

TONBRIDGE & MALLING BOROUGH COUNCIL



EXECUTIVE SERVICES

Interim 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

17 January 2024

To: MEMBERS OF THE OVERVIEW AND SCRUTINY COMMITTEE
(Copies to all Members of the Council)

Dear Sir/Madam

Your attendance is requested at a meeting of the Overview and Scrutiny Committee to be held in the Council Chamber, Gibson Drive, Kings Hill on Thursday, 25th January, 2024 commencing at 7.30 pm.

Members of the Committee 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.

Yours faithfully

ADRIAN STANFIELD

Interim Chief Executive

A G E N D A

1. Guidance on the Conduct of Meetings

5 - 8

PART 1 - PUBLIC

2. Apologies for absence
3. Notification of Substitute Members 9 - 10
4. 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 for members – Tonbridge and Malling Borough Council \(tmbc.gov.uk\)](https://www.tmbc.gov.uk/code-of-conduct-for-members).

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

5. Minutes 13 - 20

To confirm as a correct record the Minutes of the ordinary and extraordinary meetings of the Overview and Scrutiny Committee held on 16 November 2023 and 10 January 2024

6. Any Executive Decisions which have been 'called in' 21 - 22

Matters for Recommendation to the Cabinet

7. Capital Plan 2023/24 23 - 44

The report reviews the current position of the existing Capital Plan and recommends schemes to be added to and deleted from List C; schemes for evaluation and schemes for inclusion on List B. An updated Capital Strategy is also presented for endorsement.

(NB: Annexes 1-3 are attached as a supplement to the main agenda due to their size)

8. Revenue Estimates 2024/25 45 - 78

The report sets out the draft Estimates 2024/25 for scrutiny and the Committee are invited to make recommendations to Cabinet.

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

9. Climate Change Gap Analysis of progress towards Carbon Neutral 2030 79 - 84

To provide a gap analysis of progress towards carbon neutral by 2030 and present options that put 'recognising climate change as a corporate priority' into practice.

Matters for Decision under Delegated Powers

10. Scoping Report - Review of the Council's Use of Consultants 85 - 88

To scope out the terms for the Overview and Scrutiny Review of the appointment of consultants across the Council.

Matters for Information

11. Record of Decisions taken by the Executive 89 - 90

The record of executive decisions taken during January 2024 is attached for information.

12. Notice of Forthcoming Key Decisions 91 - 94

The Notice for the period February – March 2024 is attached for information. This may be subject to change due to reporting timetable changes.

13. Work Programme 95 - 98

The Work Programme setting out matters to be scrutinised during 2024/25 is attached for information. Members can suggest future items by liaising with the Chair of the Committee.

14. Urgent Items 99 - 100

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

Matters for consideration in Private

15. Exclusion of Press and Public 101 - 102

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

16. Urgent Items 103 - 104

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

MEMBERSHIP

Cllr Mrs A S Oakley (Chair)

Cllr R I B Cannon (Vice-Chair) and Cllr M A J Hood (Vice-Chair)

Cllr T Bishop

Cllr C Brown

Cllr A Cope

Cllr R W Dalton

Cllr D A S Davis

Cllr D Harman

Cllr P M Hickmott

Cllr G B Hines

Cllr F A Hoskins

Cllr S A Hudson

Cllr D W King

Cllr J R S Lark

Cllr W E Palmer

Cllr D Thornewell

GUIDANCE ON HOW MEETINGS WILL BE CONDUCTED

- (1) Most of the Borough Council meetings are livestreamed, unless there is exempt or confidential business being discussed, giving residents the opportunity to see decision making in action. These can be watched via our YouTube channel. When it is not possible to livestream meetings they are recorded and uploaded as soon as possible:

<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 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 Chair, 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 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 should attend in person. However, arrangements to participate online can be considered in certain circumstances. 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.

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Overview and Scrutiny Committee

	Conservative	Liberal Democratic	Green	Ind. Kent Alliance	Labour
1	Alex McDermott	Bill Banks	Lee Athwal		Angus Bennison
2	Adem Mehmet	Paul Boxall	Kath Barton		Wayne Mallard
3	Mark Rhodes	Garry Bridge	Steve Crisp		
4	Keith Tunstall	Trudy Dean	Robert Oliver		
5	Colin Williams	Roger Roud	Bethan Parry		

Members of Cabinet cannot be appointed as a substitute to this Committee

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Declarations of interest

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TONBRIDGE AND MALLING BOROUGH COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

MINUTES

Thursday, 16th November, 2023

Present: Cllr Mrs A S Oakley (Chair), Cllr R I B Cannon (Vice-Chair), Cllr M A J Hood (Vice-Chair), Cllr T Bishop, Cllr A Cope, Cllr R W Dalton, Cllr D A S Davis, Cllr D Harman, Cllr P M Hickmott, Cllr F A Hoskins, Cllr S A Hudson, Cllr D W King, Cllr J R S Lark, Cllr W E Palmer, Cllr D Thornewell, Cllr K Barton (substitute) and Cllr K S Tunstall (substitute).

In attendance: Councillor M Taylor, Mrs S Bell*, R P Betts*, M A Coffin*, M R Rhodes*, R V Roud* and K B Tanner* were also present pursuant to Council Procedure Rule No 15.21.

*participated via MS Teams

Apologies for absence were received from Councillors C Brown and G B Hines

PART 1 - PUBLIC

OS 23/49 NOTIFICATION OF SUBSTITUTE MEMBERS

Notification of substitute members were recorded as set out below:

- Councillor Barton for Councillor Hines
- Councillor Tunstall for Councillor Brown

In accordance with Council Procedure Rules 17.5 to 17.9 these Councillors had the same rights as the ordinary member of the committee for whom they were substituting.

OS 23/50 DECLARATIONS OF INTEREST

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

OS 23/51 MINUTES

RESOLVED: That the Minutes of the meeting of the Overview and Scrutiny Committee held on 14 September 2023 be approved as a correct record and signed by the Chair.

OS 23/52 PRESENTATION: INTERNAL DRAINAGE BOARDS

Representatives of the Lower and Upper Medway Internal Drainage Boards provided a comprehensive explanation of the organisations role as public bodies managing water levels and ditch maintenance within the Borough. Funding arrangements under Section 36 of the Land Drainage Act 1991 were also explained.

There was in-depth discussion on a range of issues including the Drainage Boards Nature Recovery Strategy and how they could support environmental objectives within the Borough; how to encourage a co-ordinated approach from the Environment Agency, Kent County Council and other agencies to ensure water courses remained clear; how to improve communication between key partners and the type of work undertaken by the Boards.

Maintenance plans outlining progress against set objectives were available on Drainage Boards website. However, Members were assured that as much as possible was being done with the resource and funds available.

The Committee also heard from the Borough Council appointees to the Lower and Upper Medway Internal Drainage Boards, Cllr D Davis, Cllr D King and former councillors Mr O Baldock and Mr M Davis who all felt that their representation was an important and interesting function. They also offered to take any Member questions to the Boards for a detailed response. However, any site specific issues should be raised with the Boards independently.

MATTERS FOR RECOMMENDATION TO THE CABINET**OS 23/53 REVIEW OF OUTSIDE BODIES**

The report of the Chief Executive provided an update on the recent review of appointments to outside bodies. A short survey had been distributed to external organisations and whilst there was a relatively low response rate, those that did respond felt that the Borough Council appointments were beneficial.

A summary of the perceived benefits of local authority representation was provided at 1.1.3 of the report. As the external organisations all operated very differently, with varied requirements from their nominated representative, it was difficult to draw any fixed conclusions from the responses received. However, there was consensus that the perceived benefits were being achieved although it was apparent that there was a lack of consistent reporting back to the Borough Council.

Members recognised the impracticability of inviting all outside bodies to address the Overview and Scrutiny Committee to explain the role of their organisations. It was, therefore, recommended that the list of annual

appointments to outside bodies be distributed between the Overview and Scrutiny Committee and the 3 Scrutiny Select Committees. Each Committee could then decide on the best way to gain feedback from the organisations. The Scrutiny Officer was asked to reconsider the distribution of the outside bodies organisations between the Committees with particular reference made to the Leisure Trust which might fit better with the Overview and Scrutiny Committee.

There was detailed discussion on the role of outside bodies and the Chair invited Mr M Davis and Mr O Baldock to share their views as Borough Council appointees, who felt these appointments provided an opportunity to see how the funding offered by the Borough Council was being used; provided an opportunity for useful and valuable feedback and the use of former Councillors meant that experience wasn't lost. Reference was also made to the issues around conflicts of interest in respect of some appointments which meant that serving Members had to leave a debate in which they could have made a valuable contribution. The Committee asked that options around best practice on this issue be explored.

On the grounds of allowing Group Leaders sufficient time to identify and nominate suitable candidates, especially in an election year, Councillor Hood proposed, seconded by Councillor Cope that nominations for appointments to outside bodies should be considered at the second meeting of Full Council in a municipal year rather than Annual Council. Whilst this proposal was supported in principle, it was explained that Council Procedure Rule 1.2 (i) would need to be revised and this would be considered further by Cabinet and the Monitoring Officer.

RECOMMENDED*: That

- (1) the approach of distributing the annual appointments to outside bodies list between the Overview and Scrutiny Committee and the 3 Scrutiny Select Committees, as set out in 1.2.3 of the report, be endorsed by Cabinet;
- (2) each Scrutiny Committee be invited to consider how to receive feedback from the outside bodies assigned to them; and
- (3) subject to revising CPR 1.2 (i) in Part 4 of the Constitution and the views of Cabinet and the Monitoring Officer, nominations for appointments to outside bodies should be considered at the second meeting of Full Council in a municipal year.

***Recommended to Cabinet**

MATTERS FOR INFORMATION**OS 23/54 KEY PERFORMANCE INDICATORS**

Members received a list of Key Performance Indicators (KPIs) that had been adopted by the Borough Council to measure progress on its priorities, as set out in the Corporate Strategy 2023-2027. In order to improve effectiveness, trend analysis and targets were also included. Data on KPIs relating to the period up to the of September 2023 was provided.

It was noted that there had been no questions or queries raised in advance of the meeting.

OS 23/55 RECORD OF DECISIONS TAKEN BY THE EXECUTIVE

The decisions taken by the Cabinet and Cabinet Members during October and November were presented for information and noted by the Committee.

OS 23/56 NOTICE OF FORTHCOMING KEY DECISIONS

The Notice advised of key decisions anticipated to be taken during January and February 2024. In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 at least 28 days before a key decision was expected to be taken, a Notice of Forthcoming Key Decisions should be published.

It was noted that currently the Notice was a draft and might be subject to change in advance of the publication date if decisions were added or removed. If there were any issues that the Committee wished to scrutinise they were invited to raise these with the Chair.

OS 23/57 WORK PROGRAMME

The Work Programme setting out potential matters to be scrutinised during 2023/24 was noted. Members were invited to suggest future items by liaising with the Chair of the Committee.

MATTERS FOR CONSIDERATION IN PRIVATE**OS 23/58 EXCLUSION OF PRESS AND PUBLIC**

There were no items considered in private.

The meeting ended at 9.05 pm

TONBRIDGE AND MALLING BOROUGH COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

MINUTES

Wednesday, 10th January, 2024

Present: Cllr Mrs A S Oakley (Chair), Cllr M A J Hood (Vice-Chair), Cllr C Brown, Cllr A Cope, Cllr D Harman, Cllr P M Hickmott, Cllr G B Hines, Cllr F A Hoskins, Cllr S A Hudson, Cllr D W King, Cllr J R S Lark, Cllr W E Palmer, Cllr B Banks (substitute), Cllr G C Bridge (substitute), Cllr A Mehmet (substitute), Cllr M R Rhodes (substitute) and Cllr C J Williams (substitute)

In attendance: Councillors A G Bennison, M D Boughton, J Clokey, S Crisp, D Keers, B A Parry, K B Tanner and M Taylor were also present pursuant to Council Procedure Rule No 15.21.

Virtual: Councillors L Athwal, A McDermott, R V Roud and K S Tunstall participated via MS Teams in accordance with Council Procedure Rule 15.21.

Apologies for absence were received from Councillors R I B Cannon (Vice-Chair), T Bishop, R W Dalton, D A S Davis and D Thornewell.

PART 1 - PUBLIC

OS 24/1 NOTIFICATION OF SUBSTITUTE MEMBERS

Notification of substitute members were recorded as set out below:

- Councillor C Williams substituted for Councillor R Cannon
- Councillor B Banks substituted for Councillor T Bishop
- Councillor A Mehmet substituted for Councillor R Dalton
- Councillor M Rhodes substituted for Councillor D Davis
- Councillor G Bridge substituted for Councillor D Thornewell

In accordance with Council Procedure Rules 17.5 to 17.9 these Councillors had the same rights as the ordinary member of the committee for whom they were substituting.

OS 24/2 DECLARATIONS OF INTEREST

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

EXECUTIVE DECISIONS WHICH HAVE BEEN 'CALLED IN'**MATTERS FOR RECOMMENDATION TO THE CABINET****OS 24/3 CALL IN OF DECISION NOTICE D230106CAB - FUTURE OF THE ANGEL CENTRE, TONBRIDGE**

The report of the Scrutiny Officer advised that in accordance with the Overview and Scrutiny Procedure Rules set out in the Constitution, five members of the Committee had raised a valid 'call-in' request in relation to the decision taken by the Cabinet in respect of the future of the Angel Centre, Tonbridge.

