other employees in the organisation.

During 2023/24 there will be a multiple of approximately 7.1 between the base level salary of the Chief Executive and a cleaner, reflecting the differences in skill sets, complexity and span of control from the lowest to the highest paid employees of the Council.

The total salary for the post of Chief Executive is in the region of £130,674 (as at 1 April 2022).

The median full time equivalent salary for all other employees in Tonbridge & Malling Borough Council is in the region of £29,901, the mean full time equivalent salary is in the region of £35,153. The pay multiple is therefore approximately 4.37 against the median and 3.72 against the mean.

The Council's bespoke grading structure for employees with professional and specialised high level skill sets is entitled the "M" grade framework. All those referred to as chief officers within this pay policy statement fall within the "M grade" framework.

A feature of the M grade framework is that the remuneration levels for all M grade posts (including those of chief officers), are fixed as a percentage of the benchmark grade M2. Therefore, the grading structure specifies the pay multiples attached to each grade as a percentage of the lowest incremental point of grade M2.

Posts are positioned within the M grade framework on the basis of the required specialist knowledge, professional skills, depth of professional and managerial judgement, and managerial span of control. Broadly speaking the range of capabilities required for junior M grade posts (M9 – M7 inclusive) equate to professional and/or managerial capability equivalent to qualification Level 6.

Those occupying senior managerial posts graded M6 to M4 are required to possess both professional and managerial skill sets equivalent to Level 7. All three director level chief officer posts are graded as M2a. The professional and managerial capabilities and span of control required at director level broadly equate to Level 8.

A Level 8 degree of professional and managerial expertise is also required for the post of the Chief Executive and the Deputy Chief Executive. This, alongside the extensive span of control intrinsic to the role of paid head of service for the entire Council workforce, merits the grade of M1 for the Chief Executive and M2 for their deputy.

Supervisory, technical and clerical grades

The council has developed a bespoke grading structure for its supervisory, technical and clerical staff that ranges from the grade of senior officer to clerical scale 1. Broadly speaking the managerial, professional and skill set required for posts graded Senior Officer equate to qualification Level 5, posts

graded scale 5-6 equate to Level 4, posts graded scale 3-4 to Level 3, posts graded scale 1-2 require a Level 1-2 skill set.

The Council considers that the relationship between the base salaries of its highest and lowest paid employees, as well as the relationship between the highest paid and the mean and medial salaries of the entire workforce, represents an appropriate, fair and equitable internal pay relationship.

Section 5 – Policies common to all employees

The following elements of remuneration are determined by corporate policies or arrangements which apply to all permanent employees of the Council (including its chief officers and deputy chief officers), regardless of their pay level, status or grading. Full details on any of the policies listed below can be provided on request.

The Council aims to have a streamlined and transparent pay structure and therefore it does not pay performance related or total contribution bonuses, market premiums, location allowances, or subsidy towards child care costs. Pension contributions for all employees opting to join the Local Government Pension Scheme are nationally determined.

Payments on termination of employment

According to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 the Council has the power to make discretionary payments on early termination of employment. The Council has determined that it will calculate payments made to any eligible employee (including chief officers) who are made redundant or who depart on the grounds of the efficiency of the service by using the Government's statutory redundancy payment calculator formula and the employee's actual weekly pay. For those who depart on the grounds of redundancy or efficiency of the service, or who chose to retire "early", the Council does not increase the employee's total pension scheme membership or award additional pension. This response to the Local Government Pension Scheme (Administration) Regulations 2008 applies to all employees, including chief and deputy chief officers.

The Council's policy is that it does not re-employ anyone (including chief or deputy chief officers) who has left with a severance or redundancy payment, nor does it re-engage them on a self-employed basis with a contract for services.

Car allowances

For those posts where it is deemed that there is an essential requirement for the post holder to use a car to perform their job, and they are expected to travel in excess of 2,500 miles per annum in the course of their duties, the post holder receives a lump sum Essential Car User allowance to contribute

towards the associated running costs of the car in accordance with the rates previously set by the National Joint Council.

The Council has previously run a lease car scheme which has not been open to new staff to join since June 2020. The lease car scheme is now no longer in operation as of November 2022 when the last remaining lease car holder ceased their participation in the scheme. The Council no longer pays an equivalent payment as an alternative to a lease car but certain specific posts have been identified to receive a Car Allowance.

