

TONBRIDGE & MALLING BOROUGH COUNCIL



EXECUTIVE SERVICES

Chief Executive

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

Contact: Democratic Services
committee.services@tmbc.gov.uk

6 February 2023

To: MEMBERS OF THE CABINET
(Copies to all Members of the Council)

Dear Sir/Madam

Your attendance is requested at a meeting of the Cabinet to be held in the Council Chamber, Gibson Drive, Kings Hill on Tuesday, 14th February, 2023 commencing at 7.30 pm.

Members of the Cabinet are required to attend in person. Other Members may attend in person or participate online via MS Teams.

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

(NB: Background papers to items referred from Scrutiny Select Committees and Committees have been omitted from printed agenda packs.)

Yours faithfully

JULIE BEILBY

Chief Executive

A G E N D A

1. Guidance for the Conduct of Meetings

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PART 1 - PUBLIC

2. Apologies for absence 9 - 10
3. Declarations of interest 11 - 12

Members are reminded of their obligation under the Council's Code of Conduct to disclose any Disclosable Pecuniary Interests and Other Significant Interests in any matter(s) to be considered or being considered at the meeting. These are explained in the Code of Conduct on the Council's website at [Code of conduct – Tonbridge and Malling Borough Council \(tmbc.gov.uk\)](https://www.tmbc.gov.uk/code-of-conduct).

Members in any doubt about such declarations are advised to contact Legal or Democratic Services in advance of the meeting

4. Minutes 13 - 16

To confirm as a correct record the Minutes of the meeting of the Cabinet held on 10 January 2023

Matters for Recommendation to the Council

5. Setting the Budget 2023-24 17 - 108

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.

6. Setting the Council Tax 2023-24 109 - 118

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.

7. Local Council Tax Reduction Scheme 119 - 250

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.

8. Capital Plan Review 2022-23 251 - 308

Recommendation (OS 23-4) of the Overview and Scrutiny Committee of 26 January 2023

All budgetary matters will be considered in the substantive item on Setting the Budget 2022/23

9. Revenue Estimates 2023/24 309 - 458
Recommendation (OS 23-5) of the Overview and Scrutiny Committee of 26 January 2023

All budgetary matters will be considered in the substantive item on Setting the Budget 2022/23

10. Auditor's Annual Report 459 - 490
Recommendation (AU 23-4) of Audit Committee of 16 January 2023

11. Risk Management 491 - 528
Recommendation (AU 23-5) of Audit Committee of 16 January 2023

12. Treasury Management Update and Treasury Management and Annual Investment Strategy for 2023-24 529 - 580
Recommendation (AU 23-6) of Audit Committee of 16 January 2023

13. Household Recycling and Waste Service 581 - 588

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 also considered the proposals at a meeting on the 8 February 2023. The recommendations of the Committee or any observations will either be circulated in advance of the meeting of Cabinet or a verbal update will be provided at the meeting.

Decisions to be taken in accordance with Part 3 of the Constitution

Executive Non-Key Decisions

14. Response to DLUHC NPPF Consultation 589 - 686

The report sets out the Borough Council's proposed response to the NPPF consultation, centred around the questions posed.

15. Public Space Protection Orders - Consultation Feedback 687 - 728

The Communities and Environment Scrutiny Select Committee will consider the consultation outcomes at its meeting on 8 February 2023. The recommendations of the Committee will be circulated in advance of the meeting of Cabinet.

Matters submitted for Information

16. Decisions Taken Under Emergency or Urgency Provisions 729 - 730

The decisions taken under emergency and/or urgency provisions since the last meeting of Cabinet are attached.

17. Decisions taken by Cabinet Members 731 - 732

A record of the decisions taken by portfolio holders since the last meeting of Cabinet are attached.

18. Urgent Items 733 - 734

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

Matters for consideration in Private

19. Exclusion of Press and Public 735 - 736

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

PART 2 - PRIVATE

Matters for Recommendation to Council

20. Agile Project 737 - 744

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

The report updates on the progress of the Agile project, highlights key risks, issues and financial implications to support delivery.

Executive Key Decisions

21. Lease Renewal at 1-5 Martin Square, Larkfield 745 - 748

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

The report sets out proposals for a lease renewal

22. Lease Renewal at 17 Martin Square, Larkfield 749 - 752

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

The report set out proposals for a lease renewal

23. Urgent Items

753 - 754

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

MEMBERSHIP

Councillor M D Boughton, (Leader)
Councillor R P Betts, (Environment and Climate Change)
Councillor V M C Branson, (Economic Regeneration)
Councillor M A Coffin, (Finance, Innovation and Property)
Councillor D A S Davis, (Strategic Planning and Infrastructure)
Councillor D Keers, Community Services
Councillor P J Montague, (Technical and Waste Services)
Councillor K B Tanner, (Housing)

Members of the Council who are not members of the executive may attend meetings of the Cabinet. With the agreement of the Leader, any such Member may address the Cabinet on any item on the agenda but may not vote.

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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Declarations of interest

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TONBRIDGE AND MALLING BOROUGH COUNCIL

CABINET

Tuesday, 10th January, 2023

Present: Cllr M D Boughton (Chairman), Cllr R P Betts, Cllr V M C Branson, Cllr M A Coffin, Cllr D A S Davis, Cllr D Keers, Cllr P J Montague and Cllr K B Tanner

In attendance: Cllr Mrs S Bell and Cllr M A J Hood were also present pursuant to Access to Information Rule No 23.

Virtual: Councillor Mrs J A Anderson, Mrs P A Bates, D Harman, Mrs A S Oakley, W E Palmer and M R Rhodes participated via MS Teams and joined the discussion when invited to do so by the Chair in accordance with Access to Information Rule No 23.

PART 1 - PUBLIC

CB 23/1 DECLARATIONS OF INTEREST

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

CB 23/2 MINUTES

RESOLVED: That the Minutes of the meeting of the Cabinet held on 8 November 2022 and the extraordinary meeting of Cabinet held on 14 December 2022 be approved as a correct record and signed by the Chairman.

MATTERS FOR RECOMMENDATION TO THE COUNCIL

CB 23/3 COUNCIL TAX PREMIUM CHANGES FOR EMPTY HOMES AND SECOND HOMES

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

DECISIONS TAKEN IN ACCORDANCE WITH PART 3 OF THE CONSTITUTION

EXECUTIVE KEY DECISIONS

CB 23/4 REGULATION 18 LOCAL PLAN CONSULTATION - INITIAL OUTPUTS

Decision Notice: D230004CAB

Consideration was given to the recommendations of the Housing and Planning Scrutiny Select Committee of 6 December 2022 (as set out at Minute Number HP 22/19).

Members were reminded that the Regulation 18 consultation in respect of the Local Plan and the associated Interim Sustainability Appraisal had finished on 3 November 2022. The report of the Director of Planning, Housing and Environmental Health provided high-level summaries and statistics of the responses received and the key themes identified. Members were advised that a further detailed analysis would be presented to a future meeting of the Housing and Planning Scrutiny Select Committee.

RESOLVED that:

- (1) the initial outputs of the Regulation 18 consultation on the draft Local Plan and Interim Sustainability Appraisal be noted;
- (2) the approach to promoting the Local Plan through other Council communications, as set out in 1.3.10 and subject to GDPR restrictions, be noted; and
- (3) the programme for bringing more detailed outputs to Members at the meeting of the Housing and Planning Scrutiny Select Committee in March 2023 be approved.

MATTERS SUBMITTED FOR INFORMATION

CB 23/5 DECISIONS TAKEN BY CABINET MEMBERS

Details of the Decisions taken in accordance with the rules for the making of decisions by executive members, as set out in Part 4 of the Constitution, were presented for information.

Subsequent to the publication of the agenda, the following decisions had also been taken by Cabinet Members:

- D230001MEM – Easement and Lease for Gas Governor at St Benedict Road, Snodland
- D230002MEM – LGA Housing Advisers Programme – Sustainable Temporary Accommodation Options Research

CB 23/6 MINUTES OF PANELS, BOARDS AND OTHER GROUPS

The Minutes of the meetings of the following Panels, Boards and other Groups were received and noted:

- Parish Partnership Panel of 3 November 2022
- Joint Transformation Board of 21 November 2022
- Tonbridge Community Forum of 27 November 2022

CB 23/7 EXCLUSION OF PRESS AND PUBLIC

The Chairman moved, it was seconded and

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

CB 23/8 PEMBURY ROAD PROPERTIES

Decision Notice: D230005CAB

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

The Cabinet gave careful consideration to a number of options regarding the future of 2 properties at Pembury Road, Tonbridge as detailed in Annex 1 to the report. In assessing the options, particular attention was given to the financial and legal implications, value for money considerations and the potential risks associated with the delivery options available.

RESOLVED: That

- (1) subject to (2) below, the option to utilise the properties as 2 x 4 bed need temporary accommodation units be progressed and implemented;
- (2) the public sector partner be given the opportunity to reach agreement on heads of terms by 31 January 2023 and any agreement to be reported to Cabinet for consideration as soon as possible thereafter; and

- (3) £944,000 be set aside for future temporary accommodation purchases, subject to the required approval processes and due diligence.

The meeting ended at 9.36 pm

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 MTFFS. 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 MTFFS, 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 MTFFS, 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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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</i> guided by our values and priorities: <i>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

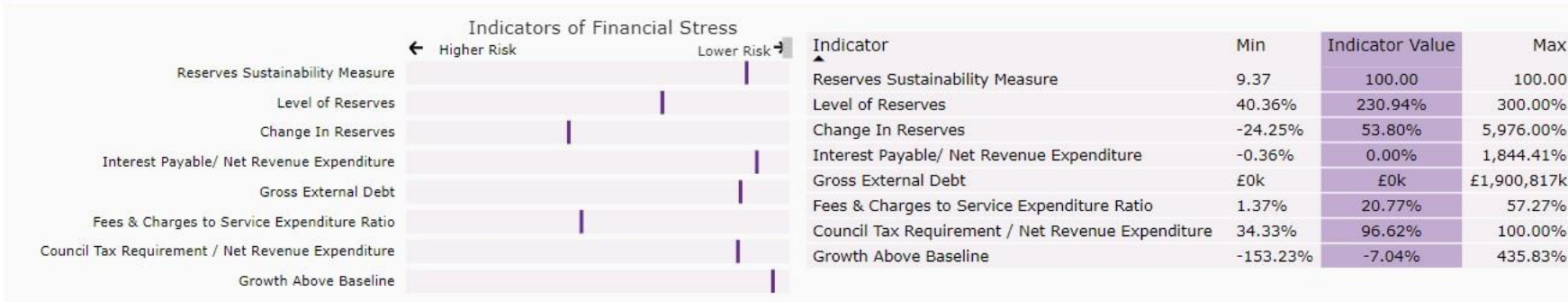
Description	Balance as at	Estimated Contribution		Estimated	Estimated Contribution		Estimated
	1 April 2022	From	To	Balance as at	From	To	Balance as at
	£	£	£	£	£	£	£
General Revenue Reserve	7,661,621		516,850	8,178,471		1,356,800	9,535,271
Revenue Reserve for Capital Schemes	6,825,015	(781,000)	1,298,000	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



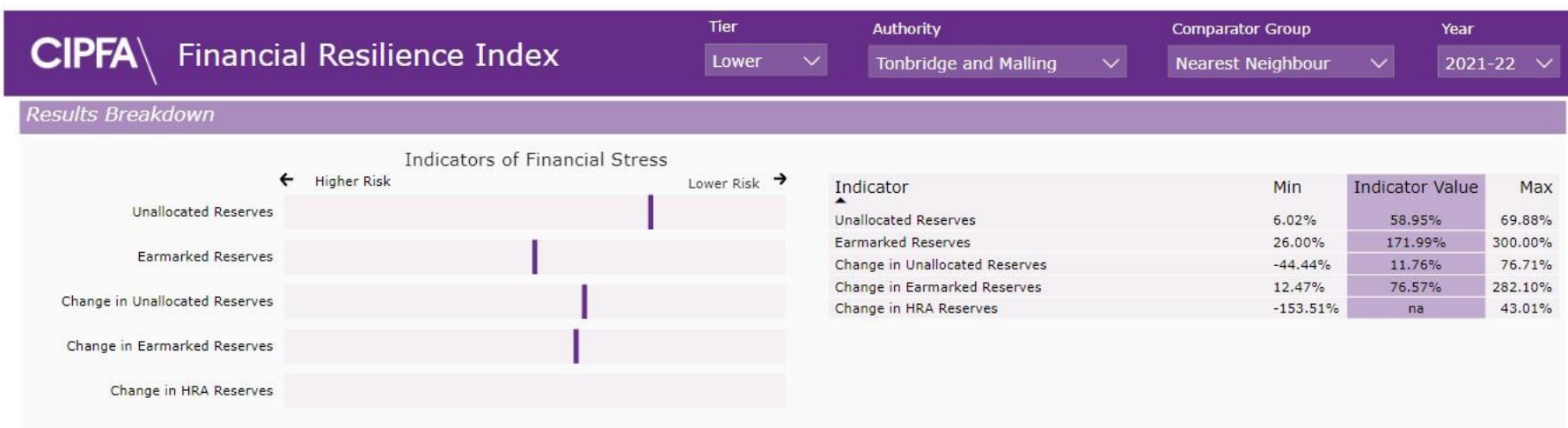
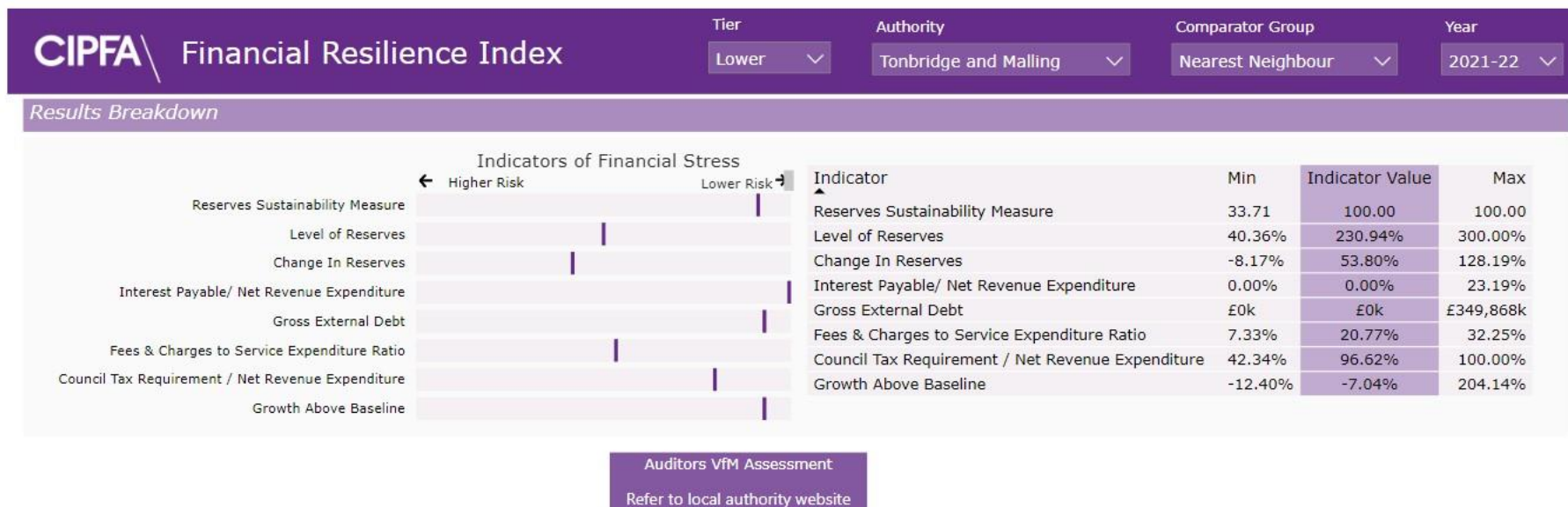
Auditors VFM Assessment
 Refer to local authority website

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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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.**

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:

contact: Sharon Shelton
Andrew Rosevear

Nil

Sharon Shelton
Director of Finance & Transformation

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Tonbridge & Malling Borough Council
Council Tax Reduction Scheme for Working Age Applicants
S13A and Schedule 1a of the Local Government Finance Act 1992

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1.0 Introduction to the Council Tax Reduction Scheme

- 1.1 The following has been adopted by the Council and details the Council Tax Reduction scheme for the period from 1st April 2023.
- 1.2 This document details how the scheme will operate for **working age applicants** and in accordance with Section 13A of the Local Government Finance Act 1992 specifies the classes of person who are to be entitled to a reduction under the scheme and is effective from 1st April 2023 for a period of one financial year.
- 1.3 The scheme in respect of pension age applicants is defined by Central Government within the following:
- Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012;
 - Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012;
 - Council Tax Reduction Schemes (Transitional Provision) (England) Regulations 2013;
 - Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013;
 - Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015:
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2016;
 - The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017;
 - The Council Tax Reduction Schemes (Amendment) (England) Regulations 2018;
 - The Council Tax Reduction Schemes (Amendment) (England) Regulations 2020:
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021:
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022;
 - The Council Tax (Demand Notices and Reduction Schemes) (England) (amendment) Regulations 2023; and
 - Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).

The scheme for pension age applicants is defined by Central Government's scheme as defined under the Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012 as amended.

- 1.4 There are three main classes under the prescribed pension age scheme, for each of which there are a number of qualifying criteria. In all cases individuals must not be of a prescribed class exempted from reduction, such as a person subject to immigration control with limited leave to remain. The definition of a pension credit age person is a person who;
- a. has attained the qualifying age for state pension credit; and
 - b. is not, or, if he has a partner, his partner is not;
 - i. a person on income support, on an income-based Jobseeker's Allowance or on an income-related Employment and Support Allowance; or
 - ii. a person with an award of Universal Credit

The three prescribed classes are as follows;

Class A: pensioners whose income is less than the applicable amount.

On any day Class A consists of any person who is a pensioner:

- a. who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- b. who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the day; in respect of whom a maximum Council Tax Reduction amount can be calculated;
- c. who does not fall within a class of persons prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- d. whose income (if any) for the relevant week does not exceed his applicable amount calculated in accordance with paragraph 9 and Schedule 2 of the Local Government Finance Act 1992;
- e. not have capital savings above £16,000; and
- f. who has made an application for a reduction under the authority's scheme.

Class B: pensioners whose income is greater than the applicable amount.

On any day class B consists of any person who is a pensioner:

- a. who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- b. who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the day; in respect of whom a maximum Council Tax Reduction amount can be calculated;
- c. who does not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- d. whose income for the relevant week is greater than his applicable amount calculated in accordance with paragraph 9 and Schedule 2 to the Local Government Finance Act 1992;
- e. in respect of whom amount A exceeds amount B where;
 - (i) amount A is the maximum Council Tax Reduction in respect of the day in the applicant's case; and
 - (ii) amount B is 2 6/7 per cent of the difference between his income for the relevant week and his applicable amount;
- g. not have capital savings above £16,000; and
- h. who has made an application for a reduction under the authority's scheme.

Class C: alternative maximum Council Tax Reduction

On any day class C consists of any person who is a pensioner:

- a. who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- b. who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the day;
- c. in respect of whom a maximum Council Tax Reduction amount can be calculated;
- d. who does not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the 1992 Act and excluded from the authority's scheme;
- e. who has made an application for a reduction under the authority's scheme; and
- f. in relation to whom the condition below is met.

The condition referred to in sub-paragraph f. is that no other resident of the dwelling is liable to pay rent to the applicant in respect of the dwelling and there is an alternative maximum Council Tax Reduction in respect of the day in the case of that person which is derived from the income, or aggregate income, of one or more residents to whom this sub-paragraph applies.

The above applies to any other resident of the dwelling who:

- a. is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount;
- b. is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);
- c. is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant is a member of that couple or of that marriage and—

- (i) in the case of a couple, neither member of that couple is a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; or
- (ii) in the case of a polygamous marriage, two or more members of that marriage are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount;
- d. is not a person who, jointly with the applicant, falls within the same paragraph of section 6(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant; or
- e. is not a person who is residing with two or more persons both or all of whom fall within the same paragraph of section 6(2)(a) to (e) of the 1992 Act where two or more of those persons are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount.

Disregard of certain incomes

- 1.5 For those who have reached the qualifying age for state pension credit, the Council has resolved to enhance the government scheme (as defined by the Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012 to disregard in full the following:
- a. a war disablement pension;
 - b. a war widow's pension or war widower's pension;
 - c. a pension payable to a person as a widow, widower or surviving civil partner under any power of His Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
 - d. a guaranteed income payment;
 - e. a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
 - f. a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
 - g. pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

The provisions outlined above, enhance the Central Government's scheme.

THE SCHEME FOR WORKING AGE APPLICANTS – THE COUNCIL'S LOCAL SCHEME

- 1.6 The adopted scheme for working age applicants is an income banded / grid scheme means test, which compares income against a range of discounts available. Full details of the working age scheme of the authority are contained within this document from section 2 onwards. The authority is required to specify a scheme for working age and therefore this scheme only applies to a person who;
- a. has not attained the qualifying age for state pension credit; or
 - b. has attained the qualifying age for state pension credit if he, and his partner, is a person on income support, on an income-based Jobseeker's Allowance, on an income-related Employment and Support allowance or on Universal Credit.
- 1.7 The Council has resolved that there will be **one** class of persons who will receive a reduction in line with adopted scheme. The scheme has qualifying criteria. In all cases individuals must not be of a prescribed class exempted from reduction as specified within section 7 of this scheme.

Class D

To obtain reduction the individual (or partner) must:

- a. have not attained the qualifying age for state pension credit; or
- b. he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is a person on income support, on income-based jobseeker's allowance or

an income-related employment and support allowance; or a person with an award of universal credit.

- c. be liable to pay council tax in respect of a dwelling in which he is solely or mainly resident;
- d. is not deemed to be absent from the dwelling;
- e. not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- f. be somebody in respect of whom a maximum Council Tax Reduction amount can be calculated;
- g. not have capital savings above £16,000;
- h. not have income above the levels specified within the scheme;
- i. be a person in respect of whom a day in which s/he is liable to pay council tax in respect of which the person's *income* is within a range of incomes specified within Schedule 1; and
- j. has made a valid application for reduction.

Council Tax Reduction Scheme

This scheme relates to the financial year beginning with 1 April 2023 and should be cited as Tonbridge & Malling Borough Council – Council Tax Reduction Scheme.

Sections 2- 8
Definitions and interpretation

2.0 Interpretation – an explanation of the terms used within this scheme

2.1 In this scheme–

‘the Act’ means the Social Security Contributions and Benefits Act 1992;

‘the Administration Act’ means the Social Security Administration Act 1992;

‘the 1973 Act’ means the Employment and Training Act 1973;

‘the 1992 Act’ means the Local Government Finance Act 1992;

‘the 2000 Act’ means the Electronic Communications Act 2000;

‘Abbeyfield Home’ means an establishment run by the Abbeyfield Society including all bodies corporate or incorporate which are affiliated to that Society;

‘adoption leave’ means a period of absence from work on ordinary or additional adoption leave by virtue of section 75A or 75B of the Employment Rights Act 1996;

‘an AFIP’ means an armed forces independence payment payable in accordance with an armed and reserve forces compensation scheme established under section 1(2) of the Armed Forces (Pensions and Compensation) Act 2004

‘applicant’ means a person who the authority designates as able to claim Council Tax Reduction – for the purposes of this scheme all references are in the masculine gender but apply equally to male and female;

‘application’ means an application for a reduction under this scheme:

‘appropriate DWP office’ means an office of the Department for Work and Pensions dealing with state pension credit or office which is normally open to the public for the receipt of claims for income support, a jobseeker’s allowance or an employment and support allowance;

‘assessment period’ means such period as is prescribed in sections 19 to 21 over which income falls to be calculated;

‘attendance allowance’ means–

(a) an attendance allowance under Part 3 of the Act;

(b) an increase of disablement pension under section 104 or 105 of the Act;

(c) a payment under regulations made in exercise of the power conferred by paragraph 7(2)(b) of Part 2 of Schedule 8 to the Act;

(d) an increase of an allowance which is payable in respect of constant attendance under paragraph 4 of Part 1 of Schedule 8 to the Act;

(e) a payment by virtue of article 14, 15, 16, 43 or 44 of the Personal Injuries (Civilians) Scheme 1983 or any analogous payment; or

(f) any payment based on need for attendance which is paid as part of a war disablement pension;

‘the authority’ means a billing authority in relation to whose area this scheme has effect by virtue of paragraph 4(6) of Schedule 1A to the 1992 Act;

‘Back to Work scheme(s)’ means any scheme defined within the Jobseekers (Back to Work Schemes) Act 2013 or Jobseeker’s Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013;

‘basic rate’, where it relates to the rate of tax, has the same meaning as in the Income Tax Act 2007 (see section 989 of that Act).

‘the benefit Acts’ means the Act (SSBA) and the Jobseekers Act 1995 and the Welfare Reform Act 2007;

‘board and lodging accommodation’ means accommodation provided to a family, for a charge which is inclusive of the provision of that accommodation and at least some cooked or prepared meals which both are cooked or prepared (by a person other than the person to whom the accommodation is provided or a member of his family) and are consumed in that accommodation or associated premises;

‘care home’ has the meaning given by section 3 of the Care Standards Act 2000 and in Scotland means a care home service within the meaning given by section 2(3) of the Regulation of Care (Scotland) Act 2001 and in Northern Ireland means a nursing home within the meaning of Article 11 of the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003 or a residential care home within the meaning of Article 10 of that Order;

‘the Caxton Foundation’ means the charitable trust of that name established on 28th March 2011 out of funds provided by the Secretary of State for the benefit of certain persons suffering

from hepatitis C and other persons eligible for payment in accordance with its provisions;

‘child’ means a person under the age of 16;

‘child benefit’ has the meaning given by section 141 of the SSCBA as amended by The Child Benefit (General), Child Tax Credit (Amendment) Regulations 2014 and The Child Benefit (General) (Amendment) Regulations 2015;

‘the Children Order’ means the Children (Northern Ireland) Order 1995;

‘child tax credit’ means a child tax credit under section 8 of the Tax Credits Act 2002;

‘claim’ means a claim for Council Tax Reduction;

‘close relative’ means a parent, parent-in-law, son, son-in-law, daughter, daughter-in-law, step-parent, step-son, step-daughter, brother, sister, or if any of the preceding persons is one member of a couple, the other member of that couple;

‘concessionary payment’ means a payment made under arrangements made by the Secretary of State with the consent of the Treasury which is charged either to the National Insurance Fund or to a Departmental Expenditure Vote to which payments of benefit or tax credits under the benefit Acts or the Tax Credits Act are charged;

‘the Consequential Provisions Regulations’ means the Housing Benefit (Consequential Provisions) Regulations 2006;

‘contributory employment and support allowance’ means an allowance under Part 1 of the Welfare Reform Act 2007 as amended by the provisions of Schedule 3, and Part 1 of Schedule 14, to the Welfare Reform Act 2012 that remove references to an income-related allowance and a contributory allowance under Part 1 of the Welfare Reform Act 2007 as that Part has effect apart from those provisions;

‘council tax benefit’ means council tax benefit under Part 7 of the SSCBA;

‘council tax reduction scheme’ has the same meaning as **‘Council Tax Reduction or reduction’**

‘Council Tax Reduction’ means council tax reduction as defined by S13a Local Government Finance Act 1992 (as amended);

‘couple’ means;

- (a) a man and a woman who are married to each other and are members of the same household;
- (b) a man and a woman who are not married to each other but are living together as husband and wife;
- (c) two people of the same sex who are civil partners of each other and are members of the same household; or
- (d) two people of the same sex who are not civil partners of each other but are living together as if they were civil partners,

Two people of the same sex are to be treated as living together as if they were civil partners if, and only if, they would be treated as living together as husband and wife were they of opposite sexes. The above includes the Marriage (Same Sex Couples) Act 2013 and The Marriage (Same Sex Couples) Act 2013 (Commencement No. 3) Order 2014;

‘date of claim’ means the date on which the application or claim is made, or treated as made, for the purposes of this scheme

‘designated authority’ means any of the following;
the local authority; or a person providing services to, or authorised to exercise any function of, any such authority;

‘designated office’ means the office designated by the authority for the receipt of claims for Council Tax Reduction;

- (a) by notice upon or with a form approved by it for the purpose of claiming Council Tax Reduction; or
- (b) by reference upon or with such a form to some other document available from it and sent by electronic means or otherwise on application; or
- (c) by any combination of the provisions set out in sub-paragraphs (a) and (b) above;

‘disability living allowance’ means a disability living allowance under section 71 of the Act;

‘dwelling’ has the same meaning in section 3 or 72 of the 1992 Act;

‘earnings’ has the meaning prescribed in section 22 or, as the case may be, 24;

‘the Eileen Trust’ means the charitable trust of that name established on 29th March 1993 out of funds provided by the Secretary of State for the benefit of persons eligible for payment in accordance with its provisions;

‘electronic communication’ has the same meaning as in section 15(1) of the Electronic Communications Act 2000;

‘employed earner’ is to be construed in accordance with section 2(1)(a) of the Act and also includes a person who is in receipt of a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay or statutory maternity pay;

‘Employment and Support Allowance Regulations’ means the Employment and Support Allowance Regulations 2008 and the Employment and Support Regulations 2013 as appropriate;

‘Employment and Support Allowance (Existing Awards) Regulations’ means the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) Regulations 2010;

‘the Employment, Skills and Enterprise Scheme’ means a scheme under section 17A (schemes for assisting persons to obtain employment; ‘work for your benefit’ schemes etc.) of the Jobseekers Act 1995 known by that name and provided pursuant to arrangements made by the Secretary of State that is designed to assist applicants to obtain employment, including self-employment, and which may include for any individual work-related activity (including work experience or job search). This also includes schemes covered by The Jobseekers Allowance (Employment, Skills and Enterprise Scheme) Regulations 2011 as amended by the Jobseekers (Back to Work Schemes) Act 2013 – see **‘Back to Work Schemes’**;

‘enactment’ includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament;

‘extended reduction’ means a payment of Council Tax Reduction payable pursuant to section 59;

‘family’ has the meaning assigned to it by section 137(1) of the Act and Section 9 of this scheme;

‘the Fund’ means moneys made available from time to time by the Secretary of State for the benefit of persons eligible for payment in accordance with the provisions of a scheme established by him on 24th April 1992 or, in Scotland, on 10th April 1992;

‘a guaranteed income payment’ means a payment made under article 15(1)(c) (injury benefits) or 29(1)(a) (death benefits) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011;

‘he, him, his’ also refers to the feminine within this scheme

‘housing benefit’ means housing benefit under Part 7 of the Act; ‘the Housing Benefit Regulations’ means the Housing Benefit Regulations 2006;

‘Immigration and Asylum Act’ means the Immigration and Asylum Act 1999;

‘an income-based jobseeker’s allowance’ and **‘a joint-claim jobseeker’s allowance’** have the meanings given by section 1(4) of the Jobseekers Act 1995;

‘income-related employment and support allowance’ means an income-related allowance under Part 1 of the Welfare Reform Act 2007;

‘Income Support Regulations’ means the Income Support (General) Regulations 1987(a);

‘independent hospital’–

(a) in England, means a hospital as defined by section 275 of the National Health Service Act 2006 that is not a health service hospital as defined by that section;

(b) in Wales, has the meaning assigned to it by section 2 of the Care Standards Act 2000; and

(c) in Scotland means an independent health care service as defined by section 10F of the National Health Service (Scotland) Act 1978;

‘the Independent Living Fund (2006)’ means the Trust of that name established by a deed dated 10th April 2006 and made between the Secretary of State for Work and Pensions of the one part and Margaret Rosemary Cooper, Michael Beresford Boyall and Marie Theresa Martin of the other part;

‘invalid carriage or other vehicle’ means a vehicle propelled by a petrol engine or by electric power supplied for use on the road and to be controlled by the occupant;

‘Jobseekers Act’ means the Jobseekers Act 1995; ‘Jobseeker’s Allowance Regulations’ means the Jobseeker’s Allowance Regulations 1996 and Jobseeker’s Allowance Regulations 2013 as appropriate;

‘limited capability for work’ has the meaning given in section 1(4) of the Welfare Reform Act;

‘limited capability for work-related activity’ has the meaning given in section 2(5) of the

Welfare Reform Act 2007;

‘the London Bombing Relief Charitable Fund’ means the company limited by guarantee (number 5505072), and registered charity of that name established on 11th July 2005 for the purpose of (amongst other things) relieving sickness, disability or financial need of victims (including families or dependants of victims) of the terrorist attacks carried out in London on 7th July 2005;

‘lone parent’ means a person who has no partner and who is responsible for and a member of the same household as a child or young person;

‘the Macfarlane (Special Payments) Trust’ means the trust of that name, established on 29th January 1990 partly out of funds provided by the Secretary of State, for the benefit of certain persons suffering from haemophilia;

‘the Macfarlane (Special Payments) (No.2) Trust’ means the trust of that name, established on 3rd May 1991 partly out of funds provided by the Secretary of State, for the benefit of certain persons suffering from haemophilia and other beneficiaries;

‘the Macfarlane Trust’ means the charitable trust, established partly out of funds provided by the Secretary of State to the Haemophilia Society, for the relief of poverty or distress among those suffering from haemophilia;

‘main phase employment and support allowance’ means an employment and support allowance where the calculation of the amount payable in respect of the applicant includes a component under section 2(1)(b) or 4(2)(b) of the Welfare Reform Act 2007 except in Part 1 of Schedule 1;

‘the Mandatory Work Activity Scheme’ means a scheme within section 17A (schemes for assisting persons to obtain employment; ‘work for your benefit’ schemes etc.) of the Jobseekers Act 1995 known by that name and provided pursuant to arrangements made by the Secretary of State that is designed to provide work or work related activity for up to 30 hours per week over a period of four consecutive weeks with a view to assisting applicants to improve their prospect of obtaining employment;

‘maternity leave’ means a period during which a woman is absent from work because she is pregnant or has given birth to a child, and at the end of which she has a right to return to work either under the terms of her contract of employment or under Part 8 of the Employment Rights Act 1996;

‘member of a couple’ means a member of a married or unmarried couple;

‘MFET Limited’ means the company limited by guarantee (number 7121661) of that name, established for the purpose in particular of making payments in accordance with arrangements made with the Secretary of State to persons who have acquired HIV as a result of treatment by the NHS with blood or blood products;

‘mover’ means an applicant who changes the dwelling in which the applicant is resident and in respect of which the applicant liable to pay council tax from a dwelling in the area of the appropriate authority to a dwelling in the area of the second authority;

‘net earnings’ means such earnings as are calculated in accordance with section 23;

‘net profit’ means such profit as is calculated in accordance with section 25;

‘the New Deal options’ means the employment programmes specified in regulation 75(1)(a)(ii) of the Jobseeker’s Allowance Regulations 1996 and the training scheme specified in regulation 75(1)(b)(ii) of those Regulations;

‘non-dependant’ has the meaning prescribed in section 3;

‘occasional assistance’ means any payment or provision made by a local authority, the Welsh Ministers or the Scottish Ministers for the purposes of:

(a) meeting, or helping to meet an immediate short-term need;

(i) arising out of an exceptional event or exceptional circumstances, or

(ii) that needs to be met to avoid a risk to the well-being of an individual, and

(b) enabling qualifying individuals to establish or maintain a settled home, and—

(i) ‘local authority’ has the meaning given by section 270(1) of the Local Government Act 1972; and

(ii) ‘qualifying individuals’ means individuals who have been, or without the assistance might otherwise be:

(aa) in prison, hospital, an establishment providing residential care or other institution, or

(bb) homeless or otherwise living an unsettled way of life; and 'local authority' means a local authority in England within the meaning of the Local Government Act 1972;

'occupational pension' means any pension or other periodical payment under an occupational pension scheme but does not include any discretionary payment out of a fund established for relieving hardship in particular cases;

'occupational pension scheme' has the same meaning as in section 1 of the Pension Schemes Act 1993

'ordinary clothing or footwear' means clothing or footwear for normal daily use, but does not include school uniforms, or clothing or footwear used solely for sporting activities;

'partner' in relation to a person, means

(a) where that person is a member of a couple, the other member of that couple;

(b) subject to paragraph (c), where that person is polygamously married to two or more members of his household, any such member to whom he is married; or

(c) where that person is polygamously married and has an award of universal credit with the other party to the earliest marriage that still subsists, that other party to the earliest marriage;

'paternity leave' means a period of absence from work on leave by virtue of section 80A or 80B of the Employment Rights Act 1996;

'payment' includes part of a payment;

'pensionable age' has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995 as amended by the Public Services Pension Act 2013 and Pensions Act 2014;

'pension fund holder' means with respect to a personal pension scheme or an occupational pension scheme, the trustees, managers or scheme administrators, as the case may be, of the scheme concerned;

'pensioner' a person who has attained the age at which pension credit can be claimed;

'person affected' shall be construed as a person to whom the authority decides is affected by any decision made by the council;

"person from abroad" means, subject to the following provisions of this regulation, a person who is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland

'person on income support' means a person in receipt of income support;

'personal independence payment' has the meaning given by Part 4 of the Welfare Reform Act 2012 and the Social Security (Personal Independence Payments) 2013;

'person treated as not being in Great Britain' has the meaning given by section 7;

'personal pension scheme' means—

(a) a personal pension scheme as defined by section 1 of the Pension Schemes Act 1993 as amended by the Public Service Pension Act 2013;

(b) an annuity contractor trust scheme approved under section 620 or 621 of the Income and Corporation Taxes Act 1988 or a substituted contract within the meaning of section 622(3) or that Act which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(f) of Schedule 36 of the Finance Act 2004;

(c) a personal pension scheme approved under Chapter 4 of Part 14 of the Income and Corporation Taxes Act 1988 which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(g) of Schedule 36 to the Finance Act 2004;

'policy of life insurance' means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract which is subject to payment of premiums for a term dependent on human life;

'polygamous marriage' means a marriage to which section 133(1) of the Act refers namely;

(a) a person is a husband or wife by virtue of a marriage entered into under a law which permits polygamy; and

(b) either party to the marriage has for the time being any spouse additional to the other party.

'public authority' includes any person certain of whose functions are functions of a public nature;

'qualifying age for state pension credit' means (in accordance with section 1(2)(b) and (6) of

the State Pension Credit Act 2002)–

- (a) in the case of a woman, pensionable age; or
- (b) in the case of a man, the age which is pensionable age in the case of a woman born on the same day as the man;

‘qualifying contributory benefit’ means;

- (a) severe disablement allowance;
- (b) incapacity benefit;
- (c) contributory employment and support allowance;

‘qualifying course’ means a qualifying course as defined for the purposes of Parts 2 and 4 of the Job Seeker’s Allowance Regulations 1996

‘qualifying income-related benefit’ means

- (a) income support;
- (b) income-based jobseeker’s allowance;
- (c) income-related employment and support allowance;

‘qualifying person’ means a person in respect of whom payment has been made from the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;

‘reduction week’ means a period of seven consecutive days beginning with a Monday and ending with a Sunday;

‘relative’ means a close relative, grandparent, grandchild, uncle, aunt, nephew or niece;

‘relevant authority’ means an authority administering Council Tax Reduction;

‘relevant week’ In relation to any particular day, means the week within which the day in question falls;

‘remunerative work’ has the meaning prescribed in section 6;

‘rent’ means ‘eligible rent’ to which regulation 12 of the Housing Benefit Regulations refers less any deductions in respect of non-dependants which fall to be made under regulation 74 (non-dependant deductions) of those Regulations;

‘resident’ has the meaning it has in Part 1 or 2 of the 1992 Act;

‘Scottish basic rate’ means the rate of income tax of that name calculated in accordance with section 6A of the Income Tax Act 2007;

‘Scottish taxpayer’ has the same meaning as in Chapter 2 of Part 4A of the Scotland Act 1998

‘second authority’ means the authority to which a mover is liable to make payments for the new dwelling;

‘self-employed earner’ is to be construed in accordance with section 2(1)(b) of the Act;

‘self-employment route’ means assistance in pursuing self-employed earner’s employment whilst participating in–

- (a) an employment zone programme;
- (b) a programme provided or other arrangements made pursuant to section 2 of the 1973 Act (functions of the Secretary of State) or section 2 of the Enterprise and New Towns (Scotland) Act 1990 (functions in relation to training for employment, etc.);
- (c) the Employment, Skills and Enterprise Scheme;
- (d) a scheme prescribed in regulation 3 of the Jobseeker’s Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013;
- (e) Back to Work scheme.

‘Service User’ references in this scheme to an applicant participating as a service user are to

- (a) a person who is being consulted by or on behalf of—
 - (i) the Secretary of State in relation to any of the Secretary of State’s functions in the field of social security or child support or under section 2 of the Employment and Training Act 1973; or
 - (ii) a body which conducts research or undertakes monitoring for the purpose of planning or improving such functions in their capacity as a person affected or potentially affected by the exercise of those functions or the carer of such a person; or
- (b) the carer of a person consulted as described in sub-paragraph (a) where the carer is not being consulted as described in that sub-paragraph.”.

‘service user group’ means a group of individuals that is consulted by or on behalf of;

- (a) a Health Board, Special Health Board or the Agency in consequence of a function under

- section 2B of the National Health Service (Scotland) Act 1978,
- (b) a landlord authority in consequence of a function under section 105 of the Housing Act 1985,
 - (c) a public authority in Northern Ireland in consequence of a function under section 49A of the Disability Discrimination Act 1995,
 - (d) a public authority in consequence of a function relating to disability under section 149 of the Equality Act 2010;
 - (e) a best value authority in consequence of a function under section 3 of the Local Government Act 1999,
 - (f) a local authority landlord or registered social landlord in consequence of a function under section 53 of the Housing (Scotland) Act 2001,
 - (g) a relevant English body or a relevant Welsh body in consequence of a function under section 242 of the National Health Service Act 2006,
 - (h) a Local Health Board in consequence of a function under section 183 of the National Health Service (Wales) Act 2006,
 - (i) the Care Quality Commission in consequence of a function under section 4 or 5 of the Health and Social Care Act 2008,
 - (j) the regulator or a private registered provider of social housing in consequence of a function under section 98, 193 or 196 of the Housing and Regeneration Act 2008, or
 - (k) a public or local authority in Great Britain in consequence of a function conferred under any other enactment,

for the purposes of monitoring and advising on a policy of that body or authority which affects or may affect persons in the group, or of monitoring or advising on services provided by that body or authority which are used (or may potentially be used) by those persons;

Severely disabled person is a person which meets the condition in s70(2) Social Security Contributions & Benefits Act 1992'

'single applicant' means an applicant who neither has a partner nor is a lone parent;

'the Skipton Fund' means the ex-gratia payment scheme administered by the Skipton Fund Limited, incorporated on 25th March 2004, for the benefit of certain persons suffering from hepatitis C and other persons eligible for payment in accordance with the scheme's provisions.

'special account' means an account as defined for the purposes of Chapter 4A of Part 8 of the Jobseeker's Allowance Regulations or Chapter 5 of Part 10 of the Employment and Support Allowance Regulations;

'sports award' means an award made by one of the Sports Councils named in section 23(2) of the National Lottery Act 1993 out of sums allocated to it for distribution under that section;

'the SSCBA' means the Social Security Contributions and Benefits Act 1992

'State Pension Credit Act' means the State Pension Credit Act 2002;

'student' has the meaning prescribed in section 43;

'subsistence allowance' means an allowance which an employment zone contractor has agreed to pay to a person who is participating in an employment zone programme;

'the Tax Credits Act' means the Tax Credits Act 2002;

'tax year' means a period beginning with 6th April in one year and ending with 5th April in the next;

'training allowance' means an allowance (whether by way of periodical grants or otherwise) payable—

- (a) out of public funds by a Government department or by or on behalf of the Secretary of State, Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise, the Young People's Learning Agency for England, the Chief Executive of Skills Funding or Welsh Ministers;
- (b) to a person for his maintenance or in respect of a member of his family; and
- (c) for the period, or part of the period, during which he is following a course of training or instruction provided by, or in pursuance of arrangements made with, the department or approved by the department in relation to him or so provided or approved by or on behalf of the Secretary of State, Skills Development Scotland Scottish Enterprise or Highlands and Islands Enterprise or the Welsh Ministers.

It does not include an allowance paid by any Government department to or in respect of a person by reason of the fact that he is following a course of full-time education, other than under arrangements made under section 2 of the 1973 Act or is training as a teacher;

'the Trusts' means the Macfarlane Trust, the Macfarlane (Special Payments) Trust and the Macfarlane (Special Payments) (No. 2) Trust;

'Universal Credit' means any payment of Universal Credit payable under the Welfare Reform Act 2012, the Universal Credit Regulations 2013, The Universal Credit (Consequential, Supplementary, Incidental and Miscellaneous Provisions) Regulations 2013, Universal Credit (Miscellaneous Amendments) Regulations 2013 and the Universal Credit (Transitional Provisions) Regulations 2014;

'Up-rating Act' means the Welfare Benefit Up-rating Act 2013, the Welfare Benefits Up-rating Order 2014 and the Welfare Benefits Up-rating Order 2015;

'voluntary organisation' means a body, other than a public or local authority, the activities of which are carried on otherwise than for profit;

'war disablement pension' means any retired pay or pension or allowance payable in respect of disablement under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003;

'war pension' means a war disablement pension, a war widow's pension or a war widower's pension;

'war widow's pension' means any pension or allowance payable to a woman as a widow under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003 in respect of the death or disablement of any person;

'war widower's pension' means any pension or allowance payable to a man as a widower or to a surviving civil partner under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003 in respect of the death or disablement of any person;

'water charges' means;

(a) as respects England and Wales, any water and sewerage charges under Chapter 1 of Part 5 of the Water Industry Act 1991,

(b) as respects Scotland, any water and sewerage charges established by Scottish Water under a charges scheme made under section 29A of the Water Industry (Scotland) Act 2002, in so far as such charges are in respect of the dwelling which a person occupies as his home;

'week' means a period of seven days beginning with a Monday;

'Working Tax Credit Regulations' means the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 as amended¹; and

'young person' has the meaning prescribed in section 9(1) and in section 142 of the SSCBA.

- 2.2 In this scheme, references to an applicant occupying a dwelling or premises as his home shall be construed in accordance with regulation 7 of the Housing Benefit Regulations 2006.
- 2.3 In this scheme, where an amount is to be rounded to the nearest penny, a fraction of a penny shall be disregarded if it is less than half a penny and shall otherwise be treated as a whole penny.
- 2.4 For the purpose of this scheme, a person is on an income-based jobseeker's allowance on any day in respect of which an income-based jobseeker's allowance is payable to him and on any day;
- (a) in respect of which he satisfies the conditions for entitlement to an income-based jobseeker's allowance but where the allowance is not paid in accordance with regulation 27A of the Jobseeker's Allowance Regulations or section 19 or 20A or regulations made under section 17A of the Jobseekers Act (circumstances in which a jobseeker's allowance is not payable); or
- (b) which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income-based jobseeker's allowance is payable to him or would be payable to him but for regulation 27A of the

¹ The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2013; The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2015

Jobseeker's Allowance Regulations or section 19 or 20A or regulations made under section 17A of that Act;

- (c) in respect of which he is a member of a joint-claim couple for the purposes of the Jobseekers Act and no joint-claim jobseeker's allowance is payable in respect of that couple as a consequence of either member of that couple being subject to sanctions for the purposes of section 20A of that Act;
- (d) in respect of which an income-based jobseeker's allowance or a joint-claim jobseeker's allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security Fraud Act 2001 (loss of benefit provisions).

2.5 For the purposes of this scheme, a person is on an income-related employment and support allowance on any day in respect of which an income-related employment and support allowance is payable to him and on any day;

- (a) in respect of which he satisfies the conditions for entitlement to an income-related employment and support allowance but where the allowance is not paid in accordance with section 18 of the Welfare Reform Act disqualification; or
- (b) which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act and which falls immediately before a day in respect of which an income-related employment and support allowance is payable to him or would be payable to him but for section 18 of that Act.

2.6 For the purposes of this scheme, two persons shall be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.

2.7 In this scheme, references to any person in receipt of state pension credit includes a person who would be in receipt of state pension credit but for regulation 13 of the State Pension Credit Regulations 2002 (small amounts of state pension credit).

3.0 Definition of non-dependant

3.1 In this scheme, 'non-dependant' means any person, except someone to whom paragraph 3.2 applies, who normally resides with an applicant or with whom an applicant normally resides.

3.2 This paragraph applies to;

- (a) any member of the applicant's family;
- (b) if the applicant is polygamously married, any partner of his and any child or young person who is a member of his household and for whom he or one of his partners is responsible;
- (c) a child or young person who is living with the applicant but who is not a member of his household by virtue of section 11(membership of the same household);
- (d) subject to paragraph 3.3, any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under sections 6, 7 or 75 of the 1992 Act (persons liable to pay council tax);
- (e) subject to paragraph 3.3, any person who is liable to make payments on a commercial basis to the applicant or the applicant's partner in respect of the occupation of the dwelling;
- (f) a person who lives with the applicant in order to care for him or a partner of his and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or his partner for the services provided by that person.

3.3 Excepting persons to whom paragraph 3.2 a) to c) and f) refer, a person to whom any of the following sub-paragraphs applies shall be a non-dependant–

- (a) a person who resides with the person to whom he is liable to make payments in respect of the dwelling and either;
 - i. that person is a close relative of his or her partner; or
 - ii. the tenancy or other agreement between them is other than on a commercial basis;
- (b) a person whose liability to make payments in respect of the dwelling appears to the

authority to have been created to take advantage of the Council Tax Reduction scheme except someone who was, for any period within the eight weeks prior to the creation of the agreement giving rise to the liability to make such payments, otherwise liable to make payments of rent in respect of the same dwelling;

- (c) a person who becomes jointly and severally liable with the applicant for council tax in respect of a dwelling and who was, at any time during the period of eight weeks prior to his becoming so liable, a non-dependant of one or more of the other residents in that dwelling who are so liable for the tax, unless the authority is satisfied that the change giving rise to the new liability was not made to take advantage of the support scheme.

4.0 Requirement to provide a National Insurance Number²

4.1 No person shall be entitled to support unless the criteria below in 4.2 is satisfied in relation both to the person making the claim and to any other person in respect of whom he is claiming support.

4.2 This subsection is satisfied in relation to a person if–

- (a) the claim for support is accompanied by;
 - i. a statement of the person’s national insurance number and information or evidence establishing that that number has been allocated to the person; or
 - ii. information or evidence enabling the national insurance number that has been allocated to the person to be ascertained; or
- (b) the person makes an application for a national insurance number to be allocated to him which is accompanied by information or evidence enabling such a number to be so allocated and the application for reduction is accompanied by evidence of the application and information to enable it to be allocated.

4.3 Paragraph 4.2 shall not apply–

- (a) in the case of a child or young person in respect of whom Council Tax Reduction is claimed;
- (b) to a person who;
 - i. is a person in respect of whom a claim for Council Tax Reduction is made;
 - ii. is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act; and
 - iii. has not previously been allocated a national insurance number.

5.0 Persons who have attained the qualifying age for state pension credit

5.1 This scheme applies to a person if:

- (i) he has not attained the qualifying age for state pension credit; or
- (ii) he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is;
 - (a) a person on income support, on income-based jobseeker’s allowance or an income-related employment and support allowance; or
 - (b) a person with an award of universal credit.

6.0 Remunerative work

6.1 Subject to the following provisions of this section, a person shall be treated for the purposes of this scheme as engaged in remunerative work if he is engaged, or, where his hours of work fluctuate, he is engaged on average, for not less than 16 hours a week, in work for which payment is made or which is done in expectation of payment.

6.2 Subject to paragraph 6.3, in determining the number of hours for which a person is engaged in work where his hours of work fluctuate, regard shall be had to the average of hours worked

² Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

over;

- (a) if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);
- (b) in any other case, the period of 5 weeks immediately prior to that date of claim, or such other length of time as may, in the particular case, enable the person's weekly average hours of work to be determined more accurately,

- 6.3 Where, for the purposes of paragraph 6.2 a), a person's recognisable cycle of work at a school, other educational establishment or other place of employment is one year and includes periods of school holidays or similar vacations during which he does not work, those periods and any other periods not forming part of such holidays or vacations during which he is not required to work shall be disregarded in establishing the average hours for which he is engaged in work.
- 6.4 Where no recognisable cycle has been established in respect of a person's work, regard shall be had to the number of hours or, where those hours will fluctuate, the average of the hours, which he is expected to work in a week.
- 6.5 A person shall be treated as engaged in remunerative work during any period for which he is absent from work referred to in paragraph 6.1 if the absence is either without good cause or by reason of a recognised customary or other holiday.
- 6.6 A person on Income Support, an income-based Jobseeker's Allowance or an income-related Employment and Support Allowance for more than 3 days shall be treated as not being in remunerative work in that week.
- 6.7 A person shall not be treated as engaged in remunerative work on any day on which the person is on maternity leave, paternity leave or adoption leave, or is absent from work because he is ill.
- 6.8 A person shall not be treated as engaged in remunerative work on any day on which he is engaged in an activity in respect of which;
- (a) a sports award has been made, or is to be made, to him; and
 - (b) no other payment is made or is expected to be made to him.

7.0 Persons treated as not being in Great Britain and Persons Subject to Immigration Control

Persons treated as not being in Great Britain

- 7.1 Persons treated as not being in Great Britain are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority's scheme.
- 7.2 Except where a person falls within paragraph (5) or (6), a person is to be treated as not being in Great Britain if the person is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland.
- 7.3 A person must not be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland unless the person has a right to reside in one of those places.
- 7.4 For the purposes of paragraph (3), a right to reside does not include a right, which exists by virtue of, or in accordance with—
- (a) regulation 13 of the EEA Regulations;
 - (aa) regulation 14 of the EEA Regulations, but only in a case where the right exists under that regulation because the person is—

- (i) a jobseeker for the purpose of the definition of “qualified person” in regulation 6(1) of those Regulations, or
- (ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;
- (b) regulation 15A(1) of the EEA Regulations, but only in a case where the right exists under that regulation because the applicant satisfies the criteria in paragraph (5) of that regulation of the Treaty on the Functioning of the European Union (in a case where the right to reside arises because a British citizen would otherwise be deprived of the genuine enjoyment of their rights as a European Union citizen).

7.4A For the purposes of paragraph (3), a right to reside does not include a right which exists by virtue of a person having been granted limited leave to enter, or remain in, the United Kingdom under the Immigration Act 1971 by virtue of—

- (a) (Removed by the Council Tax Reductions Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021
- (b) Appendix EU to the immigration rules made under section 3(2) of that Act;
- (c) being a person with a Zambrano right to reside as defined in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of that Act; or
- (d) having arrived in the United Kingdom with an entry clearance that was granted under Appendix EU (Family Permit) to the immigration rules made under section 3(2) of that Act.

7.5 A person falls within this paragraph if the person is—

- (za) a person granted leave in accordance with the immigration rules made under section 3(2) of the Immigration Act 1971, where such leave is granted by virtue of—
 - (i) the Afghan Relocations and Assistance Policy; or
 - (ii) the previous scheme for locally employed staff in Afghanistan (sometimes referred to as the ex-gratia scheme);
- (zb) a person in Great Britain not coming within sub-paragraph (za) or (e) who left Afghanistan in connection with the collapse of the Afghan government that took place on 15th August 2021;
- (zc) a person in Great Britain who was residing in Ukraine immediately before 1st January 2022, left Ukraine in connection with the Russian invasion which took place on 24th February 2022 and—
 - (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971;
 - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act; or
 - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;
- (a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;
- (b) a family member of a person referred to in sub-paragraph (a);
- (c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;
- (ca) a family member of a relevant person of Northern Ireland, with a right to reside which falls within paragraph (4A)(b), provided that the relevant person of Northern Ireland falls within paragraph (5)(a), or would do so but for the fact that they are not an EEA national;
- (cb) a frontier worker within the meaning of regulation 3 of the Citizens’ Rights (Frontier Workers) (EU Exit) Regulations 2020;
- (cc) a family member of a person referred to in sub-paragraph (cb), who has been granted limited leave to enter, or remain in, the United Kingdom by virtue of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971
- (d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th

July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;

- (e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971
- (f) a person who has humanitarian protection granted under those rules;
- (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom;
- (h) in receipt of income support or on an income-related employment and support allowance; or
- (ha) in receipt of an income-based jobseeker's allowance and has a right to reside other than a right to reside falling within paragraph (4);

7.6 A person falls within this paragraph if the person is a Crown servant or member of His Majesty's forces posted overseas.

7.7 A person mentioned in sub-paragraph (6) is posted overseas if the person is performing overseas the duties of a Crown servant or member of His Majesty's forces and was, immediately before the posting or the first of consecutive postings, habitually resident in the United Kingdom.

7.8 In this regulation—
"claim for asylum" has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999;
"Crown servant" means a person holding an office or employment under the Crown;
"EEA Regulations" means the Immigration (European Economic Area) Regulations 2006;
The Immigration (European Economic Area) (Amendment) (No. 2) Regulations 2014; and
"His Majesty's forces" has the same meaning as in the Armed Forces Act 2006.

Persons subject to immigration control

7.9 Persons subject to immigration control are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority's scheme.

7.10 A person who is a national of a state which has ratified the European Convention on Social and Medical Assistance (done in Paris on 11th December 1953) or a state which has ratified the Council of Europe Social Charter (signed in Turin on 18th October 1961) and who is lawfully present in the United Kingdom is not a person subject to immigration control for the purpose of paragraph 7.9

7.11 "Person subject to immigration control" has the same meaning as in section 115(9) of the Immigration and Asylum Act 1999.