Decision Notice D230106CAB (attached at Annex 1) had been published on 8 December 2023 and subsequently called-in by Councillors Hood, Hines, Cope, Hoskins and Thornewell.

The grounds for call-in were set out in the report, at paragraph 1.1.2, and the decision was 'deferred' pending consideration by the Overview and Scrutiny Committee.

Members of the Committee considered the grounds for the call-in and had regard to the responses provided by the Leader. There was detailed discussion on the general principle of taking the decision to demolish the Angel Centre before a suitable location for a replacement had been identified.

It was proposed by Councillor Hood and seconded by Councillor Hines that a revised decision be recommended to Cabinet as follows: "Mace, our consultants, should provide options for demolition, refurbishment and relocation of the leisure and community facilities currently provided at the Angel Centre; all options should be kept on the table until Members have sufficient detail to make an informed decision and are provided with a shortlist of possible locations."

Following a formal vote this proposal was rejected with 9 Members voting against and 8 voting in favour.

It was the opinion of Members that a sustainable carbon neutral and state of the art new leisure centre that met the evolving leisure and community needs of the residents would benefit the borough as a whole. The Leader advised that the demolishing and rebuilding option could ensure a continued provision of facilities as the existing Angel Centre would remain open until a replacement facility was opened. Members were further advised that there would be multiple stages to engage them for scrutinising and decision making in respect of the new leisure centre, as part of the asset review and regeneration of the Tonbridge Town Centre.

In order to emphasise the nature of the current decision being “in principle” and the inclusion of “community facilities” within the consideration of the replacement facilities, it was proposed by Councillor Harman and seconded by Councillor Hudson that an amended decision be recommended to Cabinet to highlight these points as discussed.

Following a formal vote this proposal was supported with 10 Members voting in favour and 7 voting against. In accordance with Council Procedure Rule 8. 6, Part 4 (Rules) of the Constitution, Councillors Hood, Banks, Cope, Hickmott, Hines, Hoskins and Bridge requested that it be recorded in the Minutes that they had voted against this proposal.

RECOMMENDED: That decision D230106CAB be amended as follows:

“In principle, the Angel Centre be demolished and replacement leisure and community facilities be provided in Tonbridge and, in principle, all options be kept on the table for the future location and nature of such replacement leisure and community facilities within Tonbridge.”

***Recommended to Cabinet**

MATTERS FOR CONSIDERATION IN PRIVATE

OS 24/4 EXCLUSION OF PRESS AND PUBLIC

There were no items considered in private.

PART 2 - PRIVATE

MATTERS FOR INFORMATION

OS 24/5 FUTURE OF THE ANGEL CENTRE, TONBRIDGE - ANNEX 1

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

Annex 1 – Legal Implications, set out in Part 2 of the agenda, was attached for information during Members’ consideration of ‘Call In of Decision Notice D230106CAB – Future of the Angel Centre, Tonbridge’ (Minute OS 24/3 refers).

The meeting ended at 9.07 pm

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Agenda Item 6

Any Executive Decisions which have been “called in”

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TONBRIDGE & MALLING BOROUGH COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

25 January 2024

Joint Report of the Director of Finance and Transformation and
Cabinet Member for Finance and Housing

Part 1- Public

Matters for Recommendation to Cabinet

1 CAPITAL PLAN REVIEW 2023/24

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 usual annual capital allowance is £250,000); Earmarked Reserves; 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, and climate change 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 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 and Housing.

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 2024/25 is £1,065,000.
- 1.2.3 There remains 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. However, at its meeting on 5 December following receipt of a VAT 'windfall', Cabinet recommended to Full Council that a further £750,000 be added to the revenue reserve for capital schemes in 2023/24 for use in later years to

allow additional approved schemes to proceed. It is proposed that the capital allowance will go back to its £250,000 in due course.

- 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, other earmarked Reserves can, and are, 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 in a 'ladder' style:
- 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 13 February will consider and make recommendations on the transfer of schemes from List B to List A in the light of the overall financial position. Finally, Council on 20 February will consider recommendations from Cabinet.
- 1.3.4 Capital Plan schemes should emerge from, or be designed to achieve, the Council's strategic priorities and objectives. As part of this review any new

schemes being recommended for inclusion on List C are justified by reference to one 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 2022/23 has been taken into account and any slippage still required has been included in 2023/24;
- schemes included in the existing Budget Book which were completed in 2022/23 have been removed;
- in accordance with the policy of having a rolling six year Capital Plan (current year plus six) an additional year, 2029/30, 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 1.4.5 detail specific amendments to the Capital Plan (List A) approved by Council in February 2023.

1.4.3 The Cabinet Member for Finance, Innovation and Property approved the sum of £58,000 be added to the Capital Plan in respect of a General Data Protection Regulation cashiering software implementation (SmartPay 6). Cabinet Member Decision D230025MEM dated 22 March 2023. This is funded from the earmarked Transformation Reserve.

1.4.4 A number of other Rural England Prosperity Fund projects / initiatives covering the two year period 2023/24 to 2024/25 have also been added to the Capital Plan as follows:

- Investment in Micro & Small Enterprises £125,000
- Development and Promotion of Visitor Economy £89,000
- Creation and Improvements to Local Green Spaces £67,000
- Existing Cultural, Historic & Heritage Institutions £77,000
- Active Travel Enhancement in the Local Area £67,000
- Rural Circular Economy Projects £22,000

- 1.4.5 A total sum of £447,000 is to be wholly funded from Rural England Prosperity Fund grant monies. Further details can be found in the report to Cabinet on 8 November 2022.
- 1.4.6 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 2023/24 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 £1.092m per annum (2023/24 – 2029/30).
- 1.4.7 Provision for recurring expenditure has also been extended by a further year (see table below).

Capital Plan (List A) recurring expenditure		
	2029/30 £'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 9
Refuse bins growth / replacement	61	CP 9
Garden waste bins growth / replacement	37	CP 9
Improvements to existing car parks rolling programme	30	CP 15
Total	189	

- 1.4.8 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 beyond 2024/25 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	
Street Scene, Leisure and Technical Services	
Food Waste Collections – Communal Properties	CP 30
Larkfield Leisure Centre – Wetside Changing Room Refurbishment	CP 31
Lower Castle Fields Car Park – Bridge Works	CP 32
Haysden Country Park – Bridge Works	CP 33
Bailey Bridge East – Car Park Improvements	CP 34
Upper Castle Field – Car Park Extension	CP 35
Introduction of Automatic Number Plate Recognition (ANPR)	CP 36
Car Parking Amendments – On Street Parking	CP 37
Tonbridge School Athletics Facility – Replacement Athletics Track	CP 38
Corporate Services	
Angel Centre - Replacement Boilers	CP 39
Larkfield Leisure Centre - Installation of Air Source Heat Pumps	CP 40
Schemes to be deleted from List C	
Street Scene, Leisure and Technical Services	
Angel Centre Facility Refurbishment – Project is being considered as part of the broader Council's town centre assets.	
Tonbridge Farm Sportsground Provision of Toilets – Toilet provision is available from the onsite café.	

1.5.4 It is **RECOMMENDED** that Cabinet be asked to amend List C as detailed in paragraph 1.5.2.

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, four schemes have been recommended 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
Street Scene, Leisure and Technical Services	
Food Waste Collections – Communal Properties (fast track)	CP 30
Larkfield Leisure Centre – Wetside Changing Room Refurbishment (fast track)	CP 31
Lower Castle Fields Car Park – Bridge Works	CP 32
Haysden Country Park – Bridge Works	CP 33
Bailey Bridge East – Car Park Improvements	CP 34
Upper Castle Field – Car Park Extension	CP 35
Introduction of Automatic Number Plate Recognition (ANPR)	CP 36
Car Parking Amendments – On Street Parking	CP 37
Tonbridge School Athletics Facility – Replacement Athletics Track	CP 38
Corporate Services	
Angel Centre - Replacement Boilers (fast track)	CP 39
Larkfield Leisure Centre - Installation of Air Source Heat Pumps (fast track)	CP 40

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 2022/23 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	
Street Scene, Leisure and Technical Services			
Food Waste Collections – Communal Properties	30	2	CP 41
Larkfield Leisure Centre – Wetside Changing Room Refurbishment	150	13	CP 33
Corporate Services			
Angel Centre - Replacement Boilers	150		CP 46
Larkfield Leisure Centre - Installation of Air Source Heat Pumps	175		CP 49
Total	505	15	

1.7.4 The estimated capital cost of the schemes outlined in 1.7.3 will be met from the Revenue Reserve for Capital Schemes and the Climate Change Reserve.

1.7.5 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.

1.7.6 List B schemes will be considered by Cabinet on 13 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.

1.7.7 It is **RECOMMENDED** that Cabinet be asked to endorse the transfer of the four 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 13 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 Delay or non-approval of the Angel Centre Boiler Replacement scheme and the subsequent failure of the boiler and closure of the centre would lead to a significant potential loss of income claim, which would exceed the cost of the replacement boilers.
- 1.11.2 The capital scheme proposal for the Installation of Air Sourced Heat Pump at Larkfield Leisure Centre consists of the Council's element of match funding. There is a risk that the funding application to the Public Sector Decarbonisation Scheme (PSDS) could be unsuccessful and further contributions are required from the Council to fulfil this scheme. If this occurs Members will be asked to re-assess the viability of the scheme and consider alternative financing.
- 1.11.3 Financial implications of new schemes to be considered by Cabinet at the February budget meeting.
- 1.11.4 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 1.5.2.
- 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 four 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
Paul Worden

Sharon Shelton
Director of Finance and Transformation

Kim Tanner
Cabinet Member for Finance and Housing

Annexes 1 – 3 are published as a supplement to the main agenda due to their size

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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 2023/24	£15.36 million
Government Grant / Business rates excluding New Homes Bonus 2023/24	£4.4 million
Borough Council Band D Charge 2023/24	£231.23
Capital Plan 2023/24 to 2028/29 (Gross expenditure)	£18.97 million
Fixed Assets at 31 March 2023	£92.85 million
Debt Outstanding at 31 March 2023	Nil
Revenue Reserve for Capital Schemes at 31 March 2023	£7.88 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 **2023/24** 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 2024/25 is £1.065m.**
- 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 However, at its meeting on 5 December following receipt of a VAT 'windfall', Cabinet recommended to Full Council that a further £750,000 be added to the revenue reserve for capital schemes in 2023/24 for use in later years to allow additional approved schemes to proceed. The capital allowance will go back £250,000 in due course.

- 2.10 The above does not 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 2023/2027. The Strategy sets out a vision “To be an innovative and forward-thinking council, that leads the people and businesses of the borough towards a vibrant, prosperous and sustainable future” and states the values the council believes are key to achieving this – innovation, transformation and delivery.
- 4.2 The Corporate Strategy sets out four priority areas:
- Efficient services for all our residents, maintaining an effective council
 - Sustaining a borough which cares for the environment

- Improving housing options for local people whilst protecting our outdoor areas of importance
- Investing in our local economy.

4.3 The Corporate Strategy and its action plan 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. The emerging Economic Development Strategy 2023-2027 sets out broader economic development priorities.
- 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, formed on a sub-regional rather than a district basis, reflecting the degree of economic and social homogeneity across West Kent and a shared community of interest. The current focus of the partnership is on increasing inward investment and promotion of the sub-regional and the joint delivery of a range of UK Shared Prosperity Fund and Rural England Prosperity Fund initiatives.
- 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 **Kent and Medway Economic Partnership.** Seeks to promote economic growth across the county and covers Tonbridge and Malling. A key role of this organisation is to shape economic policy and bid for government funding for local projects which support our local economy. TMBC has a key role in identifying and promoting priorities for economic regeneration.
- 6.5 **Other Partnerships.** Having successfully bid for Local Growth Funding and DEFRA Grant in Aid for the Leigh Expansion and Hildenborough Embankment Scheme (LEHES), the LEHES Partnership (comprising the Environment Agency, TMBC and KCC) is now supporting the implementation of this 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.

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 2023

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TONBRIDGE & MALLING BOROUGH COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

25 January 2024

Joint Report of the Director of Finance and Transformation and
Cabinet Member for Finance and Housing

Part 1- Public

Matters for Recommendation to Cabinet

1 REVENUE ESTIMATES 2024/25

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 2024/25 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 effect of 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 2024/25 better than expected; gives TMBC a Settlement Funding Assessment (core funding) for 1 year. Includes allocation of £0.36m for New Homes Bonus; also Funding Guarantee of £2.3m. Overall funding INCREASE on 2023/24 is £416,000 (7.7%).
- However 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 rise by up to 3% or £5, whichever is greater. By way of context, CPI inflation index for November is 3.9%.
- Funding Gap within the MTFS reworked based on the provisional Settlement and now i.r.o. £1.78m plus £200k to be delivered from office accommodation and £400k in respect of the cost of temporary accommodation.
- Recommendations made to earmark funds towards Key Priorities from Corporate Strategy

1.1 Introduction

- 1.1.1 The Cabinet is responsible for formulating initial draft proposals in respect of the Budget for 2024/25.
- 1.1.2 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 and Housing.
- 1.1.3 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.
- 1.1.4 This report is, therefore, intended as the basis for recommendations from this Committee to the Cabinet.
- 1.1.5 A special meeting of the Cabinet is scheduled for 13 February to consider the recommendations of this Committee and, in addition, take into account the Council's final grant settlement.
- 1.1.6 At that special meeting on 13 February, the Cabinet will need to formulate its final proposals in respect of the Budget for 2024/25 and the council tax to be levied in respect of the Borough Council. The Full Council will meet on the 20 February to approve the Budget and set the Council Tax. The Full Council may adopt or amend the Cabinet's proposals.
- 1.1.7 The role of this Committee is to consider both the Revised Estimates for 2023/24 and the draft Estimates for 2024/25 within the context of the Medium Term Financial Strategy and the Council's priorities. These estimates are attached at **[Annex 1]** for Members' consideration.