Telephone allowances

Those employees who are deemed to be essential users of mobile telephones receive a mobile telephone allowance or a Council issued mobile phone.

Professional fees

Annual professional subscription fees to one relevant professional body are reimbursed to those employees where it is deemed an essential requirement for the post holder to belong to a professional institute.

Reimbursement of removal/relocation costs on appointment and mortgage subsidy scheme

The Council's relocation and mortgage subsidy schemes provide financial assistance (within pre-defined limits) to employees who re-locate from outside a reasonable travel area to the Borough to take up an appointment with the Council.

Subsistence Allowance

The Council reimburses expenditure on meals, accommodation, and any other expenses necessarily (within pre-defined limits) incurred by employees who have to be away from home on Council business.

Standby and call out allowances

Any employee who is required to undertake standby and call-out duties will be recompensed at the appropriate rate in accordance with the negotiated policy and payment rate for their role.

TONBRIDGE & MALLING BOROUGH COUNCIL

RECORD OF DECISION TAKEN UNDER URGENCY POWERS

Decision No:	D230006URG
Decision Taken By:	Leader of the Borough Council; and Cabinet Member for Community Services
Authority under which Decision Taken:	Departure from the Council's adopted Budget and Policy Framework and in accordance with paragraph 4 of the Budget and Policy Framework Procedure Rules
Decision Type:	Non Key Decision
Date:	19 January 2023

Decision(s) and Reason(s)
HEALTH AND SAFETY OF TREES – BUDGET PROVISION
<p>The Council undertakes 'Expert' tree inspections of all its tree stock in accordance with an approved Tree Safety Policy with these inspections only identifying works required for health and safety reasons. Inspections have been undertaken for the 2022/23 financial year and subsequently quotations sought from 3 contractors. Given pressures that have been applied to the current budget, including follow up work required in regard to Storm Eunice, the revenue budget as presented in the Revised Estimates 2022/23 will not adequately cover the works identified or any other potential works required before 1 April 2023.</p> <p>With specific regard to the costs arising from the 'Expert' tree inspections these costs are higher than anticipated and may have been influenced by a number of factors including, the significant increase in costs for labour, plant and fuel, the impact of Ash Dieback that is now been seen on the Councils tree stock and the drought/hot weather experienced during summer 2022 that impacted on tree health.</p> <p>Taking the above into consideration, £50k will be required over and above the draft Revised Estimate for 2022/23 to enable the works to proceed both in terms of the 'Expert' inspections and potential urgent works ahead of the next financial year.</p> <p>The Revised Estimate for 2022/23 due to be approved by Full Council therefore needs to be uplifted by £50k to accommodate these essential works.</p>
Details of any alternatives considered:
To not undertake the works or delay them.

Reason why departure from Budget and Policy Framework:

There is now an urgency for these works given the prescribed time frames within the Council's Tree Safety Policy for completion.

Reason(s) why rejected:

The works are required to remain in accordance with the Council's Tree Safety Policy, therefore, the alternatives highlighted above have been rejected in order that it does not expose any risk to the public or the Council.

Conflicts of Interest/Dispensations Granted:

N/A

Background Papers (if any):

N/A

RESOLVED: That:

- (1) The essential works proceed prior to the end of the financial year for the reasons given; and
- (2) The Revised Estimate for 2022/23 in relation to 'Health & Safety – trees' be increased by £50k to a sum of £130k.

Taken in accordance with paragraph 4 of the Budget and Policy Framework Procedure Rules set out in the Constitution and in agreement with the Chair of the Overview and Scrutiny Committee.

Signed Leader:	M Boughton
Signed Cabinet Member for Community Services:	D Keers
Signed Chair of Overview and Scrutiny Committee	A Oakley
Signed Chief Executive:	J Beilby
Date of publication:	20 January 2023

In accordance with Budget and Policy Framework Procedure Rule 4 it is not practical to convene a quorate meeting of the Full Council due to the timescales required for the health and safety works to be undertaken and with the consent of the Chair of the Overview and Scrutiny Committee, this decision is considered urgent and is not subject to call-in.

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

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