7A.0 Transitional provision

7A.1 The above does not apply to a person who, on 31st March 2015

- (a) is liable to pay council tax at a reduced rate by virtue of a Council Tax Reduction under an authority's scheme established under section 13A (2) of the Act; and
- (b) is entitled to an income-based jobseeker's allowance, until the first of the events in paragraph 7A.2 occurs.

7A.2 The events are—

- (a) the person makes a new application for a reduction under an authority's scheme established under section 13A (2) of the Act; or
- (b) the person ceases to be entitled to an income-based jobseeker's allowance.

7A.3 In this section “the Act” means the Local Government Finance Act 1992.

8.0 Temporary Absence (period of absence)

8.1 Where a person is absent from the dwelling throughout any day then no support shall be payable

8.2 A person shall not, in relation to any day, which falls within a period of temporary absence from that dwelling, be a prescribed person under paragraph 8.1.

8.3 In paragraph 8.2, a ‘period of temporary absence’ means—

(a) a period of absence within Great Britain not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation in Great Britain where and for so long as;

- i. the person resides in that accommodation;
- ii. the part of the dwelling in which he usually resided is not let or sub-let; and
- iii. that period of absence does not form part of a longer period of absence from the dwelling of more than 52 weeks,

where he has entered the accommodation for the purpose of ascertaining whether it suits his needs and with the intention of returning to the dwelling if it proves not to suit his needs;

(b) a period of absence not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as;

- i. the person intends to return to the dwelling;
- ii. the part of the dwelling in which he usually resided is not let or sub-let; and
- iii. that period is unlikely to exceed 13 weeks; and

(c) a period of absence within Great Britain not exceeding 52 weeks, beginning with the first whole day of absence, where and for so long as

- i. the person intends to return to the dwelling;
- ii. the part of the dwelling in which he usually resided is not let or sub-let;
- iii. the person is a person to whom paragraph 8.4 applies; and
- iv. the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period.

8.3A A person who is temporarily absent from a dwelling he occupies as his home and is absent outside Great Britain shall be treated as occupying that dwelling as his home whilst he is temporarily absent, for a period not exceeding 4 weeks beginning with the first day of that absence from Great Britain, provided that—

- (a) the person intends to return to occupy the dwelling as his home;
- (b) the part of the dwelling normally occupied by the person has not been let or, as the case may be, sub-let; and
- (c) the period of absence is unlikely to exceed 4 weeks.

8.3B A person who is temporarily absent from a dwelling he occupies as his home and is absent outside of Great Britain as a member of the armed forces away on operations, a mariner or a continental shelf worker shall be treated as occupying that dwelling as his home whilst he is temporarily absent, for a period not exceeding 26 weeks beginning with the first day of that absence from Great Britain, provided that—

- (a) the person intends to return to occupy the dwelling as his home;
- (b) the part of the dwelling normally occupied by the person has not been let or, as the case may be, sub-let; and
- (c) the period of absence is unlikely to exceed 26 weeks.

8.3C This paragraph applies where—

- (a) a person is temporarily absent from Great Britain;
- (b) the temporary absence from Great Britain is in connection with the death of the—

- (i) person's partner or a child or young person for whom he or his partner is responsible;
- (ii) person's close relative;
- (iii) close relative of the person's partner; or
- (iv) close relative of a child or young person for whom the person or their partner is responsible;

- (c) the person intends to return to occupy the dwelling as his home; and
- (d) the part of the dwelling normally occupied by the person has not been let or, as the case may be, sub-let.

8.3D person to whom paragraph (8.3C) applies shall be treated as occupying a dwelling he is absent from as his home whilst he is temporarily absent for a period not exceeding 4 weeks beginning with the first day of that absence from Great Britain.

8.3E The period of absence in paragraph (8.3D) may be extended by up to 4 further weeks if the relevant authority considers it unreasonable to expect the person to return to Great Britain within the first 4 weeks

8.4 This paragraph applies to a person who is;

- (a) detained in custody on remand pending trial or required, as a condition of bail, to reside;
 - i. in a dwelling, other than the dwelling referred to in paragraph 8.1, or
 - ii. in premises approved under section 13 of the Offender Management Act 2007, or, detained in custody pending sentence upon conviction;
- (b) resident in a hospital or similar institution as a patient;
- (c) undergoing, or his partner or his dependent child is undergoing, in Great Britain or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
- (d) following, in Great Britain or elsewhere, a training course;
- (e) undertaking medically approved care of a person residing in Great Britain or elsewhere;
- (f) undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care of medical treatment;
- (g) in Great Britain, receiving medically approved care provided in accommodation other than residential accommodation;
- (h) a student;
- (i) receiving care provided in residential accommodation other than a person to whom paragraph 8.3a) applies; or
- (j) has left the dwelling he resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of the person first mentioned.

8.5 This paragraph applies to a person who is:

- (a) detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983 (as amended by the Mental Health (Discrimination) Act 2013), or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995) or, in Northern Ireland, under Article 4 or 12 of the Mental Health (Northern Ireland) Order 1986; and
- (b) on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952 or the Prisons (Scotland) Act 1989

8.6 Where paragraph 8.5 applies to a person, then, for any day when he is on temporary release—
(a) if such temporary release was immediately preceded by a period of temporary absence

- under paragraph 8.3 b) or c), he shall be treated, for the purposes of paragraph 8.1, as if he continues to be absent from the dwelling, despite any return to the dwelling;
- (b) for the purposes of paragraph 8.4 a), he shall be treated as if he remains in detention;
- (c) If he does not fall within sub-paragraph a), he is not considered to be a person who is liable to pay Council Tax in respect of a dwelling of which he is resident.

8.7 In this section;

- ‘medically approved’ means certified by a medical practitioner;
- ‘continental shelf worker’ means a person who is employed, whether under a contract of service or not, in a designated area or a prescribed area in connection with any activity mentioned in section 11(2) of the Petroleum Act 1998
- ‘designated area’ means any area which may from time to time be designated by Order in Council under the Continental Shelf Act 1964 as an area within which the rights of the United Kingdom with respect to the seabed and subsoil and their natural resources may be exercised;

“mariner” means a person who is employed under a contract of service either as a master or member of the crew of any ship or vessel, or in any other capacity on board any ship or vessel, where:

- a) the employment in that capacity is for the purposes of that ship or vessel or its crew or any passengers or cargo or mails carried by the ship or vessel; and
- b) the contract is entered into in the United Kingdom with a view to its performance (in whole or in part) while the ship or vessel is on its voyage
- ‘patient’ means a person who is undergoing medical or other treatment as an in-patient in any hospital or similar institution; ‘residential accommodation’ means accommodation which is provided;
 - (a) in a care home;
 - (b) in an independent hospital;
 - (c) in an Abbeyfield Home; or
 - (d) in an establishment managed or provided by a body incorporated by Royal Charter or constituted by Act of Parliament other than a local social services authority;
- “prescribed area” means any area over which Norway or any member State (other than the United Kingdom) exercises sovereign rights for the purpose of exploring the seabed and subsoil and exploiting their natural resources, being an area outside the territorial seas of Norway or such member State or any other area which is from time to time specified under section 10(8) of the Petroleum Act 1998
- ‘training course’ means a course of training or instruction provided wholly or partly by or on behalf of or in pursuance of arrangements made with, or approved by or on behalf of, Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, a government department or the Secretary of State.

Sections 9 - 11
The family for Council Tax Reduction purposes

9.0 Membership of a family

- 9.1 Within the support scheme adopted by the Council 'family' means;
- (a) a married or unmarried couple;
 - (b) married or unmarried couple and a member of the same household for whom one of them is or both are responsible and who is a child or a young person;
 - (c) two people of the same sex who are civil partners of each other and are members of the same household (with or without children);
 - (d) two people of the same sex who are not civil partners of each other but are living together as if they were civil partners (with or without children),
 - (e) and for the purposes of sub-paragraph (d) two people of the same sex are to be regarded as living together as if they were civil partners if, but only if, they would be regarded as living together as husband and wife were they instead two people of the opposite sex;
 - (f) except in prescribed circumstances, a person who is not a member of a married or unmarried couple and a member of the same household for whom that person is responsible and who is a child or a young person;

For the purposes of the scheme a child is further defined as a 'child or young person'
A 'child' means a person under the age of 16 and a 'Young Person' is someone aged 16 or over but under 20 and who satisfies other conditions. These conditions are:

- they are aged 16, have left 'relevant education' or training, and 31 August following the sixteenth birthday has not yet been passed;
- they are aged 16 or 17, have left education or training, are registered for work, education or training, are not in remunerative work and are still within their 'extension period';
- they are on a course of full-time non-advanced education, or are doing 'approved training', and they began that education or training before reaching the age of 19;
- they have finished a course of full-time non-advanced education, but are enrolled on another such course (other than one provided as a result of their employment);
- they have left 'relevant education' or 'approved training' but have not yet passed their 'terminal date'.

- 9.2 Paragraph 9.1 the definition of child or young person shall not apply to a person who is;
- (a) on income support;
 - (b) an income-based Jobseeker's Allowance or an income-related Employment and Support allowance; or has an award of Universal Credit; or
 - (c) a person to whom section 6 of the Children (Leaving Care) Act 2000 (exclusion from benefits) applies.
- 9.3 The definition also includes a child or young person in respect of whom there is an entitlement to child benefit but only for the period that Child Benefit is payable

10.0 Circumstances in which a person is to be treated as responsible (or not responsible) for a child or young person.

- 10.1 Subject to the following paragraphs a person shall be treated as responsible for a child or young person who is normally living with him and this includes a child or young person to whom paragraph 9.3 applies
- 10.2 Where a child or young person spends equal amounts of time in different households, or where there is a question as to which household he is living in, the child or young person shall be treated for the purposes of paragraph 9.1 as normally living with;
- (a) the person who is receiving child benefit in respect of him; or
 - (b) if there is no such person;
 - i. where only one claim for child benefit has been made in respect of him, the person who made that claim; or

ii. in any other case the person who has the primary responsibility for him.

10.3 For the purposes of this scheme a child or young person shall be the responsibility of only one person and any person other than the one treated as responsible for the child or young person under this section shall be treated as not so responsible.

10.4 In accordance with Schedule 1 of this scheme, the number of dependants determined to be within the household shall be limited to two.

11.0 Circumstances in which a child or young person is to be treated as being or not being a member of the household

11.1 Subject to paragraphs 11.2 and 11.3, the applicant and any partner and, where the applicant or his partner is treated as responsible by virtue of section 10 (circumstances in which a person is to be treated as responsible or not responsible for a child or young person) for a child or young person, that child or young person and any child of that child or young person, shall be treated as members of the same household notwithstanding that any of them is temporarily absent from that household.

11.2 A child or young person shall not be treated as a member of the applicant's household where he is;

- (a) placed with the applicant or his partner by a local authority under section 23(2)(a) of the Children Act 1989 or by a voluntary organisation under section 59(1)(a) of that Act, or in Scotland boarded out with the applicant or his partner under a relevant enactment; or
- (b) placed, or in Scotland boarded out, with the applicant or his partner prior to adoption; or
- (c) placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009.

11.3 Subject to paragraph 11.4, paragraph 11.1 shall not apply to a child or young person who is not living with the applicant and he—

- (a) is being looked after by, or in Scotland is in the care of, a local authority under a relevant enactment; or
- (b) has been placed, or in Scotland boarded out, with a person other than the applicant prior to adoption; or
- (c) has been placed for adoption in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009; or in accordance with an adoption allowance scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (adoption allowances schemes).

11.4 The authority shall treat a child or young person to whom paragraph 11.3 a) applies as being a member of the applicant's household where;

- a. that child or young person lives with the applicant for part or all of that reduction week; and
- b. the authority considers that it is responsible to do so taking into account the nature and frequency of that child's or young person's visits.

11.5 In this paragraph 'relevant enactment' means the Army Act 1955, the Air Force Act 1955, the Naval Discipline Act 1957, the Matrimonial Proceedings (Children) Act 1958, the Social Work (Scotland) Act 1968, the Family Law Reform Act 1969, the Children and Young Persons Act 1969, the Matrimonial Causes Act 1973, the Children Act 1975, the Domestic Proceedings and Magistrates' Courts Act 1978, the Adoption and Children (Scotland) Act 1978, the Family Law Act 1986, the Children Act 1989, the Children (Scotland) Act 1995 and the Legal Aid, Sentencing and Punishment of Offenders Act 2012.

Sections 12 – 30 & Schedules 2 & 3
Definition and the treatment of income for Council Tax Reduction purposes

12.0 Calculation of income and capital of members of applicant's family and of a polygamous marriage

- 12.1 The income and capital of:
(a) an applicant; and
(b) any partner of that applicant,

is to be calculated in accordance with the provisions of this Part.

- 12.2 The income and capital of any partner of the applicant is to be treated as income and capital of the applicant, and in this Part any reference to the applicant applies equally to any partner of that applicant.

- 12.3 Where an applicant or the partner of an applicant is married polygamously to two or more members of his household:
(a) the applicant must be treated as possessing capital and income belonging to each such member; and
(b) the income and capital of that member is to be calculated in accordance with the following provisions of this Part in like manner as for the applicant.

13.0 Calculation of income and capital: persons who have an award of universal credit

- 13.1 In determining the income of an applicant
(a) who has, or
(b) who (jointly with his partner) has,
an award of universal credit the authority may subject to the following provisions of this paragraph use the calculation or estimate of the income of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit.
- 13.2 The authority may adjust the amount referred to in sub-paragraph (1) to take account of
(a) income consisting of the award of universal credit, determined in accordance with subparagraph (3) and a sum determined as an amount for housing costs;
(b) any sum to be disregarded under paragraphs of Schedule 2 to this scheme (sums to be disregarded in the calculation of earnings);
(c) any sum to be disregarded under Schedule 3 to this scheme (sums to be disregarded in the calculation of income other than earnings);
(d) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable)
- 13.3 The amount for the award of universal credit is to be determined by multiplying the amount of the award by 12 and dividing the product by 52.
- 13.4 Sections 14 (income and capital of non-dependant to be treated as applicant's) apply (so far as relevant) for the purpose of determining any adjustments, which fall to be made to the figure for income under sub-paragraph (2)
- 13.5 In determining the capital of an applicant;
(a) who has, or
(b) who (jointly with his partner) has,
an award of universal credit, the authority must use the calculation or estimate of the capital of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining that award

14.0 Circumstances in which capital and income of non-dependant is to be treated as applicant's

14.1 Where it appears to the authority that a non-dependant and the applicant have entered into arrangements in order to take advantage of the Council Tax Reduction scheme and the non-dependant has more capital and income than the applicant, that authority shall, except where the applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, treat the applicant as possessing capital and income belonging to that non-dependant, and, in such a case, shall disregard any capital and income which the applicant does possess.

14.2 Where an applicant is treated as possessing capital and income belonging to a non-dependant under paragraph 14.1 the capital and income of that non-dependant shall be calculated in accordance with the following provisions in like manner as for the applicant and any reference to the 'applicant' shall, except where the context otherwise requires, be construed for the purposes of this scheme as if it were a reference to that non-dependant.

15.0 Calculation of income on a weekly basis

15.1 For the purposes of this scheme and in line with regulation 34 of the Housing Benefit Regulations 2006 (disregard to changes in tax, contributions etc.), the income of an applicant shall be calculated on a weekly basis by estimating the amount which is likely to be his average weekly income in accordance with this Section and in line with Sections 2, 3, 4 and 5 of Part 6 of the Housing Benefit Regulations 2006.

15.2 The conditions of this paragraph are that;

- a. the applicant's earnings which form part of his average weekly income are less than the lower of either his relevant childcare charges or whichever of the deductions specified in paragraph (3) otherwise applies in his case;
- b. that applicant or, if he is a member of a couple either the applicant or his partner, is in receipt of either working tax credit or child tax credit; and
- c. by then deducting any relevant child care charges to which section 18 (treatment of child care charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in paragraph 18.2 are met, from those earnings plus whichever credit specified in sub-paragraph (b) of that paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in paragraph (3) applies in his case.

15.3 The maximum deduction to which paragraph 15.1 c) above refers shall be;

- a. where the applicant's family includes only one child in respect of whom relevant child care charges are paid, £175.00 per week.
- b. where the applicant's family includes more than one child in respect of whom relevant child care charges are paid, £300.00 per week.

The amounts stated in this paragraph shall be amended in accordance with the Housing Benefit Regulations 2006 (as amended).

16.0 Average weekly earnings of employed earners

16.1 Where an applicant's income consists of earnings from employment as an employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment—

- (a) over a period immediately preceding the reduction week in which the claim is made or treated as made and being a period of
 - i. 5 weeks, if he is paid weekly; or
 - ii. 2 months, if he is paid monthly; or
- (b) whether or not sub-paragraph 16.1a i) or ii) applies, where an applicant's earnings fluctuate, over such other period preceding the reduction week in which the claim is made or treated

as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.

16.2 Where the applicant has been in his employment for less than the period specified in paragraph 16.1 a)(i) or (ii)

- (a) if he has received any earnings for the period that he has been in that employment and those earnings are likely to represent his average weekly earnings from that employment his average weekly earnings shall be estimated by reference to those earnings;
- (b) in any other case, the authority shall require the applicant's employer to furnish an estimate of the applicant's likely weekly earnings over such period as the authority may require and the applicant's average weekly earnings shall be estimated by reference to that estimate.

16.3 Where the amount of an applicant's earnings changes during an award the authority shall estimate his average weekly earnings by reference to his likely earnings from the employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period shall not in any case exceed 52 weeks.

16.4 For the purposes of this section the applicant's earnings shall be calculated in accordance with sections 22 and 23

17.0 Average weekly earnings of self-employed earners

17.1 Where an applicant's income consists of earnings from employment as a self-employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period shall not in any case exceed a year.

17A.0 Average weekly income other than earnings

17A.1 An applicant's income which does not consist of earnings shall be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately but the length of the period shall not in any case exceed 52 weeks.

18.0 Treatment of child care charges

18.1 This section applies where an applicant is incurring relevant child-care charges and;

- a. is a lone parent and is engaged in remunerative work;
- b. is a member of a couple both of whom are engaged in remunerative work; or
- c. is a member of a couple where one member is engaged in remunerative work and the other;
 - i. is incapacitated;
 - ii. is an in-patient in hospital; or
 - iii. is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).

18.2 For the purposes of paragraph 18.1 and subject to paragraph 18.4, a person to whom paragraph 18.3 applies shall be treated as engaged in remunerative work for a period not exceeding 28 weeks during which he—

- a. is paid statutory sick pay;
- b. is paid short-term incapacity benefit at the lower rate under sections 30A to 30E of the Act;
- c. is paid an employment and support allowance;
- d. is paid income support on the grounds of incapacity for work under regulation 4ZA of, and paragraph 7 or 14 of Schedule 1B to, the Income Support Regulations 1987; or
- e. is credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.

- 18.3 This paragraph applies to a person who was engaged in remunerative work immediately before
- a. the first day of the period in respect of which he was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or income support on the grounds of incapacity for work; or
 - b. the first day of the period in respect of which earnings are credited, as the case may be.
- 18.4 In a case to which paragraph 18.2 d) or e) applies, the period of 28 weeks begins on the day on which the person is first paid income support or on the first day of the period in respect of which earnings are credited, as the case may be.
- 18.5 Relevant child care charges are those charges for care to which paragraphs 18.6 and 18.7 apply, and shall be calculated on a weekly basis in accordance with paragraph 18.10.
- 18.6 The charges are paid by the applicant for care, which is provided
- a. in the case of any child of the applicant's family who is not disabled, in respect of the period beginning on that child's date of birth and ending on the day preceding the first Monday in September following that child's fifteenth birthday; or
 - b. in the case of any child of the applicant's family who is disabled, in respect of the period beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday.
- 18.7 The charges are paid for care, which is provided by one, or more of the care providers listed in paragraph 18.8 and are not paid—
- a. in respect of the child's compulsory education;
 - b. by an applicant to a partner or by a partner to an applicant in respect of any child for whom either or any of them is responsible in accordance with section 10 (circumstances in which a person is treated as responsible or not responsible for another); or
 - c. in respect of care provided by a relative of the child wholly or mainly in the child's home.
- 18.8 The care to which paragraph 18.7 refers may be provided;
- a. out of school hours, by a school on school premises or by a local authority;
 - i. for children who are not disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or
 - ii. for children who are disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or
 - b. by a child care provider approved in accordance with by the Tax Credit (New Category of Child Care Provider) Regulations 1999;
 - c. by persons registered under Part 2 of the Children and Families (Wales) Measure 2010; or
 - d. by a person who is excepted from registration under Part 2 of the Children and Families (Wales) Measure 2010 because the child care that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) order 2010; or
 - e. by;
 - i. persons registered under section 59(1) of the Public Services Reform Scotland Act 2010; or
 - ii. local authorities registered under section 8(1) of that Act, where the care provided is child minding or daycare within the meaning of that Act; or
 - f. by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act 2002 or
 - g. by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
 - h. by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in

- circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of section 34(2) of that Act; or
- i. by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or
- j. by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of ‘childcare’ for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or
- k. by a foster parent or kinship carer under the Fostering Services Regulations 2002, the Fostering Services (Wales) Regulations 2003 or the Looked After Children (Scotland) Regulations 2009 in relation to a child other than one whom the foster parent is fostering or kinship carer is looking after; or
- l. by a domiciliary care worker under the Domiciliary Care Agencies Regulations 2002 or the Domiciliary Care Agencies (Wales) Regulations 2004; or
- m. by a person who is not a relative of the child wholly or mainly in the child’s home.

18.9 In paragraphs 18.6 and 18.8 a), ‘the first Monday in September’ means the Monday which first occurs in the month of September in any year.

18.10 Relevant child care charges shall be estimated over such period, not exceeding a year, as is appropriate in order that the average weekly charge may be estimated accurately having regard to information as to the amount of that charge provided by the child minder or person providing the care.

18.11 For the purposes of paragraph 18.1 c) the other member of a couple is incapacitated where

- a. the applicant’s applicable amount includes a disability premium on account of the other member’s incapacity or the support component or the work- related activity component on account of his having limited capability for work
- b. the applicant’s applicable amount would include a disability premium on account of the other member’s incapacity but for that other member being treated as capable of work by virtue of a determination made in accordance with regulation made under section 171E of the Act;
- c. the applicant’s applicable amount would include the support component or the work-related activity component on account of the other member having limited capability for work but for that other member being treated as not having limited capability for work by virtue of a determination made in accordance with the Employment and Support Allowance Regulations 2008 or Employment and Support Regulations 2013;
- d. the applicant (within the meaning of this scheme) is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;
- e. the applicant (within the meaning of this scheme) has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 2008 or Employment and Support Regulations 2013 for a continuous period of not less than 196 days and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
- f. there is payable in respect of him one or more of the following pensions or allowances–
 - i. long-term incapacity benefit or short-term incapacity benefit at the higher rate under Schedule 4 to the Act;
 - ii. attendance allowance under section 64 of the Act;
 - iii. severe disablement allowance under section 68 of the Act;
 - iv. disability living allowance under section 71 of the Act;

- v. personal independence payment under the Welfare Reform Act 2012;
 - vi. an AFIP;
 - vii. increase of disablement pension under section 104 of the Act;
 - viii. a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under head (ii), (iv) or (vii) above;
 - ix. main phase employment and support allowance;
- g. a pension or allowance to which head (ii), (iv), (vi) or (viii) of sub-paragraph (f) above refers was payable on account of his incapacity but has ceased to be payable in consequence of his becoming a patient, which in this section shall mean a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of social security (Hospital In-Patients) Regulations 2005.
- h. an AFIP would be payable to that person but for any suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;
- i. paragraphs (f) or (g) would apply to him if the legislative provisions referred to in those sub-paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or
- j. he has an invalid carriage or other vehicle provided to him by the Secretary of State under section 5(2)(a) of and Schedule 2 to the National Health Service Act 1977 or under section 46 of the National Health Service (Scotland) Act 1978 or provided by the Department of Health, Social Services and Public Safety in Northern Ireland under Article 30(1) of the Health and Personal Social Services (Northern Ireland) Order 1972.

18.12 For the purposes of paragraph 18.11 once paragraph 18.11d) applies to the applicant, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that paragraph shall, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable, or is treated as remaining incapable, of work.

18.12A For the purposes of paragraph 18.11, once paragraph 18.11e) applies to the applicant, if he then ceases, for a period of 84 days or less, to have, or to be treated as having, limited capability for work, that paragraph is, on his again having, or being treated as having, limited capability for work at the end of that period, immediately thereafter apply to him for so long as he has, or is treated as having, limited capability for work.

18.13 For the purposes of paragraphs 18.6 and 18.8 a), a person is disabled if he is a person—

- a. in respect of whom disability living allowance or personal independence payment is payable, or has ceased to be payable solely because he is a patient;
- b. who is registered as blind in a register compiled under section 29 of the National Assistance Act 1948 (welfare services) or, in Scotland, has been certified as blind and in consequence he is registered as blind in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or
- c. who ceased to be registered as blind in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.

18.14 For the purposes of paragraph 18.1 a person on maternity leave, paternity leave or adoption leave shall be treated as if she is engaged in remunerative work for the period specified in paragraph 18.15 ('the relevant period') provided that—

- a. in the week before the period of maternity leave, paternity leave, shared parental leave or adoption leave began the person was in remunerative work or adoption leave began they were in remunerative work;
- b. the applicant is incurring relevant child care charges within the meaning of paragraph 18.5; and

- c. They are entitled to either statutory maternity pay under section 164 of the Act, statutory paternity pay by virtue of section 171ZA or 171ZB of the Act statutory adoption pay by of section 171ZL of the Act, maternity allowance under section 35 of the Act or qualifying support.

18.15 For the purposes of paragraph 18.14 the relevant period shall begin on the day on which the person's maternity, paternity leave or adoption leave commences and shall end on—

- a. the date that leave ends;
- b. if no child care element of working tax credit is in payment on the date that entitlement to maternity allowance, qualifying support, statutory maternity pay, statutory paternity pay or statutory adoption pay ends, the date that entitlement ends; or
- c. if a child care element of working tax credit is in payment on the date that entitlement to maternity allowance or qualifying support, statutory maternity pay or statutory adoption pay ends, the date that entitlement to that award of the child care element of the working tax credits ends.

whichever shall occur first.

18.16 In paragraphs 18.14 and 18.15

- a. **'qualifying support'** means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support Regulations 1987; and
- b. **'child care element'** of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act (child care element) 2002.

18.17 In this section 'applicant' does not include an applicant;

- a. who has, or
- b. who (jointly with his partner) has, an award of universal credit

19.0 Calculation of average weekly income from tax credits

19.1 This section applies where an applicant receives a tax credit.

19.2 Where this section applies, the period over which a tax credit is to be taken into account shall be the period set out in paragraph 19.3

19.3 Where the instalment in respect of which payment of a tax credit is made is;

- (a) a daily instalment, the period is 1 day, being the day in respect of which the instalment is paid;
- (b) a weekly instalment, the period is 7 days, ending on the day on which the instalment is due to be paid;
- (c) a two-weekly instalment, the period is 14 days, commencing 6 days before the day on which the instalment is due to be paid;
- (d) a four-weekly instalment, the period is 28 days, ending on the day on which the instalment is due to be paid.

19.4 For the purposes of this section 'tax credit' means child tax credit or working tax credit.

20.0 Calculation of weekly income

20.1 For the purposes of the average weekly earnings of employed earners and average weekly income other than earnings and calculation of average weekly income from tax credits, where the period in respect of which a payment is made;

- (a) does not exceed a week, the weekly amount shall be the amount of that payment;
- (b) exceeds a week, the weekly amount shall be determined—
 - i. in a case where that period is a month, by multiplying the amount of the payment by 12 and dividing the product by 52;
 - ii. in any other case, by dividing the amount of the payment by the number equal to

the number of days in the period to which it relates and multiplying the product by 7.

- 20.2 For the purpose of the average weekly earnings of self-employed earners and the weekly amount of earnings of an applicant shall be determined by dividing his earnings over the assessment period by the number equal to the number of days in that period and multiplying the product by 7.

21.0 Disregard of changes in tax, contributions etc.

- 21.1 In calculating the applicant's income the appropriate authority may disregard any legislative change

- (a) in the basic or other rates of income tax;
- (b) in the amount of any personal tax relief;
- (c) in the rates of national insurance contributions payable under the Act or in the lower earnings limit or upper earnings limit for Class 1 contributions under the Act, the lower or upper limits applicable to Class 4 contributions under the Act or the amount specified in section 11(4) of the Act (small profits threshold in relation to Class 2 contributions);
- (d) in the amount of tax payable as a result of an increase in the weekly rate of Category A, B, C or D retirement pension or any addition thereto or any graduated pension payable under the Act
- (e) in the maximum rate of child tax credit or working tax credit,

for a period not exceeding 30 reduction weeks beginning with the reduction week immediately following the date from which the change is effective.

22.0 Earnings of employed earners

- 22.1 Subject to paragraph 22.2, 'earnings' means in the case of employment as an employed earner, any remuneration or profit derived from that employment and includes—

- (a) any bonus or commission;
- (b) any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;
- (c) any payment in lieu of notice or any lump sum payment intended as compensation for the loss of employment but only in so far as it represents loss of income;
- (d) any holiday pay except any payable more than 4 weeks after termination or interruption of the employment;
- (e) any payment by way of a retainer;
- (f) any payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of—
 - (i) travelling expenses incurred by the applicant between his home and his place of employment;
 - (ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;
- (g) any award of compensation made under section 112(4) or 117(3)(a) of the Employment Rights Act 1996 (remedies and compensation for unfair dismissal);
- (h) any payment or remuneration made under section 28, 34, 64, 68 or 70 of the Employment Rights Act 1996 (right to guarantee payments, remuneration on suspension on medical or maternity grounds, complaints to employment tribunals);
- (i) any such sum as is referred to in section 112 of the Act (certain sums to be earnings for social security purposes);
- (j) any statutory sick pay, statutory maternity pay, statutory paternity pay, shared parental pay or statutory adoption pay, or a corresponding payment under any enactment having effect in Northern Ireland;
- (k) any remuneration paid by or on behalf of an employer to the applicant who for the time

being is on maternity leave, paternity leave, shared parental pay or adoption leave or is absent from work because he is ill;

- (l) the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001 as amended³.

22.2 Earnings shall not include—

- (a) subject to paragraph 22.3, any payment in kind;
- (b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of employment;
- (c) any occupational pension
- (d) any payment in respect of expenses arising out of the applicant's participation in a service user group or an applicant participating as a service user

22.3 Paragraph 22.2 (a) shall not apply in respect of any non-cash voucher referred to in paragraph 22.1 (l)

23.0 Calculation of net earnings of employed earners

23.1 For the purposes of section 16 (average weekly earnings of employed earners), the earnings of an applicant derived or likely to be derived from employment as an employed earner to be taken into account shall, subject to paragraph 23.2, be his net earnings.

23.2 There shall be disregarded from an applicant's net earnings, any sum, where applicable, specified in Schedule 2.

23.3 For the purposes of paragraph 23.1 net earnings shall, except where paragraph 23.6 applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less;

- (a) any amount deducted from those earnings by way of
 - i) income tax;
 - ii) primary Class 1 contributions under the Act;
- (b) any sum paid by the applicant by way of a contribution towards an occupational pension scheme;
- (c) the amount calculated in accordance with paragraph 23.5 in respect of any qualifying contribution payable by the applicant; and
- (d) where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted for those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the Act.

23.4 In this section 'qualifying contribution' means any sum which is payable periodically as a contribution towards a personal pension scheme.

23.5 The amount in respect of any qualifying contribution shall be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying contribution shall be determined—

- a. where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;
- b. in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.

³ Social Security (Contributions)(Amendment) Regulations 2013, Social Security (Contributions)(Amendment No.2) Regulations 2013 and Social Security (Contributions)(Amendment No.2) Regulations 2013

- 23.6 Where the earnings of an applicant are estimated under sub-paragraph (b) of paragraph 2) of the section 16 (average weekly earnings of employment earners), his net earnings shall be calculated by taking into account those earnings over the assessment period, less–
- (a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988(personal allowances) as is appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rata basis;
 - (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
 - (c) any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme, if the earnings so estimated were actual earnings.

24.0 Earnings of self-employed earners

- 24.1 Subject to paragraph 24.2, ‘earnings’, in the case of employment as a self- employed earner, means the gross income of the employment plus any allowance paid under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 to the applicant for the purpose of assisting him in carrying on his business unless at the date of claim the allowance has been terminated.
- 24.2 ‘Earnings’ shall not include any payment to which Schedule 3 refers (payments in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant’s care) nor shall it include any sports award.
- 24.3 This paragraph applies to–
- (a) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trademark; or
 - (b) any payment in respect of any–
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trademark, or an original contributor to the book of work concerned.
- 24.4 Where the applicant’s earnings consist of any items to which paragraph 24.3 applies, those earnings shall be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction is to be treated as a corresponding fraction of a week) by dividing the earnings by
- (a) the amount of the reduction under this scheme which would be payable had the payment not been made, plus
 - (b) an amount equal to the total of the sums which would fall to be disregarded from the payment under Schedule 2 (sums to be disregarded in the calculation of earnings) as appropriate in the applicant’s case.

25.0 Calculation of net profit of self-employed earners

- 25.1 For the purposes of section 17 (average weekly earnings of self- employed earners) the earnings of an applicant to be taken into account shall be
- (a) in the case of a self-employed earner who is engaged in employment on his own account,

- the net profit derived from that employment;
- (b) in the case of a self-employed earner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less—
- i. an amount in respect of income tax and of national insurance contributions payable under the Act calculated in accordance with section 26 (deduction of tax and contributions for self-employed earners); and
 - ii. the amount calculated in accordance with paragraph (11) in respect of any qualifying premium.
- 25.2 There shall be disregarded from an applicant's net profit, any sum, where applicable, specified in Schedule 2.
- 25.3 For the purposes of paragraph 25.1 a) the net profit of the employment must, except where paragraph 25.9 applies, be calculated by taking into account the earnings for the employment over the assessment period less
- (a) subject to paragraphs 25.5 to 25.7, any expenses wholly and exclusively incurred in that period for the purposes of that employment;
 - (b) an amount in respect of;
 - (i) income tax, and
 - (ii) national insurance contributions payable under the Act, calculated in accordance with section 26 (deduction of tax and contributions for self-employed earners); and
 - (c) the amount calculated in accordance with paragraph (25.11) in respect of any qualifying premium.
- 25.4 For the purposes of paragraph 25.1b) the net profit of the employment shall be calculated by taking into account the earnings of the employment over the assessment period less, subject to paragraphs 25.5 to 25.8, any expenses wholly and exclusively incurred in that period for the purposes of the employment.
- 25.5 Subject to paragraph 25.6 no deduction shall be made under paragraph 25.3 a) or 25.4, in respect of—
- (a) any capital expenditure;
 - (b) the depreciation of any capital asset;
 - (c) any sum employed or intended to be employed in the setting up or expansion of the employment;
 - (d) any loss incurred before the beginning of the assessment period;
 - (e) the repayment of capital on any loan taken out for the purposes of the employment;
 - (f) any expenses incurred in providing business entertainment, and
 - (g) any debts, except bad debts proved to be such, but this sub-paragraph shall not apply to any expenses incurred in the recovery of a debt.
- 25.6 A deduction shall be made under paragraph 25.3 a) or 25.4 in respect of the repayment of capital on any loan used for—
- (a) the replacement in the course of business of equipment or machinery; and
 - (b) the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.
- 25.7 The authority shall refuse to make deductions in respect of any expenses under paragraph 25.3 a. or 25.4 where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.
- 25.8 For the avoidance of doubt—
- (a) deductions shall not be made under paragraph 25.4 in respect of any sum unless it has been expended for the purposes of the business;
 - (b) a deduction shall be made thereunder in respect of—
 - i. the excess of any value added tax paid over value added tax received in the

- assessment period;
- ii. any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;
- iii. any payment of interest on a loan taken out for the purposes of the employment

25.9 Where an applicant is engaged in employment, as a child minder the net profit of the employment shall be one-third of the earnings of that employment, less an amount in respect of

- (a) income tax; and
- (b) national insurance contributions payable under the Act, calculated in accordance with section 26 (deduction of tax and contributions for self-employed earners); and
- (c) the amount calculated in accordance with paragraph 25.1 in respect of any qualifying contribution.

25.10 For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments shall not be offset against his earnings in any other of his employments.

25.11 The amount in respect of any qualifying premium shall be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying premium shall be determined

- (a) where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and divided the product by 365;
- (b) in any other case, by dividing the amount of the qualifying premium by the number equal to the number of days in the period to which the qualifying premium relates.

25.12 In this section, 'qualifying premium' means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of claim.

26.0 Deduction of tax and contributions of self-employed earners

26.1 The amount to be deducted in respect of income tax under section 25.1b) i), 25.3 b) i) or 25.9 a) i) (calculation of net profit of self-employed earners) shall be calculated on the basis of the amount of chargeable income and as if that income were assessable to income tax at the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under section 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax is to be applied and the amount of the personal reliefs deductible under this paragraph shall be calculated on a pro rata basis.

26.2 The amount to be deducted in respect of national insurance contributions shall be the total of—

- (a) the amount of Class 2 contributions payable under section 11(1) or, as the case may be, 11(3) of the Act at the rate applicable to the assessment period except where the applicant's chargeable income is less than the amount specified in section 11(4) of the Act (small profits threshold) for the tax year applicable to the assessment period; but if the assessment period is less than a year, the amount specified for that tax year shall be reduced pro rata; and

- (b) the amount of Class 4 contributions (if any) which would be payable under section 15 of the Act (Class 4 contributions recoverable under the Income Tax Acts) at the percentage rate applicable to the assessment period on so much of the chargeable income as exceeds the lower limit but does not exceed the upper limit of profits and gains applicable for the tax year applicable to the assessment period; but if the assessment period is less than a year, those limits shall be reduced pro rata.

- 26.3 In this section 'chargeable income' means—
- (a) except where sub-paragraph (b) applies, the earnings derived from the employment less any expenses deducted under paragraph 25.3(a) or, as the case may be, 25.4 of section 25;
 - (b) in the case of employment as a child minder, one-third of the earnings of that employment.

27.0 Minimum Income Floor

- 27.1 Where no start up period (as defined within 27.2) applies to the applicant or partner, the income used by the Council in the calculation of their award will be the gross amount declared by the applicant or a substituted amount whichever is the higher. This substituted amount shall not be less than 35 hours multiplied by the national living wage (or national minimum wage as appropriate) From that, the Council will deduct only an estimate for tax, national insurance and any amount of a pension contribution (where a pension contribution is being made).
- 27.2 The Council shall determine an appropriate start up period for the employment activity being conducted by the applicant or partner. This will normally be one year from the date of commencement of the employment activity. During this period, no Minimum Income Floor shall be applied. The start-up period ends where the person is no longer in gainful self-employment.
- 27.3 Where an applicant or partner holds a position in a company that is analogous to that of a sole owner or partner in the business of that company, he shall be treated as if he were such sole owner or partner and in such a case be subject to the substituted amount where appropriate.
- 27.4 No start-up period may be applied in relation to an applicant where a start-up period has previously been applied, whether in relation to a current or previous award of a Council Tax Reduction.
- 27.5 In order to establish whether to award a start up period, the applicant must satisfy the Council that the employment is
- Genuine and effective. The Council must be satisfied that the employment activity is being conducted; and
 - Being conducted with the intention of increasing the income received to the level that would be conducive with that form of employment.
- 27.6 For the purposes of determining whether an applicant is in gainful self-employment or meets the conditions for a start up-period, the Council will require the applicant to provide such evidence or information that it reasonably requires to make that decision, the Council may also require the self employed person to attend an interview for the purpose of establishing whether the employment is gainful or whether the conditions for a start up period are met.

28.0 Calculation of income other than earnings

- 28.1 For the purposes of calculating the average weekly income other than earnings, the income of an applicant which does not consist of earnings to be taken into account shall be his gross income and any capital treated as income.
- 28.2 There is to be disregarded from the calculation of an applicant's gross income under paragraph 28.1, any sum, where applicable, specified in Schedule 3.
- 28.3 Where the payment of any benefit under the benefit Acts is subject to any deduction by way

of recovery the amount to be taken into account under paragraph 28.1 shall be the gross amount payable.

28.4 Where the applicant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008 or 2013 as appropriate, the amount of that benefit to be taken into account is the amount as if it had not been reduced.

28.5 Where an award of any working tax credit or child tax credit under the Tax Credits Act 2002 is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under paragraph 19.1 shall be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

28.6 In paragraph 28.5 'tax year' means a period beginning with 6th April in one year and ending with 5th April in the next.

28.7 Paragraph 28.8 and 28.9 apply where a relevant payment has been made to a person in an academic year; and that person abandons, or is dismissed from, his course of study before the payment to him of the final instalment of the relevant payment.

28.8 Where a relevant payment is made quarterly, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 28.1 in respect of a person to whom paragraph 28.7 applies, shall be calculated by applying the formula—

$$\frac{A - (B \times C)}{D}$$

D

Where

A = the total amount of the relevant payment which that person would have received had he remained a student until the last day of the academic term in which he abandoned, or was dismissed from, his course.

B = the number of reduction weeks from the reduction week immediately following that which includes the first day of that academic year to the reduction week which includes the day on which the person abandoned, or was dismissed from, his course;

C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to Council Tax Reduction immediately before he abandoned or was dismissed from his course, had that person, at that time, been entitled to housing benefit;

D = the number of reduction weeks in the assessment period.

28.9 Where a relevant payment is made by two or more instalments in a quarter, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 28.1 in respect of a person to whom paragraph (30.8) applies, shall be calculated by applying the formula in paragraph 28.8 but as if—

A = the total amount of relevant payments which that person received, or would have received, from the first day of the academic year to the day the person abandoned the course, or was dismissed from it.

28.10 In this section— 'academic year' and 'student loan' shall have the same meanings as for the purposes of sections 41 to 43, 'assessment period' means—

(a) in a case where a relevant payment is made quarterly, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes the last day of the last quarter for which an instalment of the relevant payment was payable to that person;

(b) in a case where the relevant payment is made by two or more instalments in a quarter, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes—

- i. the day immediately before the day on which the next instalment of the relevant payment would have been due had the payments continued; or
- ii. the last day of the last quarter for which an instalment of the relevant payment was payable to that person.

whichever of these dates is earlier

‘quarter’ in relation to an assessment period means a period in that year beginning on;

- (a) 1st January and ending on 31st March;
- (b) 1st April and ending on 30th June;
- (c) 1st July and ending on 31st August; or
- (d) 1st September and ending on 31st December;

‘relevant payment’ means either a student loan or an amount intended for the maintenance of dependants referred to in paragraph 44.7 or both.

28.11 For the avoidance of doubt there shall be included as income to be taken into account under paragraph 28.1

- a. any payment to which payments not earnings applies; or
- b. in the case of an applicant who is receiving support under section 95 or 98 of the Immigration and Asylum Act 1999 including support provided by virtue of regulations made under Schedule 9 to that Act, the amount of such support provided in respect of essential living needs of the applicant and his dependants (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act 1999.

29.0 Capital treated as income

29.1 Any capital payable by instalments which are outstanding at the date on which the claim is made or treated as made, or, at the date of any subsequent revision or supersession, shall, if the aggregate of the instalments outstanding and the amount of the applicant’s capital otherwise calculated in accordance with sections 31 to 40 of this scheme exceeds £16,000, be treated as income.

29.2 Any payment received under an annuity shall be treated as income.

29.3 Any earnings to the extent that they are not a payment of income shall be treated as income.

29.4 Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 Act shall be treated as income

29.5 Where an agreement or court order provides that payments shall be made to the applicant in consequence of any personal injury to the applicant and that such payments are to be made, wholly or partly, by way of periodic payments, any such periodic payments received by the applicant (but not a payment which is treated as capital), shall be treated as income.

30.0 Notional income

30.1 An applicant shall be treated as possessing income of which he has deprived himself for the purpose of securing entitlement of support or increasing the amount of that support.

30.2 Except in the case of–

- (a) a discretionary trust;
- (b) a trust derived from a payment made in consequence of a personal injury;
- (c) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund where the applicant has not attained the qualifying age for state pension credit;
- (d) any sum to which paragraph 47(2)(a) of Schedule 4 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a);
- (e) any sum to which paragraph 48(a) of Schedule 4 refers;

- (f) rehabilitation allowance made under section 2 of the 1973 Act;
- (g) child tax credit; or
- (h) working tax credit,
- (i) any income which would become available to the applicant upon application being made, but which has not been acquired by him, shall be treated as possessed by the applicant but only from the date on which it could be expected to be acquired were an application made.

30.3 Any payment of income, made—

- (a) to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under or by a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
- (b) to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in sub-paragraph a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;
- (c) to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.

30.4 Paragraph 30.3 shall not apply in respect of a payment of income made—

- (a) under the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006);
- (b) pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal);
- (c) pursuant to section 2 of the 1973 Act in respect of a person's participation—
 - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
 - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
 - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - (iv) in a qualifying course within the meaning specified in regulation 17A (7) of those Regulations or;
 - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- (d) in respect of a person's participation in the Work for Your Benefit Pilot Scheme
- (e) in respect of a previous participation in the Mandatory Work Activity Scheme;
- (f) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;
- (g) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
 - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
 - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
 - (iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

30.5 Where an applicant is in receipt of any benefit (other than Council Tax Reduction) under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April

in any year but not more than 14 days thereafter, the authority shall treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority shall select to apply in its area, to the date on which the altered rate is to take effect.

30.6 Subject to paragraph 30.7, where—

- (a) applicant performs a service for another person; and
- (b) that person makes no payment of earnings or pays less than that paid for a comparable employment in the area, the authority shall treat the applicant as possessing such earnings (if any) as is reasonable for that employment unless the applicant satisfies the authority that the means of that person are insufficient for him to pay or to pay more for the service.

30.7 Paragraph 30.6 shall not apply—

- (a) to an applicant who is engaged by a charitable or voluntary organisation or who is a volunteer if the authority is satisfied in any of those cases that it is reasonable for him to provide those services free of charge; or
- (b) in a case where the service is performed in connection with—
 - (i) the applicant's participation in an employment or training programme in accordance with regulation 19(1)(q) of the Jobseeker's Allowance Regulations, other than where the service is performed in connection with the applicant's participation in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations or
 - (ii) the applicant's or the applicant's partner's participation in an employment or training programme as defined in regulation 19(3) of those Regulations for which a training allowance is not payable or, where such an allowance is payable, it is payable for the sole purpose of reimbursement of travelling or meal expenses to the person participating in that programme ; or
- (c) to an applicant who is participating in a work placement approved by the Secretary of State (or a person providing services to the Secretary of State) before the placement starts.

30.8 In paragraph 30.7 (c) 'work placement' means practical work experience which is not undertaken in expectation of payment.

30.9 Where an applicant is treated as possessing any income, the foregoing provisions of this scheme shall apply for the purposes of calculating the amount of that income as if a payment has actually been made and as if it were actual income which he does possess.

30.10 Where an applicant is treated as possessing any earnings, the foregoing provisions of this scheme shall apply for the purposes of calculating the amount of those earnings as if a payment had actually been made and as if they were actual earnings which he does possess and his net earnings shall be calculated by taking into account those earnings which he is treated as possessing, less;

- (a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the starting rate or, as the case may be, the starting rate and the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the starting rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rate basis;
- (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
- (c) any sum payable by the applicant by way of a contribution towards an occupational or personal pension scheme.

30.11 the foregoing paragraphs shall not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant's participation in a

service user group or an applicant participating as a service user

Sections 31 – 40 & Schedule 4
Definition and the treatment of capital for Council Tax Reduction purposes

31.0 Capital limit

31.1 For the purposes of this scheme, the prescribed amount is £16,000 and no reduction shall be granted when the applicant has an amount greater than this level.

32.0 Calculation of capital

32.1 For the purposes of this scheme, the capital of an applicant to be taken into account shall, subject to paragraph (32.2), be the whole of his capital calculated in accordance with this scheme and any income treated as capital under section 34 (income treated as capital).

32.2 There shall be disregarded from the calculation of an applicant's capital under paragraph (32.1), any capital, where applicable, specified in Schedule 4.

33.0 Disregard of capital of child and young person

33.1 The capital of a child or young person who is a member of the applicant's family shall not be treated as capital of the applicant.

34.0 Income treated as capital

34.1 Any bounty derived from employment and paid at intervals of at least one year shall be treated as capital.

34.2 Any amount by way of a refund of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E shall be treated as capital.

34.3 Any holiday pay which is not earnings shall be treated as capital.

34.4 Except any income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28, 47 or 48 of Schedule 4, any income derived from capital shall be treated as capital but only from the date it is normally due to be credited to the applicant's account.

34.5 In the case of employment as an employed earner, any advance of earnings or any loan made by the applicant's employer shall be treated as capital.

34.6 Any charitable or voluntary payment which is not made or due to be made at regular intervals, other than a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Independent Living Fund (2006) or the London Bombings Charitable Relief Fund, shall be treated as capital.

34.7 There shall be treated as capital the gross receipts of any commercial activity carried on by a person in respect of which assistance is received under the self-employment route, but only in so far as those receipts were payable into a special account during the period in which that person was receiving such assistance.

34.8 Any arrears of subsistence allowance which are paid to an applicant as a lump sum shall be treated as capital.

34.9 Any arrears of working tax credit or child tax credit shall be treated as capital.

35.0 Calculation of capital in the United Kingdom

35.1 Capital which an applicant possesses in the United Kingdom shall be calculated at its current market or surrender value less—

- (a) where there would be expenses attributable to the sale, 10 per cent.; and
- (b) the amount of any encumbrance secured on it;

36.0 Calculation of capital outside the United Kingdom

36.1 Capital which an applicant possesses in a country outside the United Kingdom shall be calculated

- (a) in a case where there is no prohibition in that country against the transfer to the United Kingdom of an amount equal to its current market or surrender value in that country, at that value.
- (b) in a case where there is such a prohibition, at the price which it would realise if sold in the United Kingdom to a willing buyer, less, where there would be expenses attributable to sale, 10 per cent. and the amount of any encumbrances secured on it.

37.0 Notional capital

37.1 An applicant shall be treated as possessing capital of which he has deprived himself for the purpose of securing entitlement to Council Tax Reduction or increasing the amount of that support except to the extent that that capital is reduced in accordance with section 38 (diminishing notional capital rule).

37.2 Except in the case of

- (a) a discretionary trust; or
 - (b) a trust derived from a payment made in consequence of a personal injury; or
 - (c) any loan which would be obtained only if secured against capital disregarded under Schedule 4; or
 - (d) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund; or
 - (e) any sum to which paragraph 47(2)(a) of Schedule 4 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a); or
 - (f) any sum to which paragraph 48(a) of Schedule 4 refers; or
 - (g) child tax credit; or
 - (h) working tax credit,
- any capital which would become available to the applicant upon application being made, but which has not been acquired by him, shall be treated as possessed by him but only from the date on which it could be expected to be acquired were an application made.

37.3 Any payment of capital, other than a payment of capital specified in paragraph (37.4), made

- (a) to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
- (b) to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in subparagraph (a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;
- (c) to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.

37.4 Paragraph 37.3 shall not apply in respect of a payment of capital made

- (a) under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
- (b) pursuant to section 2 of the 1973 Act in respect of a person's participation

- (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
- (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
- (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
- (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or
- (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- (bb) in respect of a person's participation in the Mandatory Work Activity Scheme; Enterprise Scheme;
- (bc) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;
- (c) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
 - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
 - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
 - (iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

37.5 Where an applicant stands in relation to a company in a position analogous to that of a sole owner or partner in the business of that company, he may be treated as if he were such sole owner or partner and in such a case

- (a) the value of his holding in that company shall, notwithstanding section 32 (calculation of capital) be disregarded; and
- (b) he shall, subject to paragraph 37.6, be treated as possessing an amount of capital equal to the value or, as the case may be, his share of the value of the capital of that company and the foregoing provisions of this Section shall apply for the purposes of calculating that amount as if it were actual capital which he does possess.

37.6 For so long as the applicant undertakes activities in the course of the business of the company, the amount which, he is treated as possessing under paragraph 37.5 shall be disregarded.

37.7 Where an applicant is treated as possessing capital under any of paragraphs 37.1 to 37.2 the foregoing provisions of this Section shall apply for the purposes of calculating its amount as if it were actual capital, which he does possess.

38.0 Diminishing notional capital rule

38.1 Where an applicant is treated as possessing capital under section 37.1 (notional capital), the amount which he is treated as possessing;

- (a) in the case of a week that is subsequent to
 - (i) the relevant week in respect of which the conditions set out in paragraph 38.2 are satisfied; or
 - (ii) a week which follows that relevant week and which satisfies those conditions, shall be reduced by an amount determined under paragraph 38.3;
- (b) in the case of a week in respect of which paragraph 38.1(a) does not apply but where
 - (i) that week is a week subsequent to the relevant week; and
 - (ii) that relevant week is a week in which the condition in paragraph 38.4 is satisfied, shall be reduced by the amount determined under paragraph 38.4.

38.2 This paragraph applies to a reduction week or part-week where the applicant satisfies the conditions that

- (a) he is in receipt of Council Tax Reduction; and
- (b) but for paragraph 37.1, he would have received an additional amount of Council Tax Reduction in that week.

38.3 In a case to which paragraph 38.2 applies, the amount of the reduction for the purposes of paragraph 38.1(a) shall be equal to the aggregate of

- (a) the additional amount to which sub-paragraph 38.2 (b) refers;
- (b) where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of that benefit to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 38.2 refers but for the application of regulation 49(1) of the Housing Benefit Regulations 2006 (notional capital);
- (c) where the applicant has also claimed income support, the amount of income support to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 38.2 refers but for the application of regulation 51(1) of the Income Support Regulations (notional capital);
- (d) where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital) and
- (e) where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the whole or part of reduction week to which paragraph 38.2 refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).

38.4 Subject to paragraph 38.5, for the purposes of paragraph 38.1(b) the condition is that the applicant would have been entitled to Council Tax Reduction in the relevant week but for paragraph 37.1, and in such a case the amount of the reduction shall be equal to the aggregate of

- (a) the amount of Council Tax Reduction to which the applicant would have been entitled in the relevant week but for paragraph 37.1; and for the purposes of this sub-paragraph is the amount is in respect of a part-week, that amount shall be determined by dividing the amount of Council Tax Reduction to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7;
- (b) if the applicant would, but for regulation 49(1) of the Housing Benefit Regulations, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the reduction week which includes the last day of the relevant week, the amount which is equal to—
 - (i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or
 - (ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled,
 and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of housing benefit to which he would have been so entitled by the number equal to that number of days in the part-week and multiplying the quotient so obtained by 7;
- (c) if the applicant would, but for regulation 51(1) of the Income Support Regulations, have been entitled to income support in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub- paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income support to which he would have been so entitled by the number equal to the number of days in the part- week and multiplying the quotient so obtained by 7
- (d) if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the reduction week, within the meaning of this scheme, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph,

if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income-based jobseeker's allowance to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7; and

- (e) if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations 2008, have been entitled to an income-related employment and support allowance in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount must be determined by dividing the amount of the income-related employment and support allowance to which he would have been so entitled by the number equal to the number of days in that part-week and multiplying the quotient so obtained by 7.

38.5 The amount determined under paragraph 38.4 shall be re-determined under that paragraph if the applicant makes a further claim for Council Tax Reduction and the conditions in paragraph 38.6 are satisfied, and in such a case—

- a. sub-paragraphs (a) to (d) of paragraph 38.4 shall apply as if for the words 'relevant week' there were substituted the words 'relevant subsequent week'; and
- b. subject to paragraph 38.7, the amount as re-determined shall have effect from the first week following the relevant subsequent week in question.

38.6 The conditions are that

- (a) a further claim is made 26 or more weeks after
 - (i) the date on which the applicant made a claim for Council Tax Reduction in respect of which he was first treated as possessing the capital in question under paragraph 39.1;
 - (ii) in a case where there has been at least one re-determination in accordance with paragraph 38.5, the date on which he last made a claim for Council Tax Reduction which resulted in the weekly amount being re-determined, or
 - (iii) the date on which he last ceased to be entitled to Council Tax Reduction, whichever last occurred; and
- (b) the applicant would have been entitled to Council Tax Reduction but for paragraph 37.1.

38.7 The amount as re-determined pursuant to paragraph 38.5 shall not have effect if it is less than the amount which applied in that case immediately before the re-determination and in such a case the higher amount shall continue to have effect.

38.8 For the purposes of this section

- (a) 'part-week'
 - (i) in paragraph 38.4(a) means a period of less than a week for which Council Tax Reduction is allowed;
 - (ii) in paragraph 38.4(b) means a period of less than a week for which housing benefit is payable;
 - (iii) in paragraph 38.4 (c) (d) and (e) means—
 - aa. a period of less than a week which is the whole period for which income support an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and
 - bb. any other period of less than a week for which it is payable;
- (b) 'relevant week' means the reduction week or part-week in which the capital in question of which the applicant has deprived himself within the meaning of section 37.1
 - (i) was first taken into account for the purpose of determining his entitlement to Council Tax Reduction; or
 - (ii) was taken into account on a subsequent occasion for the purpose of determining or re-determining his entitlement to Council Tax Reduction on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, Council Tax Reduction;and where more than one reduction week is identified by reference to heads (i) and (ii)

of this sub-paragraph the later or latest such reduction week or, as the case may be, the later or latest such part-week;

- (c) 'relevant subsequent week' means the reduction week or part-week which includes the day on which the further claim or, if more than one further claim has been made, the last such claim was made.