1.2 Corporate Strategy

- 1.2.1 The Council adopted a new Corporate Strategy in 2023 setting out the values key to achieving the strategy of **innovation, transformation, and delivery**.
- 1.2.2 The Strategy sets out the four key priorities for the borough:
- 1) Efficient services for all our residents, maintaining an effective council;
 - 2) Sustaining a borough which cares for the environment;
 - 3) Improving housing options for local people whilst protecting our outdoor areas of importance;
 - 4) Investing in our local economy.

1.2.3 In preparation of these Estimates, regard has been taken to the above priorities and in particular the Cabinet has highlighted the need to address the following key issues which contribute to the above:

- Provision of cost-effective Temporary Accommodation;
- Regeneration of Tonbridge (including replacement of Angel Centre);
- Climate Change, including carbon neutral leisure centres;
- Transformation to improve efficiency and effectiveness; and
- Delivery of the Local Plan

1.3 Medium Term Financial Strategy

1.3.1 Whilst this report is predominantly about the Budget for 2024/25, Members and senior officers have a duty to provide for the **long-term financial sustainability** of the Council. It is, therefore, imperative that we prepare plans to deliver any scenario that the Council might face.

1.3.2 The Council has, for many years, adopted a 10-year Medium Term Financial Strategy (MTFS) which covers both revenue and capital budgets. The aim of the Strategy is to give us a realistic and sustainable plan that reflects the Council's priorities.

1.3.3 It is important to recognise that financial 'fortunes' can change, moving up and down, over a medium term period – and one of the main reasons for having a plan of this longevity is to smooth out the 'peaks and troughs' of those financial fortunes in order to create more stability for our budgets and services.

1.3.4 This year (2023/24) and next (2024/25), the Council is in a good position where it does not need to rely on reserves to support the revenue budget. However, we do expect this to change significantly in the next two to three years and the reverse will be true due to forthcoming Fair Funding Review, Business Rate Reset and retendering of the Waste contract.

1.3.5 In order to assist Cabinet in preparing for this draft Budget, an interim update of the MTFS was undertaken and reported to the Cabinet meeting on 5 December. The report is appended as **[Annex 2]** which Members of this Committee may want to read to aid their understanding of the financial outlook.

1.3.6 At the time of reporting to Cabinet in December, we had not received the provisional local government finance settlement and these draft estimates had also not been finalised. The MTFS will be updated again and reported to the Budget Cabinet meeting in February; but for now, the general 'direction of travel' can be noted.

- 1.3.7 Within the appended report at **[Annex 2]**, Members will note that **the projected funding gap is £1.78m** compared to the £1.7m noted at the time of setting the Budget in February 2023. The MTFS does assume, and take account of, future savings in respect of the scaling back of office accommodation (£200k), as well as assuming reduced costs in respect of temporary accommodation (£400k). Delivery of both of these savings items is still 'work in progress'.
- 1.3.8 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.
- 1.3.9 Within the report to Cabinet on 5 December, savings delivered to date were reported alongside potential savings for the forthcoming financial year. Members are referred to **[Annex 2]** for the detail.

1.4 Provisional Local Government Finance Settlement

Settlement Funding Assessment (Core Funding)

- 1.4.1 On 19 December 2023, 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 2024/25. The provisional figures are expected to be confirmed in January / February 2024.
- 1.4.2 Again, the Settlement Funding Assessment (SFA) is for one year only (2024/25) and the Fair Funding Review deferred to a future date. We do not expect TMBC to fair well under a review and therefore, for now, the delay can be seen as good news. However, the uncertainty over local government funding more generally is prolonged and makes financial planning very difficult.
- 1.4.3 Our provisional SFA for the year 2024/25 as shown in the table below is £2,665,451, an uplift of 5.2% compared to the sum received in 2023/24. 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

- 1.4.4 No further legacy payments are due under the New Homes Bonus (NHB) scheme giving an allocation for the year 2024/25 only which in our case is £343,373, the reduction is as an effect of lower property completions during October 2022 and October 2023 and a higher level of unoccupied homes at the date of assessment. These unoccupied properties should come into use during the next period covering October 2023 to October 2024 reversing some effect of the losses in the current year if the NHB funding continues.

- 1.4.5 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, the latter is included within the assumptions for the MTFS.

Under-indexing of the Business Rates Multiplier

- 1.4.6 The payment for the under-indexing of the business rates multiplier is £464,291.

Services Grant

- 1.4.7 This was introduced in 2022/23 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 2024/25 as shown in the table below is £14,648.

Funding Guarantee

- 1.4.8 The previous Lower Tier Services Grant and a proportion of the expired New Homes Bonus legacy payments have been repurposed to create a funding guarantee to ensure that all authorities will see an 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%.

- 1.4.9 It has been assumed from what has been said that the funding guarantee applies to this Spending Review period, the years 2023/24 and 2024/25. Our provisional allocation for the year 2024/25 as shown in the table below is £2,335,834.

Total Grant Funding

- 1.4.10 Total grant funding for the year 2024/25 as shown in the table below is £5,783,597, a cash increase of £416,032 or 7.7% when compared to that received in 2023/24.

	2023/24	2024/25	Cash Increase/ (Decrease)	
	£	£	£	%
Local Share of Business Rates (baseline)	2,387,888	2,509,032	121,144	5.1
Revenue Support Grant	137,323	146,419	9,096	6.6
Settlement Funding Assessment	2,525,211	2,655,451	130,240	5.2
New Homes Bonus	610,499	343,373	(267,126)	(43.8)
Under-indexing of the Business Rates Multiplier	406,754	464,291	57,537	14.1
Services Grant	93,093	14,648	(78,445)	(84.3)
Funding Guarantee	1,762,008	2,335,834	573,826	32.6
Total Grant Funding	5,397,565	5,813,597	416,032	7.7

1.4.11 The provisional local government finance settlement 2024/25 is subject to consultation. The return date for responses to the consultation is 15 January 2024, with the response being agreed by the Cabinet Member for Finance and Housing prior to submission. The consultation paper can be found at the following link: [Provisional local government finance settlement 2024-25 consultation - Department for Levelling Up, Housing and Communities - Citizen Space](#)

1.5 National Non Domestic Rates (NNDR)

- 1.5.1 It is expected that, in due course, alongside the Fair Funding Review, reform to the Business Rates Retention Scheme / Business Rates will be under consideration. Nothing has yet been announced affecting 2024/25.
- 1.5.2 Following the development of Panattoni Park on the former Aylesford Newsprint site the Council was re-admitted to the Kent Business Rates Pool from April 2023. This means that the Council is able to retain a higher proportion of receipts which exceed the Governments baseline, which for 2024/25 has been provisionally set at £2.509m.
- 1.5.3 As Members will be aware, the Panattoni Park development is progressing at a pace. Business rate valuations are, of course, undertaken by the Valuation Office (VO, a government department) and until TMBC has been advised of the valuations, businesses cannot be billed.
- 1.5.4 Prudent estimates of the share of new income for TMBC that this would derive were made, but the actual valuations that are being declared by the VO surpass our estimates and expectations. In the short term (until there is a business rates reset of our baseline as mentioned in paragraph 1.5.1 above) this is good news for TMBC. We estimate that in 2024/25, receipts above our original estimates will be £927k. These receipts could continue to accrue to TMBC annually – until a Business Rates Review or Reset is completed and implemented.
- 1.5.5 TMBC, as the billing authority, is the administrator of the NNDR account which is managed on behalf of all relevant partners (government, KCC, TMBC and Kent Fire). As the administrator, we have been looking carefully at the significant provision we hold for appeals: Members may be aware that businesses can challenge the valuations declared by the VO, and if these appeals are upheld (often many months or even years later) refunds would need to be made (and many can be very large amounts).
- 1.5.6 Nevertheless, there are time limits for appeals to be made and these relate back to the dates of the revaluation lists undertaken by the VO. The time limits have now passed for some lists and therefore we can now release some of the provision for the benefit of all the relevant partners. Releasing a sum of £5m from the provision means that TMBC will receive £1.3m of this as a one-off windfall, with the rest going to other partners.

1.5.7 In summary, therefore, this positive financial position - made up of NNDR receipts over and above the originals estimates plus the release of NNDR appeals provision - can be factored into the funding summary for 2024/25. These figures are reflected on the summary page within the NNDR section (Page S1 of **[Annex 1]**).

1.6 Local Referendums to Veto Excessive Council Tax Increases

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

1.6.2 For the year 2024/25, a referendum will be triggered where council tax is increased by **more than 3% or £5, whichever is higher**.

1.6.3 Referendum principles currently do not apply to town and parish councils.

1.7 Specific Issues

1.7.1 This year's budget setting process has had to incorporate the current economic impacts of inflationary effects for both next year and over the medium term.

1.7.2 In terms of the council tax base, built into the MTFS is an expectation about future growth in the number of band D equivalents over the ten-year period. 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.

1.7.3 Recommendations regarding fees and charges are made during this cycle of meetings and reflected in the revenue estimates.

1.7.4 Any decisions made by the General Purposes Committee at its meeting on 24 January 2024 have not been reflected in these draft papers due to timing and financial implications will need to be incorporated prior to presentation to Cabinet on 13 February 2024.

1.7.5 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 13 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.

1.7.6 In accordance with the MTFS objectives, the annual contribution to the Revenue Reserve for Capital Schemes excluding capital renewals is set at £250,000 and remains in place until 2028/29. However, at its meeting on 5 December, Cabinet recommended to Full Council that a further £750,000 be added to the revenue

reserve for capital schemes in 2023/24 for use in later years to allow additional approved schemes to proceed. The capital allowance will go back £250,000 in due course.

- 1.7.7 The annual contribution to the Building Repairs Reserve to meet ongoing maintenance and repair obligations allows for impacts on current projects, such as the Tonbridge Gatehouse Roof but then falls to a constant £750,000 from 2025/26 onwards.
- 1.7.8 More detailed explanatory notes in respect of the revenue estimates can be found in the attached Revenue Estimates Booklet **[Annex 1]**.
- 1.7.9 To support scrutiny of the Revenue Estimates and further to previous requests from Members, **[Annex 3]** sets out for each of the services contained in **[Annex 1]** a description as to whether it is a Mandatory or a Discretionary service.
- 1.7.10 It is important that Members appreciate however, that there are often discretionary 'add-ons' to a mandatory service and therefore mandatory services should not be excluded from scrutiny. It is also worth noting that discretionary services are often the ones which are most desired and appreciated by residents and taxpayers, contributing to wider objectives such as health and wellbeing.

1.8 Revised Revenue Estimates 2023/24

- 1.8.1 Overall, the draft 2023/24 Revised Estimates show an increase over the Original Estimates of £149,900 prior to making a contribution to/from the General Revenue Reserve. Details of the variations to individual service budgets can be found in **[Annex 1]** to this report. The principal variations are given in the table below.

Description	£
Salaries and Oncosts	543,200
Major Income Streams	307,000
Treasury Management Investment Income	(1,153,400)
Audit Fees	77,000
Homelessness	249,100
Woodland Management	120,000
Insurance Costs	43,750
VAT windfall	(1,967,500)
Transfers to Reserves	1,350,000
Government Grants	(193,250)
KCC Contribution	(200,000)
Business Rates	885,740
Other Movements	88,260
TOTAL	149,900

1.9 Revenue Estimates 2024/25

1.9.1 Overall, the draft 2024/25 Estimates show an increase over the 2023/24 Original Estimates of £960,643 prior to making a contribution to/from the General Revenue Reserve. Details of the variations to individual service budgets can be found in **[Annex 1]** to this report. The principal variations in excess of £50,000 are given in the table below.

Description	£
Salaries and Oncosts	584,500
Major Income Streams	(399,200)
Treasury Management Investment Income	(867,350)
Enforcement Initiatives	61,000
Community Grants	87,000
Staff Recognition Payment	50,000
Audit Fees	83,850
Cessation of Gateway Agreement	110,850
Homelessness	116,200
Insurance Costs	72,900
Refuse, Recycling and Street Cleansing	75,450
Transfers to Reserves (see para 1.10)	4,495,000
Government Grants	(294,950)
Business Rates	(3,028,922)
Collection Fund Surpluses	(479,835)
Other Movements	294,150
TOTAL	960,643

1.10 Reserves to support Key Priorities

1.10.1 As set out at paragraph 1.2.3, the Cabinet has highlighted the need to address some key issues in setting the budget for 2024/25. In accounting terms, the delivery of services or schemes to achieve these objectives may be either classed as revenue or capital in nature.

1.10.2 Given both the additional resources from both the provisional Settlement (see paragraph 1.4) and NNDR (see paragraph 1.5), the opportunity exists to create earmarked reserves in order to provide funds to support these activities as relevant schemes are developed. Whilst the detail of the activities has not been compiled or agreed as yet, it is felt prudent to kick-start the resourcing of these initiatives.

1.10.3 Cabinet and Management Team therefore have reflected within the 2024/25 Estimate the following **additional** reserve contributions totalling £4.495m:

- 1) Creation of a new Temporary Accommodation reserve in the sum of £1.3m;
- 2) Transfer of £1.85m to the Regeneration of Tonbridge reserve (including replacement of Angel Centre);
- 3) Transfer of £0.5m to Climate change reserve;
- 4) Transfer of £0.5m to Transformation reserve; and
- 5) Transfer of £0.345m to Local Plan reserve.

1.10.4 In respect of the latter item, Local Plan reserve, Members are referred to Decision notice D230057CAB from Cabinet 4 July 2023 where a one-off injection of £345k was approved for incorporation during this budget cycle.

1.11 Draft Capital Plan

1.11.1 A report elsewhere on this agenda seeks to advise Members of the way forward on the Capital Plan. The criteria established to guide the inclusion of new schemes to List C (holding list of schemes not yet fully worked up) and ultimately the inclusion of schemes on List A (schemes assigned budget provision) are:

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

1.11.2 The Capital Plan review report recommends schemes for inclusion on List B, the short-list of schemes for possible inclusion in the Capital Plan. Members are reminded that the selection from List B, of schemes to be included in the Capital Plan (List A) – if any – will be made at Cabinet on 13 February for endorsement by Council.

1.11.3 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.

1.11.4 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 2024/25 is £1,065,000.

1.11.5 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 ordinarily set at £250,000; however, at its meeting on 5 December following receipt of a VAT 'windfall', Cabinet recommended to Full Council that a further £750,000 be added to the revenue reserve for capital schemes in 2023/24 for use in later years to allow additional approved schemes to proceed. The capital allowance will go back to £250,000 in due course.

- 1.11.6 It should be noted, based on current projections and details contained within the MTFS and capital plan, 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 an investment opportunity that meets the Council's strategic priorities and objectives, and achieves value for money. Each such opportunity to be considered on a case by case basis as appropriate.
- 1.11.7 In addition, other earmarked Reserves could be used to fund in full or in part appropriate capital plan schemes.

1.12 Consultation with Non-Domestic (Business) Ratepayers

- 1.12.1 Before the Borough Council determines the amount of its total estimated expenditure and makes calculations of its requirements for the ensuing financial year, it consults representatives of its non-domestic ratepayers about its expenditure proposals (including capital expenditure). The consultees receive on request information and copies of the draft budgets and are invited to make written representations if they deem it appropriate. Any points of clarification required are dealt with by telephone, written correspondence or, if appropriate, an informal meeting with officers.
- 1.12.2 Any comments or representations received from the consultees will be reported to Members during the budget process as appropriate.

1.13 The Financial Outlook and Summary

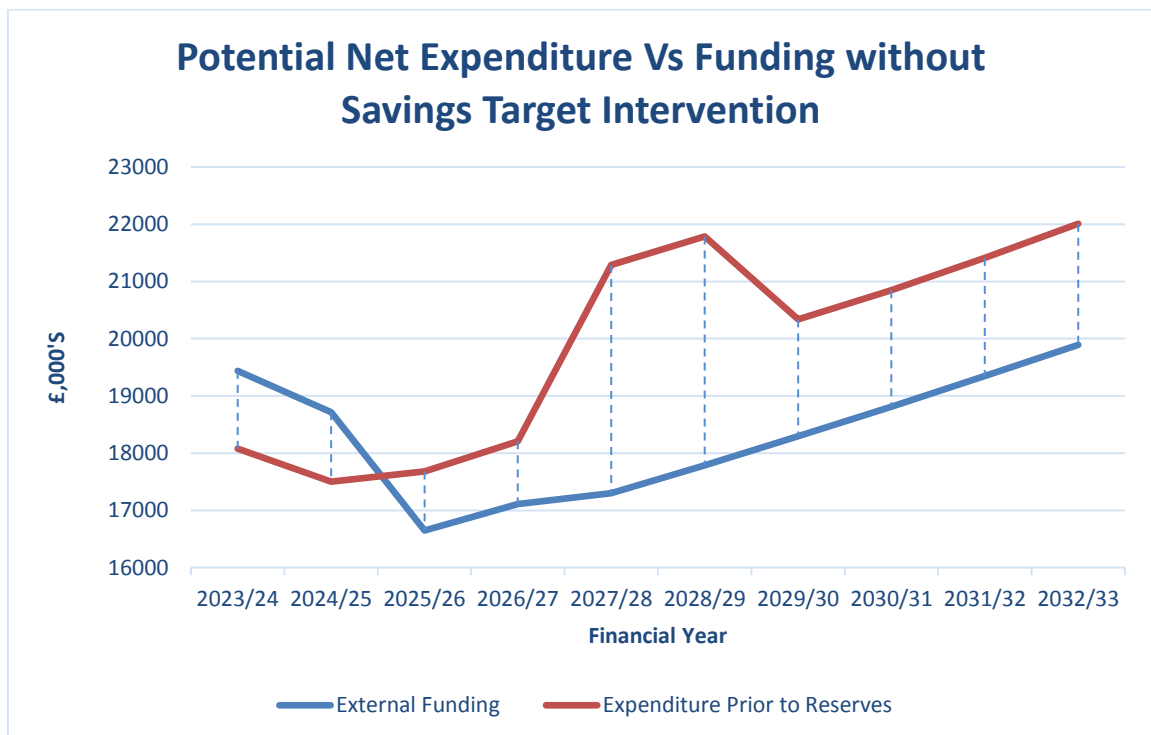
- 1.13.1 Like 2023/24, 2024/25 on a standalone basis is a good settlement for TMBC.
- 1.13.2 The much talked about Fair Funding Review has been on the cards for several years now and our expectation is that, when it happens, the reshuffling of the overall funding envelope will not bode well for district councils like TMBC through the settlement.
- 1.13.3 Fortunately for TMBC, due to the pandemic and the subsequent economic crisis the Review has not yet happened. However, it will come at some point and that is when we are likely to see a reversal of fortune and TMBC will once again be temporarily reliant on reserves to support the revenue budget until such time as all the savings targets are delivered. For MTFS planning purposes we have assumed that a review will be implemented in 2025/26.

1.13.4 For now though, with a better than anticipated provisional settlement coupled with business rates (NNDR) receipts being also higher than originally expected (and having the benefit of being in the pool), there is a rare opportunity to set aside a significant amount of funds in earmarked reserves to assist in delivering the Council’s key priorities. Whilst inevitably more resources will be needed for the key priorities, this gives a welcome start to the process.

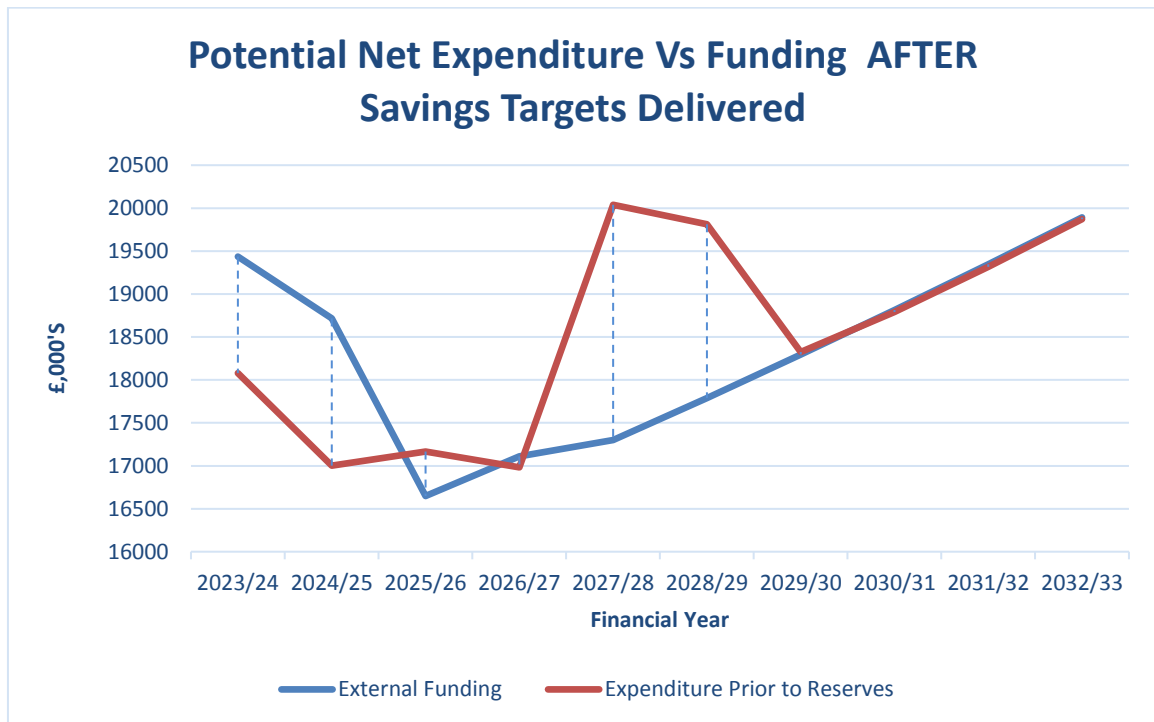
1.13.5 Beyond 2024/25, in addition to the above, NNDR receipts above those we have factored into the MTFS could potentially be available to be earmarked towards key priorities. However, as has been reported before, once there is a Business Rates Reset, the potential for TMBC to hang onto those additional receipts diminishes. In very simple terms, therefore, the further into the future the Business Rates Reset occurs, the better it is for TMBC. For MTFS planning purposes, we have assumed that a reset will occur in 2027/28.

1.13.6 With regards to TMBC’s expenditure, the biggest potential change on the horizon is when the waste contract is retendered in 2027/28 (assuming it is not extended beyond its initial 8 years). We anticipate a significant increase in costs based on what is happening in the market and a ‘best guess’ has been taken into account in MTFS planning. However, the full extent of the additional cost burden will not be known until tenders are actually received in due course.

1.13.7 It is the combination of the threat of reducing external funding (through Fair Funding and Business Rate Reset) coupled with increased costs that creates the ‘funding gap’ and the need to deliver savings targets. Some graphics were included in the December Cabinet report (see **[Annex 2]**) illustrating this point and for consistency they are included below to aid understanding of the financial outlook:



1.13.8 If the funding gap of £1.78m is bridged (see paragraph 1.3.7) through the various tranches of savings targets, the graphic changes as follows:



1.13.9 Inevitably things will change, and plans will need to be adapted, but this is the general direction of travel that we anticipate.

1.13.10 The MTFS will continue to be updated as we move through the 2024/25 budget cycle and as more information becomes available and in due course presented with the Budget report to Cabinet in February.

1.14 Legal Implications

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

1.14.2 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.

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

1.15 Financial and Value for Money Considerations

1.15.1 Members and senior officers have a duty to provide for the **long-term financial sustainability** of the Council. It is, therefore, imperative that we prepare plans to deliver any scenario that the Council might face.

1.15.2 The uncertainty surrounding local government finances with regard to:

- the awaited outcome of the Fair Funding Review,
- the future of NHB and other grant income,
- business rates reforms, and
- the adverse impact of the current economic conditions and the aftermath of Covid-19 pandemic

makes financial planning that much more difficult.

1.15.3 The 2024/25 provisional local government finance settlement represents a holding position until the next Parliament, aiming at stability and on a stand-alone basis is positive for TMBC. But the prospect of a business rates reset, or a Fair Funding Review and the continuing uncertainty surrounding NHB could rapidly move a presently positive financial position to a negative one. 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?

1.15.4 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.

1.16 Risk Assessment

1.16.1 The Local Government Act 2003 requires the Chief Financial Officer (s151), 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.

- 1.16.2 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.
- 1.16.3 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.
- 1.16.4 The projected figures for New Homes Bonus or its replacement are at risk of further revision downwards which would, in turn, increase the required savings and transformation contributions.
- 1.16.5 The Waste Services Contract if not extended beyond the initial 8-year contract period could see increased costs over that assumed. It is important to note that forward planning already assumes a reduced specification.
- 1.16.6 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.
- 1.16.7 Members are reminded that the cost of borrowing for new capital plan schemes when and if required are not factored into the MTFS.
- 1.16.8 Any increase in council tax above the relevant threshold, even by a fraction of a percentage point, would require a referendum to be held.
- 1.16.9 Given the relatively positive financial position currently and the plans over the MTFS period to address what is anticipated to be the funding gap, the strategic risk '*Financial position/budget deficit*' has been downgraded to amber from red. However, the strategic risk '*Savings and Transformation Strategy*' remains a red risk until such time as detailed actions have been approved to deliver the savings required.

1.17 Equality Impact Assessment

- 1.17.1 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.

1.18 Policy Considerations

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

1.19 Recommendations

1.19.1 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 13 February.
- 2) Note the additional earmarked reserve contributions as set out in paragraph 1.10;
- 3) 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: Paul Worden
Sharon Shelton

Sharon Shelton
Director of Finance and Transformation

Kim Tanner
Cabinet Member for Finance and
Housing

Annex 1 – Revised Estimates Booklet is published as a supplement to the main agenda due to its size

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CABINET

05 December 2023

Report of the Management Team

Part 1- Public

Matters for Recommendation to Council

1 MEDIUM TERM FINANCIAL STRATEGY AND SAVINGS UPDATE

A report updating on the Medium Term Financial Strategy (MTFS) having regard to the latest financial issues. The report sets out the savings that have been identified and will assist in meeting 'tranche 1' of the latest savings target. Cabinet are urged to give consideration as to how future tranches can be met.

In addition, as we approach the 2024/25 Budget cycle the report sets out proposals for the allocation of the one-off windfall sum highlighted in the 'Financial Planning and Control 2023/24' report to Cabinet in October.