39.0 Capital jointly held

- 39.1 Except where an applicant possesses capital which is disregarded under paragraph 37(5) (notional capital) where an applicant and one or more persons are beneficially entitled in possession to any capital asset they shall be treated, in the absence of evidence to the contrary, as if each of them were entitled in possession to the whole beneficial interest therein in an equal share.

40.0 Tariff Income from Capital

- 40.1 Where the applicant's capital calculated in accordance with this scheme exceeds £6,000 it shall be treated as equivalent to a weekly income of £1 for each complete £250 of in excess of £6,000 but not exceeding £16,000
- 40.2 Notwithstanding paragraph 40.1 where any part of the excess is not a complete £250 that part shall be treated as equivalent to a weekly tariff income of £1.
- 40.3 For the purposes of paragraph 40.1, capital includes any income treated as capital.

Sections 41 - 56
Definition and the treatment of students for Council Tax Reduction purposes

41.0 Student related definitions

41.1 In this scheme the following definitions apply;

'academic year' means the period of twelve months beginning on 1st January, 1st April, 1st July or 1st September according to whether the course in question begins in the winter, the spring, the summer or the autumn respectively but if students are required to begin attending the course during August or September and to continue attending through the autumn, the academic year of the course shall be considered to begin in the autumn rather than the summer;

'access funds' means;

- (a) grants made under section 68 of the Further and Higher Education Act 1992 for the purpose of providing funds on a discretionary basis to be paid to students;
- (b) grants made under section 73(a) and (c) and 74(1) of the Education (Scotland) Act 1980;
- (c) grants made under Article 30 of the Education and Libraries (Northern Ireland) Order 1993 or grants, loans or other payments made under Article 5 of the Further Education (Northern Ireland) Order 1997 in each case being grants, or grants, loans or other payments as the case may be, for the purpose of assisting students in financial difficulties;
- (d) discretionary payments, known as "learner support funds", which are made available to students in further education by institutions out of funds provided by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding under sections 100 and 101 of the Apprenticeships, Skills, Children and Learning Act 2009; or
- e Financial Contingency Funds made available by the Welsh Ministers;

'college of further education' means a college of further education within the meaning of Part 1 of the Further and Higher Education (Scotland) Act 1992;

'contribution' means;

- (a) any contribution in respect of the income of a student or any person which the Secretary of State, the Scottish Ministers or an education authority takes into account in ascertaining the amount of a student's grant or student loan; or
- (b) any sums, which in determining the amount of a student's allowance or bursary in Scotland under the Education (Scotland) Act 1980, the Scottish Ministers or education authority takes into account being sums which the Scottish Ministers or education authority consider that it is reasonable for the following person to contribute towards the holder's expenses;
 - (i) the holder of the allowance or bursary;
 - (ii) the holder's parents;
 - (iii) the holder's parent's spouse, civil partner or a person ordinarily living with the holder's parent as if he or she were the spouse or civil partner of that parent; or
 - (iv) the holder's spouse or civil partner;

'course of study' means any course of study, whether or not it is a sandwich course and whether or not a grant is made for attending or undertaking it;

'covenant income' means the gross income payable to a full-time student under a Deed of Covenant by his parent;

'education authority' means a government department, a local authority as defined in section 579 of the Education Act 1996 (interpretation), a local education authority as defined in section 123 of the Local Government (Scotland) Act 1973, an education and library board established under Article 3 of the Education and Libraries (Northern Ireland) Order 1986, any body which is a research council for the purposes of the Science and Technology Act 1965 or any analogous government department, authority, board or body, of the Channel Islands, Isle of Man or any other country outside Great Britain;

'full-time course of study' means a full time course of study which;

- (a) is not funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers or a full-time course of study which is not funded in whole or in part by the Scottish Ministers at a college of further education or a full-time course of study which is a course of higher education and is funded in whole or in part by the Scottish Ministers;;

- (b) is funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers if it involves more than 16 guided learning hours per week for the student in question, according to the number of guided learning hours per week for that student set out—
 - (i) in the case of a course funded by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding, in the student’s learning agreement signed on behalf of the establishment which is funded by either of those persons for the delivery of that course; or
 - (ii) in the case of a course funded by the Welsh Ministers, in a document signed on behalf of the establishment which is funded by that Council for the delivery of that course; or
- (c) is not higher education and is funded in whole or in part by the Scottish Ministers at a college of further education and involves—
 - (i) more than 16 hours per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff according to the number of hours set out in a document signed on behalf of the college; or
 - (ii) 16 hours or less per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff and additional hours using structured learning packages supported by the teaching staff where the combined total of hours exceeds 21 hours per week, according to the number of hours set out in a document signed on behalf of the college;

‘full-time student’ means a person attending or undertaking a full-time course of study and includes a student on a sandwich course;

‘grant’ (except in the definition of ‘access funds’) means any kind of educational grant or award and includes any scholarship, studentship, exhibition allowance or bursary but does not include a payment from access funds or any payment to which Schedule 3 or Schedule 4 applies;

‘grant income’ means

- (a) any income by way of a grant;
- (b) any contribution whether or not it is paid;

‘higher education’ means higher education within the meaning of Part 2 of the Further and Higher Education (Scotland) Act 1992;

‘last day of the course’ means;

- (a) in the case of a qualifying course, the date on which the last day of that course falls or the date on which the final examination relating to that course is completed, whichever is the later;
- (b) in any other case, the date on which the last day of the final academic term falls in respect of the course in which the student is enrolled;

‘period of study’ means—

- (a) in the case of a course of study for one year or less, the period beginning with the start of the course and ending with the last day of the course;
- (b) in the case of a course of study for more than one year, in the first or, as the case may be, any subsequent year of the course, other than the final year of the course, the period beginning with the start of the course or, as the case may be, the year’s start and ending with either—
 - (i) the day before the start of the next year of the course in a case where the student’s grant or loan is assessed at a rate appropriate to his studying throughout the year, or, if he does not have a grant or loan, where a loan would have been assessed at such a rate had he had one; or
 - (ii) in any other case, the day before the start of the normal summer vacation appropriate to his course;
- (c) in the final year of a course of study of more than one year, the period beginning with that year’s start and ending with the last day of the course;

‘periods of experience’ means periods of work experience which form part of a sandwich course;

‘qualifying course’ means a qualifying course as defined for the purposes of Parts 2 and 4 of the Jobseeker’s Allowance Regulations;

‘modular course’ means a course of study which consists of two or more modules, the successful completion of a specified number of which is required before a person is considered by the educational establishment to have completed the course.

‘sandwich course’ has the meaning prescribed in regulation 2(9) of the Education (Student Support) Regulations 2008, regulation 4(2) of the Education (Student Loans), (Scotland), Regulations 2007 or regulation 2(8) of the Education (Student Support) Regulations (Northern Ireland) 2007, as the case may be;

‘standard maintenance grant’ means–

- (a) except where paragraph (b) or (c) applies, in the case of a student attending or undertaking a course of study at the University of London or an establishment within the area comprising the City of London and the Metropolitan Police District, the amount specified for the time being in paragraph 2(2)(a) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (‘the 2003 Regulations’) for such a student;
- (b) except where paragraph (c) applies, in the case of a student residing at his parent’s home, the amount specified in paragraph 3 thereof;
- (c) in the case of a student receiving an allowance or bursary under the Education (Scotland) Act 1980, the amount of money specified as ‘standard maintenance allowance’ for the relevant year appropriate for the student set out in the Student Support in Scotland Guide issued by the student Awards Agency for Scotland, or its nearest equivalent in the case of a bursary provided by a college of further education or a local education authority;
- (d) in any other case, the amount specified in paragraph 2(2) of Schedule 2 to the 2003 Regulations other than in sub-paragraph (a) or (b) thereof;

‘student’ means a person, other than a person in receipt of a training allowance, who is attending or undertaking–

- (a) a course of study at an educational establishment; or
- (b) a qualifying course;

‘student’ loan’ means a loan towards a student’s maintenance pursuant to any regulations made under section 22 of the Teaching and Higher Education Act 1998, section 73 of the Education (Scotland) Act 1980 or Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 and shall include, in Scotland, a young student’s bursary paid under regulation 4(1)(c) of the Student’s Allowances (Scotland) Regulations 2007

- 41.2 For the purposes of the definition of ‘full-time student’, a person shall be regarded as attending or, as the case may be, undertaking a full-time course of study or as being on a sandwich course
- (a) in the case of a person attending or undertaking a part of a modular course which would be a full-time course of study for the purposes of this Part, for the period beginning on the day on which that part of the course starts and ending;
 - (i) on the last day on which he is registered with the educational establishment as attending or undertaking that part as a full-time course of study; or
 - (ii) on such earlier date (if any) as he finally abandons the course or is dismissed from it;
 - (b) in any other case, throughout the period beginning on the date on which he starts attending or undertaking the course and ending on the last day of the course or on such earlier date (if any) as he finally abandons it or is dismissed from it.

- 41.3 For the purposes of sub-paragraph (a) of paragraph 41.2, the period referred to in that sub-paragraph shall include;
- (a) where a person has failed examinations or has failed to successfully complete a module relating to a period when he was attending or undertaking a part of the course as a full-time course of study, any period in respect of which he attends or undertakes the course for the purpose of retaking those examinations or that module;
 - (b) any period of vacation within the period specified in that paragraph or immediately following that period except where the person has registered with the educational establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.

42.0 Treatment of students

42.1 The following sections relate to students who claim Council Tax Reduction

43.0 Students who are excluded from entitlement to Council Tax Reduction

43.1 Students (except those specified in paragraph 43.3) are not able to claim Council Tax Reduction under Classes D of the Council's reduction scheme.

43.2 To be eligible for support, the student must be liable for Council Tax under Section 6 of the Local Government Finance Act 1992 and they must not be deemed to be a full time student or a persons from abroad within the meaning of section 7 of this scheme (persons from aboard).

- 43.3 Paragraph 43.2 shall not apply to a student
- (a) who is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance;
 - (b) who is a lone parent;
 - (c) **but for the implementation of this scheme**, whose applicable amount would, but for this section, include the disability premium or severe disability premium;
 - (d) **but for the implementation of this scheme**, whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the Act;
 - (e) who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;
 - (f) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period.
 - (g) who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;
 - (h) who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989, or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968;
 - (i) who is;
 - i) aged under 21 and whose course of study is not a course of higher education
 - ii) aged 21 and attained that age during a course of study which is not a course of higher education – this condition needs adding
 - iii) a qualifying young person or child within the meaning of section 142 of the Act (child and qualifying young person)
 - (j) in respect of whom
 - i) a supplementary requirement has been determined under paragraph 9 of Part 2 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003;
 - (ii) an allowance, or as the case may be, bursary has been granted which includes a sum under paragraph (1)(d) or regulation 4 of the Students' Allowances (Scotland) Regulations 1999 or, as the case may be, under paragraph (1)(d) of regulation 4 of the Education Authority (Bursaries) (Scotland) Regulations 1995, in respect of expenses incurred;
 - (iii) a payment has been made under section 2 of the Education Act 1962 or under or by virtue of regulations made under the Teaching and Higher Education Act 1998;
 - (iv) a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005 or under regulation 13 of the Education (Student Support) Regulations (Northern Ireland) 2000; or

(v) a supplementary requirement has been determined under paragraph 9 of Schedule 6 to the Students Awards Regulations (Northern Ireland) 1999 or a payment has been made under Article 50(3) of the Education and Libraries (Northern Ireland) Order 1986,

on account of his disability by reason of deafness.

Paragraph 43.3(i)(ii) only applies to a claimant until the end of the course during which the claimant attained the age of 21

43.4 For the purposes of paragraph 43.3, once paragraph 43.3(e) applies to a full-time student, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that paragraph shall, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable or is treated as remaining incapable, of work.

43.5 In paragraph 43.3(h) the reference to a course of higher education is a reference to a course of any description mentioned in Schedule 6 to the Education Reform Act 1988.

43.6 A full-time student to whom sub-paragraph (i) of paragraph 43.3 applies, shall be treated as satisfying that sub-paragraph from the date on which he made a request for the supplementary requirement, allowance, bursary or payment as the case may be.

43.7 Paragraph 43.2 shall not apply to a full-time student for the period specified in paragraph 43.8 if;

- (a) at any time during an academic year, with the consent of the relevant educational establishment, he ceases to attend or undertake a course because he is;
 - (i) engaged in caring for another person; or
 - (ii) ill;
- (b) he has subsequently ceased to be engaged in engaging in caring for that person or, as the case may be, he has subsequently recovered from that illness; and
- (c) he is not eligible for a grant or a student loan in respect of the period specified in paragraph 43.8.

43.8 The period specified for the purposes of paragraph 43.7 is the period, not exceeding one year, beginning on the day on which he ceased to be engaged in caring for that person or, as the case may be, the day on which he recovered from that illness and ending on the day before;

- (a) the day on which he resumes attending or undertaking the course; or
- (b) the day from which the relevant educational establishment has agreed that he may resume attending or undertaking the course, which shall first occur.

44.0 Calculation of grant income

44.1 The amount of a student's grant income to be taken into account shall, subject to paragraphs 44.2 and 44.3, be the whole of his grant income.

44.2 There shall be excluded from a student's grant income any payment;

- (a) intended to meet tuition fees or examination fees;
- (b) in respect of the student's disability;
- (c) intended to meet additional expenditure connected with term time residential study away from the student's educational establishment;
- (d) on account of the student maintaining a home at a place other than that at which he resides during his course;
- (e) on account of any other person but only if that person is residing outside of the United

Kingdom and , **but for the implementation of this scheme**, there is no applicable amount in respect of him;

- (f) intended to meet the cost of books and equipment;
- (g) intended to meet travel expenses incurred as a result of his attendance on the course;
- (h) intended for the childcare costs of a child dependant.
- (i) of higher education bursary for care leavers made under Part III of the Children Act 1989.

44.3 Where a student does not have a student loan and is not treated as possessing such a loan, there shall be excluded from the student's grant income;

- (a) the sum of £303 per academic year in respect of travel costs; and
- (b) the sum of £390 per academic year towards the costs of books and equipment, whether or not any such costs are incurred.

The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).

44.4 There shall also be excluded from a student's grant income the grant for dependants known as the parents' learning allowance paid pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 or section 22 of the Teaching and Higher Education Act 1998.

44.5 Subject to paragraphs 44.6 and 44.7, a student's grant income shall be apportioned;

- (a) subject to paragraph 44.8, in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;
- (b) in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.

44.6 Any grant in respect of dependants paid under section 63(6) of the Health Services and Public Health Act 1968 (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants under Part 3 of Schedule 2 to the Education (Mandatory Awards) Regulations 2004 shall be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.

44.7 In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither paragraph 44.6 nor section 48 (other amounts to be disregarded) apply, shall be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.

44.8 In the case if a student on a sandwich course, any periods of experience within the period of study shall be excluded and the student's grant income shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which immediately follows the last day of the period of experience and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study.

45.0 Calculation of covenant income where a contribution is assessed

45.1 Where a student is in receipt of income by way of a grant during a period of study and a contribution has been assessed, the amount of his covenant income to be taken into account for that period and any summer vacation immediately following shall be the whole amount of the covenant income less, subject to paragraph 45.3, the amount of the contribution.

45.2 The weekly amount of the student's covenant shall be determined—
(a) by dividing the amount of income which falls to be taken into account under paragraph 45.1 by 52 or 53, whichever is reasonable in the circumstances; and
(b) by disregarding from the resulting amount, £5.

45.3 For the purposes of paragraph 45.1, the contribution shall be treated as increased by the amount (if any) by which the amount excluded under paragraph 44.2(g) (calculation of grant income) falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).

46.0 Covenant income where no grant income or no contribution is assessed

46.1 Where a student is not in receipt of income by way of a grant the amount of his covenant income shall be calculated as follows;

- (a) any sums intended for any expenditure specified in paragraph 44.2 (a) to (e) (calculation of grant income) necessary as a result of his attendance on the course shall be disregarded;
- (b) any covenant income, up to the amount of the standard maintenance grant, which is not so disregarded, shall be apportioned equally between the weeks of the period of study;
- (c) there shall be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 44.2(f) and 44.3 (calculation of grant income) had the student been in receipt of the standard maintenance grant; and
- (d) the balance, if any, shall be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 shall be disregarded.

46.2 Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income shall be calculated in accordance with sub-paragraphs (a) to (d) of paragraph 46.1, except that;

- (a) the value of the standard maintenance grant shall be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 44.2 (a) to (e); and
- (b) the amount to be disregarded under paragraph 46.1(c) shall be abated by an amount equal to the amount of any sums disregarded under paragraph 44.2(f) and (g) and 44.3.

47.0 Student Covenant Income and Grant income – non disregard

47.1 No part of a student's covenant income or grant income shall be disregarded Schedule 3 to this scheme

48.0 Other amounts to be disregarded

48.1 For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with section 49, any amounts intended for any expenditure specified in paragraph 44.2 (calculation of grant income), necessary as a result of his attendance on the course shall be disregarded but only if, and to the extent that, the necessary expenditure exceeds or is likely to exceed the amount of the sums disregarded under paragraphs 44.2 or 44.3, 45.3, 46.1(a) or (c) or calculation of grant income, covenant income and treatment of student loans on like expenditure.

49.0 Treatment of student loans

49.1 A student loan shall be treated as income.

50.0 Calculating loan Income weekly

50.1 In calculating the weekly amount of the loan to be taken into account as income

- (a) in respect of a course that is of a single academic year's duration or less, a loan which is payable in respect of that period shall be apportioned equally between the weeks in the period beginning with;
 - (i) except in a case where (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of the single academic year;
 - (ii) where the student is required to start attending the course in August or where the course is less than an academic year's duration, the reduction week, the first day of which coincides with, or immediately follows, the first day of the course, and ending with the reduction week, the last day of which coincides with, or immediately precedes with last day of the course,
- (b) in respect of an academic year of a course which starts other than on 1st September, a loan which is payable in respect of that academic year shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year and ending with the reduction week, the last day of which coincides with or immediately precedes, the last day of that academic year but excluding any reduction weeks falling entirely within the quarter during which, in the opinion of the Secretary of State, the longest of any vacation is taken and for the purposes of this sub-paragraph, 'quarter' shall have the same meaning as for the purposes of the Education (Student Support) Regulations 2005;
- (c) in respect of the final academic year of a course (not being a course of a single year's duration), a loan which is payable in respect of that final academic year shall be apportioned equally between the weeks in the period beginning with;
 - (i) except in a case where (ii) applies, the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year;
 - (ii) where the final academic year starts on 1st September, the reduction week, the first day of which coincide with, or immediately follows, the earlier of 1st September or the first day of the autumn term, and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;
- (d) in any other case, the loan shall be apportioned equally between the weeks in the period beginning with the earlier of;
 - (i) the first day of the first reduction week in September; or
 - (ii) the reduction week, the first day of which coincides with, or immediately follows the first day of the autumn term, and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of June,

and, in all cases, from the weekly amount so apportioned there shall be disregarded £10.

50.2 A student shall be treated as possessing a student loan in respect of an academic year where;

- (a) a student loan has been made to him in respect of that year; or
- (b) he could acquire such a loan in respect of that year by taking reasonable steps to do so.

50.3 Where a student is treated as possessing a student loan, the amount of the student loan to be taken into account as income shall be, subject to paragraph 50.4

- (a) in the case of a student to whom a student loan is made in respect of an academic year, a sum equal to
 - (i) the maximum student loan he is able to acquire in respect of that year by taking reasonable steps to do so; and
 - (ii) any contribution whether or not it has been paid to him;
- (b) in the case of a student to whom a student loan is not made in respect of an academic year, the maximum student loan that would be made to the student if;
 - (i) he took all reasonable steps to obtain the maximum student loan he is able to acquire in respect of that year; and
 - (ii) no deduction in that loan was made by virtue of the application of a means test.

50.4 There shall be deducted from the amount of income taken into account

- (a) the sum of £303 per academic year in respect of travel costs; and
- (b) the sum of £390 per academic year towards the cost of books and equipment, whether or not any such costs are incurred.

The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).

51.0 Treatment of fee loans

51.1 loan for fees, known as a fee loan or a fee contribution loan, made pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998, section 22 of the Teaching and Higher Education Act 1998 or section 73(f) of the Education (Scotland) Act 1980, shall be disregarded as income.

52.0 Treatment of payments from access funds

52.1 This paragraph applies to payments from access funds that are not payments to which paragraph 55.2 or 55.3 (income treated as capital) applies.

52.2 A payment from access funds, other than a payment to which paragraph 52.3 applies, shall be disregarded as income.

52.3 Subject to paragraph 52.4 of this section and paragraph 35 of Schedule 4,

- a) any payments from access funds which are intended and used for an item of food, ordinary clothing or footwear, household fuel, or rent of a single applicant or, as the case may be, of the applicant or any other member of his family and
- b) any payments from access funds which are used for any council tax or water charges for which that applicant or member is liable, shall be disregarded as income to the extent of £20 per week.

52.4 Where a payment from access funds is made—

- (a) on or after 1st September or the first day of the course, whichever first occurs, but before receipt of any student loan in respect of that year and that payment is intended for the purpose of bridging the period until receipt of the student loan; or
- (b) before the first day of the course to a person in anticipation of that person becoming a student,

that payment shall be disregarded as income.

53.0 Disregard of contribution

53.1 Where the applicant or his partner is a student and for the purposes of assessing a contribution to the student's grant or student loan, the other partner's income has been taken into account, an amount equal to that contribution shall be disregarded for the purposes of assessing that other partner's income.

54.0 Further disregard of student's income

54.1 Where any part of a student's income has already been taken into account for the purpose of assessing his entitlement to a grant or student loan, the amount taken into account shall be disregarded in assessing that student's income.

55.0 Income treated as capital

55.1 Any amount by way of a refund of tax deducted from a student's covenant income shall be treated as capital.

55.2 Any amount paid from access funds as a single lump sum shall be treated as capital.

55.3 An amount paid from access fund as a single lump sum which is intended and used for an item other than food, ordinary clothing or footwear, household fuel or rent, or which is used for an item other than any council tax or water charges for which that applicant or member is liable, shall be disregarded as capital but only for a period of 52 weeks from the date of the payment.

56.0 Disregard of changes occurring during summer vacation

56.1 In calculating a student's income the authority shall disregard any change in the standard maintenance grant, occurring in the recognised summer vacation appropriate to the student's course, if that vacation does not form part of his period of study from the date on which the change occurred to the end of that vacation.

Sections 57 – 59
The calculation and amount of Council Tax Reduction

57.0 Maximum Council Tax Reduction

57.1 Subject to paragraphs 57.2 to 57.4, the amount of a person's maximum Council Tax Reduction in respect of a day for which he is liable to pay council tax, shall be 100 per cent, of the amount A divided by B where;

- (a) A is the amount set by the appropriate authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act;
- (b) B is the number of days in that financial year,

In this paragraph "relevant financial year" means, in relation to any particular day, financial year within which the day in question falls.

57.2 In calculating a person's maximum Council Tax Reduction any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act, shall be taken into account.

57.3 Subject to paragraph 57.4, where an applicant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons but excepting any person so residing with the applicant who is a student to whom paragraph 43.2 (students who are excluded from entitlement to Council Tax Reduction) applies, in determining the maximum Council Tax Reduction in his case in accordance with paragraph 57.1, the amount A shall be divided by the number of persons who are jointly and severally liable for that tax.

57.4 Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, paragraph 57.3 shall not apply in his case.

58.0 Non-dependant deductions

58.1 A standard deduction of £10 x 1/7 shall be applied for non dependant for each day that the non dependant resides in the premises.

58.2 Where the non dependant is a member of a couple, only one deduction shall be made.

58.3 Where in respect of a day–

- a. a person is a resident in a dwelling but is not himself liable for council tax in respect of that dwelling and that day;
- b. other residents in that dwelling (the liable persons) have joint and several liability for council tax in respect of that dwelling and that day otherwise than by virtue of section 9 or 77 or 77A of the 1992 Act (liability of spouses and civil partners); and
- c. the person to whom sub-paragraph (a) refers is a non-dependant of two or more of the liable persons, the deduction in respect of that non-dependant shall be apportioned equally between those liable persons.

58.4 No deduction shall be made in respect of any non-dependants occupying an applicant's dwelling if the applicant or his partner is–

- a. blind or treated as blind by virtue of paragraph 9 of Schedule 1 (additional condition for the disability premium); or
- b. receiving in respect of himself:
 - attendance allowance, or would be receiving that allowance but for:
 - i. a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
 - ii. an abatement as a result of hospitalisation; or
 - the care component of the disability living allowance, or would be receiving that component but for:
 - i. a suspension of benefit in accordance with regulations under section 113(2) of The Act; or

- ii. an abatement as a result of hospitalisation; or
- c. the daily living component of personal independence payment, or would be receiving that allowance but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);
- d. an AFIP, or would be receiving that payment but for a suspension of it in accordance with any terms of the armed and reserve forces compensation scheme which allows for a suspension because a person is undergoing medical treatment in a hospital or similar institution;

58.5 No deduction shall be made in respect of a non-dependant if:

- a. although he resides with the applicant, it appears to the authority that his normal home is elsewhere; or
- b. he is in receipt of a training allowance paid in connection with a youth training established under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990; or
- c. he is a full time student within the meaning of section 41.0 (Students); or
- d. he is not residing with the applicant because he has been a patient for a period of excess of 52 weeks, and for these purposes;
- e. 'patient' has the meaning given within this scheme, and
- f. where a person has been a patient for two or more distinct periods separated by one or more intervals each not exceeding 28 days, he shall be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods;
- g. he is not residing with the claimant because he is a member of the armed forces away on operations

58.6 No deduction shall be made in respect of a non-dependant;

- (a) who is on income support, state pension credit, an income-based jobseeker's allowance or an income-related employment and support allowance;
- (b) to whom Schedule 1 of the 1992 Act applies (persons disregarded for purposes of discount) but this sub-paragraph shall not apply to a non-dependant who is a student to whom paragraph 4 of that Schedule refers;
- (c) who is entitled to an award of universal credit where the award is calculated on the basis that the person does not have any earned income.";
- a. For the purposes of sub-paragraph (c), "earned income" has the meaning given in regulation 52 of the Universal Credit Regulations 2013.

59.0 Extended reductions: movers into the authority's area

59.1 Where;

- (a) an application is made to the authority for a reduction under its scheme, and
- (b) the applicant or the partner of the applicant, is in receipt of an extended reduction from;
 - (i) another billing authority in England; or
 - (ii) a billing authority in Wales,

the current authority must reduce any reduction to which the applicant is entitled under its Council Tax Reduction scheme by the amount of that extended reduction.

60.0 Extended reductions

60.1 An applicant who is entitled to council tax reduction (by virtue of the general conditions of entitlement) shall be entitled to an extended reduction where;

- (a) the applicant or the applicant's partner was entitled to a qualifying income-related benefit;
- (b) entitlement to a qualifying income-related benefit ceased because the applicant or the applicant's partner—
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or

- (iii) increased the number of hours worked in such employment, and that employment is or, as the case may be, increased earnings or increased number of hours are expected to last five weeks or more; and
- (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying income-related benefit, jobseeker's allowance or a combination of those benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying income-related benefit ceased.

60.2 For the purpose of paragraph 60.1(c), an applicant or an applicant's partner is to be treated as having been entitled to and in receipt of a qualifying income-related benefit or jobseeker's allowance during any period of less than five weeks in respect of which the applicant or the applicant's partner was not entitled to any of those benefits because the applicant or the applicant's partner was engaged in remunerative work as a consequence of their participation in an employment zone programme.

60.3 For the purpose of this section, where an applicant or an applicant's partner is entitled to and in receipt of joint-claim jobseeker's allowance they shall be treated as being entitled to and in receipt of jobseeker's allowance.

60.4 An applicant must be treated as entitled to council tax reduction by virtue of the general conditions of entitlement where—

- (a) the applicant ceased to be entitled to council tax reduction because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying income-related benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying income-related benefit ceased in any of the circumstances listed in paragraph 60.1(b).

60.5 This section shall not apply where, on the day before an applicant's entitlement to income support ceased, regulation 6(5) of the Income Support Regulations (remunerative work: housing costs) applied to that applicant.

60A.0 Duration of extended reduction period

60A.1 Where an applicant is entitled to an extended reduction, the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying income-related benefit.

60A.2 For the purpose of paragraph (60A.1), an applicant or an applicant's partner ceases to be entitled to a qualifying income-related benefit on the day immediately following the last day of entitlement to that benefit.

60A.3 The extended reduction period ends;

- (a) at the end of a period of four weeks; or
- (b) on the date on which the applicant to whom the extended reduction is payable has no liability for council tax, if that occurs first.

60B.0 Amount of extended reduction

60B.1 For any week during the extended reduction period the amount of the extended reduction payable to an applicant shall be the higher of—

- (a) the amount of council tax reduction to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying income-related benefit;

- (b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 60 (extended reductions) did not apply to the applicant; or
- (c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement, if section 60 did not apply to the applicant.

60B.2 Paragraph 60B1 does not apply in the case of a mover.

60B.3 Where an applicant is in receipt of an extended reduction under this section and the applicant's partner makes a claim for council tax reduction, no amount of council tax reduction shall be payable by the appropriate authority during the extended reduction period.

60C Extended reductions – movers

60C.1 This section applies;

- (a) to a mover; and
- (b) from the Monday following the day of the move.

60C.2 The amount of the extended reduction payable from the Monday from which this section applies until the end of the extended reduction period shall be the amount of council tax reduction which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying income-related benefit.

60C.3 Where a mover's liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction may take the form of a payment from the appropriate authority to;

- (a) the second authority; or
- (b) the mover directly.

60C.4 Where—

- (a) a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying income-related benefit; and
- (b) the mover, or the mover's partner, is in receipt of an extended reduction from the appropriate authority, the second authority shall reduce the weekly amount of council tax reduction that the mover, or the mover's partner, is entitled to by a sum equal to the amount of the extended reduction until the end of the extended reduction period.

60D.0 Relationship between extended reduction and entitlement to council tax reduction under the general conditions of entitlement

60D.1 Where an applicant's council tax reduction award would have ended when the applicant ceased to be entitled to a qualifying income-related benefit in the circumstances listed in paragraph 60.1(b), that award will not cease until the end of the extended reduction period.

60D.2 Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction payable in accordance with paragraph 60B.1(a) or 60C.2 (amount of extended reduction – movers).

61.0 Extended reductions (qualifying contributory benefits)

61.1 An applicant who is entitled to council tax reduction (by virtue of the general conditions of entitlement) shall be entitled to an extended reduction (qualifying contributory benefits) where;

- (a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;
- (b) entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner;
 - (i) commenced employment as an employed or self-employed earner;

- (ii) increased their earnings from such employment; or
- (iii) increased the number of hours worked in such employment, and that employment is or, as the case may be, increased earnings or increased number of hours are expected to last five weeks or more;
- (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying contributory benefit or a combination of qualifying contributory benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying contributory benefit ceased; and
- (d) the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the applicant, or the applicant's partner, was entitled to a qualifying contributory benefit.

61.2 An applicant must be treated as entitled to council tax reduction by virtue of the general conditions of entitlement where;

- (a) the applicant ceased to be entitled to council tax reduction because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in paragraph 61.1(b).

61A.0 Duration of extended reduction period (qualifying contributory benefits)

61A.1 Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contributory benefit.

61A.2 For the purpose of paragraph 61A.1, an applicant or an applicant's partner ceases to be entitled to a qualifying contributory benefit on the day immediately following the last day of entitlement to that benefit.

- 61A.3 The extended reduction period ends;
- (a) at the end of a period of four weeks; or
 - (b) on the date on which the applicant to whom the extended reduction (qualifying contributory benefits) is payable has no liability for council tax, if that occurs first.

61B.0 Amount of extended reduction (qualifying contributory benefits)

61B.1 For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) payable to an applicant shall be the higher of;

- (a) the amount of council tax reduction to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;
- (b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 61 (extended reductions (qualifying contributory benefits)) did not apply to the applicant; or
- (c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement, if section 61 did not apply to the applicant.

61B .2 Paragraph 61B.1 does not apply in the case of a mover.

61B.3 Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this section and the applicant's partner makes a claim for council tax reduction, no amount of council tax reduction shall be payable by the appropriate authority during the extended reduction period.

61C.0 Extended reductions (qualifying contributory benefits) – movers

61C.1 This section applies;

- (a) to a mover; and
- (b) from the Monday following the day of the move.

61C.2 The amount of the extended reduction (qualifying contributory benefit) payable from the Monday from which this section applies until the end of the extended reduction period shall be the amount of council tax reduction which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.

61C.3 Where a mover's liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from the appropriate authority to–

- (a) the second authority; or
- (b) the mover directly.

61C.4 Where

- (a) a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit; and
- (b) the mover, or the mover's partner, is in receipt of an extended reduction (qualifying contributory benefits) from the appropriate authority, the second authority shall reduce the weekly amount of council tax reduction that the mover, or the mover's partner, is entitled to by a sum equal to the amount of the extended reduction (qualifying contributory benefits) until the end of the extended reduction period.

61D.0 Relationship between extended reduction (qualifying contributory benefits) and entitlement to council tax reduction under the general conditions of entitlement

61D.1 Where an applicant's council tax reduction award would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 61.1 (b), that award will not cease until the end of the extended reduction period.

61D.2 Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 61B.1(a) or 61C.2 (amount of extended reduction– movers).

Sections 62 – 63
Dates on which entitlement and changes of circumstances are to take effect

62.0 Date on which entitlement is to begin

62.1 Subject to paragraph 62.2, any person to whom or in respect of whom a claim for Council Tax Reduction is made and who is otherwise entitled to that support shall be so entitled from the day the application is made or deemed to have been made.

62.2 Where a person is otherwise entitled to Council Tax Reduction and becomes liable for the first time for the authority's council tax in respect of a dwelling of which he is a resident in the reduction week in which his claim is made or is treated as made, he shall be so entitled from that day.

63.0 Date on which change of circumstances is to take effect

63.1 A change of circumstances which affects entitlement to, or the amount of, a reduction under the authority's scheme ("change of circumstances"), takes effect from the day on which the change actually occurs, and where that change is cessation of entitlement to any benefit under the benefit Acts, the date on which the change actually occurs shall be the day immediately following the last day of entitlement to that benefit.

63.2 Subject to paragraph (3), where the change of circumstances is a change in the amount of council tax payable, it takes effect from the day on which it actually occurs.

63.3 Where the change of circumstances is a change in the amount a person is liable to pay in respect of council tax in consequence of regulations under section 13 of the 1992 Act (reduced amounts of council tax) or changes in the discount to which a dwelling may be subject under sections 11 or 12 of that Act, it shall take effect from the day on which the change in amount has effect.

63.4 Where the change of circumstances is the applicant's acquisition of a partner, the change takes effect on the day on which the acquisition takes place.

63.5 Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.

63.6 If two or more changes of circumstances occurring in the same reduction week would, but for this paragraph, take effect in different reduction weeks in accordance with paragraphs (1) to (5) they take effect from the day to which the appropriate paragraph from (2) to (5) above refers, or, where more than one day is concerned, from the earlier day.

63.7 Where the change of circumstances is that income, or an increase in the amount of income, other than a benefit or an increase in the amount of a benefit under the Act, is paid in respect of a past period and there was no entitlement to income of that amount during that period, the change of circumstances shall take effect from the first day on which such income, had it been paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

63.8 Without prejudice to paragraph (7), where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes effect from the first day on which such income, had it been timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

Sections 64– 72
Claiming and the treatment of claims for Council Tax Reduction purposes

64.0 Making an application⁴

- 64.1 In the case of a couple or members of a polygamous marriage an application is to be made by whichever one of them they agree should so apply or, in default of agreement, by such one of them as the authority determines.
- 64.2 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act, and;
- (a) a deputy has been appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
 - (b) in Scotland, his estate is being administered by a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on his behalf; or
 - (c) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,
- that deputy, judicial factor, guardian or attorney, as the case may be, may make an application on behalf of that person.
- 64.3 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act and sub-paragraph (2) does not apply to him, the authority may, upon written application made to them by a person who, if a natural person, is over the age of 18, appoint that person to exercise on behalf of the person who is unable to act, any right to which that person might be entitled under the authority's scheme and to receive and deal on his behalf with any sums payable to him.
- 64.4 Where a person who is liable to pay council tax in respect of a dwelling is for the time being unable to act and the Secretary of State has appointed a person to act on his behalf under regulation 33 of the Social Security (Claims and Payments) Regulations 1987 (persons unable to act), the authority may if that person agrees, treat him as if he had been appointed by them under sub-paragraph (3).
- 64.5 Where the authority has made an appointment under sub-paragraph (3) or treated a person as an appointee under sub-paragraph (4);
- (a) it may at any time revoke the appointment;
 - (b) the person appointed may resign his office after having given 4 weeks notice in writing to the authority of his intention to do so;
 - (c) any such appointment terminates when the authority is notified of the appointment of a person mentioned in sub-paragraph (2).
- 64.6 Anything required by the authority's scheme to be done by or to any person who is for the time being unable to act may be done by or to the persons mentioned in sub-paragraph (2) above or by or to the person appointed or treated as appointed under this paragraph and the receipt of any such person so appointed shall be a good discharge to the authority for any sum paid.
- 64.7 The authority must;
- (a) inform any person making an application of the duty imposed by paragraph 9(1)(a) of the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012;
 - (b) explain the possible consequences (including prosecution) of failing to comply with that duty; and
 - (c) set out the circumstances a change in which might affect entitlement to the reduction or its amount.

⁴ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

65.0 Procedure by which a person may apply for a reduction under the authority's scheme⁵

65.1. Paragraphs 2 to 7 apply to an application made under the authority's scheme.

65.2. An application may be made;

- (a) in writing,
- (b) by means of an electronic communication in accordance with sections 88 -96 of this scheme, or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone or
- (d) By means of an electronic notification to the Local Authority from the Department for Work and Pensions, generated when a claim to Universal Credit is made.

65.3 (1) An application which is made in writing must be made to the designated office on a properly completed form.
(2) The form must be provided free of charge by the authority for the purpose.

65.4 (1) Where an application made in writing is defective because—
(a) it was made on the form supplied for the purpose but that form is not accepted by the authority as being properly completed; or
(b) it was made in writing but not on the form approved for the purpose and the authority does not accept the application as being in a written form which is sufficient in the circumstances of the case having regard to the sufficiency of the written information and evidence,
the authority may, in a case to which sub-paragraph (a) applies, request the applicant to complete the defective application or, in the case to which sub-paragraph (b) applies, supply the applicant with the approved form or request further information and evidence.

(2) An application made on a form provided by the authority is properly completed if it is completed in accordance with the instructions on the form, including any instructions to provide information and evidence in connection with the application.

65.5. (1) If an application made by electronic communication is defective the authority must provide the person making the application with an opportunity to correct the defect.
(2) An application made by electronic communication is defective if the applicant does not provide all the information the authority requires.

65.6. In a particular case the authority may determine that an application made by telephone is only valid if the person making the application approves a written statement of his circumstances provided by the authority.

65.7 (1) If an application made by telephone is defective the authority must provide the person making the application with an opportunity to correct the defect.
(2) An application made by telephone is defective if the applicant does not provide all the information the authority requests during the telephone call.

65.8 Notwithstanding other paragraphs within this section, the authority will determine the method by which claims are to be made as well as where claims should be sent or delivered.

⁵ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

66.0 Backdating

66.1 Where an applicant requests a reduction for a period prior to the effective date of claim, the authority may, consider the claim to be made from an earlier period subject to an overall limit of 1 month. The applicant must prove that there was continuous good cause for failing to make an application

66.2 Where good cause is proven, the date of the application shall be the latest of;
(a) the first day from which the applicant had continuous good cause;
(b) the day 1 months before the date the application was made;
(c) the day 1 months before the date when the applicant requested that the application should include a past period

67.0 Date on which an application is made

67.1 Subject to sub-paragraph (7), the date on which an application is made is;

(a) in a case where;

- (i) an award of income support, an income-based jobseeker's allowance or an income-related employment and support allowance or an award of universal credit has been made to the applicant or his partner, and
- (ii) the application is made within one calendar month of the date on which the claim for that income support, jobseeker's allowance, employment and support allowance or universal credit was received,

the first day of entitlement to income support, an income-based jobseeker's allowance, an income-related employment and support allowance or universal credit arising from that claim;

(b) in a case where;

- (i) an applicant or his partner is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit,
- (ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and
- (iii) the application is received at the designated office within one calendar month of the date of the change,

the date on which the change takes place;

(c) in a case where;

- (i) an applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under the authority's scheme, and
- (ii) the applicant makes an application for a reduction under that scheme within one calendar month of the date of the death or the separation, the date of the death or separation;

(d) except where paragraph (a), (b) or (e) is satisfied, in a case where a properly completed application is received within one calendar month (or such longer period as the authority considers reasonable) of the date on which an application form was issued to an applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;

(e) in any other case, the date on which an application is received at the designated office.

67.2 For the purposes only of sub-paragraph (1)(a) a person who has been awarded an income-based jobseeker's allowance or an income-related employment and support allowance is to be treated as entitled to that allowance for any days which immediately precede the first day in that award and on which he would, but for regulations made under;

(a) in the case of income-based jobseeker's allowance, paragraph 4 of Schedule 1 to the Jobseekers Act 1995 (waiting days); or

(b) in the case of income-related employment and support allowance, paragraph 2 of

Schedule 2 to the Welfare Reform Act 2007 (waiting days), have been entitled to that allowance.

- 67.3 Where there is a defect in an application by telephone;
- (a) is corrected within one calendar month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance;
 - (b) is not corrected within one calendar month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide the application.
- 67.4 The authority is to treat a defective application as if it had been validly made in the first instance if, in any particular case, the conditions specified in sub-paragraph (5)(a), (b) or (c) are satisfied.
- 67.5 The conditions are that—
- (a) where the authority receives the properly completed application or the information requested to complete it or the evidence within one calendar month of the request, or such longer period as the authority may consider reasonable; or
 - (b) where an application is not on approved form or further information requested by authority applies;
 - (i) the approved form sent to the applicant is received at the offices of the authority properly completed within one calendar month of it having been sent to him; or, as the case may be;
 - (ii) the applicant supplies whatever information or evidence was requested within one calendar month of the request; or,in either case, within such longer period as the authority may consider reasonable; or
 - (c) where the authority has requested further information, the authority receives at its offices the properly completed application or the information requested to complete it within one calendar month of the request or within such longer period as the authority considers reasonable.
- 67.6 Except in the case of an application made by a person treated as not being in Great Britain, where a person has not become liable for council tax to the authority but it is anticipated that he will become so liable within the period of 8 weeks (the relevant period), he may apply for a reduction under that authority's scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority must treat the application as having been made on the day on which the liability for the tax arises.
- 67.7 Except in the case of an application made by a person treated as not being in Great Britain, where the applicant is not entitled to a reduction under the authority's scheme in the reduction week immediately following the date of his application but the authority is of the opinion that unless there is a change of circumstances he will be entitled to a reduction under its scheme for a period beginning not later than;
- (a) in the case of an application made by;
 - (i) a pensioner, or
 - (ii) a person who has attained, or whose partner has attained, the age which is 17 weeks younger than the qualifying age for state pension credit,the seventeenth reduction week following the date on which the application is made, or
 - (b) in the case of an application made by a person who is not a pensioner, the thirteenth reduction week following the date on which the application is made,
- the authority may treat the application as made on a date in the reduction week immediately preceding the first reduction week of that period of entitlement and award a reduction accordingly.

68.0 Submission of evidence electronically

68.1 The authority may accept such evidence, documents and certificates to support the claim electronically where it feels that this would be acceptable given the nature of the claim

69.0 Use of telephone provided evidence

69.1 The authority may accept such evidence to support the claim by telephone where it feels that this would be acceptable given the nature of the claim

70.0 Information and evidence⁶

70.1 Subject to sub-paragraph (3), a person who makes an application for a reduction under an authority's scheme must satisfy sub-paragraph (2) in relation both to himself and to any other person in respect of whom he is making the application.

70.2 This sub-paragraph is satisfied in relation to a person if—

(a) the application is accompanied by;

(i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or

(ii) information or evidence enabling the authority to ascertain the national insurance number that has been allocated to the person; or

(b) the person has made an application for a national insurance number to be allocated to him and the application for the reduction is accompanied by;

(i) evidence of the application for a national insurance number to be so allocated; and

(ii) the information or evidence enabling it to be so allocated.

70.3 Sub-paragraph (2) does not apply;

(a) in the case of a child or young person in respect of whom an application for a reduction is made;

(b) to a person who;

(i) is a person treated as not being in Great Britain for the purposes of this scheme;

(ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and

(iii) has not previously been allocated a national insurance number.

70.4 Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under the authority's scheme has been awarded, must furnish such certificates, documents, information and evidence in connection with the application or the award, or any question arising out of the application or the award, as may reasonably be required by that authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under its scheme and must do so within one calendar month of the authority requiring him to do so or such longer period as the authority may consider reasonable.

70.5 Nothing in this paragraph requires a person who is a pensioner to furnish any certificates, documents, information or evidence relating to a payment to which sub-paragraph (7) applies.

70.6 Where the authority makes a request under sub-paragraph (4), it must;

(a) inform the applicant or the person to whom a reduction under its scheme has been awarded of his duty under paragraph 9 of Schedule 8 the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012 (duty to notify change of circumstances) to

⁶ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

notify the authority of any change of circumstances; and
(b) without prejudice to the extent of the duty owed under paragraph 9, indicate to him either orally or by notice or by reference to some other document available to him on application and without charge, the kind of change of circumstances which must be notified.

70.7 This sub-paragraph applies to any of the following payments;
(a) a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the London Emergencies Trust, the We Love Manchester Emergency Fund, or the London Bombings Relief Charitable Fund;
(b) a payment which is disregarded under Schedule 4, other than a payment under the Independent Living Fund (2006).

70.8 Where an applicant or a person to whom a reduction under the authority's scheme has been awarded or any partner has attained the qualifying age for state pension credit and is a member of, or a person deriving entitlement to a pension under, a personal pension scheme, he must where the authority so requires furnish the following information;
(a) the name and address of the pension fund holder;
(b) such other information including any reference or policy number as is needed to enable the personal pension scheme to be identified.

71.0 Amendment and withdrawal of application⁷

71.1 A person who has made an application may amend it at any time before a decision has been made on it by a notice in writing delivered or sent to the designated office.

71.2 Where the application was made by telephone the amendment may also be made by telephone.

71.3 Any application amended is to be treated as if it had been amended in the first instance.

71.4 A person who has made an application may withdraw it by notice to the designated office at any time before a decision has been made on it.

71.5 Where the application was made by telephone, the withdrawal may also be made by telephone.

71.6 Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.

71.7 Where a person, by telephone, amends or withdraws an application the person must (if required to do so by the authority) confirm the amendment or withdrawal by a notice in writing delivered or sent to the designated office.

72.0 Duty to notify changes of circumstances⁸

72.1 Subject to sub-paragraphs (3), (6) and (7), an applicant (or any person acting on his behalf) must comply with sub-paragraph (2) if there is a relevant change of circumstances at any time;
(a) between the making of an application and a decision being made on it, or
(b) after the decision is made (where the decision is that the applicant is entitled to a reduction under the authority's scheme) including at any time while the applicant is in receipt of such a reduction.

72.2 The applicant (or any person acting on his behalf) must notify any change of circumstances

⁷ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

⁸ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

which the applicant (or that person) might reasonably be expected to know might affect his entitlement to, or the amount of, a reduction under the authority's scheme (a "relevant change of circumstances") by giving notice to the authority;

(a) in writing; or

(b) by telephone—

(i) where the authority has published a telephone number for that purpose unless the authority determines that in any particular case or class of case notification may not be given by telephone; or

(ii) in any case or class of case where the authority determines that notice may be given by telephone; or

(c) by any other means which the authority agrees to accept in any particular case, within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.

- 72.3 The duty imposed on a person by sub-paragraph (1) does not extend to notifying
- (a) changes in the amount of council tax payable to the authority;
 - (b) changes in the age of the applicant or that of any member of his family;
 - (c) in the case of an applicant in receipt of a relevant benefit, changes in circumstances which affect the amount of the benefit but not the amount of the reduction under the authority's scheme to which he is entitled, other than the cessation of that entitlement to the benefit.
- 72.4 For the purposes of sub-paragraph (3)(c) "relevant benefit" means income support, an income-based jobseeker's allowance or an income-related employment and support allowance or universal credit.
- 72.5 Notwithstanding sub-paragraph (3)(b) or (c) an applicant is required by sub-paragraph (1) to notify the authority of any change in the composition of his family arising from the fact that a person who was a member of his family is now no longer such a person because he has ceased to be a child or young person.

Sections 73- 80
Decisions, decision notices and awards of Council Tax Reduction

73.0 Decisions by the authority⁹

73.1 An authority must make a decision on an application under its scheme within 14 days of paragraphs 4 and 7 and Part 1 of Schedule 7 of the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012 being satisfied, or as soon as reasonably practicable thereafter.

74.0 Notification of decision¹⁰

74.1 The authority must notify in writing any person affected by a decision made by it under its scheme;
(a) in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;
(b) in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

74.2 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement;
(a) informing the person affected of the duty imposed by paragraph 9 of Schedule 8 the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012 (duty to notify change of circumstances) to notify the authority of any change of circumstances;
(b) explaining the possible consequences (including prosecution) of failing to comply with that duty; and
(c) setting out the circumstances a change in which might affect entitlement to the reduction or its amount.

74.3 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement as to how that entitlement is to be discharged.

74.4 In any case, the notification under sub-paragraph (1) must inform the person affected of the procedure by which an appeal may be made and must refer the person to the provisions in the authority's scheme relating to the procedure for making an appeal.

74.5 A person affected to whom the authority sends or delivers a notification of decision may, within one calendar month of the date of the notification of that decision request in writing the authority to provide a written statement setting out the reasons for its decision on any matter set out in the notice.

74.6 The written statement referred to in sub-paragraph (5) must be sent to the person requesting it within 14 days or as soon as reasonably practicable thereafter.

74.7 For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under its scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (8).

74.8 This sub-paragraph applies to—
(a) the applicant;
(b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act;
(i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
(ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on the person's behalf; or

⁹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹⁰ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

(iii) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,

(c) a person appointed by the authority to act for a person unable to act.

75.0 Time and manner of granting Council Tax Reduction¹¹

75.1 Where a person is entitled to a reduction under this authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year ("the chargeable year"), the authority must discharge his entitlement;

- (a) by reducing, so far as possible, the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 refers; or
- (b) where;
 - (i) such a reduction is not possible; or
 - (ii) such a reduction would be insufficient to discharge the entitlement to a reduction under the authority's scheme; or
 - (iii) the person entitled to the reduction is jointly and severally liable for the council tax and the authority determines that such a reduction would be inappropriate, by making payment to him of the amount of reduction to which he is entitled, rounded where necessary to the nearest penny.

75.2 The authority must notify the person entitled to a reduction under this scheme of the amount of that reduction and how his entitlement is to be discharged in pursuance of paragraph (1).

75.3 In a case to which paragraph (1)(b) refers;

- (a) if the amount of the council tax for which he remains liable in respect of the chargeable year, after any reduction to which sub-paragraph (1)(a) refers has been made, is insufficient to enable his entitlement to a reduction under the authority's scheme in respect thereof to be discharged, upon the final instalment of that tax becoming due any outstanding reduction;
 - (i) must be paid to that person if he so requires; or
 - (ii) in any other case must (as the authority determines) either be repaid or credited against any subsequent liability of the person to make a payment in respect of the authority's council tax as it has effect for any subsequent year;
- (b) if that person has ceased to be liable for the authority's council tax and has discharged the liability for that tax, the outstanding balance (if any) of the reduction under the authority's scheme in respect thereof must be paid within 14 days or, if that is not reasonably practicable, as soon as practicable thereafter
- (c) in any other case, the reduction under the authority's scheme must be paid within 14 days of the receipt of the application at the offices of the authority or, if that is not reasonably practicable, as soon as practicable thereafter.

75.4 For the purposes of this paragraph "instalment" means any instalment of the authority's council tax to which regulation 19 of the Council Tax (Administration and Enforcement) Regulations 1992 refers (council tax payments).

76.0 Persons to whom reduction is to be paid¹²

76.1 Subject to payment on death and paragraph (2), any payment of the amount of a reduction must be made to that person.

¹¹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹² Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

76.2 Where a person other than a person who is entitled to a reduction under this authority's scheme made the application for the reduction and that first person is a person acting pursuant to an appointment or is treated as having been so appointed, the amount of the reduction may be paid to that person.

77.0 Shortfall in reduction¹³

77.1 Where, on the revision of a decision allowing a reduction under the authority's scheme to a person, it is determined that the amount allowed was less than the amount to which that person was entitled, the authority must either;

- (a) make good any shortfall in reduction which is due to that person, by reducing so far as possible the next and any subsequent payments he is liable to make in respect of the council tax of the authority as it has effect for the chargeable financial year until that shortfall is made good; or
- (b) where this is not possible or the person concerned so requests, pay the amount of any shortfall in reduction due to that person within 14 days of the revision of the decision being made or if that is not reasonably practicable, as soon as possible afterwards.

78.0 Payment on the death of the person entitled¹⁴

78.1 Where the person entitled to any reduction under this scheme has died and it is not possible to award the reduction which is due in the form of a reduction of the council tax for which he was liable, the authority must make payment of the amount of the reduction to his executor or administrator in accordance with regulation 58(4) of the Council Tax (Administration and Enforcement) Regulations 1992.

79.0 Offsetting

79.1 Where a person has been allowed or paid a sum of Council Tax Reduction under a decision which is subsequently revised or further revised, any sum allowed or paid in respect of a period covered by the subsequent decision shall be offset against arrears of entitlement under the subsequent decision except to the extent that the sum exceeds the arrears and shall be treated as properly awarded or paid on account of them.

80.0 Payment where there is joint and several liability¹⁵

80.1 Where;

- (a) a person is entitled to a reduction under the authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year;
 - (b) the person entitled to the reduction is jointly and severally liable for the council tax; and
 - (c) the authority determines that discharging his entitlement by reducing the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992(7) refers would be inappropriate,
- it may make a payment to him of the amount of the reduction to which he is entitled, rounded where necessary to the nearest penny.

80.2 Subject to sub-paragraph (3) any payment made under sub-paragraph (1) must be made to the person who is entitled to the reduction.

80.3 Where a person other than a person who is entitled to a reduction under the authority's scheme made the application and that first person is a person acting pursuant to an

¹³ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹⁴ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹⁵ Inserted by Schedule 8 of the Council Tax Reductions Scheme (Prescribed Requirements) (England) Regulations 2012

appointment or is treated as having been so appointed, the amount of the reduction may be paid to that person.

Sections 81 – 84
Collection, holding and forwarding of information for Council Tax Reduction purposes

81.0 Use of information from and to the Department of Work and Pensions (DWP) and His Majesty's Revenues and Customs (HMRC)

81.1 The authority will use information provided by the DWP and HMRC for the purposes of Council Tax Reduction, council tax liability, billing, administration and enforcement as outlined within Schedule 2 of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012 and the Social Security (Information-sharing in relation to Welfare Services etc.) (Amendment) Regulations 2013

81.2 Where required by the relevant department and where required by law, the authority will share information obtained for Council Tax Reduction with the DWP or HMRC as appropriate and in accordance with Data Protections requirements¹⁶.

82.0 Collection of information

82.1 The authority may receive and obtain information and evidence relating to claims for Council Tax Reduction, the council may receive or obtain the information or evidence from–

- (a) persons making claims for Council Tax Reduction;
- (b) other persons in connection with such claims;
- (c) other local authorities; or
- (d) central government departments including the DWP and HMRC

82.2 The authority may verify relevant information supplied to, or obtained.

83.0 Recording and holding information

83.1 The authority may

- (a) may make a record of such information; and
- (b) may hold that information, whether as supplied or obtained or recorded, for the purpose of forwarding it to the person or authority for the time being administering Council Tax Reduction.

84.0 Forwarding of information

84.1 The authority may forward it to the person or authority for the time being administering claims to or awards of Council Tax Reduction to which the relevant information relates, being

- (i) a local authority;
- (ii) a person providing services to a local authority; or
- (iii) a person authorised to exercise any function of a local authority relating to Council Tax Reduction.

¹⁶ Data Retention and Investigatory Powers Act 2014, Data Retention Regulations 2014 and The Regulation of Investigatory Powers (Acquisition and Disclosure of Communications Data: Code of Practice) Order 2015

Sections 85 – 87
Revisions, Written Statements, Termination of Council Tax Reduction

85.0 Persons affected by Decisions

85.1 A person is to be treated as a person affected by a relevant decision of the authority where that person is;

- (a) an applicant;
- (b) in the case of a person who is liable to make payments in respect of a dwelling and is unable for the time being to act
 - (i) a Deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit or support on his behalf,
 - (ii) in Scotland, a tutor, curator, judicial factor or other guardian acting or appointed in terms of law administering that person's estate, or
 - (iii) an attorney with a general power or a power to receive benefit or support appointed by the person liable to make those payments under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise;
- (c) a person appointed by the authority under this scheme;

86.0 Revisions of Decisions

86.1 Subject to the provisions in this scheme, a relevant decision ('the original decision') may be revised or further revised by the authority, which made the decision where the person affected makes an application for a revision within;

- (i) one calendar month of the date of notification of the original decision; or
- (ii) such extended time as the authority may allow.

86.2 The authority may revise or further revise that original decision at any time. Where further information is required from the person affected, the authority shall request such information and evidence as it feels is reasonable. Such information must be supplied within;

- i) one calendar month of the date of notification of the additional information; or
- (ii) such extended time as the authority may allow

87.0 Terminations

87.1 The authority may terminate support in whole or in part the Council Tax Reduction where it appears to the authority that an issue arises whether;

- (a) the conditions for entitlement to Council Tax Reduction are or were fulfilled; or
- (b) a decision as to an award of such a support should be revised or superseded.