Dashboard/ Key Points

- Budget position categorised as RED on the Strategic Risk Register
- Funding Gap, representing new savings that need to be identified and most importantly delivered, projected at £1.7m when budget was set in February 2023. Interim review now suggests that after allowing for savings incorporated into the 24/25 base budget this is now circa £1.78m.
- Savings target "tranche 1" of £500k was expected to be in place by April 2024. Progress is being, but due to timings on the consultation required for some income increases, the full target is unlikely to be met for budget setting in February 2024. More significant work for the remaining savings to be achieved is needed.
- Economic climate continues to be challenging with higher than target inflation, coupled with higher bank rate set by Bank of England.
- Uncertainty regarding local government finance settlement, Fair Funding Review, Negative RSG, New Homes Bonus cessation and Business Rates baseline reset making it difficult to assess the true position.
- Proposals made for the deployment of the one-off (almost) £2m windfall sum for incorporation into the 2024/25 Budget cycle.

1.1 Introduction

1.1.1 This report has three purposes:

- 1) it provides another update to the MTFFS as the budget cycle for 2024/25 gets underway;
- 2) it reports on the savings that have either been secured thus far, or which are in the process of consultation, which might contribute to “tranche 1” of the savings target;
- 3) sets out options to utilise the windfall VAT sum of (almost) £2m which was highlighted in the October ‘Financial Planning and Control 2023/24’ report to Cabinet.

1.2 The Medium Term Financial Strategy

1.2.1 Cabinet is reminded that the 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.

1.2.2 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.

1.2.3 The MTFFS 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 (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.

1.2.4 The MTFFS is supported by the Savings and Transformation Strategy (STS). The purpose of the STS is to formulate an overarching plan as to how the "funding gap" identified within the MTFFS can be addressed.

1.3 Economic Situation

1.3.1 The Audit Committee, under the regular Treasury Management report, receives detailed information about the economic background, and it is not the intention to repeat this here.

1.3.2 However, it is worth noting that at the time of writing this report, CPI inflation for the year to end of October was 4.6%. The Bank of England raised interest rates to 5.25% in August, where they remain, the highest since 2007.

1.4 Impact on Tonbridge & Malling Borough Council's MTFFS

1.4.1 The Council's financial plans are significantly affected by the turmoil in the economic and financial markets. Whilst this will certainly not be the last update of the MTFFS before the budget is set for 2024/25, it is nevertheless important that Members are updated with the "*direction of travel*" so that plans can be formulated and implemented wherever necessary.

1.4.2 The problem is, of course, that there is uncertainty about many things. These include:

- Speed and rate at which inflation returns to levels more akin to the targets set by the Bank of England
- Local government finance settlement
- Fair Funding Review and future of New Homes Bonus
- Timing of Business Rates Retention "reset"
- Confirmation as to the permitted increase in council tax (without undertaking a referendum) for 2024/25

1.4.3 Of course, these issues are not unique to Tonbridge and Malling. Members will have seen many examples in the press about a number of local authorities issuing S114 notices (to advise that a council cannot find a way to finance its budget). TMBC is not in this position presently but the uncertainty regarding future settlements and economic factors is making it extremely difficult to plan ahead.

1.4.4 With a General Election due to take place sometime during 2024, we are now assuming that the finance settlement for 2024/25 will be another single year settlement; and that the implementation of a Fair Funding Review will not take

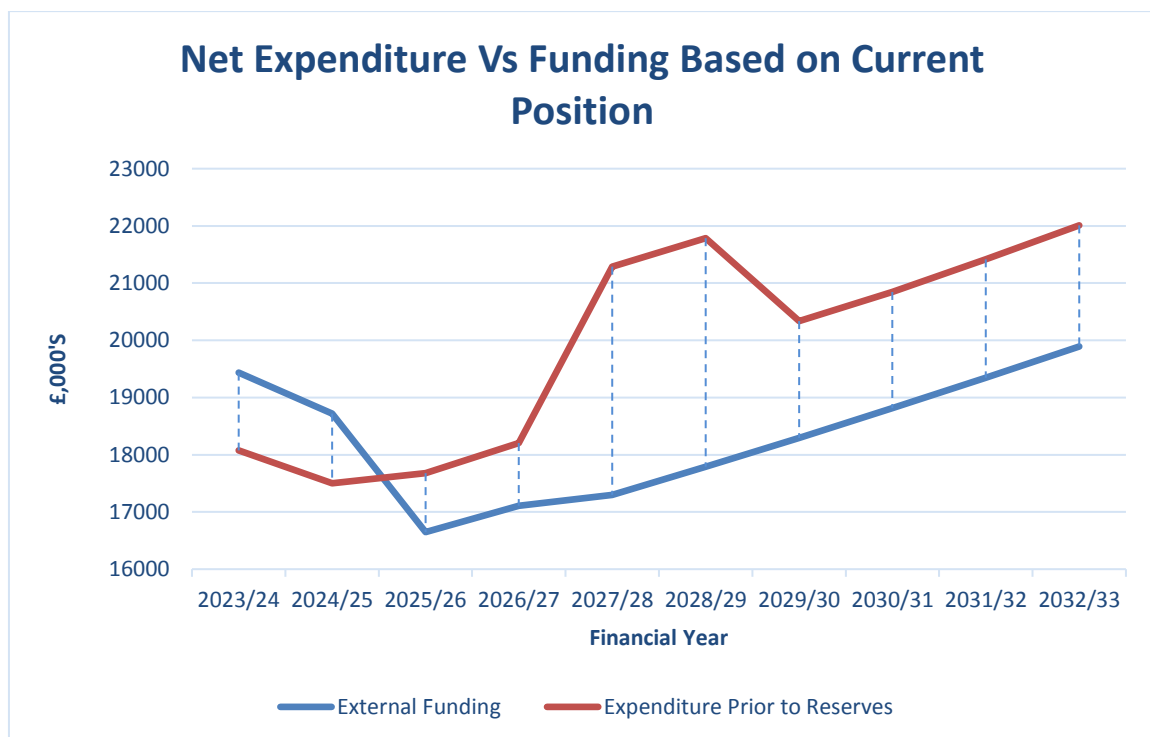
place until 2025/26 at the earliest, and a Business Rates reset not until 2027/28. Whilst uncertainty does not help with financial planning, in many respects the later this happens the better it is likely to be for TMBC given that we do not expect to fair well under the Fair Funding Review. In addition, a future reset of Business Rates will consolidate any growth we have achieved into the baseline making it harder to retain additional income.

- 1.4.5 As Members are aware, there are pockets within the organisation where resources are extremely stretched. The Council's External Auditors, Grant Thornton, have also made key recommendations in respect of procurement and performance management - areas where the Council has no dedicated resources.
- 1.4.6 As part of the Estimates process, Management Team collate a list of areas where there is pressure for growth and which are not factored into the current iterations of the MTFS. For example:
- Safeguarding – no dedicated resource
 - Climate Change – officer on a fixed term contract only
 - Economic Regeneration - officer on a fixed term contract only
 - Procurement - no dedicated resource
 - Performance Management – no dedicated resource
 - Transformation – no dedicated resource
 - No provision made in MTFS to service debt charges through borrowing for Capital Projects
- 1.4.7 It is important to note that **NO PROVISION** is made in the interim update of the MTFS that follows for any of the above.
- 1.4.8 Provision **HAS** been made for the following growth pressures, although the absolute impact of each will not be known for some time. These include Grounds Maintenance, Waste Contract, Homelessness and ongoing inflationary pressure for the next few years.
- 1.4.9 Members will be aware that, partially offsetting some of these pressures, are changes to Planning Fees (set by government but subject to performance criteria) and an increase in investment income.
- 1.4.10 As mentioned in the Director of Finance & Transformation's report to Cabinet in October, business rates from the Panattoni Park development are proving to be higher than the original (prudent) estimates. The effect of this is to generate additional income over and above estimated levels until such time as the government implements a business rates Reset – which we anticipate to be

effective from 2027/28. At this stage, we would expect income to significantly reduce.

- 1.4.11 Taking on board all of the above, a further update of the MTFS has been prepared which Members need to view as '**work in progress**' and clearly is sensitive to movement in any of the factors listed.
- 1.4.12 A graphic illustration of how the Council's financial outlook might be WITHOUT any savings intervention is set out in Graph 1 below. As Members will note there is an unacceptable and unsustainable gap between the net revenue expenditure and the 'external' funding.

Graph 1



Note: External funding includes council tax, business rates and government grant

- 1.4.13 As there becomes more certainty about some of the factors above, the MTFS will be updated again but **for NOW** our calculations suggest that (based on best information to date and savings identified and incorporated into Estimates via tables A and B at paragraph 1.5.1 below) **the funding gap is now circa £1.78m**. In other words, it is similar to the position noted at the Budget meeting in February. That said, it is important to stress that none of the growth pressures set out in paragraph 1.4.6 have been included in this interim update and therefore if progress is made on any of these areas, the MTFS will naturally need to change.
- 1.4.14 Members and senior officers have a duty to provide for the long term financial sustainability of the Council. It is imperative that we prepare plans to deliver any

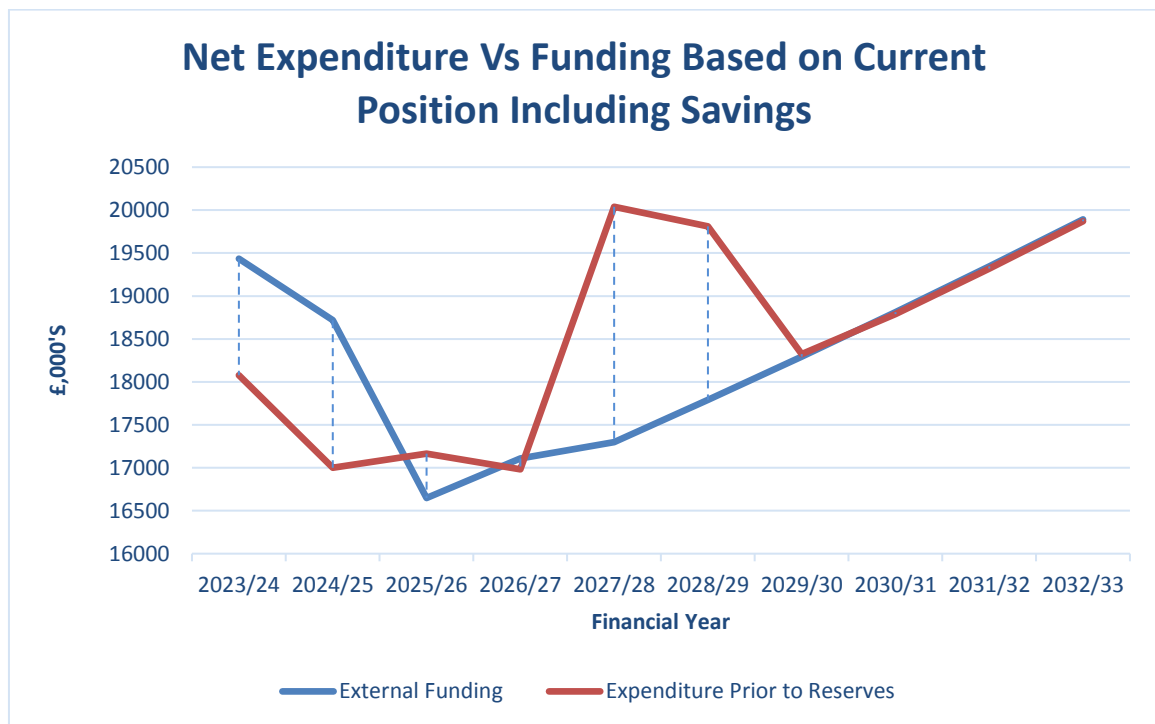
scenario that the Council might face. Dividing the funding gap into tranches as we have done for many years allows us to “flex” the approach as new information comes forward. Assuming a gap of £1.78m:

- Tranche 1 – *balance of £380,000 – by April 2024
- Tranche 2 – £700,000 – by April 2026
- Tranche 3 – £700,000 – by April 2028

Note * Progress towards achievement is set out in the following paragraph.

1.4.15 If these savings were to be delivered in these timescales and net expenditure adjusted accordingly, the graph above can be re-presented as Graph 2 as follows:

Graph 2



Note: External funding includes council tax, business rates and government grant

1.4.16 As Members will note from the above, by 2029/30 (based on current information and assumptions and the delivery of savings in accordance with the programme) net revenue expenditure and external funding would theoretically align providing a balanced budget and financial sustainability (all other things being equal) towards the end of the MTFS period.

1.4.17 **Of course, inevitably things will change and plans will need to be adapted but this is the general direction of travel we need to follow.**

1.5 Savings/Additional income Identified

1.5.1 Progress is being made with identifying and implementing savings/additional income towards the Tranche 1 target which was set at £500k during the Budget setting in February 2023. Potential savings are broken down into 3 categories:

- 1) Part A – potential savings/additional income have already been presented to Members and are ready to be consolidated into Estimates;
- 2) Part B – potential savings/additional income that are in the process of being presented to Members and, subject to agreement, some of which have been consolidated into draft Estimates
- 3) Part C – potential savings/additional income (over and above that already factored into MTFS) that is in the process of being presented to Members but, due to timing of reports and approvals, cannot be included in draft Estimates.

Part A	£000	Incorporated in 2024/25 Draft Est
Members' Allowances (<i>following Full Council decision in June 2023</i>)	25	Yes
Microsoft Azure costs (<i>following cessation of Uniform system</i>)	12	Yes
Staff mileage and miscellaneous costs	15	Yes
Uninhabitable Council Tax Discount (<i>following Council Decision, pending the 21 day public notice period</i>)	12	Yes
TOTAL	64	

Part B	£000 circa	Incorporated in 2024/25 Draft Est
Empty Homes Premium Changes (April 2024) (<i>Subject to agreement at full Council February 2024</i>)	60	No
Litter Enforcement Contract (<i>subject to tender</i>)	15	No
Fees and Charges (<i>report to Communities and Environment Scrutiny Select Committee 6 November</i>) - value above provision in MTFS	9	Yes
Fees and Charges (<i>report to Finance Regeneration and Property Scrutiny Select Committee 14 November</i>) – value above provision in MTFS	47	Yes
Fees and Charges (<i>report to Licensing and Appeals Committee 29 November</i>) – value above provision in MTFS	0	Yes
Fees and Charges (<i>report to Housing and Planning Scrutiny Select Committee 12 December</i>) – value above provision in MTFS	0	Yes
TOTAL circa	131	

Part C	£000 Up to	Incorporated in 2024/25 Draft Est
Premium for Second Homes (April 2025) <i>(Subject to agreement at full Council February 2024)</i>	53	No
Car Parking Charges – Evenings/Weekends <i>(subject to public consultation and consideration by JTB/Cabinet in March 2024 as appropriate)</i>	338	No
Car Parking Charges – increases above MTFS provision <i>(subject to public consultation and consideration by JTB/Cabinet in March 2024 as appropriate)</i>	198	No
Car Parking Charges – New Charges <i>(subject to public consultation and consideration by JTB/Cabinet in March 2024)</i>	138	No
TOTAL up to	727	

- 1.5.2 As Members will see from the tables above, around £120k has been incorporated into the draft 2024/25 Estimates, with potentially a further £75k in train subject to Member decision. This does, therefore, leave a gap of circa £305k against the original Tranche 1 target of £500k.
- 1.5.3 The Part C car parking, proposals will not have been agreed (or otherwise) before the Budget is set in February and any new charges (whatever they are) will not come into effect until at least Summer 2024. At this stage it is difficult to predict how this might develop but Members will note that there is the **potential** to realise up to £674k after allowing for refunds, maintenance and enforcement costs.
- 1.5.4 Similarly the implementation of the Second Homes Premium cannot take place until April 2025 at the earliest (subject to Member agreement).
- 1.5.5 As Members will see, it is unlikely that the Tranche 1 will be fully met by the time the Budget is set in February 2024. Given the change in administration and make-up of the Council since the local elections in May, Management Team recognise that this is now, in reality, a tall ask. Cabinet therefore may wish to consider splitting the Tranche 1 target into 2 parts (Tranche 1a and Tranche 1b) , pushing an element back into 2024/25. Provided that the full tranche is met by the time the budget is set for 2025/26 (i.e. in February 2025) this only has a minor effect on the MTFS. Cabinet are reminded that, so far, £120k has been identified and incorporated into Draft Estimates for 2024/25.
- Tranche 1a - by 1 April 2024
 - Tranche 1b – by February 2025.

Cabinet's **INSTRUCTIONS** are **REQUESTED**.

1.5.6 Of course, this is only addressing the first tranche of a much bigger funding gap as outlined in section 1.4. **In terms of tranches 2 onwards, urgent and concerted effort will need to be made by both Members and officers in identifying how these significant sums can be found.** This undoubtedly will be a combination of “big ticket items”, service rationalisation, cessation of services with least priority, and the continued search for efficiencies. **Only this will ensure the continued financial sustainability of the Council.**

1.6 Windfall VAT sum

1.6.1 As advised in the report to Cabinet in October, the Council has received a ‘one-off’ windfall of almost £2m in connection with a claim made to HMRC in respect of the treatment of sports and leisure activities.

1.6.2 For the avoidance of doubt it does not resolve the funding gap or savings target, but could allow some capital projects or one off schemes to go ahead which otherwise wouldn’t be the case. By default, since its receipt the windfall sum is presently being held in the General Revenue Reserve.

1.6.3 Following informal discussion with Cabinet, to assist in the forthcoming Estimates cycle it is proposed that:

- 1) A sum of £500,000 is transferred to the Climate Change Reserve in order to provide match funding for bids to the decarbonisation fund and/or the Swimming Pool Support Fund;
- 2) A sum of £750,000 is transferred to the Revenue Reserve for Capital Schemes to assist with the funding of capital plan schemes; and accordingly the annual capital allowance is increased to £1m in 2023/24 from its usual £250,000 to allow additional approved schemes to proceed;
- 3) An earmarked reserve is set up with £150,000 to facilitate Regeneration work in Tonbridge;
- 4) The draft Estimates for 2024/25 include a Community Grants Scheme with a one-off sum of £87,000 being earmarked for both the grants and the administrative support; and
- 5) A one-off sum of £50,000 is included in the draft 2023/24 Revised Revenue Estimates for staff recognition with any details to be agreed by the General Purposes Committee.

1.6.4 The balance of the windfall, £430,000, will be held within the General Revenue Reserve.

1.6.5 Members should note that the above proposals do not constitute spending decisions – any decisions will be made through the Budget process.

1.7 Legal Implications

- 1.7.1 Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and requires one officer to be nominated to take responsibility for the administration of those affairs.
- 1.7.2 Section 114 of the Local Government Finance Act 1988 requires a council's chief finance officer to issue a s114 Notice reporting to all elected members an actual or impending seriously unbalanced budget.

1.8 Financial and Value for Money Considerations

- 1.8.1 The Council maintains a prudent level of reserves to provide a safety net for unforeseen or other circumstances. The Section 25 'Robustness of Estimates and Adequacy of Reserves' statement that the Council's Chief Financial Officer (i.e. Director of Finance & Transformation) is required to produce under the local Government Finance Act 2003 to support Members in considering the Budget Setting report, lists examples of why the Council needs to retain a minimum level of reserves. Examples include Emergencies; Economic and world recession; Interest Rate volatility; Income volatility; and Government Legislation.
- 1.8.2 The Council has resolved to hold a minimum level of general revenue reserve of £3 million in order to provide for a host of potential financial and operational risks. At the start of 2023/24, the general revenue reserve balance was circa £8.6m and together with the budget stabilisation reserve giving some headroom to deal with issues arising without more immediate 'draconian' measures.
- 1.8.3 Significant savings are required by April 2028 in order to preserve the integrity of our financial plans. These are **extremely** challenging times, and it has never been more important than to now focus firmly on the delivery of the necessary savings.

1.9 Risk Assessment

- 1.9.1 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.
- 1.9.2 Through prudent husbandry of resources, Council has reserves, including a Budget Stabilisation reserve, to help to smooth the path in the delivery of savings. However, reserves are finite and it is imperative that actions are taken at the earliest opportunity in order to preserve the longer term financial sustainability of the Council.

- 1.9.3 Much debate has been made of the potential and (perhaps necessity in some cases) for local authorities to issue s114 notices (under the s114 (3) of the Local Government Finance Act 1988). For Members' information this says that the Chief Finance Officer of a relevant authority shall make a report under this section if it appears to him/her that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources available to it to meet that expenditure. As Cabinet will have gathered, due to careful and prudent husbandry of resources in the past, TMBC is not in this position. **However, it is imperative that we carefully monitor and contain expenditure and continuously update our forecasts to ensure that we remain on track.** This will of course include reflecting in our forecasting the outcome of the Fair Funding Review and Business Rates Reforms which is as yet an unknown quantity.
- 1.9.4 The financial position is recorded as RED on the Strategic Risk Register, and Cabinet's attention is drawn to this.

1.10 Equality Impact Assessment

- 1.10.1 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.

1.11 Policy Considerations

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

1.12 Recommendations

- 1.12.1 Cabinet is **REQUESTED** to:

- 1) **Note** the latest forecast of the Medium-Term Financial Strategy and the funding gap which is now estimated to be £1.78m after incorporating £120k of savings into Draft Estimates for 2024/25 (see paragraph 1.4.11).
- 2) **Note** the progress with the savings/transformation contributions for Tranche 1 as set out in paragraph 1.5.2
- 3) **Consider** whether Tranche 1 savings target should be split into two parts (1a and 1b) as set out in paragraph 1.5.5
- 4) **Consider** how a programme for investigating and identifying the necessary savings for tranches 2 onwards can be implemented and actioned as soon as possible.
- 5) **Recommend** to Full Council the proposals set in out paragraph 1.6.3 following the receipt of the windfall sum.

Background papers:

Nil

Sharon Shelton
Director of Finance & Transformation

contact: Sharon Shelton
Paul Worden

Julie Beilby
Chief Executive

For Management Team

Directorate	Cost Centre	Cost Centre Description	Mandatory/Discretionary	Legislation
Central Services	B40TG	Tonbridge Castle Gatehouse	Discretionary	
Central Services	D30MA	Community Safety	Mandatory	Section 17 of the Crime and Disorder Act 1998
Central Services	D32MJ	Media and Communications	Discretionary	
Central Services	D35NK	Local Land Charges	Mandatory	
Central Services	D38PG	Industrial Estate	Discretionary	
Central Services	D38PH	Commercial Property	Discretionary	
Central Services	D39PM	Vale Rise Depot	Discretionary	
Central Services	H27SH	Licences - Fee paying	Mandatory	Licensing Act 2003. Various legislation based on type of licence.
Central Services	H27SZ	Licences - Non Fee paying	Mandatory	Licensing Act 2003. Various legislation based on type of licence.
Chief Executive	D30MB	Community Development	Discretionary	
Chief Executive	D30SG	Safeguarding	Mandatory	S11 and Care Act 2014
Chief Executive	D31MF	Elections - Electoral Registration	Mandatory	
Chief Executive	D31MG	Elections - Conduct of Elections	Mandatory	
Chief Executive	D37PA	Grants & Payments - Charitable & Voluntary Organisations	Discretionary	
Chief Executive	D37PB	Grants & Payments - Citizens Advice Bureaux	Discretionary	
Chief Executive	D47SA	Climate Change	Discretionary	
Chief Executive	D52TD	Economic Development & Regeneration	Discretionary	
Chief Executive	D52TH	UK Shared Prosperity Fund	Discretionary	
Chief Executive	D54UA	Refugee Assistance	Mandatory/Discretionary	
Finance & Transformation	C05CL	Housing Benefits	Mandatory	
Finance & Transformation	D41QA	Local Revenue & NNDR Collection	Mandatory	
Finance & Transformation	D42QF	Council Tax Support	Mandatory	
Finance & Transformation	D43QT	Treasury Management & Banking - Treasury Management	Discretionary	
Finance & Transformation	D43QK	Treasury Management & Banking - Banking Arrangements	Discretionary	
Finance & Transformation	D44QT	Drainage Board Special Levies	Mandatory	
Finance & Transformation	D46RK	Liaison, Support & Advice	Mandatory/Discretionary	
Finance & Transformation	D49NN	Street Naming and Numbering	Mandatory	
Planning Housing & Environmental Health	A01AB	Development Management - Fee Earning	Mandatory	Town & Country Planning Act 1990 (as amended), Planning and Compulsory Act 2004 (as amended).
Planning Housing & Environmental Health	A01AB	Development Management - Other	Mandatory	Town & Country Planning Act 1990 (as amended), Planning and Compulsory Act 2004 (as amended).
Planning Housing & Environmental Health	A01AB	Development Management - Pre Applications & Planning advice - Fee Earning	Discretionary	National Planning Practise Guidance and TCPA guidance on Pre-application advice and PPAs
Planning Housing & Environmental Health	A01AB	Development Management - Enforcement	Mandatory/Discretionary	Town & Country Planning Act 1990 (as amended), Planning and Compulsory Act 2004 (as amended).
Planning Housing & Environmental Health	A01AG	Conservation	Mandatory	Planning (Listed Buildings and Conservation Areas) Act 1990
Planning Housing & Environmental Health	A01AD	Building Control	Mandatory	The Building Regulations 2010 (as amended), and the Building Safety Act 2022
Planning Housing & Environmental Health	A01AE	Development of Local Plan	Mandatory	The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended), Planning and Compulsory Act 2004 (as amended) , Levelling up and Regeneration Act 2023.