87.2 The authority may terminate, in whole or in part the Council Tax Reduction where it appears to the authority that an issue arises whether;

- (a) the conditions for entitlement to Council Tax Reduction are or were fulfilled; or
- (b) a decision as to an award of such a support should be revised or superseded.

Where the person fails to provide information to the authority as requested in relation to any matter relating to their liability for Council Tax

Section 88
Appeals against the authority's decisions

88.0 Procedure by which a person may make an appeal against certain decisions of the authority¹⁷

- 88.1 A person who is aggrieved by a decision of the authority, which affects;
- (a) the person's entitlement to a reduction under its scheme, or
 - (b) the amount of any reduction to which that person is entitled,
- may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.
- 88.2 The authority must
- (a) consider the matter to which the notice relates;
 - (b) notify the aggrieved person in writing;
 - (i) that the grievance is not well founded, giving reasons for that belief; or
 - (ii) that steps have been taken to deal with the grievance, stating the steps taken.
- 88.3 Where, following notification under sub-paragraph (2)(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with sub-paragraph (2)(b) within two months of the service of his notice, he may appeal to the valuation tribunal under section 16 of the 1992 Act¹⁸.

¹⁷ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹⁸ As amended by the Tribunal Procedure (Amendment No 3) Rules 2014, The First-tier Tribunal and Upper Tribunal (Chambers) (Amendment) Order 2015 and The Tribunal Procedure (Amendment) Rules 2015

Section 89
Procedure for applying for a discretionary reduction

89.0 Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act¹⁹ and Discretionary Relief Scheme.

- 89.1 Where an application to the authority is made under the Discretionary Relief Scheme, it shall be determined in accordance with the policy of the authority for that year and may be made;
- (a) in writing,
 - (b) by means of an electronic communication in accordance this scheme or
 - (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.
- 89.2 Where;
- (a) the authority has made a determination under section 13A(1)(c) in relation to a class of case in which liability is to be reduced; and
 - (b) a person in that class would otherwise be entitled to a reduction under its scheme, that person's application for a reduction under the authority's scheme may also be treated as an application for a reduction under section 13A(1)(c).
- 89.3 An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made;
- (a) in writing,
 - (b) by means of an electronic communication in accordance with this scheme or
 - (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.
- 89.4 Where the authority has determined any additional entitlement under the Discretionary Relief Scheme it shall be treated as an amount under section 13A(1)(a) of the 1992 Act.

¹⁹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

Section 90 – 98²⁰
Electronic Communication

²⁰ Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012

90.0 Interpretation

90.1 In this Part;
“**information**” includes an application, a certificate, notice or other evidence; and
“**official computer system**” means a computer system maintained by or on behalf of an authority for sending, receiving, processing or storing of any information.

91.0 Conditions for the use of electronic communication

91.1 The authority may use an electronic communication in connection with applications for, and awards of, reductions under its scheme including any or all information received via DWP or HMRC.

91.2 A person other than the authority may use an electronic communication in connection with the matters referred to in paragraph (1) if the conditions specified in paragraphs (3) to (6) are satisfied.

91.3 The first condition is that the person is for the time being permitted to use an electronic communication by an authorisation given by means of a direction of the Chief Executive of the authority.

91.4 The second condition is that the person uses an approved method of;

- (a) authenticating the identity of the sender of the communication;
- (b) electronic communication;
- (c) authenticating any application or notice delivered by means of an electronic communication; and
- (d) subject to sub-paragraph (7), submitting to the authority any information.

91.5 The third condition is that any information sent by means of an electronic communication is in a form approved for the purposes.

91.6 The fourth condition is that the person maintains such records in written or electronic form as may be specified in a direction given by the Chief Executive of the authority.

91.7 Where the person uses any method other than the method approved of submitting any information, that information is to be treated as not having been submitted.

92.0 Approval

92.1 In this paragraph “approved” means approved by means of a direction given by the Chief Executive of the authority for the purposes of this section.

93.0 Use of intermediaries

93.1 The authority may use intermediaries in connection with;

- (a) the delivery of any information by means of an electronic communication; and
- (b) the authentication or security of anything transmitted by such means,

and may require other persons to use intermediaries in connection with those matters.

94.0 Effect of delivering information by means of electronic communication

94.1 Any information which is delivered by means of an electronic communication is to be treated as having been delivered in the manner or form required by any provision of an authority’s scheme on the day the conditions imposed;

- (a) by this section; and
- (b) by or under an enactment,

are satisfied.

94.2 The authority may determine that any information is to be treated as delivered on a different day (whether earlier or later) from the day provided for in sub-paragraph (1).

94.3 Information may not be taken to have been delivered to an official computer system by means of an electronic communication unless it is accepted by the system to which it is delivered.

95.0 Proof of identity of sender or recipient of information

95.1 If it is necessary to prove, for the purpose of any legal proceedings, the identity of—
(a) the sender of any information delivered by means of an electronic communication to an official computer system; or
(b) the recipient of any such information delivered by means of an electronic communication from an official computer system,
the sender or recipient, as the case may be, is to be presumed to be the person whose name is recorded as such on that official computer system.

96.0 Proof of delivery of information

96.1 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any information this is presumed to have been the case where;
(a) any such information has been delivered to the relevant authority, if the delivery of that information has been recorded on an official computer system; or
(b) any such information has been delivered by the relevant authority, if the delivery of that information has been recorded on an official computer system.

96.2 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any such information, this is presumed not to be the case, if that information delivered to the relevant authority has not been recorded on an official computer system.

96.3 If it is necessary to prove, for the purpose of any legal proceedings, when any such information sent by means of an electronic communication has been received, the time and date of receipt is presumed to be that recorded on an official computer system.

97.0 Proof of content of information

97.1 If it is necessary to prove, for the purpose of any legal proceedings, the content of any information sent by means of an electronic communication, the content is presumed to be that recorded on an official computer system.

98.0 Data Protection and consent

98.1 Any application for reduction and associated evidence shall be subject to existing Data Protection rules and requirements.

**Section 99
Counter Fraud and Compliance**

99.0 Counter Fraud and compliance

- 99.1 In order to protect the finances of the authority and also in the interests of all council taxpayers, the authority will undertake such actions as allowed by law to;
- (a) Prevent and detect fraudulent claims and actions in respect of Council Tax Reduction;
 - (b) Carry out investigations fairly, professionally and in accordance with the law; and
 - (c) Ensure that sanctions are applied in appropriate cases
- 99.2 The authority believes that it is important to minimise the opportunity for fraud and;
- (a) will implement rigorous procedures for the verification of claims for Council Tax Reduction;
 - (b) will employ sufficient Officers to fulfil the authority's commitment to combat fraud;
 - (c) will actively tackle fraud where it occurs in accordance with this scheme;
 - (d) will co-operate with the Department for Work and Pensions (DWP), His Majesty's Revenues and Customs and take part in joint working including prosecutions; and
 - (e) will in all cases seek to recover all outstanding council tax.
- 99.3 The authority shall put into place such administrative policies, procedures and processes as are necessary to ensure that the actions outlined within paragraph 97.1 and 97.2 can be carried out successfully. In particular the authority shall undertake actions provided by the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

Schedule 1
Calculation of the amount of Council Tax Reduction in accordance with the Discount Scheme

- 1 The authority's Council Tax Reduction scheme from 2023/24 shall be calculated on the basis of the following Banded Discount Scheme:

Bands	Band 1	Band 2	Band 3	Band 4	Band 5
	80% Discount	65% Discount	50% Discount	35% Discount	20% Discount
Single	£0.00 - £95.00	£95.01 – £142.50	£142.51 – £190.00	£190.01 – £237.50	£237.51 – £285.00
Couple	£0.00 - £135.00	£135.01– £182.50	£182.51 – £230.00	£230.01 – £277.50	£277.51 – £332.00
Lone Parent with 1 child	£0.00 – £150.00	£150.01 – £197.50	£197.51 – £245.00	£245.01 – £292.50	£292.51 – £340.00
Couple with 1 child	£0.00 – £190.00	£190.01 – £237.50	£237.51 – £285.00	£285.01 – £332.50	£332.51 – £380.00
Lone parent with 2+ children	£0.00 – £205.00	£205.01 – £252.50	£252.51 – £300.00	£300.01 – £347.50	£347.51 – £395.00
Couple with 2+ children	£0.00 – £245.00	£245.01 – £292.50	£292.51 – £340.00	£340.01 – £387.50	£387.51 – £435.00

- 2 The amount of discount to be granted is to be based on the following factors:
- The maximum Council Tax Reduction as defined within this scheme;
 - The Council Tax family as defined within this scheme
 - The income of the applicant as defined within this scheme;
 - The capital of the applicant as defined within this scheme.
- 3 For the sake of clarity all incomes shown within the table above are weekly in accordance with the scheme requirements and definitions.
- 4 Discount bands vary depending on both weekly income and the household (family as defined within this scheme). For the sake of clarity, it should be noted that in any application for reduction is limited to a maximum of two dependant children or young persons.
- 5 Any applicant whose capital is greater than £16,000 shall not be entitled to any Council Tax Reductions whatsoever.
- 6 The authority **may** increase the level of incomes within the grid specified in paragraph 1 on an annual basis by the appropriate level of inflation measured by the Consumer Price Index (CPI) at September preceding the effective financial year **or** by a percentage representing the increase in personal allowance within the applicable amounts for Housing Benefit for the relevant financial year, **whichever is the lowest**. Where the levels of income are amended, they shall be rounded up to the nearest whole pound (£).
- 7 Where an applicant or partner is in receipt of a 'passporting benefit' namely Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance, discount will be awarded at Band 1 level.

Schedule 2
Sums to be disregarded in the calculation of earnings

1. There shall be £25 per week disregarded from an applicant's net earnings as follows:
2. Only one disregard shall be applied to each claim.

Schedule 3
Sums to be disregarded in the calculation of income other than earnings

1. Any amount paid by way of tax on income, which is to be taken into account under section 28 (calculation of income other than earnings).
2. Any payment made to the applicant and in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.
3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme, but only for 52 weeks beginning with the date of receipt of the payment.
4. Any payment in respect of any expenses incurred or to be incurred by an applicant who is—
 - (a) engaged by a charitable or voluntary organisation, or
 - (b) volunteer,
 if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under section 30.0 (notional income).
5. Any payment in respect of expenses arising out of the applicant's participation in a service user group or where the applicant is participating as a service user.
6. In the case of employment as an employed earner, any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment.
7. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance the whole of his income.
8. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act and his partner is on an income-based jobseeker's allowance, the whole of the applicant's income.
9. Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No. 3) Regulations 1999 as in force at that date, the whole of his income.
10. Any disability living allowance, personal independence payment or AFIP.
11. Carers Allowance
12. Any Windrush compensation payment
13. Any concessionary payment made to compensate for the non-payment of;
 - (a) any payment specified in paragraph 7 or 10;
 - (b) income support;
 - (c) an income-based jobseeker's allowance.
 - (d) an income-related employment and support allowance.
14. Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 or any payment intended to compensate for the non-payment of such a supplement.
15. Any attendance allowance.

16. Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.
17. (1) Any payment—
- (a) by way of an education maintenance allowance made pursuant to;
 - (i) regulations made under section 518 of the Education Act 1996 (payment of school expenses; grant of scholarships etc);
 - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980 (power to assist persons to take advantage of educational facilities);
 - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992
 - (b) corresponding to such an education maintenance allowance, made pursuant to;
 - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
 - (ii) regulations made under section 181 of that Act; or
 - (iii) in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.
- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
- (a) regulations made under section 518 of the Education Act 1996;
 - (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
 - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992,
- in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).
18. Any payment made to the applicant by way of a repayment under regulation 11(2) of the Education (Teacher Student Loans) (Repayment etc.) Regulations 2002.
- 19 (1) Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 except a payment;
- (a) made as a substitute for income support, a jobseeker's allowance, incapacity benefit, severe disablement allowance or an employment and support allowance;
 - (b) of an allowance referred to in section 2(3) of the 1973 Act or section 2(5) of the Enterprise and New Towns (Scotland) Act 1990; or
 - (c) intended to meet the cost of living expenses which relate to any one or more of the items specified in sub-paragraph (2) whilst an applicant is participating in an education, training or other scheme to help him enhance his employment prospects unless the payment is a Career Development Loan paid pursuant to section 2 of the 1973 Act and the period of education or training or the scheme, which is supported by that loan, has been completed.
- (2) The items specified in this sub-paragraph for the purposes of sub-paragraph (1)(c) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
- 20 (1) Subject to sub-paragraph (2), any of the following payments;
- (a) a charitable payment;
 - (b) a voluntary payment;
 - (c) a payment (not falling within sub-paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;
 - (d) a payment under an annuity purchased;

- (i) pursuant to any agreement or court order to make payments to the applicant; or
 - (ii) from funds derived from a payment made, in consequence of any personal injury to the applicant; or
 - (e) a payment (not falling within sub-paragraphs (a) to (d) received by virtue of any agreement or court order to make payments to the applicant in consequence of any personal injury to the applicant.
- (2) Sub-paragraph (1) shall not apply to a payment, which is made or due to be made by–
- (a) a former partner of the applicant, or a former partner of any member of the applicant’s family; or
 - (b) the parent of a child or young person where that child or young person is a member of the applicant’s family.
- 21.** 100% of any of the following, namely
- (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 9 or 10);
 - (b) a war widow’s pension or war widower’s pension;
 - (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of His Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
 - (d) a guaranteed income payment;
 - (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
 - (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
 - (g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.
- 22.** Subject to paragraph 35, £15 of any;
- (a) widowed mother’s allowance paid pursuant to section 37 of the Act;
 - (b) widowed parent’s allowance paid pursuant to section 39A of the Act.
- 23.** (1) Any income derived from capital to which the applicant is or is treated under section 39 (capital jointly held) as beneficially entitled but, subject to sub- paragraph (2), not income derived from capital disregarded under Schedule 4.
- (2) Income derived from capital disregarded under Schedule 4 but only to the extent of–
- (a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or
 - (b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.
- (3) The definition of ‘water charges’ in paragraph 2(1) shall apply to sub-paragraph (2) of this paragraph with the omission of the words ‘in so far as such charges are in respect of the dwelling which a person occupies as his home’.
- 24.** Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating–
- (a) under, or pursuant to regulations made under powers conferred by, sections 1 or 2 of the Education Act 1962 or section 22 of the Teaching and Higher Education Act 1998, that student’s award;
 - (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student’s bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that

Act of 1980, any payment to that student under that section; or
(c) the student's student loan,
an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable.

- 25.** (1) Where the applicant is the parent of a student aged under 25 in advanced education who either;
- (a) is not in receipt of any award, grant or student loan in respect of that education; or
 - (b) is in receipt of an award under section 2 of the Education Act 1962 (discretionary awards) or an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,
and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution, an amount specified in sub-paragraph (2) in respect of each week during the student's term.
- (2) For the purposes of sub-paragraph (1), the amount shall be equal to—
- (a) the weekly amount of the payments; or
 - (b) the amount by way of a personal allowance for a single applicant under 25 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),
whichever is less.
- 26.** Any payment made to the applicant by a child or young person or a non- dependant.
- 27.** Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person and there is a contractual liability to make payments to the applicant in respect of the occupation of the dwelling by that person or a member of his family—
- (a) where the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family, is less than £20, the whole of that amount; or
 - (b) where the aggregate of any such payments is £20 or more per week, £20.
- 28.** (1) Where the applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for which such accommodation is provided for the whole or any part of a week, equal to—
- (a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20.00, 100 per cent. of such payments;
 - (b) where the aggregate of any such payments exceeds £20.00, £20.00 and 50 per cent. of the excess over £20.00.
- (2) In this paragraph, 'board and lodging accommodation' means accommodation provided to a person or, if he is a member of a family, to him or any other member of his family, for a charge which is inclusive of the provision of that accommodation and at least some cooked or prepared meals which both are cooked or prepared (by a person other than the person to whom the accommodation is provided or a member of his family) and are consumed in that accommodation or associated premises.
- 29.** (1) Any income in kind, except where regulation 30(11)(b) (provision of support under section 95 or 98 of the Immigration and Asylum Act in the calculation of income other than earnings) applies.
- (2) The reference in sub-paragraph (1) to 'income in kind' does not include a payment to a third party made in respect of the applicant which is used by the third party to provide benefits in kind to the applicant.

- 30.** Any income which is payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.
- 31.** (1) Any payment made to the applicant in respect of a person who is a member of his family—
 (a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002 or in accordance or with a scheme approved by the Scottish Ministers under section 51A of the Adoption (Scotland) Act 1978(b) (schemes for payments of allowances to adopters); or in accordance with an Adoption Allowance Scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (Adoption Allowances Schemes) which is a payment made by a local authority in pursuance of section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child’s maintenance where the child is living with a person as a result of a residence order) or in Scotland section 50 of the Children Act 1975 (payments towards maintenance of children);
 (b) which is a payment made by an authority, as defined in Article 2 of the Children Order, in pursuance of Article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child’s maintenance);
 (c) in accordance with regulations made pursuant to section 14F of the Children Act 1989(c) (special guardianship support services);
 (2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
- 32.** Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made
 (a) by a local authority under—
 (i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),
 (ii) section 26 of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or
 (iii) regulations 33 or 51 of the Looked After Children (Scotland) Regulations 2009 (fostering and kinship care allowances and fostering allowances); or
 (b) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).
- 33.** Any payment made to the applicant or his partner for a person (‘the person concerned’), who is not normally a member of the applicant’s household but is temporarily in his care, by—
 (a) a health authority;
 (b) a local authority but excluding payments of housing benefit made in respect of the person concerned;
 (c) a voluntary organisation;
 (d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;
 (e) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006; or
 (f) a Local Health Board established under section 16BA of the National Health Service Act 1977 or established by an order made under section 11 of the National Health Service (Wales) Act 2006
- 34.** Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or section 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 35.** (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989(e) or section 29 of the Children

(Scotland) Act 1995(local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the applicant.

- (2) Sub-paragraph (1) applies only where A;
- (a) was formerly in the applicant's care, and
 - (b) is aged 18 or over, and
 - (c) continues to live with the applicant.

- 36.** (1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments;
- (a) on a loan which is secured on the dwelling which the applicant occupies as his home; or
 - (b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974 or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of Part 3 of the Hire-Purchase Act 1964.
- (2) A payment referred to in sub-paragraph (1) shall only be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to—
- (a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (b); and
 - (b) meet any amount due by way of premiums on—
 - (i) that policy; or
 - (ii) in a case to which sub-paragraph(1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the applicant as his home and which is required as a condition of the loan referred to in sub-paragraph (1)(a).
- 37.** Any payment of income which, by virtue of section 34 (income treated as capital) is to be treated as capital.
- 38.** Any social fund payment made pursuant to Part 8 of the Act (the Social Fund) or any local welfare fund provision
- 39.** Where a payment of income is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
- 40.** The total of an applicant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under paragraph 15.2 (calculation of income and capital of members of applicant's family and of a polygamous marriage) to be disregarded under paragraph 45.2(b) and paragraph 46.1(d) (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 49(2) (treatment of student loans), paragraph 49(3) (treatment of payments from access funds) and paragraphs 17 shall in no case exceed £20 per week.
- 41.** (1) Any payment made under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of;

- (a) the person who is suffering from haemophilia or who is a qualifying person;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
- (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
- (b) the payment is made either;
 - (i) to that person's parent or step-parent, or
 - (ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,

but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who was or had been a member of his family; and
- (b) the payment is made either
 - (i) to that person's parent or step-parent, or
 - (ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any income which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation and the London Bombings Relief Charitable Fund.

- 42.** Any housing benefit or council tax benefit.
- 43.** Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
- 44.** Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.

45. Any payment in consequence of a reduction of council tax under section 13 or section 80 of the 1992 Act (reduction of liability for council tax).
46. (1) Any payment or repayment made—
 (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
 (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
 (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies).
 (2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment or repayment, mentioned in sub-paragraph (1).
47. Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).
48. Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.
49. (1) Where, **but for the implementation of this scheme**, an applicant's applicable amount includes an amount by way of a family premium, £15 of any payment of maintenance, other than child maintenance, whether under a court order or not, which is made or due to be made by the applicant's former partner, or the applicant's partner's former partner.
 (2) For the purpose of sub-paragraph (1) where more than one maintenance payment falls to be taken into account in any week, all such payments such be aggregated and treated as if they were a single payment.
 (3) A payment made by the Secretary of State in lieu of maintenance shall, for the purpose of sub-paragraph (1), be treated as a payment of maintenance made by a person specified in sub-paragraph (1).
50. (1) Any payment of child maintenance made or derived from a liable relative where the child or young person in respect of whom the payment is made is a member of the applicant's family, except where the person making the payment is the applicant or the applicant's partner.
 (2) In paragraph (1)
 'child maintenance' means any payment towards the maintenance of a child or young person, including any payment made voluntarily and payments made under;
 (a) the Child Support Act 1991;
 (b) the Child Support (Northern Ireland) Order 1991;
 (c) a court order;
 (d) a consent order;
 (e) a maintenance agreement registered for execution in the Books of Council and Session or the sheriff court books;
 'liable relative' means a person listed in regulation 54 (interpretation) of the Income Support (General) Regulations 1987, other than a person falling within sub-paragraph (d) of that definition.
51. Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
52. Any guardian's allowance.

- 53.** (1) If the applicant is in receipt of any benefit under Parts 2, 3 or 5 of the Act, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of the Act, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.
- (2) If the applicant is in receipt of any pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006, any increase in the rate of that pension or allowance under that Order, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.
- 54.** Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.
- 55.** In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983(a) (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.
- 56** (1) Any payment which is
- (a) made under any of the Dispensing Instruments to a widow, widower or
 - (b) surviving civil partner of a person;
 - (i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and
 - (ii) whose service in such capacity terminated before 31st March 1973; and equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.
- (2) In this paragraph 'the Dispensing Instruments' means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).
- 57.** Any Council Tax Reduction or council tax benefit to which the applicant is entitled.
- 58.** Any payment made under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or under regulations made under section 57 of the Health and Social Care Act 2001 (direct payments).
- 59.** (1) Subject to sub-paragraph (2), in respect of a person who is receiving, or who has received, assistance under the self-employment route, any payment to that person—
- (a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;
 - (b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity, in respect of which such assistance is or was received.
- (2) Sub-paragraph (1) shall apply only in respect of payments, which are paid to that person from the special account
- 60.** (1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
- (2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
- (3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.

61. Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker's allowance that person would have received in that reduction week had it been payable to him, less 50p, that excess amount.
62. In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise.
63. Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001 as amended by the Welfare Reform Act 2012 (Consequential Amendments) Regulations 2013.
64. (1) Any payment made by a local authority or by the Welsh Ministers to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.
(2) For the purposes of sub-paragraph (1) 'local authority' includes, in England, a county council.
65. Any bereavement support payment in respect of the rate set out in regulation 3(2) or (5) of the Bereavement Support Payment Regulations 2017
66. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)
67. Any payments made by the London Emergencies Trust" means the company of that name (number 09928465) incorporated on 23rd December 2015 and the registered charity of that name (number 1172307) established on 28th March 2017 or the We Love Manchester Emergency Fund" means the registered charity of that name (number 1173260) established on 30th May 2017
68. Any payment of child benefit.
69. Any payments disregarded for Housing Benefits under the Social Security (*Emergency Funds*) Amendment) *Regulations 2017*
70. where the applicant (or any partner or dependant) is in receipt of carer's allowance, personal independence payment, or disability living allowance, an amount of £40 per week
71. Any amount of Carer's Allowance.
72. Any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining:
(a) an applicant's entitlement to a reduction under the scheme; or
(b) the amount of any reduction to which the applicant is entitled.
"The Energy Rebate Scheme 2022" means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022
73. **Provision for all applicants: Homes for Ukraine scheme**
(1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining—
(a) an applicant's entitlement to a reduction under the scheme; or
(b) the amount of any reduction to which the applicant is entitled.
(2) In this regulation—
"the Homes for Ukraine scheme" means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022

Schedule 4
Capital to be disregarded

1. The dwelling together with any garage, garden and outbuildings, normally occupied by the applicant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of polygamous marriage), only one dwelling shall be disregarded under this paragraph.
2. Any premises acquired for occupation by the applicant, which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of the premises.
3. Any sum directly attributable to the proceeds of sale of any premises formerly occupied by the applicant as his home which is to be used for the purchase of other premises intended for such occupation within 26 weeks of the date of sale or such longer period as is reasonable in the circumstances to enable the applicant to complete the purchase.
4. Any premises occupied in whole or in part—
 - (a) by a partner or relative of a single applicant or any member of the family as his home where that person has attained the qualifying age for state pension credit or is incapacitated;
 - (b) by the former partner of the applicant as his home; but this provision shall not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.
5. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his capital.
6. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and his partner is on income-based jobseeker's allowance, the whole of the applicant's capital.
7. Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub-leases or sub-tenancies.
8.
 - (1) The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.
 - (2) The assets of any business owned in whole or in part by the applicant where—
 - (a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
 - (b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business;

for a period of 26 weeks from the date on which the claim for Council Tax Reduction is made, or is treated as made, or, if it is unreasonable to expect him to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.
 - (3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.
 - (4) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

9. (1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of;
- (a) any payment specified in Schedule 4;
 - (b) an income-related benefit under Part 7 of the Act;
 - (c) an income-based jobseeker's allowance;
 - (d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
 - (e) working tax credit and child tax credit
 - (f) an income-related employment and support allowance

but only for a period of 52 weeks from the date of the receipt of arrears or of the concessionary payment.

(2) In a case where the total of any arrears and, if appropriate, any concessionary payment referred to in sub-paragraph (1) relating to one of the specified payments, benefits or allowances amounts to £5,000 or more (referred to in this sub-paragraph and in sub-paragraph (3) as 'the relevant sum') and is

- (a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Decisions and Appeals Regulations; and
- (b) received by the applicant in full on or after 14th October 2001,

sub-paragraph (1) shall have effect in relation to such arrears or concessionary payment either for a period of 52 weeks from the date of receipt, or, if the relevant sum is received in its entirety during the award of Council Tax Reduction, for the remainder of that award if that is a longer period.

(3) For the purposes of sub-paragraph (2), 'the award of Council Tax Reduction' means—

- (a) the award in which the relevant sum is first received (or the first part thereof where it is paid in more than one instalment); and
- (b) where that award is followed by one or more further awards which, or each of which, begins immediately after the end of the previous award, such further award provided that for that further award the applicant;
 - (i) is the person who received the relevant sum; or
 - (ii) is the partner of the person who received the relevant sum or was that person's partner at the date of his death.

10. Any sum

- (a) paid to the applicant in consequence of damage to, or loss of the home or any personal possession and intended for its repair or replacement; or
- (b) acquired by the applicant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvement to the home, which is to be used for the intended purpose, for a period of 26 weeks from the date on which it was so paid or acquired or such longer period as is reasonable in the circumstances to effect the repairs, replacement or improvement.

11. Any sum—

- (a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 or section 338(1) of the Housing (Scotland) Act 1987 as a condition of occupying the home;
- (b) which was so deposited and which is to be used for the purchase of another home, for the period of 26 weeks or such longer period as may be reasonable in the circumstances to enable the applicant to complete the purchase.

12. Any personal possessions except those which have been acquired by the applicant with the intention of reducing his capital in order to secure entitlement to Council Tax Reduction or to increase the amount of that support.

- 13.** The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.
- 14.** Where the funds of a trust are derived from a payment made in consequence of any personal injury to the applicant or applicant's partner, the value of the trust fund and the value of the right to receive any payment under that trust.
- 14A.** (1) Any payment made to the applicant or the applicant's partner in consequence of any personal injury to the applicant or, as the case may be, the applicant's partner.
- (2) But sub-paragraph (1)
- (a) applies only for the period of 52 weeks beginning with the day on which the applicant first receives any payment in consequence of that personal injury;
- (b) does not apply to any subsequent payment made to him in consequence of that injury (whether it is made by the same person or another);
- (c) ceases to apply to the payment or any part of the payment from the day on which the applicant no longer possesses it;
- (d) does not apply to any payment from a trust where the funds of the trust are derived from a payment made in consequence of any personal injury to the applicant.
- (3) For the purposes of sub-paragraph (2)(c), the circumstances in which an applicant no longer possesses a payment or a part of it include where the applicant has used a payment or part of it to purchase an asset.
- (4) References in sub-paragraphs (2) and (3) to the applicant are to be construed as including references to his partner (where applicable).
- 15.** The value of the right to receive any income under a life interest or from a life rent.
- 16.** The value of the right to receive any income, which is disregarded under Schedule 4.
- 17.** The surrender value of any policy of life insurance.
- 18.** Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.
- 19.** Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or sections 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 19A.** (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the applicant.
- (2) Sub-paragraph (1) applies only where A;
- (a) was formerly in the applicant's care, and
- (b) is aged 18 or over, and
- (c) continues to live with the applicant.
- 20.** Any social fund payment made pursuant to Part 8 of the Act.
- 21.** Any refund of tax which falls to be deducted under section 369 of the Income and Corporation Taxes Act 1988 (deduction of tax from certain loan interest) on a payment of relevant loan interest for the purpose of acquiring an interest in the home or carrying out repairs or improvements to the home.

22. Any capital which, by virtue of sections 34 or 49 (capital treated as income, treatment of student loans) is to be treated as income.
23. Where any payment of capital is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
24. (1) Any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the Charitable Fund.
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) the person who is suffering from haemophilia or who is a qualifying person;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where—
- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
 - (b) the payment is made either;
 - (i) to that person's parent or step-parent; or
 - (ii) where that person at the date of the payment is a child ,a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian, but only for a period from the date of the payment until the end of two years from that person's death.
- (5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or any of the Trusts to which sub-paragraph (1) refers, where
- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he had formed a civil partnership that had not been dissolved, nor any child or young person who was

or had been a member of his family; and
(b) the payment is made either;
(i) to that person's parent or step-parent; or
(ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,
but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any capital resource which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited the Skipton Fund , the Caxton Foundation, and the London Bombings Relief Charitable Fund.

25. (1) Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from, or dissolution of his civil partnership with, his former partner, that dwelling for a period of 26 weeks from the date on which he ceased to occupy that dwelling or, where the dwelling is occupied as the home by the former partner who is a lone parent, for so long as it is so occupied.

(2) In this paragraph 'dwelling' includes any garage, garden and outbuildings, which were formerly occupied by the applicant as his home and any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated.

26. Any premises where the applicant is taking reasonable steps to dispose of those premises, for a period of 26 weeks from the date on which he first took such steps, or such longer period as is reasonable in the circumstances to enable him to dispose of those premises.

27. Any premises which the applicant intends to occupy as his home, and in respect of which he is taking steps to obtain possession and has sought legal advice, or has commenced legal proceedings, with a view to obtaining possession, for a period of 26 weeks from the date on which he first sought such advice or first commenced such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable him to obtain possession and commence occupation of those premises.

28. Any premises which the applicant intends to occupy as his home to which essential repairs or alterations are required in order to render them fit for such occupation, for a period of 26 weeks from the date on which the applicant first takes steps to effect those repairs or alterations, or such longer period as is necessary to enable those repairs or alterations to be carried out.

29. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

30. Any Windrush Compensation Payment

31. The value of the right to receive an occupational or personal pension.

32. The value of any funds held under a personal pension scheme

33. The value of the right to receive any rent except where the applicant has a reversionary interest in the property in respect of which rent is due.

34. Any payment in kind made by a charity or under or by the Trusts, the Fund, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).

- 35.** Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990, but only for the period of 52 weeks beginning on the date of receipt of the payment.
- 36.** Any payment made to the applicant in respect of any travel or other expenses incurred or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme but only for 52 weeks beginning with the date of receipt of the payment but only for 52 weeks beginning with the date of receipt of payment.
- 37.** Any payment in consequence of a reduction of council tax under section 13 or, as the case may be, section 80 of the Local Government Finance Act 1992 (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.
- 38.** Any grant made in accordance with a scheme made under section 129 of the Housing Act 1988 or section 66 of the Housing (Scotland) Act 1988 (schemes for payments to assist local housing authority and local authority tenants to obtain other accommodation) which is to be used—
- (a) to purchase premises intended for occupation as his home; or
 - (b) to carry out repairs or alterations which are required to render premises fit for occupation as his home,
- for a period of 26 weeks from the date on which he received such a grant or such longer period as is reasonable in the circumstances to enable the purchase, repairs or alterations to be completed and the applicant to commence occupation of those premises as his home.
- 39.** Any arrears of supplementary pension which is disregarded under Schedule 3 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 54 or 55 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.
- 40.** (1) Any payment or repayment made—
- (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
 - (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
 - (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies),
- but only for a period of 52 weeks from the date of receipt of the payment or repayment.
- (2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment, or repayment mentioned in subparagraph (1), but only for a period of 52 weeks from the date of the receipt of the payment or repayment.
- 41.** Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins), but only for a period of 52 weeks from the date of receipt of the payment.
- 42.** Any payment made under Part 8A of the Act (entitlement to health in pregnancy grant).
- 43.** Any payment made either by the Secretary of State for Justice or by Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody, but only for a period of 52 weeks from the date of the receipt of the payment.

44. Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
45. Any payment made by a local authority under section 3 of the Disabled Persons (Employment) Act 1958 to homeworkers assisted under the Blind Homeworkers' Scheme.
46. (1) Subject to sub-paragraph (2), where an applicant satisfies the conditions in section 131(3) and (6) of the Act (entitlement to alternative maximum Council Tax Reduction), the whole of his capital.
(2) Where in addition to satisfying the conditions in section 131(3) and (6) of the Act the applicant also satisfies the conditions in section 131(4) and (5) of the Act (entitlement to the maximum Council Tax Reduction), sub-paragraph (1) shall not have effect.
47. (1) Any sum of capital to which sub-paragraph (2) applies and
(a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 (as amended by the Civil Procedure (Amendment No. 7) Rule 2013) or by the Court of Protection;
(b) which can only be disposed of by order or direction of any such court; or
(c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.
(2) This sub-paragraph applies to a sum of capital which is derived from;
(a) an award of damages for a personal injury to that person; or
(b) compensation for the death of one or both parents where the person concerned is under the age of 18.
48. Any sum of capital administered on behalf of a person in accordance with an order made under section 13 of the Children (Scotland) Act 1995, or under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules, where such sum derives from
(a) award of damages for a personal injury to that person; or
(b) compensation for the death of one or both parents where the person concerned is under the age of 18.
49. Any payment to the applicant as holder of the Victoria Cross or George Cross.
50. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme but only for 52 weeks beginning with the date of receipt of the payment.
51. In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is or was received but only for a period of 52 weeks from the date on which that sum was acquired.
52. (1) Any payment of a sports award for a period of 26 weeks from the date of receipt of that payment except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).

(2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.

(3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.

- 53.** (1) Any payment;
- (a) by way of an education maintenance allowance made pursuant to–
 - (i) regulations made under section 518 of the Education Act 1996;
 - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980;
 - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;
 - (b) corresponding to such an education maintenance allowance, made pursuant to;
 - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
 - (ii) regulations made under section 181 of that Act ;

or in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.
- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
- (a) regulations made under section 518 of the Education Act 1996;
 - (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
 - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992, in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).
- 54.** In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise, but only for the period of 52 weeks from the date of receipt of the payment.
- 55.** Any arrears of subsistence allowance paid as a lump sum but only for the period of 52 weeks from the date of receipt of the payment.
- 56.** Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or interment of–
- (a) the applicant;
 - (b) the applicant’s partner;
 - (c) the applicant’s deceased spouse or deceased civil partner; or
 - (d) the applicant’s partner’s deceased spouse or deceased civil partner,
- by the Japanese during the Second World War, £10,000.
- 57.** (1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or a member of an applicant’s family who is
- (a) a diagnosed person;
 - (b) the diagnosed person’s partner or the person who was the diagnosed person’s partner at the date of the diagnosed person’s death;
 - (c) a parent of a diagnosed person, a person acting in place of the diagnosed person’s parents or a person who was so acting at the date of the diagnosed person’s death; or
 - (d) a member of the diagnosed person’s family (other than his partner) or a person who was a member of the diagnosed person’s family (other than his partner) at the date of the diagnosed person’s death.
- (2) Where a trust payment is made to;
- (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;
 - (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and

- ending two years after that date;
- (c) a person referred to in sub-paragraph (1)(d), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending–
- (i) two years after that date; or
- (ii) on the day before the day on which that person–
- (aa) ceases receiving full-time education; or
- (bb) attains the age of 20,
whichever is the latest.
- (3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or a member of an applicant’s family who is–
- (a) the diagnosed person’s partner or the person who was the diagnosed person’s partner at the date of the diagnosed person’s death;
- (b) a parent of a diagnosed person, a person acting in place of the diagnosed person’s parents or a person who was so acting at the date of the diagnosed person’s death; or
- (c) a member of the diagnosed person’s family (other than his partner) or a person who was a member of the diagnosed person’s family (other than his partner) at the date of the diagnosed person’s death,
but only to the extent that such payments do not exceed the total amount of any trust payments made to that person.
- (4) Where a payment as referred to in sub-paragraph (3) is made to–
- (a) a person referred to in sub-paragraph (3)(a), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending on the date on which that person dies;
- (b) a person referred to in sub-paragraph (3)(b), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending two years after that date; or
- (c) person referred to in sub-paragraph (3)(c), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending–
- (i) two years after that date; or
- (ii) on the day before the day on which that person
- (aa) ceases receiving full-time education; or
- (bb) attains the age of 20,
whichever is the latest.
- (5) In this paragraph, a reference to a person–
- (a) being the diagnosed person’s partner;
- (b) being a member of a diagnosed person’s family;
- (c) acting in place of the diagnosed person’s parents,
at the date of the diagnosed person’s death shall include a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home, an Abbeyfield Home or an independent hospital on that date.
- (6) In this paragraph– ‘diagnosed person’ means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeld- Jakob disease;
‘relevant trust’ means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeld-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;
‘trust payment’ means a payment under a relevant trust.

58. The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant’s partner, the applicant’s deceased spouse or deceased civil partner or the applicant’s partner’s deceased spouse or deceased civil partner

- (a) was a slave labourer or a forced labourer;
 - (b) had suffered property loss or had suffered personal injury; or
 - (c) was a parent of a child who had died,
- during the Second World War.

- 58 (1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service, which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.
- (2) For the purposes of sub-paragraph (1) 'local authority' includes in England a county council.
59. Any payment made under regulations made under section 57 of the Health and Social Care Act 2001 or under section 12B of the Social Work (Scotland) Act 1968, or under section 12A to 12D of the National Health Service Act 2006 (direct payments for health care).
60. Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
61. Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).
62. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)
63. Any payments made by the London Emergencies Trust” means the company of that name (number 09928465) incorporated on 23rd December 2015 and the registered charity of that name (number 1172307) established on 28th March 2017 or the We Love Manchester Emergency Fund” means the registered charity of that name (number 1173260) established on 30th May 2017
64. Any bereavement support payment in respect of the rate set out in regulation 3(2) or (5) of the Bereavement Support Payment Regulations 2017.
65. Any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining:
 (a) an applicant’s entitlement to a reduction under the scheme; or
 (b) the amount of any reduction to which the applicant is entitled.
 “The Energy Rebate Scheme 2022” means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022
66. **Provision for all applicants: Homes for Ukraine scheme**
 (1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining—
 (c) an applicant’s entitlement to a reduction under the scheme; or
 (d) the amount of any reduction to which the applicant is entitled.
 (2) In this regulation—
 “the Homes for Ukraine scheme” means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022

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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

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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>

	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>

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) Poulton 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>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 style="padding-left: 20px;">Departmental Admin</p> <p style="padding-left: 20px;">Council Offices</p> <p style="padding-left: 20px;">Print Unit</p> <p style="padding-left: 20px;">Tonbridge Christmas Lighting</p> <p style="padding-left: 20px;">Elections</p> <p>(b) Information Technology</p>	<p><i>Former Corp't Aims & Priorities</i></p>	<p>} } } } } } } } } } Provision for the renewal of life-expired or obsolete equipment. Subject to annual review. } } } } } } } } } 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>

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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
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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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



**TONBRIDGE
& MALLING**
BOROUGH COUNCIL

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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
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	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/>
	730,450	820,450	862,950
	<hr/>	<hr/>	<hr/>
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
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 (including Support Service Staff)	0.00	0.00
	<hr/>	<hr/>

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	
	£	£	
3 <u>SALARIES & OVERHEADS</u>		ESTIMATE	
		£	
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
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
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
	<hr/>	<hr/>

- 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
	<hr/>	<hr/>	<hr/>
	116,500	739,850	129,900
Less Income			
Contributions from Other Bodies	-	(632,950) b)	-
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	116,500	106,900	129,900
Central, Departmental and Technical Support Services			
Central Salaries & Administration	5,850	18,250 c)	6,200
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	122,350	125,150	136,100
	<hr/>	<hr/>	<hr/>
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)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	92,600	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
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	124,800	91,050	125,100
	<hr/>	<hr/>	<hr/>
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)
	<hr/>	<hr/>	<hr/>
	-	162,300	278,100
Less Income			
Government Grant	-	(74,000) b)	(107,450) b)
Capital Grants Received (RECS)	-	(25,000) b)	(50,000) b)
	<hr/>	<hr/>	<hr/>
<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)
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	-	82,150	145,700
	<hr/>	<hr/>	<hr/>
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.

CHIEF EXECUTIVE

	2022/23	2023/24
ORIGINAL ESTIMATE	REVISED ESTIMATE	ESTIMATE
£	£	£
8 REFUGEE ASSISTANCE		
Employees		
Salaries	77,950 a)	30,550 a)
Supplies & Services		
Temporary Accommodation	11,700 b)	-
Other Expenses	60,000 c)	-
	149,650	30,550
Less Income		
Customer & Client Receipts	(5,500) b)	-
Contributions from Other Bodies	(183,450) d)	(48,800) d)
	(39,300)	(18,250)
<u>Sub-total</u>	-	-
Central, Departmental & Technical Support Services		
Central Salaries & Administration	19,400 a)	18,900 a)
Departmental Administrative Expenses	30,350 a)	10,250 a)
	10,450	10,900
<u>TO SUMMARY</u>	-	-
Full Time Equivalent Number of Staff (including Support Service Staff)	0.00	0.81

a) Reflects re-distribution of staff resources from Chief Executive and Corporate Services staff sections. Revised estimate includes additional staff support from Electoral Registration and Technical Services Projects teams.

b) Reflects the need to place one homeless Ukrainian household in temporary accommodation.

c) Provision for costs associated with the scheme which include home visits and gas safety checks if required.

d) Reflects current anticipated grant funding to be claimed from Kent County Council in respect of the Homes for Ukraine scheme.

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/>
<u>Sub-total</u>	(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/>
<u>TO SUMMARY</u>	(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
	47,150	47,000	49,050
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
	71,900	95,500	64,100
<u>TO SUMMARY</u>			

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		5,000
	<hr/>		<hr/>
<u>TO SUMMARY</u>	5,000		5,000
	<hr/>		<hr/>
9 <u>ITEMS FUNDED FROM RESERVES</u>			
Aldermen / Freedom Ceremonies / Other	-		-
	<hr/>		<hr/>
<u>TO SUMMARY</u>	-		-
	<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

2022/23 ESTIMATE		2023/24 ESTIMATE
ORIGINAL	REVISED	ESTIMATE
£	£	£
1,156,600	1,547,150 a)	1,278,150 b)

Supplies & Services

Professional Fees

9,000	9,000	9,000
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Planning Enforcement Fund

30,000	36,350 c)	-
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Application & Appeals

21,000	70,000 d)	25,000
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Advertising

13,100	13,100	13,100
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1,229,700	1,675,600	1,325,250
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Less Income

Fees & Charges

Planning Applications

(940,000)	(940,000 e)	(850,000 f)
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Pre-Planning Advice

(78,050)	(73,000 g)	(86,000 g)
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Planning Performance Agreements

(50,000)	(40,000 h)	(52,000 i)
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Viability Assessments

(9,100)	(9,100)	(9,100)
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s.106 Agreement Monitoring

-	(35,000 j)	(38,500 i)
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(1,077,150)	(1,097,100)	(1,035,600)
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Sub-total

152,550	578,500	289,650
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Central, Departmental & Technical Support Services

Central Salaries & Administration

118,800	124,650	124,950
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Information Technology Expenses

72,550	96,600 k)	94,400 k)
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Departmental Administrative Expenses

444,950	463,200	464,100
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TO SUMMARY

788,850	1,262,950	973,100
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Full Time Equivalent Number of Staff

(including Support Service Staff)

30.66	31.72	32.11
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DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

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
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

2022/23 ESTIMATE		2023/24 ESTIMATE
ORIGINAL	REVISED	ESTIMATE
£	£	£
119,550	165,800 a)	165,550 a)

Central, Departmental & Technical Support Services

Central Salaries & Administration

14,900	15,500	15,550
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Information Technology Expenses

4,850	6,500	6,350
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Departmental Administrative Expenses

41,250	51,900 a)	53,650 a)
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TO SUMMARY

180,550	239,700	241,100
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Full Time Equivalent Number of Staff
(including Support Service Staff)

3.39	4.35	4.52
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- 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 ESTIMATE
	ORIGINAL £	REVISED £	£
	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

28,100

26,600

27,950

Less Income

Fees & Charges

(9,750)

(9,300)

(9,300)

Sub-total

18,350

17,300

18,650

Central, Departmental & Technical Support Services

Central Salaries & Administration

1,350

1,350

1,400

Information Technology Expenses

4,400

5,900

5,750

Departmental Administrative Expenses

10,500

10,050

10,150

TO SUMMARY

34,600

34,600

35,950

Full Time Equivalent Number of Staff

(including Support Service Staff)

0.75

0.71

0.71

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

34,600

34,600

35,950

Share of:

Democratic Administration

4,400

3,950

4,250

Corporate Management

1,900

1,700

1,850

Non Distributed Costs

5,250

4,550

5,050

Full Cost of LAPPC / LA-IPPC

46,150

44,800

47,100

DIRECTOR OF PLANNING, HOUSING AND ENVIRONMENTAL HEALTH

13. ENVIRONMENTAL PROTECTION

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
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/>	<hr/>	<hr/>
	226,200	213,650	217,700
	<hr/>	<hr/>	<hr/>
Less Income			
Government Grant	-	(5,350) c)	-
Fees & Charges			
Water Sampling	(750)	(800)	(950)
Provision of Information	(1,000)	(1,100)	(1,250)
	<hr/>	<hr/>	<hr/>
	(1,750)	(7,250)	(2,200)
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	224,450	206,400	215,500
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
	<hr/>	<hr/>	<hr/>
<u>TO SUMMARY</u>	339,200	316,350	326,450
	<hr/>	<hr/>	<hr/>
Full Time Equivalent Number of Staff (including Support Service Staff)	5.40	4.81	4.84

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

111,100 97,350 a) 103,100 b)

Supplies & Services

Protective Clothing

150 150 150

Health General

500 500 500

Miscellaneous Insurance

550 550 600

Sub-total

112,300 98,550 104,350

Central, Departmental & Technical Support Services

Central Salaries & Administration

10,100 10,550 10,750

Information Technology Expenses

8,650 11,550 11,300

Departmental Administrative Expenses

54,600 42,600 a) 43,450 a)

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>	(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>	1,374,800	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>	1,550,650	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

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

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	123,100	132,700 a)	129,650 b)
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Supplies & Services

Purchases - Equipment & Materials	10,000	15,000	10,000
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)
Emergency Arrangements	50	50	50

Third Party Payments

Amenity & Street Cleansing	823,000	806,000 e)	921,000 f)
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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)
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Sub-total

1,040,700	1,057,150	1,153,950
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Central, Departmental & Technical Support Services

Central Salaries & Administration	9,150	9,350	9,700
Information Technology Expenses	4,200	5,600	5,500
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
	ORIGINAL £	REVISED £	ESTIMATE £
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
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Premises Related Expenses

Building Repairs Expenditure	130,650	325,950 a)	350,900 b)
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Premises Insurance	29,100	18,700 c)	17,050 c)
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Third Party Payments

General	-	-	15,000 d)
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Sub-total

160,900	345,850	384,200
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Central, Departmental & Technical Support Services

Central Salaries & Administration	16,550	19,150	20,000
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Information Technology Expenses	150	200	200
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Departmental Administrative Expenses	450	450	450
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Depreciation & Impairment

Non-Current Asset Depreciation	810,550	828,800	803,600
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TO SUMMARY

988,600	1,194,450	1,208,450
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Full Time Equivalent Number of Staff

(Including Support Service Staff)	0.26	0.32	0.32
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- 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

8. ANGEL CENTRE

Employees

Salaries

2022/23 ESTIMATE		2023/24 ESTIMATE
ORIGINAL	REVISED	ESTIMATE
£	£	£
3,200	3,050	3,300

Premises Related Expenses

Building Repairs Expenditure

124,050	146,050 a)	149,050 b)
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Premises Insurance

14,200	10,000 c)	9,900 c)
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Third Party Payments

General

-	20,000 d)	-
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Sub-total

141,450	179,100	162,250
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Central, Departmental & Technical Support Services

Central Salaries & Administration

6,800	9,600	10,100
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Information Technology Expenses

150	150	150
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Departmental Administrative Expenses

800	850	900
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Depreciation & Impairment

Non-Current Asset Depreciation

339,200	293,450 e)	310,700 f)
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TO SUMMARY

488,400	483,150	484,100
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Full Time Equivalent Number of Staff

(Including Support Service Staff)

0.19	0.24	0.24
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- 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 contr 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

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

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
Maintenance of Play Equipment	7,500	7,500	7,500
Bridge Maintenance	30,000	30,000	15,000 a)
Electricity	3,100	3,100	3,100
Premises Insurance	2,100	2,250	2,550

Supplies & Services

Purchases - Equipment & Materials	800	800	800
Dog Bin Emptying	150	150	150
Rodent Control	150	250	250
Miscellaneous Insurance	150	100	100
Telephones	150	150	150

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 (continued)			
(c) OPEN SPACES & AMENITY AREAS BOROUGH - WIDE (continued)			
<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)	- b)
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

13. ALLOTMENTS

	2022/23 ESTIMATE		2023/24
	ORIGINAL £	REVISED £	ESTIMATE £
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. <u>CHURCHYARDS</u>			
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/>
	46,400	55,500	54,200
	<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/>
	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

	2022/23 ESTIMATE ORIGINAL £	REVISED £		2023/24 ESTIMATE £
Salaries	232,400	223,900	a)	240,150
Premises Related Expenses				
Maintenance of Grounds	224,000	226,000		260,000
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
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
Uniforms	750	750		750
Stationery	10,000	7,500		7,500
Professional Fees	-	10,000	f)	-
Cash Collection	65,000	65,000		71,500
Payment to Principals / Ticket Refunds	451,000	367,000	h)	451,000
Advertising	500	500		500
Adjudication & Enforcement Services	6,000	6,000		6,000
Security Services Mgt. Recharge (CCTV)	167,300	174,350		188,500
	<hr/>	<hr/>		<hr/>
<u>Carried Forward</u>	1,502,650	1,430,500		1,603,150
	<hr/>	<hr/>		<hr/>

DIRECTOR OF STREET SCENE, LEISURE AND TECHNICAL SERVICES

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)

Sub-total Brought Forward

Central, Departmental & Technical Support Services

Central Salaries & Administration 18,550
 Information Technology Expenses 22,550
 Departmental Administrative Expenses 97,400

Depreciation & Impairment

Non-Current Asset Depreciation 5,450

	2022/23 ESTIMATE		2023/24 ESTIMATE
	ORIGINAL £	REVISED £	£
<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
	<u>66,200</u>	<u>60,300</u>	<u>63,200</u>
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

(a) OFF-STREET	(1,134,500)	(981,200)	(1,050,800)
(b) ON-STREET	66,200	60,300	63,200
<u>TO SUMMARY</u>	<u>(1,068,300)</u>	<u>(920,900)</u>	<u>(987,600)</u>

- 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
----------	--------	--------	--------

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
----------	--------	--------	--------

Supplies & Services

Purchases - Equipment & Materials	750	750	750
-----------------------------------	-----	-----	-----

Professional Fees	4,950	5,400	5,400
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Capital Grants & Contributions (RECS)	500,000	125,000 a)	131,000 a)
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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
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Information Technology Expenses	550	700	700
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Departmental Administrative Expenses	18,650	16,150	18,050
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Depreciation & Impairment

Non-Current Asset Depreciation	100	100	100
--------------------------------	-----	-----	-----

TO SUMMARY

568,200	191,400	200,650
---------	---------	---------

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

0.94	0.89	0.93
------	------	------

- 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.

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 465

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.

Page 41 22 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

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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.

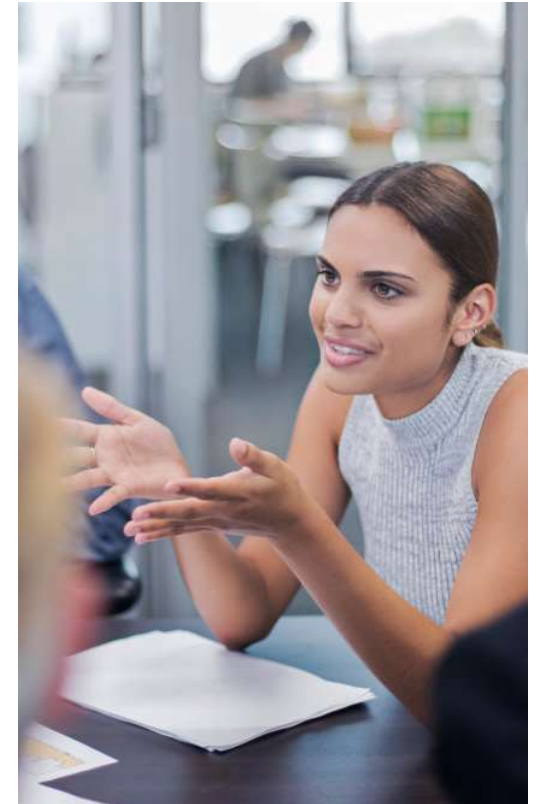
Summary findings

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
Page 481	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.

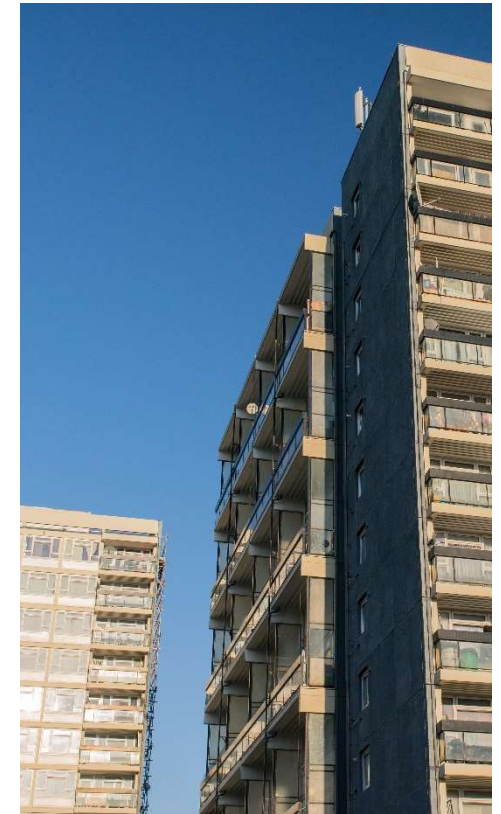
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records 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

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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
PIP	Finance, Innovation & Property Advisory Board (replaced in May 2022 by Finance, Regeneration & Property Scrutiny Select Committee)
ICT	Information & Communications Technology
KPI	Key Performance Indicator
MFTFS	Medium term Financial Strategy
NAO	National Audit Office
NNDR	National Non-Domestic Rates
PSIAS	Public Sector Internal Audit Standards



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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.

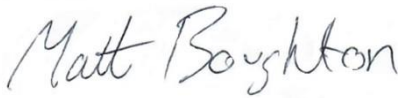
	<p>The Audit Committee will consider the Risk Management process as part of the assurance evidence in support of any Corporate Governance Statement.</p> <p>The Audit Committee will provide independent assurance of the adequacy of the risk management framework and will monitor the effective development 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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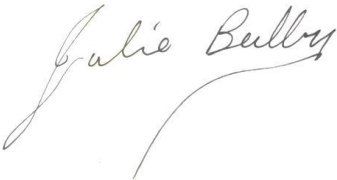
6. Review of this strategy

- 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

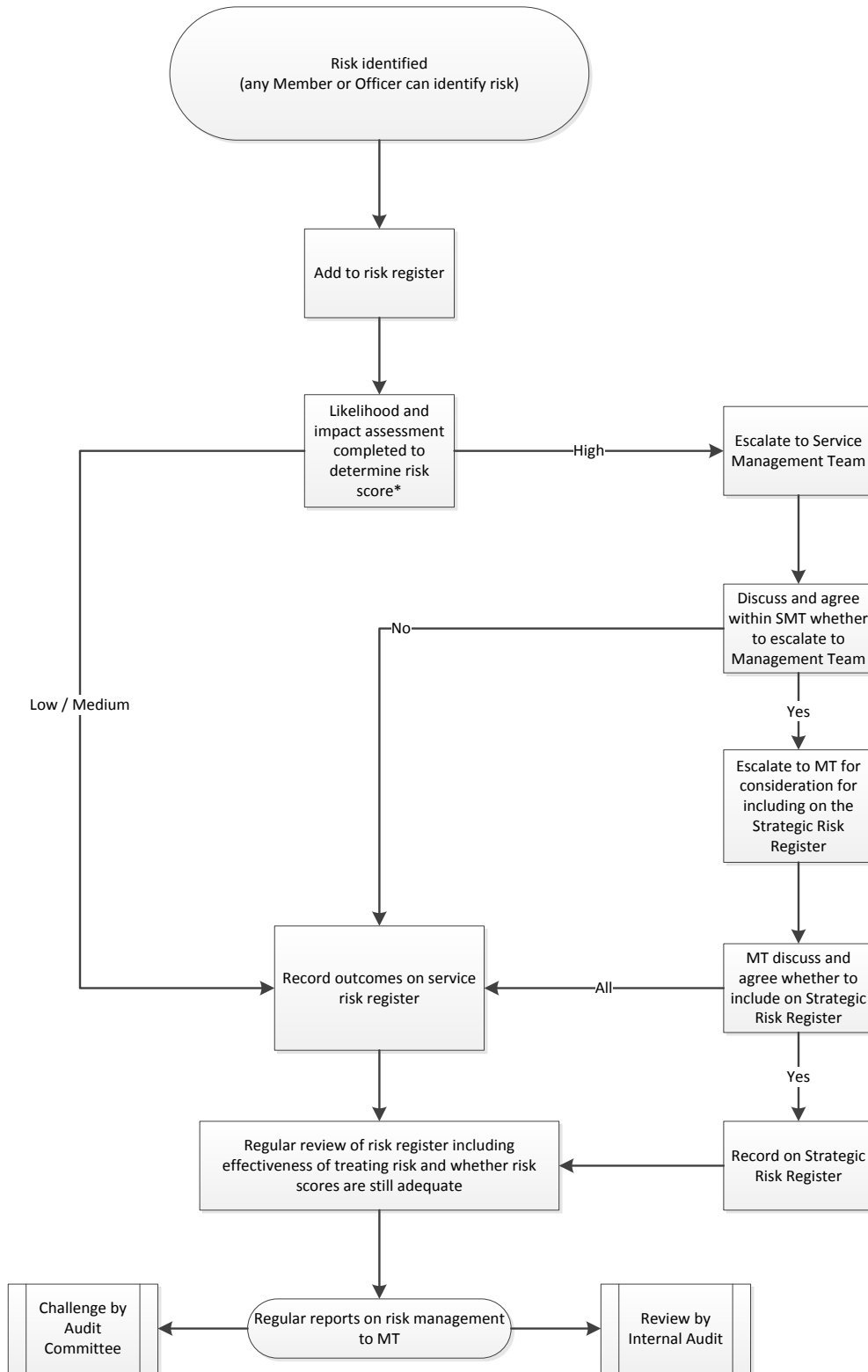
- 2.1. The Council shall achieve its objectives, as outlined in the Strategy, through:
- Integrating effective risk management practices into the Council's management, decision making and planning activities.
 - Maintaining common links between business planning, performance and risk management.
 - Maintaining 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.

TONBRIDGE AND MALLING BOROUGH COUNCIL

RISK MANAGEMENT GUIDANCE



* A risk assessment form is available at appendix B which can be used to help this part of the process

TONBRIDGE AND MALLING BOROUGH COUNCIL
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:

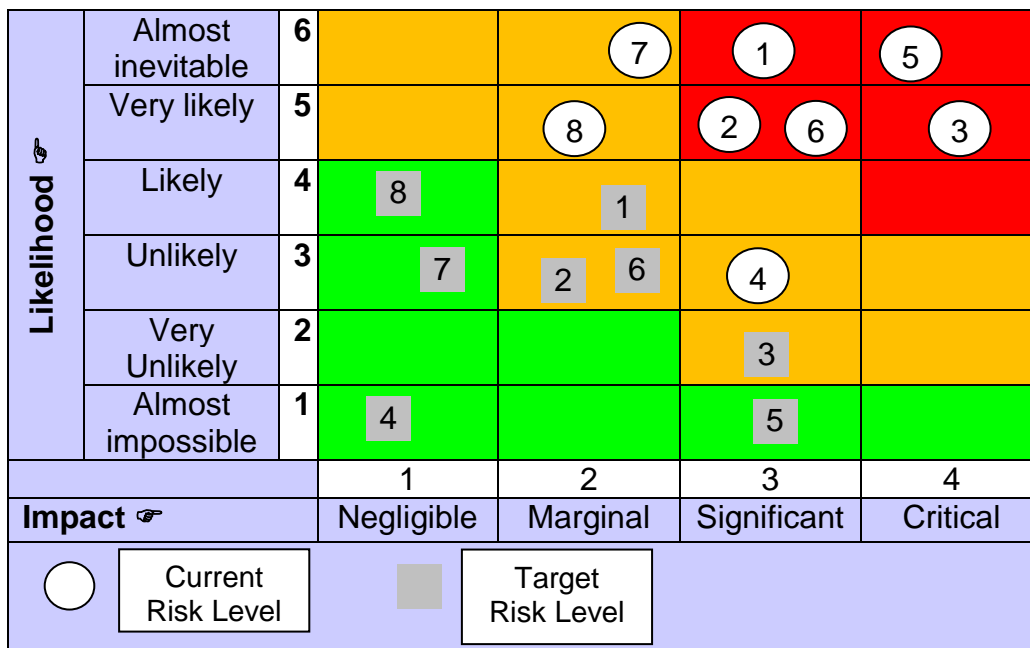
- Immediate – Risk likely to occur / most severe within the next 6 months
- Medium Term - Risk likely to occur / most severe between 6 to 12 months
- Long Term - Risk likely to occur / most severe 12 months plus

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.

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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:																																																					
			<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td rowspan="6" style="background-color: #d9e1f2; width: 30px; vertical-align: middle;">Likelihood F</td> <td style="background-color: #d9e1f2;">Almost inevitable</td> <td style="background-color: #d9e1f2;">6</td> <td style="background-color: #fff2cc;">6 Medium</td> <td style="background-color: #fff2cc;">12 Medium</td> <td style="background-color: #f4cccc;">18 High</td> <td style="background-color: #f4cccc;">24 High</td> </tr> <tr> <td style="background-color: #d9e1f2;">Very likely</td> <td style="background-color: #d9e1f2;">5</td> <td style="background-color: #fff2cc;">5 Medium</td> <td style="background-color: #fff2cc;">10 medium</td> <td style="background-color: #f4cccc;">15 High</td> <td style="background-color: #f4cccc;">20 High</td> </tr> <tr> <td style="background-color: #d9e1f2;">Likely</td> <td style="background-color: #d9e1f2;">4</td> <td style="background-color: #c8e6c9;">4 Low</td> <td style="background-color: #fff2cc;">8 Medium</td> <td style="background-color: #fff2cc;">12 Medium</td> <td style="background-color: #f4cccc;">16 High</td> </tr> <tr> <td style="background-color: #d9e1f2;">Unlikely</td> <td style="background-color: #d9e1f2;">3</td> <td style="background-color: #c8e6c9;">3 Low</td> <td style="background-color: #fff2cc;">6 Medium</td> <td style="background-color: #fff2cc;">9 Medium</td> <td style="background-color: #fff2cc;">12 Medium</td> </tr> <tr> <td style="background-color: #d9e1f2;">Very Unlikely</td> <td style="background-color: #d9e1f2;">2</td> <td style="background-color: #c8e6c9;">2 Low</td> <td style="background-color: #c8e6c9;">4 Low</td> <td style="background-color: #fff2cc;">6 Medium</td> <td style="background-color: #fff2cc;">8 Medium</td> </tr> <tr> <td style="background-color: #d9e1f2;">Almost impossible</td> <td style="background-color: #d9e1f2;">1</td> <td style="background-color: #c8e6c9;">1 Low</td> <td style="background-color: #c8e6c9;">2 Low</td> <td style="background-color: #c8e6c9;">3 Low</td> <td style="background-color: #c8e6c9;">4 Low</td> </tr> <tr> <td colspan="2" style="background-color: #d9e1f2;"></td> <td></td> <td style="background-color: #fff2cc;">1</td> <td style="background-color: #fff2cc;">2</td> <td style="background-color: #fff2cc;">3</td> <td style="background-color: #fff2cc;">4</td> </tr> <tr> <td colspan="2" style="background-color: #d9e1f2;">Impact <input type="checkbox"/></td> <td></td> <td style="background-color: #fff2cc;">Negligible</td> <td style="background-color: #fff2cc;">Marginal</td> <td style="background-color: #fff2cc;">Significant</td> <td style="background-color: #fff2cc;">Critical</td> </tr> </table>				Likelihood F	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 <input type="checkbox"/>			Negligible	Marginal	Significant	Critical	Likelihood score: Impact score: Overall risk score: Accepted?*		
Likelihood F	Almost inevitable	6	6 Medium	12 Medium	18 High	24 High																																																						
	Very likely	5	5 Medium	10 medium	15 High	20 High																																																						
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			1	2	3	4																																																						
Impact <input type="checkbox"/>			Negligible	Marginal	Significant	Critical																																																						
							* If yes, provide rationale. * If no, go to Section 2.																																																					
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>Continue 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: 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

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
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

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
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

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
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

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
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 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

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
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 525	Chief Executive and Central Services	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		
		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.	Need to keep under review to ensure that changes in office accommodation deliver value for money and deliver identified savings.
		Elections	Introduction of Elections Bill changes, including Voter ID	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.
	Finance and Transformation	Elections	Changes to Ward and Parliamentary boundaries	Ongoing.	Increased work load to implement changes and more complex for running future Parliamentary elections, due to sharing constituencies with other authorities.
		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 526 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 527	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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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%			2,000,000	
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%			2,000,000	
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

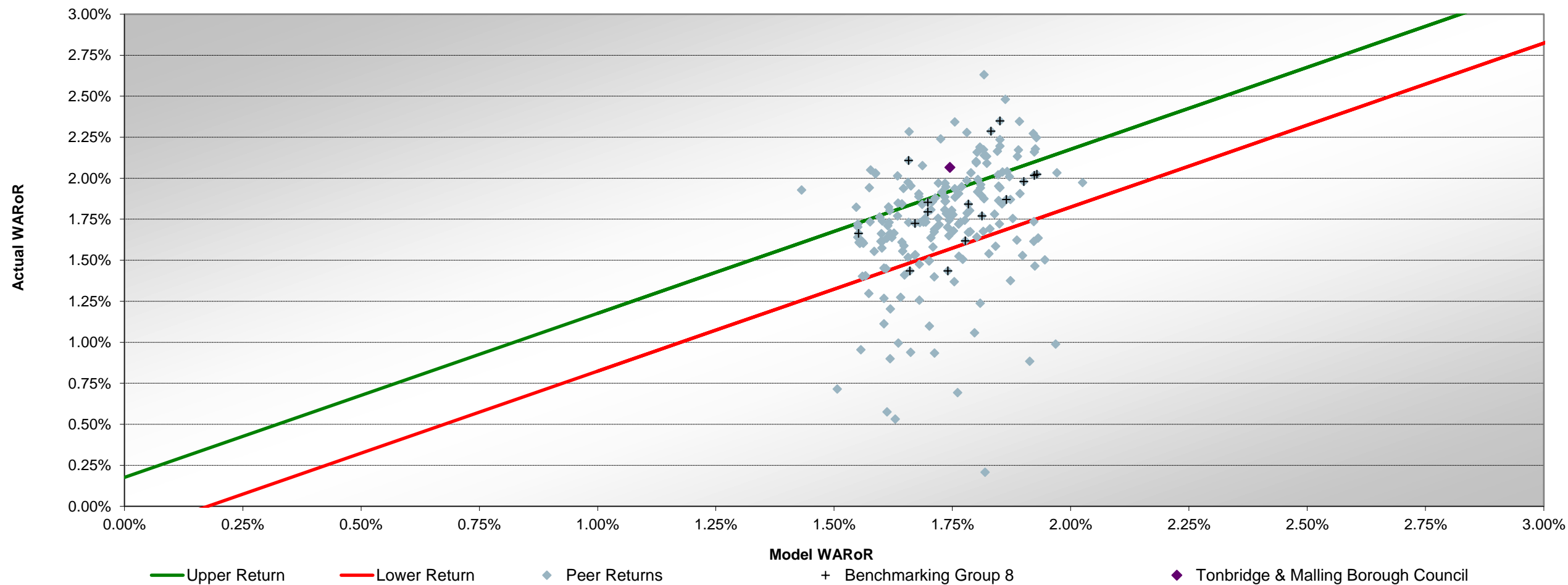
06 December 2022

note: Royal Bank of Canada added 21/09/2022, Development Bank of Singapore added 23/11/2022
note: Leeds Building Society removed 23/11/2022, Yorkshire Building Society removed 23/11/2022

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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
	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)
	(397,100)	(951,900)	(1,458,000)
<u>Sub-total</u>	(354,150)	(909,050)	(1,412,400)
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
	(325,850)	(879,300)	(1,381,600)
<u>TO SUMMARY</u>			
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

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

CABINET

14 February 2023

Report of the Director of Planning, Housing and Environmental Health

Part 1- Public

Executive Non Key Decisions

1 RESPONSE TO THE DLUHC NPPF CONSULTATION

1.1 Background

1.1.1 On 22 December 2022 the government commenced consultation on the 'Levelling-up and Regeneration Bill: reforms to national planning policy'.

1.1.2 This report constitutes the council's proposed response to the consultation, centred around the questions posed. This is included as **Annex 1**.

1.2 The consultation

1.2.1 The 'Levelling-up and Regeneration Bill: reforms to national planning policy' consultation documents are available to view at the [gov.uk website](https://www.gov.uk).

1.2.2 The consultation period opened on 22 December 2022 and runs until 2 March 2023. Therefore, the council has until this date to submit its response, which, once approved, will be actioned through the [online survey](#).

1.2.3 This consultation material consists of two documents: a document showing some proposed tracked changes to the current National Planning Policy Framework (NPPF) (2021) and the consultation document, or (NPPF) 'prospectus'. The [tracked changes document](#) (see also Annex 2) includes a limited number of potential amendments, the most significant proposed changes are set out below:

- Paragraph 11- that meeting housing need in full should not be at the expense of building at densities which would be significantly out-of-character with the existing area
- Paragraph 35- amendments to the 'tests of soundness' including wording that a local plan should seek to meet needs 'as much as is possible' and removal of the 'justified' test which currently reads as 'an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence'

- Chapter 5- that the standard method would be an 'advisory starting-point for establishing a housing requirement for the area'
- Paragraphs 75- 77- changes to the five-year housing land supply which make it easier for a local planning authority with an out-of-date plan to demonstrate compliance, through removal of the buffers (between 5 and 20%), and the presumption in favour of sustainable development will no longer apply where permissions have been granted for 115% of the housing delivery target over the relevant period
- Chapter 13- that local planning authorities would not be required to review and alter Green Belt boundaries if this would be the only way of meeting housing need in full.

1.2.4 The government proposes to respond to the consultation by spring 2023, publishing the revisions to the NPPF as part of this, so that the policy changes can take effect as soon as possible.

1.2.5 The second document, which constitutes the bulk of the consultation consists of 54 separate questions relating to the proposed changes included in the tracked changes document, and questions relating to future proposals, which would be subject to future technical consultations. The document does not set out a specific timetable for each matter but does state that it intends to consult on these matters in 2023.

1.2.6 **Annex 1** to this report sets out the full proposed council response to the consultation questions.

1.2.7 A further item including information on the implications of the proposed amendments and future direction set out within the consultation will be brought to the 21 March HPSSC with recommendations to Cabinet.

1.3 Legal Implications

1.3.1 There will be no legal implications associated with the council's response to the consultation.

1.4 Financial and Value for Money Considerations

1.4.1 There will be no direct financial and value for money considerations associated with the council's response to the consultation.

1.5 Risk Assessment

1.5.1 There are no defined reputational risks or otherwise relating to the council's response to the consultation.

1.6 Equality Impact Assessment

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

1.7 Recommendations

Cabinet is requested to seek:

- 1.7.1 APPROVAL of the council's full response to the 'Levelling-up and Regeneration Bill: Reforms to National Planning Policy' as set out in **Annex 1**

Background papers:

Annex 1- Council response to the 'Levelling-up and Regeneration Bill: Reforms to National Planning Policy' consultation

Annex 2- Tracked changes version of the NPPF

contact: Gudrun Andrews
Planning Policy Manager

Eleanor Hoyle
Director of Planning, Housing and Environmental Health

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Annex 1- Specific consultation question responses

- 1 Do you agree that local planning authorities should not have to continually demonstrate a deliverable 5-year housing land supply (5YHLS) as long as the housing requirement set out in its strategic policies is less than 5 years old?

Agree. This would be beneficial to local planning authorities who have an up-to-date plan in place. At present the plan-led system can be undermined by the current requirement to continually demonstrate a deliverable 5-year housing land supply. This change will allow local planning authorities to focus on other areas and swiftly prepare local plans. However, further detail on what simplification of the operation of the 5-year housing land supply requirements is required.

- 2 Do you agree that buffers should not be required as +/*part of 5YHLS calculations (this includes the 20% buffer as applied by the Housing Delivery Test)?

Agree. Current buffer arrangements, based upon historic completions, ranging between 5 and 20% are inconsistently applied across time and authority boundaries, so is not necessarily measuring delivery on a like-for-like basis. This approach can also be counter-productive, with quite significant implications for local planning authorities on their annual housing delivery requirements, and therefore ability to meet these. Removal of the buffers would provide consistency and would not disproportionately impact upon local planning authorities who have struggled to deliver in recent years. However, this approach does not differentiate between under and over-performance as a proportion of the requirement.

- 3 Should an oversupply of homes early in a plan period be taken into consideration when calculating a 5YHLS later on or is there an alternative approach that is preferable?

Agree. This would be a consistent approach to under- and over-delivery. Delivery should be measured across the whole of the plan-period. Given that uncertainties increase towards the latter end of the plan period the ability to demonstrate delivery over the whole of the plan period through potential over-supply in the earlier years would be welcomed.

- 4 What should any planning guidance dealing with oversupply and undersupply say?

Additional planning guidance should be consistent but not too prescriptive, with the ability to monitor over the whole of the plan-period. It would be helpful if this was

alongside a consistent approach, including through the use of technology, to the production of housing trajectories.

5 Do you have any views about the potential changes to paragraph 14 of the existing Framework and increasing the protection given to neighbourhood plans?

Agree. This proposed change would align with the definition of 'current' for local plans (5 years), in terms of the housing requirement. However, neighbourhood plan coverage is not equal or consistent across the country and as they are not prepared by, or the responsibility of the local planning authority, then the local planning authority has little scope to ensure that they are up-to-date or contain the other information which would provide protection.

6 Do you agree that the opening chapters of the Framework should be revised to be clearer about the importance of planning for the homes and other development our communities need?

Agree inclusion of reference to homes, other forms of development and infrastructure as key elements of sustainable development, however some further definition of these terms and emphasising the importance of plan-making would be helpful.

7 What are your views on the implications these changes may have on plan-making and housing supply?

Agree with maintaining the standard method for calculation of housing need and with the proposal to review the implications of new household projections for 2021, due 2024. The current standard method is based upon out-of-date population projections dating back to 2014, so should not form the basis of calculating housing need from 2023 onwards.

Agree with changes to allow local planning authorities to set housing requirements that respond to local constraints as well as demographic and affordability factors. However, it is important that the right balance is achieved, and that there are no unintended circumstances associated with this approach, such as displacing housing delivery away from the housing market where the need is generated. Therefore, it could be helpful to set out some further guidance on the definition and application of 'constraints' and how constraints such as the Green Belt should be considered in the context of housing affordability pressures and patterns of sustainable development, as well as the weighting of demographic and affordability pressures, possibly through local ratios with regional and national indicators, and trend data.

Agree with taking a more proportionate approach to local plan examination however this will need close definition and further information on how this could be streamlined. This would require either a new approach to examinations and new guidance for inspectors but would also need to filter down to local authorities to consider what evidence they need to prepare or is expected to support policy approaches in the context of the proposed removal of the 'justified' test.

Agree that local planning authorities who are granting enough permissions can be exposed to speculative development, therefore an approach that seeks to factor in the number of homes granted permission as well those delivered is welcomed. However, to ensure that the right homes are delivered in the right places, measurement of permissions needs to sit alongside, rather than replace, housing completion data.

- 8 Do you agree that policy and guidance should be clearer on what may constitute an exceptional circumstance for the use of an alternative approach for assessing local housing needs? Are there other issues we should consider alongside those set out above?

Agree that policy and guidance should be clearer on exceptional circumstances for use of an alternative approach for assessment of local housing needs. This would reduce the risk of misinterpretation and challenge. In terms of local characteristics, housing affordability should be considered as well as significant inward investment in economic development and nationally significant infrastructure projects, either within the local authority area or affecting the local authority area. However, at examination, there would be a need to ensure that there is no double-counting of constraints and affordability factors in light of the above proposed change that the housing need figure is a 'starting point'.

- 9 Do you agree that national policy should make clear that Green Belt does not need to be reviewed or altered when making plans, that building at densities significantly out of character with an existing area may be considered in assessing whether housing need can be met, and that past over-supply may be taken into account?

Agree. It is understood that the intention behind this proposed amendment is to remove any ambiguity around when local planning authorities are expected to review the Green Belt and when they are not. Welcome an approach which means that decisions relating to the principle of Green Belt release can be made locally based upon factors such as affordability, constraints and sustainable development.

However as is currently drafted there is still a degree of uncertainty. The proposed tracked changes to the NPPF stipulate that these boundaries are 'not required' to be reviewed when this is the "only means of meeting the objectively assessed need for housing over the plan period". Therefore, suggesting that altering the boundaries could still be a requirement to facilitate the delivery of other uses or infrastructure.

The use of the term 'not required' to amend Green Belt boundaries as opposed to wording such as 'should not' suggests that there is still scope for a local planning authority to amend these boundaries if it so wishes. This results in some uncertainty over what is necessary to demonstrate compliance with national policy in this regard.

The proposed wording, and how it is interpreted, may also cause tensions with existing unchanged national policy in paragraphs 144 and 145 (as per consultation document), in particular in relation to promoting sustainable patterns of development (paragraph 144) and demonstrating that Green Belt will not need to be altered at the end of the plan period (paragraph 145). Further amendments therefore may be required to avoid differing emphasis or interpretation of these considerations.

Removal of the housing delivery argument within the 'exceptional circumstances' test would effectively set a higher bar to be justified through the plan-making process. Further clarity on the form of evidence required to under-pin this decision-making process is therefore required, especially in the context of the proposed removal of the 'justified' test. For clarity, 'exceptional circumstances' should still remain distinct from the 'very special circumstances' in development management decisions. The absence of which could have unintended circumstances for the 'plan-led' approach.

Agree with the proposed amendment that it is not necessary to build at (out of character) high densities only to meet housing need. The ability to make planning judgements relating to 'out of character' development will rely upon having appropriate evidence around existing character in place, prior to the development of the local plan. This could result in some delays to plan-making.

This proposed amendment is effectively the 'other side of the coin' to the Green Belt amendment. As in the case of the Green Belt, a local planning authority should also be able to put together a case to justify when it is appropriate to build at specific densities to meet wider objectives. Therefore 'exceptional circumstances', or similar, for building at higher densities should also be considered. To do so effectively there is a need for additional guidance to recognise the role that good design can play in mitigating the impacts of higher-density development and how this should be demonstrated through an evidence-based approach.

Agree with taking into account past over-supply from a previous plan-period. This approach would be consistent with the proposed amendments around the 5-year housing land supply. This further justifies the need for a consistent approach to longer-term housing monitoring through a standard approach to the production of housing trajectories.

10 Do you have views on what evidence local planning authorities should be expected to provide when making the case that need could only be met by building at densities significantly out of character with the existing area?

As above, making a judgement on 'out of character' would require evidence on existing character. Local planning authorities will increasingly be drawing upon characterisation studies in support of their emerging design codes, so this evidence can also be utilised. A judgement will also need to be made on the degree of significance and the harm which may arise. As above design can also play a role in mitigating impacts of density, and some of the most innovative and forward-thinking designs can also be of differing character to the existing area.

11 Do you agree with removing the explicit requirement for plans to be 'justified', on the basis of delivering a more proportionate approach to examination?

Disagree. It is questionable whether removing the 'justified' test would facilitate a proportionate assessment of plans at examination. The absence of this test means there would be no basis for assessing whether the strategy is appropriate and whether the evidence base is 'proportionate'. Many of the elements of this test are also covered by other legislation, such as the Environmental Assessment of Plans and Programmes, 2004 which requires assessment of 'reasonable alternatives'. Therefore further clarity is required on what would or would not be expected in support of plan-preparation. This is quite a considerable change and in the absence of this a cautious approach is likely to be adopted by many local planning authorities regarding production of evidence and justification of decision-making, with time and cost implications.

12 Do you agree with our proposal to not apply revised tests of soundness to plans at more advanced stages of preparation? If no, which if any, plans should the revised tests apply to?

Unsure. Further clarity on the tests and the implications of the changes is required before a decision on what is applied at each 'gateway' decision-point. However, much of the plan-making has taken place by the time of the pre-submission consultation stage. It would be unreasonable to assess the soundness of a plan against revised tests that were not in place for the majority of plan-making.

13 Do you agree that we should make a change to the Framework on the application of the urban uplift?

Unsure. Although not specifically relevant to this this local planning authority, an uplift intended to make the best use of brownfield land should use brownfield land availability as the measure, rather than an arbitrary 'top 20' towns and cities. This section discusses the removal of the duty to cooperate with an 'alignment policy' as its replacement in the context of the uplift. This is an important change for all local planning authorities, and at present it is difficult to comment on the implications of this without further detail on the replacement.

- 14 What, if any, additional policy or guidance could the department provide which could help support authorities plan for more homes in urban areas where the uplift applies?

No comment.

- 15 How, if at all, should neighbouring authorities consider the urban uplift applying, where part of those neighbouring authorities also functions as part of the wider economic, transport or housing market for the core town/city?

No comment.

- 16 Do you agree with the proposed 4-year rolling land supply requirement for emerging plans, where work is needed to revise the plan to take account of revised national policy on addressing constraints and reflecting any past over-supply? If no, what approach should be taken, if any?

Agree. Although this is not relevant to this local planning authority it is reasonable to reflect those authorities in an advanced stage in plan-making who may be required to make amendments.

- 17 Do you consider that the additional guidance on constraints should apply to plans continuing to be prepared under the transitional arrangements set out in the existing Framework paragraph 220?

Agree, additional guidance on constraints would be welcome in support of the transitional arrangements.

- 18 Do you support adding an additional permissions-based test that will 'switch off' the application of the presumption in favour of sustainable development where an authority can demonstrate sufficient permissions to meet its housing requirement?

Agree, however emphasis should still be placed upon completions.

- 19 Do you consider that the 115% 'switch-off' figure (required to turn off the presumption in favour of sustainable development Housing Delivery Test consequence) is appropriate?

A clearer understanding of how the 115% figure is derived would be helpful. Given that housing markets differ in strength across the country, it is questionable whether it is reasonable to apply such a blanket figure.

20 Do you have views on a robust method for counting deliverable homes permitted for these purposes?

A consistent approach to counting permitted homes would be required in support of a 'switch-off', however this should avoid repetition of existing data-collection processes. There is potential for use of technology to develop this.

21 What are your views on the right approach to applying Housing Delivery Test consequences pending the 2022 results?

The right and fair approach would be for the amended consequences, in particular the removal of the 20% buffer where delivery falls below 85%, to follow from the publication of the 2022 Test. However, any changes should ensure that it does not result in aborted work for local planning authorities.

22 Do you agree that the government should revise national planning policy to attach more weight to Social Rent in planning policies and decisions? If yes, do you have any specific suggestions on the best mechanisms for doing this?

Agree. Social rent and other similar affordable rented products should be the highest priority of the planning system. Social rented accommodation can genuinely help those households in greatest need through the allocation process. The need for this change is particularly stark in high value/cost regions such as the South East, and the consequential negative uplifting effects on rental values. Focus and prioritisation of genuinely affordable social housing, social rent, could help address some of the unintended consequences previous changes to the definition of affordable housing have had on delivery of genuinely affordable products.

23 Do you agree that we should amend existing paragraph 62 of the Framework to support the supply of specialist older people's housing?

Agree, however this should be considered in the context of the longer-term impacts of the introduction of enhanced accessibility requirements through Part M of the Building Regulations (and any future amendments?) whereby more homes will be accessible or suitable for adaptation. There is a need for a clear definition of the term older persons housing, and what housing forms, typologies and financial models would fall within this definition. The planning system should enable the provision of the full spectrum of products and evidence would be required to support the particular approach adopted within each area, based on the local demographic.

- 24 Do you have views on the effectiveness of the existing small sites policy in the National Planning Policy Framework (set out in paragraph 69 of the existing Framework)?

The aim of the current requirement for 10% of sites through the development plan and brownfield registers to be smaller than 1 hectare is to ensure a varied and flexible supply of housing sites, and to avoid market absorption. The effectiveness of this approach will differ by location and the supply of land for development. Future revisions to this approach should ensure that this does not increase the burden for local planning authorities by requiring a greater number of sites to be allocated within the development plan to demonstrate compliance, rather than through windfall allowances.

- 25 How, if at all, do you think the policy could be strengthened to encourage greater use of small sites, especially those that will deliver high levels of affordable housing?

This paragraph may also need reviewing in the context of the proposed removal of the 'justified' test because as currently worded, requires justification around what can and cannot be achieved. The current wording is arbitrary and does not reflect local conditions, and potential outputs from such sites, ie densities. Clear local definitions of small and medium sized sites would be more beneficial than being set at a national level. Therefore more specificity within this paragraph is not required. A strategic approach to delivery with guidance for potential developers outside the statutory planning system may have more impact.

- 26 Should the definition of “affordable housing for rent” in the Framework glossary be amended to make it easier for organisations that are not Registered Providers – in particular, community-led developers and almshouses – to develop new affordable homes?

Any changes to the definition of affordable housing for rent to be provided by registered providers should be carefully limited to specific groups or types of organisation, ensuring that the affordability criteria are still met. The regulation that comes with Registered Provider status and the housing Regulator is important to ensure standards and that mechanisms and scrutiny are in place for monitoring and addressing any performance issues. Equivalent regulation would need putting into place for any other organisations.. The end products also need to remain as affordable provision in perpetuity.

27 Are there any changes that could be made to exception site policy that would make it easier for community groups to bring forward affordable housing?

No. The current policy, alongside planning practice guidance provides sufficient support.

28 Is there anything else that you think would help community groups in delivering affordable housing on exception sites?

Funding for housing needs surveys/research to inform proposals would assist.

29 Is there anything else national planning policy could do to support community-led developments?

One of the main challenges for community groups wishing to develop their own housing is land availability and the ability to purchase at the right cost. The scope of national planning policy to tackle these issues is limited, however support is provided for self-build and custom-build which could be expanded to specifically cover community land trusts.

30 Do you agree in principle that an applicant's past behaviour should be taken into account into decision making?

No. A planning application should be determined on its merits, and in accordance with the development plan- as clearly set out within legislation. There are many reasons why permissions are not built out and many of which would not fall into the category of 'irresponsible behaviour'. It is unclear and outside the scope and role of a local planning authority to assess whether an applicant has acted in this manner.

Introducing such a consideration in decision-making would also be contrary to other measures also proposed within this consultation, such as the housing delivery 'switch-off' where a local planning authority has granted sufficient permissions, and therefore would be counter-productive to demonstrating housing land supply. It is not clear whether this approach would be able to meet legal duties whereby a local planning authority would effectively be refusing to consider, or give balanced consideration to the application presented to them.

31 Of the two options above, what would be the most effective mechanism? Are there any alternative mechanisms?

Disagree with both these options for the reasons as above.

- 32 Do you agree that the 3 build out policy measures that we propose to introduce through policy will help incentivise developers to build out more quickly? Do you have any comments on the design of these policy measures?

Disagree. It is unclear how publishing data on the developers failing to build out will incentivise them quicker delivery, however if this was introduced it should be accompanied by the detailed circumstances around each case. However this could then become a burden for the local planning authority. It is unclear when the explanation around housing diversity would be triggered. This would have to be before the grant of permission, in which case this should be already covered by the housing policies within the local plan, so should be plan-led. The ability to refuse applications with slow delivery rates would be counter-productive to the aim of granting permissions and delivery of housing. It is unclear what information a local planning authority would be using to disprove what is proposed by the applicant and in many cases there may be genuine reasons for a slow delivery rate, especially during the early years of a development.

- 33 Do you agree with making changes to emphasise the role of beauty and placemaking in strategic policies and to further encourage well-designed and beautiful development?

Agree that the role of place-making should be strengthened, however good design is about much more than aesthetics. Therefore using terms such as 'beauty' and 'ugliness' are subjective and open to interpretation.

The heightened priority for design coding is supported, however the degree of detail and complexity required if needing to cover all aspects of permitted development would increase, as would the time taken to develop design codes.

- 34 Do you agree to the proposed changes to the title of Chapter 12, existing paragraphs 84a and 124c to include the word 'beautiful' when referring to 'well-designed places', to further encourage well-designed and beautiful development?

Disagree. 'Well-designed' is all encompassing and sufficient. Not only is the use of the term 'beautiful' subjective but could have cost implications on application. For example, if this is interpreted as requiring the highest quality and costly materials, or the most renowned design teams.

- 35 Do you agree greater visual clarity on design requirements set out in planning conditions should be encouraged to support effective enforcement action?

Agree. This is a sensible approach.

- 36 Do you agree that a specific reference to mansard roofs in relation to upward extensions in Chapter 11, paragraph 122e of the existing framework is helpful in encouraging LPAs to consider these as a means of increasing densification/creation of new homes? If no, how else might we achieve this objective?

Disagree. This is too detailed for inclusion within national planning policy, and where local circumstances dictate, this could be covered under design coding. There may be innovative design solutions that could achieve the same objectives.

- 37 How do you think national policy on small scale nature interventions could be strengthened? For example, in relation to the use of artificial grass by developers in new development?

National policy and guidance on small scale nature interventions should be strengthened to take account of existing impacts of climate change on wildlife, such as the extreme heat, drought and wild fires (such as experienced in 2022). This is necessary to ensure that areas identified for restoring or enhancing habitats are suitable for supporting flourishing plant, wildlife and insect species as they are introduced by local areas, and that these continue to provide viable habitats in the coming decades. National guidance should take account of these current and future impacts in the design, positioning, mix and new options for small-scale nature interventions, however there is also potential to introduce through regulations.

A balance needs to be struck between impacts on habitats and the most efficient use of land, for example, for playing pitches artificial pitches can allow intensified use.

- 38 Do you agree that this is the right approach making sure that the food production value of high value farm land is adequately weighted in the planning process, in addition to current references in the Framework on best most versatile agricultural land?

Agree. The role of the best and most versatile agricultural land should be an appropriate consideration in plan-making and decision-making. However a balance needs to be struck with other factors such as facilitating sustainable development patterns, meeting needs and impact on protected sites, for example. Therefore some additional guidance on this balance would be helpful. A clear distinction needs to be made between land which is currently in the most effective and productive agricultural use, and short, medium and long term availability for such future use.

- 39 What method or measure could provide a proportionate and effective means of undertaking a carbon impact assessment that would incorporate all measurable carbon demand created from plan-making and planning decisions?

The approach would need to be underpinned by evidence. At the plan-making stage, as well as the consideration of sustainable development patterns, site selection processes and policy options would also need to be considered against their associated carbon impacts.

For planning decisions this would need to include evidence relating to site clearance and preparation; embodied carbon; operational emissions; and monitoring of associated emissions post construction. A proportionate approach should utilise existing tools to estimate carbon impacts, likely with a greater emphasis on circular economy principles and lowering embodied carbon through reuse, recycling and minimising waste. However there would also be a need to reflect local conditions and availability of adequate processes and resources to maximise uptake; the size, form and scale of the development; as well as the limited resources for carbon assessments in smaller and/or rural Local Authorities. A simple points system, or minimum benchmarks, would assist with assessing carbon plans, alongside recognised and readily available methodologies, toolkits, guidance and data.

Monitoring and assessments of actual realised carbon savings (or increases) are equally vital for evidence-based planning that minimises current and future climate impacts. For example, avoiding developments which assume low private transport-related emissions without sufficient public transport or active travel options. Requiring the on-going monitoring and assessment of emissions and efficiencies through maximisation of in-built technology could be required through enhanced use of S106 or planning conditions.

40 Do you have any views on how planning policy could support climate change adaptation further, specifically through the use of nature-based solutions that provide multi-functional benefits?

National planning policy could be made explicit to emphasise the need for mitigation and adaptation to existing and future climate change impacts whilst seizing the opportunity to integrate climate change adaptation measures with other nature-based solutions including biodiversity net gain, green and blue infrastructure, with design codes and living street principles.

41 Do you agree with the changes proposed to Paragraph 155 of the existing National Planning Policy Framework?

Agree to amendments to enable the re-powering of renewable and low carbon energy where planning permission is required. The changes are welcomed although the policy needs to be more proactive in its support for onshore renewable and low carbon energy production. Decisions relating to onshore wind should be taken at the national level to facilitate the most effective outcomes and performance.

42 Do you agree with the changes proposed to Paragraph 158 of the existing National Planning Policy Framework?

As above.

43 Do you agree with the changes proposed to footnote 54 of the existing National Planning Policy Framework? Do you have any views on specific wording for new footnote 62?

Neutral. From a climate change point of view this proposed change is supported, however as above these decisions should be made at the national level to secure the most impacts.

44 Do you agree with our proposed Paragraph 161 in the National Planning Policy Framework to give significant weight to proposals which allow the adaptation of existing buildings to improve their energy performance?

Agree. However, the impacts of this could be limited as many building adaptations would be outside the scope of the planning system.

45 Do you agree with the proposed timeline for finalising local plans, minerals and waste plans and spatial development strategies being prepared under the current system? If no, what alternative timeline would you propose?

Agree with the proposed timeline. However, the ability of local planning authorities to get their plans through the examination process by particular dates also depends on external factors such as the resources within the planning inspectorate and compliance with other future changes to national policy.

46 Do you agree with the proposed transitional arrangements for plans under the future system? If no, what alternative arrangements would you propose?

Agree. However further detailed is required in relation to what would constitute 'commencement' of work on new-style plans and what evidence prepared under the current system could be used in support.

47 Do you agree with the proposed timeline for preparing neighbourhood plans under the future system? If no, what alternative timeline would you propose?

Agree with consistency of timing for neighbourhood plans.

48 Do you agree with the proposed transitional arrangements for supplementary planning documents? If no, what alternative arrangements would you propose?

Further clarity on the role of supplementary plans is also required, in particular in relation to the preparation process, degree of scrutiny and expectations regarding timing. The wording is not entirely clear in relation to whether they would fall part of the statutory development plan. The absence (and fall away) of SPDs could leave a policy vacuum, especially in relation to topic-based SPDs such as affordable housing and development viability. This may mean that local planning authorities would be required to include this detail within their new style local plan, and the ability to do so within such a swift 30-month timeline is questioned.

49 Do you agree with the suggested scope and principles for guiding National Development Management Policies?

Agree in principle to the scope and principles for guiding policies, however more detail is required. However, local communities do want to have a say in plan-making within their areas, so new style local plans will need to focus on local issues and be framed in such a manner to avoid repetition. Setting of clear development management principles would also be beneficial to local planning authorities who do not have an up-to-date plan, however they will need to be applied consistently in decision-making across the country.

Support the retention of the optional technical standards to be set locally through local plans.

50 What other principles, if any, do you believe should inform the scope of National Development Management Policies?

Support as above.

51 Do you agree that selective additions should be considered for proposals to complement existing national policies for guiding decisions?

Agree that selective additions should be applied, however a per the list some matters do not appear to be sufficiently strategic in nature, for example allotments.

52 Are there other issues which apply across all or most of England that you think should be considered as possible options for National Development Management Policies?

No other issues identified. However reference is made to the new 'gateway' approach as a means for explaining local policies. More information around this is required.

53 What, if any, planning policies do you think could be included in a new framework to help achieve the 12 levelling up missions in the Levelling Up White Paper?

There is an absence of focus on health and wellbeing within this consultation document. This could be strengthened to assist in supporting the levelling-up missions.

54 How do you think that the framework could better support development that will drive economic growth and productivity in every part of the country, in support of the Levelling Up agenda?

There remains an additional need for more localised 'levelling up' to recognise pockets of deprivation within otherwise seemingly prosperous regions. The framework and its requirements should facilitate locally-led, innovative policy responses, reflecting the latest trends and technologies. However, this needs to be supported by a package of measures at a level where it will have impact, across the country. This cannot be achieved through planning policy alone. The framework should support the development of skills, matched to the local employment offers and direction of growth, whilst being realistic about migration trends and the inputs and outputs of market intervention.

55 Do you think that the government could go further in national policy, to increase development on brownfield land within city and town centres, with a view to facilitating gentle densification of our urban cores?

Agree, however 'gentle densification' needs to be framed around facilitating a mix of uses, not only about housing delivery. Making the most efficient, and appropriate use of brownfield land, within city and town centres as a driver for vibrancy, social interaction and healthy lifestyles. However, the rural economy should not be overlooked in this, whereby some of the same principles of efficiency are also valid.

56 Do you think that the government should bring forward proposals to update the framework as part of next year's wider review to place more emphasis on making sure that women, girls and other vulnerable groups in society feel safe in our public spaces, including for example policies on lighting/street lighting?

Agree, some innovative approaches to community safety are being developed through design and the location of uses. These principles can be applied at a

national level, however conflicts with secure by design principles also need addressing to be most effective.

57 Are there any specific approaches or examples of best practice which you think we should consider to improve the way that national planning policy is presented and accessed?

Support the use of technology and maximisation of the integration with other systems currently in use. Further detail on the timing and detail around other proposals set out within the document as 'aspects of policy which may require updating', including suggestions around the 'alignment policy' and soundness test amendments. Other areas of particular interest relate to any future proposed amendments to economic development and employment land sections, which should reflect modern supply chains and connectivity, and sustainable transport solutions.

58 We continue to keep the impacts of these proposals under review and would be grateful for your comments on any potential impacts that might arise under the Public Sector Equality Duty as a result of the proposals in this document.

This should be integrated into the process from the outset.



Department for Levelling Up,
Housing & Communities

National Planning Policy Framework

Showing indicative changes for consultation



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1. Introduction

1. The National Planning Policy Framework sets out the Government's planning policies for England and how these should be applied¹. It provides a framework within which locally-prepared plans can provide for sufficient housing and other development in a sustainable manner.~~can be produced.~~ Preparing and maintaining up-to-date plans should be seen as a priority in meeting this objective.
2. Planning law requires that applications for planning permission be determined in accordance with the development plan², unless material considerations indicate otherwise³. The National Planning Policy Framework must be taken into account in preparing the development plan, and is a material consideration in planning decisions. Planning policies and decisions must also reflect relevant international obligations and statutory requirements.
3. The Framework should be read as a whole (including its footnotes and annexes). General references to planning policies in the Framework should be applied in a way that is appropriate to the type of plan being produced, taking into account policy on plan-making in chapter 3.
4. The Framework should be read in conjunction with the Government's planning policy for traveller sites, and its planning policy for waste. When preparing plans or making decisions on applications for these types of development, regard should also be had to the policies in this Framework, where relevant.
5. The Framework does not contain specific policies for nationally significant infrastructure projects. These are determined in accordance with the decision-making framework in the Planning Act 2008 (as amended) and relevant national policy statements for major infrastructure, as well as any other matters that are relevant (which may include the National Planning Policy Framework). National policy statements form part of the overall framework of national planning policy, and may be a material consideration in preparing plans and making decisions on planning applications.
6. Other statements of government policy may be material when preparing plans or deciding applications, such as relevant Written Ministerial Statements and endorsed recommendations of the National Infrastructure Commission.

¹ This document replaces the previous version of the National Planning Policy Framework published in ~~February 2019~~ July 2021.

² This includes local and neighbourhood plans that have been brought into force and any spatial development strategies produced by combined authorities or elected Mayors (see Glossary).

³ Section 38(6) of the Planning and Compulsory Purchase Act 2004 and section 70(2) of the Town and Country Planning Act 1990.

2. Achieving sustainable development

7. The purpose of the planning system is to contribute to the achievement of sustainable development, including the provision of homes and other forms of development, including supporting infrastructure in a sustainable manner. At a very high level, the objective of sustainable development can be summarised as meeting the needs of the present without compromising the ability of future generations to meet their own needs⁴. At a similarly high level, members of the United Nations – including the United Kingdom – have agreed to pursue the 17 Global Goals for Sustainable Development in the period to 2030. These address social progress, economic well-being and environmental protection⁵.
8. Achieving sustainable development means that the planning system has three overarching objectives, which are interdependent and need to be pursued in mutually supportive ways (so that opportunities can be taken to secure net gains across each of the different objectives):
 - a) **an economic objective** – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure;
 - b) **a social objective** – to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering well-designed, beautiful and safe places, with accessible services and open spaces that reflect current and future needs and support communities' health, social and cultural well-being; and
 - c) **an environmental objective** – to protect and enhance our natural, built and historic environment; including making effective use of land, improving biodiversity, using natural resources prudently, minimising waste and pollution, and mitigating and adapting to climate change, including moving to a low carbon economy.
9. These objectives should be delivered through the preparation and implementation of plans and the application of the policies in this Framework; they are not criteria against which every decision can or should be judged. Planning policies and decisions should play an active role in guiding development towards sustainable solutions, but in doing so should take local circumstances into account, to reflect the character, needs and opportunities of each area.
10. So that sustainable development is pursued in a positive way, at the heart of the Framework is a **presumption in favour of sustainable development** (paragraph 11).

⁴ Resolution 42/187 of the United Nations General Assembly.

⁵ Transforming our World: the 2030 Agenda for Sustainable Development.

The presumption in favour of sustainable development

11. Plans and decisions should apply a presumption in favour of sustainable development.

For **plan-making** this means that:

- a) all plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects;
- b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas⁶, unless:
 - i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area⁷; ~~or~~
 - ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; such adverse impacts may include situations where meeting need in full would mean building at densities significantly out of character with the existing area⁸; or
 - iii. there is clear evidence of past over-delivery, in terms of the number of homes permitted compared to the housing requirement in the existing plan; in which case this over-delivery may be deducted from the provision required in the new plan.

For **decision-taking** this means:

- c) approving development proposals that accord with an up-to-date development plan without delay; or

⁶ As established through statements of common ground (see paragraph 27).

⁷ The policies referred to are those in this Framework (rather than those in development plans) relating to: habitats sites (and those sites listed in paragraph 184) and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, a National Park (or within the Broads Authority) or defined as Heritage Coast; irreplaceable habitats; designated heritage assets (and other heritage assets of archaeological interest referred to in footnote 77); and areas at risk of flooding or coastal change.

⁸ Taking into account any design guides or codes which form part of the development plan for the area, or which are adopted as supplementary planning guidance.

- d) where there are no relevant development plan policies, or the policies which are most important for determining the application are out-of-date⁹, granting permission unless:
- i. the application of policies in this Framework that protect areas or assets of particular importance provides a clear reason for refusing the development proposed⁷; or
 - ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.

12. The presumption in favour of sustainable development does not change the statutory status of the development plan as the starting point for decision-making. Where a planning application conflicts with an up-to-date development plan (including any neighbourhood plans that form part of the development plan), permission should not usually be granted. Local planning authorities may take decisions that depart from an up-to-date development plan, but only if material considerations in a particular case indicate that the plan should not be followed.
13. The application of the presumption has implications for the way communities engage in neighbourhood planning. Neighbourhood plans should support the delivery of strategic policies contained in local plans or spatial development strategies; and should shape and direct development that is outside of these strategic policies.
14. In situations where the presumption (at paragraph 11d) applies to applications involving the provision of housing, the adverse impact of allowing development that conflicts with the neighbourhood plan is likely to significantly and demonstrably outweigh the benefits, provided ~~all of~~ the following apply¹⁰:
- a) the neighbourhood plan became part of the development plan ~~two five~~ years or less before the date on which the decision is made; ~~and~~
 - b) the neighbourhood plan contains policies and allocations to meet its identified housing requirement~~;~~
 - ~~c) the local planning authority has at least a three year supply of deliverable housing sites (against its five year housing supply requirement, including the appropriate buffer as set out in paragraph 74); and~~
 - ~~d) the local planning authority's housing delivery was at least 45% of that required¹⁴ over the previous three years.~~

⁹ This includes, for applications involving the provision of housing, situations where the local planning authority cannot demonstrate a five year supply of deliverable housing sites ~~(with the appropriate buffer, as set out in paragraph 74 and its the relevant housing requirement set out in strategic policies is more than five years old, unless these strategic policies have been reviewed and found not to require updating); or where the Housing Delivery Test indicates that the delivery of housing was substantially below (less than 75% of) the housing requirement over the previous three years (unless permissions for housing in excess of 115% of the requirement over the same period have been granted, as set out in footnote 49).~~

¹⁰ Transitional arrangements are set out in Annex 1.

¹⁴ ~~Assessed against the Housing Delivery Test, from November 2018 onwards.~~

3. Plan-making

15. The planning system should be genuinely plan-led. Succinct and up-to-date plans should provide a positive vision for the future of each area; a framework for [addressing meeting](#) housing needs and [addressing](#) other economic, social and environmental priorities; and a platform for local people to shape their surroundings.
16. Plans should:
 - a) be prepared with the objective of contributing to the achievement of sustainable development¹²;
 - b) be prepared positively, in a way that is aspirational but deliverable;
 - c) be shaped by early, proportionate and effective engagement between plan-makers and communities, local organisations, businesses, infrastructure providers and operators and statutory consultees;
 - d) contain policies that are clearly written and unambiguous, so it is evident how a decision maker should react to development proposals;
 - e) be accessible through the use of digital tools to assist public involvement and policy presentation; and
 - f) serve a clear purpose, avoiding unnecessary duplication of policies that apply to a particular area (including policies in this Framework, where relevant).

The plan-making framework

17. The development plan must include strategic policies to address each local planning authority's priorities for the development and use of land in its area¹³. These strategic policies can be produced in different ways, depending on the issues and opportunities facing each area. They can be contained in:
 - a) joint or individual local plans, produced by authorities working together or independently (and which may also contain non-strategic policies); and/or
 - b) a spatial development strategy produced by an elected Mayor or combined authority, where plan-making powers have been conferred.
18. Policies to address non-strategic matters should be included in local plans that contain both strategic and non-strategic policies, and/or in local or neighbourhood plans that contain just non-strategic policies.

¹² This is a legal requirement of local planning authorities exercising their plan-making functions (section 39(2) of the Planning and Compulsory Purchase Act 2004).

¹³ Section 19(1B-1E) of the Planning and Compulsory Purchase Act 2004.

19. The development plan for an area comprises the combination of strategic and non-strategic policies which are in force at a particular time.

Strategic policies

20. Strategic policies should set out an overall strategy for the pattern, scale and design quality of places, (to ensure outcomes support beauty and placemaking), and make sufficient provision¹⁴ for:
- a) housing (including affordable housing), employment, retail, leisure and other commercial development;
 - b) infrastructure for transport, telecommunications, security, waste management, water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy (including heat);
 - c) community facilities (such as health, education and cultural infrastructure); and
 - d) conservation and enhancement of the natural, built and historic environment, including landscapes and green infrastructure, and planning measures to address climate change mitigation and adaptation.
21. Plans should make explicit which policies are strategic policies¹⁵. These should be limited to those necessary to address the strategic priorities of the area (and any relevant cross-boundary issues), to provide a clear starting point for any non-strategic policies that are needed. Strategic policies should not extend to detailed matters that are more appropriately dealt with through neighbourhood plans or other non-strategic policies.
22. Strategic policies should look ahead over a minimum 15 year period from adoption¹⁶, to anticipate and respond to long-term requirements and opportunities, such as those arising from major improvements in infrastructure. scale developments such as new settlements or significant extensions to existing villages and towns form part of the strategy for the area, policies should be set within a vision that looks further ahead (at least 30 years), to take into account the likely timescale for delivery.¹⁷
23. Broad locations for development should be indicated on a key diagram, and land-use designations and allocations identified on a policies map. Strategic policies should provide a clear strategy for bringing sufficient land forward, and at a sufficient rate, to address objectively assessed needs over the plan period, in line with the presumption in favour of sustainable development. This should include planning for and allocating sufficient sites to deliver the strategic priorities of the area (except insofar as these needs can be demonstrated to be met more

¹⁴ In line with the presumption in favour of sustainable development.

¹⁵ Where a single local plan is prepared the non-strategic policies should be clearly distinguished from the strategic policies.

¹⁶ Except in relation to town centre development, as set out in chapter 7.

¹⁷ Transitional arrangements are set out in Annex 1.

appropriately through other mechanisms, such as brownfield registers or non-strategic policies)¹⁸.

Maintaining effective cooperation

24. Local planning authorities and county councils (in two-tier areas) are under a duty to cooperate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries.
25. Strategic policy-making authorities should collaborate to identify the relevant strategic matters which they need to address in their plans. They should also engage with their local communities and relevant bodies including Local Enterprise Partnerships, Local Nature Partnerships, the Marine Management Organisation, county councils, infrastructure providers, elected Mayors and combined authorities (in cases where Mayors or combined authorities do not have plan-making powers).
26. Effective and on-going joint working between strategic policy-making authorities and relevant bodies is integral to the production of a positively prepared and justified strategy. In particular, joint working should help to determine where additional infrastructure is necessary, and whether development needs that cannot be met wholly within a particular plan area could be met elsewhere.
27. In order to demonstrate effective and on-going joint working, strategic policy-making authorities should prepare and maintain one or more statements of common ground, documenting the cross-boundary matters being addressed and progress in cooperating to address these. These should be produced using the approach set out in national planning guidance, and be made publicly available throughout the plan-making process to provide transparency.

Non-strategic policies

28. Non-strategic policies should be used by local planning authorities and communities to set out more detailed policies for specific areas, neighbourhoods or types of development. This can include allocating sites, the provision of infrastructure and community facilities at a local level, establishing design principles, conserving and enhancing the natural and historic environment and setting out other development management policies.
29. Neighbourhood planning gives communities the power to develop a shared vision for their area. Neighbourhood plans can shape, direct and help to deliver sustainable development, by influencing local planning decisions as part of the statutory development plan. Neighbourhood plans should not promote less development than set out in the strategic policies for the area, or undermine those strategic policies¹⁹.

¹⁸ For spatial development strategies, allocations, land use designations and a policies map are needed only where the power to make allocations has been conferred.

¹⁹ Neighbourhood plans must be in general conformity with the strategic policies contained in any development plan that covers their area.

30. Once a neighbourhood plan has been brought into force, the policies it contains take precedence over existing non-strategic policies in a local plan covering the neighbourhood area, where they are in conflict; unless they are superseded by strategic or non-strategic policies that are adopted subsequently.

Preparing and reviewing plans

31. The preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals.
32. Local plans and spatial development strategies should be informed throughout their preparation by a sustainability appraisal that meets the relevant legal requirements²⁰. This should demonstrate how the plan has addressed relevant economic, social and environmental objectives (including opportunities for net gains). Significant adverse impacts on these objectives should be avoided and, wherever possible, alternative options which reduce or eliminate such impacts should be pursued. Where significant adverse impacts are unavoidable, suitable mitigation measures should be proposed (or, where this is not possible, compensatory measures should be considered).
33. Policies in local plans and spatial development strategies should be reviewed to assess whether they need updating at least once every five years, and should then be updated as necessary²¹. Reviews should be completed no later than five years from the adoption date of a plan, and should take into account changing circumstances affecting the area, or any relevant changes in national policy. Relevant strategic policies will need updating at least once every five years if their applicable local housing need figure has changed significantly; and they are likely to require earlier review if local housing need is expected to change significantly in the near future.

Development contributions

34. Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan.

²⁰ The reference to relevant legal requirements refers to Strategic Environmental Assessment. Neighbourhood plans may require Strategic Environmental Assessment, but only where there are potentially significant environmental effects.

²¹ Reviews at least every five years are a legal requirement for all local plans (Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012).

Examining plans

35. Local plans and spatial development strategies are examined to assess whether they have been prepared in accordance with legal and procedural requirements, and whether they are sound. Plans are 'sound' if they are:
- a) **Positively prepared** – providing a strategy which, ~~as a minimum,~~ seeks to meet the area's objectively assessed needs so far as possible, taking into account the policies in this Framework²²; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;
 - b) ~~Justified~~ – ~~an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;~~
 - e)b) **Effective** – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and
 - d)c) **Consistent with national policy** – enabling the delivery of sustainable development in accordance with the policies in this Framework and other statements of national planning policy, where relevant.
36. These tests of soundness will be applied to non-strategic policies²³ in a proportionate way, taking into account the extent to which they are consistent with relevant strategic policies for the area.²⁴
37. Neighbourhood plans must meet certain 'basic conditions' and other legal requirements²⁵ before they can come into force. These are tested through an independent examination before the neighbourhood plan may proceed to referendum.

²² Where this relates to housing, such needs should be assessed using a clear and justified method, as set out in paragraph 61 of this Framework.

²³ Where these are contained in a local plan.

²⁴ Transitional arrangements relating to the tests of soundness are set out in Annex 1.

²⁵ As set out in paragraph 8 of Schedule 4B to the Town and Country Planning Act 1990 (as amended).

4. Decision-making

38. Local planning authorities should approach decisions on proposed development in a positive and creative way. They should use the full range of planning tools available, including brownfield registers and permission in principle, and work proactively with applicants to secure developments that will improve the economic, social and environmental conditions of the area. Decision-makers at every level should seek to approve applications for sustainable development where possible.