Directorate	Cost Centre	Cost Centre Description	Mandatory/Discretionary	Legislation
Planning Housing & Environmental Health	A01AF	Planning Policy	Mandatory	The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended), Planning and Compulsory Act 2004 (as amended) , Levelling up and Regeneration Act 2023.
Planning Housing & Environmental Health	C12FB	Housing Strategy & Enabling Role - Housing Strategy	Mandatory	Housing Act 1996, Housing Grants, Construction and Regeneration Act 1996, Housing Act 2004
Planning Housing & Environmental Health	C12FC	Housing Strategy & Enabling Role - Housing Register	Mandatory	Housing Register and Housing Advice and Prevention is Housing Act 2006.
Planning Housing & Environmental Health	C01AA	Homelessness	Mandatory	Housing Act 1996
Planning Housing & Environmental Health	C13FC	Housing Advice and Prevention	Mandatory	
Planning Housing & Environmental Health	C25SF	Home Safety	Discretionary	
Planning Housing & Environmental Health	C03BD	Private Sector Housing Renewal - DFG's	Mandatory	Housing Grants, Construction and Regeneration Act 1996.
Planning Housing & Environmental Health	C03BD	Private Sector Housing Renewal	Discretionary	Housing Grants, Construction and Regeneration Act 1996
				Housing Act 2004 - Housing standards and HMO licensing; Public Health Act 1936 filthy and verminous premises; Caravan Sites and Control of Development Act 1960 (as amended) for caravan site licensing; and Protection from Eviction Act 1977 for illegal eviction and harassment.
Planning Housing & Environmental Health	C09EK	Private Sector Housing Standards	Mandatory	
Planning Housing & Environmental Health	H24SE	Pest Control	Discretionary	
Planning Housing & Environmental Health	H26SG	Public Health Act 1984	Mandatory	Public Health (Control of Disease) Act 1984
Planning Housing & Environmental Health	H30SL	Environmental Protection Act - Part 1	Mandatory	Environment Protection Act 1990
Planning Housing & Environmental Health	H32SN	Environmental Protection	Mandatory	Environment Protection Act 1990
				Health and Safety at Work Act 1974
				Public Health (Control of Diseases) Act 1984
Planning Housing & Environmental Health	H35SW	Food & Safety - General	Mandatory	
Planning Housing & Environmental Health	H35SX	Food & Safety - Food Safety	Mandatory	Food Safety Act 1990
Planning Housing & Environmental Health	H40SY	Public Health - Healthy Living	Discretionary	
Planning Housing & Environmental Health	H40SZ	Public Health - General	Discretionary	
Street Scene, Leisure and Technical Services	B01AA	Angel Centre	Discretionary	
Street Scene, Leisure and Technical Services	B06BA	Tonbridge Swimming Pool	Discretionary	
Street Scene, Leisure and Technical Services	B10DA	Tonbridge & Malling Leisure Trust	Discretionary	
Street Scene, Leisure and Technical Services	B02AH/B13ET	Sports Grounds	Discretionary	
Street Scene, Leisure and Technical Services	B17GS	Larkfield Leisure Centre	Discretionary	
Street Scene, Leisure and Technical Services	B21KE	Poult Wood Golf Centre	Discretionary	
Street Scene, Leisure and Technical Services	B22LB	Pleasure Grounds & Open Spaces - Tonbridge Castle Grounds	Discretionary	
Street Scene, Leisure and Technical Services	B22LC	Pleasure Grounds & Open Spaces - Haysden Country Park	Discretionary	
		Pleasure Grounds & Open Spaces - Open Spaces & Amenity Areas		
Street Scene, Leisure and Technical Services	B22LE	Borough Wide	Discretionary	
Street Scene, Leisure and Technical Services	B22LF	Pleasure Grounds & Open Spaces - Patrolling	Discretionary	
		Pleasure Grounds & Open Spaces - Countryside/Woodland		
Street Scene, Leisure and Technical Services	B22LG/B22LH	Management	Discretionary	
Street Scene, Leisure and Technical Services	B22LK	Pleasure Grounds & Open Spaces - Leybourne Lakes Country Park	Discretionary	
Street Scene, Leisure and Technical Services	B25MK	Allotments	Mandatory	Small Holdings and Allotments Act 1908 (Legal to confirm)
Street Scene, Leisure and Technical Services	B26MP	Tonbridge Cemetery	Discretionary	
Street Scene, Leisure and Technical Services	B28MX/B28MY	Churchyards	Mandatory	Local Government Act 1972 (legal to confirm)
Street Scene, Leisure and Technical Services	B37SD	Leisure Planning & Policy	Discretionary	
Street Scene, Leisure and Technical Services	B37SE	Leisure Strategy - Market Research	Discretionary	
Street Scene, Leisure and Technical Services	B37SG	Leisure Strategy - Liaison with Outside Bodies	Discretionary	
Street Scene, Leisure and Technical Services	B41TJ	Events Development	Discretionary	

Directorate	Cost Centre	Cost Centre Description	Mandatory/Discretionary	Legislation
Street Scene, Leisure and Technical Services	D33NA	Civil Contingencies	Mandatory	Civil Contingencies Act, mutual aid
Street Scene, Leisure and Technical Services	D52TE/D52TF	Christmas Lighting	Discretionary	
Street Scene, Leisure and Technical Services	E01AA/E05DA	Transportation - Street Name Plates	Mandatory	Section 19 of The Public Health Act 1925
Street Scene, Leisure and Technical Services	E01AA/E05DA	Transportation - Other	Discretionary	
Street Scene, Leisure and Technical Services	E09GA	Security Services Management (CCTV)	Discretionary	
Street Scene, Leisure and Technical Services	E10HA	Parking Services - Off-Street	Discretionary	
Street Scene, Leisure and Technical Services	E10HD	Parking Services - On-Street	Discretionary	
Street Scene, Leisure and Technical Services	E20MA	Borough Drainage & Land Drainage Related Works	Discretionary	
Street Scene, Leisure and Technical Services	H20SA	Refuse Collections	Mandatory	Environmental Protection Act 1990
Street Scene, Leisure and Technical Services	H22SC	Public Conveniences	Discretionary	
Street Scene, Leisure and Technical Services	H23SD	Street Scene - Street Cleansing Contract	Mandatory	Environmental Protection Act 1990
Street Scene, Leisure and Technical Services	H23SD	Street Scene - Dog Warden	Mandatory	Environmental Protection Act 1990
Street Scene, Leisure and Technical Services	H23SD	Street Scene - Other	Discretionary	
Street Scene, Leisure and Technical Services	H34SR	Recycling - Dry Recycling (provision of kerbside collections)	Mandatory	Environmental Protection Act 1990
Street Scene, Leisure and Technical Services	H34SR	Recycling - Dry Recycling (provision of Bring Sites)	Discretionary	
Street Scene, Leisure and Technical Services	H34SS	Recycling - Food Recycling	Mandatory	Environment Act 2021
Street Scene, Leisure and Technical Services	H34ST	Recycling - Garden Waste Recycling	Mandatory	Environmental Protection Act 1990

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TONBRIDGE & MALLING BOROUGH COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

25 January 2024

Report of the Interim Chief Executive

Part 1- Public

Matters for Recommendation to Cabinet

1 CLIMATE CHANGE GAP ANALYSIS OF PROGRESS TOWARDS CARBON NEUTRAL 2030

To provide a gap analysis of progress towards carbon neutral by 2030 and present options that put ‘recognising climate change as a corporate priority’ into practice.

1.1 Background

1.1.1 In July 2019 Full Council adopted ‘the aspiration for Tonbridge and Malling to be carbon neutral by 2030’. The Council has a Climate Change Strategy 2020-30 that sets out emissions by sector in the borough, and which is delivered through annual climate change action plans. Progress on emissions reductions is monitored through action plan progress reports, carbon audits and government data, all published annually.

1.1.2 A July 2023 report to Communities and Environment Scrutiny Select Committee (CESSC) found that significant further emissions reductions are needed to make progress towards carbon neutral by 2030, and that a report be brought to a future Committee ahead of the preparation of the 2024/25 Climate Change Action Plan. This report has been requested by the Chair of this Committee.

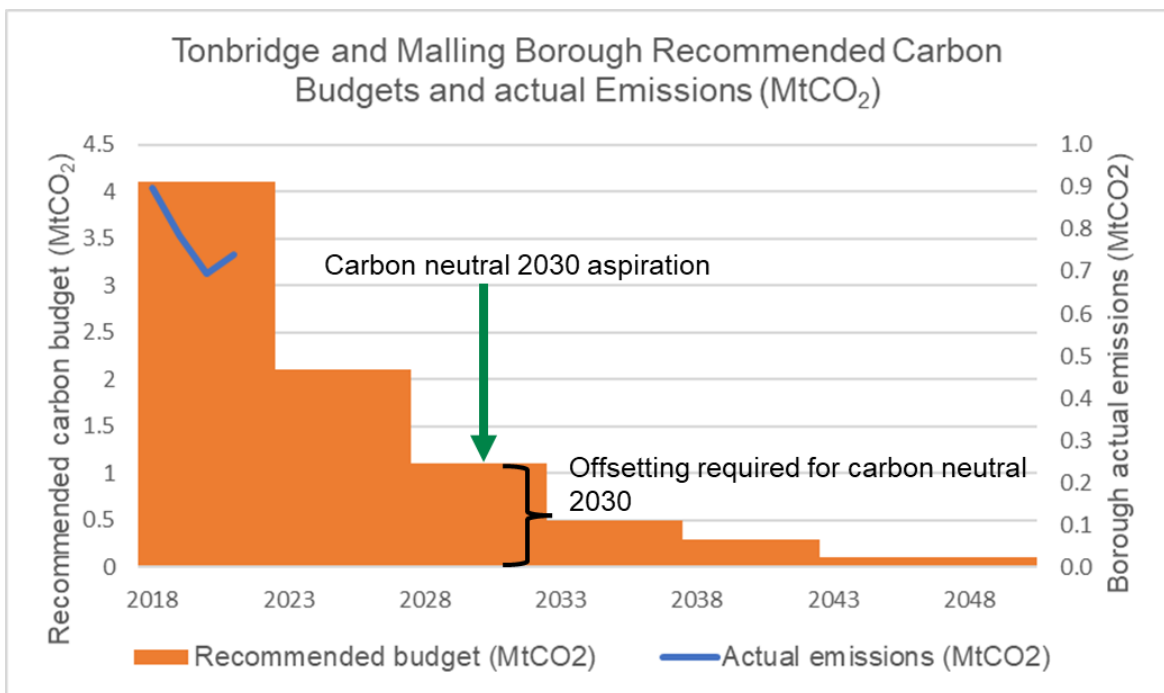
1.1.3 Achieving significant emissions reductions will require changes in how and what we do. The Corporate Strategy 2023-27 sets out the key values of Innovation, Transformation and Delivery for the Council, providing a framework through which to deliver options for greater emission reductions.

1.2 Gap analysis

1.2.1 The last three years of actions undertaken by TMBC through the Climate Change Action Plans have reduced emissions below the 2019 baseline. The largest emissions fall took place during restrictions due to COVID but the latest emissions data shows that some of these reductions have been sustained into 2023. Good progress has been made in key areas, such as installing solar panels on Larkfield Leisure Centre, another successful round of Solar Together, and Green Business

Grants. However, the 2022/23 carbon audit, that was reported to CESSC, found that total emissions from TMBC's estate and operations are no longer reducing, and actually grew slightly between 2021/22 and 2022/23¹. This suggests that the Council is at the end of 'easy win' emissions reduction measures.

- 1.2.2 Carbon neutral by 2030 cannot be reached through 'business as usual'. The scale of the carbon neutral challenge can be illustrated by the indicative carbon budgets for Tonbridge and Malling produced by the Tyndall Centre for Climate Change Research.
- 1.2.3 The carbon budgets are the contribution that the borough needs to make to be consistent with the UK Government's Net Zero 2021 strategy, the Net Zero 2050 target set out in the Climate Change Act (amended 2019), and the UK's Nationally Determined Contribution to the 2015 Paris Agreement. The carbon budgets are based on 2017 data and could be updated, however they illustrate the significant gap between action and aspiration.
- 1.2.4 The chart below shows the borough's actual emissions compared with five-year carbon budgets to 2050.



- 1.2.5 Emissions from the borough are likely to roughly meet the first carbon budget total of 4.1MtCO₂ when emissions data for 2022 are published. However, emissions are not falling in line with the carbon budget pathway.

¹ Emissions from TMBC's own estate and operations are published in the annual [carbon audit](#) .

1.2.6 In the first four years of the current carbon budget, Tonbridge and Malling borough has already produced 1Mt *more* carbon dioxide the total allowance of the next carbon budget (2023-2027).

1.3 Moving towards climate change as a corporate priority

1.3.2 At the simplest level, if actions by the Council do not reduce carbon emissions, then this is moving in the wrong direction. Climate change is a cross-cutting issue that is not only relevant to the climate change action plan. Every action, or inaction, by TMBC has an impact on emissions through energy use, travel, waste, and other environmental impacts. It is important to understand these impacts in an accurate, accessible way to enable decision-making, alongside other considerations such as cost-effectiveness, relative priority, and alternative options for achieving outcomes and benefits.

1.3.3 Tackling greenhouse gas emissions requires action to:

1. Reduce energy use and decarbonise energy
2. Tackle travel behaviours, infrastructure and decarbonise transport
3. Maintain and enhance the environment, including by establishing trees.

1.3.4 Each of these three areas includes emissions from the TMBC estate and operations; and from the rest of the Borough.

Action 1: climate change as a heading in all reports

1.3.5 The first TMBC climate change action plan for 2020/21 completed the action to include climate change and biodiversity as Policy Considerations on all Committee report templates. This has been a positive step that could be strengthened by including climate change as a heading within all reports.

1.3.6 To facilitate this change, officers would draw on the corporate climate change resource to support evidence and understanding of:

- why or why not emissions are a policy consideration;
- the scale of impact on emissions (from negligible to significant).

1.3.7 After piloting this approach, some pro forma wording could be developed to streamline the process.

1.3.8 This option would support delivery of the Council's commitment to 'Recognise climate change as a corporate commitment for the Council', that has been the first theme in the climate change action plan for the last four years. Management Team have discussed this option to ensure that all reports have been seen or discussed with the Climate Change Officer before being submitted.