Pre-application engagement and front-loading

39. Early engagement has significant potential to improve the efficiency and effectiveness of the planning application system for all parties. Good quality pre-application discussion enables better coordination between public and private resources and improved outcomes for the community.
40. Local planning authorities have a key role to play in encouraging other parties to take maximum advantage of the pre-application stage. They cannot require that a developer engages with them before submitting a planning application, but they should encourage take-up of any pre-application services they offer. They should also, where they think this would be beneficial, encourage any applicants who are not already required to do so by law to engage with the local community and, where relevant, with statutory and non-statutory consultees, before submitting their applications.
41. The more issues that can be resolved at pre-application stage, including the need to deliver improvements in infrastructure and affordable housing, the greater the benefits. For their role in the planning system to be effective and positive, statutory planning consultees will need to take the same early, pro-active approach, and provide advice in a timely manner throughout the development process. This assists local planning authorities in issuing timely decisions, helping to ensure that applicants do not experience unnecessary delays and costs.
42. The participation of other consenting bodies in pre-application discussions should enable early consideration of all the fundamental issues relating to whether a particular development will be acceptable in principle, even where other consents relating to how a development is built or operated are needed at a later stage. Wherever possible, parallel processing of other consents should be encouraged to help speed up the process and resolve any issues as early as possible.
43. The right information is crucial to good decision-making, particularly where formal assessments are required (such as Environmental Impact Assessment, Habitats Regulations assessment and flood risk assessment). To avoid delay, applicants should discuss what information is needed with the local planning authority and expert bodies as early as possible.
44. Local planning authorities should publish a list of their information requirements for applications for planning permission. These requirements should be kept to the minimum needed to make decisions, and should be reviewed at least every two

years. Local planning authorities should only request supporting information that is relevant, necessary and material to the application in question.

45. Local planning authorities should consult the appropriate bodies when considering applications for the siting of, or changes to, major hazard sites, installations or pipelines, or for development around them.
46. Applicants and local planning authorities should consider the potential for voluntary planning performance agreements, where this might achieve a faster and more effective application process. Planning performance agreements are likely to be needed for applications that are particularly large or complex to determine.

Determining applications

47. Planning law requires that applications for planning permission be determined in accordance with the development plan, unless material considerations indicate otherwise. Decisions on applications should be made as quickly as possible, and within statutory timescales unless a longer period has been agreed by the applicant in writing.
48. Local planning authorities may give weight to relevant policies in emerging plans according to:
 - a) the stage of preparation of the emerging plan (the more advanced its preparation, the greater the weight that may be given);
 - b) the extent to which there are unresolved objections to relevant policies (the less significant the unresolved objections, the greater the weight that may be given); and
 - c) the degree of consistency of the relevant policies in the emerging plan to this Framework (the closer the policies in the emerging plan to the policies in the Framework, the greater the weight that may be given)²⁶.
49. However, in the context of the Framework – and in particular the presumption in favour of sustainable development – arguments that an application is premature are unlikely to justify a refusal of planning permission other than in the limited circumstances where both:
 - a) the development proposed is so substantial, or its cumulative effect would be so significant, that to grant permission would undermine the plan-making process by predetermining decisions about the scale, location or phasing of new development that are central to an emerging plan; and
 - b) the emerging plan is at an advanced stage but is not yet formally part of the development plan for the area.

²⁶ During the transitional period for emerging plans submitted for examination (set out in paragraph 220), consistency should be tested against the original Framework published in March 2012.

50. Refusal of planning permission on grounds of prematurity will seldom be justified where a draft plan has yet to be submitted for examination; or – in the case of a neighbourhood plan – before the end of the local planning authority publicity period on the draft plan. Where planning permission is refused on grounds of prematurity, the local planning authority will need to indicate clearly how granting permission for the development concerned would prejudice the outcome of the plan-making process.

Tailoring planning controls to local circumstances

51. Local planning authorities are encouraged to use Local Development Orders to set the planning framework for particular areas or categories of development where the impacts would be acceptable, and in particular where this would promote economic, social or environmental gains for the area.
52. Communities can use Neighbourhood Development Orders and Community Right to Build Orders to grant planning permission. These require the support of the local community through a referendum. Local planning authorities should take a proactive and positive approach to such proposals, working collaboratively with community organisations to resolve any issues before draft orders are submitted for examination.
53. The use of Article 4 directions to remove national permitted development rights should:
- a) where they relate to change from non-residential use to residential use, be limited to situations where an Article 4 direction is necessary to avoid wholly unacceptable adverse impacts (this could include the loss of the essential core of a primary shopping area which would seriously undermine its vitality and viability, but would be very unlikely to extend to the whole of a town centre)
 - b) in other cases, be limited to situations where an Article 4 direction is necessary to protect local amenity or the well-being of the area (this could include the use of Article 4 directions to require planning permission for the demolition of local facilities)
 - c) in all cases, be based on robust evidence, and apply to the smallest geographical area possible.
54. Similarly, planning conditions should not be used to restrict national permitted development rights unless there is clear justification to do so.

Planning conditions and obligations

55. Local planning authorities should consider whether otherwise unacceptable development could be made acceptable through the use of conditions or planning obligations. Planning obligations should only be used where it is not possible to address unacceptable impacts through a planning condition.
56. Planning conditions should be kept to a minimum and only imposed where they are necessary, relevant to planning and to the development to be permitted,

enforceable, precise and reasonable in all other respects. Agreeing conditions early is beneficial to all parties involved in the process and can speed up decision-making. Conditions that are required to be discharged before development commences should be avoided, unless there is a clear justification²⁷.

57. Planning obligations must only be sought where they meet all of the following tests²⁸:
- a) necessary to make the development acceptable in planning terms;
 - b) directly related to the development; and
 - c) fairly and reasonably related in scale and kind to the development.
58. Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.

Enforcement

59. Effective enforcement is important to maintain public confidence in the planning system. Enforcement action is discretionary, and local planning authorities should act proportionately in responding to suspected breaches of planning control. They should consider publishing a local enforcement plan to manage enforcement proactively, in a way that is appropriate to their area. This should set out how they will monitor the implementation of planning permissions, investigate alleged cases of unauthorised development and take action where appropriate.

²⁷ Sections 100ZA(4-6) of the Town and Country Planning Act 1990 will require the applicant's written agreement to the terms of a pre-commencement condition, unless prescribed circumstances apply.

²⁸ Set out in Regulation 122(2) of the Community Infrastructure Levy Regulations 2010.

5. Delivering a sufficient supply of homes

60. To support the Government's objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay. The overall aim should be to meet as much housing need as possible with an appropriate mix of housing types to meet the needs of communities.
61. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance. The outcome of the standard method is an advisory starting-point for establishing a housing requirement for the area (see paragraph 67 below). There may be —unless exceptional circumstances relating to the particular characteristics of an authority which justify an alternative approach to assessing housing need; in which case the alternative used which should also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for²⁹.
- ~~61-62.~~ The Standard Method incorporates an uplift for those urban local authorities in the top 20 most populated cities and urban centres. This uplift should be accommodated within those cities and urban centres themselves unless it would conflict with the policies in this Framework and legal obligations³⁰.
- ~~62-63.~~ Within this context of establishing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people including for retirement housing, housing-with-care and care homes, students, people with disabilities, service families, travellers^{34, 32}, people who rent their homes and people wishing to commission or build their own homes³³).

²⁹ Transitional arrangements are set out in Annex 1.

³⁰ In doing so, brownfield and other under-utilised urban sites should be prioritised, and on these sites density should be optimised to promote the most efficient use of land, something which can be informed by masterplans and design codes. This is to ensure that homes are built in the right places, to make the most of existing infrastructure, and to allow people to live near the services they rely on, making travel patterns more sustainable.

³² Planning Policy for Traveller Sites sets out how travellers' housing needs should be assessed for those covered by the definition in Annex 1 of that document.

³³ Under section 1 of the Self Build and Custom Housebuilding Act 2015, local authorities are required to keep a register of those seeking to acquire serviced plots in the area for their own self-build and custom house building. They are also subject to duties under sections 2 and 2A of the Act to have regard to this and to give enough suitable development permissions to meet the identified demand. Self and custom-build properties could provide market or affordable housing.

~~63.64.~~ Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required³⁴, and expect it to be met on-site unless:

- a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and
- b) the agreed approach contributes to the objective of creating mixed and balanced communities.

~~64.65.~~ Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount³⁵.

~~65.66.~~ Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership³⁶, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Exemptions to this 10% requirement should also be made where the site or proposed development:

- a) provides solely for Build to Rent homes;
- b) provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);
- c) is proposed to be developed by people who wish to build or commission their own homes; or
- d) is exclusively for affordable housing, an entry-level exception site or a rural exception site.

~~66.67.~~ Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. The requirement may be higher than the identified housing need, if it includes provision for neighbouring areas, or reflects growth ambitions linked to economic development or infrastructure investment. Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations³⁷. Once the strategic policies have been adopted, these figures should not need re-testing at the neighbourhood plan

³⁴ Applying the definition in Annex 2 to this Framework.

³⁵ Equivalent to the existing gross floorspace of the existing buildings. This does not apply to vacant buildings which have been abandoned.

³⁶ As part of the overall affordable housing contribution from the site.

³⁷ Except where a Mayoral, combined authority or high-level joint plan is being prepared as a framework for strategic policies at the individual local authority level; in which case it may be most appropriate for the local authority plans to provide the requirement figure.

examination, unless there has been a significant change in circumstances that affects the requirement.

67-68. Where it is not possible to provide a requirement figure for a neighbourhood area³⁸, the local planning authority should provide an indicative figure, if requested to do so by the neighbourhood planning body. This figure should take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the local planning authority.

Identifying land for homes

68-69. Strategic policy-making authorities should have a clear understanding of the land available in their area through the preparation of a strategic housing land availability assessment. From this, planning policies should identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability. Planning policies should identify a supply of:

- a) specific, deliverable sites for years one to five of the plan period³⁹; and
- b) specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15 of the plan.

69-70. Small and medium sized sites can make an important contribution to meeting the housing requirement of an area, and are often built-out relatively quickly. To promote the development of a good mix of sites local planning authorities should:

- a) identify, through the development plan and brownfield registers, land to accommodate at least 10% of their housing requirement on sites no larger than one hectare; unless it can be shown, through the preparation of relevant plan policies, that there are strong reasons why this 10% target cannot be achieved;
- b) use tools such as area-wide design assessments and Local Development Orders to help bring small and medium sized sites forward;
- c) support the development of windfall sites through their policies and decisions – giving great weight to the benefits of using suitable sites within existing settlements for homes; and
- d) work with developers to encourage the sub-division of large sites where this could help to speed up the delivery of homes.

70-71. Neighbourhood planning groups should also give particular consideration to the opportunities for allocating small and medium-sized sites (of a size consistent with paragraph 69a) suitable for housing in their area.

³⁸ Because a neighbourhood area is designated at a late stage in the strategic policy-making process, or after strategic policies have been adopted; or in instances where strategic policies for housing are out of date.

³⁹ With an appropriate buffer, as set out in paragraph 74. See Glossary for definitions of deliverable and developable.

71.72. Where an allowance is to be made for windfall sites as part of anticipated supply, there should be compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends. Plans should consider the case for setting out policies to resist inappropriate development of residential gardens, for example where development would cause harm to the local area.

72.73. Local planning authorities should support the development of entry-level exception sites, suitable for first time buyers (or those looking to rent their first home), unless the need for such homes is already being met within the authority's area. These sites should be on land which is not already allocated for housing and should:

- a) comprise of entry-level homes that offer one or more types of affordable housing as defined in Annex 2 of this Framework; and
- b) be adjacent to existing settlements, proportionate in size to them⁴⁰, not compromise the protection given to areas or assets of particular importance in this Framework⁴¹, and comply with any local design policies and standards.

73.74. The supply of large numbers of new homes can often be best achieved through planning for larger scale development, such as new settlements or significant extensions to existing villages and towns, provided they are well located and designed, and supported by the necessary infrastructure and facilities (including a genuine choice of transport modes). Working with the support of their communities, and with other authorities if appropriate, strategic policy-making authorities should identify suitable locations for such development where this can help to meet identified needs in a sustainable way. In doing so, they should:

- a) consider the opportunities presented by existing or planned investment in infrastructure, the area's economic potential and the scope for net environmental gains;
- b) ensure that their size and location will support a sustainable community, with sufficient access to services and employment opportunities within the development itself (without expecting an unrealistic level of self-containment), or in larger towns to which there is good access;
- c) set clear expectations for the quality of the places to be created and how this can be maintained (such as by following Garden City principles); and ensure that appropriate tools such as masterplans and design guides or codes are used to secure a variety of well-designed and beautiful homes to meet the needs of different groups in the community;
- d) make a realistic assessment of likely rates of delivery, given the lead-in times for large scale sites, and identify opportunities for supporting rapid

⁴⁰ Entry-level exception sites should not be larger than one hectare in size or exceed 5% of the size of the existing settlement.

⁴¹ i.e. the areas referred to in footnote 7. Entry-level exception sites should not be permitted in National Parks (or within the Broads Authority), Areas of Outstanding Natural Beauty or land designated as Green Belt.

implementation (such as through joint ventures or locally-led development corporations)⁴²; and

- e) consider whether it is appropriate to establish Green Belt around or adjoining new developments of significant size.

Maintaining supply and delivery

~~74.75.~~ Strategic policies should include a trajectory illustrating the expected rate of housing delivery over the plan period, and all plans should consider whether it is appropriate to set out the anticipated rate of development for specific sites. Local planning authorities should monitor their deliverable land supply against their housing requirement as set out in adopted strategic policies⁴³. When the housing requirement set out in strategic policies becomes more than five years old⁴⁴, local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing ~~against their housing requirement set out in adopted strategic policies~~⁴⁵, ~~or against their local housing need (taking into account any previous under or over-supply as set out in planning practice guidance) where the strategic policies are more than five years old~~⁴⁶. ~~The supply of specific deliverable sites should in addition include a buffer (moved forward from later in the plan period) of:~~

- ~~a) 5% to ensure choice and competition in the market for land; or~~
- ~~b) 10% where the local planning authority wishes to demonstrate a five year supply of deliverable sites through an annual position statement or recently adopted plan~~⁴⁷, ~~to account for any fluctuations in the market during that year; or~~
- ~~c) 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply~~⁴⁸.

~~75.76.~~ A five year supply of deliverable housing sites, ~~with the appropriate buffer~~, can be demonstrated where it has been established in ~~a recently adopted plan, or in an subsequent~~ annual position statement which:

⁴² The delivery of large scale developments may need to extend beyond an individual plan period, and the associated infrastructure requirements may not be capable of being identified fully at the outset. Anticipated rates of delivery and infrastructure requirements should, therefore, be kept under review and reflected as policies are updated.

⁴³ For the avoidance of doubt, a five year supply of deliverable sites for travellers – as defined in Annex 1 to Planning Policy for Traveller Sites – should be assessed separately, in line with the policy in that document.

⁴⁴ Unless these strategic policies have been reviewed and found not to require updating. Where local housing need is used as the basis for assessing whether a five year supply of specific deliverable sites exists, it should be calculated using the standard method set out in national planning guidance.

⁴⁵ For the avoidance of doubt, a five year supply of deliverable sites for travellers – as defined in Annex 1 to Planning Policy for Traveller Sites – should be assessed separately, in line with the policy in that document.

⁴⁶ Unless these strategic policies have been reviewed and found not to require updating. Where local housing need is used as the basis for assessing whether a five year supply of specific deliverable sites exists, it should be calculated using the standard method set out in national planning guidance.

⁴⁷ For the purposes of paragraphs 74b and 75 a plan adopted between 1 May and 31 October will be considered 'recently adopted' until 31 October of the following year; and a plan adopted between 1 November and 30 April will be considered recently adopted until 31 October in the same year.

⁴⁸ This will be measured against the Housing Delivery Test, where this indicates that delivery was below 85% of the housing requirement.

- a) has been produced through engagement with developers and others who have an impact on delivery, and been considered by the Secretary of State; and
- b) incorporates the recommendation of the Secretary of State, where the position on specific sites could not be agreed during the engagement process.

77. To maintain the supply of housing, local planning authorities should monitor progress in building out sites which have permission. Where the Housing Delivery Test indicates that delivery has fallen below ~~95% of~~ the local planning authority's housing requirement over the previous three years, the following policy consequences should apply:

- a) where delivery falls below 95% of the requirement over the previous three years, the authority should prepare an action plan in line with national planning guidance, to assess the causes of under-delivery and identify actions to increase delivery in future years;
- b) where delivery falls below 75% of the requirement over the previous three years, the presumption in favour of sustainable development applies, as set out in footnote 9 of this Framework⁴⁹, in addition to the requirement for an action plan.

76-78. The Housing Delivery Test consequences set out above will apply the day following the annual publication of the Housing Delivery Test results by DLUHC.

77-79. To help ensure that proposals for housing development are implemented in a timely manner, local planning authorities should consider imposing a planning condition providing that development must begin within a timescale shorter than the relevant default period, where this would expedite the development without threatening its deliverability or viability. For major development involving the provision of housing, local planning authorities should also assess why any earlier grant of planning permission for a similar development on the same site did not start.

Rural housing

78-80. In rural areas, planning policies and decisions should be responsive to local circumstances and support housing developments that reflect local needs, including development proposals from community-led housing groups. Local planning authorities should support opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs, and consider whether allowing some market housing on these sites would help to facilitate this.

79-81. To promote sustainable development in rural areas, housing should be located where it will enhance or maintain the vitality of rural communities. Planning policies should identify opportunities for villages to grow and thrive, especially where this will support local services. Where there are groups of smaller settlements, development in one village may support services in a village nearby.

⁴⁹ The presumption is, however, not to be applied if permissions have been granted for homes in excess of 115% of the authority's housing requirement over the applicable Housing Delivery Test monitoring period.

~~80-82.~~ 82. Planning policies and decisions should avoid the development of isolated homes in the countryside unless one or more of the following circumstances apply:

- a) there is an essential need for a rural worker, including those taking majority control of a farm business, to live permanently at or near their place of work in the countryside;
- b) the development would represent the optimal viable use of a heritage asset or would be appropriate enabling development to secure the future of heritage assets;
- c) the development would re-use redundant or disused buildings and enhance its immediate setting;
- d) the development would involve the subdivision of an existing residential building; or
- e) the design is of exceptional quality, in that it:
 - is truly outstanding, reflecting the highest standards in architecture, and would help to raise standards of design more generally in rural areas; and
 - would significantly enhance its immediate setting, and be sensitive to the defining characteristics of the local area.

6. Building a strong, competitive economy

~~81.83.~~ Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. This is particularly important where Britain can be a global leader in driving innovation⁵⁰, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential.

~~82.84.~~ Planning policies should:

- a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;
- b) set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- c) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and
- d) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.

~~83.85.~~ Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.

Supporting a prosperous rural economy

~~84.86.~~ Planning policies and decisions should enable:

- a) the sustainable growth and expansion of all types of business in rural areas, both through conversion of existing buildings and well-designed, beautiful new buildings;
- b) the development and diversification of agricultural and other land-based rural businesses;

⁵⁰ The Government's Industrial Strategy sets out a vision to drive productivity improvements across the UK, identifies a number of Grand Challenges facing all nations, and sets out a delivery programme to make the UK a leader in four of these: artificial intelligence and big data; clean growth; future mobility; and catering for an ageing society. HM Government (2017) *Industrial Strategy: Building a Britain fit for the future*.

- c) sustainable rural tourism and leisure developments which respect the character of the countryside; and
- d) the retention and development of accessible local services and community facilities, such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship.

85.87. Planning policies and decisions should recognise that sites to meet local business and community needs in rural areas may have to be found adjacent to or beyond existing settlements, and in locations that are not well served by public transport. In these circumstances it will be important to ensure that development is sensitive to its surroundings, does not have an unacceptable impact on local roads and exploits any opportunities to make a location more sustainable (for example by improving the scope for access on foot, by cycling or by public transport). The use of previously developed land, and sites that are physically well-related to existing settlements, should be encouraged where suitable opportunities exist.

7. Ensuring the vitality of town centres

86-88. Planning policies and decisions should support the role that town centres play at the heart of local communities, by taking a positive approach to their growth, management and adaptation. Planning policies should:

- a) define a network and hierarchy of town centres and promote their long-term vitality and viability – by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries, allows a suitable mix of uses (including housing) and reflects their distinctive characters;
- b) define the extent of town centres and primary shopping areas, and make clear the range of uses permitted in such locations, as part of a positive strategy for the future of each centre;
- c) retain and enhance existing markets and, where appropriate, re-introduce or create new ones;
- d) allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed, looking at least ten years ahead. Meeting anticipated needs for retail, leisure, office and other main town centre uses over this period should not be compromised by limited site availability, so town centre boundaries should be kept under review where necessary;
- e) where suitable and viable town centre sites are not available for main town centre uses, allocate appropriate edge of centre sites that are well connected to the town centre. If sufficient edge of centre sites cannot be identified, policies should explain how identified needs can be met in other accessible locations that are well connected to the town centre; and
- f) recognise that residential development often plays an important role in ensuring the vitality of centres and encourage residential development on appropriate sites.

87-89. Local planning authorities should apply a sequential test to planning applications for main town centre uses which are neither in an existing centre nor in accordance with an up-to-date plan. Main town centre uses should be located in town centres, then in edge of centre locations; and only if suitable sites are not available (or expected to become available within a reasonable period) should out of centre sites be considered.

88-90. When considering edge of centre and out of centre proposals, preference should be given to accessible sites which are well connected to the town centre. Applicants and local planning authorities should demonstrate flexibility on issues such as format and scale, so that opportunities to utilise suitable town centre or edge of centre sites are fully explored.

89-91. This sequential approach should not be applied to applications for small scale rural offices or other small scale rural development.

90.92. When assessing applications for retail and leisure development outside town centres, which are not in accordance with an up-to-date plan, local planning authorities should require an impact assessment if the development is over a proportionate, locally set floorspace threshold (if there is no locally set threshold, the default threshold is 2,500m² of gross floorspace). This should include assessment of:

- a) the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal;
and
- b) the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and the wider retail catchment (as applicable to the scale and nature of the scheme).

91.93. Where an application fails to satisfy the sequential test or is likely to have significant adverse impact on one or more of the considerations in paragraph 90, it should be refused.

8. Promoting healthy and safe communities

92-94. Planning policies and decisions should aim to achieve healthy, inclusive and safe places and beautiful buildings which:

- a) promote social interaction, including opportunities for meetings between people who might not otherwise come into contact with each other – for example through mixed-use developments, strong neighbourhood centres, street layouts that allow for easy pedestrian and cycle connections within and between neighbourhoods, and active street frontages;
- b) are safe and accessible, so that crime and disorder, and the fear of crime, do not undermine the quality of life or community cohesion – for example through the use of beautiful attractive, well-designed, clear and legible pedestrian and cycle routes, and high quality public space, which encourage the active and continual use of public areas; and
- c) enable and support healthy lifestyles, especially where this would address identified local health and well-being needs – for example through the provision of safe and accessible green infrastructure, sports facilities, local shops, access to healthier food, allotments and layouts that encourage walking and cycling.

93-95. To provide the social, recreational and cultural facilities and services the community needs, planning policies and decisions should:

- a) plan positively for the provision and use of shared spaces, community facilities (such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship) and other local services to enhance the sustainability of communities and residential environments;
- b) take into account and support the delivery of local strategies to improve health, social and cultural well-being for all sections of the community;
- c) guard against the unnecessary loss of valued facilities and services, particularly where this would reduce the community's ability to meet its day-to-day needs;
- d) ensure that established shops, facilities and services are able to develop and modernise, and are retained for the benefit of the community; and
- e) ensure an integrated approach to considering the location of housing, economic uses and community facilities and services.

94-96. Planning policies and decisions should consider the social, economic and environmental benefits of estate regeneration. Local planning authorities should use their planning powers to help deliver estate regeneration to a high standard.

95-97. It is important that a sufficient choice of school places is available to meet the needs of existing and new communities. Local planning authorities should take a proactive, positive and collaborative approach to meeting this requirement, and to development that will widen choice in education. They should:

- a) give great weight to the need to create, expand or alter schools through the preparation of plans and decisions on applications; and
- b) work with school promoters, delivery partners and statutory bodies to identify and resolve key planning issues before applications are submitted.

96.98. To ensure faster delivery of other public service infrastructure such as further education colleges, hospitals and criminal justice accommodation, local planning authorities should also work proactively and positively with promoters, delivery partners and statutory bodies to plan for required facilities and resolve key planning issues before applications are submitted.

97.99. Planning policies and decisions should promote public safety and take into account wider security and defence requirements by:

- a) anticipating and addressing possible malicious threats and natural hazards, especially in locations where large numbers of people are expected to congregate⁵¹. Policies for relevant areas (such as town centre and regeneration frameworks), and the layout and design of developments, should be informed by the most up-to-date information available from the police and other agencies about the nature of potential threats and their implications. This includes appropriate and proportionate steps that can be taken to reduce vulnerability, increase resilience and ensure public safety and security; and
- b) recognising and supporting development required for operational defence and security purposes, and ensuring that operational sites are not affected adversely by the impact of other development proposed in the area.

Open space and recreation

98.100. Access to a network of high quality open spaces and opportunities for sport and physical activity is important for the health and well-being of communities, and can deliver wider benefits for nature and support efforts to address climate change. Planning policies should be based on robust and up-to-date assessments of the need for open space, sport and recreation facilities (including quantitative or qualitative deficits or surpluses) and opportunities for new provision. Information gained from the assessments should be used to determine what open space, sport and recreational provision is needed, which plans should then seek to accommodate.

99.101. Existing open space, sports and recreational buildings and land, including playing fields, should not be built on unless:

- a) an assessment has been undertaken which has clearly shown the open space, buildings or land to be surplus to requirements; or

⁵¹ This includes transport hubs, night-time economy venues, cinemas and theatres, sports stadia and arenas, shopping centres, health and education establishments, places of worship, hotels and restaurants, visitor attractions and commercial centres.

- b) the loss resulting from the proposed development would be replaced by equivalent or better provision in terms of quantity and quality in a suitable location; or
- c) the development is for alternative sports and recreational provision, the benefits of which clearly outweigh the loss of the current or former use.

~~400.102.~~ Planning policies and decisions should protect and enhance public rights of way and access, including taking opportunities to provide better facilities for users, for example by adding links to existing rights of way networks including National Trails.

~~401.103.~~ The designation of land as Local Green Space through local and neighbourhood plans allows communities to identify and protect green areas of particular importance to them. Designating land as Local Green Space should be consistent with the local planning of sustainable development and complement investment in sufficient homes, jobs and other essential services. Local Green Spaces should only be designated when a plan is prepared or updated, and be capable of enduring beyond the end of the plan period.

~~402.104.~~ The Local Green Space designation should only be used where the green space is:

- a) in reasonably close proximity to the community it serves;
- b) demonstrably special to a local community and holds a particular local significance, for example because of its beauty, historic significance, recreational value (including as a playing field), tranquillity or richness of its wildlife; and
- c) local in character and is not an extensive tract of land.

~~403.105.~~ Policies for managing development within a Local Green Space should be consistent with those for Green Belts.

9. Promoting sustainable transport

~~404.106.~~ Transport issues should be considered from the earliest stages of plan-making and development proposals, so that:

- a) the potential impacts of development on transport networks can be addressed;
- b) opportunities from existing or proposed transport infrastructure, and changing transport technology and usage, are realised – for example in relation to the scale, location or density of development that can be accommodated;
- c) opportunities to promote walking, cycling and public transport use are identified and pursued;
- d) the environmental impacts of traffic and transport infrastructure can be identified, assessed and taken into account – including appropriate opportunities for avoiding and mitigating any adverse effects, and for net environmental gains; and
- e) patterns of movement, streets, parking and other transport considerations are integral to the design of schemes, and contribute to making high quality places.

~~405.107.~~ The planning system should actively manage patterns of growth in support of these objectives. Significant development should be focused on locations which are or can be made sustainable, through limiting the need to travel and offering a genuine choice of transport modes. This can help to reduce congestion and emissions, and improve air quality and public health. However, opportunities to maximise sustainable transport solutions will vary between urban and rural areas, and this should be taken into account in both plan-making and decision-making.

~~406.108.~~ Planning policies should:

- a) support an appropriate mix of uses across an area, and within larger scale sites, to minimise the number and length of journeys needed for employment, shopping, leisure, education and other activities;
- b) be prepared with the active involvement of local highways authorities, other transport infrastructure providers and operators and neighbouring councils, so that strategies and investments for supporting sustainable transport and development patterns are aligned;
- c) identify and protect, where there is robust evidence, sites and routes which could be critical in developing infrastructure to widen transport choice and realise opportunities for large scale development;
- d) provide for attractive and well-designed walking and cycling networks with supporting facilities such as secure cycle parking (drawing on Local Cycling and Walking Infrastructure Plans);

- e) provide for any large scale transport facilities that need to be located in the area⁵², and the infrastructure and wider development required to support their operation, expansion and contribution to the wider economy. In doing so they should take into account whether such development is likely to be a nationally significant infrastructure project and any relevant national policy statements; and
- f) recognise the importance of maintaining a national network of general aviation airfields, and their need to adapt and change over time – taking into account their economic value in serving business, leisure, training and emergency service needs, and the Government’s General Aviation Strategy⁵³.

~~407.109.~~ If setting local parking standards for residential and non-residential development, policies should take into account:

- a) the accessibility of the development;
- b) the type, mix and use of development;
- c) the availability of and opportunities for public transport;
- d) local car ownership levels; and
- e) the need to ensure an adequate provision of spaces for charging plug-in and other ultra-low emission vehicles.

~~408.110.~~ Maximum parking standards for residential and non-residential development should only be set where there is a clear and compelling justification that they are necessary for managing the local road network, or for optimising the density of development in city and town centres and other locations that are well served by public transport (in accordance with chapter 11 of this Framework). In town centres, local authorities should seek to improve the quality of parking so that it is convenient, safe and secure, alongside measures to promote accessibility for pedestrians and cyclists.

~~409.111.~~ Planning policies and decisions should recognise the importance of providing adequate overnight lorry parking facilities, taking into account any local shortages, to reduce the risk of parking in locations that lack proper facilities or could cause a nuisance. Proposals for new or expanded distribution centres should make provision for sufficient lorry parking to cater for their anticipated use.

Considering development proposals

~~440.112.~~ In assessing sites that may be allocated for development in plans, or specific applications for development, it should be ensured that:

⁵² Policies for large scale facilities should, where necessary, be developed through collaboration between strategic policy-making authorities and other relevant bodies. Examples of such facilities include ports, airports, interchanges for rail freight, public transport projects and roadside services. The primary function of roadside services should be to support the safety and welfare of the road user (and most such proposals are unlikely to be nationally significant infrastructure projects).

⁵³ Department for Transport (2015) *General Aviation Strategy*.

- a) appropriate opportunities to promote sustainable transport modes can be – or have been – taken up, given the type of development and its location;
- b) safe and suitable access to the site can be achieved for all users;
- c) the design of streets, parking areas, other transport elements and the content of associated standards reflects current national guidance, including the National Design Guide and the National Model Design Code ⁵⁴; and
- d) any significant impacts from the development on the transport network (in terms of capacity and congestion), or on highway safety, can be cost effectively mitigated to an acceptable degree.

~~411.113.~~ Development should only be prevented or refused on highways grounds if there would be an unacceptable impact on highway safety, or the residual cumulative impacts on the road network would be severe.

~~412.114.~~ Within this context, applications for development should:

- a) give priority first to pedestrian and cycle movements, both within the scheme and with neighbouring areas; and second – so far as possible – to facilitating access to high quality public transport, with layouts that maximise the catchment area for bus or other public transport services, and appropriate facilities that encourage public transport use;
- b) address the needs of people with disabilities and reduced mobility in relation to all modes of transport;
- c) create places that are safe, secure and attractive – which minimise the scope for conflicts between pedestrians, cyclists and vehicles, avoid unnecessary street clutter, and respond to local character and design standards;
- d) allow for the efficient delivery of goods, and access by service and emergency vehicles; and
- e) be designed to enable charging of plug-in and other ultra-low emission vehicles in safe, accessible and convenient locations.

~~413.115.~~ All developments that will generate significant amounts of movement should be required to provide a travel plan, and the application should be supported by a transport statement or transport assessment so that the likely impacts of the proposal can be assessed.

⁵⁴ Policies and decisions should not make use of or reflect the former Design Bulletin 32, which was withdrawn in 2007.

10. Supporting high quality communications

~~414~~116. Advanced, high quality and reliable communications infrastructure is essential for economic growth and social well-being. Planning policies and decisions should support the expansion of electronic communications networks, including next generation mobile technology (such as 5G) and full fibre broadband connections. Policies should set out how high quality digital infrastructure, providing access to services from a range of providers, is expected to be delivered and upgraded over time; and should prioritise full fibre connections to existing and new developments (as these connections will, in almost all cases, provide the optimum solution).

~~415~~117. The number of radio and electronic communications masts, and the sites for such installations, should be kept to a minimum consistent with the needs of consumers, the efficient operation of the network and providing reasonable capacity for future expansion. Use of existing masts, buildings and other structures for new electronic communications capability (including wireless) should be encouraged. Where new sites are required (such as for new 5G networks, or for connected transport and smart city applications), equipment should be sympathetically designed and camouflaged where appropriate.

~~416~~118. Local planning authorities should not impose a ban on new electronic communications development in certain areas, impose blanket Article 4 directions over a wide area or a wide range of electronic communications development, or insist on minimum distances between new electronic communications development and existing development. They should ensure that:

- a) they have evidence to demonstrate that electronic communications infrastructure is not expected to cause significant and irremediable interference with other electrical equipment, air traffic services or instrumentation operated in the national interest; and
- b) they have considered the possibility of the construction of new buildings or other structures interfering with broadcast and electronic communications services.

~~417~~119. Applications for electronic communications development (including applications for prior approval under the General Permitted Development Order) should be supported by the necessary evidence to justify the proposed development. This should include:

- a) the outcome of consultations with organisations with an interest in the proposed development, in particular with the relevant body where a mast is to be installed near a school or college, or within a statutory safeguarding zone surrounding an aerodrome, technical site or military explosives storage area; and
- b) for an addition to an existing mast or base station, a statement that self-certifies that the cumulative exposure, when operational, will not exceed International Commission guidelines on non-ionising radiation protection; or

- c) for a new mast or base station, evidence that the applicant has explored the possibility of erecting antennas on an existing building, mast or other structure and a statement that self-certifies that, when operational, International Commission guidelines will be met.

~~418.120.~~ Local planning authorities must determine applications on planning grounds only. They should not seek to prevent competition between different operators, question the need for an electronic communications system, or set health safeguards different from the International Commission guidelines for public exposure.

11. Making effective use of land

~~419-121.~~ Planning policies and decisions should promote an effective use of land in meeting the need for homes and other uses, while safeguarding and improving the environment and ensuring safe and healthy living conditions. Strategic policies should set out a clear strategy for accommodating objectively assessed needs, in a way that makes as much use as possible of previously-developed or 'brownfield' land⁵⁵.

~~420-122.~~ Planning policies and decisions should:

- a) encourage multiple benefits from both urban and rural land, including through mixed use schemes and taking opportunities to achieve net environmental gains – such as developments that would enable new habitat creation or improve public access to the countryside;
- b) recognise that some undeveloped land can perform many functions, such as for wildlife, recreation, flood risk mitigation, cooling/shading, carbon storage or food production;
- c) give substantial weight to the value of using suitable brownfield land within settlements for homes and other identified needs, and support appropriate opportunities to remediate despoiled, degraded, derelict, contaminated or unstable land;
- d) promote and support the development of under-utilised land and buildings, especially if this would help to meet identified needs for housing where land supply is constrained and available sites could be used more effectively (for example converting space above shops, and building on or above service yards, car parks, lock-ups and railway infrastructure)⁵⁶; and
- e) support opportunities to use the airspace above existing residential and commercial premises for new homes. In particular, they should allow upward extensions where the development would be consistent with the prevailing height and form of neighbouring properties and the overall street scene, is well-designed (including complying with any local design policies and standards), and can maintain safe access and egress for occupiers. They should also allow mansard roof extensions where their external appearance harmonises with the original building, including extensions to terraces where one or more of the terraced houses already has a mansard. Where there was a tradition of mansard construction locally at the time of the building's construction, the extension should emulate it with respect to external appearance. A condition of simultaneous development should not be imposed on an application for multiple mansard extensions unless there is an exceptional justification.

⁵⁵ Except where this would conflict with other policies in this Framework, including causing harm to designated sites of importance for biodiversity.

⁵⁶ As part of this approach, plans and decisions should support efforts to identify and bring back into residential use empty homes and other buildings, supported by the use of compulsory purchase powers where appropriate.

~~121.~~123. Local planning authorities, and other plan-making bodies, should take a proactive role in identifying and helping to bring forward land that may be suitable for meeting development needs, including suitable sites on brownfield registers or held in public ownership, using the full range of powers available to them. This should include identifying opportunities to facilitate land assembly, supported where necessary by compulsory purchase powers, where this can help to bring more land forward for meeting development needs and/or secure better development outcomes.

~~122.~~124. Planning policies and decisions need to reflect changes in the demand for land. They should be informed by regular reviews of both the land allocated for development in plans, and of land availability. Where the local planning authority considers there to be no reasonable prospect of an application coming forward for the use allocated in a plan:

- a) it should, as part of plan updates, reallocate the land for a more deliverable use that can help to address identified needs (or, if appropriate, deallocate a site which is undeveloped); and
- b) in the interim, prior to updating the plan, applications for alternative uses on the land should be supported, where the proposed use would contribute to meeting an unmet need for development in the area.

~~123.~~125. Local planning authorities should also take a positive approach to applications for alternative uses of land which is currently developed but not allocated for a specific purpose in plans, where this would help to meet identified development needs. In particular, they should support proposals to:

- a) use retail and employment land for homes in areas of high housing demand, provided this would not undermine key economic sectors or sites or the vitality and viability of town centres, and would be compatible with other policies in this Framework; and
- b) make more effective use of sites that provide community services such as schools and hospitals, provided this maintains or improves the quality of service provision and access to open space.

Achieving appropriate densities

~~124.~~126. Planning policies and decisions should support development that makes efficient use of land, taking into account:

- a) the identified need for different types of housing and other forms of development, and the availability of land suitable for accommodating it;
- b) local market conditions and viability;
- c) the availability and capacity of infrastructure and services – both existing and proposed – as well as their potential for further improvement and the scope to promote sustainable travel modes that limit future car use;

- d) the desirability of maintaining an area's prevailing character and setting (including residential gardens), or of promoting regeneration and change; and
- e) the importance of securing well-designed and beautiful, attractive and healthy places.

425.127. Area-based character assessments, design guides and codes and masterplans can be used to help ensure that land is used efficiently while also creating beautiful and sustainable places. Where there is an existing or anticipated shortage of land for meeting identified housing needs, it is especially important that planning policies and decisions avoid homes being built at low densities, and ensure that developments make optimal use of the potential of each site. In these circumstances:

- a) plans should contain policies to optimise the use of land in their area and meet as much of the identified need for housing as possible. This will be tested robustly at examination, and should include the use of minimum density standards for city and town centres and other locations that are well served by public transport. These standards should seek a significant uplift in the average density of residential development within these areas, unless it can be shown that there are strong reasons why this would be inappropriate;
- b) the use of minimum density standards should also be considered for other parts of the plan area. It may be appropriate to set out a range of densities that reflect the accessibility and potential of different areas, rather than one broad density range; and
- c) local planning authorities should refuse applications which they consider fail to make efficient use of land, taking into account the policies in this Framework. In this context, when considering applications for housing, authorities should take a flexible approach in applying policies or guidance relating to daylight and sunlight, where they would otherwise inhibit making efficient use of a site (as long as the resulting scheme would provide acceptable living standards).

12. Achieving well-designed and beautiful places

~~426-128.~~ The creation of high quality, beautiful and sustainable buildings and places is fundamental to what the planning and development process should achieve. Good design is a key aspect of sustainable development, creates better places in which to live and work and helps make development acceptable to communities. Being clear about design expectations, and how these will be tested, is essential for achieving this. So too is effective engagement between applicants, communities, local planning authorities and other interests throughout the process.

~~427-129.~~ Plans should, at the most appropriate level, set out a clear design vision and expectations, so that applicants have as much certainty as possible about what is likely to be acceptable. Design policies should be developed with local communities so they reflect local aspirations, and are grounded in an understanding and evaluation of each area's defining characteristics. Neighbourhood planning groups can play an important role in identifying the special qualities of each area and explaining how this should be reflected in development, both through their own plans and by engaging in the production of design policy, guidance and codes by local planning authorities and developers.

~~428-130.~~ To provide maximum clarity about design expectations at an early stage, all local planning authorities should prepare design guides or codes consistent with the principles set out in the National Design Guide and National Model Design Code, and which reflect local character and design preferences. Design guides and codes provide a local framework for creating beautiful and distinctive places with a consistent and high quality standard of design. Their geographic coverage, level of detail and degree of prescription should be tailored to the circumstances and scale of change in each place, and should allow a suitable degree of variety.

~~429-131.~~ Design guides and codes can be prepared at an area-wide, neighbourhood or site-specific scale, and to carry weight in decision-making should be produced either as part of a plan or as supplementary planning documents. Landowners and developers may contribute to these exercises, but may also choose to prepare design codes in support of a planning application for sites they wish to develop. Whoever prepares them, all guides and codes should be based on effective community engagement and reflect local aspirations for the development of their area, taking into account the guidance contained in the National Design Guide and the National Model Design Code. These national documents should be used to guide decisions on applications in the absence of locally produced design guides or design codes.

~~430-132.~~ Planning policies and decisions should ensure that developments:

- a) will function well and add to the overall quality of the area, not just for the short term but over the lifetime of the development;
- b) are visually attractive as a result of good architecture, layout and appropriate and effective landscaping;

- c) are sympathetic to local character and history, including the surrounding built environment and landscape setting, while not preventing or discouraging appropriate innovation or change (such as increased densities);
- d) establish or maintain a strong sense of place, using the arrangement of streets, spaces, building types and materials to create attractive, welcoming and distinctive places to live, work and visit;
- e) optimise the potential of the site to accommodate and sustain an appropriate amount and mix of development (including green and other public space) and support local facilities and transport networks; and
- f) create places that are safe, inclusive and accessible and which promote health and well-being, with a high standard of amenity for existing and future users⁵⁷; and where crime and disorder, and the fear of crime, do not undermine the quality of life or community cohesion and resilience.

131.133. Trees make an important contribution to the character and quality of urban environments, and can also help mitigate and adapt to climate change. Planning policies and decisions should ensure that new streets are tree-lined⁵⁸, that opportunities are taken to incorporate trees elsewhere in developments (such as parks and community orchards), that appropriate measures are in place to secure the long-term maintenance of newly-planted trees, and that existing trees are retained wherever possible. Applicants and local planning authorities should work with highways officers and tree officers to ensure that the right trees are planted in the right places, and solutions are found that are compatible with highways standards and the needs of different users.

132.134. Design quality should be considered throughout the evolution and assessment of individual proposals. Early discussion between applicants, the local planning authority and local community about the design and style of emerging schemes is important for clarifying expectations and reconciling local and commercial interests. Applicants should work closely with those affected by their proposals to evolve designs that take account of the views of the community. Applications that can demonstrate early, proactive and effective engagement with the community should be looked on more favourably than those that cannot.

133.135. Local planning authorities should ensure that they have access to, and make appropriate use of, tools and processes for assessing and improving the design of development. The primary means of doing so should be through the preparation and use of local design codes, in line with the National Model Design Code. For assessing proposals there is a range of tools ~~These include~~ workshops to engage the local community, design advice and review arrangements, and

⁵⁷ Planning policies for housing should make use of the Government's optional technical standards for accessible and adaptable housing, where this would address an identified need for such properties. Policies may also make use of the nationally described space standard, where the need for an internal space standard can be justified.

⁵⁸ Unless, in specific cases, there are clear, justifiable and compelling reasons why this would be inappropriate.

assessment frameworks such as Building for a Healthy Life⁵⁹. These are of most benefit if used as early as possible in the evolution of schemes, and are particularly important for significant projects such as large scale housing and mixed use developments. In assessing applications, local planning authorities should have regard to the outcome from these processes, including any recommendations made by design review panels.

~~134-136.~~ Development that is not well designed should be refused, especially where it fails to reflect local design policies and government guidance on design⁶⁰, taking into account any local design guidance and supplementary planning documents such as design guides and codes. Conversely, significant weight should be given to:

- a) development which reflects local design policies and government guidance on design, taking into account any local design guidance and supplementary planning documents such as design guides and codes; and/or
- b) outstanding or innovative designs which promote high levels of sustainability, or help raise the standard of design more generally in an area, so long as they fit in with the overall form and layout of their surroundings.

~~135-137.~~ Local planning authorities should ensure that relevant planning conditions refer to clear and accurate plans and drawings which provide visual clarity about the design of the development, and are clear about the approved use of materials where appropriate, to make enforcement easier. They should also seek to ensure that the quality of approved development is not materially diminished between permission and completion, as a result of changes being made to the permitted scheme (for example through changes to approved details such as the materials used).

~~136-138.~~ The quality and character of places can suffer when advertisements are poorly sited and designed. A separate consent process within the planning system controls the display of advertisements, which should be operated in a way which is simple, efficient and effective. Advertisements should be subject to control only in the interests of amenity and public safety, taking account of cumulative impacts.

⁵⁹ Birkbeck D and Kruczkowski S et al (2020) *Building for a Healthy Life*

⁶⁰ Contained in the National Design Guide and National Model Design Code.

13. Protecting Green Belt land

~~137-139.~~ 139. The Government attaches great importance to Green Belts. The fundamental aim of Green Belt policy is to prevent urban sprawl by keeping land permanently open; the essential characteristics of Green Belts are their openness and their permanence.

~~138-140.~~ 140. Green Belt serves five purposes:

- a) to check the unrestricted sprawl of large built-up areas;
- b) to prevent neighbouring towns merging into one another;
- c) to assist in safeguarding the countryside from encroachment;
- d) to preserve the setting and special character of historic towns; and
- e) to assist in urban regeneration, by encouraging the recycling of derelict and other urban land.

~~139-141.~~ 141. The general extent of Green Belts across the country is already established. New Green Belts should only be established in exceptional circumstances, for example when planning for larger scale development such as new settlements or major urban extensions. Any proposals for new Green Belts should be set out in strategic policies, which should:

- a) demonstrate why normal planning and development management policies would not be adequate;
- b) set out whether any major changes in circumstances have made the adoption of this exceptional measure necessary;
- c) show what the consequences of the proposal would be for sustainable development;
- d) demonstrate the necessity for the Green Belt and its consistency with strategic policies for adjoining areas; and
- e) show how the Green Belt would meet the other objectives of the Framework.

~~140-142.~~ 142. Once established, Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified, through the preparation or updating of plans. Green Belt boundaries are not required to be reviewed and altered if this would be the only means of meeting the objectively assessed need for housing over the plan period. Strategic policies should establish the need for any changes to Green Belt boundaries, having regard to their intended permanence in the long term, so they can endure beyond the plan period. Where a need for changes to Green Belt boundaries has been established through strategic policies, detailed amendments to those boundaries may be made through non-strategic policies, including neighbourhood plans.

~~141.143.~~ Before concluding that exceptional circumstances exist to justify changes to Green Belt boundaries, the strategic policy-making authority should be able to demonstrate that it has examined fully all other reasonable options for meeting its identified need for development. This will be assessed through the examination of its strategic policies, which will take into account the preceding paragraph, and whether the strategy:

- a) makes as much use as possible of suitable brownfield sites and underutilised land;
- b) optimises the density of development in line with the policies in chapter 11 of this Framework, including whether policies promote a significant uplift in minimum density standards in town and city centres and other locations well served by public transport; and
- c) has been informed by discussions with neighbouring authorities about whether they could accommodate some of the identified need for development, as demonstrated through the statement of common ground.

~~142.144.~~ When drawing up or reviewing Green Belt boundaries, the need to promote sustainable patterns of development should be taken into account. Strategic policy-making authorities should consider the consequences for sustainable development of channelling development towards urban areas inside the Green Belt boundary, towards towns and villages inset within the Green Belt or towards locations beyond the outer Green Belt boundary. Where it has been concluded that it is necessary to release Green Belt land for development, plans should give first consideration to land which has been previously-developed and/or is well-served by public transport. They should also set out ways in which the impact of removing land from the Green Belt can be offset through compensatory improvements to the environmental quality and accessibility of remaining Green Belt land.

~~143.145.~~ When defining Green Belt boundaries, plans should:

- a) ensure consistency with the development plan's strategy for meeting identified requirements for sustainable development;
- b) not include land which it is unnecessary to keep permanently open;
- c) where necessary, identify areas of safeguarded land between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period;
- d) make clear that the safeguarded land is not allocated for development at the present time. Planning permission for the permanent development of safeguarded land should only be granted following an update to a plan which proposes the development;
- e) be able to demonstrate that Green Belt boundaries will not need to be altered at the end of the plan period; and
- f) define boundaries clearly, using physical features that are readily recognisable and likely to be permanent.

~~144-146.~~ If it is necessary to restrict development in a village primarily because of the important contribution which the open character of the village makes to the openness of the Green Belt, the village should be included in the Green Belt. If, however, the character of the village needs to be protected for other reasons, other means should be used, such as conservation area or normal development management policies, and the village should be excluded from the Green Belt.

~~145-147.~~ Once Green Belts have been defined, local planning authorities should plan positively to enhance their beneficial use, such as looking for opportunities to provide access; to provide opportunities for outdoor sport and recreation; to retain and enhance landscapes, visual amenity and biodiversity; or to improve damaged and derelict land.

~~146-148.~~ The National Forest and Community Forests offer valuable opportunities for improving the environment around towns and cities, by upgrading the landscape and providing for recreation and wildlife. The National Forest Strategy and an approved Community Forest Plan may be a material consideration in preparing development plans and in deciding planning applications. Any development proposals within the National Forest and Community Forests in the Green Belt should be subject to the normal policies for controlling development in Green Belts.

Proposals affecting the Green Belt

~~147-149.~~ Inappropriate development is, by definition, harmful to the Green Belt and should not be approved except in very special circumstances.

~~148-150.~~ When considering any planning application, local planning authorities should ensure that substantial weight is given to any harm to the Green Belt. 'Very special circumstances' will not exist unless the potential harm to the Green Belt by reason of inappropriateness, and any other harm resulting from the proposal, is clearly outweighed by other considerations.

~~149-151.~~ A local planning authority should regard the construction of new buildings as inappropriate in the Green Belt. Exceptions to this are:

- a) buildings for agriculture and forestry;
- b) the provision of appropriate facilities (in connection with the existing use of land or a change of use) for outdoor sport, outdoor recreation, cemeteries and burial grounds and allotments; as long as the facilities preserve the openness of the Green Belt and do not conflict with the purposes of including land within it;
- c) the extension or alteration of a building provided that it does not result in disproportionate additions over and above the size of the original building;
- d) the replacement of a building, provided the new building is in the same use and not materially larger than the one it replaces;
- e) limited infilling in villages;

- f) limited affordable housing for local community needs under policies set out in the development plan (including policies for rural exception sites); and
- g) limited infilling or the partial or complete redevelopment of previously developed land, whether redundant or in continuing use (excluding temporary buildings), which would:
 - not have a greater impact on the openness of the Green Belt than the existing development; or
 - not cause substantial harm to the openness of the Green Belt, where the development would re-use previously developed land and contribute to meeting an identified affordable housing need within the area of the local planning authority.

~~150.~~152. Certain other forms of development are also not inappropriate in the Green Belt provided they preserve its openness and do not conflict with the purposes of including land within it. These are:

- a) mineral extraction;
- b) engineering operations;
- c) local transport infrastructure which can demonstrate a requirement for a Green Belt location;
- d) the re-use of buildings provided that the buildings are of permanent and substantial construction;
- e) material changes in the use of land (such as changes of use for outdoor sport or recreation, or for cemeteries and burial grounds); and
- f) development, including buildings, brought forward under a Community Right to Build Order or Neighbourhood Development Order.

~~151.~~153. When located in the Green Belt, elements of many renewable energy projects will comprise inappropriate development. In such cases developers will need to demonstrate very special circumstances if projects are to proceed. Such very special circumstances may include the wider environmental benefits associated with increased production of energy from renewable sources.

14. Meeting the challenge of climate change, flooding and coastal change

~~152-154.~~ The planning system should support the transition to a low carbon future in a changing climate, taking full account of flood risk and coastal change. It should help to: shape places in ways that contribute to radical reductions in greenhouse gas emissions, minimise vulnerability and improve resilience; encourage the reuse of existing resources, including the conversion of existing buildings; and support renewable and low carbon energy and associated infrastructure.

Planning for climate change

~~153-155.~~ Plans should take a proactive approach to mitigating and adapting to climate change, taking into account the long-term implications for flood risk, coastal change, water supply, biodiversity and landscapes, and the risk of overheating from rising temperatures⁶¹. Policies should support appropriate measures to ensure the future resilience of communities and infrastructure to climate change impacts, such as providing space for physical protection measures, or making provision for the possible future relocation of vulnerable development and infrastructure.

~~154-156.~~ New development should be planned for in ways that:

- a) avoid increased vulnerability to the range of impacts arising from climate change. When new development is brought forward in areas which are vulnerable, care should be taken to ensure that risks can be managed through suitable adaptation measures, including through the planning of green infrastructure; and
- b) can help to reduce greenhouse gas emissions, such as through its location, orientation and design. Any local requirements for the sustainability of buildings should reflect the Government's policy for national technical standards.

~~155-157.~~ To help increase the use and supply of renewable and low carbon energy and heat, plans should:

- a) provide a positive strategy for energy from these sources, that maximises the potential for suitable development, **and their future re-powering and maintenance**, while ensuring that adverse impacts are addressed satisfactorily (including cumulative landscape and visual impacts);
- b) consider identifying suitable areas for renewable and low carbon energy sources, and supporting infrastructure, where this would help secure their development; and

⁶¹ In line with the objectives and provisions of the Climate Change Act 2008.

- c) identify opportunities for development to draw its energy supply from decentralised, renewable or low carbon energy supply systems and for co-locating potential heat customers and suppliers.

~~156-158.~~ Local planning authorities should support community-led initiatives for renewable and low carbon energy, including developments outside areas identified in local plans or other strategic policies that are being taken forward through neighbourhood planning.

~~157-159.~~ In determining planning applications, local planning authorities should expect new development to:

- a) comply with any development plan policies on local requirements for decentralised energy supply unless it can be demonstrated by the applicant, having regard to the type of development involved and its design, that this is not feasible or viable; and
- b) take account of landform, layout, building orientation, massing and landscaping to minimise energy consumption.

~~158-160.~~ When determining planning applications⁶² for renewable and low carbon development, local planning authorities should:

- a) not require applicants to demonstrate the overall need for renewable or low carbon energy, and recognise that even small-scale projects provide a valuable contribution to significant cutting greenhouse gas emissions;
- b) approve the application if its impacts are (or can be made) acceptable⁶³. Once suitable areas for renewable and low carbon energy have been identified in plans, local planning authorities should expect subsequent applications for commercial scale projects outside these areas to demonstrate that the proposed location meets the criteria used in identifying suitable areas; and
- c) approve an application for the repowering and life-extension of existing renewables sites, where its impacts are or can be made acceptable. The impacts of repowered and life-extended sites should be considered for the purposes of this policy from the baseline existing on the site.

⁶² Wind energy development involving one or more turbines can be granted through Local Development Orders, Neighbourhood Development Orders and Community Right to Build Orders, if it can be demonstrated that the planning impacts identified by the affected local community have been appropriately addressed and the proposal has community support.

⁶³ Except for applications for the repowering of existing wind turbines, a proposed wind energy development involving one or more turbines should not be considered acceptable unless it is in an area identified as suitable for wind energy development in either the development plan, or a supplementary planning document identifies an area as suitable for wind energy development (where the development plan includes policy on supporting renewable energy); and, following consultation it can be demonstrated that the planning impacts identified by the affected local community have been fully satisfactorily addressed and the proposal has their backing community support.

161. To support energy efficiency improvements, significant weight should be given to the need to support energy efficiency improvements through the adaptation of existing buildings, particularly large non-domestic buildings, to improve their energy performance (including through installation of heat pumps and solar panels where these do not already benefit from permitted development rights). Proposals affecting conservation areas and listed buildings should also take into account the policies set out in chapter 16 of this Framework.

Planning and flood risk

162. Inappropriate development in areas at risk of flooding should be avoided by directing development away from areas at highest risk (whether existing or future). Where development is necessary in such areas, the development should be made safe for its lifetime without increasing flood risk elsewhere.

~~162.~~163. Strategic policies should be informed by a strategic flood risk assessment, and should manage flood risk from all sources. They should consider cumulative impacts in, or affecting, local areas susceptible to flooding, and take account of advice from the Environment Agency and other relevant flood risk management authorities, such as lead local flood authorities and internal drainage boards.

~~163.~~164. All plans should apply a sequential, risk-based approach to the location of development – taking into account all sources of flood risk and the current and future impacts of climate change – so as to avoid, where possible, flood risk to people and property. They should do this, and manage any residual risk, by:

- a) applying the sequential test and then, if necessary, the exception test as set out below;
- b) safeguarding land from development that is required, or likely to be required, for current or future flood management;
- c) using opportunities provided by new development and improvements in green and other infrastructure to reduce the causes and impacts of flooding, (making as much use as possible of natural flood management techniques as part of an integrated approach to flood risk management); and
- d) where climate change is expected to increase flood risk so that some existing development may not be sustainable in the long-term, seeking opportunities to relocate development, including housing, to more sustainable locations.

~~164.~~165. The aim of the sequential test is to steer new development to areas with the lowest risk of flooding from any source. Development should not be allocated or permitted if there are reasonably available sites appropriate for the proposed development in areas with a lower risk of flooding. The strategic flood risk assessment will provide the basis for applying this test. The sequential approach should be used in areas known to be at risk now or in the future from any form of flooding.

~~165.~~166. If it is not possible for development to be located in areas with a lower risk of flooding (taking into account wider sustainable development objectives), the

exception test may have to be applied. The need for the exception test will depend on the potential vulnerability of the site and of the development proposed, in line with the Flood Risk Vulnerability Classification set out in Annex 3.

~~166-167.~~ The application of the exception test should be informed by a strategic or site-specific flood risk assessment, depending on whether it is being applied during plan production or at the application stage. To pass the exception test it should be demonstrated that:

- a) the development would provide wider sustainability benefits to the community that outweigh the flood risk; and
- b) the development will be safe for its lifetime taking account of the vulnerability of its users, without increasing flood risk elsewhere, and, where possible, will reduce flood risk overall.

~~167-168.~~ Both elements of the exception test should be satisfied for development to be allocated or permitted.

~~168-169.~~ Where planning applications come forward on sites allocated in the development plan through the sequential test, applicants need not apply the sequential test again. However, the exception test may need to be reapplied if relevant aspects of the proposal had not been considered when the test was applied at the plan-making stage, or if more recent information about existing or potential flood risk should be taken into account.

~~169-170.~~ When determining any planning applications, local planning authorities should ensure that flood risk is not increased elsewhere. Where appropriate, applications should be supported by a site-specific flood-risk assessment⁶⁴. Development should only be allowed in areas at risk of flooding where, in the light of this assessment (and the sequential and exception tests, as applicable) it can be demonstrated that:

- a) within the site, the most vulnerable development is located in areas of lowest flood risk, unless there are overriding reasons to prefer a different location;
- b) the development is appropriately flood resistant and resilient such that, in the event of a flood, it could be quickly brought back into use without significant refurbishment;
- c) it incorporates sustainable drainage systems, unless there is clear evidence that this would be inappropriate;
- d) any residual risk can be safely managed; and
- e) safe access and escape routes are included where appropriate, as part of an agreed emergency plan.

⁶⁴ A site-specific flood risk assessment should be provided for all development in Flood Zones 2 and 3. In Flood Zone 1, an assessment should accompany all proposals involving: sites of 1 hectare or more; land which has been identified by the Environment Agency as having critical drainage problems; land identified in a strategic flood risk assessment as being at increased flood risk in future; or land that may be subject to other sources of flooding, where its development would introduce a more vulnerable use.

~~170.171.~~ Applications for some minor development and changes of use⁶⁵ should not be subject to the sequential or exception tests but should still meet the requirements for site-specific flood risk assessments set out in footnote 55.

~~171.172.~~ Major developments should incorporate sustainable drainage systems unless there is clear evidence that this would be inappropriate. The systems used should:

- a) take account of advice from the lead local flood authority;
- b) have appropriate proposed minimum operational standards;
- c) have maintenance arrangements in place to ensure an acceptable standard of operation for the lifetime of the development; and
- d) where possible, provide multifunctional benefits.

Coastal change

~~172.173.~~ In coastal areas, planning policies and decisions should take account of the UK Marine Policy Statement and marine plans. Integrated Coastal Zone Management should be pursued across local authority and land/sea boundaries, to ensure effective alignment of the terrestrial and marine planning regimes.

~~173.174.~~ Plans should reduce risk from coastal change by avoiding inappropriate development in vulnerable areas and not exacerbating the impacts of physical changes to the coast. They should identify as a Coastal Change Management Area any area likely to be affected by physical changes to the coast, and:

- a) be clear as to what development will be appropriate in such areas and in what circumstances; and
- b) make provision for development and infrastructure that needs to be relocated away from Coastal Change Management Areas.

175. Development in a Coastal Change Management Area will be appropriate only where it is demonstrated that:

- a) it will be safe over its planned lifetime and not have an unacceptable impact on coastal change;
- b) the character of the coast including designations is not compromised;
- c) the development provides wider sustainability benefits; and

⁶⁵ This includes householder development, small non-residential extensions (with a footprint of less than 250m²) and changes of use; except for changes of use to a caravan, camping or chalet site, or to a mobile home or park home site, where the sequential and exception tests should be applied as appropriate.

d) the development does not hinder the creation and maintenance of a continuous signed and managed route around the coast⁶⁶.

176. Local planning authorities should limit the planned lifetime of development in a Coastal Change Management Area through temporary permission and restoration conditions, where this is necessary to reduce a potentially unacceptable level of future risk to people and the development.

⁶⁶ As required by the Marine and Coastal Access Act 2009.

15. Conserving and enhancing the natural environment

177. Planning policies and decisions should contribute to and enhance the natural and local environment by:
- a) protecting and enhancing valued landscapes, sites of biodiversity or geological value and soils (in a manner commensurate with their statutory status or identified quality in the development plan);
 - b) recognising the intrinsic character and beauty of the countryside, and the wider benefits from natural capital and ecosystem services – including the economic and other benefits of the best and most versatile agricultural land, and of trees and woodland;
 - c) maintaining the character of the undeveloped coast, while improving public access to it where appropriate;
 - d) minimising impacts on and providing net gains for biodiversity, including by establishing coherent ecological networks that are more resilient to current and future pressures;
 - e) preventing new and existing development from contributing to, being put at unacceptable risk from, or being adversely affected by, unacceptable levels of soil, air, water or noise pollution or land instability. Development should, wherever possible, help to improve local environmental conditions such as air and water quality, taking into account relevant information such as river basin management plans; and
 - f) remediating and mitigating despoiled, degraded, derelict, contaminated and unstable land, where appropriate.
178. Plans should: distinguish between the hierarchy of international, national and locally designated sites; allocate land with the least environmental or amenity value, where consistent with other policies in this Framework⁶⁷; take a strategic approach to maintaining and enhancing networks of habitats and green infrastructure; and plan for the enhancement of natural capital at a catchment or landscape scale across local authority boundaries.
179. Great weight should be given to conserving and enhancing landscape and scenic beauty in National Parks, the Broads and Areas of Outstanding Natural Beauty which have the highest status of protection in relation to these issues. The conservation and enhancement of wildlife and cultural heritage are also important considerations in these areas, and should be given great weight in National Parks

⁶⁷ Where significant development of agricultural land is demonstrated to be necessary, areas of poorer quality land should be preferred to those of a higher quality. [The availability of agricultural land used for food production should be considered, alongside the other policies in this Framework, when deciding what sites are most appropriate for development.](#)

and the Broads⁶⁸. The scale and extent of development within all these designated areas should be limited, while development within their setting should be sensitively located and designed to avoid or minimise adverse impacts on the designated areas.

~~179.~~180. When considering applications for development within National Parks, the Broads and Areas of Outstanding Natural Beauty, permission should be refused for major development⁶⁹ other than in exceptional circumstances, and where it can be demonstrated that the development is in the public interest. Consideration of such applications should include an assessment of:

- a) the need for the development, including in terms of any national considerations, and the impact of permitting it, or refusing it, upon the local economy;
- b) the cost of, and scope for, developing outside the designated area, or meeting the need for it in some other way; and
- c) any detrimental effect on the environment, the landscape and recreational opportunities, and the extent to which that could be moderated.

181. Within areas defined as Heritage Coast (and that do not already fall within one of the designated areas mentioned in paragraph 176), planning policies and decisions should be consistent with the special character of the area and the importance of its conservation. Major development within a Heritage Coast is unlikely to be appropriate, unless it is compatible with its special character.

Habitats and biodiversity

182. To protect and enhance biodiversity and geodiversity, plans should:

- a) Identify, map and safeguard components of local wildlife-rich habitats and wider ecological networks, including the hierarchy of international, national and locally designated sites of importance for biodiversity⁷⁰; wildlife corridors and stepping stones that connect them; and areas identified by national and local partnerships for habitat management, enhancement, restoration or creation⁷¹; and
- b) promote the conservation, restoration and enhancement of priority habitats, ecological networks and the protection and recovery of priority species; and identify and pursue opportunities for securing measurable net gains for biodiversity.

⁶⁸ *English National Parks and the Broads: UK Government Vision and Circular 2010* provides further guidance and information about their statutory purposes, management and other matters.

⁶⁹ For the purposes of paragraphs 176 and 177, whether a proposal is 'major development' is a matter for the decision maker, taking into account its nature, scale and setting, and whether it could have a significant adverse impact on the purposes for which the area has been designated or defined.

⁷⁰ Circular 06/2005 provides further guidance in respect of statutory obligations for biodiversity and geological conservation and their impact within the planning system.

⁷¹ Where areas that are part of the Nature Recovery Network are identified in plans, it may be appropriate to specify the types of development that may be suitable within them.

183. When determining planning applications, local planning authorities should apply the following principles:
- a) if significant harm to biodiversity resulting from a development cannot be avoided (through locating on an alternative site with less harmful impacts), adequately mitigated, or, as a last resort, compensated for, then planning permission should be refused;
 - b) development on land within or outside a Site of Special Scientific Interest, and which is likely to have an adverse effect on it (either individually or in combination with other developments), should not normally be permitted. The only exception is where the benefits of the development in the location proposed clearly outweigh both its likely impact on the features of the site that make it of special scientific interest, and any broader impacts on the national network of Sites of Special Scientific Interest;
 - c) development resulting in the loss or deterioration of irreplaceable habitats (such as ancient woodland and ancient or veteran trees) should be refused, unless there are wholly exceptional reasons⁷² and a suitable compensation strategy exists; and
 - d) development whose primary objective is to conserve or enhance biodiversity should be supported; while opportunities to improve biodiversity in and around developments should be integrated as part of their design, especially where this can secure measurable net gains for biodiversity or enhance public access to nature where this is appropriate.
184. The following should be given the same protection as habitats sites:
- a) potential Special Protection Areas and possible Special Areas of Conservation;
 - b) listed or proposed Ramsar sites⁷³; and
 - c) sites identified, or required, as compensatory measures for adverse effects on habitats sites, potential Special Protection Areas, possible Special Areas of Conservation, and listed or proposed Ramsar sites.
185. The presumption in favour of sustainable development does not apply where the plan or project is likely to have a significant effect on a habitats site (either alone or in combination with other plans or projects), unless an appropriate assessment has concluded that the plan or project will not adversely affect the integrity of the habitats site.

⁷² For example, infrastructure projects (including nationally significant infrastructure projects, orders under the Transport and Works Act and hybrid bills), where the public benefit would clearly outweigh the loss or deterioration of habitat.

⁷³ Potential Special Protection Areas, possible Special Areas of Conservation and proposed Ramsar sites are sites on which Government has initiated public consultation on the scientific case for designation as a Special Protection Area, candidate Special Area of Conservation or Ramsar site.

Ground conditions and pollution

186. Planning policies and decisions should ensure that:
- a) a site is suitable for its proposed use taking account of ground conditions and any risks arising from land instability and contamination. This includes risks arising from natural hazards or former activities such as mining, and any proposals for mitigation including land remediation (as well as potential impacts on the natural environment arising from that remediation);
 - b) after remediation, as a minimum, land should not be capable of being determined as contaminated land under Part IIA of the Environmental Protection Act 1990; and
 - c) adequate site investigation information, prepared by a competent person, is available to inform these assessments.
187. Where a site is affected by contamination or land stability issues, responsibility for securing a safe development rests with the developer and/or landowner.
188. Planning policies and decisions should also ensure that new development is appropriate for its location taking into account the likely effects (including cumulative effects) of pollution on health, living conditions and the natural environment, as well as the potential sensitivity of the site or the wider area to impacts that could arise from the development. In doing so they should:
- a) mitigate and reduce to a minimum potential adverse impacts resulting from noise from new development – and avoid noise giving rise to significant adverse impacts on health and the quality of life⁷⁴;
 - b) identify and protect tranquil areas which have remained relatively undisturbed by noise and are prized for their recreational and amenity value for this reason; and
 - c) limit the impact of light pollution from artificial light on local amenity, intrinsically dark landscapes and nature conservation.
189. Planning policies and decisions should sustain and contribute towards compliance with relevant limit values or national objectives for pollutants, taking into account the presence of Air Quality Management Areas and Clean Air Zones, and the cumulative impacts from individual sites in local areas. Opportunities to improve air quality or mitigate impacts should be identified, such as through traffic and travel management, and green infrastructure provision and enhancement. So far as possible these opportunities should be considered at the plan-making stage, to ensure a strategic approach and limit the need for issues to be reconsidered when

⁷⁴ See Explanatory Note to the *Noise Policy Statement for England* (Department for Environment, Food & Rural Affairs, 2010).

determining individual applications. Planning decisions should ensure that any new development in Air Quality Management Areas and Clean Air Zones is consistent with the local air quality action plan.

190. Planning policies and decisions should ensure that new development can be integrated effectively with existing businesses and community facilities (such as places of worship, pubs, music venues and sports clubs). Existing businesses and facilities should not have unreasonable restrictions placed on them as a result of development permitted after they were established. Where the operation of an existing business or community facility could have a significant adverse effect on new development (including changes of use) in its vicinity, the applicant (or 'agent of change') should be required to provide suitable mitigation before the development has been completed.
191. The focus of planning policies and decisions should be on whether proposed development is an acceptable use of land, rather than the control of processes or emissions (where these are subject to separate pollution control regimes). Planning decisions should assume that these regimes will operate effectively. Equally, where a planning decision has been made on a particular development, the planning issues should not be revisited through the permitting regimes operated by pollution control authorities.

16. Conserving and enhancing the historic environment

192. Heritage assets range from sites and buildings of local historic value to those of the highest significance, such as World Heritage Sites which are internationally recognised to be of Outstanding Universal Value⁷⁵. These assets are an irreplaceable resource, and should be conserved in a manner appropriate to their significance, so that they can be enjoyed for their contribution to the quality of life of existing and future generations⁷⁶.
193. Plans should set out a positive strategy for the conservation and enjoyment of the historic environment, including heritage assets most at risk through neglect, decay or other threats. This strategy should take into account:
- a) the desirability of sustaining and enhancing the significance of heritage assets, and putting them to viable uses consistent with their conservation;
 - b) the wider social, cultural, economic and environmental benefits that conservation of the historic environment can bring;
 - c) the desirability of new development making a positive contribution to local character and distinctiveness; and
 - d) opportunities to draw on the contribution made by the historic environment to the character of a place.
194. When considering the designation of conservation areas, local planning authorities should ensure that an area justifies such status because of its special architectural or historic interest, and that the concept of conservation is not devalued through the designation of areas that lack special interest.
195. Local planning authorities should maintain or have access to a historic environment record. This should contain up-to-date evidence about the historic environment in their area and be used to:
- a) assess the significance of heritage assets and the contribution they make to their environment; and
 - b) predict the likelihood that currently unidentified heritage assets, particularly sites of historic and archaeological interest, will be discovered in the future.

⁷⁵ Some World Heritage Sites are inscribed by UNESCO to be of natural significance rather than cultural significance; and in some cases they are inscribed for both their natural and cultural significance.

⁷⁶ The policies set out in this chapter relate, as applicable, to the heritage-related consent regimes for which local planning authorities are responsible under the Planning (Listed Buildings and Conservation Areas) Act 1990, as well as to plan-making and decision-making.

196. Local planning authorities should make information about the historic environment, gathered as part of policy-making or development management, publicly accessible.

Proposals affecting heritage assets

197. In determining applications, local planning authorities should require an applicant to describe the significance of any heritage assets affected, including any contribution made by their setting. The level of detail should be proportionate to the assets' importance and no more than is sufficient to understand the potential impact of the proposal on their significance. As a minimum the relevant historic environment record should have been consulted and the heritage assets assessed using appropriate expertise where necessary. Where a site on which development is proposed includes, or has the potential to include, heritage assets with archaeological interest, local planning authorities should require developers to submit an appropriate desk-based assessment and, where necessary, a field evaluation.
198. Local planning authorities should identify and assess the particular significance of any heritage asset that may be affected by a proposal (including by development affecting the setting of a heritage asset) taking account of the available evidence and any necessary expertise. They should take this into account when considering the impact of a proposal on a heritage asset, to avoid or minimise any conflict between the heritage asset's conservation and any aspect of the proposal.
199. Where there is evidence of deliberate neglect of, or damage to, a heritage asset, the deteriorated state of the heritage asset should not be taken into account in any decision.
200. In determining applications, local planning authorities should take account of:
- a) the desirability of sustaining and enhancing the significance of heritage assets and putting them to viable uses consistent with their conservation;
 - b) the positive contribution that conservation of heritage assets can make to sustainable communities including their economic vitality; and
 - c) the desirability of new development making a positive contribution to local character and distinctiveness.
201. In considering any applications to remove or alter a historic statue, plaque, memorial or monument (whether listed or not), local planning authorities should have regard to the importance of their retention in situ and, where appropriate, of explaining their historic and social context rather than removal.

Considering potential impacts

202. When considering the impact of a proposed development on the significance of a designated heritage asset, great weight should be given to the asset's conservation (and the more important the asset, the greater the weight should be). This is irrespective of whether any potential harm amounts to substantial harm, total loss or less than substantial harm to its significance.
203. Any harm to, or loss of, the significance of a designated heritage asset (from its alteration or destruction, or from development within its setting), should require clear and convincing justification. Substantial harm to or loss of:
- a) grade II listed buildings, or grade II registered parks or gardens, should be exceptional;
 - b) assets of the highest significance, notably scheduled monuments, protected wreck sites, registered battlefields, grade I and II* listed buildings, grade I and II* registered parks and gardens, and World Heritage Sites, should be wholly exceptional⁷⁷.
204. Where a proposed development will lead to substantial harm to (or total loss of significance of) a designated heritage asset, local planning authorities should refuse consent, unless it can be demonstrated that the substantial harm or total loss is necessary to achieve substantial public benefits that outweigh that harm or loss, or all of the following apply:
- a) the nature of the heritage asset prevents all reasonable uses of the site; and
 - b) no viable use of the heritage asset itself can be found in the medium term through appropriate marketing that will enable its conservation; and
 - c) conservation by grant-funding or some form of not for profit, charitable or public ownership is demonstrably not possible; and
 - d) the harm or loss is outweighed by the benefit of bringing the site back into use.
205. Where a development proposal will lead to less than substantial harm to the significance of a designated heritage asset, this harm should be weighed against the public benefits of the proposal including, where appropriate, securing its optimum viable use.
206. The effect of an application on the significance of a non-designated heritage asset should be taken into account in determining the application. In weighing applications that directly or indirectly affect non-designated heritage assets, a

⁷⁷ Non-designated heritage assets of archaeological interest, which are demonstrably of equivalent significance to scheduled monuments, should be considered subject to the policies for designated heritage assets.

balanced judgement will be required having regard to the scale of any harm or loss and the significance of the heritage asset.

207. Local planning authorities should not permit the loss of the whole or part of a heritage asset without taking all reasonable steps to ensure the new development will proceed after the loss has occurred.
208. Local planning authorities should require developers to record and advance understanding of the significance of any heritage assets to be lost (wholly or in part) in a manner proportionate to their importance and the impact, and to make this evidence (and any archive generated) publicly accessible⁷⁸. However, the ability to record evidence of our past should not be a factor in deciding whether such loss should be permitted.
209. Local planning authorities should look for opportunities for new development within Conservation Areas and World Heritage Sites, and within the setting of heritage assets, to enhance or better reveal their significance. Proposals that preserve those elements of the setting that make a positive contribution to the asset (or which better reveal its significance) should be treated favourably.
210. Not all elements of a Conservation Area or World Heritage Site will necessarily contribute to its significance. Loss of a building (or other element) which makes a positive contribution to the significance of the Conservation Area or World Heritage Site should be treated either as substantial harm under paragraph 201 or less than substantial harm under paragraph 202, as appropriate, taking into account the relative significance of the element affected and its contribution to the significance of the Conservation Area or World Heritage Site as a whole.
211. Local planning authorities should assess whether the benefits of a proposal for enabling development, which would otherwise conflict with planning policies but which would secure the future conservation of a heritage asset, outweigh the disbenefits of departing from those policies.

⁷⁸ Copies of evidence should be deposited with the relevant historic environment record, and any archives with a local museum or other public depository.

17. Facilitating the sustainable use of minerals

212. It is essential that there is a sufficient supply of minerals to provide the infrastructure, buildings, energy and goods that the country needs. Since minerals are a finite natural resource, and can only be worked where they are found, best use needs to be made of them to secure their long-term conservation.
213. Planning policies should:
- a) provide for the extraction of mineral resources of local and national importance, but not identify new sites or extensions to existing sites for peat extraction;
 - b) so far as practicable, take account of the contribution that substitute or secondary and recycled materials and minerals waste would make to the supply of materials, before considering extraction of primary materials, whilst aiming to source minerals supplies indigenously;
 - c) safeguard mineral resources by defining Mineral Safeguarding Areas and Mineral Consultation Areas⁷⁹; and adopt appropriate policies so that known locations of specific minerals resources of local and national importance are not sterilised by non-mineral development where this should be avoided (whilst not creating a presumption that the resources defined will be worked);
 - d) set out policies to encourage the prior extraction of minerals, where practical and environmentally feasible, if it is necessary for non-mineral development to take place;
 - e) safeguard existing, planned and potential sites for: the bulk transport, handling and processing of minerals; the manufacture of concrete and concrete products; and the handling, processing and distribution of substitute, recycled and secondary aggregate material;
 - f) set out criteria or requirements to ensure that permitted and proposed operations do not have unacceptable adverse impacts on the natural and historic environment or human health, taking into account the cumulative effects of multiple impacts from individual sites and/or a number of sites in a locality;
 - g) when developing noise limits, recognise that some noisy short-term activities, which may otherwise be regarded as unacceptable, are unavoidable to facilitate minerals extraction; and
 - h) ensure that worked land is reclaimed at the earliest opportunity, taking account of aviation safety, and that high quality restoration and aftercare of mineral sites takes place.

⁷⁹ Primarily in two tier areas as stated in Annex 2: Glossary

214. When determining planning applications, great weight should be given to the benefits of mineral extraction, including to the economy⁸⁰. In considering proposals for mineral extraction, minerals planning authorities should:
- a) as far as is practical, provide for the maintenance of landbanks of non-energy minerals from outside National Parks, the Broads, Areas of Outstanding Natural Beauty and World Heritage Sites, scheduled monuments and conservation areas;
 - b) ensure that there are no unacceptable adverse impacts on the natural and historic environment, human health or aviation safety, and take into account the cumulative effect of multiple impacts from individual sites and/or from a number of sites in a locality;
 - c) ensure that any unavoidable noise, dust and particle emissions and any blasting vibrations are controlled, mitigated or removed at source⁸¹, and establish appropriate noise limits for extraction in proximity to noise sensitive properties;
 - d) not grant planning permission for peat extraction from new or extended sites;
 - e) provide for restoration and aftercare at the earliest opportunity, to be carried out to high environmental standards, through the application of appropriate conditions. Bonds or other financial guarantees to underpin planning conditions should only be sought in exceptional circumstances;
 - f) consider how to meet any demand for the extraction of building stone needed for the repair of heritage assets, taking account of the need to protect designated sites; and
 - g) recognise the small-scale nature and impact of building and roofing stone quarries, and the need for a flexible approach to the duration of planning permissions reflecting the intermittent or low rate of working at many sites.
215. Local planning authorities should not normally permit other development proposals in Mineral Safeguarding Areas if it might constrain potential future use for mineral working.

Maintaining supply

216. Minerals planning authorities should plan for a steady and adequate supply of aggregates by:
- a) preparing an annual Local Aggregate Assessment, either individually or jointly, to forecast future demand, based on a rolling average of 10 years' sales data and other relevant local information, and an assessment of all supply options (including marine dredged, secondary and recycled sources);

⁸⁰ Except in relation to the extraction of coal, where the policy at paragraph 217 of this Framework applies.

⁸¹ National planning guidance on minerals sets out how these policies should be implemented.

- b) participating in the operation of an Aggregate Working Party and taking the advice of that party into account when preparing their Local Aggregate Assessment;
- c) making provision for the land-won and other elements of their Local Aggregate Assessment in their mineral plans, taking account of the advice of the Aggregate Working Parties and the National Aggregate Co-ordinating Group as appropriate. Such provision should take the form of specific sites, preferred areas and/or areas of search and locational criteria as appropriate;
- d) taking account of any published National and Sub National Guidelines on future provision which should be used as a guideline when planning for the future demand for and supply of aggregates;
- e) using landbanks of aggregate minerals reserves principally as an indicator of the security of aggregate minerals supply, and to indicate the additional provision that needs to be made for new aggregate extraction and alternative supplies in mineral plans;
- f) maintaining landbanks of at least 7 years for sand and gravel and at least 10 years for crushed rock, whilst ensuring that the capacity of operations to supply a wide range of materials is not compromised⁸²;
- g) ensuring that large landbanks bound up in very few sites do not stifle competition; and
- h) calculating and maintaining separate landbanks for any aggregate materials of a specific type or quality which have a distinct and separate market.

217. Minerals planning authorities should plan for a steady and adequate supply of industrial minerals by:

- a) co-operating with neighbouring and more distant authorities to ensure an adequate provision of industrial minerals to support their likely use in industrial and manufacturing processes;
- b) encouraging safeguarding or stockpiling so that important minerals remain available for use;
- c) maintaining a stock of permitted reserves to support the level of actual and proposed investment required for new or existing plant, and the maintenance and improvement of existing plant and equipment⁸³; and
- d) taking account of the need for provision of brick clay from a number of different sources to enable appropriate blends to be made.

⁸² Longer periods may be appropriate to take account of the need to supply a range of types of aggregates, locations of permitted reserves relative to markets, and productive capacity of permitted sites.

⁸³ These reserves should be at least 10 years for individual silica sand sites; at least 15 years for cement primary (chalk and limestone) and secondary (clay and shale) materials to maintain an existing plant, and for silica sand sites where significant new capital is required; and at least 25 years for brick clay, and for cement primary and secondary materials to support a new kiln.

Oil, gas and coal exploration and extraction

218. Minerals planning authorities should:

- a) when planning for on-shore oil and gas development, clearly distinguish between, and plan positively for, the three phases of development (exploration, appraisal and production), whilst ensuring appropriate monitoring and site restoration is provided for;
- b) encourage underground gas and carbon storage and associated infrastructure if local geological circumstances indicate its feasibility;
- c) indicate any areas where coal extraction and the disposal of colliery spoil may be acceptable;
- d) encourage the capture and use of methane from coal mines in active and abandoned coalfield areas; and
- e) provide for coal producers to extract separately, and if necessary stockpile, fireclay so that it remains available for use.

219. When determining planning applications, minerals planning authorities should ensure that the integrity and safety of underground storage facilities are appropriate, taking into account the maintenance of gas pressure, prevention of leakage of gas and the avoidance of pollution.

220. Planning permission should not be granted for the extraction of coal unless:

- a) the proposal is environmentally acceptable, or can be made so by planning conditions or obligations; or
- b) if it is not environmentally acceptable, then it provides national, local or community benefits which clearly outweigh its likely impacts (taking all relevant matters into account, including any residual environmental impacts).

Annex 1: Implementation

221. The policies in this Framework are material considerations which should be taken into account in dealing with applications from the day of its publication. Plans may also need to be revised to reflect policy changes which this Framework has made.
222. However, existing policies should not be considered out-of-date simply because they were adopted or made prior to the publication of this Framework. Due weight should be given to them, according to their degree of consistency with this Framework (the closer the policies in the plan to the policies in the Framework, the greater the weight that may be given).
223. The policies in the original National Planning Policy Framework published in March 2012 will apply for the purpose of examining plans, where those plans were submitted on or before 24 January 2019. Where such plans are withdrawn or otherwise do not proceed to become part of the development plan, the policies contained in this Framework will apply to any subsequent plan produced for the area concerned.
224. For the purposes of the policy on larger-scale development in paragraph 22, this applies only to plans that have not reached Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012 (pre-submission) stage at the point ~~this~~ previous version of this Framework was ~~is~~ published on 20 July 2021 (for Spatial Development Strategies this would refer to consultation under section 335(2) of the Greater London Authority Act 1999).
225. For the purposes of the tests of soundness in paragraph 35 and the policy on renewable and low carbon energy and heat in plans in paragraph 156, these policies apply only to plans that have not reached Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012 (pre-submission) stage, or that reach this stage within three months, of the publication of this version. For Spatial Development Strategies, this applies to plans that have not reached consultation under section 335(2) of the Greater London Authority Act 1999, or are within three months of reaching this stage. For all other plans, the policy contained in the corresponding paragraph in the National Planning Policy Framework published in July 2021 will apply.
226. From the date of publication of this revision of the NPPF, for the purposes of changes to paragraph 61, for decision-taking, where emerging local plans have been submitted for examination or where they have been subject to a Regulation 18 or Regulation 19 (Town and Country Planning (Local Planning) (England) Regulations 2012) consultation which included both a policies map and proposed allocations towards meeting housing need, and the housing requirement as set out

in strategic policies has become more than five years old in the extant plan, local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of four years' worth of housing against their local housing need instead of a minimum of five years as set out in paragraph 75 of this document. These arrangements will apply for a period of two years from the publication date of this version.

~~224. The Housing Delivery Test will apply the day following publication of the results, at which point they supersede previously published results. Until new Housing Delivery Test results are published, the previously published result should be used. For the purpose of footnote 8 in this Framework, delivery of housing which was substantially below the housing requirement means where the Housing Delivery Test results:~~

- ~~a) for years 2016/17 to 2018/19 (Housing Delivery Test: 2019 Measurement, published 13 February 2020), indicated that delivery was below 45% of housing required over the previous three years;~~
- ~~b) for years 2017/18 to 2019/20 (Housing Delivery Test: 2020 Measurement, published 19 January 2021), and in subsequent years indicate that delivery was below 75% of housing required over the previous three years.~~

~~225-227. The Government will continue to explore with individual areas the potential for planning freedoms and flexibilities, for example where this would facilitate an increase in the amount of housing that can be delivered.~~

Annex 2: Glossary

Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

- a) **Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
- b) **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.
- c) **Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- d) **Other affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

Air quality management areas: Areas designated by local authorities because they are not likely to achieve national air quality objectives by the relevant deadlines.

Ancient or veteran tree: A tree which, because of its age, size and condition, is of exceptional biodiversity, cultural or heritage value. All ancient trees are veteran trees. Not all veteran trees are old enough to be ancient, but are old relative to other trees of the same species. Very few trees of any species reach the ancient life-stage.

Ancient woodland: An area that has been wooded continuously since at least 1600 AD. It includes ancient semi-natural woodland and plantations on ancient woodland sites (PAWS).

Annual position statement: A document setting out the 5 year housing land supply position on 1st April each year, prepared by the local planning authority in consultation with developers and others who have an impact on delivery.

Archaeological interest: There will be archaeological interest in a heritage asset if it holds, or potentially holds, evidence of past human activity worthy of expert investigation at some point.

Article 4 direction: A direction made under [Article 4 of the Town and Country Planning \(General Permitted Development\) \(England\) Order 2015](#) which withdraws permitted development rights granted by that Order.

Best and most versatile agricultural land: Land in grades 1, 2 and 3a of the Agricultural Land Classification.

Brownfield land: See Previously developed land.

Brownfield land registers: Registers of previously developed land that local planning authorities consider to be appropriate for residential development, having regard to criteria in the Town and Country Planning (Brownfield Land Registers) Regulations 2017. Local planning authorities will be able to trigger a grant of permission in principle for residential development on suitable sites in their registers where they follow the required procedures.

Build to Rent: Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses, but should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

Climate change adaptation: Adjustments made to natural or human systems in response to the actual or anticipated impacts of climate change, to mitigate harm or exploit beneficial opportunities.

Climate change mitigation: Action to reduce the impact of human activity on the climate system, primarily through reducing greenhouse gas emissions.

Coastal change management area: An area identified in plans as likely to be affected by physical change to the shoreline through erosion, coastal landslip, permanent inundation or coastal accretion.

Community forest: An area identified through the England Community Forest Programme to revitalise countryside and green space in and around major conurbations.

Community Right to Build Order: An Order made by the local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a site-specific development proposal or classes of development.

Community-led developments: Community-led developments are those that are driven by non-profit organisations that are owned by and accountable to their community members. The community group or organisation owns, manages or stewards the homes

and other assets in a manner of their choosing, and this may be done through a mutually supported arrangement with a Registered Provider that owns the freehold or leasehold for the property. The benefits to the specified community are clearly defined and legally protected in perpetuity.

Competent person (to prepare site investigation information): A person with a recognised relevant qualification, sufficient experience in dealing with the type(s) of pollution or land instability, and membership of a relevant professional organisation.

Conservation (for heritage policy): The process of maintaining and managing change to a heritage asset in a way that sustains and, where appropriate, enhances its significance.

Decentralised energy: Local renewable and local low carbon energy sources.

Deliverable: To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:

- a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).
- b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.

Design code: A set of illustrated design requirements that provide specific, detailed parameters for the physical development of a site or area. The graphic and written components of the code should build upon a design vision, such as a masterplan or other design and development framework for a site or area.

Design guide: A document providing guidance on how development can be carried out in accordance with good design practice, often produced by a local authority.

Designated heritage asset: A World Heritage Site, Scheduled Monument, Listed Building, Protected Wreck Site, Registered Park and Garden, Registered Battlefield or Conservation Area designated under the relevant legislation.

Designated rural areas: National Parks, Areas of Outstanding Natural Beauty and areas designated as 'rural' under Section 157 of the Housing Act 1985.

Developable: To be considered developable, sites should be in a suitable location for housing development with a reasonable prospect that they will be available and could be viably developed at the point envisaged.

Development plan: Is defined in section 38 of the Planning and Compulsory Purchase Act 2004, and includes adopted local plans, neighbourhood plans that have been made and published spatial development strategies, together with any regional strategy policies that remain in force. Neighbourhood plans that have been approved at referendum are

also part of the development plan, unless the local planning authority decides that the neighbourhood plan should not be made.

Edge of centre: For retail purposes, a location that is well connected to, and up to 300 metres from, the primary shopping area. For all other main town centre uses, a location within 300 metres of a town centre boundary. For office development, this includes locations outside the town centre but within 500 metres of a public transport interchange. In determining whether a site falls within the definition of edge of centre, account should be taken of local circumstances.

Entry-level exception site: A site that provides entry-level homes suitable for first time buyers (or equivalent, for those looking to rent), in line with paragraph 72 of this Framework.

Environmental impact assessment: A procedure to be followed for certain types of project to ensure that decisions are made in full knowledge of any likely significant effects on the environment.

Essential local workers: Public sector employees who provide frontline services in areas including health, education and community safety – such as NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers.

General aviation airfields: Licenced or unlicenced aerodromes with hard or grass runways, often with extensive areas of open land related to aviation activity.

Geodiversity: The range of rocks, minerals, fossils, soils and landforms.

Green infrastructure: A network of multi-functional green and blue spaces and other natural features, urban and rural, which is capable of delivering a wide range of environmental, economic, health and wellbeing benefits for nature, climate, local and wider communities and prosperity.

Habitats site: Any site which would be included within the definition at regulation 8 of the Conservation of Habitats and Species Regulations 2017 for the purpose of those regulations, including candidate Special Areas of Conservation, Sites of Community Importance, Special Areas of Conservation, Special Protection Areas and any relevant Marine Sites.

Heritage asset: A building, monument, site, place, area or landscape identified as having a degree of significance meriting consideration in planning decisions, because of its heritage interest. It includes designated heritage assets and assets identified by the local planning authority (including local listing).

Heritage coast: Areas of undeveloped coastline which are managed to conserve their natural beauty and, where appropriate, to improve accessibility for visitors.

Historic environment: All aspects of the environment resulting from the interaction between people and places through time, including all surviving physical remains of past human activity, whether visible, buried or submerged, and landscaped and planted or managed flora.

Historic environment record: Information services that seek to provide access to comprehensive and dynamic resources relating to the historic environment of a defined geographic area for public benefit and use.

Housing Delivery Test: Measures net homes delivered and the number of homes granted permission in a local authority area against the homes required, using national statistics and local authority data. The Secretary of State will publish the Housing Delivery Test results for each local authority in England ~~every November~~ each winter.

International, national and locally designated sites of importance for biodiversity: All international sites (Special Areas of Conservation, Special Protection Areas, and Ramsar sites), national sites (Sites of Special Scientific Interest) and locally designated sites including Local Wildlife Sites.

Irreplaceable habitat: Habitats which would be technically very difficult (or take a very significant time) to restore, recreate or replace once destroyed, taking into account their age, uniqueness, species diversity or rarity. They include ancient woodland, ancient and veteran trees, blanket bog, limestone pavement, sand dunes, salt marsh and lowland fen.

Local Development Order: An Order made by a local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a specific development proposal or classes of development.

Local Enterprise Partnership: A body, designated by the Secretary of State for Housing, Communities and Local Government, established for the purpose of creating or improving the conditions for economic growth in an area.

Local housing need: The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 61 of this Framework).

Local Nature Partnership: A body, designated by the Secretary of State for Environment, Food and Rural Affairs, established for the purpose of protecting and improving the natural environment in an area and the benefits derived from it.

Local planning authority: The public authority whose duty it is to carry out specific planning functions for a particular area. All references to local planning authority include the district council, London borough council, county council, Broads Authority, National Park Authority, the Mayor of London and a development corporation, to the extent appropriate to their responsibilities.

Local plan: A plan for the future development of a local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. A local plan can consist of either strategic or non-strategic policies, or a combination of the two.

Main town centre uses: Retail development (including warehouse clubs and factory outlet centres); leisure, entertainment and more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs,

casinos, health and fitness centres, indoor bowling centres and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).

Major development⁸⁴: For housing, development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more. For non-residential development it means additional floorspace of 1,000m² or more, or a site of 1 hectare or more, or as otherwise provided in the Town and Country Planning (Development Management Procedure) (England) Order 2015.

Major hazard sites, installations and pipelines: Sites and infrastructure, including licensed explosive sites and nuclear installations, around which Health and Safety Executive (and Office for Nuclear Regulation) consultation distances to mitigate the consequences to public safety of major accidents may apply.

Minerals resources of local and national importance: Minerals which are necessary to meet society's needs, including aggregates, brickclay (especially Etruria Marl and fireclay), silica sand (including high grade silica sands), coal derived fly ash in single use deposits, cement raw materials, gypsum, salt, fluorspar, shallow and deep-mined coal, oil and gas (including conventional and unconventional hydrocarbons), tungsten, kaolin, ball clay, potash, polyhalite and local minerals of importance to heritage assets and local distinctiveness.

Mineral Consultation Area: a geographical area based on a Mineral Safeguarding Area, where the district or borough council should consult the Mineral Planning Authority for any proposals for non-minerals development.

Mineral Safeguarding Area: An area designated by minerals planning authorities which covers known deposits of minerals which are desired to be kept safeguarded from unnecessary sterilisation by non-mineral development.

National trails: Long distance routes for walking, cycling and horse riding.

Natural Flood Management: managing flood and coastal erosion risk by protecting, restoring and emulating the natural 'regulating' function of catchments, rivers, floodplains and coasts.

Nature Recovery Network: An expanding, increasingly connected, network of wildlife-rich habitats supporting species recovery, alongside wider benefits such as carbon capture, water quality improvements, natural flood risk management and recreation. It includes the existing network of protected sites and other wildlife rich habitats as well as and landscape or catchment scale recovery areas where there is coordinated action for species and habitats.

Neighbourhood Development Order: An Order made by a local planning authority (under the Town and Country Planning Act 1990) through which parish councils and neighbourhood forums can grant planning permission for a specific development proposal or classes of development.

⁸⁴ Other than for the specific purposes of paragraphs 176 and 177 in this Framework.

Neighbourhood plan: A plan prepared by a parish council or neighbourhood forum for a designated neighbourhood area. In law this is described as a neighbourhood development plan in the Planning and Compulsory Purchase Act 2004.

Non-strategic policies: Policies contained in a neighbourhood plan, or those policies in a local plan that are not strategic policies.

Older people: People over or approaching retirement age, including the active, newly-retired through to the very frail elderly; and whose housing needs can encompass accessible, adaptable general needs housing through to the full range of retirement and specialised housing for those with support or care needs.

Open space: All open space of public value, including not just land, but also areas of water (such as rivers, canals, lakes and reservoirs) which offer important opportunities for sport and recreation and can act as a visual amenity.

Original building: A building as it existed on 1 July 1948 or, if constructed after 1 July 1948, as it was built originally.

Out of centre: A location which is not in or on the edge of a centre but not necessarily outside the urban area.

Out of town: A location out of centre that is outside the existing urban area.

Outstanding universal value: Cultural and/or natural significance which is so exceptional as to transcend national boundaries and to be of common importance for present and future generations. An individual Statement of Outstanding Universal Value is agreed and adopted by the UNESCO World Heritage Committee for each World Heritage Site.

People with disabilities: People have a disability if they have a physical or mental impairment, and that impairment has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. These persons include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs.

Permission in principle: A form of planning consent which establishes that a site is suitable for a specified amount of housing-led development in principle. Following a grant of permission in principle, the site must receive a grant of technical details consent before development can proceed.

Planning condition: A condition imposed on a grant of planning permission (in accordance with the Town and Country Planning Act 1990) or a condition included in a Local Development Order or Neighbourhood Development Order.

Planning obligation: A legal agreement entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal.

Playing field: The whole of a site which encompasses at least one playing pitch as defined in the Town and Country Planning (Development Management Procedure) (England) Order 2015.

Previously developed land: Land which is or was occupied by a permanent structure, including the curtilage of the developed land (although it should not be assumed that the whole of the curtilage should be developed) and any associated fixed surface infrastructure. This excludes: land that is or was last occupied by agricultural or forestry buildings; land that has been developed for minerals extraction or waste disposal by landfill, where provision for restoration has been made through development management procedures; land in built-up areas such as residential gardens, parks, recreation grounds and allotments; and land that was previously developed but where the remains of the permanent structure or fixed surface structure have blended into the landscape.

Primary shopping area: Defined area where retail development is concentrated.

Priority habitats and species: Species and Habitats of Principal Importance included in the England Biodiversity List published by the Secretary of State under section 41 of the Natural Environment and Rural Communities Act 2006.

Ramsar sites: Wetlands of international importance, designated under the 1971 Ramsar Convention.

Renewable and low carbon energy: Includes energy for heating and cooling as well as generating electricity. Renewable energy covers those energy flows that occur naturally and repeatedly in the environment – from the wind, the fall of water, the movement of the oceans, from the sun and also from biomass and deep geothermal heat. Low carbon technologies are those that can help reduce emissions (compared to conventional use of fossil fuels).

Rural exception sites: Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. A proportion of market homes may be allowed on the site at the local planning authority's discretion, for example where essential to enable the delivery of affordable units without grant funding.

Recycled aggregates: aggregates resulting from the processing of inorganic materials previously used in construction, e.g. construction and demolition waste.

Safeguarding zone: An area defined in Circular 01/03: *Safeguarding aerodromes, technical sites and military explosives storage areas*, to which specific safeguarding provisions apply.

Secondary aggregates: aggregates from industrial wastes such as glass (cullet), incinerator bottom ash, coal derived fly ash, railway ballast, fine ceramic waste (pitcher), and scrap tyres; and industrial and minerals by-products, notably waste from china clay, coal and slate extraction and spent foundry sand. These can also include hydraulically bound materials.

Self-build and custom-build housing: Housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Such housing can be either market or affordable housing. A legal definition, for the purpose of

applying the Self-build and Custom Housebuilding Act 2015 (as amended), is contained in section 1(A1) and (A2) of that Act.

Setting of a heritage asset: The surroundings in which a heritage asset is experienced. Its extent is not fixed and may change as the asset and its surroundings evolve. Elements of a setting may make a positive or negative contribution to the significance of an asset, may affect the ability to appreciate that significance or may be neutral.

Significance (for heritage policy): The value of a heritage asset to this and future generations because of its heritage interest. The interest may be archaeological, architectural, artistic or historic. Significance derives not only from a heritage asset's physical presence, but also from its setting. For World Heritage Sites, the cultural value described within each site's Statement of Outstanding Universal Value forms part of its significance.

Special Areas of Conservation: Areas defined by regulation 3 of the Conservation of Habitats and Species Regulations 2017 which have been given special protection as important conservation sites.

Special Protection Areas: Areas classified under regulation 15 of the Conservation of Habitats and Species Regulations 2017 which have been identified as being of international importance for the breeding, feeding, wintering or the migration of rare and vulnerable species of birds.

Site investigation information: Includes a risk assessment of land potentially affected by contamination, or ground stability and slope stability reports, as appropriate. All investigations of land potentially affected by contamination should be carried out in accordance with established procedures (such as BS10175 Investigation of Potentially Contaminated Sites – Code of Practice).

Site of Special Scientific Interest: Sites designated by Natural England under the Wildlife and Countryside Act 1981.

Spatial development strategy: A plan containing strategic policies prepared by a Mayor or a combined authority. It includes the London Plan (prepared under provisions in the Greater London Authority Act 1999) and plans prepared by combined authorities that have been given equivalent plan-making functions by an order made under the Local Democracy, Economic Development and Construction Act 2009 (as amended).

Stepping stones: Pockets of habitat that, while not necessarily connected, facilitate the movement of species across otherwise inhospitable landscapes.

Strategic environmental assessment: A procedure (set out in the Environmental Assessment of Plans and Programmes Regulations 2004) which requires the formal environmental assessment of certain plans and programmes which are likely to have significant effects on the environment.

Strategic policies: Policies and site allocations which address strategic priorities in line with the requirements of Section 19 (1B-E) of the Planning and Compulsory Purchase Act 2004.

Strategic policy-making authorities: Those authorities responsible for producing strategic policies (local planning authorities, and elected Mayors or combined authorities, where this power has been conferred). This definition applies whether the authority is in the process of producing strategic policies or not.

Supplementary planning documents: Documents which add further detail to the policies in the development plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Supplementary planning documents are capable of being a material consideration in planning decisions but are not part of the development plan.

Sustainable transport modes: Any efficient, safe and accessible means of transport with overall low impact on the environment, including walking and cycling, ultra low and zero emission vehicles, car sharing and public transport.

Town centre: Area defined on the local authority's policies map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area. References to town centres or centres apply to city centres, town centres, district centres and local centres but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in the development plan, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres.

Transport assessment: A comprehensive and systematic process that sets out transport issues relating to a proposed development. It identifies measures required to improve accessibility and safety for all modes of travel, particularly for alternatives to the car such as walking, cycling and public transport, and measures that will be needed deal with the anticipated transport impacts of the development.

Transport statement: A simplified version of a transport assessment where it is agreed the transport issues arising from development proposals are limited and a full transport assessment is not required.

Travel plan: A long-term management strategy for an organisation or site that seeks to deliver sustainable transport objectives and is regularly reviewed.

Wildlife corridor: Areas of habitat connecting wildlife populations.

Windfall sites: Sites not specifically identified in the development plan.

Annex 3: Flood risk vulnerability classification

ESSENTIAL INFRASTRUCTURE

- Essential transport infrastructure (including mass evacuation routes) which has to cross the area at risk.
- Essential utility infrastructure which has to be located in a flood risk area for operational reasons, including infrastructure for electricity supply including generation, storage and distribution systems; and water treatment works that need to remain operational in times of flood.
- Wind turbines.
- Solar farms

HIGHLY VULNERABLE

- Police and ambulance stations; fire stations and command centres; telecommunications installations required to be operational during flooding.
- Emergency dispersal points.
- Basement dwellings.
- Caravans, mobile homes and park homes intended for permanent residential use.
- Installations requiring hazardous substances consent. (Where there is a demonstrable need to locate such installations for bulk storage of materials with port or other similar facilities, or such installations with energy infrastructure or carbon capture and storage installations, that require coastal or water-side locations, or need to be located in other high flood risk areas, in these instances the facilities should be classified as 'Essential Infrastructure'.)

MORE VULNERABLE

- Hospitals
- Residential institutions such as residential care homes, children's homes, social services homes, prisons and hostels.
- Buildings used for dwelling houses, student halls of residence, drinking establishments, nightclubs and hotels.
- Non-residential uses for health services, nurseries and educational establishments.
- Landfill* and sites used for waste management facilities for hazardous waste.
- Sites used for holiday or short-let caravans and camping, subject to a specific warning and evacuation plan.

LESS VULNERABLE

- Police, ambulance and fire stations which are not required to be operational during flooding.

- Buildings used for shops; financial, professional and other services; restaurants, cafes and hot food takeaways; offices; general industry, storage and distribution; non-residential institutions not included in the 'more vulnerable' class; and assembly and leisure.
- Land and buildings used for agriculture and forestry.
- Waste treatment (except landfill* and hazardous waste facilities).
- Minerals working and processing (except for sand and gravel working).
- Water treatment works which do not need to remain operational during times of flood.
- Sewage treatment works, if adequate measures to control pollution and manage sewage during flooding events are in place.
- Car parks.

WATER-COMPATIBLE DEVELOPMENT

- Flood control infrastructure.
- Water transmission infrastructure and pumping stations.
- Sewage transmission infrastructure and pumping stations.
- Sand and gravel working.
- Docks, marinas and wharves.
- Navigation facilities.
- Ministry of Defence installations.
- Ship building, repairing and dismantling, dockside fish processing and refrigeration and compatible activities requiring a waterside location.
- Water-based recreation (excluding sleeping accommodation).
- Lifeguard and coastguard stations.
- Amenity open space, nature conservation and biodiversity, outdoor sports and recreation and essential facilities such as changing rooms.
- Essential ancillary sleeping or residential accommodation for staff required by uses in this category, subject to a specific warning and evacuation plan.

* Landfill is as defined in Schedule 10 of the Environmental Permitting (England and Wales) Regulations 2010.

Agenda Item 15

- Recommendations of the Communities and Environment SSC of 8 February are to follow

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TONBRIDGE & MALLING BOROUGH COUNCIL

COMMUNITY and ENVIRONMENT SCRUTINY SELECT COMMITTEE

08 February 2023

Report of the Director of Central Services and Deputy Chief Executive

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision

1 PUBLIC SPACE PROTECTION ORDER – CONSULTATION FEEDBACK

To provide feedback on the responses received on the Public Space Protection Order (PSPO) consultation and agree on the terms for the PSPO

1.1 Background to the Public Space Protection Order

- 1.1.1 The Anti-social Behaviour, Crime and Policing Act 2014 placed a new duty on the Council to tackle Anti-social Behaviour (ASB), working co-operatively with the Police, social landlords and other agencies. The Act put victims at the heart of the response to ASB and was intended to give professionals the flexibility they needed to deal with any given situation.
- 1.1.2 Public Spaces Protection Orders (PSPOs) were one of a number of new tools contained within the Act and were intended to deal with a particular nuisance or problem in a particular area that was detrimental to the local community's quality of life, by imposing conditions on the use of that area which apply to everyone. They were designed to ensure the law-abiding majority could use and enjoy public spaces, safe from anti-social behaviour.
- 1.1.3 Councils are responsible for making the new PSPO. District Councils will take the lead in England with county councils undertaking the role only where there is no district council. The new power is not available to parish councils or town councils.
- 1.1.4 The PSPOs have replaced dog control orders, designated public place orders (also known as Alcohol Control Zones) and gating orders.
- 1.1.5 A PSPO has been in place in the borough since April 2017 which contained a number of different restrictions. This was then reviewed in 2020, with some new restrictions added to the original PSPO. Details of the current PSPO Order can be found at Annex 1.

1.2 The requirements of a PSPO

1.2.1 The council can make a PSPO on any public space in its own area. The definition of a public space is wide and includes any place to which the public or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission, for example a shopping centre. It does not just apply to land owned by the Borough Council but to any open space anywhere in the borough (even land owned by Parish Councils or Kent County Council).

1.2.2 Before making a PSPO the council must consult with the local police. This is an opportunity for the police and council to share information about the area and the problems being caused as well as to discuss the practicalities of enforcement. In addition, the owner or occupier of the land should be consulted as well as community representatives as appropriate.

1.2.3 The test for a PSPO is designed to be broad and focus on the impact anti-social behaviour is having on victims and communities. A PSPO can be made by the council if they are satisfied on reasonable grounds that the activities carried out, or likely to be carried out, in a public space:

- have had, or are likely to have, a detrimental effect on the quality of life of those in the locality;
- is, or is likely to be, persistent or continuing in nature;
- is, or is likely to be unreasonable; and
- justifies the restrictions imposed.

1.2.4 The Statutory Guidance for frontline professionals on the Anti-social Behaviour, Crime and Policing Act 2014 advises that

‘the council should give due regard to issues of proportionality: is the restriction proposed proportionate to the specific harm or nuisance that is being caused? Councils should ensure that the restrictions being introduced are reasonable and will prevent or reduce the detrimental effect continuing, occurring or recurring. In addition, councils should ensure that the Order is appropriately worded so that it targets the specific behaviour or activity that is causing nuisance or harm and thereby having a detrimental impact on others’ quality of life. Councils should also consider whether restrictions are required all year round or whether seasonal or time limited restrictions would meet the purpose.’

1.2.5 In relation to groups hanging around/ standing in groups/ playing games, the guidance advises as follows

'It is important that councils do not inadvertently restrict everyday sociability in public spaces. The Public Spaces Protection Order should target specifically the problem behaviour that is having a detrimental effect on the community's quality of life, rather than everyday sociability, such as standing in groups which is not in itself a problem behaviour.'

Where young people are concerned, councils should think carefully about restricting activities that they are most likely to engage in. Restrictions that are too broad or general in nature may force the young people into out-of-the-way spaces and put them at risk. In such circumstances, councils should consider whether there are alternative spaces that they can use.

People living in temporary accommodation may not be able to stay in their accommodation during the day and so may find themselves spending extended times in public spaces or seeking shelter in bad weather. It is important that public spaces are available for the use and enjoyment of a broad spectrum of the public, and that people of all ages are free to gather, talk and play games.'

- 1.2.6 A single PSPO can include multiple restrictions and requirements in one order. It can prohibit certain activities, such as the drinking of alcohol, as well as placing requirements on individuals carrying out certain activities, for instance making sure that people walking their dogs keep them on a lead.
- 1.2.7 The maximum duration of a PSPO is three years but they can last for shorter periods where appropriate. At any point before expiry the council can extend a PSPO by up to three years if they consider that it is necessary to prevent the original behaviour from occurring or reoccurring. If a new issue arises in an area where a PSPO is in force the council can vary the terms of the order at any time. This can change the size of the restricted area or the specific requirements or restrictions. As well as varying the PSPO, a council can also seek to discharge it at any time.
- 1.2.8 Our current PSPO was authorised in April 2020 and will expire in April 2023. We have therefore considered whether we want to continue with our current restrictions and also looked at whether we want to include any new restrictions.

1.3 The proposed PSPO for Tonbridge & Malling

- 1.3.1 After consultation with Borough Council officers and with Cabinet, we are proposing to proceed with a PSPO containing multiple restrictions. Some of these restrictions are the same as were included previously, as we have been able to provide evidence to show that the issues are continuing. In addition, we have also proposed some new restrictions as they are new issues that have been reported to us since 2020 and which we feel meet the criteria of the PSPO and will help to reduce the problems.
- 1.3.2 As found in the previous PSPO, some of the restrictions are borough wide (e.g. deterring dog fouling, dogs on leads by direction) and some are specific to

geographical locations depending on particular issues (for example to prevent the use of unauthorised BBQs within Leybourne Lakes Country Park). We believe that each of the proposed restrictions passes the PSPO 'Test' (see paragraph 1.2.3 above) and that they will all help to prevent ASB in the borough.

- 1.3.3 Discussions were held with TMBC Officers to look at what evidence we had to show the need to continue with our current PSPOs and also to look at any additional restrictions we wanted to include. Cabinet also discussed the initial proposals on 8 November 2022.
- 1.3.4 Officers have used evidence and professional judgement to develop this proposed PSPO and have considered all issues/areas against the stated test process. There are some areas that were considered and then rejected as they did not pass the test process and have procedures already in place which can tackle the anti-social behaviour. The new restrictions proposed include:
- 1.3.5 Vehicles on public open spaces (across the whole of the borough).
Leisure Services Officers have reported that this issue occurs at sites across the borough and is persistent in nature. It causes significant damage to established public open spaces and creates health and safety issues with large divots and unofficial access points that pedestrians may be unaware of. We currently have no way of stopping this and an active PSPO would provide an effective way to bring the situation under control. Cabinet agreed that this restriction should apply to the whole of the borough.
- 1.3.6 Nuisance associated with Car/motorcycle meetings (across the whole of the borough).
This has become an issue where local Members and officers have received reports (particularly in relation to Blue Bell Hill car park and areas of Leybourne and Larkfield). It does have a detrimental effect on residents (they are affected by noise, dangerous driving etc).
- 1.3.7 The restriction would need to contain information about the specific behaviour we would want to stop, so we would need to carefully consider the wording of this restriction. For example, we may wish to restrict the following types of behaviour
- Driving in convoy
 - Racing
 - Performing stunts
 - Sounding horns (as to cause public nuisance)
 - Revving engines
 - Wheel spins

- Playing music (as to cause public nuisance)
- Congregating or loitering as part of a group surrounding or within one or more stationary vehicles at any time where such activity causes noise, exhaust fumes, harassment, alarm, or distress

1.3.8 Anti-social behaviour associated with fishing at Town Lock/Tonbridge Moorings.

Town lock has struggled with behaviour associated with unauthorised anglers and people camping on-site. The presence of anglers often acts as an invitation for others to attend and has regularly resulted in mass complaints from residents and regular visits from Kent Police. The noise of those fishing in the area causes issues for local residents and can encourage others to attend the area.