Action 2: the contribution of each team to achieving carbon neutral

- 1.3.9 Every Directorate and service has the potential to contribute to achieving carbon neutral by 2030. However, with Council emissions remaining stubbornly over 3ktCO₂e per year, a more comprehensive understanding of how each team could positively contribute to the Council's adopted carbon neutral aspiration would encourage innovation and ownership of climate actions within teams, as well as providing decision-makers with a sense of scale and priority for emissions reductions within and across portfolios.
- 1.3.10 An assessment of the potential of each Directorate and Portfolio to contribute to achieving carbon neutral by 2030 should not be a 'one-off' exercise but the beginning of a process that would include additional, tailored support for teams by the climate change function. This support could include benchmarking as appropriate, sharing case studies, and development of new opportunities for emissions reductions, such as undertaking pilot projects on emission reduction schemes with other Kent Districts.

Action 3: strengthening oversight and monitoring of emissions reductions

- 1.3.11 Following today's Committee meeting, there are four months until the next annual climate change action plan is produced for 2024/25. That action plan will mark the half-way point to 2030 and presents an opportunity to demonstrate the innovation, transformation and delivery that are at the heart of the Corporate Strategy 2023-2027, and to keep climate action on track with the carbon neutral aspiration. It would be helpful for officers to have a view from this Committee on the level of ambition expected from services in developing the 2024/25 action plan.

1.4 Legal Implications

- 1.4.1 None.

1.5 Financial and Value for Money Considerations

- 1.5.1 The above actions are judged as being within existing climate change officer capacity.
- 1.5.2 The recommendations, if enacted, would lead to greater financial benefits and value-for-money through supporting understanding and delivery of co-benefits, investment returns, and future costs avoided through enacting well-designed and evidence-based decisions that take climate change into account.
- 1.5.3 The Council already bears high costs of flooding, heat waves, damage to infrastructure and risk to residents and business. These risks and costs will only increase unless progress is made on significant emissions reductions.

1.6 Risk Assessment

- 1.6.1 The Council faces a reputational risk of stagnating emissions that will, year-by-year, make carbon neutral more challenging and costly to achieve. Taking action now will help to ameliorate that risk, and associated future costs.
- 1.6.2 There is also a financial, and further reputational, risk that delaying action will lead to the Council facing higher costs for measures that could have been implemented sooner.

1.7 Equality Impact Assessment

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

1.8 Policy Considerations

- 1.8.1 Climate Change
- 1.8.2 Biodiversity & Sustainability

1.9 Recommendations

- 1.9.1 That the following actions are **RECOMMENDED** to Cabinet:
1. That climate change is included as a mandatory heading for all Committee and Scrutiny Select Committee report templates (as set out in paragraphs 1.3.5 to 1.3.8).
 2. That an assessment of the potential of each Directorate and Portfolio to contribute to achieving carbon neutral by 2030 should be carried out (as set out in paragraphs 1.3.9 and 1.3.10).
 3. That the 2024/25 climate change action plan is prepared with significant further ambition and new commitments (paragraph 1.3.11).
 4. That the corporate climate change function support teams in the delivery of recommended actions.

contact: Carrie Spencer

Background papers:
Nil

Adrian Stanfield
Interim Chief Executive

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TONBRIDGE & MALLING BOROUGH COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

25 January 2024

Report of the Interim Chief Executive

Part 1- Public

Delegated

1 SCOPING REPORT – REVIEW OF THE COUNCIL’S USE OF CONSULTANTS

To scope out the terms for the Overview and Scrutiny Review of the appointment of consultants across the Council.

1.1 Background

1.1.1 The Chair of Overview and Scrutiny Committee has requested a review by this Committee into the Council’s use of consultants. This report sets out the possible scope of the review and options the Committee may want to investigate for the next stage of the review.

1.1.2 The primary questions raised regarding the use of consultants are as follows:

- Why is there a need to employ consultants, is there existing internal expertise that could be utilised?
- Is there a substantial cost to the Council in employing consultants?
- What checks and balances are in place to monitor the consultants?

1.2 Scope

1.2.1 Firstly, the Committee will need to define exactly what is meant by the term “consultants”. The Committee may wish to focus on consultancy work which is providing knowledge, techniques and assets to improve performance that is outside of the Council’s “business as usual”. This would include the use of external third parties, providing expertise that is typically not available internally. Focusing on this aspect, would rule out the use of contractors who fill vacancies and are used for the day-to-day operational resources to maintain departmental function.

1.2.2 The Committee may want to consider the way consultants are engaged. For example, what is the procurement process? Who decides to engage consultants? At what point are Members involved in the process?

- 1.2.3 The Committee may want to consider value for money issues, such as how rates are decided, the rationale for how long companies/individuals are engaged, the cost and frequency of the engagements. Is there a consistent approach in the use of consultants across the Council?
- 1.2.4 In order to consider these issues, it is suggested that a summary of the Council's use of consultants over the past 4 years is presented at the next stage of this review. This could include who the consultants are, what the consultants provided, the cost of the appointment and the final outcome of the appointment.
- 1.2.5 The Committee may want to consider the findings to help understand if there are opportunities to do things differently. For example, is there an opportunity to utilise staff expertise, is more training required to ensure the necessary expertise? Are there any possible measures in place to identify staff potential as a route to reducing reliance on consultants? Conversely, are there risks of not appointing consultants for specific projects?

1.3 Legal Implications

- 1.3.1 To be considered as part of the final Review.

1.4 Financial and Value for Money Considerations

- 1.4.1 Consultancy spend will be considered as part of the final Review. Any possible options to save money can be considered by Members at the final review stage.

1.5 Risk Assessment

- 1.5.1 N/A

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
- 1.7.2 Procurement

1.8 Recommendations

- 1.8.1 That the Committee **ENDORSE** the scope of the review, to focus on consultants providing third party expertise not available in the Council and not persons employed to provide day to day operational resource.
- 1.8.2 The Committee **AGREE** to the next steps of the review, looking at the engagement process and the value for money issues.

1.8.3 The Committee **REQUEST** information to consider in the form of a summary of the Council's use of consultants over the previous 4 years.

Background papers:

contact: Gill Fox

Nil

Adrian Stanfield
Interim Chief Executive

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Executive Decisions Record - January 2024

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
D240001MEM	UK Shared Prosperity Fund Life Skills Project	Cabinet Member for Climate Change, Regeneration and Property	5.1.24	8.1.24	15.1.24						16.1.24
D240002CAB	Extension of Green Belt	Cabinet	9.1.24	11.1.24	18.1.24						19.1.24
D240003CAB	Tonbridge Model Engineering Society Site										
D240004CAB	Review of Fees and Charges 2024/25 (Legal etc)										
D240005CAB	Economic Development Strategy 2023/27										
D240006CAB	Review of Outside Bodies										
D240007CAB	Sustainable Temporary Accommodation Options										
D240008CAB	Review of Planning Performance Protocol and Fee Charging Schedule										
D240009CAB	Review of Fees and Charges - Preapplication advice, building control, high hedges and S106 monitoring fees										
D240010CAB	HMO and Caravan Site Licensing Fee Charges										
D240011MEM	Application for Hardship Relief	Cabinet Member for Finance and Housing	9.01.24	15.1.24	23.01.24						24.01.24
Decision pending	Call in period	Key Decision	Private	Urgent							
	Subject to call in										

Number of monthly call-ins:

URG - outside of budget and policy framework

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**TONBRIDGE AND MALLING BOROUGH COUNCIL
NOTICE OF FORTHCOMING KEY DECISIONS**

In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, at least 28 days before a key decision is expected to be taken a Notice of Forthcoming Key Decisions will be published. A 'key decision' is an executive decision which is likely either

- (a) to result in the local authority incurring expenditure which is, or the making of savings which are, significant having regard to the local authority's budget for the service or functions to which the decision relates.

'Significant' when applied to expenditure or savings shall mean a sum in excess of £100,000 or such other sum as may be specified in any enactment or other statutory provision.

or

- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the local authority.

The Notice of Forthcoming Key Decisions sets out:

- (a) the matter in respect of which a key decision is to be made;
- (b) details of the decision taker and the date on which the key decision will be made;
- (c) a list of documents to be submitted to the decision taker for consideration in relation to the matter;
- (d) the address from which, subject to any prohibition or restriction on their disclosure, copies of or extracts from any document listed is available and the procedure for requesting details.

All key decisions will be made by the Cabinet on the dates specified unless otherwise stated. The agenda and documents to be submitted to the Cabinet (unless they contain exempt information) will be available for inspection at the Council Offices and on the website 5 clear working days before the meeting. Copies or extracts are available from committee.services@tmbc.gov.uk or Democratic Services, Tonbridge & Malling Borough Council, Gibson Building, Gibson Drive, Kings Hill, West Malling ME19 4LZ.

This document also gives notice of the Council's intention to hold a private meeting (or part thereof) of the Cabinet. It indicates any items where it is likely that the public will be excluded because public discussion would disclose confidential or exempt information and the reasons in each case. Any representations against the intention to hold a private meeting may be made to committee.services@tmbc.gov.uk or Committee Services, Tonbridge & Malling Borough Council, Gibson Building, Gibson Drive, Kings Hill, West Malling ME19 4LZ.

Members of the Cabinet and their areas of responsibility:

Councillor Matt Boughton (Leader)
Councillor Robin Betts (Climate Change, Regeneration and Property)
Councillor Martin Coffin (Transformation and Infrastructure)
Councillor Des Keers (Community Services)
Councillor Kim Tanner (Finance and Housing)
Councillor Mike Taylor (Planning)

NOTICE OF FORTHCOMING KEY DECISIONS

Description of Decision	Date of Cabinet	Who is to be consulted	Contact Officer	Documents to be submitted to Cabinet	Public or Private (reason if Private)
Recycling Bring Sites	13 Feb 2024	Internal consultation via Communities and Environment Scrutiny Select Committee of 7 February and Cabinet of 13 February 2024 as detailed in the reports to be considered by Members.	Street Scene Manager	Officers report	Public
*Review of Car Parking Fees and Charges - Off Street	5 Mar 2024	Internal consultation via Cabinet of 13 February 2024 as detailed in the reports to be considered by Members. Due regard will also be given to responses to the public consultation recently undertaken and the views of the Joint Transportation Board (if required)	Director of Street Scene, Leisure and Technical Services	Officers report	Public

Description of Decision	Date of Cabinet	Who is to be consulted	Contact Officer	Documents to be submitted to Cabinet	Public or Private (reason if Private)
*Review of Car Parking Proposals - New areas of Charging	5 Mar 2024	Internal consultation via Cabinet of 13 February 2024 as detailed in the reports to be considered by Members. Due regard will also be given to responses to the public consultation recently undertaken.	Director of Street Scene, Leisure and Technical Services	Officers report	Public
<p>(Note: Decisions marked * may be deferred until the next meeting of Cabinet)</p> <p>Contact: committee.services@tmhc.gov.uk Published: 16 January 2024</p>					

OVERVIEW AND SCRUTINY SELECT COMMITTEE – UPCOMING MATTERS

2024-25

C=Council; CAB = Cabinet; DEL = Delegated to Committee; INFO = matters for information. Cabinet are responsible for ALL Key Decisions (KD). Some Non-Key Decisions (NKD) can be taken by Cabinet Members outside of the meeting.

DECISION (TITLE)	DESCRIPTION	C/CAB/ DEL/INFO	KD/NKD	CAB MEMBER DN Y/N	PART 1 OR 2	MEETING DATE	OFFICER IN PERSON ATTENDANCE Y/N
Capital Plan Review 2024/25	Budget setting proposals	Cab	C	N/A	1	25 January 2024	Y
Revenue Estimates 2024/25	Budget setting proposals	Cab	C	N/A	1		Y
Climate Change	Gap analysis of Climate Change progress towards carbon neutral aspiration.	Cab	NKD	N/A	1		Y
Use of Consultants	Scoping report to consider the Council's use of consultants	Del			1		Y
Key Performance Indicators	Standing item	Info					
Record of Executive Decisions	Standing Item	Info					
Work Programme	Standing Item	Info					

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Agenda Item 13

DECISION (TITLE)	DESCRIPTION	C/CAB/ DEL/INFO	KD/NKD	CAB MEMBER DN Y/N	PART 1 OR 2	MEETING DATE	OFFICER IN PERSON ATTENDANCE Y/N
Consultants Review	Final report considering the Council's use of consultants	CAB	NKD		1	4 April 2024	Y
Agile Review	To understand the process of selecting/procuring the system, initial specification, current outcome, process for Member involvement, functionality and overall costs.	CAB	NKD		1		Y
Housing Associations Performance Framework Moved from 25 Jan 24)		Del					
Key Performance Indicators	Standing item	Info					
Record of Executive Decisions	Standing Item	Info					
Work Programme	Standing Item	Info					
						27 June 2024	
Key Performance Indicators	Standing item	Info					
Record of Executive Decisions	Standing Item	Info					
Work Programme	Standing item	Info					

DECISION (TITLE)	DESCRIPTION	C/CAB/ DEL/INFO	KD/NKD	CAB MEMBER DN Y/N	PART 1 OR 2	MEETING DATE	OFFICER IN PERSON ATTENDANCE Y/N
						12 September 2024	
Key Performance Indicators	Standing Item	Info					
Record of Executive Decisions	Standing item	Info					
Work Programme	Standing Item	Info					
						14 November 2024	
Key Performance Indicators	Standing Item	Info					
Record of Executive Decisions	Standing item	Info					
Work Programme	Standing item	Info					
						23 January 2025	
Key Performance Indicators	Standing Item	Info					
Record of Executive Decisions	Standing Item	Info					
Work Programme	Standing Item	Info					

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Agenda Item 14

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

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Agenda Item 15

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

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

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Agenda Item 16

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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