1.3.9 Cabinet agreed to 'no fishing' within the proposed PSPO.

1.3.10 No unauthorised swimming/bathing/boating at Holborough Lakes.

During the summer period the borough council and police received large amounts of reports of young people causing problems at Holborough Lakes. The Leader and Cabinet Member for Community Services also attended a meeting with Berkley Homes and resident's representatives to try and resolve the issues. It is therefore evident that these issues are causing a detriment to those in the locality.

1.3.11 One solution would be to put PSPO restrictions into place to help alleviate some of the issues. However, it should be noted that fines cannot be issued to under 16's and therefore if the majority of those going into the lake or causing problems are under the age of 16, the PSPO will not help. However, including the suggested restriction (no unauthorised swimming, bathing or boating) would show to residents that we are trying to stop some of the issues from occurring and Cabinet agreed to include this restriction within the proposals.

1.3.12 It is not possible, or appropriate, to include every area within the borough with an anti-social behaviour issue (or perceived issue). The majority of ASB can be dealt with through other measures without the need for a Public Spaces Protection Order. However, if through the consultation process a request for a restriction is provided then this will be considered (assuming the test has been met) and discussed further.

1.4 Enforcement and penalties

1.4.1 It is an offence for a person, without reasonable excuse, to:

- do anything that the person is prohibited from doing by a PSPO
- fail to comply with a requirement to which the person is subject under a PSPO.

- 1.4.2 If a person fails to adhere to the PSPO they may be issued with a Fixed Penalty Notice (FPN). Where the FPN is not paid within the required timescale, court proceedings may be initiated.
- 1.4.3 Fixed Penalty Notices will be issued by authorised Borough Council staff. During the period of the current PSPO we have issued 28 FPNs, the majority of these are related to unauthorised swimming at Leybourne Lakes Country Park.
- 1.4.4 At present the cost of the Fixed Penalty Notice is £80, reduced to £50 if paid within 10 days. Cabinet agreed to increase our FPN to £100 with no reduction for early payment, in line with what other councils charge.

1.5 Consultation responses

- 1.5.1 The consultation process opened on 5 December 2022 and closed on Sunday 15 January 2022. This was an online consultation, but hard copies were available if requested. A summary of the responses received can be found at Annex 2. We received 93 online responses.
- 1.5.2 The Police and Crime Commissioner also responded to the consultation and gave his provisional support to the proposed order across the Borough, subject to the outcome of the consultation. A copy of the letter received from the Police and Crime Commissioner is attached at Annex 3.
- 1.5.3 A summary of comments from the online consultation is given below:
- The majority of respondents agreed with the current PSPO restrictions, as well as the new proposed restrictions.
 - The proposal with the most comments related to the nuisance associated with car/motorbike meetings. Many respondents gave their own experiences of the nuisance caused by these activities and how this had affected them/their quality of life and were supportive of the restriction. There were, however, concerns from some respondents who did not want responsible clubs from being prevented in gathering. It should be noted that this restriction would only target those causing nuisance behaviour and therefore anyone meeting in a controlled manner would not breach the restrictions.
 - The proposal for Holborough Lakes also provided a fairly large response. Although most replies were supportive, there were suggestions of other restrictions that could be imposed – such as preventing the gathering of groups. It should be noted that the Police do already have the powers to put a dispersal order into place which prevents the gathering of groups and therefore a PSPO would not be the most appropriate tool to use in this instance.

- Other general comments provided by respondents related to the need to enforce the PSPOs, the need for additional police presence and increased traffic calming measures. Some respondents misinterpreted some of the proposed restrictions (e.g. that we were looking to stop drones altogether or stop people from enjoying public open spaces). The PSPO will not stop any activity but will mean that activities have to be authorised or can be enforced if anti-social behaviour is taking place.

1.5.4 Leybourne Parish Council also provided a response to the consultation and asked a number of questions in relation to their own play areas and issues around specific locations within their parish area. These questions can be seen in Annex 4.

1.5.5 A more detailed response will be provided to Leybourne Parish Council but it should be noted that many of the queries raised are already covered by the general restrictions contained within the PSPO (e.g. dog fouling can be enforced across the whole of the borough, as can asking people to cease drinking alcohol if they are causing anti-social behaviour). Members are also reminded that the PSPO can only be used on those over the age of 16.

1.5.6 The proposed new restriction around vehicles on public open land would help to address some of the concerns raised in relation to Castle Lake and as the definition of a public place within the 2014 Act is fairly broad (it includes any place to which the public or a section of the public has a right of access, with or without payment, or the ability to access with express or implied permission) we believe that this would be sufficient to cover play areas within the leases held by the Parish Council from KCC.

1.5.7 However, if it was felt that we wanted to extend the area covered by the PSPO or to include new proposals we would need to gather evidence to support the need for the restriction(s) and to go out for consultation again.

1.6 The next steps

1.6.1 Following the consultation and the responses received it is clear that the majority of the public who replied are happy with the continuation of the current restrictions and also happy to include the additional restrictions. We therefore feel that we can proceed with the PSPO as recommended previously and this is attached at Annex 5.

1.6.2 This proposal will need to be agreed by Cabinet and then finalised before April 2023 (when the current PSPO ends).

1.6.3 A response will be provided to Leybourne Parish Council on the queries they raised.

1.7 Legal Implications

- 1.7.1 The power to make a PSPO is contained in section 59 of the 2014 Act. A local authority can only make a PSPO if it is satisfied on reasonable grounds that the conditions set out at paragraph 1.2.3 have been met.
- 1.7.2 In deciding whether to make/ extend/ vary or discharge a PSPO, the Council is required to have particular regard to the rights or freedom of expression and freedom of assembly set out in Articles 10 and 11 of the European Convention on Human Rights.
- 1.7.3 Once the final PSPO measures are agreed the PSPO will need to be published in accordance with the regulations made by the Secretary of State.

1.8 Financial and Value for Money Considerations

- 1.8.1 Although there are no direct costs associated with the establishment of the PSPO, there will be a resource implication for the Borough Council for issuing Fixed Penalty Notices and the work associated with this.

1.9 Risk Assessment

- 1.9.1 All appropriate risk assessments will be undertaken as required.

1.10 Equality Impact Assessment

- 1.10.1 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.

1.11 Policy Considerations

- 1.11.1 Community Safety

1.12 Recommendations

- 1.12.1 That the proposed Public Space Protection Order, as presented at Annex 4, be agreed

The Director of Central Services and Deputy Chief Executive confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

Nil

contact: Alison Finch
Safer & Stronger Communities
Manager

Adrian Stanfield
Director of Central Services and Deputy Chief Executive

The Tonbridge & Malling Borough Council Public Spaces Protection Order [2020]

Pursuant to powers granted to the Council under s.59 of the Anti-social Behaviour, Crime and Policing Act 2014, Tonbridge and Malling Borough Council has made the following Order:

From 12 April 2020 it is an offence for a person without reasonable excuse:

- (a) To do anything that the person is prohibited from doing in this Order, or
- (b) To fail to comply with any requirement to which the person is subject under this Order

A person guilty of an offence in relation to this Order is liable on summary conviction to a fine not exceeding level 3 on the standard scale (£1,000 as at 25 February 2020).

The Council or a Police Constable may issue a fixed penalty notice to any person he or she has reason to believe has committed an offence in relation to this Order. A fixed penalty notice offers the opportunity to discharge liability for conviction upon payment of a fine of £80 (reduced to £50 if paid within 10 days).

1. Measures affecting the whole of the Borough of Tonbridge and Malling

The following measures apply to all areas to which the general public has access within Tonbridge and Malling:

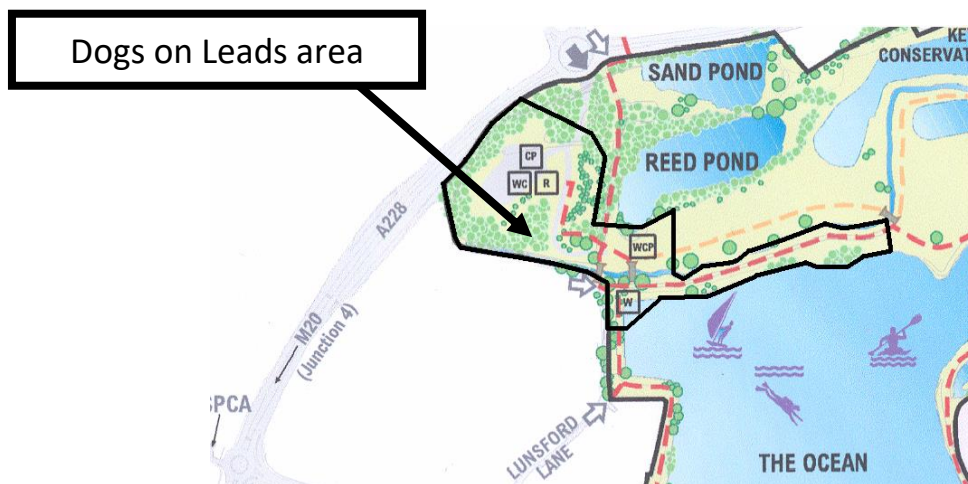
- a. Dog Fouling
No person is permitted to leave dog faeces deposited by any dog under their control or ownership in any public place, save in a designated dog faeces bin. Owners and dog-walkers must clean up after dogs under their control, care or ownership.
- b. Exclusion of Dogs from Children's Play Areas
No person in control, care or ownership of a dog may allow (whether wilfully or otherwise) those dogs to enter or remain upon any Children's Play Area which is owned and operated by the Borough Council.
- c. Dogs on Leads by Direction
When required by an authorised officer of the Council, any person in control of dogs must place those dogs on a lead.
- d. Maximum Numbers of Dogs Under a Person's Control
No person is permitted to have under their control more than 6 dogs in a public place.
- e. Alcohol Control
No person may drink alcohol in a public place when requested to stop by an authorised officer of the Council or Police Constable.

- f. Public Urination/ Defecation
No person may urinate or defecate in any public place, except in a public lavatory.
- g. Use of Drones
No person may operate a drone from or in any open space owned by the Borough Council without first obtaining authorisation from the Borough Council.
For the purposes of this measure, “drone” means any remote-controlled pilotless aircraft or Unmanned Aerial Vehicle.

2. Area- Specific Measures

In addition to the Borough-wide measures, the following measures apply within the boundaries of these designated areas:

- a. Leybourne Lakes Country Park
 - i. No unauthorised Barbecues
No person may use any barbecue, open fire or other method of cooking or heating food within the Country Park unless specifically authorised in writing by the Council
 - ii. No unauthorised swimming, bathing or boating
No person may swim, bathe or operate any boat or craft in any lake within the Country Park unless specifically authorised in writing by the Council
 - iii. Dogs on Leads at all times in designated areas
Dogs must be kept on leads at all times within the areas shown on the plan below. Broadly, these areas are the car parks and the access road for the Watersports facility.
 - iv. No unauthorised camping
No person may camp in any place within the Country Park unless specifically authorised in writing by the Council.



b. Tonbridge Memorial Gardens

i. No wheeled-sports activities

No wheeled-sports activities may take place within the Tonbridge Memorial Gardens. This includes, but is not limited to: skateboards, BMX, in-line skating and scooters.

c. Tonbridge Moorings

i. No unauthorised mooring

No person is entitled to moor any boat or craft on the moorings unless licenced to do so or otherwise specifically authorised in writing by the Council or Environment Agency.

ii. No unauthorised camping

No person may camp in any place within the Country Park unless specifically authorised in writing by the Council.

d. Haysden Country Park

i. No unauthorised Barbecues

No person may use any barbecue, open fire or other method of cooking or heating food within the Country Park unless specifically authorised in writing by the Council

ii. No unauthorised swimming, bathing or boating

No person may swim, bathe or operate any boat or craft in any lake within the Country Park unless specifically authorised in writing by the Council

iii. Dogs on Leads at all times in designated areas

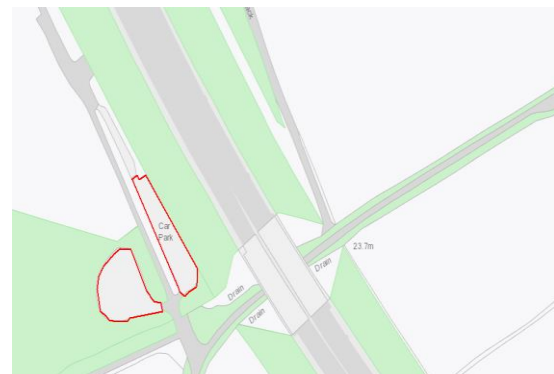
Dogs must be kept on leads at all times within the areas shown on the plans below. Broadly, these areas are the car parks and around the catering unit.

iv. No unauthorised camping

No person may camp in any place within the Country Park unless specifically authorised in writing by the Council.



Map above showing dogs on lead area within main car park and catering area within Haysden Country Park



Map above showing dogs on lead area within Lower Haysden Lane Car Park



Map above showing dogs on lead area within Audley Rise Car Park

e. Tonbridge Racecourse Sportsground and Tonbridge Castle

- i. No unauthorised Barbecues
No person may use any barbecue, open fire or other method of cooking or heating food within these areas unless specifically authorised in writing by the Council
- ii. Dogs on Leads at all times in designated areas
Dogs must be kept on leads at all times within the areas shown on the plan below. Broadly, these areas are the castle grounds.
- iii. No unauthorised camping
No person may camp in any place within these areas unless specifically authorised in writing by the Council.



f. Tonbridge Farm Sports Ground

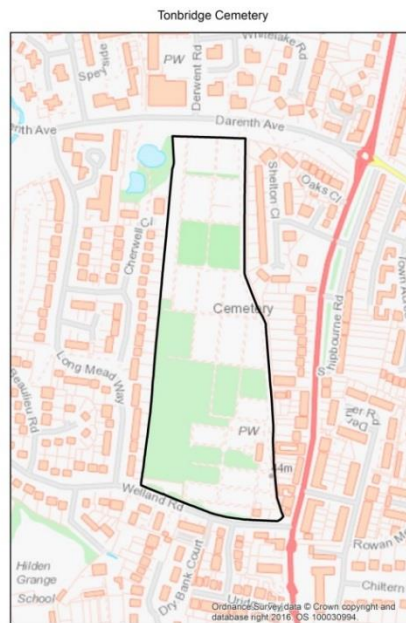
- i. No unauthorised Barbecues
No person may use any barbecue, open fire or other method of cooking or heating food within these areas unless specifically authorised in writing by the Council
- ii. Dogs on Leads at all times in designated areas
Dogs must be kept on leads at all times within the areas shown on the plan below. Broadly, this is the Sports Ground car park.
- iii. No unauthorised camping
No person may camp in any place within these areas unless specifically authorised in writing by the Council.



g. Tonbridge Cemetery

i. Dogs on leads at all times

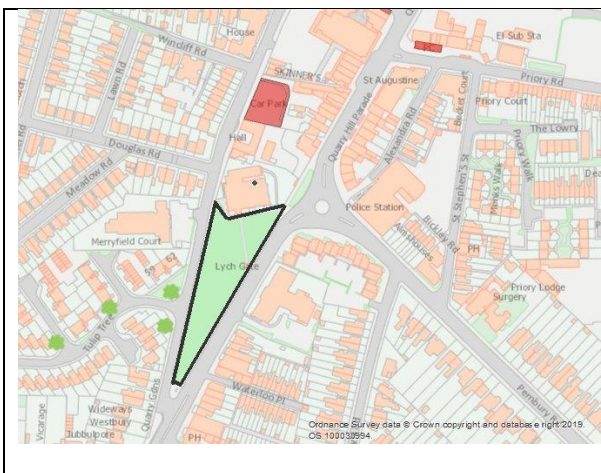
Dogs must be kept on leads at all times within Tonbridge Cemetery



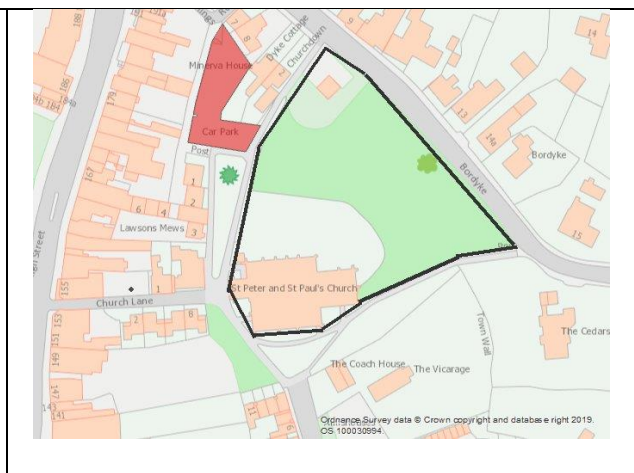
h. Closed Churchyards at St Stephens and St Peter's and St Paul's Churches

i. Dogs on leads at all times

Dogs must be kept on leads at all times within the Churchyards of St Stephens and St Peter's and St Paul's churches in Tonbridge



St Stephen's Churchyard



St Peter and St Paul's Churchyard

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Public Space Protection Order Consultation

93

Responses

1. Are you a resident of the borough?

Yes 86

No 7



2. Are you responding as?

Person who works in Tonbridge & Malling 2

Local business owner/manager 0

Local Town or Parish Councillor 2

Representative of a community group/voluntary group 0

Other 3



3. Do you agree with the proposal to continue with a borough wide Public Spaces Protection Order (PSPO) to deter dog fouling?

Yes 88

No 4

Don't know 1



4. Do you agree with the proposal to continue with a borough wide PSPO to exclude dogs from Borough Council owned and maintained children's play areas?

Yes 85

No 6

Don't know 2



5. Do you agree with the proposal to continue with a borough wide PSPO to ensure dogs are on a lead by direction?

Yes	73
No	12
Don't know	8



6. Do you agree with the continuing PSPO to restrict the number of dogs that one person can take onto a public place to six dogs to ensure that they have full control of these dogs?

Yes	83
No	7
Don't know	3



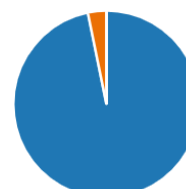
7. Do you agree with the proposal to continue with a borough wide PSPO for a controlled alcohol zone?

Yes	87
No	5
Don't know	1



8. Do you agree with the proposal to continue with a borough wide PSPO to deter public urination/defecation?

Yes	90
No	3
Don't know	0



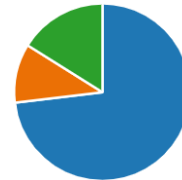
9. Do you agree with the proposal to continue with a borough wide PSPO to deter unauthorised drones on any open space owned by Tonbridge & Malling Borough Council?

Yes	68
No	17
Don't know	8



10. Do you agree with the need to continue the PSPO for Leybourne Lakes Country Park?

Yes	68
No	10
Don't know	15



11. Is there anything else that you would like to see included in the PSPO for Leybourne Lakes Country Park?

9 Responses

- Yes, stop vehicles parking right on lake at Roden lake, blights view of lake & countryside.
- Just BBQ and Alcohol
- I think it's disgraceful that all responsible people should be tarred with the same brush as the vast minority of trouble makes. My friends and I are motorbike enthusiasts as regularly meet up with friends before going off for a ride, stopping off somewhere to have some breakfast and a catch up, and then ride home. We are all respectful members of the local community. Your proposal to ban all motor bikers is ridiculous!!!!the same goes for car enthusiasts as well. We all know there are some problem people, but it's simply not fair, or more correctly shows a complete lack of understanding by whoever came up with this suggestion.
- Action actually taken by rangers against unauthorised swimmers. Currently, it's very frustrating to see swimmers entering the water at unauthorised points without any safety measures in the full knowledge there is no enforcement that will stop them. This action makes it dangerous for authorised swimmers when the people ensuring their safety are then trying to prevent the random swimmers.
- No individual should be allowed to walk more than 3 dogs and all dogs should be kept on leads. Cyclists must have a bell fitted and use it to warn pedestrians of their approach many of them do not cycle with care.

12. Do you agree with the need to continue with the PSPO for Tonbridge Memorial Gardens?

Yes	63
No	4
Don't know	26



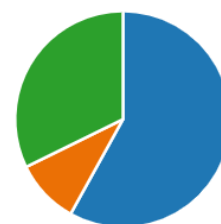
13. Is there anything else that you would like to see included in the PSPO for Tonbridge Memorial Gardens?

5 Responses

- I think it's disgraceful that all responsible people should be tarred with the same brush as the vast minority of trouble makes. My friends and I are motorbike enthusiasts as regularly meet up with friends before going off for a ride, stopping off somewhere to have some breakfast and a catch up, and then ride home. We are all respectful members of the local community. Your proposal to ban all motor bikers is ridiculous!!!!the same goes for car enthusiasts as well. We all know there are some problem people, but it's simply not fair, or more correctly shows a complete lack of understanding by whoever came up with this suggestion.
- Perhaps more benches across open area used by bikes and skateboards. They don't read signs.....
- Signs forbidding skateboarding and smoking cannabis
- No
- N/A

14. Do you agree with the need to continue with the PSPO for Tonbridge Moorings/Town Lock?

Yes	54
No	9
Don't know	30



15. Is there anything else that you would like to see included in the PSPO for Tonbridge Lock?

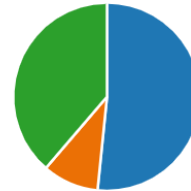
5 Responses

- I'm a keen angler but have never fished this lock. In the 46 years I've been fishing I have never broken any rules and I am respectful of the environment and anyone else around me. I find it unfair to ban everyone from an activity they do, again, just because of a few bad apples. This need to be re thought out as the proposal is entirely unfair to the majority of respectful anglers.
- I have a boat and won't come up this far as keep hearing of all the trouble with boater and youths jumping on boats et

- No
- N/A
- No cycling or skateboards or loitering

16. Do you agree with the need to continue with the PSPO for Haysden Country Park?

Yes	48
No	9
Don't know	36



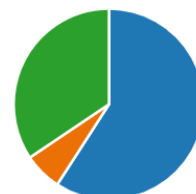
17. Is there anything else that you would like to see included in the PSPO for Haysden Country Park?

6 Responses

- It should remain a country park open for all to enjoy
- I think it's disgraceful that all responsible people should be tarred with the same brush as the vast minority of trouble makes. My friends and I are motorbike enthusiasts as regularly meet up with friends before going off for a ride, stopping off somewhere to have some breakfast and a catch up, and then ride home. We are all respectful members of the local community. Your proposal to ban all motor bikers is ridiculous!!!!the same goes for car enthusiasts as well. We all know there are some problem people, but it's simply not fair, or more correctly shows a complete lack of understanding by whoever came up with this suggestion.
- No
- I find the No Drones rule here in to be unneeded. Haysden Lake is a beautiful addition to our town, and drones offer a unique opportunity to capture the lake from the air, while posing absolutely minimal interference with other users of the park.
- N/A
- Banning anglers from entering the lake area

18. Do you agree with the need to continue with the PSPO for Tonbridge Racecourse Sports Ground and Tonbridge Castle?

Yes	55
No	6
Don't know	32



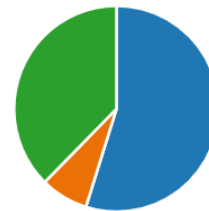
19. Is there anything else that you would like to see included in the PSPO for Tonbridge Racecourse Sports Ground and Tonbridge Castle?

7 Responses

- PSPO for Tonbridge Castle only
- I think it's disgraceful that all responsible people should be tarred with the same brush as the vast minority of trouble makes. My friends and I are motorbike enthusiasts as regularly meet up with friends before going off for a ride, stopping off somewhere to have some breakfast and a catch up, and then ride home. We are all respectful members of the local community. Your proposal to ban all motor bikers is ridiculous!!!!the same goes for car enthusiasts as well. We all know there are some problem people, but it's simply not fair, or more correctly shows a complete lack of understanding by whoever came up with this suggestion.
- No
- The Racecourse is another location where drone use should be allowed. This is a huge open space, where local drone operators can fly their aircraft in an environment where any risk to the safety and enjoyment of other park users is hugely mitigated.
- Banning memorial flowers on benches
- A fenced off dog walking area

20. Do you agree with the need to continue with the PSPO for Tonbridge Farm Sports Ground?

Yes	51
No	7
Don't know	35



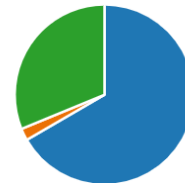
21. Is there anything else that you would like to see included in the PSPO for Tonbridge Farm Sports Ground?

4 Responses

- I think it's disgraceful that all responsible people should be tarred with the same brush as the vast minority of trouble makes. My friends and I are motorbike enthusiasts as regularly meet up with friends before going off for a ride, stopping off somewhere to have some breakfast and a catch up, and then ride home. We are all respectful members of the local community. Your proposal to ban all motor bikers is ridiculous!!!!the same goes for car enthusiasts as well. We all know there are some problem people, but it's simply not fair, or more correctly shows a complete lack of understanding by whoever came up with this suggestion.
- No
- N/A
- Fenced off dog walking area

22. Do you agree with the need to continue with the PSPO for Tonbridge Cemetery?

Yes	62
No	2
Don't know	29



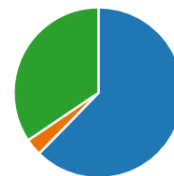
23. Is there anything else that you would like to see included in the PSPO for Tonbridge Cemetery?

3 Responses

- I think it's disgraceful that all responsible people should be tarred with the same brush as the vast minority of trouble makes. My friends and I are motorbike enthusiasts as regularly meet up with friends before going off for a ride, stopping off somewhere to have some breakfast and a catch up, and then ride home. We are all respectful members of the local community. Your proposal to ban all motor bikers is ridiculous!!!! ...the same goes for car enthusiasts as well. We all know there are some problem people, but it's simply not fair, or more correctly shows a complete lack of understanding by whoever came up with this suggestion.
- No
- N/A

24. Do you agree with the need to continue with the PSPO for the closed Churchyards of St Peters' and St Paul's and St Stephen's in Tonbridge?

Yes	58
No	3
Don't know	32



25. Is there anything else that you would like to see included in the PSPO for the closed Churchyards of St Peters's and St Paul's and St Stephen's in Tonbridge?

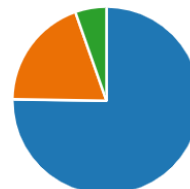
4 Responses

- I think it's disgraceful that all responsible people should be tarred with the same brush as the vast minority of trouble makes. My friends and I are motorbike enthusiasts as regularly meet up with friends before going off for a ride, stopping off somewhere to have some breakfast and a catch up, and then ride home. We are all respectful members of the local community. Your proposal to ban all motor bikers is ridiculous!!!! ...the same goes for car enthusiasts as well. We all know there are some problem people, but it's simply not fair, or more correctly shows a complete lack of understanding by whoever came up with this suggestion.
- No

- Closed churchyard at St Stephens? There is one tiny fenced off crypt. I think the wilding of these areas with wild flower meadow reduces some anti social use....
- N/A

26. Do you agree with the new proposed PSPO to prevent unauthorised parking on public open spaces?

Yes	70
No	18
Don't know	5



27. Is there anything else that you would like to see included in the PSPO for unauthorised parking on public open spaces?

16 Responses

- Yes, stop vehicles parking on grass verges, it's unsightly & ruins the grass.
- These places need regular Police patrols and places that will then become alternative locations for unauthorised parking.
- IT DEPENDS ON WHAT YOU MEAN AND WHERE
- A public open space is paid for by the public for the use of the public, why can't I park on one? I can see the need to stop those who want to drive at speed across an open space and damage it, but parking, where's the harm in that?
- Unauthorised parking only but not to deter people in motorised vehicles going and enjoying the Open Space
- Better definition of which spaces are defined as "public open", in theory this could be as simple as parking outside of a marked bay at Tesco
- I think it's disgraceful that all responsible people should be tarred with the same brush as the vast minority of trouble makes. My friends and I are motorbike enthusiasts as regularly meet up with friends before going off for a ride, stopping off somewhere to have some breakfast and a catch up, and then ride home. We are all respectful members of the local community. Your proposal to ban all motor bikers is ridiculous!!!!the same goes for car enthusiasts as well. We all know there are some problem people, but it's simply not fair, or more correctly shows a complete lack of understanding by whoever came up with this suggestion.
- We need to stop youths all congregating in these car parks revving their cars and causing anti social behaviour
- too vague and all encompassing
- If you could extend that to pavement parking that would be really something....
- I wouldn't want to see people being deprived of access to the public open spaces, so designated parking would help if it's possible.
- officers to enforce
- N/A
- Parking dangerously on country lanes and on pavements making visibility to oncoming traffic impossible and dangerous. No one seems to want to help with this daily situation on Pratling Street.
- I would also like an inclusion for a PSPO for those driving across public open spaces as they do frequently on the Columbine Road, Carnation Crescent Green on Step Stile Estate.

- Include Hadlow Parish Council land: Williams Field

28. Do you agree with the new proposed PSPO to stop nuisance associated with car and/or motorcycle meetings?

Yes	75
No	16
Don't know	2



29. Is there anything else that you would like to see included in the PSPO to tackle nuisance associated with car/motorbike meetings?

29 Responses

- I live on New Hythe Lane, Larkfield it is horrendous & please stop cars racing & making their car bang, they sounds like explosions! It's terrifying my dog & causes us unecessary stress!
- The car meets in larkfield are a terrible nuisance to us. They go on for hours and wake up our toddler and keep us awake when we have very little as it is. I would like the police to tackle these meets quickly as currently, it is impossible to report them using the telephone line as it is always busy and there is often no response when logged online.
- It is paramount these places need regular Police patrols and especially places that will then become alternative locations for noise, please can we monitor, do what we can to reduce extreme noise from loud car/motorbike exhausts going up and down the A228 coming from the Shell garage towards McDonald's. Car exhausts are being deliberately 'popped' repeatedly very late at night whilst cars are being driven at speed up the road.
- IT DEPENDS ON WHAT YOU MEAN AND WHERE
- The car meets at Larkfield have a very detrimental effect on sleep and are getting louder and more frequent ! They should absolutely be banned .
- not just a meeting, but cars using Larkfield roads at SPEED for the noise and then just driving away
- This depends on what you defined as a nuisance.
- There is a limit to your policing of the freedom of the general public.
- The ability for genuine clubs to have access during daytime
- I think it's disgraceful that all responsible people should be tarred with the same brush as the vast minority of trouble makes. My friends and I are motorbike enthusiasts as regularly meet up with friends before going off for a ride, stopping off somewhere to have some breakfast and a catch up, and then ride home. We are all respectful members of the local community. Your proposal to ban all motor bikers is ridiculous!!!! ...the same goes for car enthusiasts as well. We all know there are some problem people, but it's simply not fair, or more correctly shows a complete lack of understanding by whoever came up with this suggestion.
- I live in Snodland and all I can hear on a very regular basis is car racing, engines revving. This is becoming a real problem with sleeping with windows open and needs to stop
- too vague and all encompassing
- do not ban everybody, deal with the minority of individuals causing problems

- CCTV/Anpr introduced at know problem areas eg New Hythe Industrial estate is used most weekends, but lack of resources are unable to attend this and other problem areas. Leaving residents with night after night of no sleep, cameras in these area would surely be a deterrent.
- Bikes are also causing considerable erosion to footpaths. Often resulting in wider paths into undergrowth as they try to avoid mud pits of their own making.
- The noise they make with there backfiring exhausts is like gunfire, I have recordings
- I ride a classic motorcycle as do my friends. We have never been a nuisance and are very considerent to all we meet. I always find that I end up picking up other peoples litter and dog shit in most places we stop. If this being a nuisance I don't know what is. I find that in most of these open places the bins are never emptied, maybe you should be considering how often these are cleared and stop looking for people to blame for the mess left by lazy people. I have never left anything behind and have never been a nuisance to anybody. I find this proposal discrimination towards ordinary older motorcycle who just what to meet up and ride our bikes.
- More police presence. This is consistently happening every weekend now Friday and Saturday night. New hythe train station and the new panottoni park are regular meet up spots. This is impacting residents mental health and lifestyle.
- More cameras to be fitted to deter participants.
- Prison sentences?? Confiscation/scrapping of vehicles involved
- More police presence and traffic calming measures in Larkfield/New Hythe (in New Hythe Lane but also in Lunsford Lane and Leybourne Way). The amount of speeding vehicles on New Hythe Lane during the day is so dangerous; and the nuisance car meetings during the night is horrendous for residents.
- More regular patrols of issue areas, ie New Road/Church Street, Burham for racing traffic and antisocial parking
- Include Williams Field, Marshall Gardens, TN11 0HQ (Hadlow Parish Council land)
- I think if there is an organiser who agree to terms of the meeting then it's ok. Up until 10pm it's ok to meet.
- I would like to see this extended to include the horse trotting meetings held on Whetstead Road (near the Hop Farm). These are becoming more regular and are a danger to drivers and horses. The behaviour of those participating is intimidating and aggressive with cars driving two abreast, and passengers sitting outside car windows as they're moving.
- Speed cameras, police presence, speed bumps, noise detectors. Mostly these happen between 11pm and 3 am so breaking other laws too regarding overnight noise, never mind the speed, damage to highways and danger to property or person
- New hythe industrial estate every weekend is now full of up to 150 cars. Recent videos of police chases online and drifting. The roundabout by the river is covered in litter and burnt tyres because of these meetings.
- Please specifically help and deal with New Hythe Lane/Papyrus Way car meets as this goes on every Saturday and the occasional Friday. Illegal meet, speeding, noise, damage to tarmac and aggressive behaviour. It's impossible to feel safe driving home during those hours
- New Hythe Lane is awful with car and bike meets. So so pound and into the early hrs. It is such a nuisance

30. Do you agree with the new proposed PSPO to stop anti-social behaviour associated with fishing at Tonbridge Town Lock/Tonbridge Moorings?

Yes	61
No	11
Don't know	21



31. Is there anything else that you would like to see included in the PSPO to stop anti-social behaviour associated with fishing at Tonbridge Town Lock/Tonbridge Moorings?

3 Responses

- I agree that anti social behaviour associated with fishing should be stopped but what does this mean. Fishing seems such a quiet sport, how can it be anti social? Do you have an example or is it based on complaints by people who may not like anglers?
- See previous comments about fishing
- Large fines and confiscation of equipment

32. Do you agree with the new proposed PSPO to stop unauthorised swimming, bathing and/or boating at Holborough Lakes?

Yes	63
No	17
Don't know	13



33. Is there anything else that you would like to see included in the PSPO to stop unauthorised swimming, bathing and/or boating at Holborough Lakes?

20 Responses

- Although there is a difference between kids, families 'paddling' (which should be allowed) and unauthorised swimming.
- There is an established Dive school operating at Holborough Lakes. You can also access open water swimming etc. by paying a fee etc. I assume this will still be possible?
- pROVIDING IT IS SAFE
- Drinking alcohol, gathering in groups
- Is the council saying that "unauthorised swimming/boating" is anti social, disturbs wild life and is excessively noisy but authorised swimming does not. This doesn't appear a very balanced argument?
- I cannot see how the enjoyment of nature and the health benefits of a few swimmers, or the enjoyment of many needs such draconian measures

- Swimming and Bathing but not boating - whilst there may be some unauthorised boating it is not ASB, indeed it helps prevent it.
- General nuisance by children on the entire estate not just limited to the lake itself.
- Why can't there be authorised swimming? At least make it more accessible especially as we are having longer hotter summers
- All ASB and numbers of groups congregating
- I would like to see added no groups gathering to cause antisocial behaviour, threats of violence, intimidation of the residents of Holborough Lakes, vandalism, urinating against the properties at Holborough Lakes, destruction of nesting wild fowl nests and treading on chicks, no slingshots used to kill/harm wildlife either on or near the lake, offensive weapons being band (children and teenagers with knives plus threats of getting knives to harm residents and Nemes staff). Stopping adults driving children and teenagers to the nearest viewing platform by Nemes dive school and collecting them after they have been abusive/threatening to residents and Nemes staff. Groups of children and teenagers chasing and beating up a single child at Holborough Lakes. Stopping children and teenagers drinking alcohol/smoking drugs etc on the viewing platforms at Holborough Lakes. Stopping children and teenagers turning the viewing platforms into boxing rings and bring boxing gloves and equipment with them. Stopping boxing on the foot path that runs at the side of the lake. Stopping children and teenagers riding motorbikes on the footpaths at Holborough Lakes.
- Noise pollution needs to be considered- ou may be able to stop the gangs of youth swimming in the lake but it will not stop the congregation of these kids in holborough lakes. There needs to be something to stop large groups of under 18s from gathering without authorisation. They have been stoning Cars and beating up residents.
- Unauthorised congregating on the viewing platform. A warning process, that leads to a removal of said persons and a ban from the area. Always youths that don't live on the estate that congregate to cause antisocial disturbance and distress to residents.
- Stop anti social behaviour anywhere on Holborough Lakes - also Dog fouling
- On the provision authorised swimming is still available.
- Are there adequate warnings about how deep and dangerous these lakes are? Are notices up warning the public of the effects of cold water on the body?
- Large fines and confiscation of boats
- This need to be put in place due to security threat of the residents also. Being verbally and physically abused by youths all summer.
- It would be nice to include an area where people can swim legally and safely.

34. Are there any other areas that you would like to see included within the PSPO? Or if you have any other comments, please include them here:

26 Responses

- Please address the HUGE volume of traffic in New Hythe Lane, since Panatoni have built units the traffic is horrendous & is only going to get worse. The exhaust fumes must be dangerous for our health. The road needs opening up as soon as possible to allow traffic to go through Aylesford.
- Only that I think we need to see far more Police presence in Snodland, and more vehicle patrols in the area too. Far more patrols to monitor and control noise and speed down the A228 is important. There is quite commonly problems with youths around Snodland train station car park such bus shelters getting smashed, kids large groups hanging out outside the bakers in Snodland being very menacing and anti-social.
- PEOPLE WALKING IN RURAL AREAS SHOULD BE RESTRICTED TO PUBLIC FOOTPATHS. WE OFTEN HAVE PEOPLE ON OUR SOWN WHEATFIELDS AND EVEN DOGS LET LOOSE TO RUN ON THE FIELD.

- aS FEW AS POSSIBLE
- Is TMBC putting drivers, motorcyclists, swimmers and sailors in the same bracket as those who let their dogs foul and don't pick it up, those who urinate in public and those who spy on others? Most people who carry out these activities are well behaved citizens, why the need to place restrictions on them. This is the thin end of a very long wedge as there are small groups in all sections of activities who are anti social and that includes complainers.
- Local and national auto /motorcycle clubs are law abiding and considerate. There may be a few that are not of course, but please do not legislate against many clubs enjoying the countryside because of a few. Will you ban cycling groups next?
- I think it's disgraceful that all responsible people should be tarred with the same brush as the vast minority of trouble makes. My friends and I are motorbike enthusiasts as regularly meet up with friends before going off for a ride, stopping off somewhere to have some breakfast and a catch up, and then ride home. We are all respectful members of the local community. Your proposal to ban all motor bikers is ridiculous!!!!the same goes for car enthusiasts as well. We all know there are some problem people, but it's simply not fair, or more correctly shows a complete lack of understanding by whoever came up with this suggestion.
- the lack of toilets is a problem in many areas
- I appreciate resources are stretched, but if you have these PSPO's in force please use them, the street racing is still happening as is other ASB. It looks good on paper but it needs putting into action, residents are suffering.
- Perhaps an area of river where people may swim? Historically people enjoyed this freedom in the Medway. In Hayesden park children often paddled. Now you are fenced in and barely allowed to even look at the river in case you drown. People need to make some of their own decisions and learn to live along side nature. The country side is not a Zoo....
- I think the above covers everything
- I would like to see the green at Holborough lakes be also protected from youths / gangs. I think the lake also needs a limit of groups of children without parents being set to a maximum of 2.
- Unauthorised congregating on the viewing platform. A warning/removal process, that leads to a removal of said persons and a ban from the area. It's Always youths that don't live on the estate that congregate to cause and intense antisocial disturbance and distress to residents that makes living here in the summer months unbearable and seriously effects residents mental health.
- Will there be people/ officers to enforce these PSPO's
- Stop the racing along the East Peckham by-pass. Very dangerous and very noisy
- Introduction of traffic calming measures in Larkfield/New Hythe (in New Hythe Lane in particular, but also in Lunsford Lane and Leybourne Way). The amount of speeding vehicles on New Hythe Lane during the day is so dangerous. Also, myself and countless other pedestrians/children have almost been run over by vehicles accelerating straight through the red traffic light whilst coming off the New Hythe Lane/Leybourne Way roundabout. The nuisance car meetings towards the New Hythe Lane industrial estates /car revving in Tesco car park during the night is also horrendous for residents.
- More regular patrols of issue areas, ie New Road/Church Street, Burham for racing traffic and antisocial parking Where drug taking is involved and dumping rubbish
- The smell of cannabis inTonbridge is getting more and more prevalent and is such an antisocial smelly thing for normal people to endure that it's use in any area should be banned
- We believe that areas owned by the local Town or Parish Councils should also be included with the PSPO, if you can include private areas like Holborough Lakes and local churches then all open spaces within Towns and Parishes should be included.

- Please consider the inclusion of Williams Field, Marshall Gardens, Hadlow, TN110EH
- Control antisocial behaviour in children's playground in Melrose Avenue, Kings Hill
- Answering on behalf of West malling Parish Council and have therefore only responded to matters that impact the parish and not those relating to Leybourne, Tonbridge etc.
- The number of dogs that can be walked safely on leads by one person, should be reduced from 6 to 3.
- As above larkfield have seen a rise in car meets every friday and Saturday night because of the new roundabouts and no enforcement.
- Please specifically help and deal with New Hythe Lane/Papyrus Way car meets as this goes on every Saturday and the occasional Friday. Illegal meet, speeding, noise, damage to tarmac and aggressive behaviour. It's impossible to feel safe driving home during those hours
- N/A

Matthew Scott
Kent Police and Crime Commissioner

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Alison Finch
Safer & Stronger Communities Manager
Tonbridge & Malling Borough Council
Gibson Drive
Kings Hill
West Malling
Kent
ME19 4LZ

09 January 2023
Ref: OPCC/MS/OG/064/23
Please quote reference on all replies

Dear Alison,

Re: Renewal of Proposed Public Space Protection Order – Leybourne Lakes Country Park and

Thank you for your letter requesting the renewal of PSPO for Leybourne Lakes and other local country parks. I confirm that I am comfortable with the four new restrictions proposed that tackle some of the recent issues. These are:

- vehicles on public open spaces
- nuisance associated with car and motorcycle meetings
- anti-social behaviour associated with fishing at Town Lock and Tonbridge Moorings
- no unauthorised swimming, bathing or boating at Holborough Lakes

My office has been in liaison with the Force in respect of the proposal and both the Tonbridge and Malling District Commander and Inspector are supportive of the proposal and believe that this is proportionate and justified and agree with the suggested terms.

Tonbridge and Malling CSU acknowledge that over the summer months there were significant ASB issues in Larkfield, Holborough Lakes and Tonbridge Lock. This PSPO will give the council greater powers to deal with this and it is my priority that all PSPO's have a minimal impact on front line policing resources.

I note that public consultation is currently underway until 15 January 2023 and I would look to provide my provisional support for the proposed order.

Yours sincerely

Matthew Scott
Kent Police & Crime Commissioner

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Queries from Leybourne Parish Council in response to the Public Space Protection Order consultation

Email 15/12/22

Dear Sirs,

Leybourne Parish Council has asked me to investigate how to put a PSPO on certain areas in Leybourne:

1. The Bombhole Play Area – Oxley Shaw Lane

This is a public open space with a play area that is not fenced off, Leybourne Parish Council would like to keep this area free of dog faeces and to exclude dogs from this area as it is many children play here. The exclusion of dogs from parish council owned and maintained children's play areas will prevent any distress and alarm to children. It will also enable children to enjoy the facilities unimpeded from dogs.

Also this area is often frequented by groups of teenagers at night and so it would be beneficial to be able to ask them to cease drinking if anti-social behaviour occurred.

2. Castle Lake

Leybourne Parish Council have recently taken ownership of Castle Lake, which is 29 acres of woodland and a lake. Unauthorised fisherman have been causing a nuisance to residents who live near the lake with anti-social behaviour, fires (during the extremely hot weather), driving vehicles across TMBC land to be closer to their "swims" and there has also been reports of anti-social/ nuisance behaviour with off road motorbikes.

The parish council would also like to be able to enforce the no BBQ's rule, unauthorised swimming, bathing and boating, unauthorised fishing and unauthorised camping

Email 16/12/22

Dear Sirs,

Further to my email there are a couple of areas that we lease from KCC and I believe all PSPO's are through the Borough Council, could the following also be considered:-

1. Toddler Playground and Outdoor Gym, Castle Way

Leybourne Parish Council would like to keep this area free of dog faeces and to exclude dogs from this area as it is many children play here. The exclusion of dogs from parish council owned and maintained children's play areas will prevent any distress and alarm to children. It will also enable children to enjoy the facilities unimpeded from dogs.

2. Muga Area, Oxley Shaw Lane

Leybourne Parish Council would like to deter anti-social behaviour.

3. Land where the Christmas Tree on the Corner of Lillieburn/ Castle Way

Leybourne Parish Council would like to keep this area free of dog faeces and to exclude dogs from this area and to deter anti-social behaviour.

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The Tonbridge & Malling Borough Council Public Spaces Protection Order [2023]

DRAFT FOR CONSULTATION

Pursuant to powers granted to the Council under s.59 of the Anti-social Behaviour, Crime and Policing Act 2014, Tonbridge and Malling Borough Council has made the following Order:

From [date] it is an offence for a person without reasonable excuse:

- (a) To do anything that the person is prohibited from doing in this Order, or
- (b) To fail to comply with any requirement to which the person is subject under this Order

A person guilty of an offence in relation to this Order is liable on summary conviction to a fine not exceeding level 3 on the standard scale (£1,000 as at 28th June 2022).

The Council or a Police Constable may issue a fixed penalty notice to any person he or she has reason to believe has committed an offence in relation to this Order. A fixed penalty notice offers the opportunity to discharge liability for conviction upon payment of a fine of £100.

Measures affecting the whole of the Borough of Tonbridge and Malling

The following measures apply to all areas to which the general public has access within Tonbridge and Malling:

a. Dog Fouling

No person is permitted to leave dog faeces deposited by any dog under their control or ownership in any public place, save in a designated dog faeces bin or general waste bin. Owners and dog-walkers must clean up after dogs under their control, care or ownership.

b. Exclusion of Dogs from Children's Play Areas

No person in control, care or ownership of a dog may allow (whether wilfully or otherwise) those dogs to enter or remain upon any Children's Play Area which is owned and operated by the Borough Council.

c. Dogs on Leads by Direction

When required by an authorised officer of the Council, any person in control of dogs must place those dogs on a lead.

d. Maximum Numbers of Dogs Under a Person's Control

No person is permitted to have under their individual control more than 6 dogs in a public place.

e. Alcohol Control

No person may drink alcohol in a public place if requested to stop by an authorised officer of the Council or Police Constable.

f. Public Urination/ Defecation

No person may urinate or defecate in any public place, except in a public lavatory.

g. Use of Drones

No person may operate a drone from any open space owned by the Borough Council without first obtaining authorisation from the Borough Council.

For the purposes of this measure, “drone” means any remote-controlled pilotless aircraft or Unmanned Aerial Vehicle.

h. Vehicles on public open spaces

No person may park a vehicle on any public open space within the borough, save in a designated vehicle parking space. For the purposes of this provision, ‘public open space’ shall mean any land laid out as a public garden or used for the purposes of public recreation.

i. Nuisance associated with car/motorcycle meetings

No person may participate in car cruising activity as a passenger or driver of a vehicle within the area designated in this Order

No person may congregate in an area to spectate cruising activity undertaken by vehicles in the area designated in this Order.

For the purposes of this measure, “car cruising activity” means, as a driver or passenger of a vehicle: driving in convoy; performing stunts; sounding horns repeatedly; revving engines; wheel spins; playing music (in a manner which creates annoyance to the public); using foul or abusive language; causing obstruction on a public highway, whether moving or stationary; or engaging in any other activity that a reasonable person would consider to be a “car cruising activity”

2. Area- Specific Measures

In addition to the Borough-wide measures, the following measures apply within the boundaries of these designated areas:

a. Leybourne Lakes Country Park

i. No unauthorised Barbecues

No person may use any barbecue, open fire or other method of cooking or heating food within the Country Park unless specifically authorised in writing by the Council

ii. No unauthorised swimming, bathing or boating

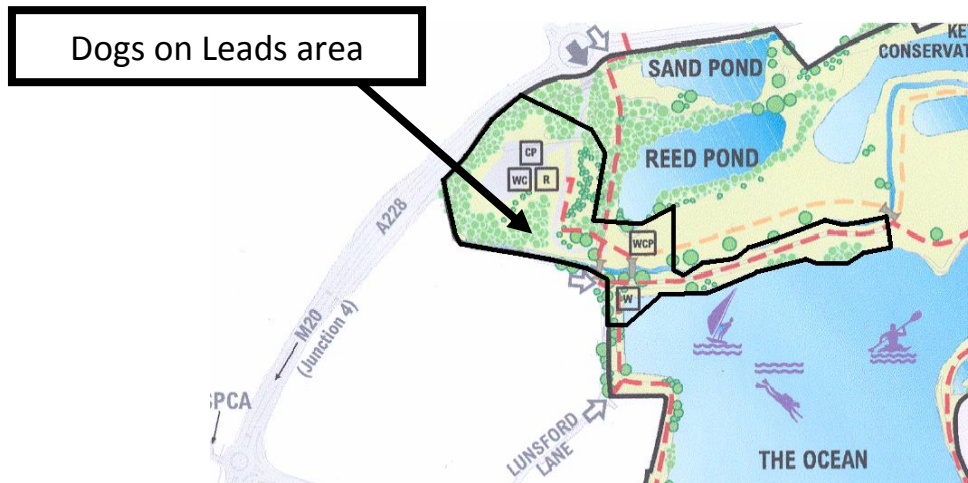
No person may swim, bathe or operate any boat or craft in any lake within the Country Park unless specifically authorised in writing by the Council

iii. Dogs on Leads at all times in designated areas

Dogs must be kept on leads at all times within the areas shown on the plan below. Broadly, these areas are the car parks and the access road for the Watersports facility.

iv. No unauthorised camping

No person may camp in any place within the Country Park unless specifically authorised in writing by the Council.



b. Tonbridge Memorial Gardens

i. No wheeled-sports activities

No wheeled-sports activities may take place within the Tonbridge Memorial Gardens. This includes, but is not limited to: skateboards, BMX, in-line skating and scooters.

c. Tonbridge Moorings

i. No unauthorised mooring

No person is entitled to moor any boat or craft on the moorings unless licenced to do so or otherwise specifically authorised in writing by the Council or Environment Agency.

No person is entitled to moor any boat or craft at any time on the riverbank area as shown below (green lines).

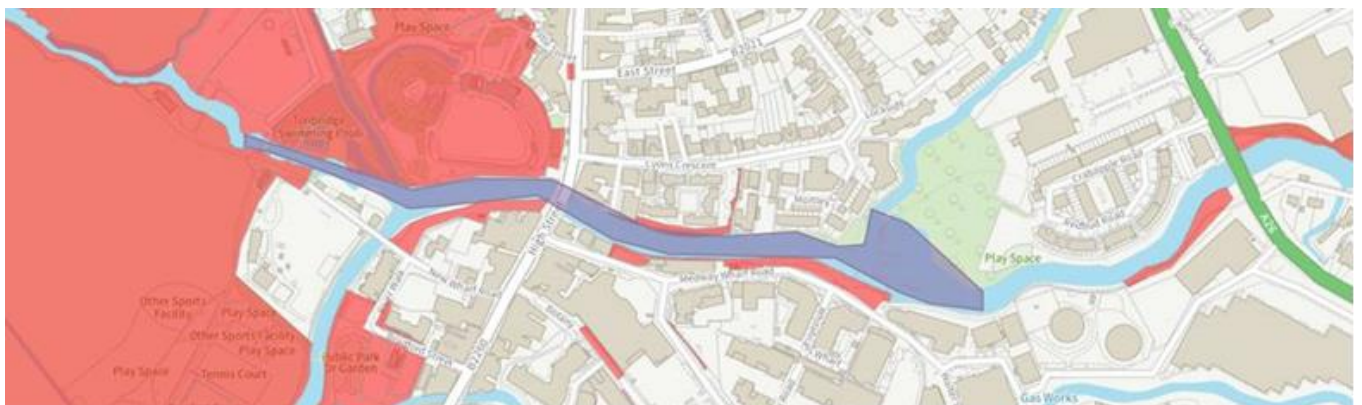


ii. No unauthorised camping

No person may camp in any place unless specifically authorised in writing by the Council.

iii. No unauthorised swimming or bathing

No person may swim or bathe within the area shown in purple at any time.



iv. Anti-social behaviour associated with fishing

No person may fish as shown within the purple area above.

d. Haysden Country Park

i. No unauthorised Barbecues

No person may use any barbecue, open fire or other method of cooking or heating food within the Country Park unless specifically authorised in writing by the Council

ii. No unauthorised swimming, bathing or boating

No person may swim, bathe or operate any boat or craft in any lake within the Country Park unless specifically authorised in writing by the Council

iii. Dogs on Leads at all times in designated areas

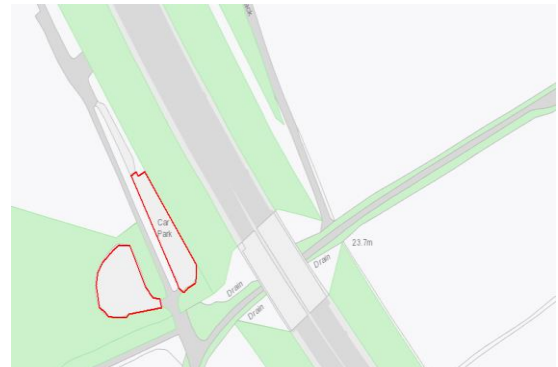
Dogs must be kept on leads at all times within the areas shown on the plans below. Broadly, these areas are the car parks and around the catering unit.

iv. No unauthorised camping

No person may camp in any place within the Country Park unless specifically authorised in writing by the Council.



Map above showing dogs on lead area within main car park and catering area within Haysden Country Park



Map above showing dogs on lead area within Lower Haysden Lane Car Park



Map above showing dogs on lead area within Audley Rise Car Park

e. Tonbridge Racecourse Sportsground and Tonbridge Castle

i. No unauthorised Barbecues

No person may use any barbecue, open fire or other method of cooking or heating food within these areas unless specifically authorised in writing by the Council

ii. Dogs on Leads at all times in designated areas

Dogs must be kept on leads at all times within the areas shown on the plan below. Broadly, these areas are the castle grounds.

iii. No unauthorised camping

No person may camp in any place within these areas unless specifically authorised in writing by the Council.



f. Tonbridge Farm Sports Ground

i. **No unauthorised Barbecues**

No person may use any barbecue, open fire or other method of cooking or heating food within these areas unless specifically authorised in writing by the Council

ii. **Dogs on Leads at all times in designated areas**

Dogs must be kept on leads at all times within the areas shown on the plan below. Broadly, this is the Sports Ground car park.

iii. **No unauthorised camping**

No person may camp in any place within these areas unless specifically authorised in writing by the Council.



g. Tonbridge Cemetery

i. **Dogs on leads at all times**

Dogs must be kept on leads at all times within Tonbridge Cemetery



h. Closed Churchyards at St Peter's and St Paul's Churches

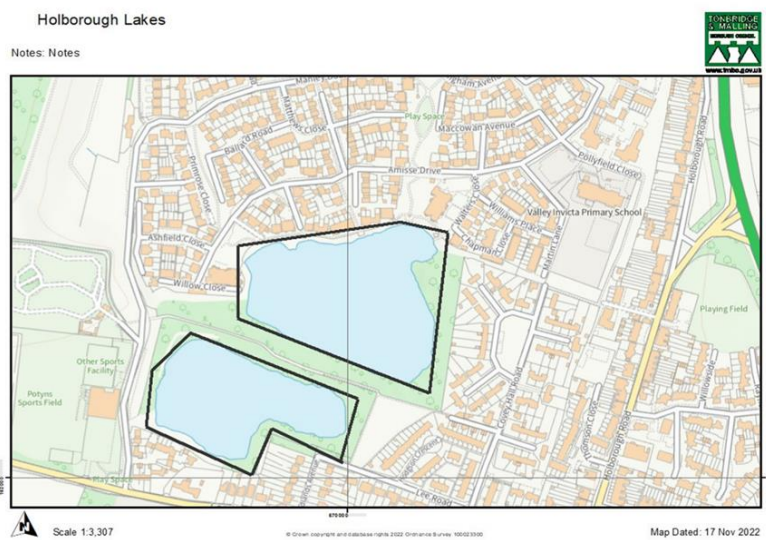
i. **Dogs on leads at all times**

Dogs must be kept on leads at all times within the Churchyards of St Peter's and St Paul's churches

i. Holborough Lakes, Snodland

(i) **No unauthorised swimming, bathing or boating**

No person may swim, bathe or operate any boat or craft in any lake within Holborough Lakes unless specifically authorised in writing



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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.

Executive Decisions Record - January 2023

Decision Number	Title	Cabinet Member	Date of Decision	Date Published	Call-in period ends	Called in	Scrutiny Committee Consideration	Referred back to Cabinet	Referred back to Council	Council referred to Cabinet	Date Decision Effective
D230007MEM	Amendment to portfolio of Cabinet Member for Environment and Climate	Leader	01/02/23	02/02/23	09/02/23						10/02/23
Decision pending	Call in period	Key Decision	Private	Urgent							
	Subject to call in										

URG - outside of budget and policy framework

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Agenda Item 18

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

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Agenda Item 19

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

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

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of the Local Government Act 1972.

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Agenda Item 23

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

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